

# DAILY STOCK MARKET HIGHLIGHTS

Tuesday, 29 January 2019



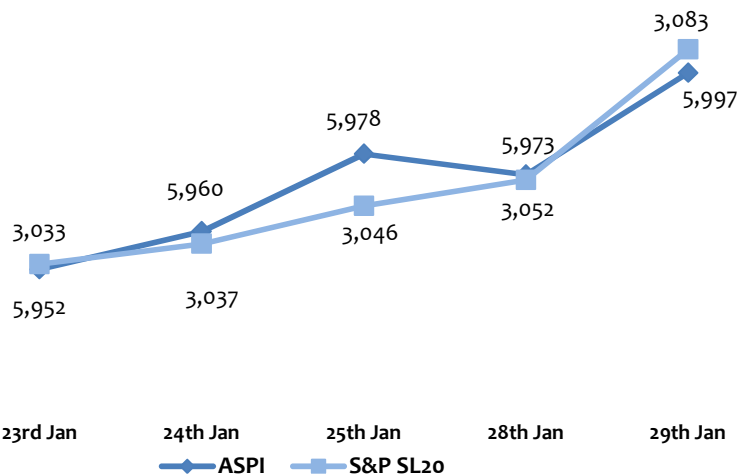
ASHA PHILLIP  
SECURITIES LTD

Sri Lanka

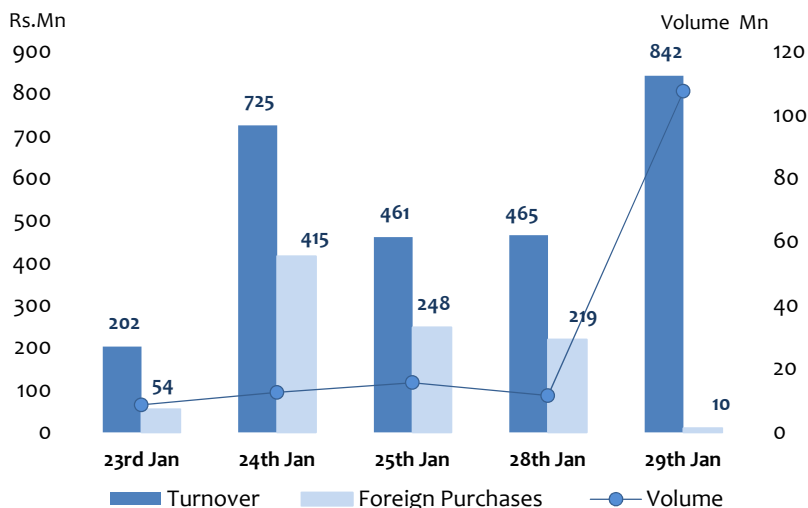
## Daily Market Statistics

Index	29th Jan	28th Jan	Change	% Change
ASPI	5,997.12	5,973.46	↑ 23.66	↑ 0.40%
S&P SL20	3,082.52	3,052.25	↑ 30.27	↑ 0.99%
Market Stats (LKR, Mn)		29th Jan	28th Jan	% Change
Turnover		841.86	465.29	↑ 80.9%
Domestic Purchases		832.23	246.12	↑ 238.1%
Domestic Sales		450.14	438.30	↑ 2.7%
Foreign Purchases		9.63	219.17	↓ -95.6%
Foreign Sales		391.72	26.99	↑ 1351.4%
Share Volume		107.42	11.53	↑ 831.6%
Market capitalization (Bn)		2,802.77	2,791.72	↑ 0.40%
PER		9.39	9.35	↑ 0.43%
PBV		1.18	1.18	↓ 0.00%

## Market Indices



## Turnover, Volume and Foreign Purchase



## Performance of the Market

- Blue-Chips were seen strengthening amidst pending quarterly earnings; JKH also on positive trend after its share repurchase; recent net foreign inflows recorded in government securities, brought confidence to equity investors.
- Benchmark index ASPI moved between 5,983.09 - 6,003.81 points and settled the day at 5,997.12 with a gain of 23.66 points (+0.40%).
- Major contributors for the movement in ASPI were **JKH (+6.5)**, **HNB (+3.9)**, **CTCE (+3.3)**, **SAMP (+2.8)**, **AHPL (+2.6)**, **CCS (-2.5)**, **LOLC (-2.2)**, **SLTL (-1.5)**, **DIST (-1)** & **OSEA (-0.8)**
- S&P SL20 index also followed a same trend and settled the day at 3,082.52 with a gain of 30.27 points (+0.99%).
- The day's turnover was recorded as LKR 841.86Mn, up by 81% from its previously recorded LKR 465.29Mn. Foreign investors turned net sellers for the day.
- The total market capitalization stood at LKR 2.80Tn, indicating an YTD loss of 1.29%.
- The market PER & PBV were at 9.39x & 1.18x respectively.

## Top Contributors - Turnover

1. Central Finance Company PLC (CFIN) contributed 47% (392.75Mn) of the turnover. CFIN traded between LKR 92.60 & 100.00 and settled the day at LKR 99.60 with a gain of LKR 5.00 (+5.29%); about 93% (365.45Mn) of its turnover was contributed through 3 off board trades of 3.65Mn shares negotiated at the prices of LKR 100.00
2. Browns Investments PLC (BIL) had contributed LKR 176.39Mn. BIL traded between LKR 1.70 & 1.90 and settled the day at LKR 1.90 with a gain of LKR 0.10 (+5.56%).
3. Ceylinco Insurance PLC (CINS) contributed LKR 95.5Mn through an off board trade of 50,000 shares negotiated at the prices of LKR 1,910.00

**Top contributors - Traded Volume**

1. Browns Investments PLC traded a total of 97.99Mn shares.
2. Central Finance Company PLC (3.93Mn shares)
3. MTD Walkers PLC (0.53Mn shares).

**Sectorial Overview**

2. Bank Finance & Insurance (BFI) stood on top providing LKR 570.64Mn capturing 68% of the total turnover.
3. Diversified Holdings (DIV) provided LKR 197.33Mn to the daily aggregated turnover.
4. Beverage Food & Tobacco (BFT) provided LKR 31.77Mn

**Daily Foreign Transactions**

**Net Foreign Purchases**

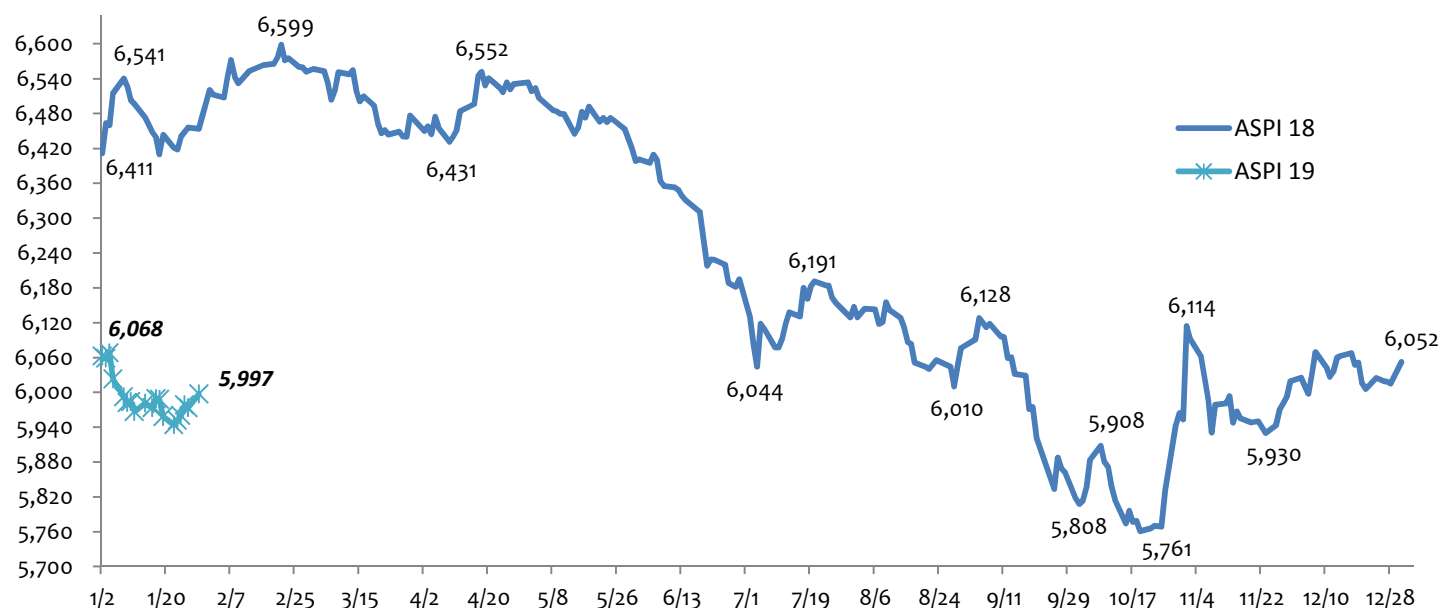
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
RENUKA HOLDINGS	18.40	160,513	2,953,439
VALLIBEL FINANCE	70.00	9,310	651,700
LVL ENERGY	8.00	25,000	200,000
BPPL HOLDINGS	11.00	15,500	170,500
OVERSEAS REALTY (+)	15.50	8,400	130,200
RAIGAM SALTERNS	2.00	45,335	90,670
EXPOLANKA	4.1	20,000	82,000
MULTI FINANCE	18.10	3,296	59,658
VALLIBEL	6.40	5,000	32,000
AHOT PROPERTIES	44.90	293	13,156

**Net Foreign Sales**

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
CENTRAL FINANCE	100.00	(3,654,964)	(365,496,400)
SAMPATH (+)	239.00	(64,529)	(15,422,431)
COMMERCIAL BANK (+)	114.20	(32,961)	(3,764,146)
COMMERCIAL BANK[X]	98.00	(9,500)	(931,000)
RENUKA FOODS	17.00	(23,146)	(393,482)
DISTILLERIES	15.90	(13,254)	(210,739)
DOCKYARD (+)	54.10	(1,680)	(90,888)
MALWATTE (+)	9.30	(7,215)	(67,100)
RENUKA AGRI	2.40	(20,000)	(48,000)
TOKYO CEMENT	23.50	(1,750)	(41,125)

- **Aggregate foreign buying** for the day totaled up to **LKR 9.63Mn**.
- **Foreign sales** for the day amounted to **LKR 391.72Mn**.
- **Net foreign outflow** for the day was **LKR 382.09Mn**, **YTD net foreign outflow** presently stands at **LKR 2.26Bn**.
- **RHL** notched the “Top Net Purchasers” slot with a net inflow of **LKR 2.95Mn** whilst **CFIN** notched the “Top net Sellers” slot with a net outflow of **LKR 365.5Mn**.

**Year-to-Date ASPI Movement - 2018 & 2019**



## Key Announcements

- **Sampath Bank PLC (SAMP)** as a clarification to media article about a **financial irregularity** at Sampath Bank; Said, some of the information published is inaccurate and misleading. However, due to ongoing investigations, the Bank is not in a position to disclose detailed information. This incident occurred few months back and the Bank has already taken appropriate measures to correct the situation and ensure no-recurrence. We wish to assure the public that we have taken steps to ensure that our customers will not be affected in anyway due the incident reported.

## Companies under Trading Suspension

Company	MIRA	CIFL	ESL	PCH	PCP	SING	CIFL	SFS
From	26-Feb-15	23-Nov-17	5-Jan-16	2-Apr-18			23-Nov-17	2-July 18.
Reason	SEC Directive	status	Weak position	as per CSE Listing Rules			CBSL	Listing Rules
Company	LCEM	MEL	HUEJ	AINV	CFT	LLMP	PCHH	
From	7-Sep 18.	25-Sep 18.	26-Nov-18.	10-Dec-2018 for Non-submission of				
Reason	Auditor's Qualified Opinion		***	Non-submission of Annual Reports				

\*\*\*Non-submission of Interim Financial Statements 30th Jun 2018

## Companies on WATCH LIST

Non Submission of Annual Reports, Financial Statements									Default Board
MIRA	LCEM	CIFL	PCH	PCP	SING	HDEV	LLMP	PCHH	SFS
SINH	LLMP	CFT	SFL						
Qualified Opinion in the Independent Auditor's Report									
AINV	ESL	RGEM	MEL	JANA	HVA	PMB	MBSL	ALHP	TFC
SIRA	MSL	CHOU	EAST						
Non-compliance of CSE Listing Rules, minimum public holding & Corporate Governance									
HUEJ	LOFC	ACAP	ARPI	ASPH	BBH	COMD	CPRT	DIST	CLC
ASPM	GOOD	HPFL	INDO	KAPI	LAMB	MADU	MORI	OFEQ	NIFL
PARA	PDL	SELI	MERC	SHAL	LHCL	SLND	AFSL	AMCL	ODEL
SFCL	TAP	MERC	TFIL						

## Annual general Meetings (AGMs)

Company	Date	Company	Date	Company	Date
DFCC	28-Mar-19	HASU	28-Mar-19	HNB	29-Mar-19
COMB	28-Mar-19	SEYB	29-Mar-19	SAMP	29-Mar-19
				PABC	29-Mar-19

## EGMs

Company	Date	Company	Date
AAF	31-Jan-19	ALUF	15-Feb-19
SINH	31-Jan-19	NDB	18-Feb-19
ASCO	8-Feb-19		

## Key Announcements

### Cash Dividends

CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE	CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE
SFCL	0.80	Interim	30.Jan.2019	11.Feb.2019	BPPL	0.24	2nd Interim	07.Feb.2019	18.Feb.2019
COMB	3.00	2nd Interim	06.Feb.2019	15.Feb.2019					

### Amalgamation [A]

Transferee	Transferor	Proportion	Offer Closing Date
[A] Browns investments PLC (BIL)	Browns Capital PLC (FLCH)	2 BIL for every 1 FLCH	To be notified

### Consolidation of Shares

Company	Proportion	EGM & Entitlement Date	Dealings Suspension	Trading start
Asia Asset Finance PLC (AAF.N)	10 into 1	31 Jan 2019.	01 FEB to 06 FEB 2019	7th Feb 2019

### Rights Issues

T = Tranche

Company,	Issue Price	Issue Value	Proportion	XR Date	Letter Dispatch	Trading of Rights	Acceptance
Asia Asset Finance (AAF) T-1 @ LKR 10.0	LKR 252Mn	03 for 10	14 Feb 2019.	20 Feb 2019.	26 Feb - 06 Mar.	07 Mar 19.	
Asia Asset Finance (AAF) T-2 @ LKR 10.0	LKR 218Mn	02 for 10	3 Apr 2019.	8 Apr 2019.	12 Apr - 23 Apr.	24 Apr 19.	

### Rights Issues with pending dates

Company,	Issue Price	Proportion	Company,	Issue Price	Proportion
Agalawatte Plantations (AGAL)	LKR 15.3	21 for 4	Adam Investments PLC (AINV)	LKR 1.00	01 for 01
Adam Capital PLC (PCHH)	LKR 1.50	02 for 01	Blue Diamonds Jewellery (BLUE)	LKR 1.00	01 for 04
DFCC Bank PLC (DFCC)	LKR 72.00	02 for 05			

### Upcoming Listings

Company	Issue Size	Coupon Rate	Price	Issue Opening	Tenure	Nature
Commercial Bank of Ceylon PLC (COMB)	LKR 15Bn	To be notified	100.00	To be Notified	5 - 10 Years	BASEL III
National Development Bank (NDB)	LKR 6.5Bn	To be notified	100.00	To be Notified	5 Years	BASEL III
Seylan Bank PLC (SEYB)	LKR 5Bn	To be notified	100.00	To be Notified	5 Years	BASEL III
Sampath Bank PLC (SAMP)	LKR 7Bn	To be notified	100.00	To be Notified	5 Years	BASEL III
Hatton National Bank PLC (HNB)	LKR 10Bn	To be notified	100.00	To be notified	5, 7 Years	BASEL III
Bogawantalawa Tea Estates (BOPL)	LKR 0.85Bn	To be notified	85.00	To be notified	5, 6 & 7 Years	Normal

## Market Highlights & Statistics

### Market Capitalisation

Company Name	Symbol	Price	Issued Quantity	Market Capitalisation	(as a % of MKT Cap.)
CEYLON TOBACCO COMPANY PLC	CTC.No000	1,430.00	187,323,751	267,872,963,930	10.29
JOHN KEELLS HOLDINGS PLC	JKH.No000	159.30	1,318,152,225	209,981,649,443	8.06
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	114.20	945,709,403	108,000,013,823	4.15
NESTLE LANKA PLC	NEST.No000	1,709.80	53,725,463	91,859,796,637	3.53
DIALOG AXIATA PLC	DIAL.No000	10.00	8,143,778,405	81,437,784,050	3.13
HATTON NATIONAL BANK PLC	HNB.No000	204.90	395,451,248	81,027,960,715	3.11
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	15.90	4,600,000,000	73,140,000,000	2.81
SAMPATH BANK PLC	SAMP.No000	239.70	280,902,248	67,332,268,846	2.59
CEYLON COLD STORES PLC	CCS.No000	671.20	95,040,000	63,790,848,000	2.45
AIA INSURANCE LANKA PLC	CTCE.No000	1,800.00	30,749,370	55,348,866,000	2.13

### Highest Volume

Company Name	Turnover (Rs)	Share Vol.
BROWNS INVESTMENTS PLC	176,389,526	97,992,626
CENTRAL FINANCE COMPANY PLC	392,753,229	3,928,755
MTD WALKERS PLC	8,559,215	530,078
EXPOLANKA HOLDINGS PLC	1,594,694	388,947
HVA FOODS PLC	1,431,150	306,703
LVL ENERGY FUND PLC	2,276,544	284,568
RAIGAM WAYAMBA SALTERNS PLC	543,986	268,922
RENUKA HOLDINGS PLC	4,739,485	257,795
SAMPATH BANK PLC	58,981,938	246,694
RENUKA AGRI FOODS PLC	480,090	199,871

### Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
CENTRAL FINANCE COMPANY PLC	3,928,755	392,753,229
BROWNS INVESTMENTS PLC	97,992,626	176,389,526
CEYLINCO INSURANCE PLC	50,000	95,500,000
SAMPATH BANK PLC	246,694	58,981,938
CEYLON COLD STORES PLC	36,675	24,937,463
JOHN KEELLS HOLDINGS PLC	91,073	14,415,720
MTD WALKERS PLC	530,078	8,559,215
RENUKA HOLDINGS PLC	257,795	4,739,485
COMMERCIAL BANK OF CEYLON PLC	35,831	4,086,587
HAYLEYS PLC	16,620	3,145,319

### Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO	0.50	0.10	25.00	10,198
BLUE DIAMONDS	0.60	0.10	20.00	6,447
MTD WALKERS	16.50	1.60	10.74	8,559,215
ANILANA HOTELS	1.10	0.10	10.00	113
HARISCHANDRA	1566.00	116.00	8.00	173,827
MALWATTE	9.30	0.60	6.90	193,415
ASIA CAPITAL	6.30	0.40	6.78	18,485
AHOT PROPERTIES	44.90	2.70	6.40	13,683
MARAWILA RESORTS	1.80	0.10	5.88	1,820
SERENDIB ENG.GRP	9.00	0.50	5.88	334,937

### Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS [X]	0.20	(0.10)	(33.33)	6,002
EDEN HOTEL LANKA	13.20	(2.30)	(14.84)	2,436
KELSEY	28.00	(3.90)	(12.23)	16,236
ARPICO	170.00	(18.00)	(9.57)	170,170
GUARDIAN CAPITAL	22.70	(2.30)	(9.20)	3,838
KANDY HOTELS	4.90	(0.30)	(5.77)	82,810
RESUS ENERGY	20.80	(1.20)	(5.45)	8,112
MULTI FINANCE	18.10	(0.90)	(4.74)	59,677
ACME	4.20	(0.20)	(4.55)	219,838
SEYLAN DEVTS	11.10	(0.50)	(4.31)	14,620

### Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Central Finance Company PLC	CFIN.No000	100.00	3	3,654,474	365,447,400.00
Ceylinco Insurance PLC	CINS.No000	1,910.00	1	50,000	95,500,000.00
Ceylon Cold Stores PLC	CCS.No000	680.00	1	36,500	24,820,000.00

## Market Highlights & Statistics

### Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,323.46	16,208.87	570,637,735	4,986,241	1,004	4.90	0.90
BEVERAGE FOOD AND TOBACCO	24,219.59	24,251.72	31,772,492	906,297	346	17.40	5.90
CONSTRUCTION AND ENGINEERING	1,406.77	1,385.78	9,649,229	718,048	602	15.60	0.50
CHEMICALS AND PHARMACEUTICALS	5,241.81	5,239.54	70,749	45,645	15	7.70	0.80
DIVERSIFIED HOLDINGS	1,560.26	1,548.34	197,333,171	98,597,426	230	11.00	0.90
FOOTWEAR AND TEXTILE	867.04	867.04	550,729	58,471	30	51.40	0.90
HOTELS AND TRAVELS	2,672.17	2,662.10	1,015,267	134,693	155	99.30	1.70
HEALTH CARE	823.67	811.66	1,782,728	81,511	35	16.80	1.80
INVESTMENT TRUSTS	9,419.89	9,457.69	5,937,552	285,195	125	0.00	0.40
INFORMATION TECHNOLOGY	27.19	27.75	2,060	450	3	0.00	0.00
LAND AND PROPERTY	535.49	539.94	3,233,287	221,588	186	5.40	0.60
MANUFACTURING	2,860.64	2,857.97	8,734,728	339,176	395	8.80	0.90
MOTORS	12,408.37	12,408.37	66,003	133	22	17.20	0.50
OIL PALMS	49,418.58	49,418.58	34,215	92	11	59.20	1.30
POWER & ENERGY	101.17	100.44	4,954,601	442,332	176	89.10	1.20
PLANTATIONS	809.55	803.64	5,451,798	424,001	475	32.30	0.80
STORES SUPPLIES	28,152.16	28,152.16	1,200	3	1	17.40	0.50
SERVICES	15,600.63	15,651.23	327,406	138,543	32	14.50	1.20
TELECOMMUNICATIONS	136.68	136.58	171,007	14,907	45	5.80	0.90
TRADING	11,280.47	11,184.84	130,785	26,970	28	51.80	0.70

### GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	482.57	482.57	157,464	4,382	3	5.00	0.60
Banks	806.55	806.49	70,016,872	384,829	457	5.60	0.70
Capital Goods	840.60	835.68	34,451,888	1,075,961	869	10.90	0.80
Commercial & Professional Services	859.44	763.45	131	1	1	0.00	1.10
Consumer Durables & Apparel	810.89	810.69	3,446,832	158,568	202	42.20	1.10
Consumer Services	252.98	254.54	1,015,267	134,693	155	105.20	1.70
Diversified Financials	771.22	767.29	402,376,448	4,648,255	420	5.40	1.00
Energy	560.45	591.17	2,503,864	122,055	124	0.00	0.90
Food & Staples Retailing	1,250.00	1,264.14	19,726	20,445	12	22.70	2.20
Food, Beverage & Tobacco	929.55	931.16	214,411,392	99,494,631	941	16.50	2.80
Health Care Equipment & Services	872.95	871.41	1,815,879	126,377	44	16.80	1.80
Household & Personal Products	1,006.65	1,001.26	749,851	67,645	63	13.40	1.80
Insurance	2,137.52	2,145.00	99,494,624	113,058	188	3.70	1.60
Materials	538.91	537.85	3,702,482	113,358	115	8.70	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	5,718	11	3	5.20	1.40
Real Estate	734.80	738.02	3,180,832	188,051	150	5.00	0.60
Retailing	743.30	759.83	155,678	6,764	31	17.10	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	713.60	718.36	171,007	14,907	46	5.80	0.90
Transportation	702.71	702.71	1,594,759	388,948	22	7.70	0.70
Utilities	731.16	734.32	2,450,737	320,277	52	10.20	0.70



## Economic Indicators & Other Statistics

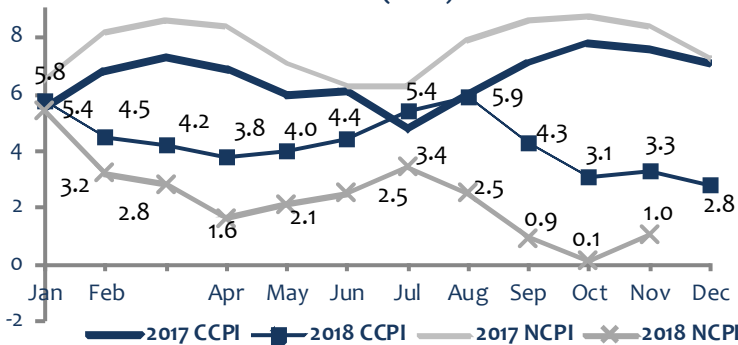
### Exchange Rates

Currency	29th Jan		28th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	179.54	183.41	179.58	183.45
Pound (UK)	234.98	242.45	235.86	243.35
Euro (EU)	203.88	210.99	203.66	210.76
Dollar (Australia)	127.23	132.59	127.95	133.33
Dollar (Canada)	134.48	139.41	135.04	140.00
Franc (Switzerland)	179.83	186.15	179.85	186.14
Renminbi (China)	26.29	27.53	26.35	27.59
Yen (Japan)	1.6340	1.6932	1.6320	1.6912
Dollar (Singapore)	131.99	136.44	132.19	136.63

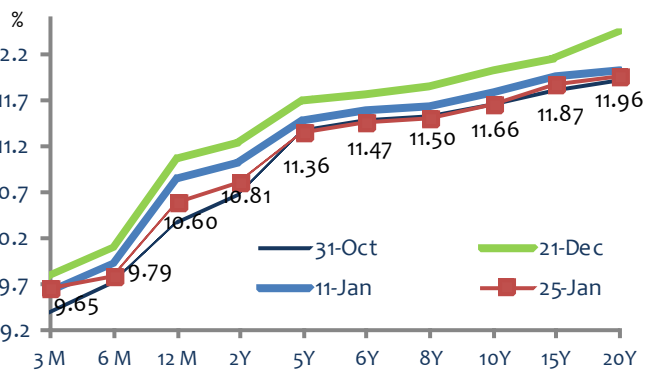
### Indicative Rates

Currency	29th Jan	28th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.8840	26.9359
Rupee (India)	2.5545	2.5605
Won (Korean)	0.1623	0.1626
Dinar (Kuwait)	598.6588	598.5375
Ringgit (Malay)	44.1593	44.1752
Rial (Oman)	471.7587	471.7564
Riyal (Qatar)	49.8736	49.8733
Riyal (KSA)	48.4281	48.4253
Dirham (UAE)	49.4472	49.4470

### Inflation Colombo Consumers' Price Index (CCPI) & National Consumer Price Index (NCPI)



### Government Securities - Secondary Market Yield



### Central Bank's Policy Rates

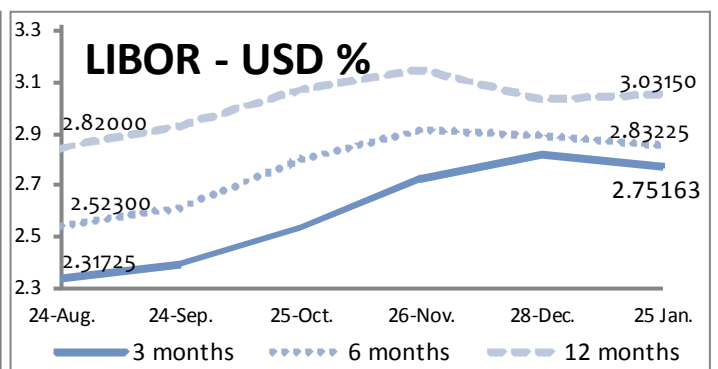
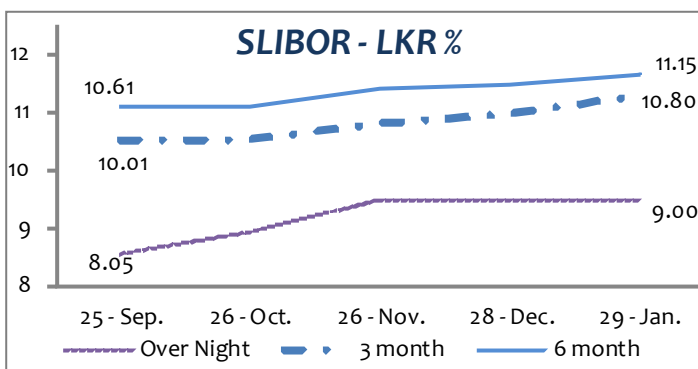
Description	Present	Previous		23.01.2019	16.01.2019	09.01.2019	02.01.2019
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.87	9.87	9.94	9.95
Bank Rate	15.00%	15.00%	364 Days %	10.70	10.75	10.85	10.99
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	23.5Bn	26Bn	20Bn	18Bn

### Treasury Bill Issuance

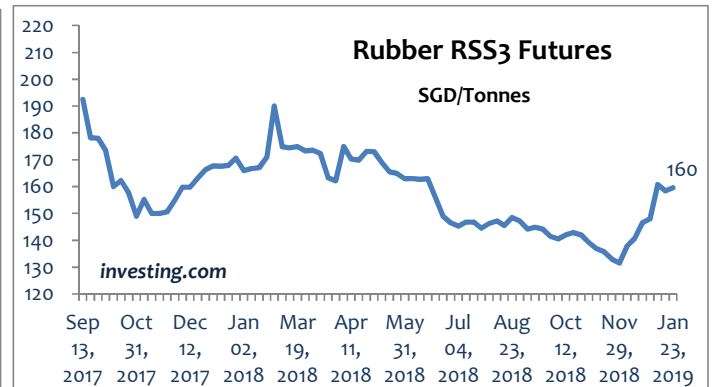
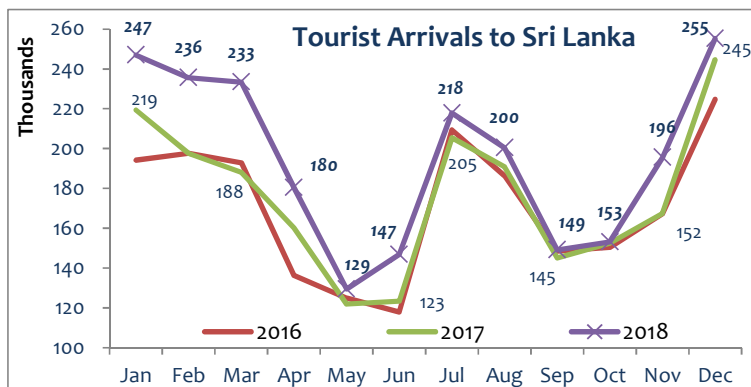
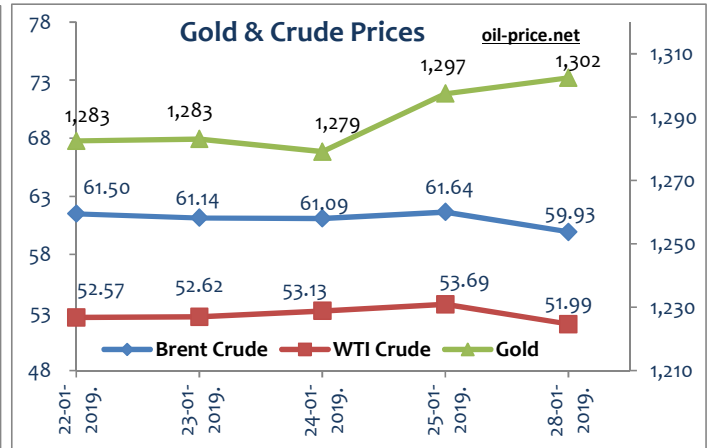
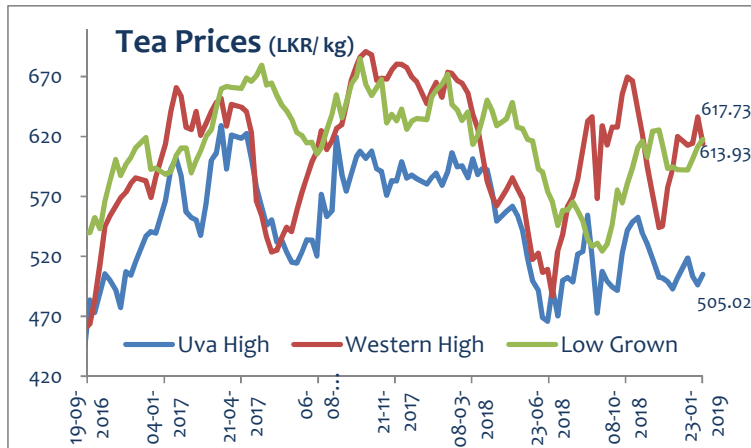
Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018	02.01.2018	15.08.2018	16.07.2018
Previous Yield	10.03	11.37	11.69	11.38	10.53	10.06	10.20	10.88

### Treasury Bond Issuance

Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018	02.01.2018	15.08.2018	16.07.2018
Previous Yield	10.03	11.37	11.69	11.38	10.53	10.06	10.20	10.88



## Economic Indicators & Other Statistics



## Local News

### Sri Lanka exports grow 4.1-pct USD980Mn in Nov 2018

(LBO) – Sri Lanka’s deficit in the trade account narrowed significantly in November 2018 (YoY) following a decline in import expenditure, the Central Bank said. Exports grew by 4.1% while imports contracted by 9.1% in November 2018 (YoY). “The deficit in the trade account narrowed significantly in November 2018 in comparison to November 2017 due to a sharp decline in import expenditure and a modest increase in export earnings,” it said. Earnings from merchandise exports increased moderately by 4.1% (YoY) to US dollars 980Mn in November 2018. The growth in exports was driven by industrial exports while agricultural exports continued to decline. Under industrial exports, export earnings from textiles and garments increased notably in November 2018 mainly driven by exports to the USA. In addition, garment exports to non-traditional markets such as India, Canada and Australia as well as the EU market increased along with textile and other made up textile articles. Earnings from petroleum products increased significantly in November 2018 reflecting higher bunker and aviation fuel prices despite a slight reduction in export volumes in comparison to 2017.

Expenditure on merchandise imports declined by 9.1% (YoY) for the first time since June 2017 to US dollars 1,765Mn in November 2018. The decline in consumer and investment goods contributed to the decline reflecting mainly the impact of restrictions on personal vehicles and non-essential consumer goods imports, while the relatively larger depreciation of the Sri Lankan rupee may also have contributed to curtailing imports.

### Rupee appreciated 0.6% in the first 28 days of 2019, depreciated 16.4% in 2018

The Sri Lankan rupee had appreciated by 0.6% against the US dollar during the year up to 28 January 2019 whilst during the year 2018, the Sri Lankan rupee depreciated by 16.4% against the US dollar while also depreciating against other major currencies, the latest Central Bank data points out. Accordingly, reflecting cross currency movements, the Sri Lankan Rupee depreciated against other major currencies except for the Euro and the Indian rupee during the first 28 days of 2019. ([adaderana.lk](http://adaderana.lk))



**CB Chief sees investor sentiment stabilising**

REUTERS: Investor confidence in Sri Lanka is stabilising after the country repaid a \$1Bn sovereign bond in mid-January, Central Bank Governor Indrajit Coomaraswamy told Reuters on Monday. Investor sentiment took a big hit as a result of the political chaos, leading to credit rating downgrades and an outflow of foreign funds from Government securities. “We see signs of stabilisation in investor confidence, especially after we paid the loan without much difficulty. But there is much more to be done,” Coomaraswamy said via a text message. In one sign that foreign investors’ view of the economy may be improving, there was a net inflow of Rs. 4.74Bn (\$26.1 million) into Government bonds in the week ended 23 January, the first weekly inflow since August. The Government is struggling to repay its foreign loans, with a record \$ 5.9Bn due to mature this year, including \$ 2.6Bn in the first three months alone.

The Government plans to borrow nearly \$ 5Bn through sovereign bonds, a bilateral loan from China, a currency swap with the Reserve Bank of India, and through three State banks, Coomaraswamy said earlier this month.

## Foreign News

**Asia shares slip as China's Huawei in legal hot water; focus on Sino-U.S. talks**

Asian shares stumbled on Tuesday and the dollar hovered near two-week lows as prospects for a long-awaited Sino-U.S. trade deal were dealt another blow after the United States leveled sweeping criminal charges against China’s telecom giant Huawei.

In Asia, the losses were led by Australia and New Zealand, with their benchmark indices down 0.5 percent and 1.2 percent respectively. Chinese shares opened in the red, then recovered in the afternoon. Shanghai’s SSE Composite was up 0.1 percent while the blue-chip index climbed 0.4 percent.

Japan’s Nikkei, down about 1 percent almost all day, turned around to end 0.1 percent higher. Despite the late uptick in share prices, the mood was still gloomy after the U.S. Justice Department unsealed indictments against China’s top telecom equipment maker, Huawei Technologies Co Ltd, accusing it of bank and wire fraud to evade Iran sanctions and conspiring to steal trade secrets from T-Mobile US Inc.

Further complicating matters, China triggered the legal process on Monday for the World Trade Organization to hear Beijing’s challenge to U.S. tariffs, and berated the United States for blocking the appointment of judges who could rule on it.

Overnight on Wall Street, the Dow and S&P 500 each closed down 0.8 percent and the Nasdaq was off more than 1 percent. The losses came as shares of Caterpillar and Nvidia Corp nosedived after the two manufacturers joined a growing list of companies cautioning about the crippling effects of softening Chinese demand.

Worryingly, earnings at China’s industrial firms too shrank in December, pointing to more troubles for the country’s vast manufacturing sector already struggling with a decline in orders, job layoffs and factory closures.

Slowdown fears slugged the U.S. dollar, which faltered to its lowest in two weeks on Monday. The dollar index, which measures the greenback against a basket of major currencies, was last at 95.733.

Oil bounced after hefty overnight losses. U.S. crude was last up 35 cents at \$52.34 a barrel while Brent gained 37 cents to \$60.30.

U.S. gold futures hovered near seven-month highs at \$1,302.2 per ounce. Spot gold was last at 1,304.19 after breaking above a key psychological barrier of \$1,300 an ounce on Friday. ([reuters.com](http://reuters.com))

## Contact Information

### Head Office

#### Sales

Thakshila Hulangamuwa  
Upul Priyantha  
Shanmugam Sudhagar  
Vasanth Wicramasinghe

thakshi@ashaphillip.net  
upul@ashaphillip.net  
sudha@ashaphillip.net  
vasantha@ashaphillip.net

+94 11 2429108  
+94 11 2429106  
+94 11 2429107  
+94 11 2429114

#### Research

Visahan Arumainayaham  
Nishani Ruwanpathirana

visahan@ashaphillip.net  
nishani@ashaphillip.net

+94112429139  
+94 112429137

### Regional Offices

#### Colombo (H/O)

# 60, 5th Lane,  
Colombo 03.  
Tel - 94 112429100  
Fax - 94 112429199  
www.ashaphillip.net

#### Matara

#24-1/3A,  
E.H. Cooray Tower, 2<sup>nd</sup> Floor,  
Anagarika Dharmapala Mw,  
Matara.  
Tel: 041 2235191-5

#### Jaffna

#147, 2/3  
K.K.S. Road,  
Jaffna.  
Tel: 021 2221614

#### Kiribathgoda

#94, Udeshi City Shopping Complex,  
2nd Floor, #2/12, Makola Road,  
Kiribathgoda.  
Tel. 011 2908511

#### Negombo

#72 A 2/1,  
Old Chilaw Road,  
Negombo.  
Tel. 031 2227474

#### Kandy

# 88, Ceybank House,  
Dalada Vidiya,  
Kandy.  
Tel. 081 2204750

#### Gampaha

#116,  
Sanasa Ideal Complex,  
Bauddhaloka Mawatha,  
Gampaha.  
Tel. 033 2234888

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