

# DAILY STOCK MARKET HIGHLIGHTS

Monday, 31 December 2018



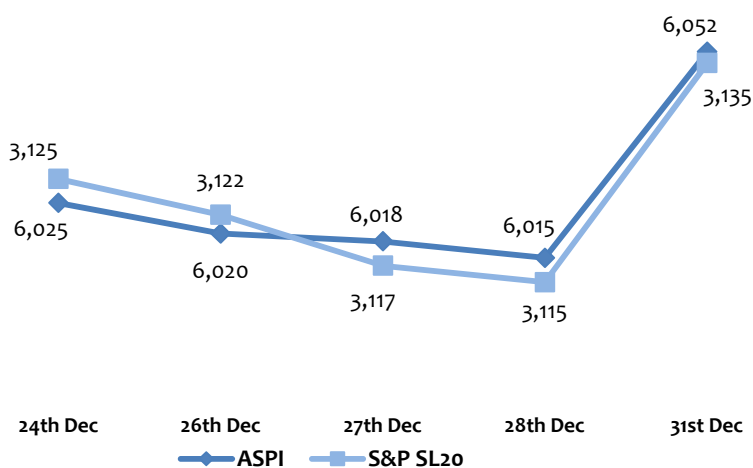
**ASHA PHILLIP  
SECURITIES LTD**

Sri Lanka

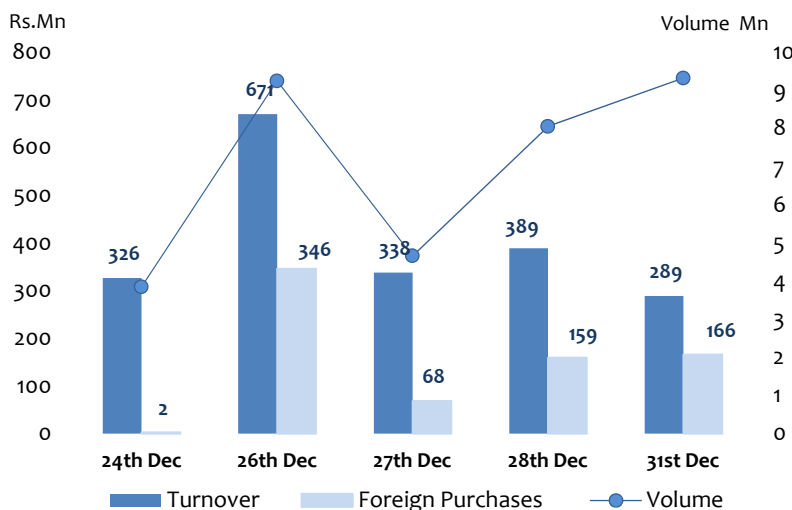
## Daily Market Statistics

Index	31st Dec	28th Dec	Change	% Change
ASPI	6,052.37	6,015.23	↑ 37.14	↑ 0.62%
S&P SL20	3,135.18	3,115.42	↑ 19.76	↑ 0.63%
Market Stats (LKR, Mn)		31st Dec	28th Dec	% Change
Turnover		288.52	389.23	↓ -25.9%
Domestic Purchases		122.48	230.33	↓ -46.8%
Domestic Sales		158.05	161.29	↓ -2.0%
Foreign Purchases		166.04	158.90	↑ 4.5%
Foreign Sales		130.47	227.94	↓ -42.8%
Share Volume		9.33	8.06	↑ 15.8%
Market capitalization (Bn)		2,839.45	2,822.02	↑ 0.62%
PER		9.65	9.59	↑ 0.63%
PBV		1.18	1.17	↑ 0.85%

## Market Indices



## Turnover, Volume and Foreign Purchase



## Performance of the Market

- Large caps surged amidst lower investor participation, which helped the bourse to close the year on positive note. Local currency witnessed more stress; Expectations towards Year 2019 as an “Election Year” had attracted some retail interest. The benchmark index ASPI moved between 6,009.92 - 6,056.16 points and settled the day at 6,052.37 with a gain of 37.14 points (+0.62%).
- Major contributors for the movement in ASPI were **JKH (+10.9)**, **CTC (+5.4)**, **MELS (+3.2)**, **CTCE (+2.6)**, **ASIR (+2.2)**, **DIST (-)**, **COCR (-0.9)**, **LOFC (-0.9)**, **CFIN (-0.6)** & **CSEC (-0.5)**
- S&P SL20 index also followed a same trend and settled the day at 3,135.18 with a gain of 19.76 points (+0.63%).
- The day’s turnover was recorded as LKR 288.52Mn, down by 26% from its previously recorded LKR 389.23Mn. Foreign investors remained net buyers for the day.
- The total market capitalization stood at LKR 2.84Tn, indicating an YTD loss of 2.06%.
- The market PER & PBV were at 9.65x & 1.18x respectively.

## Top Contributors – Turnover

- Commercial Bank of Ceylon PLC (COMB) topped the turnover list with 37% (105.57Mn) contribution to the day’s total turnover. COMB traded between LKR 114.50 & 115.00 and settled the day at LKR 115.00 on par with previous closing; about 98% (103.48Mn) of its turnover was contributed through 2 off board trades of 0.9Mn shares negotiated at the price of LKR 115.00
- Softlogic Holdings PLC (SHL) stood second by adding LKR 37.53Mn to the day’s total turnover. SHL traded between LKR 20.80 & 21.50 and settled the day at LKR 21.50 with a gain of LKR 0.10 (+0.47%);
- John Keells Holdings PLC (JKH) contributed LKR 32.7Mn to the total turnover and secured the third slot. JKH traded between LKR 155.00 & 160.00 and settled the day at LKR 159.70 with a gain of LKR 3.70 (+2.37%).

### Traded Volume

- Softlogic Holdings PLC traded a total of 1.75Mn shares dominating the traded volumes.
- Commercial Bank of Ceylon PLC (0.92Mn shares) and Distilleries Company of Sri Lanka PLC (0.72Mn shares) were next in line under the top contributors to the daily volumes.

### Sectorial Overview

- Bank Finance & Insurance (BFI) stood on top providing LKR 179.27Mn capturing 62% of the day's total turnover.
- Diversified Holdings (DIV) and Beverage Food & Tobacco (BFT) provided LKR 75.05Mn and LKR 16.1Mn respectively to the daily aggregated turnover.

## Daily Foreign Transactions

### Net Foreign Purchases

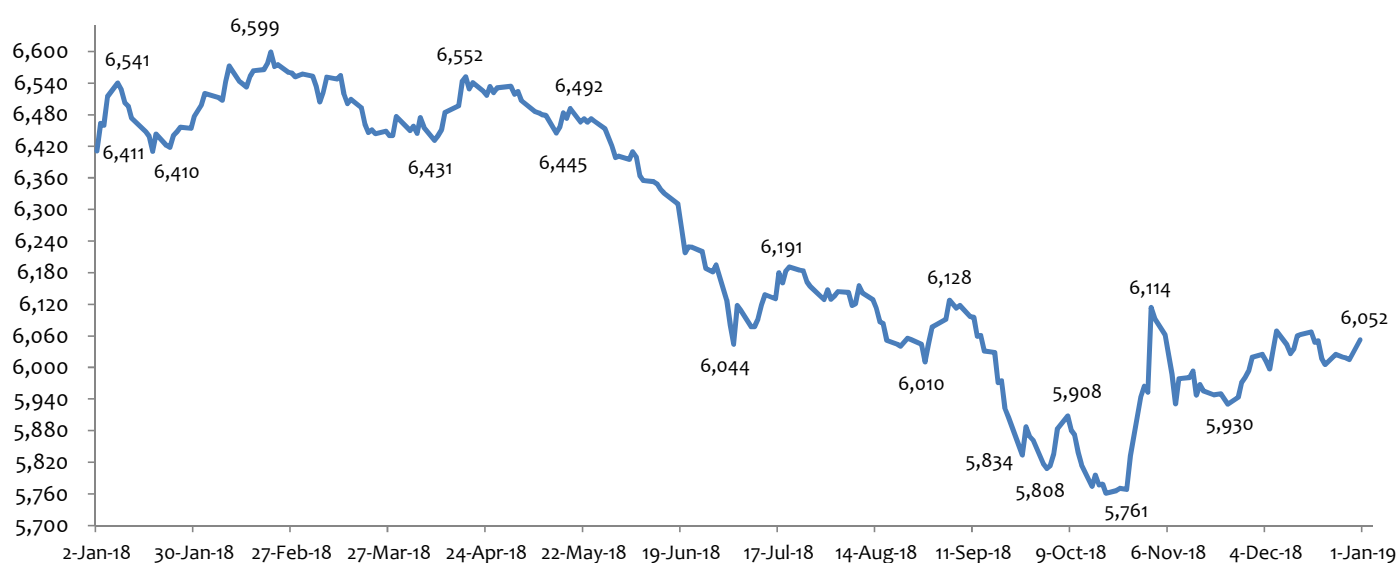
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SOFTLOGIC	21.46	1,500,000	32,190,000
JKH	159.40	121,870	19,426,078
MERCHANT BANK (+)	9.60	6,000	57,600
HAYLEYS	187.00	229	42,823
RENUKA CAPITAL	3.80	10,000	38,000
LANKA ALUMINIUM	65.90	300	19,770
HEMAS HOLDINGS	88.8	150	13,320
TAL LANKA	13.00	1,000	13,000
JANASHAKTHI INS. (+)	30.00	300	9,000
ACCESS ENG SL	14.10	600	8,460

### Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
DISTILLERIES	16.10	(718,655)	(11,570,346)
SAMPATH (+)	233.50	(19,406)	(4,531,301)
LOLC FINANCE	3.40	(16,000)	(54,400)
COLD STORES	718.00	(54)	(38,772)
THREE ACRE FARMS (+)	101.40	(200)	(20,280)
BAIRAHA FARMS	124.70	(100)	(12,470)
GRAIN ELEVATORS (+)	59.50	(150)	(8,925)
MELSTACORP	50.30	(100)	(5,030)
AMANA BANK (+)	3.10	(1,000)	(3,100)
AITKEN SPENCE	47.80	(55)	(2,629)

- **Aggregate foreign buying** for the day totaled up to **LKR 166.04Mn.**
- **Foreign sales** for the day amounted to **LKR 130.47Mn.**
- **Net foreign inflow** for the day was **LKR 35.57Mn**, **YTD net foreign outflow** presently stands at **LKR 22.78Bn.**
- **SHL** notched the "Top Net Purchasers" slot with a net inflow of **LKR 32.19Mn** whilst **DIST** notched the "Top net Sellers" slot with a net outflow of **LKR 11.57Mn.**

## Year-to-Date ASPI Movement



## Key Announcements

### 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	RGEM
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	Company	Date
EAST	17-Jan-19	COMB	28-Mar-19	HASU	28-Mar-19	SAMP	29-Mar-19
BLUE	28-Jan-19	DFCC	28-Mar-19	HNB	29-Mar-19	PABC	29-Mar-19

### EGMs

Company	Date
HPWR	18-Jan-19
AAIC	25-Jan-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
PAP	0.06	Interim	21. Dec.2018	02.Jan.2019	PLC	0.75	Interim	02.Jan.2019	11.Jan.2019
KHL	0.15	Interim	21. Dec.2018	03.Jan.2019	CTC	19.00	4 <sup>th</sup> Interim	10.Jan.2019	22.Jan.2019
CFIN	2.00	Interim	27.Dec.2018	01.Jan.2019					

### Capitalization of Reserves

Company	Proportion	EGM / Allotment	XC Date	Consideration (RS.)
Ceylon & Foreign Trades PLC (CFT)	1 for 1	To be notified	To be notified	4.00

### 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	To be notified	To be notified	To be notified

### Repurchase of Shares

Company	Price	Proportion	Entitle	Offer Open	Offer closing	Payment
John Keells Holdings PLC (JKH)	LKR 160.00	1 for 20	03 Dec 2018.	14 Dec 2018.	10 Jan 2019.	25 Jan 2019.

### 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
Asia Asset Finance PLC (AAF.N) - TR-1	LKR 10.00	03 for 10	Asia Asset Finance PLC (AAF.N) - TR-2	LKR 10.00	02 for 10

### 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
Citizens Development Business (CDB)	LKR 1.25Bn	To be notified	100.00	17 - Jan - 2019.	5 Years	Normal
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
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	1,415.00	187,323,751	265,063,107,665	10.04
JOHN KEELLS HOLDINGS PLC	JKH.No000	159.70	1,387,528,658	221,588,326,683	8.39
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.00	945,709,403	108,756,581,345	4.12
NESTLE LANKA PLC	NEST.No000	1,700.00	53,725,463	91,333,287,100	3.46
HATTON NATIONAL BANK PLC	HNB.No000	214.00	395,451,248	84,626,567,072	3.21
DIALOG AXIATA PLC	DIAL.No000	10.10	8,143,778,405	82,252,161,891	3.12
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.10	4,600,000,000	74,060,000,000	2.80
CEYLON COLD STORES PLC	CCS.No000	718.00	95,040,000	68,238,720,000	2.58
SAMPATH BANK PLC	SAMP.No000	235.00	280,902,248	66,012,028,280	2.50
MELSTACORP PLC	MELS.No000	50.30	1,165,397,072	58,619,472,722	2.22

### Highest Volume

Company Name	Turnover (Rs)	Share Vol.
SOFTLOGIC HOLDINGS PLC	37,531,732	1,749,310
COMMERCIAL BANK OF CEYLON PLC	105,566,097	917,997
DISTILLERIES COMPANY OF SRI LANKA PLC	11,668,818	724,771
JANASHAKTHI INSURANCE COMPANY PLC	17,014,976	568,920
SMB LEASING PLC [X]	110,520	552,601
LOLC FINANCE PLC	1,211,510	431,861
ASIA ASSET FINANCE PLC	345,090	428,100
MERCHANT BANK OF SRI LANKA & FINANCE	3,900,116	411,659
EXPOLANKA HOLDINGS PLC	1,127,597	281,857
SMB LEASING PLC	131,006	262,011

### Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
COMMERCIAL BANK OF CEYLON PLC	917,997	105,566,097
SOFTLOGIC HOLDINGS PLC	1,749,310	37,531,732
JOHN KEELLS HOLDINGS PLC	205,310	32,697,449
SAMPATH BANK PLC	88,431	20,663,321
JANASHAKTHI INSURANCE COMPANY PLC	568,920	17,014,976
DISTILLERIES COMPANY OF SRI LANKA PLC	724,771	11,668,818
SOFTLOGIC LIFE INSURANCE PLC	252,009	11,234,113
NATIONAL DEVELOPMENT BANK PLC	65,081	6,898,717
MERCHANT BANK OF SRI LANKA & FINANCE	411,659	3,900,116
NATIONS TRUST BANK PLC	26,420	2,375,612

### Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
KELANI VALLEY	99.70	19.50	24.31	9,970
RENUKA HOLDINGS [X]	14.70	1.30	9.70	496,143
HOTELS CORP.	12.00	1.00	9.09	16,999
RENUKA FOODS	13.90	0.90	6.92	1,395
MERCHANT BANK	9.60	0.60	6.67	3,900,116
LANKA ALUMINIUM	65.90	3.90	6.29	19,967
AMANA TAKAFUL	6.80	0.40	6.25	8,877
Softlogic Life	44.80	2.40	5.66	11,234,113
BROWNS INVSTMNTS	1.90	0.10	5.56	22,465
PIRAMAL GLASS	3.80	0.20	5.56	83,380

### Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
S M B LEASING [X]	0.20	(0.10)	(33.33)	110,520
BLUE DIAMONDS	0.50	(0.10)	(16.67)	11,420
MULLERS	0.60	(0.10)	(14.29)	8,700
LAKE HOUSE PRIN.	140.00	(22.90)	(14.06)	23,660
LANKEM CEYLON	25.00	(3.10)	(11.03)	11,998
AMANA LIFE	10.00	(0.70)	(6.54)	119,652
C M HOLDINGS	45.00	(3.00)	(6.25)	31,296
RESUS ENERGY	21.10	(1.20)	(5.38)	2,278,084
TRADE FINANCE	57.90	(3.00)	(4.93)	17,954
THE FINANCE CO.	2.00	(0.10)	(4.76)	5,100

### Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Commercial Bank Of Ceylon PLC	COMB.No000	115.00	2	899,792	103,476,080.00

## Market Highlights & Statistics

### Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,490.94	16,469.35	179,274,352	4,531,699	1,597	5.40	0.90
BEVERAGE FOOD AND TOBACCO	24,289.61	24,200.32	16,101,694	810,919	121	17.70	6.00
CONSTRUCTION AND ENGINEERING	1,377.23	1,377.55	3,035,663	328,119	172	22.10	0.60
CHEMICALS AND PHARMACEUTICALS	5,182.48	5,251.70	65,230	15,997	20	5.70	0.60
DIVERSIFIED HOLDINGS	1,590.94	1,566.67	75,051,692	2,406,038	358	10.70	0.90
FOOTWEAR AND TEXTILE	858.34	843.09	1,235,949	134,419	51	68.70	0.90
HOTELS AND TRAVELS	2,663.96	2,646.44	848,076	80,794	148	64.50	1.70
HEALTH CARE	833.79	814.27	26,858	2,468	11	16.00	1.90
INVESTMENT TRUSTS	9,527.75	9,374.71	1,059,323	55,476	61	32.10	0.40
INFORMATION TECHNOLOGY	25.52	25.52	0	0	0	0.00	0.00
LAND AND PROPERTY	553.60	551.33	409,021	46,979	65	5.40	0.60
MANUFACTURING	2,832.36	2,819.25	6,268,542	290,254	291	7.70	0.90
MOTORS	13,149.48	13,162.94	119,324	1,452	20	12.30	0.60
OIL PALMS	49,942.23	49,942.23	38,613	96	25	28.40	1.00
POWER & ENERGY	107.45	106.50	3,231,658	251,941	117	79.60	1.30
PLANTATIONS	734.67	713.11	564,578	59,218	137	6.60	0.70
STORES SUPPLIES	28,408.28	28,408.28	0	0	0	13.10	0.50
SERVICES	16,250.92	16,550.45	702,019	271,219	73	11.30	1.20
TELECOMMUNICATIONS	139.21	138.40	407,854	29,749	59	7.90	0.90
TRADING	12,344.88	12,344.88	82,349	15,723	26	31.90	0.90

### GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	481.23	491.96	44,875	1,250	5	4.80	0.60
Banks	833.19	832.96	139,710,144	1,210,102	340	6.00	0.80
Capital Goods	862.32	849.67	75,648,072	2,310,083	422	11.10	0.90
Commercial & Professional Services	766.19	781.51	23,660	169	1	0.00	1.00
Consumer Durables & Apparel	784.06	780.39	1,901,201	201,709	135	25.10	1.00
Consumer Services	253.50	248.67	848,076	80,794	149	66.90	1.60
Diversified Financials	770.57	774.90	11,337,373	2,761,414	648	5.30	0.80
Energy	625.74	619.10	252,528	11,521	36	0.00	1.00
Food & Staples Retailing	1,241.50	1,241.50	7,006	14,011	5	15.10	2.20
Food, Beverage & Tobacco	935.34	929.05	18,994,590	1,072,243	363	15.60	2.50
Health Care Equipment & Services	895.03	874.86	35,558	16,968	19	16.10	1.90
Household & Personal Products	1,065.93	1,065.93	12	1	1	14.60	2.00
Insurance	2,147.63	2,115.61	29,391,904	841,046	728	4.30	1.70
Materials	539.35	534.80	5,091,993	160,865	168	7.00	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	2,875	5	1	4.70	1.40
Real Estate	753.42	750.63	264,560	25,078	52	5.10	0.60
Retailing	777.16	775.33	219,247	6,230	49	15.40	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	727.34	723.12	407,854	29,749	59	7.90	0.90
Transportation	685.99	702.71	1,127,597	281,857	19	19.80	0.70
Utilities	736.42	732.30	2,979,130	240,420	81	8.70	0.70



## Economic Indicators & Other Statistics

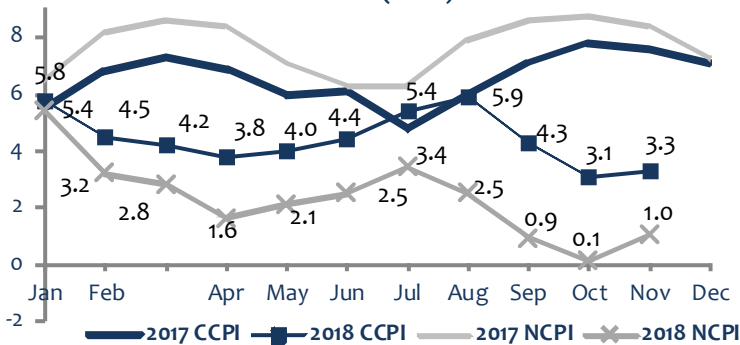
### Exchange Rates

Currency	31st Dec		28th Dec	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.72	184.70	180.10	184.08
Pound (UK)	228.22	235.65	226.99	234.40
Euro (EU)	205.45	212.69	205.00	212.24
Dollar (Australia)	126.32	131.72	125.69	131.09
Dollar (Canada)	131.73	136.63	131.39	136.28
Franc (Switzerland)	182.31	189.13	181.56	188.37
Renminbi (China)	25.96	27.20	25.94	27.18
Yen (Japan)	1.6268	1.6865	1.6174	1.6768
Dollar (Singapore)	131.72	136.21	130.91	135.38

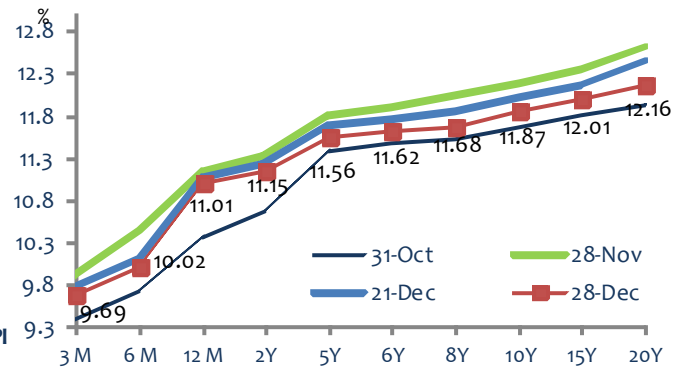
### Indicative Rates

Currency	31st Dec	28th Dec
	Ind: Value	Ind: Value
Yuan (Offshore)	26.5486	26.5256
Rupee (India)	2.6132	2.5984
Won (Korean)	0.1644	0.1630
Dinar (Kuwait)	601.3686	599.5997
Ringgit (Malay)	44.0839	43.8327
Rial (Oman)	474.6874	473.4317
Riyal (Qatar)	50.1846	50.0593
Riyal (KSA)	48.7054	48.5771
Dirham (UAE)	49.7529	49.6245

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



### Government Securities - Secondary Market Yield

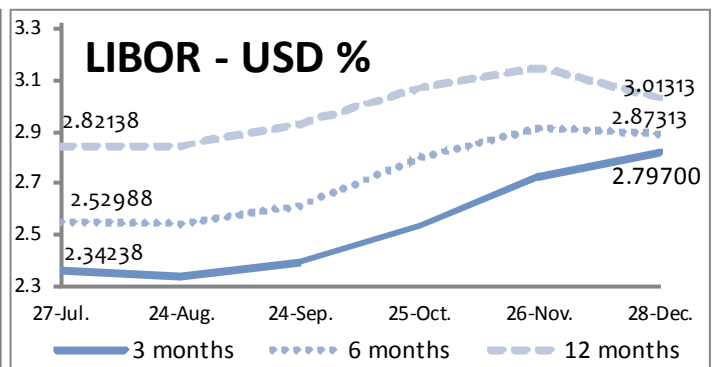
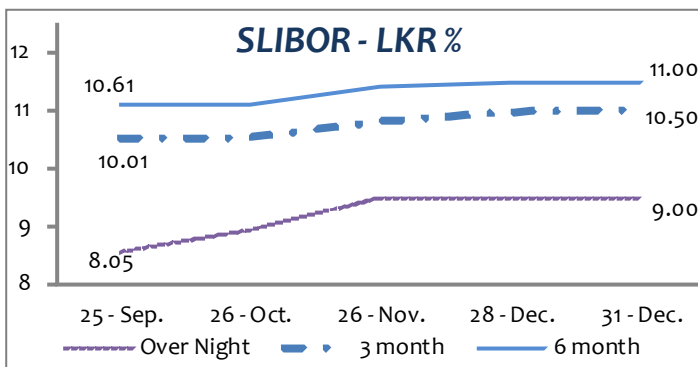


### Central Bank's Policy Rates

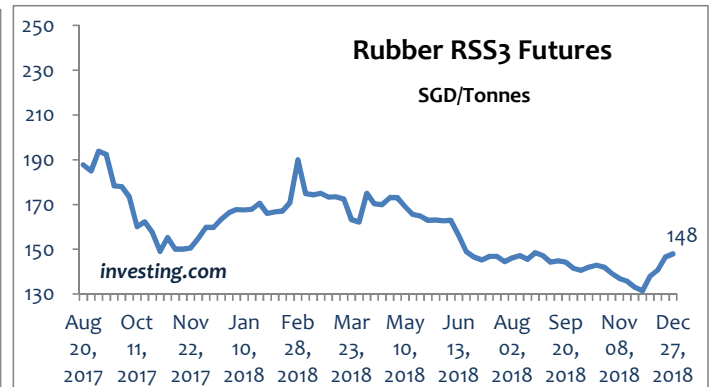
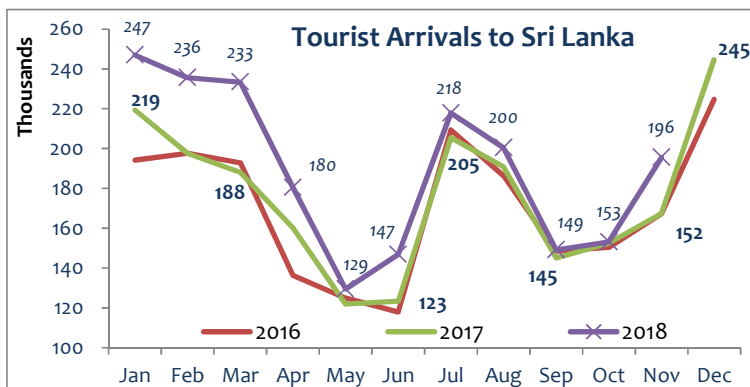
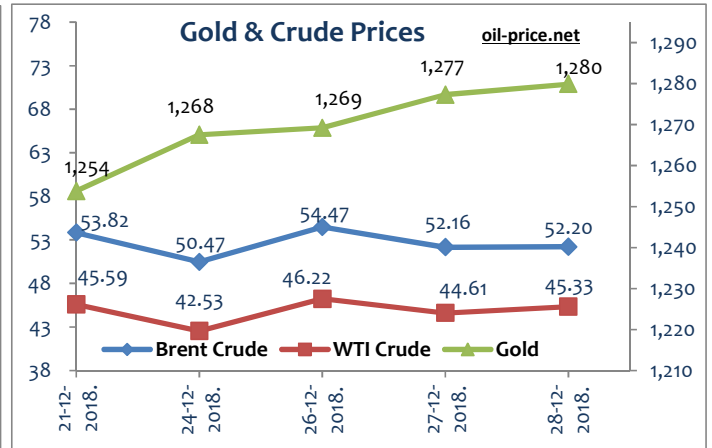
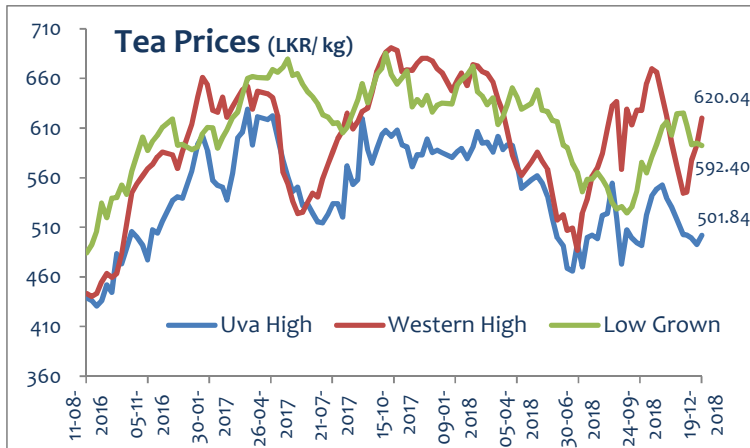
Description	Present	Previous	Treasury Bill Issuance				
			19.12.2018	12.12.2018	05.12.2018	19.11.2018	
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	10.01
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.99	10.03	10.01	na
Bank Rate	15.00%	15.00%	364 Days %	11.20	11.24	11.20	11.21
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	18Bn	23Bn	19Bn	15.5Bn

### Treasury Bond Issuance

Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	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	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	02.01.2018	01.06.2018	16.07.2018
Previous Yield	10.03	11.37	9.91	11.38	10.53	10.06	10.72	10.88



## Economic Indicators & Other Statistics



## Local News

### Sri Lanka bank credit soars above Rs100bn for past three months

**ECONOMYNEXT** - Sri Lanka's credit from the banking system has soared above 100Bn rupees a month for 3 months till November 2018. In the 3 months ending November total credit from the banking system including central bank credit, totaled 528Bn rupees, not counting tens of billions of rupees of cash dumped into the system through a reserve ratio cut. In the preceding 8 months to August only 654Bn rupees were loaned. Bank credit surged to a high of 278Bn rupees in September 2018 with over 122Bn rupees printed mostly to sterilize a maturing legacy swap dating back from 2013, when the central bank started taking on quasi-fiscal risks. Bank credit was also high at 94Bn rupees in August, when new money was created in to the banking system through new Soros-style rupee/dollar swaps between the central bank and finance ministry, after a run on the rupee created by earlier money printed ended.

In October a total of 114Bn rupees was loaned to private borrowers, the government and state enterprises, with 49.1Bn rupees being printed. In November 135.1Bn rupees was loaned through the banking system, but printed money appeared as only 19.1Bn rupees. But the central bank in that month, dumped an estimated 90Bn rupees in to the banking system releasing cash that was previously tied up as statutory reserves, cutting the SRR rate. Sri Lanka spent 519Mn dollars in currency defense in November, according to official data.

### CICT ends 2018 with 2.65mn teus, 38-pct of Colombo Port's volume

**(LBO)** - Colombo International Container Terminals (CICT) has reported handling 2.65Mn TEUs for the 12 months ending 31st December 2018, recording a 13% increase in its annual throughput and contributing 38% of the Port of Colombo's volumes in the year just concluded. A significant factor in the achievement of 7Mn teus by the Port of Colombo, CICT's performance helped the port increase its total throughput by 14% in 2018, a noteworthy accomplishment in the region. Announcing the year's final volume, CICT said ULCCs (Ultra Large Container Carriers) of a size that only CICT is capable of handling, had contributed 70 percent to the volumes the Terminal achieved for the year.



### Listed firms led by banks raise Rs.55.3bn via debentures in 2018

Sri Lanka's listed corporates led by banks have raised a record Rs.55.26Bn via debentures in 2018, indicating a 176.3% YoY growth in new corporate bond issuances. The commercial banks accounted for nearly 62% of corporate debt issuance via BASEL III compliant debenture issuances. The Commercial Bank raised a Rs.10Bn via a BASEL III compliant debenture issues while Sampath Bank, DFCC Bank, Seylan Bank and Nation Trust Bank raised Rs.7.5Bn, Rs.7Bn, Rs.6.2Bn and Rs.3.5Bn, respectively. In the non-banking sector, Sri Lanka Telecom PLC raised Rs.7Bn in April. Hayleys PLC also raised Rs.5Bn in July. In addition, three non-banking financial institutes—Citizens Development Business Finance PLC (CDB), People's Leasing & Finance PLC and LOLC Finance PLC raised Rs.2Bn, Rs.6Bn and Rs. 2.5Bn respectively. Meanwhile, CSE saw 2 IPOs during 2018—Jetwing Symphony raising Rs.753.3Mn and LVL Energy raising Rs.1.2Bn. The market capitalisation as a percentage of GDP dropped to 21.2% when compared with 21.8% recorded in 2017 and 30% in 2014. ([dailymirror.lk](#))

## Foreign News

### Stocks pin hopes on Sino-U.S. talk, as year ends deep in the red

Asian stocks rose on Monday as hints of progress on the Sino-U.S. trade standoff provided a rare glimmer of optimism in what has been a rough year-end for equities globally. Survey data out of China, however, proved unhelpfully mixed with manufacturing activity contracting for the first time in two years even as the service sector improved.

Sentiment had brightened just a touch when U.S. President Donald Trump said he held a “very good call” with China's President Xi Jinping on Saturday to discuss trade and claimed “big progress” was being made. Chinese state media were more reserved, saying Xi hoped the negotiating teams could meet each other half way and reach an agreement that was mutually beneficial.

Japan's Nikkei .N225 was closed for a holiday having ended the year with a loss of 12 percent. Across the region, the worst performer of the year was the index of Chinese blue chips .CSI300, which lost a quarter of its value. The only major market in the black for the year was India, where the BSE .BSESN was ahead by almost 6 percent. The story was much the same across the globe, with the vast majority of the major stock indices in the red.

The S&P 500 .SPX is off almost 10 percent for December, its worst month since February 2009. That left it down 15 percent for the quarter and 7 percent for the year.

The Treasury market clearly thinks the Fed is done on hikes, with yields on two-year paper US2YT=RR having fallen to just 2.52 percent from a peak of 2.977 percent in November. The \$15.5 trillion market is heading for its biggest monthly rally in 2-1/2 years, according to an index compiled by Bloomberg and Barclays.

Brent down almost 40% since its peak in October, the crude benchmark LCOc1 was last up 59 cents at \$53.80 a barrel but down 20% for the year. U.S. crude futures CLc1 nudged up 48 cents to \$45.81. Gold was ending the year on a high note after rallying almost 5% in the past month to stand at \$1,278.57 an ounce XAU=. ([reuters.com](#))

### China's stock drop this year reduces bubble worries, central bank official says

China's financial markets are safer after this year's stock market drop, a spokesman from the People's Bank of China said Friday. The local market is closed Monday, and the Shanghai composite ended the year Friday at 2,493.9, down nearly 25% for 2018 in its **worst year since 2008**. The index hit a high of 3,587 in January but tumbled as much as 31 percent from that level in October amid worries about an economic slowdown, a brewing trade war with the U.S. and corporate financing issues.

“The extent of this drop is rather large,” said Zhou Xuedong, spokesman, director general of the general executive office, People's Bank of China. “But the market hasn't seen major panic, (stock) dumping, or a large number of listed companies going bankrupt. This is a natural process of the market adjustment. The market participants have become relatively more mature.”

“After the stock market decline from 3,500 to 2,500, (with) valuations this low we are actually very safe,” Zhou said in Mandarin, according to a CNBC translation of his remarks to reporters in Beijing on Friday evening. “The fewer bubbles there are, the safer we are. When stocks are safe, the overall banking industry is safer.” ([cnbc.com](#))

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