

ASPI Hits a Near 1-Year Closing High ... January Trade Deficit Widens Amid Higher Oil Imports

ASPI ^ 0.46% | S&P SL20 ^ 0.40%

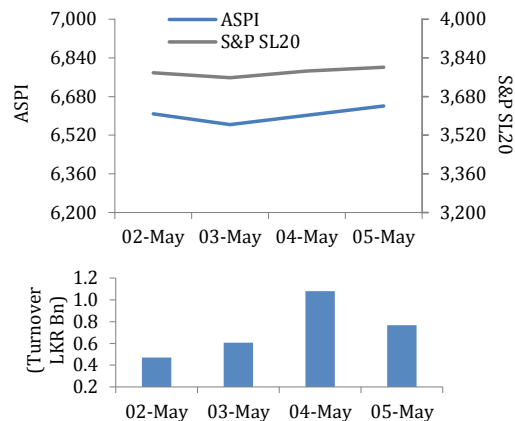
The Bourse continued its upward momentum ... *Cont. P2*

Foreign Investors Closed the Week in a net ... *Cont. P3*

The market rally which started ... *Cont. P4*

Economic Snapshot..... *P5*

Indices vs. Turnover (02nd May – 05th May)



KEY STATISTICS

Week ending	05-May	28-Apr	+/-
ASPI	6,640.57	6,610.46	0.46%
S&P SL20	3,801.69	3,786.39	0.40%
Banking & Finance	16,292.38	16,098.32	1.21%
Food & Beverage	24,150.11	24,238.92	-0.37%
Diversified	1,730.50	1,718.40	0.70%
Hotel & Travel	3,022.14	3,014.62	0.25%
Plantations	830.77	818.17	1.54%
Manufacturing	4,575.72	4,525.17	1.12%
Turnover (LKR Bn)	2.93	6.77	-56.73%
Foreign Buying (LKR Mn)	911.74	4,077.19	-77.64%
Foreign Selling (LKR Mn)	736.75	1,912.89	-61.48%
Daily Average Turnover (LKR Bn)	0.73	1.35	-45.91%
Daily Average Foreign Buying (LKR Mn)	227.94	815.44	-72.05%
Daily Average Foreign Selling (LKR Mn)	184.19	382.58	-51.86%

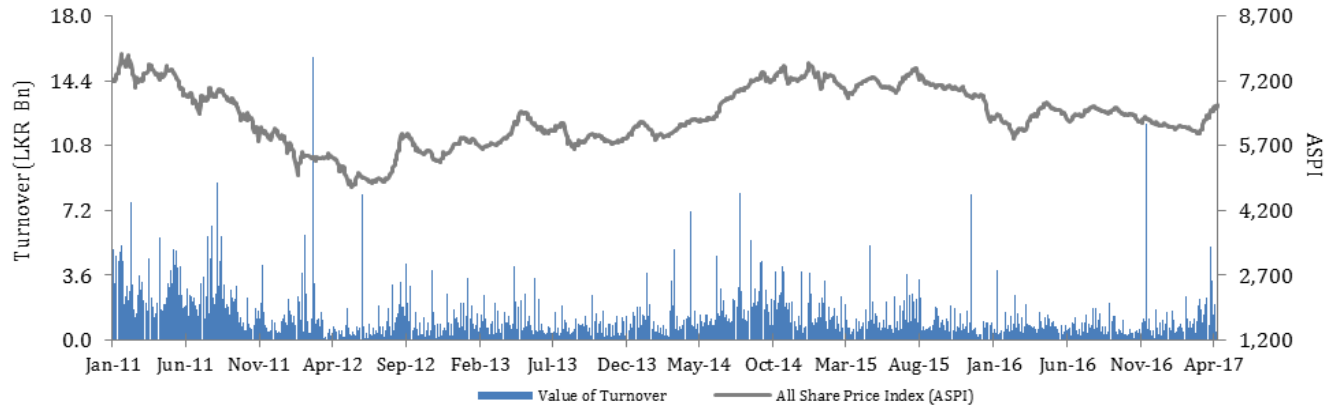
TOP 10 GAINERS

Company	Code	Opening Price	Closing Price	WoW % Change
BRAC LNKA FNANCE	NIFLN	9.1	16.5	81.3%
HUEJAY	HUEJN	35.5	52.3	47.3%
AMANA TAKAFUL	ATL N	0.8	1.1	37.5%
BLUE DIAMONDS[NV]	BLUEX	0.4	0.5	25.0%
PRINTCARE PLC	CAREN	30.0	36.9	23.0%
ABANS FINANCIAL	AFSLN	28.5	34.2	20.0%
LAKE HOUSE PRIN.	LPRTN	122.1	145.0	18.8%
S M B LEASING	SEMBN	0.7	0.8	14.3%
ADAM INVESTMENTS	AINVN	0.7	0.8	14.3%
GESTETNER	GESTN	105.0	120.0	14.3%

TOP 10 LOSERS

Company	Code	Opening Price	Closing Price	WoW % Change
SELINSING	SELIN	1449.9	1109.1	-23.5%
E B CREASY	EBCRN	1351.1	1110.5	-17.8%
HARISCHANDRA	HARI N	2799.9	2315.4	-17.3%
CIFL	CIFLN	0.9	0.8	-11.1%
RADIANT GEMS	RGEM	28.4	25.8	-9.2%
BROWNS BEACH	BBH N	22.3	20.6	-7.6%
HAPUGASTENNE	HAPUN	24.1	22.3	-7.5%
KOTMALE HOLDINGS	LAMBN	290.7	269.9	-7.2%
BLUE DIAMONDS	BLUEN	1.4	1.3	-7.1%
KOTAGALA	KOTAN	13.4	12.5	-6.7%

Market Review



Indices |

The Bourse continued its upward momentum as the ASPI increased by 30.11 points (or 0.46%) to close at 6,640.57 points, while the S&P SL20 Index too increased by 15.30 points (or 0.40%) to close at 3,801.69 points.

Turnover & Market Capitalization |

Panasian Power was the highest contributor to the week's turnover value, contributing LKR 0.44Bn or 15.11% of total turnover value. JKH followed suit, accounting for 6.45% of turnover (value of LKR 0.19Bn) while Ceylon Tobacco contributed LKR 0.17Bn to account for 5.97% of the week's turnover. Total turnover value amounted to LKR 2.93Bn (cf. last week's value of LKR 6.77Bn), while daily average turnover value amounted to LKR 0.73Bn (-45.91% W-o-W) compared to last week's average of LKR 1.35Bn. Market capitalization meanwhile, increased by 0.62% W-o-W (or LKR 18.14Bn) to LKR 2,926.91Bn cf. LKR 2,908.77Bn last week.

Liquidity (in Value Terms) |

The Banking, Finance & Insurance Sector was the highest contributor to the week's total turnover value, accounting for 20.48% (or LKR 0.60Bn) of market turnover. Sector turnover was driven primarily by the Central Finance & Commercial Bank which accounted for 35.60% of the sector's total turnover. The Manufacturing Sector meanwhile accounted for 17.46% (or LKR 0.51Bn) of the total turnover value with turnover driven primarily by Tokyo Cement[V] and Tokyo Cement[NV] which accounted for 37.92% of the sector turnover. The Power & Energy Sector was also amongst the top sectorial contributors, contributing 16.06% (or LKR 0.47Bn) to the market. The Panasian Power which accounted for 94.06% of the sector turnover.

Liquidity (in Volume Terms) |

The Power & Energy Sector dominated the market in terms of share volume, accounting for 54.76% (or 140.09Mn shares) of total volume, with a value contribution of LKR 0.47Bn. The Banking, Finance & Insurance sector followed suit, adding 17.01% to total turnover volume as 43.52Mn shares were exchanged. The sector's volume accounted for LKR 0.60Bn of total market turnover value. The Diversified Sector meanwhile, contributed 16.72Mn shares (or 6.53%), amounting to LKR 0.38Bn.

Top Gainers & Losers |

Brac Lanka Finance was the week's highest price gainer; increasing 81.32% W-o-W from LKR 9.10 to LKR 16.50. Huejay International gained 47.32% W-o-W to close at LKR 52.30 while Amana Takaful gained 37.50% W-o-W to close at LKR 1.10. Blue Diamonds[NV] (+25.00% W-o-W) and Printcare PLC (+23.00% W-o-W) were also amongst the gainers.

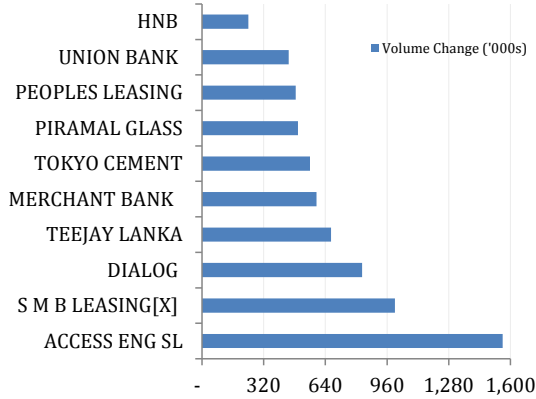
Selinsing was the week's highest price loser, declining 23.51% W-o-W to close at LKR 1,109.10. EB Creasy (-17.81% W-o-W), Harischandra Mills(-17.30% W-o-W) and CIFL (-11.11% W-o-W) were also amongst the top losers over the week.

TOP 10 TURNOVER

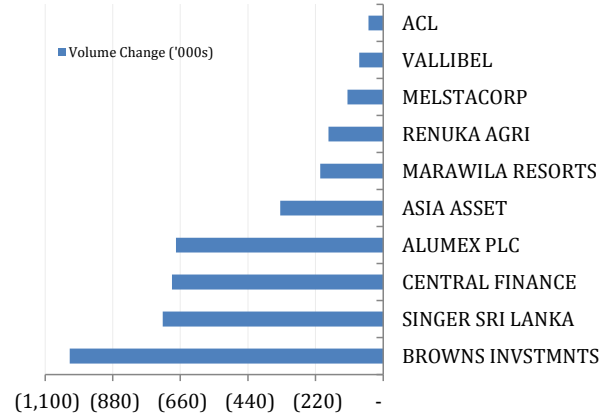
Company	Code	Opening Price	Closing Price	Value (Rs. Mn)
PANASIAN POWER	PAP N	3.0	3.1	442.47
JKH	JKH N	161.1	163.3	188.97
CEYLON TOBACCO	CTC N	989.9	985.0	174.96
DIALOG	DIALN	12.0	12.2	115.92
CENTRAL FINANCE	CFINN	90.0	97.0	115.47
TOKYO CEMENT	TKYON	70.0	74.5	98.07
COMMERCIAL BANK	COMBN	145.0	145.5	98.05
TOKYO CEMENT[NV]	TKYOX	60.0	65.1	95.84
MELSTACORP	MELSN	69.4	69.0	94.30
ACCESS ENG SL	AEL N	25.7	26.6	85.54

Market Review (Cont'd)

Net Foreign Purchases (28 Apr-05 May)



Net Foreign Sales (28 Apr-05 May)



Foreign investors closed the week in a net buying position with total net inflows amounting to LKR 0.17Bn relative to last week's total net inflow of LKR 2.16Bn (-91.91% W-o-W). Total foreign purchases decreased by 77.64% W-o-W to LKR 0.91Bn from last week's value of LKR 4.08Bn, while total foreign sales amounted to LKR 0.74Bn relative to LKR 1.91Bn recorded last week (-61.48% W-o-W). In terms of volume, Access Engineering & SMB Leasing[X] led foreign purchases while Browns Investments and Singer Sri Lanka led foreign sales. In terms of value, HNB & Tokyo Cement led foreign purchases while Central Finance & Singer Sri Lanka led foreign sales.

Net Foreign Purchases (By Transaction Value)

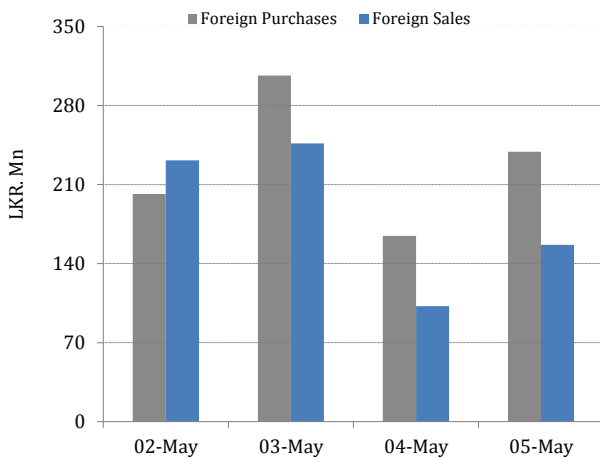
Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	05/05/17	28/04/17		
HNB	27.56%	27.49%	241,389	55.76
TOKYO CEMENT	23.13%	22.88%	560,354	41.75
ACCESS ENG SL	6.48%	6.32%	1,559,372	41.48
COMMERCIAL BANK	34.60%	34.58%	217,327	31.62
TEEJAY LANKA	45.64%	45.54%	670,000	27.47
TOKYO CEMENT[X.0000]	34.57%	34.37%	218,385	14.22
SAMPATH	17.95%	17.92%	49,780	13.68
DIALOG	94.15%	94.14%	830,559	10.13
PEOPLES LEASING	6.74%	6.71%	485,633	9.18
MERCHANT BANK	0.99%	0.63%	594,618	8.74

Net Foreign Sales (By Transaction Value)

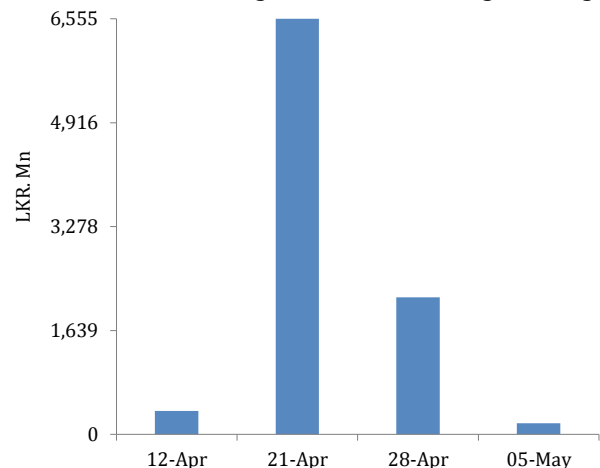
Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	05/05/17	28/04/17		
CENTRAL FINANCE	11.37%	11.69%	(686,760)	(66.62)
SINGER SRI LANKA	87.56%	87.75%	(717,450)	(36.95)
ALUMEX PLC	0.67%	0.89%	(674,488)	(16.19)
MELSTACORP	25.39%	25.40%	(115,790)	(7.99)
JKH	54.44%	54.44%	(32,880)	(5.37)
LB FINANCE	2.14%	2.16%	(25,000)	(3.22)
CDB	0.47%	0.57%	(46,187)	(3.16)
ACL	3.62%	3.66%	(47,844)	(3.08)
THREE ACRE FARMS	21.81%	21.89%	(19,915)	(2.47)
BROWNS INVSTMNTS	0.76%	0.79%	(1,020,000)	(1.84)

Note: *Value based on closing price and not on actual traded price
Please note that the foreign shares data displayed above include private transfers done outside of the market.

Foreign Purchases Vs. Sales



Week Ending Net Position of Foreign Holdings



Source: Colombo Stock Exchange

Announcements for the Week

Dividend Announcements

<u>Company</u>	<u>DPS (Rs.)</u>	<u>Type</u>	<u>XD Date</u>
SANASA DEVELOPMENT BANK PLC	DPS: 2.50	Final Dividend	XD: 31.May.2017
PIRAMAL GLASS CEYLON PLC	DPS: 0.26	First & Final Dividend	XD: 03.Jul.2017
THE LANKA HOSPITALS CORPORATION PLC	DPS: 1.00	Final Dividend	XD: 15.May.2017

<u>Company</u>	<u>Proportion</u>	<u>Type</u>	<u>Date</u>
SANASA DEVELOPMENT BANK PLC	1:22.85	Scrip Dividend	XD: 31.May.2017

Point of View

The market rally which started in late-March continued its uptrend this week too, with the Bourse edging up to a near 1-year high to close at 6640.57 points on Friday. Active buying interest in the Banking, Finance & Insurance, Manufacturing & Power & Energy counters helped the main index gain ~30 points W-o-W despite some profit taking early in the week. The benchmark price index's 6 consecutive weeks of gains have added a cumulative ~644 points to the index, and has helped the Index gain 6.6% Y-T-D (cf. 4.6% loss for the same period last year) while helping wipe off earlier losses on the Index. Although lower than last week's contribution of 41%, crossings over the week accounted for ~30% of market turnover, with Pan Asia Power contributing to 45% of the week's total crossings. Comparatively lower HNI participation this week therefore led the average turnover levels falling 46% W-o-W to end at LKR 0.73Bn (~19% lower than the year's average turnover levels of LKR 0.90Bn). Net Foreign inflows however, continued to be in the green for the 14th consecutive week (although average net inflows declined by ~90% W-o-W) bringing the total net inflows for the year to ~16Bn. Similar market momentum is likely in the week ahead and could to be influenced by the direction of Mar'17 corporate earnings.

Jan Trade Deficit Widens As Oil Imports Grow

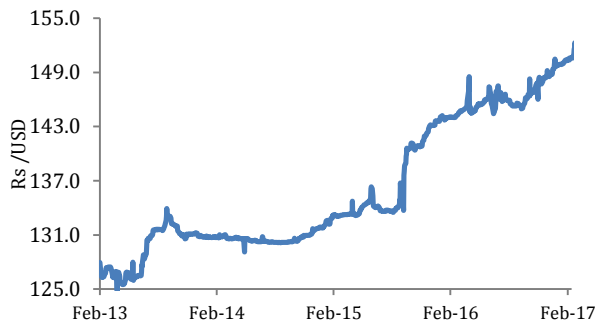
The trade deficit in January 2017 widened to \$934Mn (cf. \$691Mn Jan'16) driven by a 13.2% Y-o-Y increase in Import expenses as oil imports rose 101.6% Y-o-Y. Oil imports rose over the month both due to increased volumes needed for thermal power generation (due to the drought) and increasing global oil prices. Export earnings meanwhile declined 3.8% Y-o-Y amid slower demand for textiles and garments (49% of total export earnings) in both traditional and non-traditional markets. Continued momentum in tourist receipts (12.9% Y-o-Y to \$376.3Mn) however, helped offset slower Worker remittances and net portfolio outflows (from equities and debt) over January. The IMF meanwhile, announced that it would undertake the 2nd review under the EFF program in June 2017 as the new Inland Revenue Act is expected to be submitted to Parliament as a prior action by then. The IMF added that the CBSL's efforts to accumulate net international reserves as a corrective action for missing the end-2016 target is commendable and that this reserve accumulation should help reduce Sri Lanka's external vulnerability. The IMF also added that progress was being made in the country's economic reform program particularly in improving the fiscal position, and that the new inland revenue act should enable durable fiscal consolidation that is based on revenue mobilization.

Economic Snapshot

	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17
Interest Rates								
Prime Lending Rate	11.76	12.29	12.25	11.98	11.73	11.48	11.55	11.56
Ave. Wtd. Deposit Rates	7.32	7.56	7.79	8.00	8.17	8.42	8.66	8.81
Ave. Wtd. Fixed Dep. Rates	9.31	9.67	9.95	10.25	10.46	10.84	11.15	11.38
CCPI Inflation Y-o-Y % (Base 2013)	4.4	4.2	4.1	4.0	4.5	5.5	6.8	7.3
GDP Growth (Base 2010)								
	2012	2013	2014	2015	2016			
	9.1%	3.4%	4.9%	4.8%	4.4%			

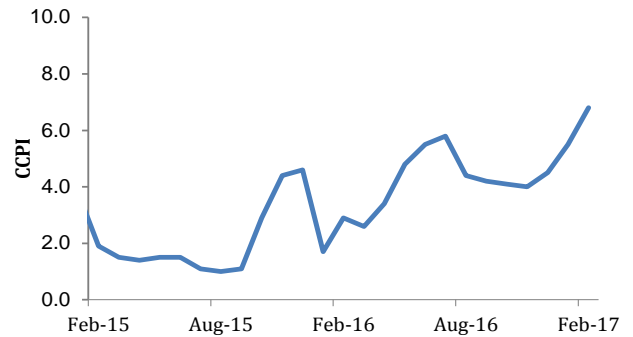
Source Central Bank

Exchange Rate, Rs. vs. US\$



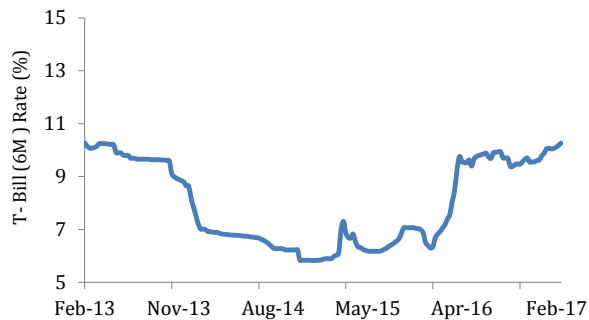
Source: Central Bank

Inflation (CCPI-N) YoY%



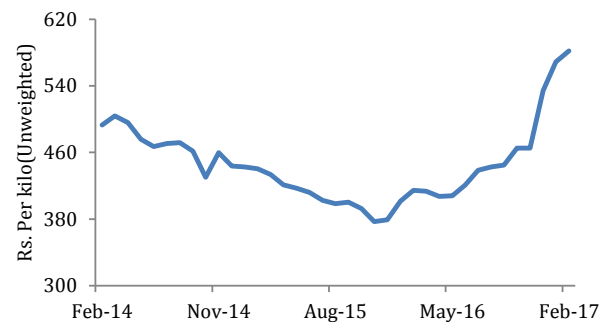
Source: Central Bank

6 Month T-Bill Yield



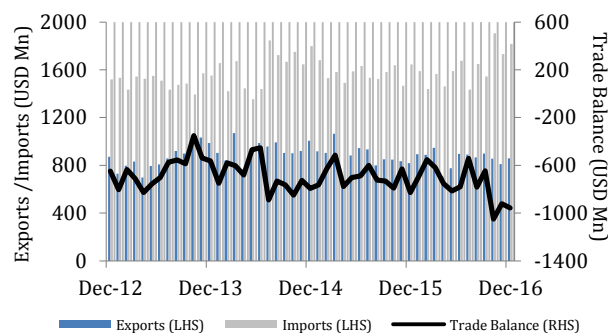
Source: Central Bank

Tea Prices



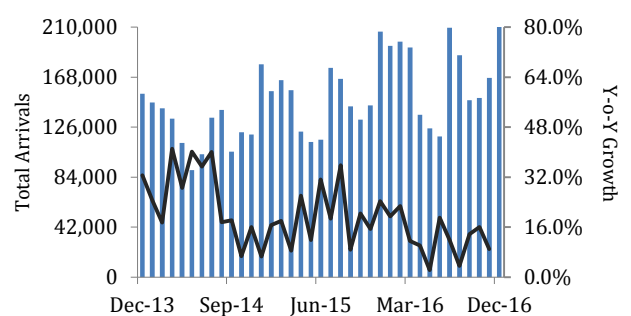
Source: Sri Lanka Tea Board

Export & Trade Balance



Source: Central Bank

Trends in Tourist Arrivals



Source: Sri Lanka Tourism Development Authority

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