

ASPI Hits Near 4M High Aided by Blue Chips... ADB

Forecasts 5% GDP Growth in 2017E

ASPI ^ 3.81% | S&P SL20 ^ 4.15%

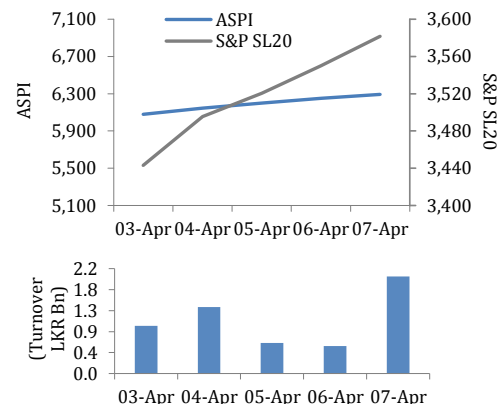
The Bourse continued... *Cont. P2*

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

Equities rallied strongly this week... *Cont. P4*

Economic Snapshot..... *P5*

Indices vs. Turnover (03rd Apr – 07th Apr)



KEY STATISTICS

Week ending	07-Apr	31-Mar	+/-
ASPI	6,292.94	6,061.94	3.81%
S&P SL20	3,581.63	3,438.88	4.15%
Banking & Finance	15,288.95	14,575.46	4.90%
Food & Beverage	22,466.39	21,893.28	2.62%
Diversified	1,593.97	1,521.51	4.76%
Hotel & Travel	2,956.66	2,907.84	1.68%
Plantations	704.94	685.37	2.86%
Manufacturing	4,321.32	4,164.35	3.77%
Turnover (LKR Bn)	5.65	6.06	-6.80%
Foreign Buying (LKR Mn)	4,439.44	4,447.90	-0.19%
Foreign Selling (LKR Mn)	2,731.59	2,626.62	4.00%
Daily Average Turnover (LKR Bn)	1.13	1.21	-6.80%
Daily Average Foreign Buying (LKR Mn)	887.89	889.58	-0.19%
Daily Average Foreign Selling (LKR Mn)	546.32	525.32	4.00%

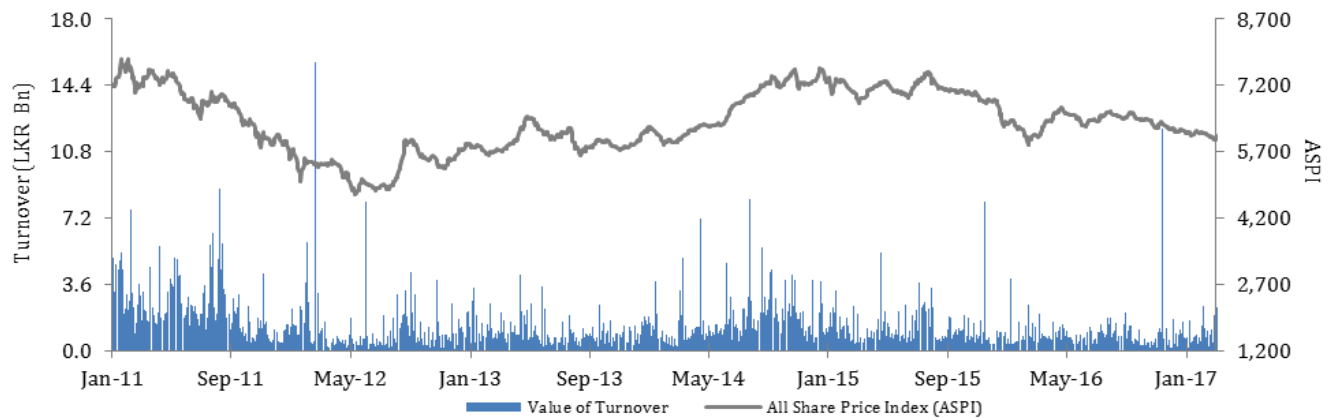
TOP 10 GAINERS

Company	Code	Opening Price	Closing Price	WoW % Change
PC HOUSE	PCH N	0.1	0.2	100.0%
KOTMALE HOLDINGS	LAMB N	90.4	130.0	43.8%
SWARNAMAHAL FIN	SFS N	0.7	1.0	42.9%
BLUE DIAMONDS[NV]	BLUEX	0.3	0.4	33.3%
LUCKY LANKA	LLMPN	1.8	2.4	33.3%
HAYLEYS FIBRE	HEXP N	59.3	75.0	26.5%
BOGALA GRAPHITE	BOGAN	11.3	14.1	24.8%
LOLC FINANCE	LOFCN	2.2	2.7	22.7%
BLUE DIAMONDS	BLUEN	0.9	1.1	22.2%
TESS AGRO	TESSN	1.0	1.2	20.0%

TOP 10 LOSERS

Company	Code	Opening Price	Closing Price	WoW % Change
SINGER SRI LANKA	SINSN	139.9	46.9	-66.5%
AMANA TAKAFUL	ATL N	0.8	0.7	-12.5%
MULTI FINANCE	MFL N	13.8	12.2	-11.6%
SIGIRIYA VILLAGE	SIGVN	59.5	53.4	-10.3%
E B CREASY	EBCRN	1447.9	1351.1	-6.7%
OFFICE EQUIPMENT	OFEQN	56.8	53.2	-6.3%
MORISONS[NV]	MORIX	339.2	320.0	-5.7%
BIMPUTH FINANCE	BLI N	59.3	56.0	-5.6%
LANKA ASHOK	ASHON	1062.0	1004.4	-5.4%
CDB	CDB N	64.2	61.1	-4.8%

Market Review



Indices |

The Bourse continued its upward momentum as the ASPI increased by 231.00 points (or 3.81%) to close at 6,292.94 points, while the S&P SL20 Index too increased by 142.75 points (or 4.15%) to close at 3,581.63 points.

Turnover & Market Capitalization |

JKH was the highest contributor to the week's turnover value, contributing LKR 2.76Bn or 48.88% of total turnover value. Cold Stores followed suit, accounting for 16.45% of turnover (value of LKR 0.93Bn) while Commercial Bank contributed LKR 0.26Bn to account for 4.56% of the week's turnover. Total turnover value amounted to LKR 5.65Bn (cf. last week's value of LKR 6.06Bn), while daily average turnover value amounted to LKR 1.13Bn (-6.80% W-o-W) compared to last week's average of LKR 1.21Bn. Market capitalization meanwhile, increased by 3.96% W-o-W (or LKR 105.56Bn) to LKR 2,768.42 Bn cf. LKR 2,662.86 Bn last week.

Liquidity (in Value Terms) |

The Diversified Sector was the highest contributor to the week's total turnover value, accounting for 52.17% (or LKR 2.95Bn) of market turnover. Sector turnover was driven primarily by JKH & Hemas Holdings which accounted for 96.42% of the sector's total turnover. The Beverage, Food and Tobacco Sector meanwhile accounted for 18.36% (or LKR 1.04Bn) of the total turnover value with turnover driven primarily by Ceylon Cold Stores which accounted for 89.62% of the sector turnover. The Banks, Finance & Insurance Sector was also amongst the top sectorial contributors, contributing 17.18% (or LKR 0.97Bn) to the market. The sector turnover was driven by Commercial Bank, HNB, DFCC Bank, Union Bank, Sampath Bank & Central Finance which accounted for 76.84% of the sector turnover.

Liquidity (in Volume Terms) |

The Diversified Sector dominated the market in terms of share volume too, accounting for 41.26% (or 47.93Mn shares) of total volume, with a value contribution of LKR 2.95Bn. The Banking, Finance & Insurance sector followed suit, adding 22.15% to total turnover volume as 25.73Mn shares were exchanged. The sector's volume accounted for LKR 0.97Bn of total market turnover value. The Manufacturing Sector meanwhile, contributed 15.80Mn shares (or 13.60%), amounting to LKR 0.38Bn.

Top Gainers & Losers |

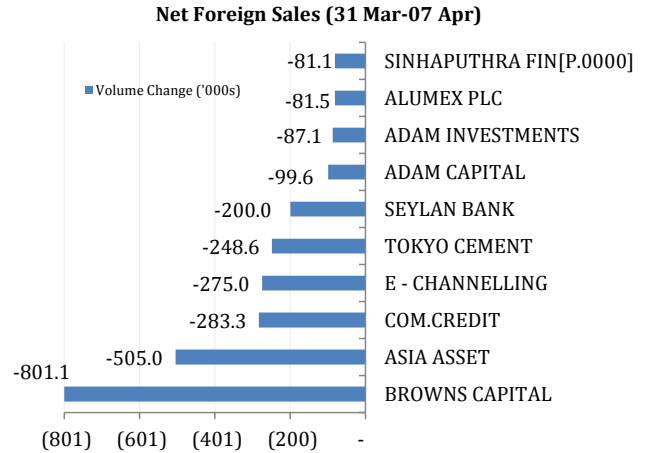
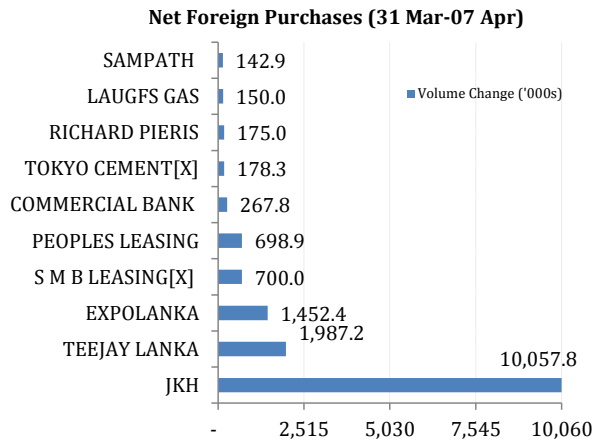
PC House was the week's highest price gainer; increasing 100.00% W-o-W from LKR 0.10 to LKR 0.20. Kotmale Holdings gained 43.81% W-o-W to close at LKR 130.00 while Swarnamahala Finance gained 42.86% W-o-W to close at LKR 1.00. Blue Diamonds[NV] (+33.33% W-o-W) and Lucky Lanka (+33.33% W-o-W) were also amongst the gainers.

Singer Sri Lanka was the week's highest price loser, declining 66.48% W-o-W to close at LKR 46.90. Amana Takaful(-12.50% W-o-W), Multi Finance (11.59% W-o-W) and Sigiriya Village (-10.25% W-o-W) were also amongst the top losers over the week.

TOP 10 TURNOVER

Company	Code	Opening Price	Closing Price	Value (Rs. Mn)
JKH	JKH N	137.9	149.0	2762.7
COLD STORES	CCS N	811.0	912.6	929.8
COMMERCIAL BANK	COMBN	130.4	135.1	257.6
HNB	HNB N	225.3	224.0	178.9
TEEJAY LANKA	TJL N	37.0	39.3	164.1
DFCC BANK PLC	DFCCN	114.0	119.9	122.3
HEMAS HOLDINGS	HHL N	108.7	115.0	80.3
UNION BANK	UBC N	14.2	15.0	72.3
SAMPATH	SAMPN	259.0	259.9	60.4
CENTRAL FINANCE	CFINN	86.2	89.0	56.9

Market Review (Cont'd)



Foreign investors closed the week in a net buying position with total net inflows amounting to LKR 1.71Bn relative to last week's total net inflow of LKR 1.82Bn (-6.23% W-o-W). Total foreign purchases decreased by 0.19% W-o-W to LKR 4.44Bn from last week's value of LKR 4.45Bn, while total foreign sales amounted to LKR 2.73Bn relative to LKR 2.63Bn recorded last week (+4.00% W-o-W). In terms of volume, JKH and Teejay Lanka led foreign purchases while Browns Capital and Asia Asset led foreign sales. In terms of value, JKH & Teejay Lanka led foreign purchases while Seylan Bank & Tokyo Cement led foreign sales.

Net Foreign Purchases (By Transaction Value)

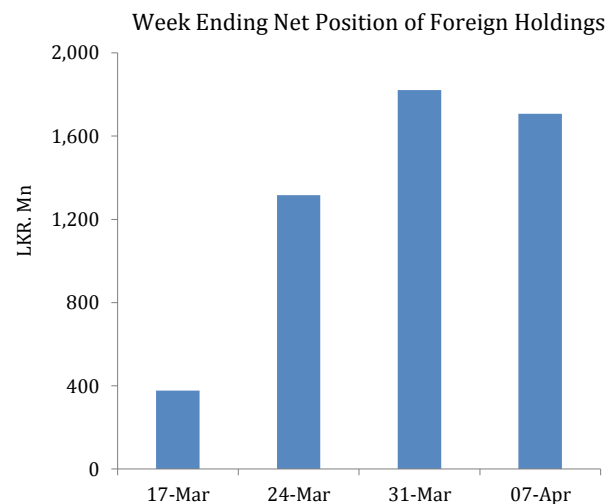
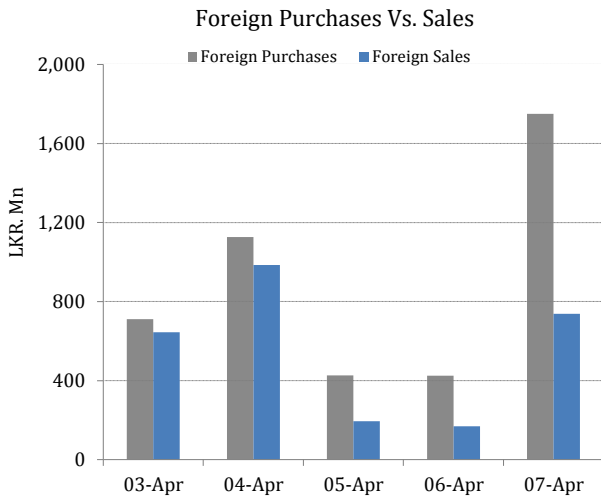
Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	07/04/17	31/03/17		
JKH	52.92%	52.19%	10,057,774	1,498.61
TEEJAY LANKA	45.55%	45.27%	1,987,169	78.10
SAMPATH	17.81%	17.73%	142,869	37.13
COMMERCIAL BANK	30.82%	30.78%	267,844	36.19
HNB	27.46%	27.42%	132,525	29.69
NESTLE	95.61%	95.60%	7,057	14.78
PEOPLES LEASING	6.77%	6.73%	698,917	12.02
TOKYO CEMENT[X.0000]	34.72%	34.56%	178,298	10.23
EXPOLANKA	77.83%	77.76%	1,452,410	9.44
HNB[X.0000]	42.90%	42.85%	47,800	8.99

Net Foreign Sales (By Transaction Value)

Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	07/04/17	31/03/17		
SEYLAN BANK	5.21%	5.33%	(200,000)	(18.00)
TOKYO CEMENT	23.16%	23.27%	(248,646)	(16.66)
COM.CREDIT	36.51%	36.60%	(283,263)	(12.46)
COLD STORES	10.04%	10.05%	(11,718)	(10.69)
CEYLON GUARDIAN	8.77%	8.82%	(45,500)	(4.55)
MELSTACORP	25.25%	25.26%	(64,000)	(4.10)
CHEVRON	27.21%	27.22%	(22,639)	(3.87)
BROWNS	8.90%	8.96%	(40,800)	(3.41)
VALLIBEL FINANCE	0.60%	0.70%	(41,499)	(2.56)
DOCKYARD	53.36%	53.40%	(24,552)	(1.92)

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.



Source: Colombo Stock Exchange

Announcements for the Week

Dividend Announcements

<u>Company</u>	<u>DPS (Rs.)</u>	<u>Final/Interim</u>	<u>XD Date</u>
SRI LANKA TELECOM PLC	DPS: 0.89	First & Final Dividend	XD: 25.May.2017
THE KINGSBURY PLC	DPS: 0.50	Interim Dividend	XD: 17.Apr.2017
HAYCARB PLC	DPS: 3.00	Interim Dividend	XD: 17.Apr.2017

Point of View

Equities rallied strongly this week, with the benchmark ASPI recording significant gains for the second consecutive week. The All-Share Price Index rose ~231 points W-o-W, to close at a near 4M closing high on Friday helping push the Index ~43 points above a key-support level of 6250 points. Gains on blue chips & mid-caps such as JKH, CCS, CTC, MELS, COMB, LOLC, HHL, PLC & SPEN contributed ~123 points to the Index, with average market turnover levels amounting to LKR 1.13Bn (33% higher than YTD turnover of LKR 0.76Bn) this week as Institutional and HNI investors took advantage of the market's over-sold position. Crossings over the week consequently accounted for ~36% of total market turnover, amid strong interest in mid-caps and blue-chips such as Cold Stores (38% of crossings) and JKH (33% of crossings). Foreign investors meanwhile continued to be net buyers for the 10th consecutive week, with net foreign buying ending at LKR 1.71Bn (cf. 1.82Bn last week) bringing the total net inflows for the year to LKR 6.79Bn. Markets in the week ahead are likely to retain the current positive momentum, although at a slower pace as markets close for the traditional new year holidays.

ADB Forecasts 5% GDP Growth in 2017E

In its latest outlook for the region, the ADB forecasts steady growth (5.7% in 2017 & 2018 cf. 5.8% in 2016) in Developing Asia, with ~60% of the region's 45 economies expected to record a pick-up in growth. The Group added that higher external demand, rebounding global commodity prices, and domestic reform support the widespread acceleration in growth, helping balance the growth moderation in China. Inflation in the region meanwhile, is estimated to increase further to 3.0%-3.2% in 2017-18E (cf. 2.5% in 2016) although the pace will still be below the region's 10-year average of 3.9%. The ADB noted however, that risks such as a faster pace of interest rate normalization in the US and uncertain policy direction in advanced economies could lead to higher capital outflows and exchange rate volatility. Growth in the South Asian sub-region meanwhile is expected to rebound to 7.0% and pick up to 7.2% in 2018 after a temporary pause in 2016 on the back of slower growth in the sub-region's largest economy (India). Sri Lankan growth meanwhile is expected to recover modestly (to 5.0% in 2017 cf. 4.4% in 2016) amid the implementation of the fiscal reform program. The Group noted though that Sri Lanka's GDP growth in 2017-18 is likely to be constrained by tight fiscal and monetary policies under the IMF program and that private investment will have to play a key role in maintaining economic growth as consumption is likely to remain subdued amid higher taxes and inflation.

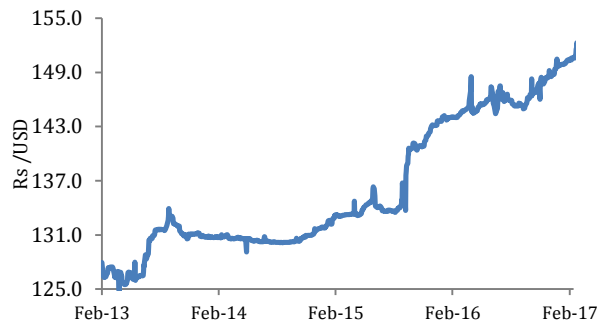
Source: ADB Asian Development Outlook 2017

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%			

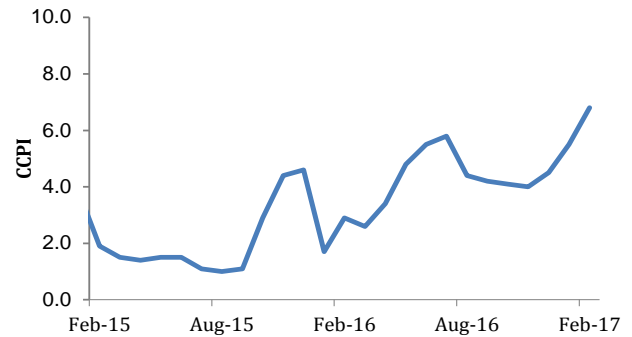
Source Central Bank

Exchange Rate, Rs. vs. US\$



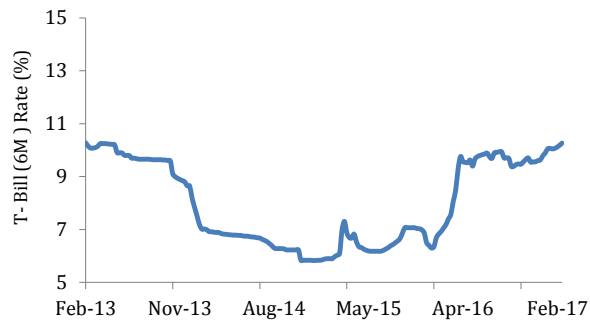
Source: Central Bank

Inflation (CCPI-N) YoY%



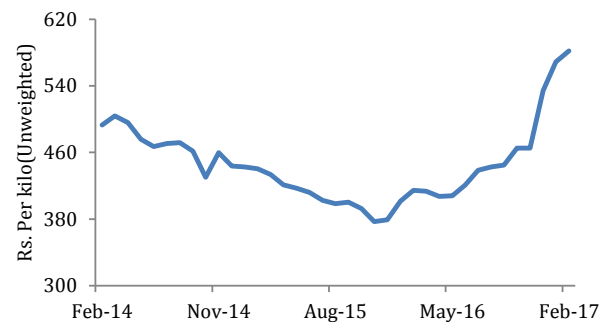
Source: Central Bank

6 Month T-Bill Yield



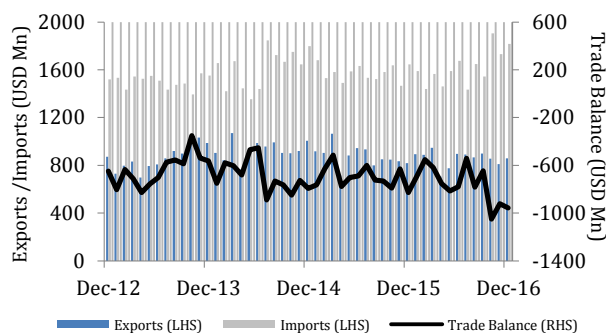
Source: Central Bank

Tea Prices



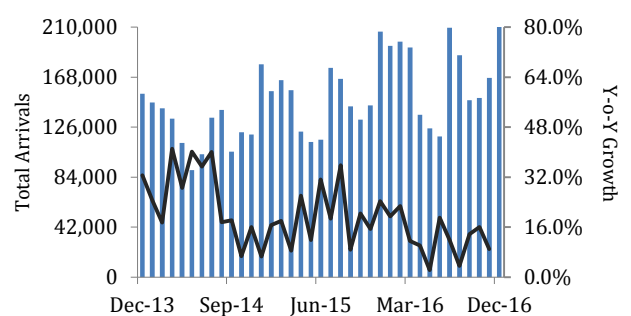
Source: Sri Lanka Tea Board

Export & Trade Balance



Source: Central Bank

Trends in Tourist Arrivals



Source: Sri Lanka Tourism Development Authority

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