

Market Rally Continues Amid Thin Trading... May Policy Rates Held Steady...

ASPI ^ 0.47% | S&P SL20 ^ 1.28%

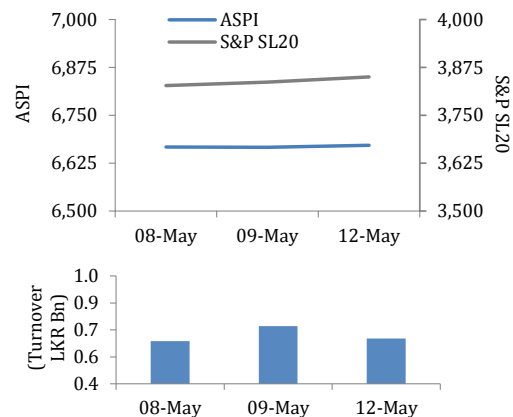
The Bourse continued its upward momentum ... *Cont. P2*

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

Benchmark Price Index which rallied since late... *Cont. P4*

Economic Snapshot..... *P5*

Indices vs. Turnover (05th May – 12th May)



KEY STATISTICS

Week ending	12-May	05-May	+/-
ASPI	6,671.98	6,640.57	0.47%
S&P SL20	3,850.22	3,801.69	1.28%
Banking & Finance	16,572.55	16,292.38	1.72%
Food & Beverage	24,200.90	24,150.11	0.21%
Diversified	1,738.65	1,730.50	0.47%
Hotel & Travel	3,011.01	3,022.14	-0.37%
Plantations	854.95	830.77	2.91%
Manufacturing	4,582.89	4,575.72	0.16%
Turnover (LKR Bn)	2.01	2.93	-31.35%
Foreign Buying (LKR Mn)	740.45	911.74	-18.79%
Foreign Selling (LKR Mn)	534.03	736.75	-27.52%
Daily Average Turnover (LKR Bn)	0.67	0.73	-8.47%
Daily Average Foreign Buying (LKR Mn)	246.82	227.94	8.28%
Daily Average Foreign Selling (LKR Mn)	178.01	184.19	-3.36%

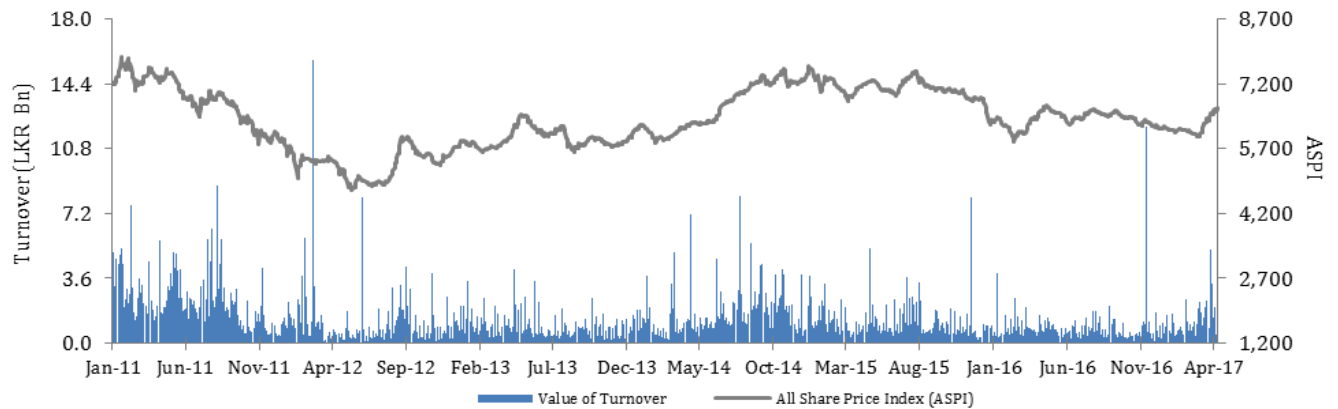
TOP 10 GAINERS

Company	Code	Opening Price	Closing Price	WoW % Change
PC HOUSE	PCH N	0.1	0.2	100.0%
KALAMAZOO	KZ00N	806.3	1250.0	55.0%
PC PHARMA	PCP N	0.2	0.3	50.0%
SINGER IND.	SININ	136.4	170.5	25.0%
SERENDIB ENG.GRP	IDL N	7.0	8.6	22.9%
BOGAWANTALAWA	BOPLN	10.1	11.7	15.8%
STANDARD CAPITAL	SINGN	60.5	69.0	14.0%
UDAPUSSELLAWA	UDPL	20.3	22.7	11.8%
BROWNS CAPITAL	FLCHN	1.8	2.0	11.1%
TEA SMALLHOLDER	TSMLN	30.0	33.0	10.0%

TOP 10 LOSERS

Company	Code	Opening Price	Closing Price	WoW % Change
HUEJAY	HUEJN	52.3	42.2	-19.3%
S M B LEASING	SEMBN	0.8	0.7	-12.5%
ADAM CAPITAL	PCHHN	0.9	0.8	-11.1%
SERENDIB HOTELS[NV]	SHOTX	21.0	18.7	-11.0%
GRAIN ELEVATORS	GRANN	78.0	70.1	-10.1%
TANGERINE	TANGN	63.5	57.1	-10.1%
AMANA TAKAFUL	ATL N	1.1	1.0	-9.1%
NATION LANKA	CSF N	1.2	1.1	-8.3%
BLUE DIAMONDS	BLJEN	1.3	1.2	-7.7%
LUCKY LANKA[NV]	LLMPX	1.3	1.2	-7.7%

Market Review



Indices |

The Bourse continued its upward momentum as the ASPI increased by 31.41 points (or 0.47%) to close at 6,671.98 points, while the S&P SL20 Index too increased by 48.53 points (or 1.28%) to close at 3,850.22 points.

Turnover & Market Capitalization |

JKH was the highest contributor to the week's turnover value, contributing LKR 0.18Bn or 9.01% of total turnover value. Teejay Lanka followed suit, accounting for 8.25% of turnover (value of LKR 0.17Bn) while DFCC Bank contributed LKR 0.13Bn to account for 6.41% of the week's turnover. Total turnover value amounted to LKR 2.01Bn (cf. last week's value of LKR 2.93Bn), while daily average turnover value amounted to LKR 0.67Bn (-8.47% W-o-W) compared to last week's average of LKR 0.73Bn. Market capitalization meanwhile, increased by 0.47% W-o-W (or LKR 13.86Bn) to LKR 2,940.78Bn cf. LKR 2,926.91Bn last week.

Liquidity (in Value Terms) |

The Banking, Finance & Insurance Sector was the highest contributor to the week's total turnover value, accounting for 32.06% (or LKR 0.64Bn) of market turnover. Sector turnover was driven primarily by the DFCC Bank, Sampath Bank, LB Finance, NDB & HNB which accounted for 69.69% of the sector's total turnover. The Diversified Sector meanwhile accounted for 24.03% (or LKR 0.48Bn) of the total turnover value with turnover driven primarily by JKH and Hemas Holdings which accounted for 62.95% of the sector turnover. The Manufacturing Sector was also amongst the top sectorial contributors, contributing 17.57% (or LKR 0.35Bn) to the market driven by Teejay Lanka which accounted for 46.98% of the sector turnover.

Liquidity (in Volume Terms) |

The Power & Energy Sector dominated the market in terms of share volume, accounting for 24.08% (or 20.88Mn shares) of total volume, with a value contribution of LKR 0.08Bn. The Banking, Finance & Insurance sector followed suit, adding 22.36% to total turnover volume as 19.39Mn shares were exchanged. The sector's volume accounted for LKR 0.64Bn of total market turnover value. The Diversified Sector meanwhile, contributed 19.21Mn shares (or 22.15%), amounting to LKR 0.48Bn.

Top Gainers & Losers |

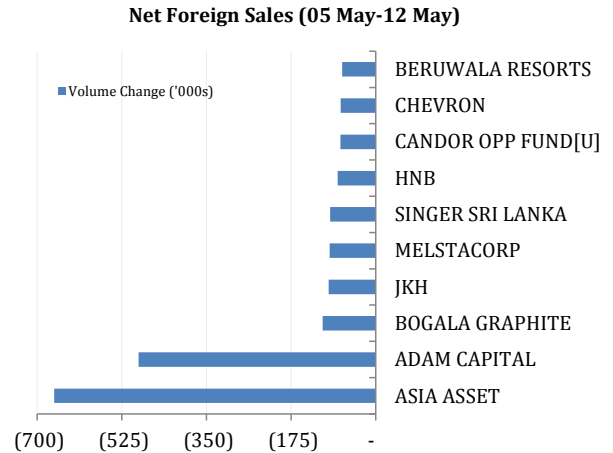
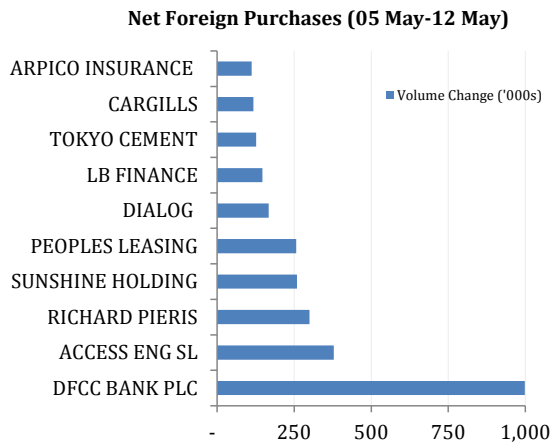
PC House was the week's highest price gainer; increasing 100.00% W-o-W from LKR 0.10 to LKR 0.20. Kalamazoo gained 55.03% W-o-W to close at LKR 1,250.00 while PC Pharma gained 50.00% W-o-W to close at LKR 0.30. Singer Industries (+25.00% W-o-W) and Serendib Engineering (+22.86% W-o-W) were also amongst the gainers.

Huejay was the week's highest price loser, declining 19.31% W-o-W to close at LKR 42.20. SMB Leasing (-12.50% W-o-W), Adam Capital (-11.11% W-o-W) and Serendib Hotels [NV] (-10.95% 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	163.3	164.1	181.15
TEEJAY LANKA	TJL N	41.0	41.5	165.92
DFCC BANK PLC	DFCCN	124.0	127.6	128.91
HEMAS HOLDINGS	HHL N	116.0	117.5	122.95
SAMPATH	SAMPN	274.8	280.0	90.20
LB FINANCE	LFINN	128.6	130.0	82.59
NAT. DEV. BANK	NDB N	147.0	150.0	74.76
HNB	HNB N	231.0	240.0	72.71
CARGILLS	CARGN	207.5	215.0	72.32
LION BREWERY	LIONN	462.4	465.0	66.49

Market Review (Cont'd)



Foreign investors closed the week in a net buying position with total net inflows amounting to LKR 0.21Bn relative to last week's total net inflow of LKR 0.17Bn (17.97% W-o-W). Total foreign purchases decreased by 18.79% W-o-W to LKR 0.74Bn from last week's value of LKR 0.91Bn, while total foreign sales amounted to LKR 0.53Bn relative to LKR 0.74Bn recorded last week (-27.52% W-o-W). In terms of volume, DFCC and Access Engineering led foreign purchases while Asia Asset and Adam Capital led foreign sales. In terms of value, DFCC and Cargills led foreign purchases while HNB and JKH led foreign sales.

Net Foreign Purchases (By Transaction Value)

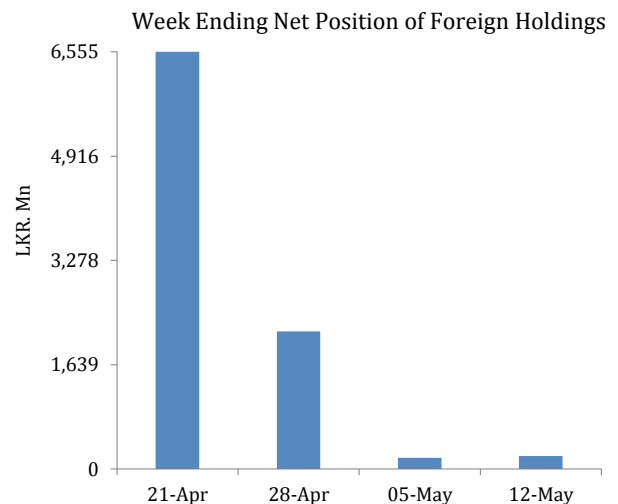
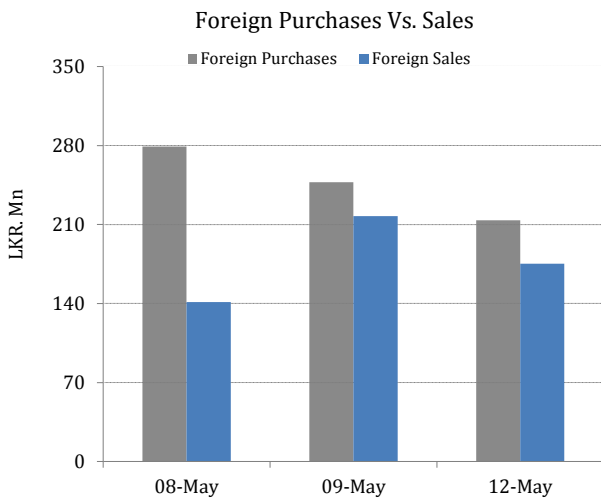
Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	12/05/17	05/05/17		
DFCC BANK PLC	24.31%	23.93%	997,870	127.33
CARGILLS	6.82%	6.77%	118,145	25.40
SAMPATH	17.99%	17.95%	80,548	22.55
LB FINANCE	2.25%	2.14%	147,488	19.17
SUNSHINE HOLDING	48.80%	48.61%	259,478	14.40
ACCESS ENG SL	6.51%	6.48%	378,821	9.96
TOKYO CEMENT	23.19%	23.13%	127,200	9.82
SEYLAN BANK	5.28%	5.22%	100,015	9.30
PEOPLES LEASING	6.76%	6.74%	256,722	4.80
AITKEN SPENCE	31.56%	31.55%	65,334	4.24

Net Foreign Sales (By Transaction Value)

Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	12/05/17	05/05/17		
HNB	27.54%	27.56%	(78,520)	(18.84)
JKH	54.43%	54.44%	(97,097)	(15.93)
CHEVRON	26.96%	26.99%	(72,611)	(12.47)
MELSTACORP	25.39%	25.39%	(95,215)	(6.53)
SINGER SRI LANKA	87.53%	87.56%	(94,419)	(4.72)
CDB	0.36%	0.47%	(48,200)	(3.33)
SEYLAN BANK[X.0000]	6.20%	6.22%	(35,216)	(2.08)
ACL	3.60%	3.62%	(26,972)	(1.70)
BOGALA GRAPHITE	90.23%	90.35%	(110,000)	(1.65)
ASIA ASSET	60.42%	60.50%	(664,912)	(1.00)

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

Company	DPS (Rs.)	Type	XD Date
PIRAMAL GLASS CEYLON PLC	0.26	First and Final Dividend	XD: 27.Jun.2017
CEYLON COLD STORES PLC	8.00	Final Dividend	XD: 23.May.2017
CEYLON TOBACCO COMPANY PLC	15.00	First Interim Dividend	XD: 22.May.2017
KEELLS FOOD PRODUCTS PLC	3.00	Final Dividend	XD: 19.May.2017

Point of View

Benchmark Price Index which rallied since late- March continued with its uptrend for the 7th consecutive week amid thin trading on account of the holiday season this week. The Bourse gained 31 points since last Friday, hitting one year closing high to end at 6671.98 points - helped gaining a 7.1% Y-T-D. Average turnover levels meanwhile were hovering around LKR 0.67Bn during the holiday shortened week (9% decline W-o-W) as investors were relatively muted during this week. Large parcels in Teejay Lanka (22% of the total crossings), DFCC (18% of the total crossings), Hemas Holdings (16% of the total crossings) helped extend the HNI and Institutional contribution to turnover as total crossings accounted for 33% of total market turnover. Foreign investors continued to remain net buyers for the 14th consecutive week as net inflows increased by 18% W-o-W to LKR 0.21Bn bringing the total net inflows for the year to LKR 16.21Bn. Similar market momentum is likely in the week ahead and could to be influenced by the direction of Mar'17 corporate earnings.

May Policy Rates Held Steady

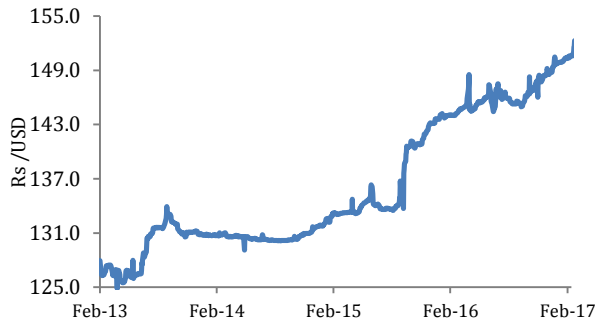
The Central Bank at its May policy meeting held policy rates steady citing a deceleration of both inflation and private sector credit and improved balance of payment. (Repo: 7.25%, Reverse Repo: 8.75%). Despite NCPI edging up to 8.6% in March '17 (cf.2.2% in Mar'16) which was largely due to drought and VAT impact, CBSL projects the inflation to remain in the desired mid-single digit levels by end of 2017 supported mainly by the Monetary policy adjustments which was followed since end 2015 (policy rates were increased by 125bps since Feb'16 to date while the SRR was increased to 7.5% from 6%). Conversely CBSL also estimate the private sector credit to slow down by end of 2017 to the envisaged levels, as the credit levels showed signs of deceleration from its peak in July'16 of 28.5% Y-o-Y to 21.9% in Dec'16, and further declining to 20.4% in Mar'17 with the upward adjustment in rates. The monetary authority also added that its policy stance was supported by projected inflows from both government securities market and CSE in addition to the 11th International Sovereign Bond issued worth US\$ 1.5Bn. Further disbursement of the 3rd tranche under IMF Extended Fund Facility too is expected to support the BOP and reserve position of Sri Lanka.

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%			

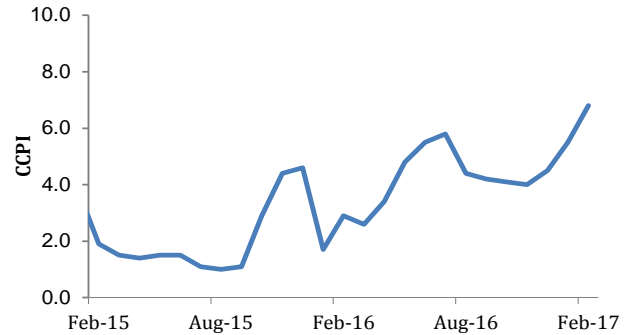
Source Central Bank

Exchange Rate, Rs. vs. US\$



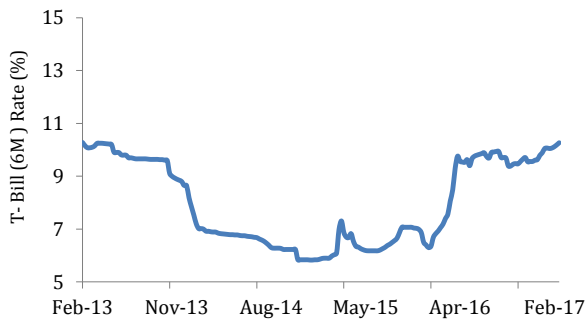
Source: Central Bank

Inflation (CCPI-N) YoY%



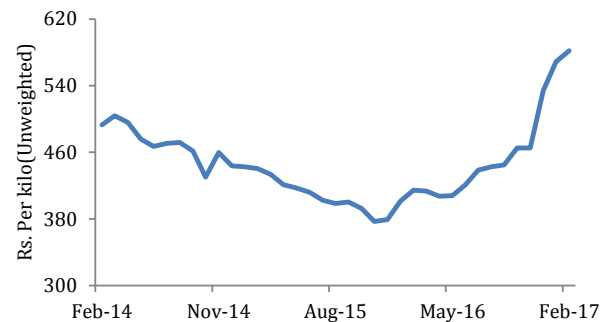
Source: Central Bank

6 Month T-Bill Yield



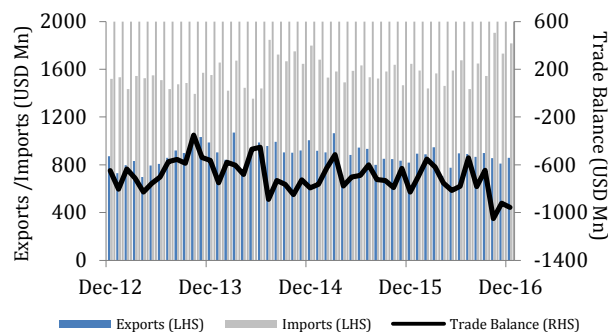
Source: Central Bank

Tea Prices



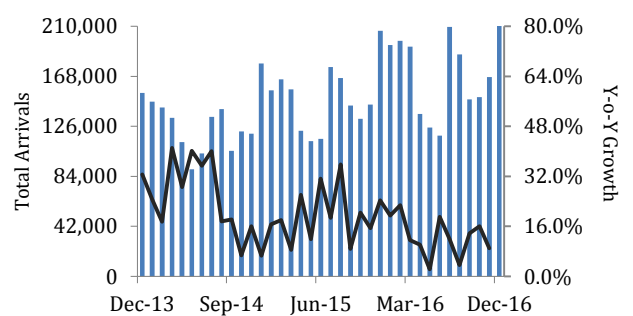
Source: Sri Lanka Tea Board

Export & Trade Balance



Source: Central Bank

Trends in Tourist Arrivals



Source: Sri Lanka Tourism Development Authority

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