

## ASPI Records Highest Weekly Loss in 5-Weeks....

### Initial Quarterly Market Earnings Rise 20%

ASPI v 1.39% | S&P SL20 v 2.09%

The Bourse ended in the... **Cont. P2**

Foreign investors closed the week in a net... **Cont. P3**

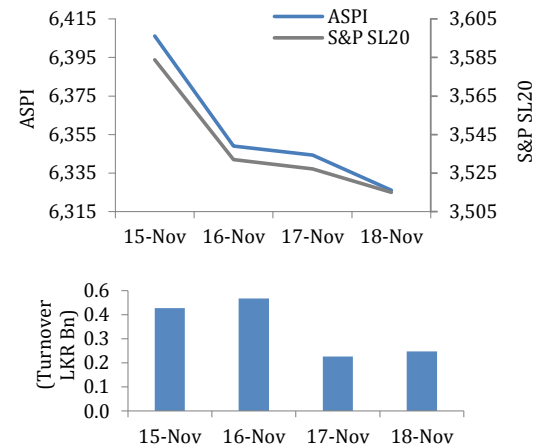
Equity markets remained in the doldrums ... **Cont. P4**

Economic Snapshot..... **P5**

#### KEY STATISTICS

Week ending	18 <sup>th</sup> November	11 <sup>th</sup> November	+/-
ASPI	6,326.11	6,415.59	-1.39%
S&P SL20	3,514.98	3,589.97	-2.09%
Banking & Finance	15,887.21	16,240.37	-2.17%
Food & Beverage	21,427.09	21,283.40	0.68%
Diversified	1,599.71	1,630.60	-1.89%
Hotel & Travel	3,076.98	3,095.74	-0.61%
Plantations	632.01	638.65	-1.04%
Manufacturing5	4,410.15	4,489.27	-1.76%
Turnover (LKR Bn)	1.51	1.41	6.64%
Foreign Buying (LKR Mn)	500.69	472.21	6.03%
Foreign Selling (LKR Mn)	725.51	148.56	388.35%
Daily Average Turnover (LKR Bn)	0.38	0.28	33.30%
Daily Average Foreign Buying (LKR Mn)	125.17	94.44	32.54%
Daily Average Foreign Selling (LKR Mn)	181.38	29.71	510.44%

#### Indices vs. Turnover (15<sup>th</sup> Nov - 18<sup>th</sup> Nov)



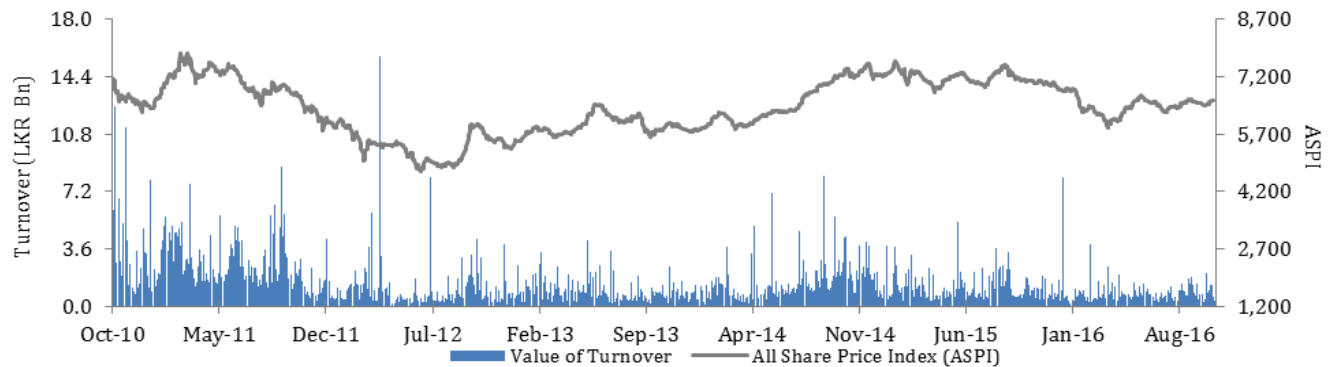
#### TOP 10 GAINERS

Company	Code	Opening Price	Closing Price	WoW % Change
BLUE DIAMONDS[NV]	BLJEX	0.50	0.60	20.0%
LION BREWERY	LIONN	420.80	489.20	16.3%
S M B LEASING	SEMBN	0.70	0.80	14.3%
HORANA	HOPLN	17.30	18.80	8.7%
PRINTCARE PLC	CAREN	37.10	40.00	7.8%
BROWNS INVSTMNTS	BIL N	1.30	1.40	7.7%
ODEL PLC	ODELN	23.00	24.50	6.5%
GOOD HOPE	GOODN	1541.50	1635.00	6.1%
ANILANA HOTELS	ALHPN	2.00	2.10	5.0%
RENUKA FOODS[NV]	COCOX	18.10	19.00	5.0%

#### TOP 10 LOSERS

Company	Code	Opening Price	Closing Price	WoW % Change
LANKA CEMENT	LCEMN	6.60	5.60	-15.2%
SINGER IND.	SININ	170.00	145.50	-14.4%
CEYLON LEATHER	CLPLN	65.40	56.80	-13.1%
LANKEM DEV.	LDEVN	4.20	3.70	-11.9%
VALLIBEL ONE	VONEN	21.50	19.00	-11.6%
AGSTAR PLC	AGSTN	5.40	4.80	-11.1%
CITY HOUSING	CHOUN	9.00	8.00	-11.1%
LANKEM CEYLON	LCEYN	70.00	62.80	-10.3%
TAPROBANE	TAP N	4.90	4.40	-10.2%
CEYLON TEA BRKRS	CTBLN	4.00	3.60	-10.0%

## Market Review



### Indices |

The Bourse continued to lose grounds as the ASPI decreased by 89.48 points (or 1.39%) to close at 6,326.11 points while the S&P SL20 Index too decreased by 74.99 points (or 2.09%) to close at 3,514.98 points.

### Turnover & Market Capitalization |

JKH was the highest contributor to the week's turnover value, contributing LKR 0.49 Bn or 32.48% of total turnover value. COMB followed suit, accounting for 13.08% of turnover (value of LKR 0.20 Bn) while Dialog contributed LKR 0.09 Bn to account for 5.79% of the week's turnover. Total turnover value amounted to LKR 1.51 Bn (cf. last week's value of LKR 1.41 Bn), while daily average turnover value amounted to LKR 0.30 Bn (+6.64% W-o-W) compared to last week's average of LKR 0.28 Bn. Market capitalization meanwhile, decreased by 1.38% W-o-W (or LKR 37.65 Bn) to LKR 2,695.52 Bn cf. LKR 2,733.18 Bn last week.

### Liquidity (in Value Terms) |

The Diversified Sector was the highest contributor to the week's total turnover value, accounting for 37.01% (or LKR 0.56 Bn) of market turnover. Sector turnover was driven primarily by JKH & Browns Investments which accounted for 93.08% of the sector's total turnover. The Banking, Finance & Insurance Sector meanwhile accounted for 22.37% (or LKR 0.34 Bn) of the total turnover value with turnover driven primarily by COMB, & HNB[NV] which accounted for 69.73% sector turnover. Manufacturing Sector was also amongst the top sectorial contributors, contributing 13.64% (or LKR 0.21 Bn). The sector turnover was driven by Chevron, Teejay Lanka & Grain elevators which accounted to 69.49% of the sector turnover.

### Liquidity (in Volume Terms) |

The Diversified sector dominated the market in terms of share volume, accounting for 44.62% (or 29.64 Mn shares) of total volume, with a value contribution of LKR 0.56 Bn. Banking, Finance & Insurance Sector followed suit, adding 14.70% to total turnover volume as 9.71 shares were exchanged. The sector's volume accounted for LKR 0.34 Bn of total market turnover value. The Telecom Sector meanwhile, contributed 8.19 Mn shares (or 12.41%), amounting to LKR 0.09 Bn.

### Top Gainers & Losers |

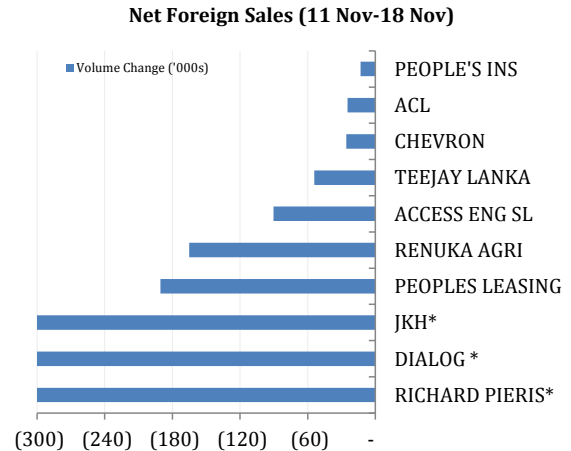
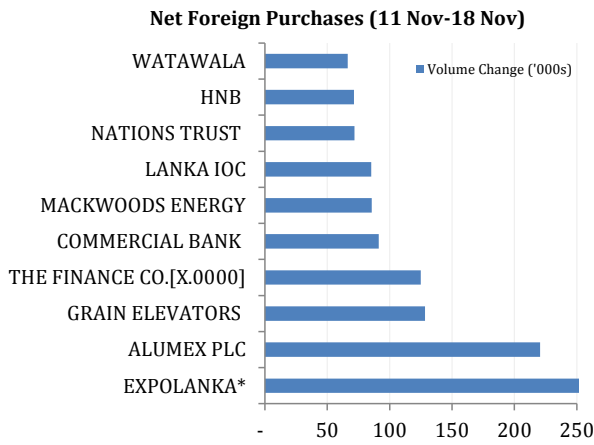
Blue Diamond[NV] was the week's highest price gainer; increasing 20.00% W-o-W from LKR 0.50 to LKR 0.60. Lion Brewery gained 16.25% W-o-W to close at LKR 489.20 while SMB Leasing gained 14.29% W-o-W to close at LKR 0.80. Horana Plantation (+8.67% W-o-W) and Printcare (+7.82% W-o-W) were also amongst the gainers.

Lanka Cement was the week's highest price loser, declining 15.5% W-o-W to close at LKR 5.60, Singer Industries (-14.41% W-o-W), Ceylon Leather (-13.15% W-o-W) and Lankem Dev (-11.90%) also declined.

### TOP 10 TURNOVER

Company	Code	Opening Price	Closing Price	Value (Rs. Mn)
JKH	JKH N	149.5	146.0	489.0
COMMERCIAL BANK	COMBN	148.0	142.0	196.9
DIALOG	DIALN	11.2	10.5	87.1
CHEVRON	LLUBN	164.0	159.7	79.5
ASIRI	ASIRN	29.0	28.9	60.1
ACCESS ENG SL	AEL N	25.9	24.6	56.7
HNB[NV]	HNB X	190.0	190.0	38.0
TEEJAY LANKA	TJLN	45.0	44.5	33.2
GRAIN ELEVATORS	GRANN	90.1	87.0	30.0
BROWNS INVSTMNTS	BIL N	1.3	1.4	29.7

Market Review (Cont'd)



\*Expo Lanka volume change of (1.19Mn shares), Richard Pieris (2.52 Mn shares), Dialog (2.47Mn shares) & JKH (1.77Mn shares) not displayed between 11<sup>th</sup> November -18<sup>th</sup> November

Foreign investors closed the week in a net selling position with total net outflows amounting to LKR 0.22 Bn relative to last week's total net inflow of LKR 0.32 Bn (-169.46% W-o-W). Total foreign purchases increased by 6.03% W-o-W to LKR 0.50 Bn from last week's value of LKR 0.47 Bn, while total foreign sales amounted to LKR 0.73 Bn relative to LKR 0.15 Bn recorded last week (+388.35% W-o-W). In terms of volume, Expo Lanka & Alumex led foreign purchases, while Richard Pieris & Dialog led foreign sales. In terms of value, HNB & Commercial Bank led foreign purchases while JKH & Dialog led foreign sales.

Net Foreign Purchases (By Transaction Value)

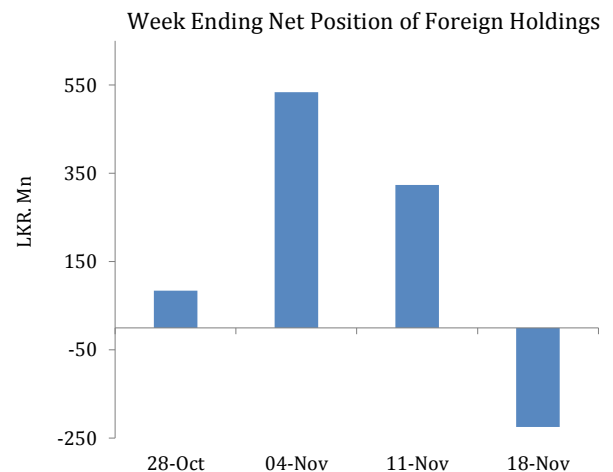
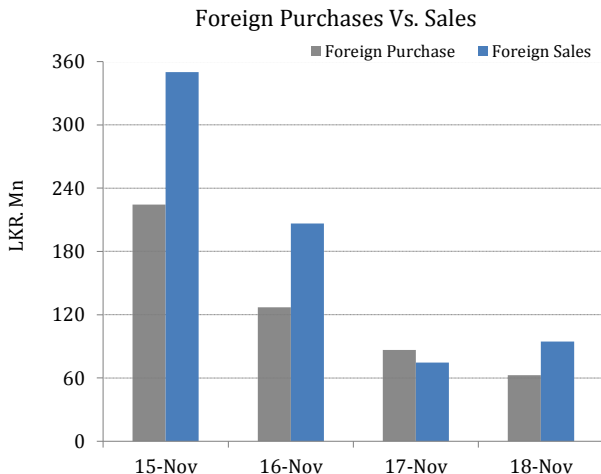
Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	18/11/16	11/11/16		
HNB	27.3%	27.3%	71,331	16.3
COMMERCIAL BANK	30.1%	30.1%	91,225	13.0
GRAIN ELEVATORS	61.0%	60.7%	128,415	11.2
SAMPATH	16.7%	16.7%	36,823	9.6
EXPOLANKA	70.7%	70.7%	1,192,889	7.8
CEYLON TOBACCO	97.2%	97.2%	8,208	7.1
NATIONS TRUST	23.3%	23.3%	71,827	5.8
BAIRAHA FARMS	3.1%	3.0%	26,100	4.7
ALUMEX PLC	0.9%	0.9%	220,529	4.4
LANKA IOC	77.9%	77.9%	85,128	3.0

Net Foreign Sales (By Transaction Value)

Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	18/11/16	11/11/16		
JKH	51.9%	52.0%	(1,773,137)	(258.9)
DIALOG	93.7%	93.8%	(2,466,771)	(25.9)
RICHARD PIERIS	72.2%	72.3%	(2,582,509)	(19.6)
CHEVRON	28.0%	28.0%	(25,700)	(4.1)
PEOPLES LEASING	6.7%	6.7%	(190,491)	(3.3)
TEEJAY LANKA	46.1%	46.1%	(54,058)	(2.4)
ACCESS ENG SL	5.8%	5.8%	(90,340)	(2.2)
ACL	3.4%	3.4%	(24,700)	(1.5)
RENUKA AGRI	14.8%	14.8%	(165,000)	(0.5)
GOOD HOPE	98.7%	98.7%	(242)	(0.4)

Note: \*Value based on VWA 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

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### Dividend Announcements

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<u>Company</u>	<u>DPS (Rs.)</u>	<u>Final/Interim</u>	<u>XD Date</u>
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No Dividends Announcements for the week

### Point of View

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Equity markets remained in the doldrums this weeks as the Budget failed to revive investor sentiment, and as the foreign sell-off on Emerging Market equities on the back of the US presidential elections continued. The broad share ASPI lost ~89 points over the week to its lowest weekly drop in 5-weeks, while daily turnover value for the week was ~ 46% lower than the YTD average of LKR0.70Bn. The ASPI has lost ~1.3% in the first 3-weeks of November relative to the ~1.9% loss recorded in October. The losses at the start of Q4'16, are in contrast to the gains of 3.5% in Q2'16 and the gain of 4.0% in Q3'16. Relative to the loss of ~11.9% in Q1'16 though, the losses in the first 7-weeks of Q4'16 has been contained to ~3.2%. However, Retail and Institutional/HNI investor enthusiasm in equities over the week remained dull, with crossings for the week accounting for just 15% of total market turnover. Foreign inflows to the bourse meanwhile, tracked the general sentiment in Emerging Market equities, with the ASPI recording net outflows of LKR 0.22Bn for the first time in five weeks. Markets in the week ahead are expected to remain dull in the absence of any positive cues.

### Initial Quarterly Market Earnings Rise 20%

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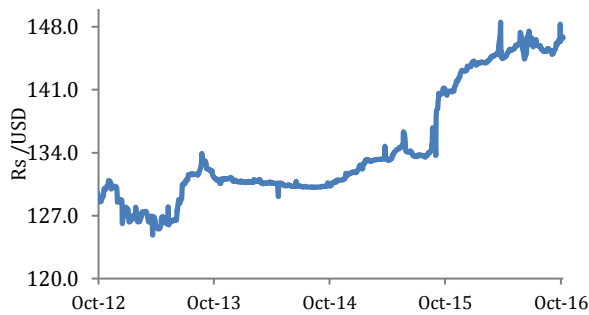
Corporate earnings of ~78% of the market over the September'16 quarter recorded an ~20% increase Y-o-Y, helped largely by sectors such as Telecom, Manufacturing, Banks & Finance, Hotels and Land & Property. The Rs. 49.14Bn recorded by this 78% of Corporates over Sep'16, compares to earnings of the Rs. 41.09Bn recorded by these same corporates over the the same period last year, and to Rs. 49.92Bn recorded by the total market over the June quarter. Meanwhile, the Purchasing Managers Index - which is a real-time, qualitative gauge of movements in economic activity - rose to 59.3 points in October for the Services Sector, while falling to 56.5 points for the Manufacturing sector. The increase in the Service's Sector PMI in October, indicates that economic activities within the sector expanded at a higher rate, and was driven by increases in the New Businesses, Business Activity, Employment and Expectations for Activity sub-indices. The Manufacturing sector PMI, by contrast, decelerated in October implying that manufacturing activities are expanding at a moderate pace in October 2016. The deceleration in October was mainly due to the moderated pace in which the Production and New Orders sub-indices performed. However, the overall data points to an expansion where all the sub-indices are above the neutral 50.0 threshold and the expectations for activities indicate an improvement for the next three months.

## Economic Snapshot

	Mar'16	Apr'16	May'16	Jun'16	Jul'16	Aug'16	Sep'16	Oct'16
<b>Interest Rates</b>								
Prime Lending Rate	8.87	9.55	10.10	10.48	10.87	11.76	12.29	12.25
Ave. Wtd. Deposit Rates	6.44	6.58	6.72	6.87	7.10	7.32	7.56	7.79
Ave. Wtd. Fixed Dep. Rates	7.92	8.18	8.40	8.64	8.99	9.31	9.67	9.95
<b>CCPI Inflation Y-o-Y %</b>	<b>2.0</b>	<b>3.1</b>	<b>4.8</b>	<b>6.0</b>	<b>5.5</b>	<b>4.0</b>	<b>3.9</b>	<b>4.2</b>
<b>GDP Growth (Base 2010)</b>								
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>				
	<b>9.1%</b>	<b>3.4%</b>	<b>4.9%</b>	<b>4.8%</b>				

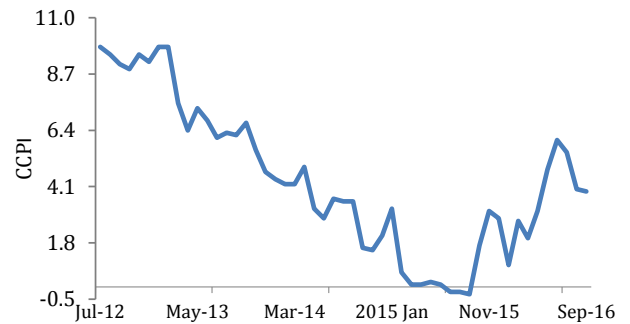
Source Central Bank

### Exchange Rate, Rs. vs. US\$



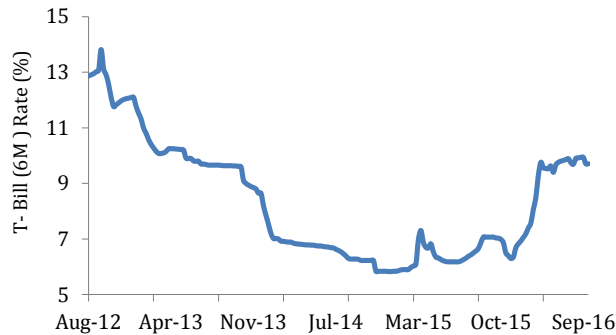
Source: Central Bank

### Inflation (CCPI-N) YoY%



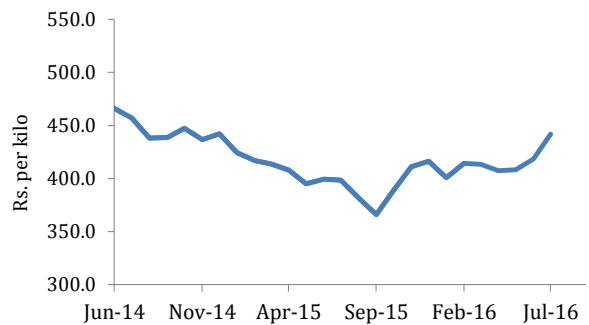
Source: Central Bank

### 6 Month T-Bill Yield



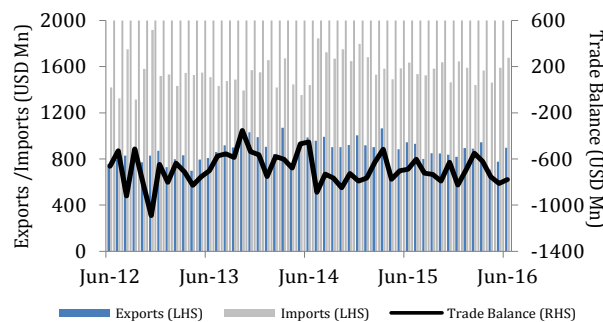
Source: Central Bank

### Tea Prices



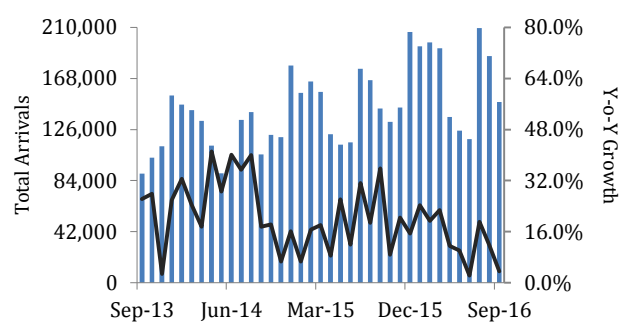
Source: Sri Lanka Tea Board

### Export & Trade Balance



Source: Central Bank

### Trends in Tourist Arrivals



Source: Sri Lanka Tourism Development Authority

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