

ASPI Hits High Since Oct'16 ... IMF Raises Global Growth Outlook for 17-18E

ASPI ^ 2.07% | S&P SL20 ^ 2.41%

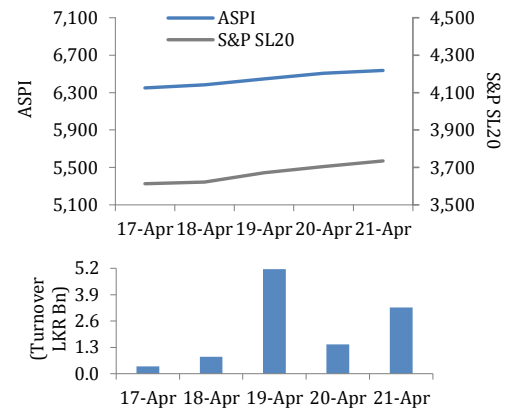
The Bourse continued its upward momentum ... *Cont. P2*

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

Blue-chip led gains drove markets ... *Cont. P4*

Economic Snapshot..... *P5*

Indices vs. Turnover (17th Apr - 21st Apr)



KEY STATISTICS

| Week ending | 21-Apr | 12-Apr | +/- |
|--|-----------|-----------|---------|
| ASPI | 6,535.54 | 6,402.99 | 2.07% |
| S&P SL20 | 3,735.83 | 3,647.82 | 2.41% |
| Banking & Finance | 15,758.54 | 15,602.81 | 1.00% |
| Food & Beverage | 23,303.25 | 23,529.14 | -0.96% |
| Diversified | 1,657.35 | 1,642.36 | 0.91% |
| Hotel & Travel | 2,979.75 | 2,956.50 | 0.79% |
| Plantations | 755.48 | 749.05 | 0.86% |
| Manufacturing | 4,406.11 | 4,373.18 | 0.75% |
| Turnover (LKR Bn) | 11.09 | 2.66 | 316.79% |
| Foreign Buying (LKR Mn) | 8,901.89 | 1,538.40 | 478.65% |
| Foreign Selling (LKR Mn) | 2,347.14 | 1,170.12 | 100.59% |
| Daily Average Turnover (LKR Bn) | 2.22 | 1.33 | 66.72% |
| Daily Average Foreign Buying (LKR Mn) | 1,780.38 | 769.20 | 131.46% |
| Daily Average Foreign Selling (LKR Mn) | 469.43 | 585.06 | -19.76% |

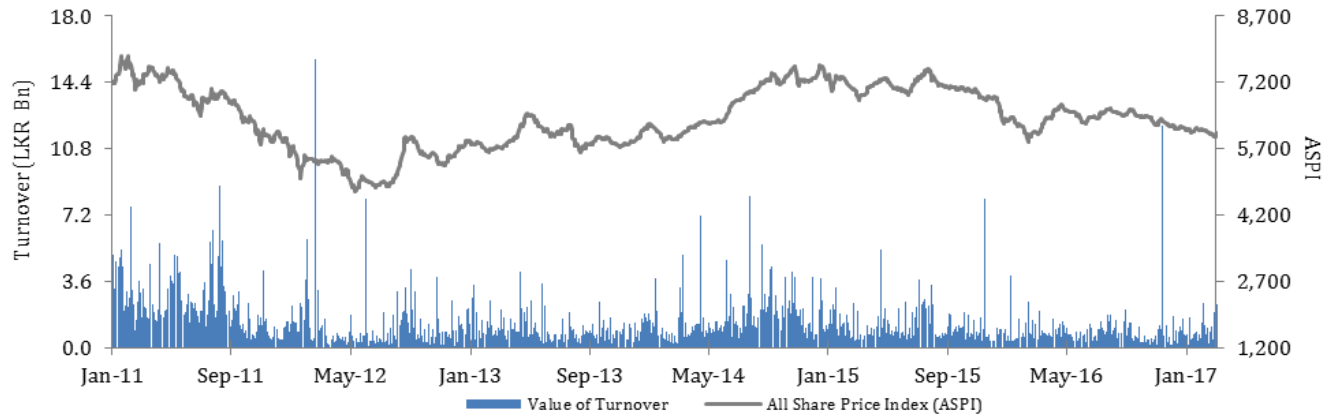
TOP 10 GAINERS

| Company | Code | Opening Price | Closing Price | WoW % Change |
|-------------------|--------|---------------|---------------|--------------|
| KOTMALE HOLDINGS | LAMB N | 111.2 | 195.1 | 75.4% |
| BLUE DIAMONDS[NV] | BLUEX | 0.4 | 0.5 | 25.0% |
| MADULSIMA | MADUN | 5.4 | 6.6 | 22.2% |
| GUARDIAN CAPITAL | WAPON | 35.6 | 43.0 | 20.8% |
| HVA FOODS | HVA N | 4.9 | 5.9 | 20.4% |
| LOLC | LOLCN | 72.2 | 85.6 | 18.6% |
| SERENDIB ENG.GRP | IDL N | 6.0 | 7.1 | 18.3% |
| CONVENIENCE FOOD | SOY N | 310.1 | 365.7 | 17.9% |
| HORANA | HOPLN | 17.0 | 19.8 | 16.5% |
| MALWATTE | MAL N | 3.1 | 3.6 | 16.1% |

TOP 10 LOSERS

| Company | Code | Opening Price | Closing Price | WoW % Change |
|-------------------|-------|---------------|---------------|--------------|
| PC HOUSE | PCH N | 0.2 | 0.1 | -50.0% |
| PC PHARMA | PCP N | 0.3 | 0.2 | -33.3% |
| S M B LEASING[NV] | SEMBX | 0.4 | 0.3 | -25.0% |
| SERENDIB LAND | SLNDN | 1661.2 | 1335.1 | -19.6% |
| PARAGON | PARAN | 68.0 | 60.0 | -11.8% |
| AMANA TAKAFUL | ATL N | 0.9 | 0.8 | -11.1% |
| BIMPUATH FINANCE | BLI N | 54.6 | 48.6 | -11.0% |
| LAKE HOUSE PRIN. | LPRTN | 149.0 | 136.3 | -8.5% |
| ODEL PLC | ODELN | 24.7 | 22.9 | -7.3% |
| CEYLON LEATHER | CLPLN | 63.0 | 58.6 | -7.0% |

Market Review



Indices |

The Bourse continued its upward momentum as the ASPI increased by 132.55 points (or 2.07%) to close at 6,535.54 points, while the S&P SL20 Index too increased by 88.01 points (or 2.41%) to close at 3,735.83 points.

Turnover & Market Capitalization |

Commercial Bank was the highest contributor to the week's turnover value, contributing LKR 4.40Bn or 39.70% of total turnover value. JKH followed suit, accounting for 29.06% of turnover (value of LKR 3.22Bn) while Nestle contributed LKR 0.46Bn to account for 4.19% of the week's turnover. Total turnover value amounted to LKR 11.09Bn (cf. last week's value of LKR 2.66Bn), while daily average turnover value amounted to LKR 2.22Bn (+66.97% W-o-W) compared to last week's average of LKR 1.33Bn. Market capitalization meanwhile, increased by 2.04% W-o-W (or LKR 57.62Bn) to LKR 2,875.80Bn cf. LKR 2,818.18Bn last week.

Liquidity (in Value Terms) |

The Banking, Finance & Insurance Sector was the highest contributor to the week's total turnover value, accounting for 46.80% (or LKR 5.19Bn) of market turnover. Sector turnover was driven primarily by the Commercial Bank which accounted for 84.83% of the sector's total turnover. The Diversified Sector meanwhile accounted for 32.66% (or LKR 3.62Bn) of the total turnover value with turnover driven primarily by JKH which accounted for 88.98% of the sector turnover. The Bev Food Tobacco Sector was also amongst the top sectorial contributors, contributing 5.79% (or LKR 0.64Bn) to the market. The sector turnover was driven by Nestle which accounted for 72.35% of the sector turnover.

Liquidity (in Volume Terms) |

The Banking, Finance & Insurance Sector dominated the market in terms of share volume, accounting for 28.21% (or 61.17Mn shares) of total volume, with a value contribution of LKR 5.19Bn. The Diversified sector followed suit, adding 19.72% to total turnover volume as 42.76Mn shares were exchanged. The sector's volume accounted for LKR 3.62Bn of total market turnover value. The Telecom Sector meanwhile, contributed 31.95Mn shares (or 14.73%), amounting to LKR 0.38Bn.

Top Gainers & Losers |

Kotmale Holdings was the week's highest price gainer; increasing 75.45% W-o-W from LKR 111.20 to LKR 195.10. Blue Diamonds[NV] gained 25.00% W-o-W to close at LKR 0.50 while Madulsima gained 22.22% W-o-W to close at LKR 6.60. Guardian Capital (+20.79% W-o-W) and HVA Foods (+20.41% W-o-W) were also amongst the gainers.

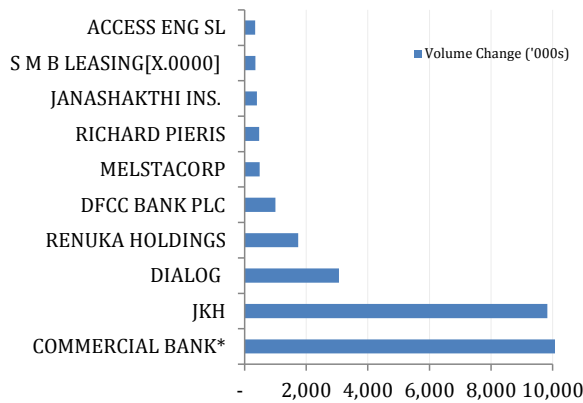
PC House was the week's highest price loser, declining 50.00% W-o-W to close at LKR 0.10. PC Pharma (-33.33% W-o-W), SMB Leasing[X] (-25.00% W-o-W) and Serendib Land (-19.63% W-o-W) were also amongst the top losers over the week.

TOP 10 TURNOVER

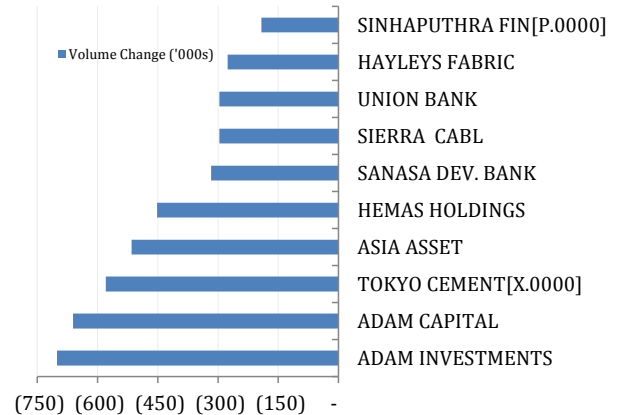
| Company | Code | Opening Price | Closing Price | Value (Rs. Mn) |
|-----------------|-------|---------------|---------------|----------------|
| COMMERCIAL BANK | COMBN | 139.1 | 144.5 | 4401.7 |
| JKH | JKH N | 152.0 | 158.4 | 3221.9 |
| NESTLE | NESTN | 2088.5 | 2199.8 | 464.1 |
| DIALOG | DIALN | 11.4 | 11.8 | 373.9 |
| MELSTACORP | MELSN | 65.0 | 65.0 | 237.8 |
| CHEVRON | LLUBN | 171.0 | 174.9 | 159.3 |
| ACCESS ENG SL | AELN | 25.2 | 26.0 | 135.1 |
| DFCC BANK PLC | DFCCN | 120.0 | 120.6 | 127.7 |
| SAMPATH | SAMPN | 259.2 | 268.5 | 114.8 |
| PEOPLE'S INS | PINSN | 19.2 | 19.7 | 112.4 |

Market Review (Cont'd)

Net Foreign Purchases (12 Apr-21 Apr)



Net Foreign Sales (12 Apr-21 Apr)



* Volume Change in Commercial Bank (30.02Mn shares) from 12th -21st April is not displayed.

Foreign investors closed the week in a net buying position with total net inflows amounting to LKR 6.55Bn relative to last week's total net inflow of LKR 0.37Bn (+1679.81% W-o-W). Total foreign purchases increased by 478.65% W-o-W to LKR 8.90Bn from last week's value of LKR 1.54Bn, while total foreign sales amounted to LKR 2.35Bn relative to LKR 1.17Bn recorded last week (+100.59% W-o-W). In terms of volume, Commercial Bank & JKH led foreign purchases while Adam Investments and Adam Capital led foreign sales. In terms of value, Commercial Bank & JKH led foreign purchases while Hemas Holdings & Tokyo Cement[X] led foreign sales.

Net Foreign Purchases (By Transaction Value)

| Company | Foreign Holding (%) | | Net Change | Value* (LKR. Mn) |
|-----------------|---------------------|----------|------------|------------------|
| | 21/04/17 | 12/04/17 | | |
| COMMERCIAL BANK | 34.41% | 30.86% | 30,018,263 | 4,337.64 |
| JKH | 53.75% | 53.04% | 9,825,627 | 1,556.38 |
| NESTLE | 96.00% | 95.61% | 210,431 | 462.91 |
| DFCC BANK PLC | 23.90% | 23.52% | 999,700 | 120.56 |
| RENUKA HOLDINGS | 10.48% | 8.53% | 1,736,692 | 43.07 |
| DIALOG | 94.11% | 94.07% | 3,065,743 | 36.18 |
| MELSTACORP | 25.25% | 25.21% | 486,853 | 31.65 |
| NATIONS TRUST | 23.83% | 23.69% | 301,198 | 24.70 |
| HNB | 27.48% | 27.46% | 84,214 | 19.40 |
| HNB[X.0000] | 43.01% | 42.90% | 87,614 | 17.06 |

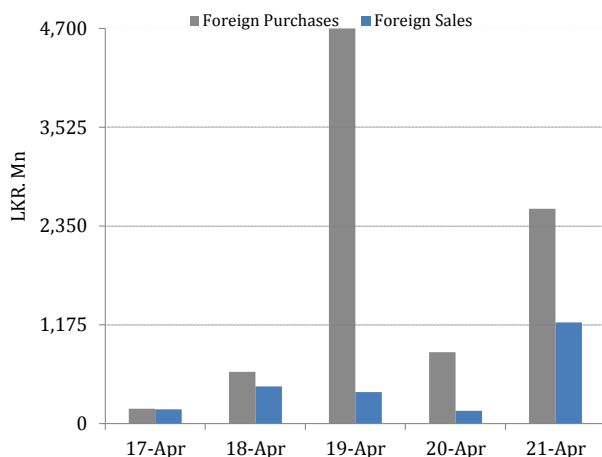
Net Foreign Sales (By Transaction Value)

| Company | Foreign Holding (%) | | Net Change | Value* (LKR. Mn) |
|----------------------|---------------------|----------|------------|------------------|
| | 21/04/17 | 12/04/17 | | |
| HEMAS HOLDINGS | 30.97% | 31.05% | (451,452) | (52.59) |
| TOKYO CEMENT[X.0000] | 34.24% | 34.76% | (579,500) | (33.61) |
| SANASA DEV. BANK | 5.40% | 6.16% | (316,985) | (33.60) |
| COLD STORES | 10.02% | 10.04% | (16,000) | (15.36) |
| CHEVRON | 27.16% | 27.20% | (83,580) | (14.62) |
| AITKEN SPENCE | 31.55% | 31.60% | (185,505) | (11.69) |
| LB FINANCE | 2.16% | 2.21% | (75,000) | (9.38) |
| UNION BANK | 79.29% | 79.31% | (296,533) | (4.57) |
| HAYLEYS FABRIC | 0.90% | 1.03% | (276,000) | (4.42) |
| COM.CREDIT | 36.47% | 36.50% | (96,250) | (4.21) |

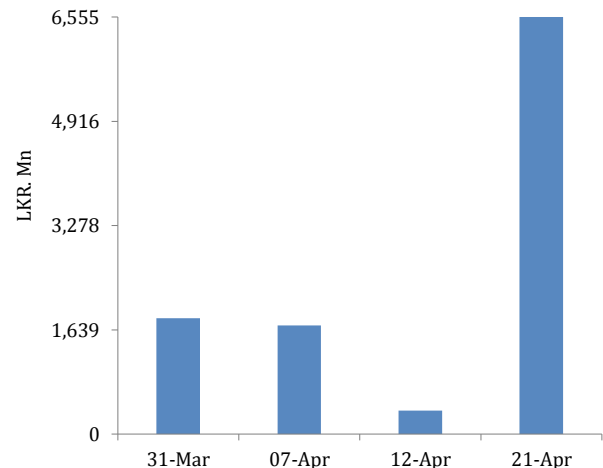
Note: *Value based on closing price and not on actual traded price

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> |
|------------------------------|------------------|------------------------|----------------------|
| CHEVRON LUBRICANTS LANKA PLC | DPS: 5.50 | First Interim Dividend | XD: 03.May.2017 |
| SANASA DEVELOPMENT BANK PLC | DPS: 2.50 | Final Dividend | Dates to be notified |

| <u>Company</u> | <u>Proportion</u> | <u>Type</u> | <u>Date</u> |
|-----------------------------|-------------------|----------------|----------------------|
| SANASA DEVELOPMENT BANK PLC | 1:22.85 | Scrip Dividend | Dates to be notified |

Point of View

Blue-chip led gains drove markets yet again this week, helping the Broad-share Index shed early losses from some profit taking on Monday. The benchmark ASPI ended ~133 points stronger W-o-W with Index heavy weights such as JKH, LOLC NEST, COMB, DIAL & SLT contributing ~72.98 points amid strong HNI and Institutional (particularly foreign) activity. Crossings accounted for ~61% of market turnover for the week helping push market turnover to a YTD high of LKR 5.17Bn on Tuesday. Crossings in COMB accounted for ~64% of the week's total crossings and ~39% of the market's total turnover for the week while JKH accounted for ~21% of the week's total crossings. Retailers too returned to markets this week, taking cues from the consistent foreign buying in domestic equities in 2017. The market rally since late-March has led to the ASPI gaining a cumulative 539 points (or 9%) over the last four weeks. The rally over this period has helped wipe off earlier losses on the Index, and the ASPI has gained ~4.9% YTD, relative to the loss of ~4.0% between Dec 31 2016 and Mar 24 '17 when the rally began. Markets are likely to retain the current positive momentum, although some profit taking is also likely in the week ahead.

IMF Raises Global Growth Outlook for 17-18E

In its latest World Economic Outlook report, the IMF raised its global growth projections for 2017 (to 3.5% from 3.4% in Oct'16) and 2018 (3.6%), citing consistently good economic news since H2'16 (buoyant financial markets and a cyclical recovery in manufacturing and trade) for the improved outlook¹. The IMF noted that growth is expected to be broad based, with activity projected to pick up markedly in EM and developing economies as macroeconomic strains experienced by commodity exporters ease amid the partial recovery in commodity prices and as growth remains strong in China and many other commodity importers¹. The reported noted however, that a stronger recovery is held back by structural impediments and that the balance of risks remains tilted to the downside, particularly over the medium term. The IMF noted further that persistent structural issues such as low productivity growth and high income inequality have increased pressures for inward-looking policies in Advanced Economies, threatening the global economic integration that has served the world economy (particularly EM & and developing economies) well¹.

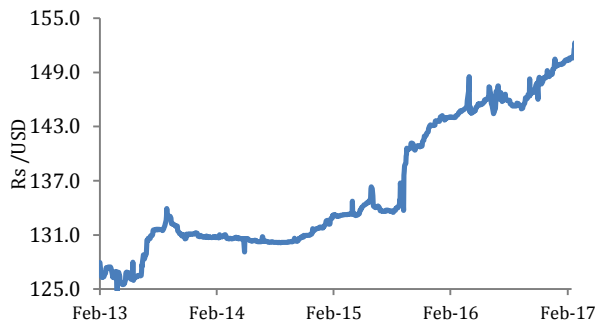
Notes: 1. Source: IMF_World Economic Outlook April 2017

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% | | | |

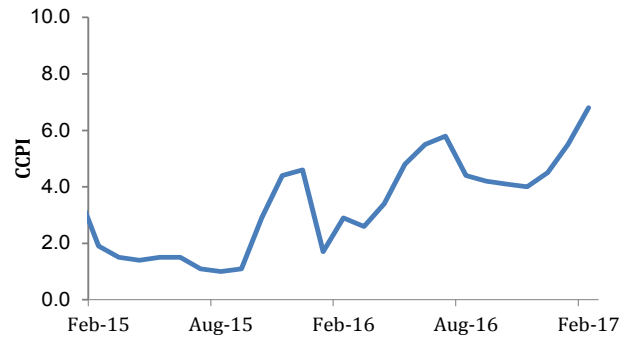
Source Central Bank

Exchange Rate, Rs. vs. US\$



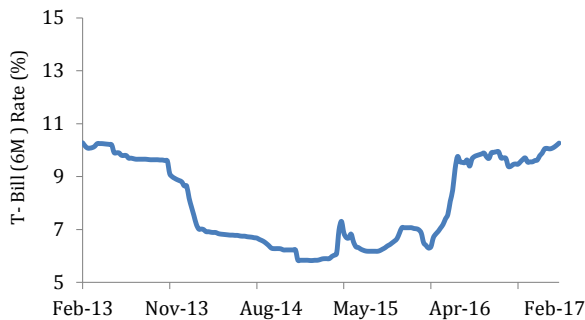
Source: Central Bank

Inflation (CCPI-N) YoY%



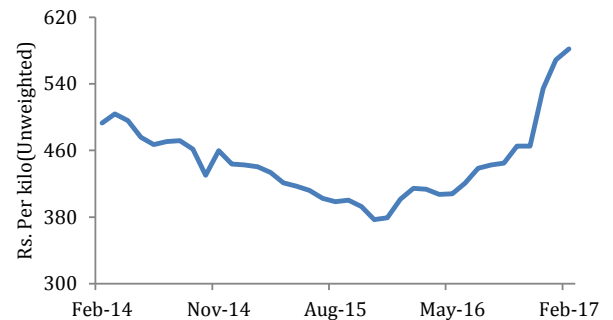
Source: Central Bank

6 Month T-Bill Yield



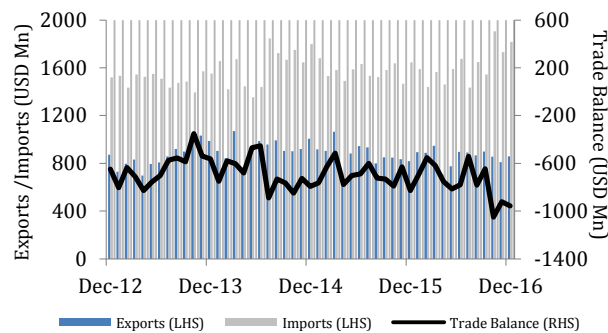
Source: Central Bank

Tea Prices



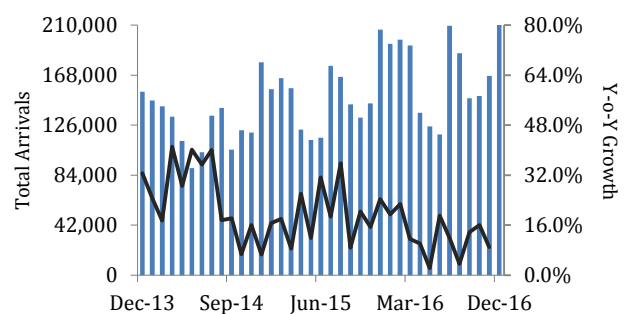
Source: Sri Lanka Tea Board

Export & Trade Balance



Source: Central Bank

Trends in Tourist Arrivals



Source: Sri Lanka Tourism Development Authority

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