

ASPI Hits 5-Week High of ~6540 ...

WB Forecasts Mid-Term GDP Growth of 4.5% ...

ASPI \uparrow 0.88% | S&P SL20 \uparrow 0.06%

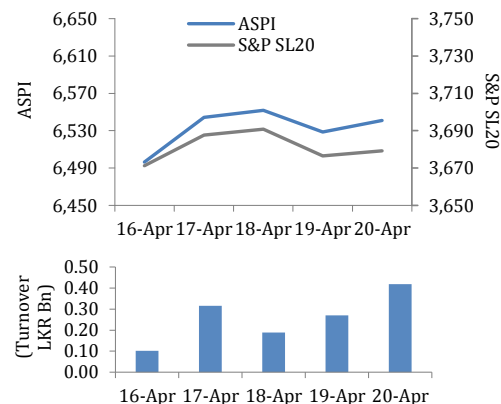
The Bourse ended... *Cont. P2*

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

Equity markets continued ... *Cont. P4*

Economic Snapshot..... *P5*

Indices vs. Turnover (16th Mar -20th Apr)



KEY STATISTICS

Week ending	20-Apr	12-Apr	+/-
ASPI	6,540.97	6,483.92	0.88%
S&P SL20	3,679.23	3,676.98	0.06%
Banking & Finance	17,479.16	17,356.25	0.33%
Food & Beverage	23,499.56	22,929.61	2.56%
Diversified	1,766.54	1,749.60	0.88%
Hotel & Travel	2,862.77	2,852.07	0.24%
Plantations	971.45	951.80	0.92%
Manufacturing	3,583.92	3,614.18	-0.54%
Turnover (LKR Bn)	1.29	2.09	-38.05%
Foreign Buying (LKR Mn)	193.22	793.75	-75.66%
Foreign Selling (LKR Mn)	115.68	1,259.70	-90.82%
Daily Average Turnover (LKR Bn)	0.26	0.52	-50.44%
Daily Average Foreign Buying (LKR Mn)	38.64	198.44	-80.53%
Daily Average Foreign Selling (LKR Mn)	23.14	314.92	-92.65%

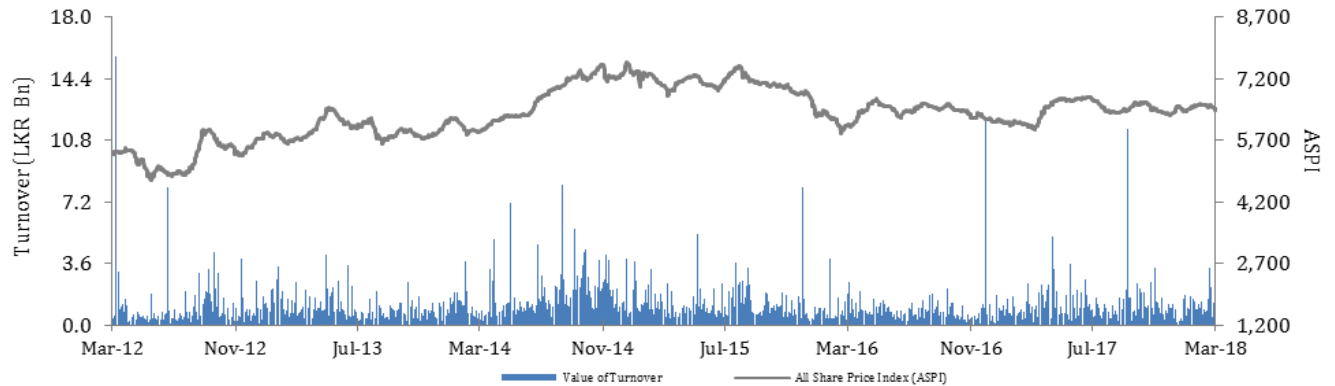
TOP 10 GAINERS

Company	Code	Opening Price	Closing Price	WoW % Change
HUNTERS	HUNTN	410.2	493.7	20.4%
HUNAS FALLS	HUNAN	79.7	95.0	19.2%
UNION BANK	UBC N	13.0	15.0	15.4%
DISTILLERIES	DISTN	19.3	22.1	14.5%
SERENDIB HOTELS	SHOTN	17.5	19.9	13.7%
MULTI FINANCE	MFL N	14.0	15.9	13.6%
SOFTLOGIC	SHL N	22.2	25.2	13.5%
KOTAGALA	KOTAN	9.3	10.5	12.9%
PRIME FINANCE	GSF N	21.5	24.0	11.6%
CEYLINCO INS.	CINSN	1650.6	1842.5	11.6%

TOP 10 LOSERS

Company	Code	Opening Price	Closing Price	WoW % Change
S M B LEASING	SEMBN	0.6	0.5	-16.7%
JOHN KEELLS	JKL N	65.9	58.5	-11.2%
AMANA TAKAFUL	ATL N	0.9	0.8	-11.1%
LANKEM CEYLON	LCEYN	42.9	38.5	-10.3%
LUCKY LANKA[NV]	LLMPX	1.0	0.9	-10.0%
KEELLS FOOD	KFP N	144.0	130.3	-9.5%
MAHAWELI REACH	MRH N	18.4	17.0	-7.6%
BANSEI RESORTS	BRR N	6.7	6.2	-7.5%
AMAYA LEISURE	CONN N	51.5	48.5	-5.8%
LANKA ALUMINIUM	LALUN	67.8	64.0	-5.6%

Market Review



Indices |

The Bourse ended on a positive note this week as the ASPI increased by 57.05 points (or +0.88%) to close at 6,540.97 points, while the S&P SL20 Index also increased by 2.25 points (or +0.06%) to close at 3,679.23 points.

Turnover & Market Capitalization |

Ceylinco Insurance was the highest contributor to the week's turnover value, contributing LKR0.28Bn or 21.86% of total turnover value. Union Bank followed suit, accounting for 6.90% of turnover (value of LKR0.09Bn) while Amana Takaful contributed LKR0.08Bn to account for 5.9% of the week's turnover. Total turnover value amounted to LKR1.29Bn (cf. last week's value of LKR2.09Bn), while daily average turnover value amounted to LKR0.26Bn (-50.44% W-o-W) compared to last week's average of LKR 0.52Bn. Market capitalization meanwhile, increased by 0.61% W-o-W (or LKR 18.54Bn) to LKR 3,053.82Bn cf. LKR 3,035.28Bn last week.

Liquidity (in Value Terms) |

The Banking, Finance & Insurance Sector was the highest contributor to the week's total turnover value, accounting for 53.72% (or LKR 0.70Bn) of market turnover. Sector turnover was driven primarily by Ceylinco Insurance, Union Bank, Amana Takaful, Ceylinco Insurance[NV] & Sampath Bank which accounted for 79.01% of the sector's total turnover. The Diversified Sector meanwhile accounted for 13.88% (or LKR 0.18Bn) of the total turnover value with turnover driven primarily by JKH, Aitken Spence & Softlogic Holdings which accounted for 69.32% of the sector turnover. The Manufacturing Sector was also amongst the top sectorial contributors, contributing 8.76% (or LKR 0.11Bn) to the market driven by Teejay Lanka which accounted for 32.91% of the sector turnover.

Liquidity (in Volume Terms) |

The Banks, Finance & Insurance Sector dominated the market in terms of share volume, accounting for 74.14% (or 98.18Mn shares) of total volume, with a value contribution of LKR 0.70Bn. The Diversified Sector followed suit, adding 6.14% to total turnover volume as 8.13Mn shares were exchanged. The sector's volume accounted for LKR0.18Bn of total market turnover value. The Power & Energy Sector meanwhile, contributed 6.18Mn shares (or 4.67%), amounting to LKR0.04Bn.

Top Gainers & Losers |

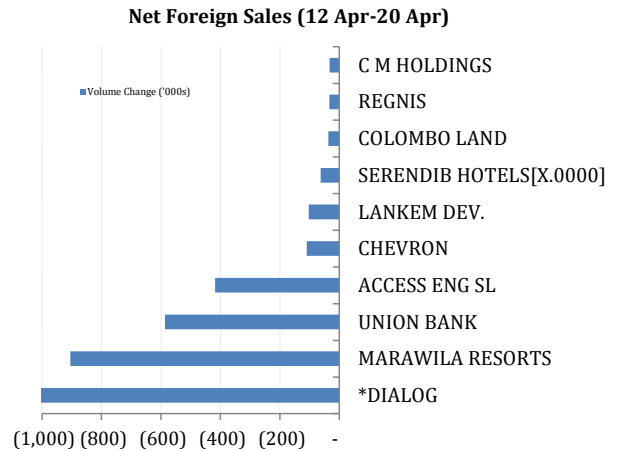
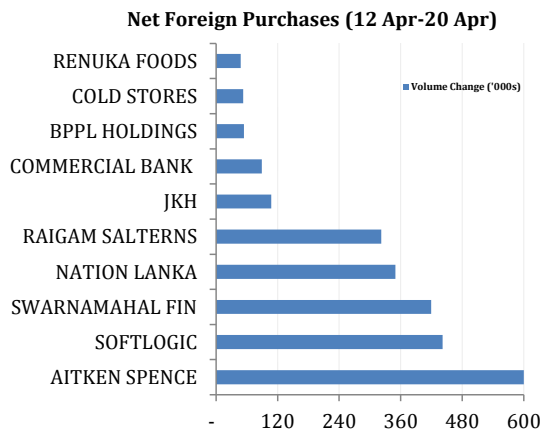
Hunters was the week's highest price gainer; increasing 20.4% W-o-W from LKR410.20 to LKR 493.70. Hunnas Falls gained 19.2% W-o-W to close at LKR95.00. Union Bank(+15.4% W-o-W) and Distilleries (+14.5% W-o-W) were also amongst the gainers.

SMB Leasing was the week's highest price loser, declining 16.7% W-o-W to close at LKR0.50 while John Keells Plc(-11.2% W-o-W), Amana Takaful(-11.1 W-o-W), Lankem Ceylon(-10.3% W-o-W) were also amongst the top losers over the week.

TOP 10 TURNOVERS

Company	Code	Opening Price	Closing Price	Value (Rs. Mn)
CEYLINCO INS.	CINSN	1650.6	1842.5	282.86
UNION BANK	UBC N	13.0	15.0	89.27
AMANA TAKAFUL	ATL N	0.9	0.8	76.30
CEYLINCO INS.[NV]	CINSX	980.0	988.9	69.67
COLD STORES	CCS N	930.0	949.7	50.74
JKH	JKH N	158.9	160.0	44.71
AITKEN SPENCE	SPENN	52.5	52.1	43.52
TEEJAY LANKA	TJL N	31.8	32.0	37.31
SOFTLOGIC	SHL N	22.2	25.2	36.27
SAMPATH	SAMPN	302.1	307.2	31.09

Market Review (Cont'd)



*Volume change of Dialog Axiata(1.53Mn shares)from 12th Apr – 20th Apr not displayed.

Foreign investors closed the week in a net buying position with total net inflows amounting to LKR 0.08Bn relative to last week's total net outflow of LKR 0.47Bn (+116.6% W-o-W). Total foreign purchases decreased by 75.7% W-o-W to LKR 0.19Bn from last week's value of LKR 0.79Bn, while total foreign sales amounted to LKR 0.12Bn relative to LKR 1.26Bn recorded last week (-90.82% W-o-W). In terms of volume Aitken Spence & Softlogic holdings led foreign purchases while Dialog & Marawila Resorts led foreign sales. In terms of value Cold Stores & Aitken Spence led foreign purchases while Dialog & Chevron led foreign sales.

Net Foreign Purchases (By Transaction Value)

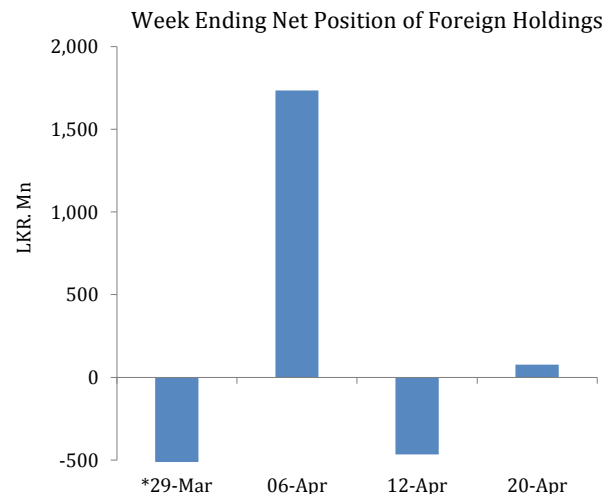
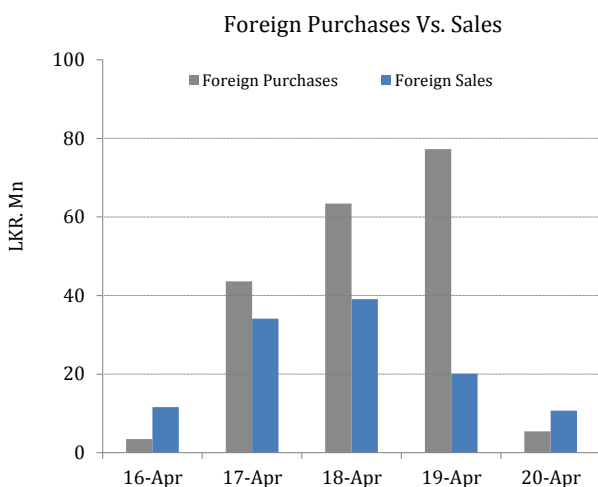
Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	20/04/18	12/04/18		
COLD STORES	10.74%	10.69%	52,916	50.25
AITKEN SPENCE	26.09%	25.94%	600,000	31.26
JKH	58.72%	58.71%	107,546	17.21
COMMERCIAL BANK	34.78%	34.77%	89,286	12.32
SOFTLOGIC	30.94%	30.90%	441,964	11.14
LMF	28.05%	27.97%	29,497	5.01
CEYLINCO INS.	30.77%	30.76%	2,000	3.69
KEELLS FOOD	0.89%	0.79%	24,058	3.13
CEYLON TOBACCO	97.52%	97.52%	1,698	1.76
CARGILLS	6.29%	6.29%	6,642	1.32

Net Foreign Sales (By Transaction Value)

Company	Foreign Holding (%)		Net Change	Value* (LKR. Mn)
	20/04/18	12/04/18		
DIALOG	94.32%	94.34%	(1,527,187)	(21.23)
CHEVRON	21.32%	21.37%	(109,328)	(10.62)
UNION BANK	78.90%	78.95%	(586,520)	(8.80)
ACCESS ENG SL	9.28%	9.32%	(418,071)	(8.36)
HAYLEYS	3.92%	3.96%	(28,138)	(6.06)
HEMAS HOLDINGS	31.35%	31.36%	(30,361)	(3.80)
REGNIS	4.95%	5.25%	(33,965)	(3.40)
C M HOLDINGS	3.74%	3.96%	(33,207)	(2.29)
CDB	0.13%	0.18%	(25,000)	(2.13)
MARAWILA RESORTS	0.07%	0.47%	(904,731)	(2.08)

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.



*Net foreign outflow of LKR9.87Mn for the week ending 29/03/2018 not displayed.

Announcements for the Week

Dividend Announcements

No Dividends Announcements for the week.

Point of View

Equity markets continued last week's positive momentum, surpassing the 6500 mark for the first time since Mid-March despite the Index hitting an 11-week low last week. Although activity levels remained largely dull due to traditional New Year holidays, the benchmark Index hit a 5-week high of 6551.83 on Wednesday and ended the week at 6540.97 to record an ~57 point gain W-o-W. Tepid activity levels continued throughout most of the week with turnover at the start of the week hitting a 5-year low of 0.10Bn as Local institutional and HNI stayed away from the market which was largely retail driven. The average daily turnover consequently declined by ~50% W-o-W to Rs.0.26Bn cf. year to date daily average Rs.1.1Bn. Meanwhile, Local Institutional and HNI participation accounted for just ~39% (of total market turnover) during the week cf. ~49% year to date average. Foreign investors recorded a net foreign inflow of Rs.0.1Bn cf. a net foreign outflow of Rs.0.5Bn of last week, while year to date net foreign outflow amounted to Rs.1.3Bn (including LOLC's transaction for Rs.12.8Bn). Despite this week's overall sluggishness, investor confidence (as gauged through the movement of market indices) over the start of Q2'18 has begun to show a gradual improvement with the ASPI returning ~1% (or 64 points) and the S&P 20 Index returning 0.9% (~32 points) since 29th March. Markets in the week ahead are likely to be active as investors return to markets post the Traditional New Year holidays, but political instability and delayed policy reforms will continue to remain major investor concerns.

WB Forecasts Mid-Term GDP Growth of 4.5%

In its latest report on South Asia, the World Bank highlighted that growth rates across the region should remain relatively stable, with growth in India projected to accelerate to 7.3% in 2018 and 7.5% in 2019-20E due to stronger private spending and export growth. Sri Lanka's GDP growth is forecasted to average around 4.5% over the medium term, reflecting a recovery from the effects of last year's adverse weather-related disruptions and more robust consumption and investment growth. The WB added that the outlook for Sri Lanka remains favorable provided the government is committed to the reform agenda of improving competitiveness, governance and public financial management as these reforms together with the IMF program should add to confidence and support fiscal consolidation efforts. The Bank estimates that inflation will stabilize at mid-single digits as the impact of natural disasters wanes, but higher global oil prices exert some upward pressure. The external sector meanwhile is expected to continue benefitting from the GSP+ preferential access to the EU and tourism receipts, even though a deceleration of remittances is likely. External buffers meanwhile are expected to improve, due to the purchasing of foreign exchange, the maintenance of a more market-determined exchange rate, and increased FDI. The overall fiscal deficit is projected to fall in the medium term, supported by the ongoing implementation of revenue measures. The Bank noted however that a further slowdown in reform implementation, in a challenging political environment, remains the key risk to the Group's baseline estimate.

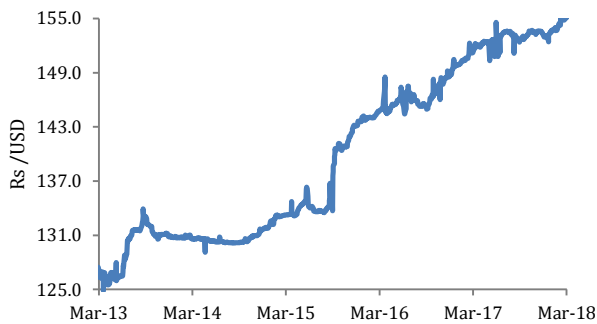
Source: World Bank

Economic Snapshot

	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18
Interest Rates								
Prime Lending Rate	11.67	11.42	11.30	11.40	11.33	11.29	11.27	11.10
Ave. Wtd. Deposit Rates	9.21	9.25	9.22	9.19	9.07	9.08	9.05	9.00
Ave. Wtd. Fixed Dep. Rates	11.78	11.81	11.72	11.69	11.48	11.54	11.45	11.41
CCPI Inflation Y-o-Y % (Base 2013)	6.0	7.1	7.8	7.6	7.1	5.8	4.5	4.2
GDP Growth (Base 2010)								
	2012	2013	2014	2015	2016	2017		
	9.1%	3.4%	4.9%	4.8%	4.4%	3.1%		

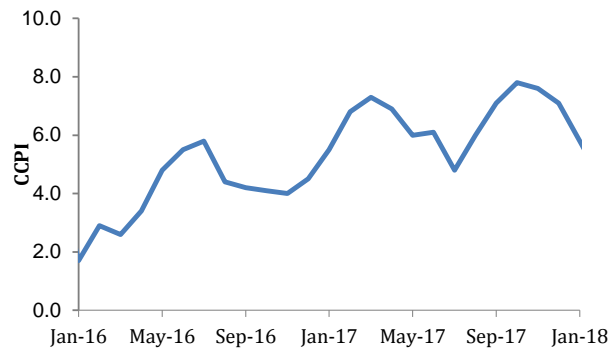
Source Central Bank

Exchange Rate, Rs. vs. US\$



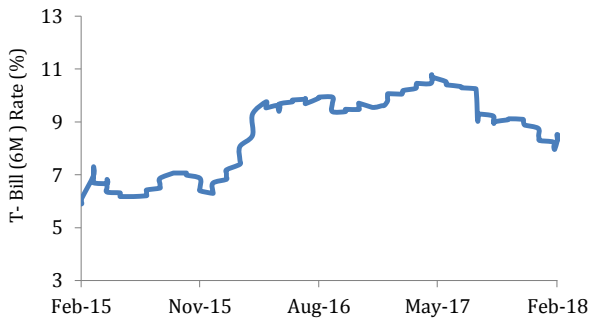
Source: Central Bank

Inflation (CCPI-N) YoY%



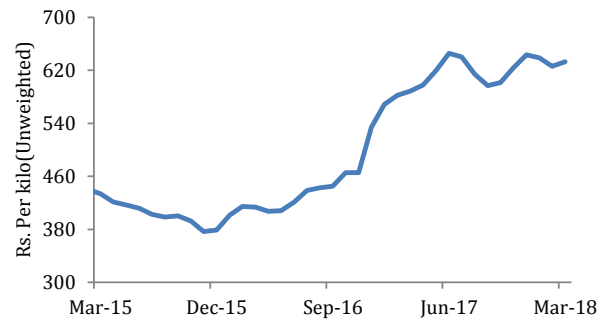
Source: Central Bank

6 Month T-Bill Yield



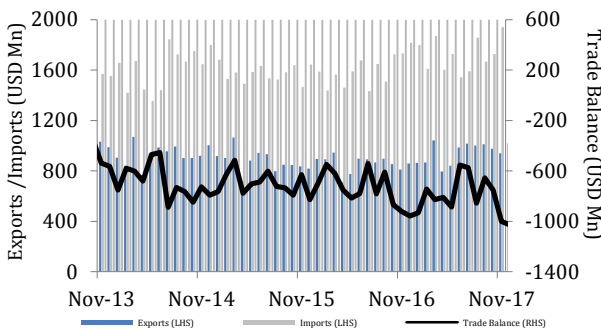
Source: Central Bank

Tea Prices



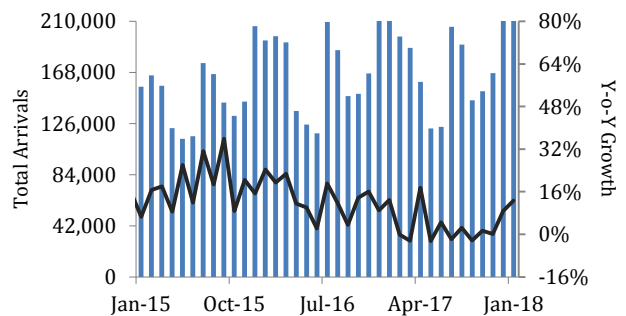
Source: Sri Lanka Tea Board

Export & Trade Balance



Source: Central Bank

Trends in Tourist Arrivals



Source: Sri Lanka Tourism Development Authority

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