

# Sri Lanka Equity

Market watch: Weekly  
20th February 2015

Focus: A positive end to the dull week



Colombo equities started the week on a red note on Monday however able to close the week in green as the market stabilized towards the end of the week. Highest turnover was recorded was on Thursday while the foreigners were net sellers for most of the days.

Twenty two crossings were recorded during the week while COMB accounted for nine of them.

Bank, Finance and Insurance sector contributed mostly to the market turnover while oil palm sector was the highest gainer for the week (+ 4.08%).

NEST, HNB and SHAL lifted up the ASPI by 23.17 points while JKH dragged down the index by around 17.61 points. ASPI down by 19 points while S&P SL20 up by 19 points .

Rupee depreciated to close at LKR 132.93 per USD. T-bill rate increased during the week as 1 year T-bill rate closed at LKR 6.22. Gold prices depreciated and closed at 1,204.11\$/Oz while oil prices decreased to close at 51.06\$/Barrel.

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## Market Indicators

	This Week	Last Week	% Change	YTD Change
ASPI	7,316.44	7,335.51	-0.26%	-0.43%
S&P SL 20	4,133.01	4,113.19	0.48%	0.55%
Turnover (LKR Mn)	4,290	8,496	-49.51%	39,078
Volume (Mn)	144	437	-67.04%	1,583
For. Pur(LKR Mn)	1,279	2,835	-54.89%	12,610.08
For.Sales(LKR Mn)	1,558	2,028	-23.19%	11,070.53
PE	13.45	13.46	-0.05%	-0.08%
PBV	1.90	1.91	-0.56%	-9.43%
Mkt Cap.(LKR Mn)	3,099,983	3,108,705	-0.28%	10.12%
YTD Foreign inflow/(outflow) - LKR Bn				1.26

## Top 5 Gainers

Company	This Week	Last Week	%	Volume
EMER.N	11.30	6.70	68.66%	8,252,207
LALU.N	75.50	61.80	22.17%	335,642
SHAL.N	2,375.00	1,945.00	22.11%	167
SELI.N	1,961.20	1,643.00	19.37%	26
LHL.N	67.00	56.30	19.01%	365,186

## Top 5 Losers

Company	This Week	Last Week	%	Volume
PCH.N	0.20	0.30	-33.33%	124,513
EQIT.N	40.00	47.90	-16.49%	1
KZOO.N	1,007.60	1,200.00	-16.03%	18
ESL.N	43.10	50.40	-14.48%	310,717
TKYO.N	59.30	68.70	-13.68%	338,072

## Top 5 Sector Gainers

Sector	This Week	Last Week	Gain %
OIL PALMS	119,503.91	114,822.96	4.08%
MOTORS	18,121.01	17,790.49	1.86%
BANK FINANCE INS	19,214.20	19,000.44	1.13%
TRADING	17,000.83	16,909.78	0.54%
CHEMICALS PHARMS	7,340.52	7,334.49	0.08%

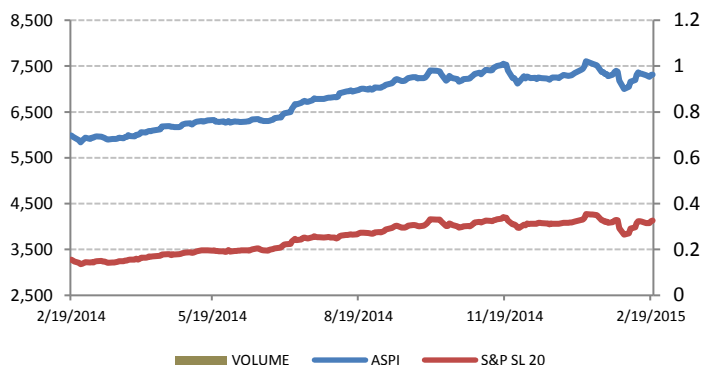


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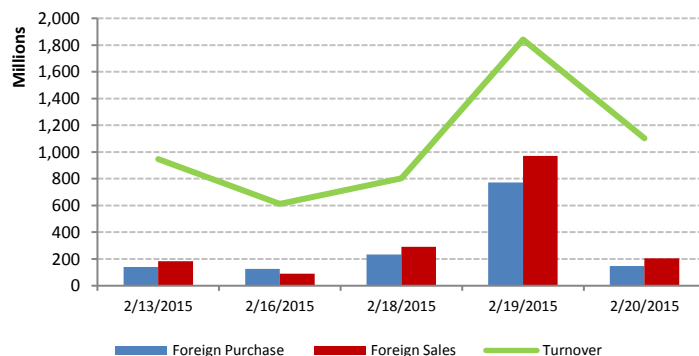
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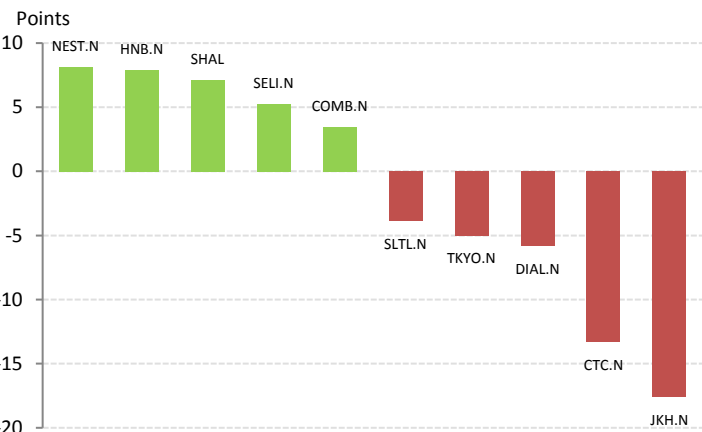
ASI, S&P SL 20 and Volume



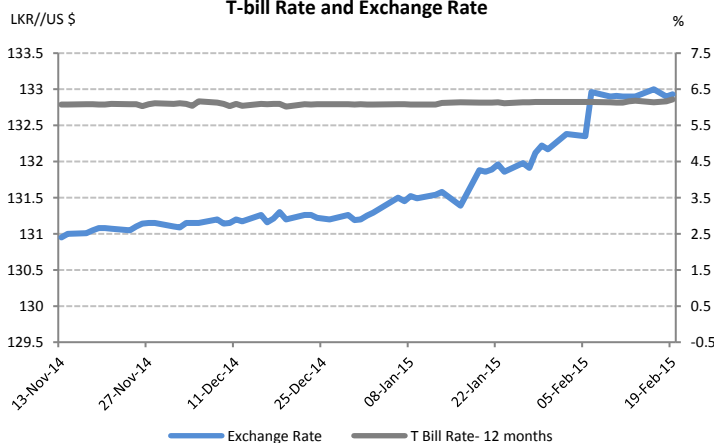
Turnover and Foreign Trading



ASI contributors for the week



T-bill Rate and Exchange Rate



## World Market

		% weekly
WTI Crude Oil (USD/barrel)	51.06	-2.88%
Gold (USD/Ounce)	1204.11	-2.07%
S & P 500	2097.45	0.02%
MSCI AC Index	144.72	1.27%

## *Corporate Announcements*

Cargills (Ceylon) Plc is looking forward to its next wave of expansion consequent to a capital infusion of Rs. 2.6 billion by the International Finance Corporation (IFC) in exchange for an 8% equity stake in the company's retail subsidiary, Cargills Foods Ltd. The investment from IFC – the private sector arm of the World Bank Group – is to be directed towards strengthening the company's extensive supply chain network and expanding its retail footprint through the opening of new Food City outlets while further investments are expected through the partnership, according to Cargills (Ceylon) Plc Deputy Chairman, Ranjit Page.- Daily Ft

Eastern Merchants Plc is to raise Rs. 1 billion to diversify business by selling a portion of its land and buildings. The company said its Board, at a meeting on Monday, resolved to sell land and buildings owned at 284 Vauxhall Street, Colombo 2 and 341 Union Place, Colombo 2 (with a combined extent of 134 perches) for Rs. 1.04 billion. It said, according to the valuation dated 6 April 2014 by Incorporated Valuer Prof. Gamini Haegoda, the property is worth Rs. 939 million. The Union Place property was the registered office and principal place of business.-Daily Ft

Cargills (Ceylon) Plc has said measures announced in the original 2015 Budget have impacted its business and is looking for rectification of arbitrary deemed VAT but it remain optimistic of future prospects. Cargills Group experienced a 2.2% decline during the 3rd quarter closing at a turnover of Rs 15.1 Bn compared to Rs 15.5 Bn recorded during the corresponding period last year. The Revenue decline is attributed to the Manufacturing and Restaurants businesses experiencing a marginal setback during the quarter while the Distribution business is undergoing a re-organization to enhance efficiency. -Daily Ft

## *Economic News*

Though bilateral ties may have hit rough waters, Policy Planning and Economic Affairs Deputy Minister Dr. Harsha de Silva confirmed that a decision has been taken to proceed with the Free Trade Agreement with China. The Government is not pushing it back; we will proceed with it, but there are multiple views. We won't rush it but we are moving in that direction," Dr. de Silva told CEOs Forum organised by Chartered Institute of Marketing (CIM) Sri Lanka yesterday.- Daily FT

IMF Managing Director Christine Lagarde and Sri Lanka's Finance Minister Ravi Karunanayake, who met in Washington, have held successful talks. Following their talks, a joint statement was issued. We had a fruitful discussion about recent economic developments in Sri Lanka and the near-term outlook. These discussions will continue in the context of the next regularly scheduled Post-Program Monitoring mission led by Todd Schneider, which will visit Sri Lanka from 23 February through 4 March. IMF Asia and Pacific Department Director Changyong Rhee will also join the mission to meet with senior officials. -Daily FT

The National Labour Council has agreed to increase the salaries of workers in the private sector parallel to the salary increase in the public sector, Cabinet Spokesperson Minister Rajitha Senarathne said yesterday. He said the Government has called on the National Labour Council to increase the salaries of workers in the private sector parallel to the salary increase in the public sector. Accordingly, it has been agreed to increase private sector salaries by 15% – 35% according to profits and to increase the minimum salary level to Rs. 10,000.-Daily Ft

The Industrial Association of Sri Lanka (IASL) and the Sri Lanka Ceramics & Glass Council are repeating requests for a reduction in furnace oil prices to a minimum Rs. 50-55, in order to ease the burden of prohibitively high costs of production. "We had made representations to the previous Government and we are now making the same representations to the new regime. - Daily FT

## *Global Buzz*

Japanese stocks rose, with the Topix index headed for a fifth straight weekly gain and the Nikkei 225 Stock Average extending a 15-year high, as paper manufacturers led advances. Banks declined. Tomoegawa Co. surged 16 percent to lead gains by paper makers, which rose the most among the 33 Topix industry groups. - Bloomberg

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