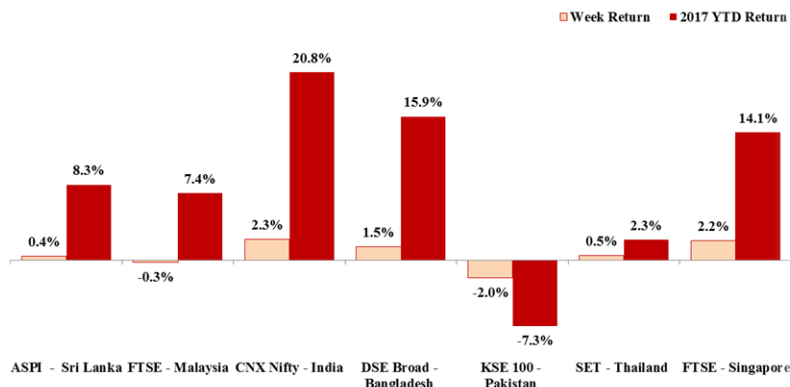


- During the week ending Friday 14th July CSE picked up slightly. The All Share Price Index (ASPI) ended at 6,766.1 (0.4% upward) while the S&P SL 20 Index remained steady at 3,909.5. Total turnover for the week was Rs. 3,665.4Mn, a slight improvement of 5.4% compared to previous week.
- Net foreign investments recorded a net inflow of Rs. 759.9Mn during the week. 2017 annual net foreign investment amounted to a positive Rs. 23,489Mn which is the second highest-ever yearly net foreign inflow after Rs 38.6Bn was recorded in 2012.
- Sri Lankan retailer Odel Plc said it plans to do a mixed developed property project with an investment of USD 105.7 Mn, where its main outlet is located at Ward Place in the capital Colombo. Company had entered into an agreement with the BOI for the project that is to be completed in three years. Further recently Odel announced that it has entered into a deal with Shangri-La Hotels Lanka to lease 52,454 sq:ft: of retail space in 'The Mall at One Galle Face', which is currently under construction.
- Brown & Company (BRWN) intends to convert the newly acquired hospital in Negombo into a fully-fledged secondary care hospital with the intention of commencing pharmaceutical manufacturing.
- Ube Singapore Holdings Pte. Ltd has extended its decision to deepen their investment in the Sri Lankan cement giant Tokyo Cement PLC. Ube Singapore Holdings recently bought 10% voting shares of TKYO, placing itself among the Top 20 shareholders of the company. Ube Industries, Ltd. is a leading manufacturer of cement and cement related machinery and further involved in manufacturing of chemicals, plastics, battery materials and pharmaceuticals.

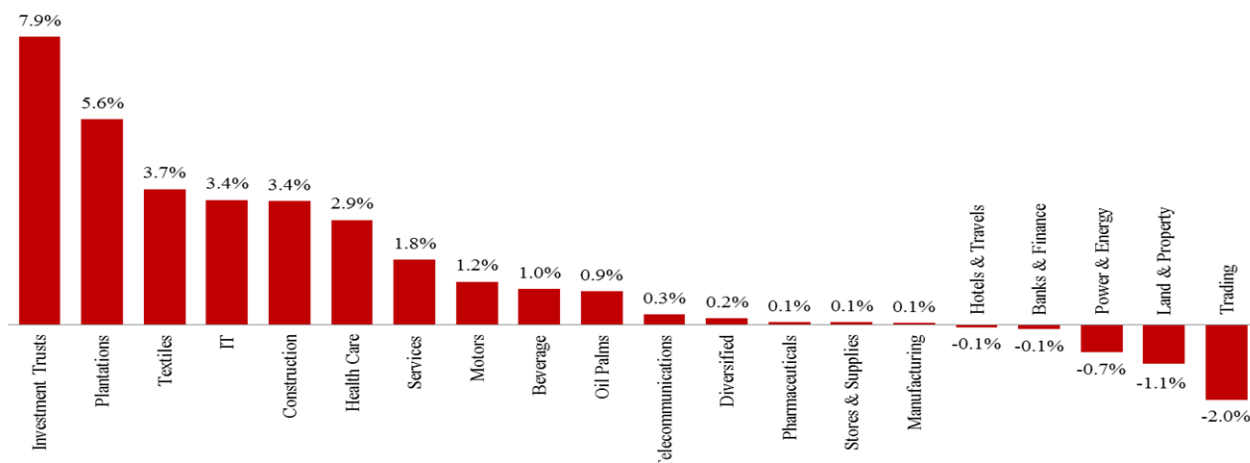
MARKET INDICATORS

	Week Return	2017 YTD Return
ASPI - Sri Lanka	0.4%	8.3%
FTSE - Malaysia	-0.3%	7.4%
CNX Nifty - India	2.3%	20.8%
DSE Broad - Bangladesh	1.5%	15.9%
KSE 100 - Pakistan	-2.0%	-7.3%
SET - Thailand	0.5%	2.3%
FTSE - Singapore	2.2%	14.1%

Regional Market Performance



CSE Weekly Sector Returns (%)



STORY OF THE WEEK

Sri Lanka to grow 5.2-pct in next five years: Moody's

- Sri Lanka is expected to grow 4.6% in 2017 and a 'robust' 5.2% up to 2021, but the country has to watch its debt and external payments and state owned enterprises, Moody's, a credit rating agency, said.
- Moody's has assessed Sri Lanka's credit profile in terms of Economic Strength, Moderate (+); Institutional Strength, Low (+); Fiscal Strength, Very Low (-); and Susceptibility to Event Risk, Moderate.

IN OTHER NEWS

▪ Sri Lanka to get US\$1.3bn in World Bank aid

- Sri Lanka will receive USD 1,340Mn worth of financial and technical assistance from the World Bank Group for the 3 year period starting from July 1, 2017. The aid will be under the IDA (International Development Association) Transitional Support Facility, a statement said.
- Previously, Sri Lanka received USD 660Mn in IDA support from 2014 to 2017 and is expected to access about USD 300Mn a year for the next three years from IBRD (International Bank for Reconstruction and Development). This assistance comes as financial assistance for development projects and technical assistance for analytical and advisory services.

▪ Ground breaking agreement inked for tallest building in Asia

- The tallest building in the Asian Region and the 9th tallest to be in the world, the World Capital Centre (WCC) has signed its USD 2Bn Foreign Direct Investment (FDI) agreement with the Board of Investment (BOI) on 14th Friday. WCC will be the center of multiple trading and service providing having a twin tower with modern amenities of 117 floors, gracing a height of 625M.
- It will include 1,200 residential units, 2,000 hotel rooms, 3,000 retail outlets, 5,000 car parking spaces, the WCC 7-star hotel, 20 swimming pools, gold presidential suites with gold-plated interiors, world's fastest double-decker elevators and the first Michelin starred restaurant in Sri Lanka. Further it will be largest tower in the world having a total built up area of 800,000 sq:mt: first of its kind in Sri Lanka, expected to be completed by end of year 2022

▪ Sri Lanka's hill country among Lonely Planet's Best Places to Visit in 2017

- The global travel authority Lonely Planet has listed Sri Lanka's hill country among Top 10 places to visit in Asia in 2017. For this second-annual Best in Asia list, Lonely Planet's in-house Asia experts ranked the hill country as eighth best with China's Gansu as number one. Others in the list are South of Tokyo, Japan; Northern Kerala, India; Keong Saik Road, Singapore; Astana, Kazakhstan; Takayama, Japan; Xi'an, China; Melaka City, Malaysia and Raja Ampat, Indonesia.

UPDATE ON GOVERNMENT SECURITIES

- At the T-bill auction held on 12th Wednesday, the weighted averages of treasuries remained steady over the week.
- The yield on the 03 month bill was unchanged at 9.60%, while the 06 month bill dropped 3bps to 10.23% and the 01 year bill yield also dropped 6bps to 10.39%.
- The state offered Rs. 29.5Bn of bills at the auction for re-issue and accepted Rs. 29.4bn.

ECONOMIC DATA

Credit-Pvt Sec Rs.Bn- Apr (17)-YTD	2016	2017	Change
Tourist Arrivals: June (17)	118,038	123,351	4.50%
Tourist Arrivals: June(17)-YTD	964,267	1,010,444	4.79%
Credit-Pvt Sec Rs.Bn- Apr (17)-YTD	3,662	4,394	19.99%
Trade Balance (US\$ Mn) – Apr	(754.3)	(809.2)	-7.28%
Imports (US\$ Mn) – Apr	1,460.9	1,603.9	9.79%
Investment Goods	364.3	372.5	2.25%
Intermediate Goods	778.9	885.7	13.71%
Exports (US\$ Mn) - Apr	706.6	794.7	12.47%
Agricultural	159.5	195.8	22.76%
Textiles and Apparel	340.5	350.5	2.94%

Quarterly GDP Real Growth	2015	2016	2017
Q1	4.40%	5.20%	5.50%
Q2	7.00%	2.70%	-
Q3	5.60%	4.10%	-
Q4	2.80%	5.30%	-
Annual GDP Real Growth (%)	4.80%	4.40%	-

Based on newbase year-2010

Inflation -CCPI	Year Ago	May 17	June 17
Year on Year	5.50%	6.00%	6.10%
Annual Average	3.00%	5.40%	5.50%

Inflation -NCPI	Year Ago	April 17	May 17
Year on Year	5.30%	8.40%	7.10%
Annual Average	2.70%	6.00%	6.10%

CSE DATA

	Pre. Week	This Week	Change
CSE All Share Index (ASI)	6,737.50	6,766.14	0.4%
S&P Sri Lanka 20 Index (S&P SL 20)	3,908.94	3,909.54	0.0%
Total Turnover (LKR Mn)	3,478.30	3,665.36	5.4%
Market PER	11.54	11.64	0.9%
Market PBV	1.51	1.52	0.7%
Dividend Yield	2.84	2.95	3.9%
Market Capitalization (LKR Bn)	3,055.79	3,068.34	0.4%
Foreign Purchases (LKR Mn)	2,054.36	1,978.39	-3.7%
Foreign Sales (LKR Mn)	1,503.42	1,218.50	-19.0%
Net Foreign (LKR Mn)	550.94	759.89	37.9%

Top 5 Gainers	Pre. Week	This Week	Change
MADULSIMA	7.10	9.50	34%
MALWATTE [X]	3.90	5.00	28%
MALWATTE	4.30	5.40	26%
AGALAWATTE	20.00	23.80	19%
SERENDIB ENG.GRP	8.20	9.70	18%

Top 5 Losers	Pre. Week	This Week	Change
RENUKA CAPITAL	552.90	5.40	-99%
EQUITY TWO PLC	55.00	45.20	-18%
INDUSTRIAL ASPH.	360.00	315.00	-13%
LUCKY LANKA [X]	1.60	1.40	-13%
LUCKY LANKA	2.60	2.30	-12%

LICENSED COMMERCIAL BANKS

Currencies	Year Ago	Pre. Week	This Week
US\$	146.07	153.48	153.54
STG	194.21	199.14	198.81
Yen	1.40	1.35	1.36
Euro	161.60	175.18	175.11

T - Bills	Year Ago	Pre. Week	This Week
3 Months	8.87	9.60	9.60
6 Months	9.89	10.26	10.23
12 Months	10.49	10.45	10.39

	Apr 17	Month Ago	Year Ago
Saving Deposits	0.50-9.00	0.50-9.00	0.50-8.00
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.00-15.00
	May-17	Month Ago	Year Ago
AWDR	8.99	8.89	6.72
AWFDR	11.52	11.43	8.40
	Apr-17	Month Ago	Year Ago
AWLR	13.52	13.40	11.45