

MARCH 2024

John Keells Stock Brokers (Pvt) Ltd



MARKET UPDATE

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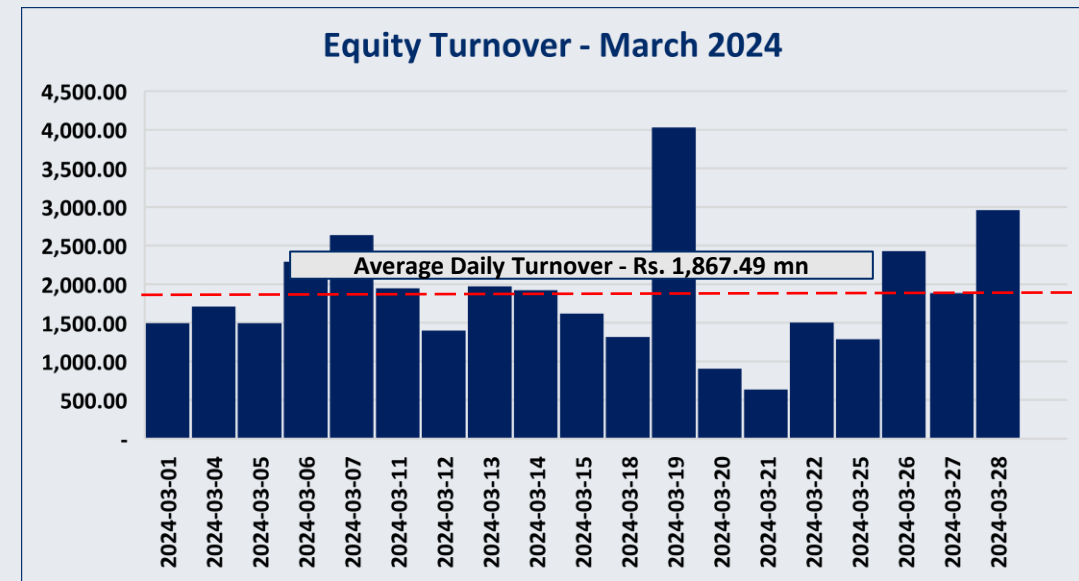
MARKET ROUNDUP

The ASPI gained 7.44% in March, along with the average daily turnover increasing to Rs.1,867 million from Rs. 1,728 million in February. Foreign participation witnessed a sharp decline to 10.44% in March from 43.87% in February, driven by foreign selling amounting to a net outflow of Rs. 4.3 billion. ACL, SDB, and MELS experienced the highest foreign inflows for the month, while LOFC, JKH, and LOLC witnessed the highest foreign outflows.

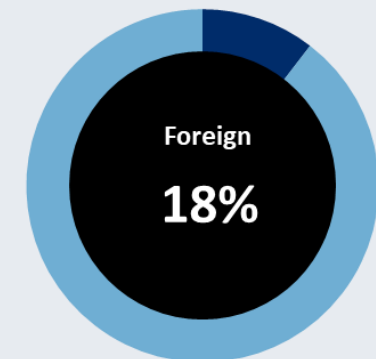
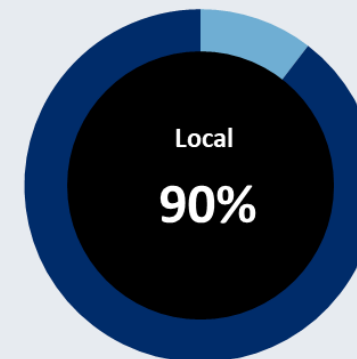
In March, the ASPI surpassed the 11,000 milestone for the first time since October 2023 as investor sentiment gathered further momentum. Diversified Financials, Materials, and Banking were the best performing sectors gaining 13.11%, 10.16%, and 10.02% respectively, while Diversified Financials, Banks, and Capital Goods saw highest activity for the month.

The government reached an IMF staff level agreement during the month advancing a step closer to the completion of the second review of the program. Upon assessment, the agreements in principle reached with official creditors and China's Export-Import Bank regarding debt treatments were recognized as pivotal milestones towards enhancing debt sustainability while the government is currently in the process of reaching an agreement with its private creditors. Finalizing the IMF second review will give the country access to USD 337mn in financing, which brings the total IMF funding to USD 1bn mark.

In addition, CBSL announced a 50 basis point cut in policy rates to stimulate private sector credit and economic growth, marking the third downward revision since October last year. This decision lowered the SDFR to 8.50% and the SLFR to 9.50%. The Board arrived at such a decision considering subdued aggregate demand conditions, minimal impact of recent tax changes on inflation, favorable inflation dynamics due to electricity tariff adjustments, and absence of excessive external pressures. March headline inflation figure declined sharply to 0.9% (YoY) from 5.9% in February with non-food deflation coming in at 0.5% despite an increase in food inflation to 3.8%.

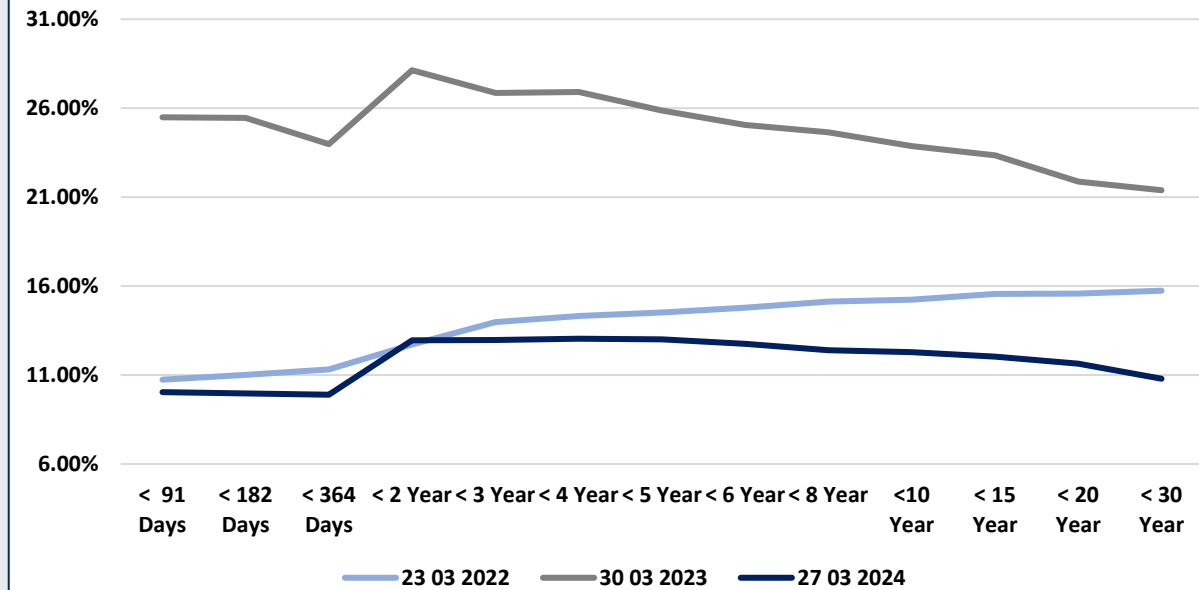


Index	Closing value for the Month	*Change for the Month
ASPI	11,444.38	+7.44%
S&P SL20	3,317.62	+9.23%

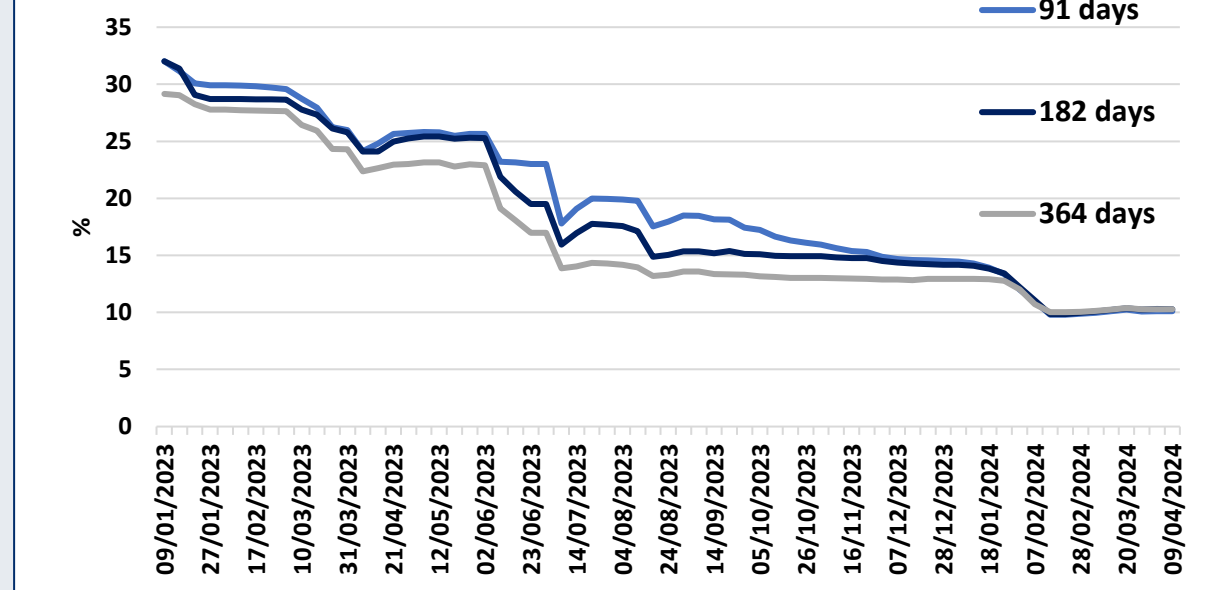


GOVERNMENT SECURITIES MARKET

Yield Curve (Bid-Offer Averages)



Treasury Bill Rates

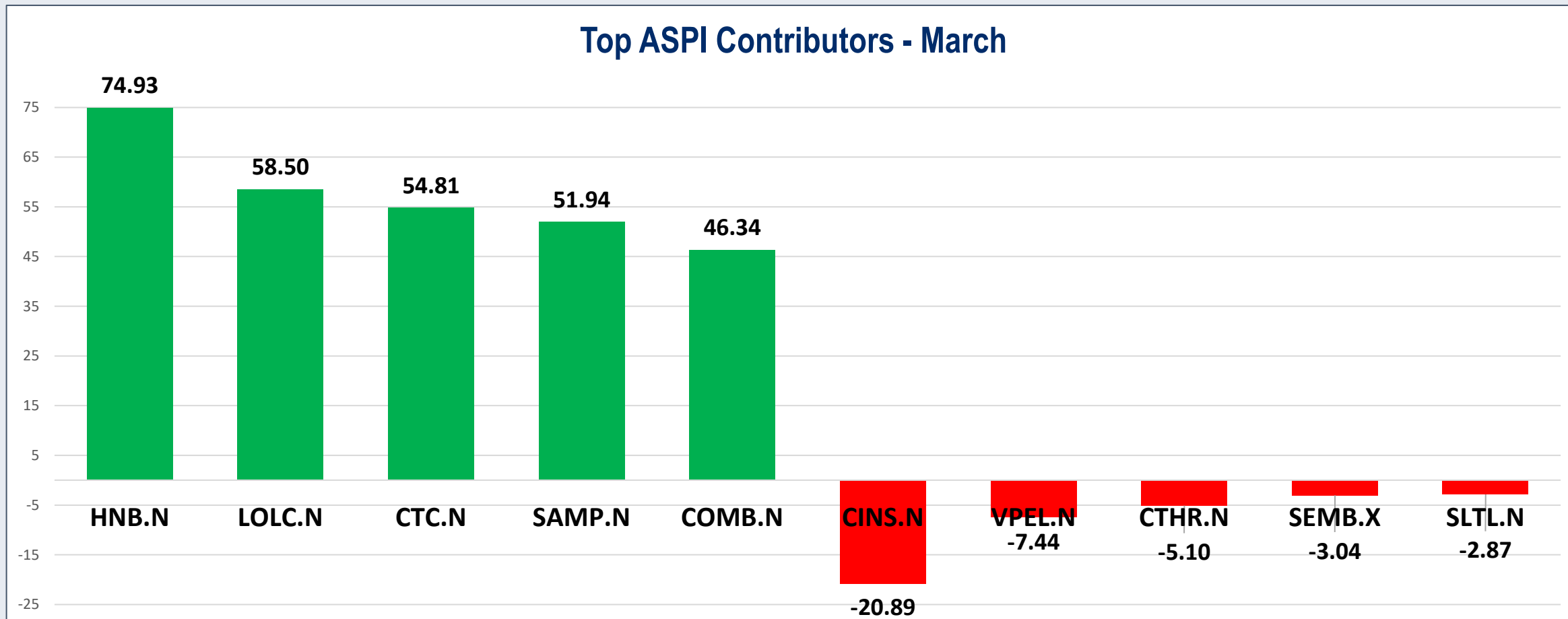


- Yields on G-secs (T-bills) which traded in the range of around 9.5%-10.10% at the start of March 2024 saw rates increase marginally towards the end of March with T-bills trading in a range of 10.00%-10.19%.
- The inverted short-term yield curve corrected towards the middle of February and continued to remain so by the end of March, with the weighted average yields on the last T-bill auction held in March for the 91 days, 182 days and 364 days T-bills coming in at 10.07, 10.23 and 10.28, respectively.



MARKET UPDATE – MAR 2024

Top ASPI Contributors - March



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Top Contributors of the Month

Counter	Turnover (LKR Mn)
LOLC FINANCE PLC	4,847.51
SAMPATH BANK PLC	1,821.09
HATTON NATIONAL BANK PLC	1,511.68
BROWNS INVESTMENTS PLC	1,182.21
LANKA MILK FOODS (CWE) PLC	1,026.94
JOHN KEELLS HOLDINGS PLC	998.65
LANKA IOC PLC	968.48
LOLC HOLDINGS PLC	829.39
HAYLEYS FABRIC PLC	791.82
HAYLEYS PLC	757.74

Top Foreign Inflows of the Month

Counter	Turnover (LKR Mn)
ACL CABLES PLC	226.25
SANASA DEVELOPMENT BANK PLC	176.62
MELSTACORP PLC	124.15
SAMPATH BANK PLC	100.99
EXPOLANKA HOLDINGS PLC	58.25
LANKA ALUMINIUM INDUSTRIES PLC	33.61
DIPPED PRODUCTS PLC	28.58
ASIAN HOTELS AND PROPERTIES PLC	26.81
HAYCARB PLC	21.80
FIRST CAPITAL HOLDINGS PLC	20.97

Top Foreign Outflows of the Month

Counter	Turnover (LKR Mn)
LOLC FINANCE PLC	(3,854.94)
JOHN KEELLS HOLDINGS PLC	(303.37)
LOLC HOLDINGS PLC	(182.02)
HEMAS HOLDINGS PLC	(144.25)
UNION ASSURANCE PLC	(117.63)
HATTON NATIONAL BANK PLC	(86.02)
NATIONS TRUST BANK PLC	(65.73)
CEYLON COLD STORES PLC	(55.31)
RICHARD PIERIS AND COMPANY PLC	(34.67)
SEYLAN BANK PLC (X)	(30.15)



VALUATION SUMMARY

Sector	Stock	Price 08.04.24	Quarterly EPS (Rs.)				TTM EPS	TTM P/E	P/B	YTD Return
			Mar-23	Jun-23	Sep-23	Dec-23				
Banks	COMB	111.50	3.21	2.85	4.74	5.26	16.07	6.94	0.66	16.75%
	HNB	203.50	12.66	4.23	15.85	7.93	40.68	5.00	0.54	20.24%
	DFCC	83.00	4.97	4.32	7.34	3.59	20.21	4.11	0.50	4.27%
	NDB	78.20	2.25	3.85	7.59	0.85	14.53	5.38	0.42	20.49%
	NTB	116.25	8.74	10.41	10.39	6.23	35.76	3.25	0.62	8.14%
	PABC	24.00	0.73	1.36	0.72	1.38	4.19	5.73	0.47	25.65%
	SAMP	81.00	2.57	3.95	4.34	4.43	15.29	5.30	0.60	14.89%
	SEYB	54.10	1.66	2.40	3.21	3.00	10.27	5.27	0.53	23.23%
	SDB	34.50	0.27	0.66	0.20	1.77	2.91	11.88	0.39	9.52%
	UBC	10.20	0.16	0.17	0.09	0.00	0.42	24.15	0.57	2.00%
ABL	2.40	0.08	0.07	0.16	0.09	0.40	5.99	0.61	4.35%	

VALUATION SUMMARY

Sector	Stock	Price 08.04.24	Quarterly EPS (Rs.)				TTM EPS	TTM P/E	P/B	YTD Return
			Mar-23	Jun-23	Sep-23	Dec-23				
Automobiles & Components	TYRE	72.00	5.98	0.05	3.32	3.80	13.14	5.48	0.87	13.39%
Capital Goods	VONE	55.40	2.61	1.20	2.10	2.72	8.63	6.42	0.74	44.27%
	AEL	23.50	0.14	0.36	4.93	0.62	6.05	3.88	0.66	15.76%
	SIRA	11.20	0.12	0.42	0.58	0.25	1.36	8.21	1.22	-6.67%
	LWL	53.00	2.59	0.95	3.60	4.02	11.16	4.75	0.70	25.59%
	HAYL	85.70	2.40	0.04	0.05	2.82	5.30	16.16	0.79	20.03%
	TILE	52.80	3.21	1.46	3.05	4.09	11.81	4.47	0.94	25.12%
	ACL	85.40	3.27	1.27	4.27	3.90	12.70	6.72	0.80	24.13%
	BRWN	110.25	(2.84)	(28.84)	12.34	44.04	24.69	4.46	0.27	10.25%
	RICH	20.70	(0.15)	0.01	0.19	0.26	0.32	65.67	1.68	0.98%
	JKH	200.75	2.39	1.06	(0.41)	1.99	5.03	39.93	0.89	5.10%

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Capital Goods	SPEN	130.00	(1.28)	(5.92)	1.83	5.05	-0.31	(415.04)	0.73	12.07%
Consumer Durables & Apparel	MGT	40.90	0.13	2.17	2.24	1.33	5.87	6.97	1.58	0.99%
	TJL	37.40	0.21	(1.19)	1.32	0.67	1.00	37.24	0.83	3.03%
Diversified Financials	CDB	200.00	4.82	3.29	6.01	7.98	22.11	9.05	0.73	0.00%
	CFIN	116.75	8.71	8.54	9.00	8.44	34.70	3.36	0.41	10.93%
	COCR	37.10	3.37	1.26	2.30	3.26	10.20	3.64	0.53	27.49%
	LFIN	68.50	4.90	3.80	4.17	4.45	17.32	3.95	0.89	9.95%
	GUAR	96.00	11.31	5.20	23.84	(4.20)	36.15	2.66	0.43	15.25%
	CINV	56.40	5.92	2.17	12.38	(2.44)	18.02	3.13	0.50	25.33%
	PLC	11.80	0.77	0.24	0.50	0.39	1.91	6.19	0.56	10.28%
	SFIN	14.90	0.67	0.45	0.58	0.39	2.10	7.10	0.59	31.86%

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Diversified Financials	LOFC	5.80	0.14	0.07	0.10	0.31	0.61	9.49	1.65	26.09%
	VFIN	43.00	2.28	1.66	2.09	2.02	8.06	5.34	0.83	34.38%
Food Beverage & Tobacco	AGAL	33.40	2.67	1.12	1.51	1.62	6.92	4.83	1.16	2.45%
	KVAL	74.00	5.33	2.59	4.50	2.34	14.75	5.02	0.66	1.93%
	TPL	111.75	25.15	4.50	5.45	5.33	40.43	2.76	0.93	2.52%
	WATA	88.50	(1.17)	3.71	4.33	2.79	9.67	9.15	2.98	22.58%
	ELPL	112.00	1.28	4.42	6.51	6.52	18.73	5.98	0.97	31.76%
	KGAL	114.00	(13.23)	(2.16)	4.22	2.02	-9.16	(12.45)	0.53	-3.39%
	BALA	48.80	3.25	0.31	0.89	0.33	4.78	10.20	0.71	-3.94%
	KOTA	6.20	0.73	0.22	0.08	(0.05)	0.99	6.25	1.11	0.00%
	NAMU	348.00	23.65	20.47	26.90	18.77	89.79	3.88	0.87	-8.54%

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Food Beverage & Tobacco	LMF	28.00	1.02	6.13	21.75	20.33	49.24	0.57	0.05	22.40%
	LDEV	16.90	3.02	0.35	0.38	(0.06)	3.68	4.59	1.25	-6.11%
	CCS	56.50	1.55	0.34	0.83	0.74	3.45	16.36	2.64	33.25%
Materials	CIC	75.00	0.48	1.37	3.10	19.09	24.03	3.12	0.84	17.19%
	DIPD	30.00	1.34	0.96	1.46	1.18	4.94	6.07	0.64	7.53%
	GLAS	29.10	0.95	0.44	0.80	0.90	3.09	9.41	2.72	3.93%
	PARQ	21.70	(2.00)	(1.16)	(0.16)	(0.43)	-3.75	(5.79)	1.48	39.10%
	LLUB	115.00	4.86	3.31	3.76	3.05	14.98	7.68	3.32	27.35%
	REXP	445.50	(19.59)	(4.50)	10.85	6.32	-6.91	(64.44)	1.26	-8.05%
	BOGA	53.80	(0.07)	(0.05)	0.82	0.93	1.64	32.78	3.02	7.60%
	AGST	7.80	0.30	0.36	0.17	0.13	0.96	8.14	0.51	-8.24%

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			Mar-23	Jun-23	Sep-23	Dec-23				
Materials	APLA	401.25	9.88	14.87	36.08	31.01	91.84	4.37	0.55	16.14%
	ALUM	10.50	0.22	(0.48)	0.00	0.25	0.00	(4,718.75)	1.81	29.63%
Real Estate	OSEA	17.60	1.81	0.90	(0.47)	0.86	3.10	5.68	0.40	17.33%
	RIL	6.60	0.01	(0.17)	(0.08)	0.29	0.05	137.85	0.28	29.41%
Telecommunication Services	DIAL	12.00	1.05	0.38	1.80	0.64	3.87	3.10	1.49	33.33%
	SLTL	90.00	0.53	(1.17)	(0.86)	(0.68)	-2.17	(41.39)	1.84	-3.12%
Transportation	EXPO	150.50	(0.61)	(2.91)	(0.78)	(2.64)	-6.93	(21.70)	2.28	5.06%
Utilities	PAP	3.90	(0.67)	(0.06)	(0.15)	0.24	-0.64	(6.10)	1.24	14.71%
	VLL	8.10	0.14	0.22	0.39	0.45	1.20	6.76	1.05	20.90%
	VPEL	7.60	0.04	0.20	0.32	0.53	1.08	7.04	1.65	5.56%
Energy	LIOC	124.50	13.48	4.59	9.50	5.66	33.24	3.75	0.95	22.06%
Food Beverage & Tobacco	GRAN	178.00	6.24	14.26	14.26	13.48	48.24	3.69	0.96	12.30%
	TAFL	293.25	8.92	29.73	72.25	34.09	144.99	2.02	0.86	26.40%
	BFL	177.25	(18.38)	13.17	15.02	(6.37)	3.44	51.58	0.57	-4.45%

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