The background features a stylized bar chart with three green bars on the left and three red bars on the right. A green line with an upward-pointing arrow starts from the left and passes behind the green bars. A red line starts from the top right and passes behind the red bars. The text 'MORNING MEETING BRIEF' is centered in the middle of the image.

# MORNING MEETING BRIEF

16<sup>TH</sup> OF MARCH 2026

# FRIDAY MARKET RECAP

## PRICE INDICES

All share price index (APSI) ▼ -1.3% → 21,692.6

S&P SL 20 Index ▼ -1.4% → 6,084.7

MARKET TURNOVER → LKR 5.27 Bn

MARKET CAPITALIZATION → LKR 7,724.2 Bn

Total crossings - LKR 1.24 Bn

MELSTACORP PLC

ACCESS ENGINEERING PLC

## POSITIVE CONTRIBUTORS

CARSON CUMBERBATCH PLC

CEYLON BEVERAGE HOLDINGS  
PLC

## NEGATIVE CONTRIBUTORS

COMMERCIAL BANK OF  
CEYLON PLC

HAYLEYS PLC

## TOP GAINERS

TESS AGRO PLC-NON VOTING

HAPUGASTENNE PLANTATIONS  
PLC

## TOP LOSERS

PALM GARDEN HOTELS PLC

LAUGFS GAS PLC-NON VOTING

PER 10.9

PBV 1.3

DY 3.0

# CASH DIVIDENDS

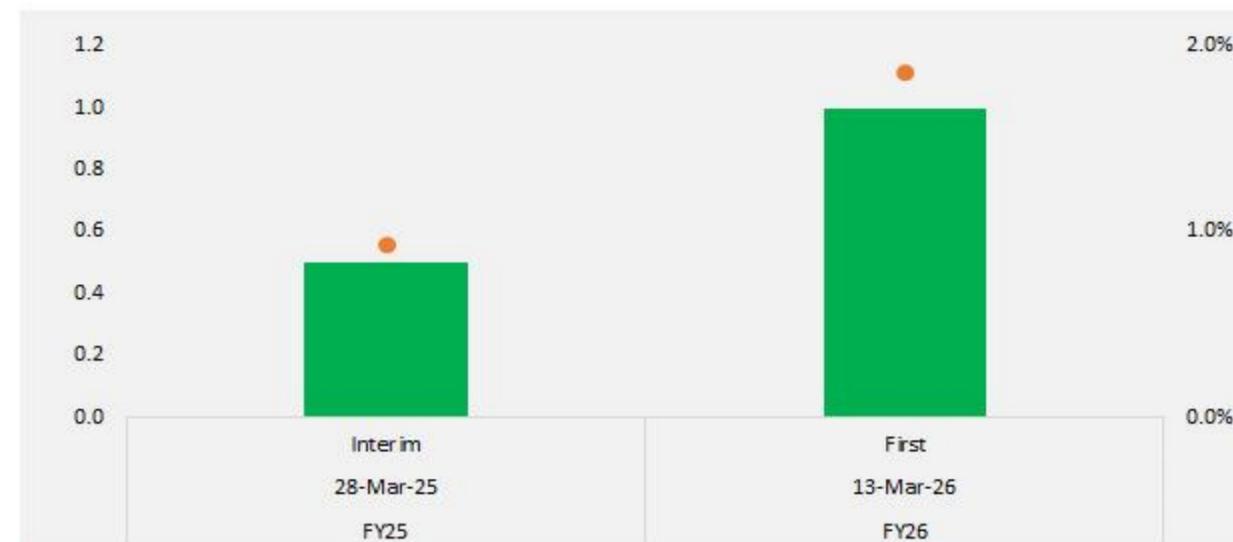
## TRANS ASIA HOTELS PLC



### CASH DIVIDEND ANNOUNCEMENT

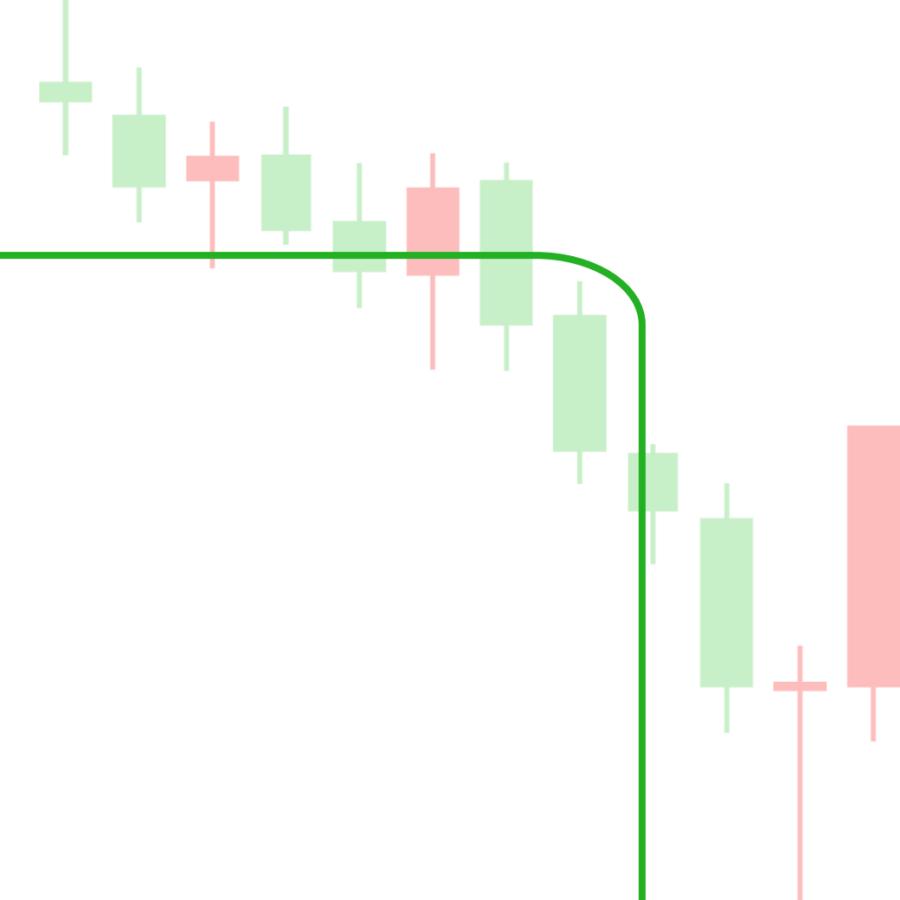
TRAN.(N) First Interim Dividend for FY26

Date of Initial Announcement	13-Mar-2026
Dividend Per Share (Rs.)	Voting : 1
Type of Dividend	First Interim Dividend
Financial Year	FY26
XD Date	24-Mar-2026
Payment Date	16-Apr-2026
Record Date	25-Mar-2026
Current Dividend Payout Ratio	42%



Senfin Research

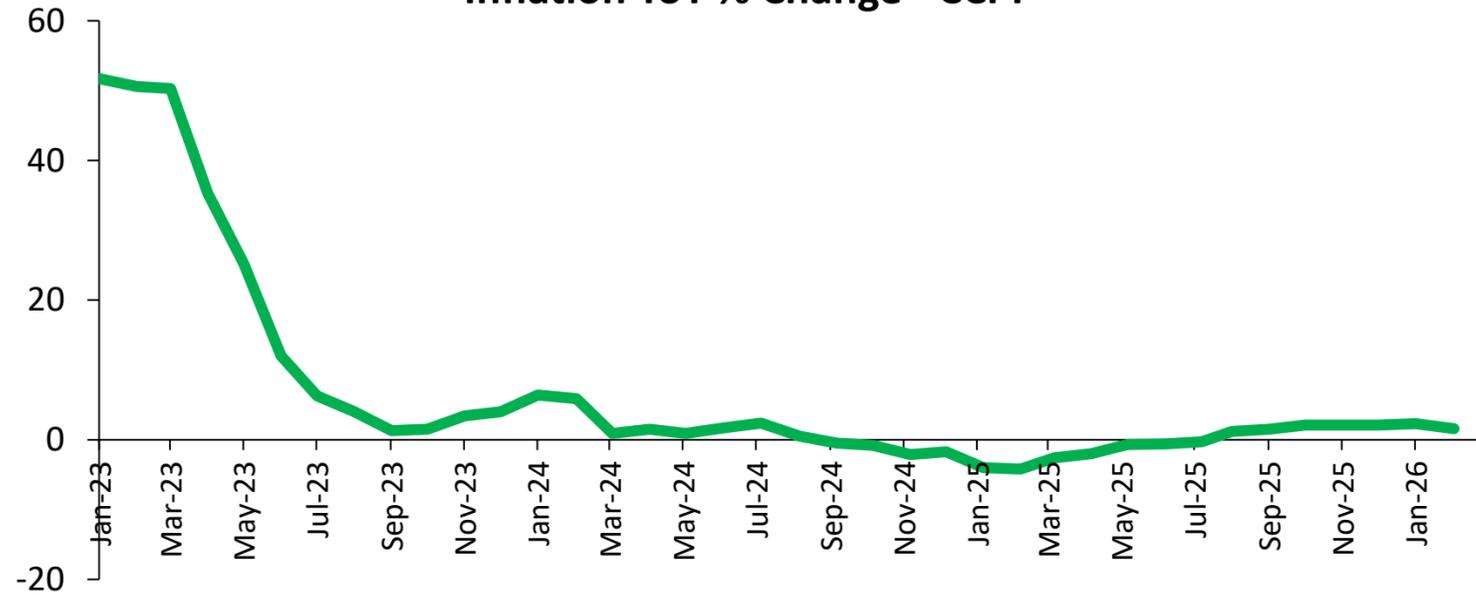
Source: CSE



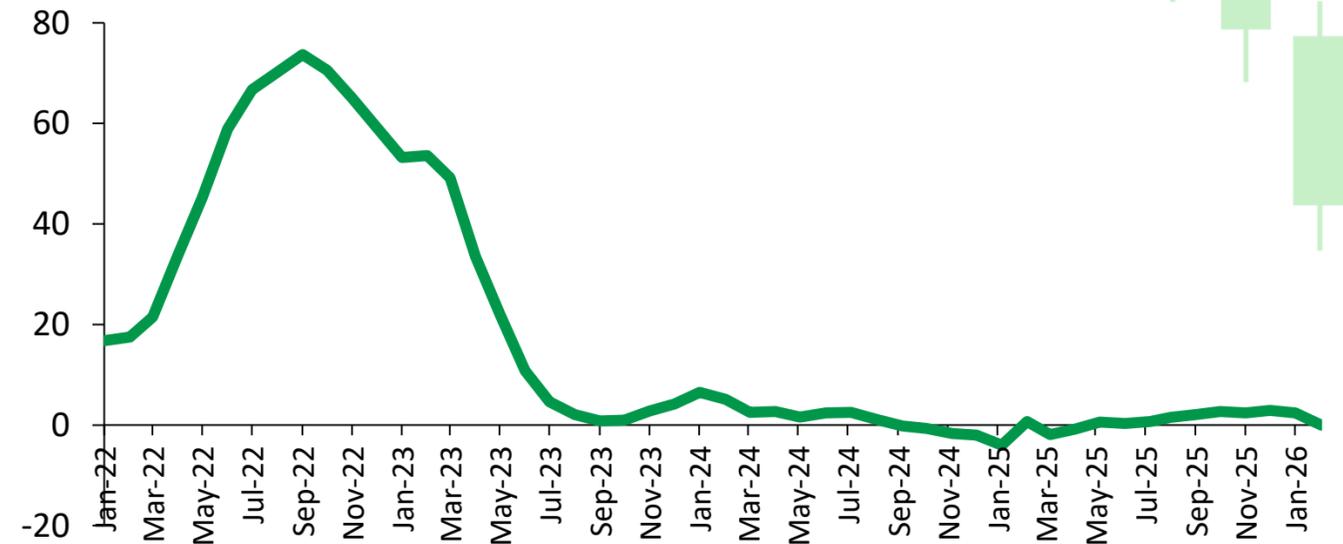
# WEEKLY ECONOMIC HIGHLIGHTS – REAL SECTOR

IIP increased by 4.4 per cent in January 2026 to 99.3 compared to January 2025.

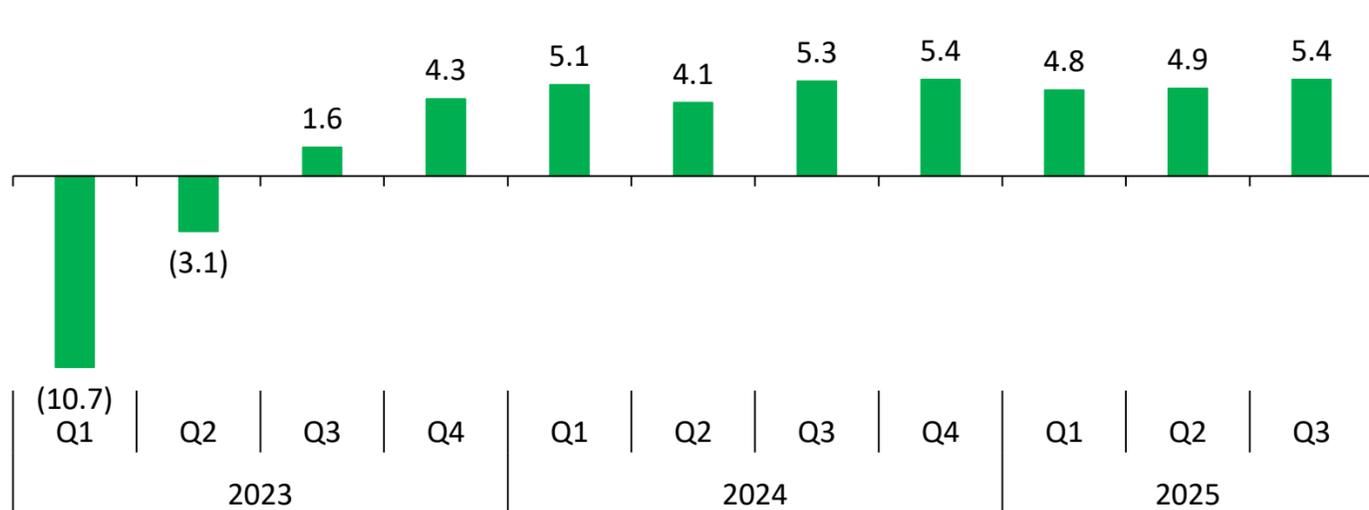
### Inflation YoY % Change - CCPI



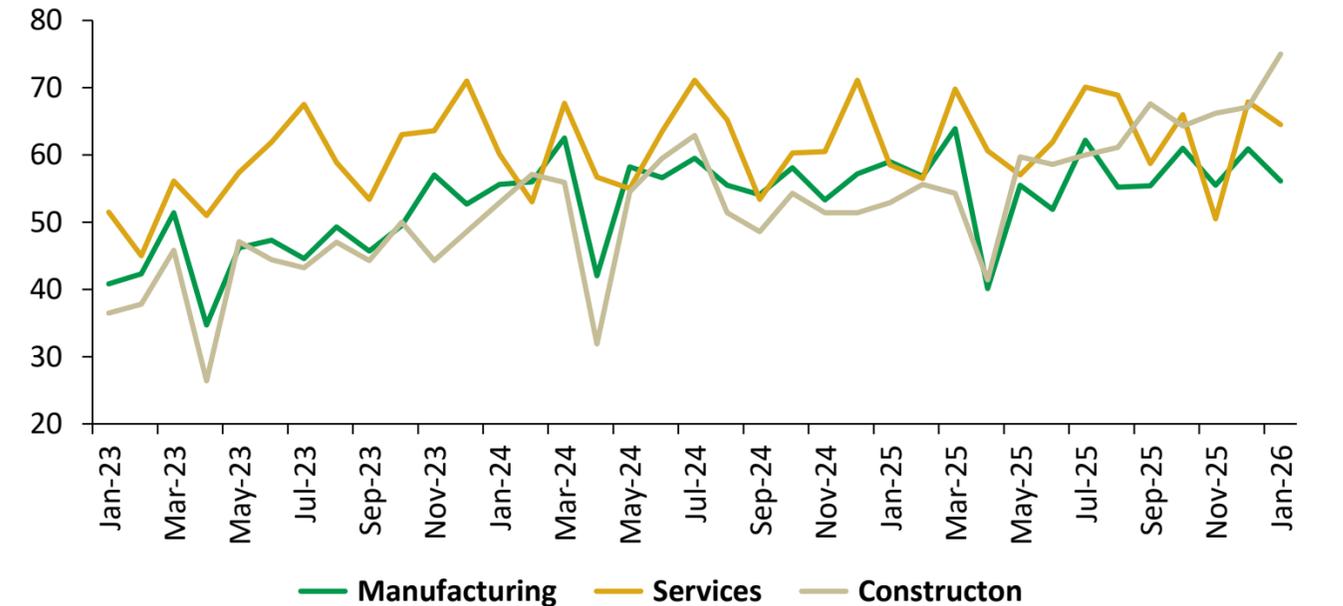
### Inflation Y-o-Y % Change - NCPI



### Real GDP Growth (%)



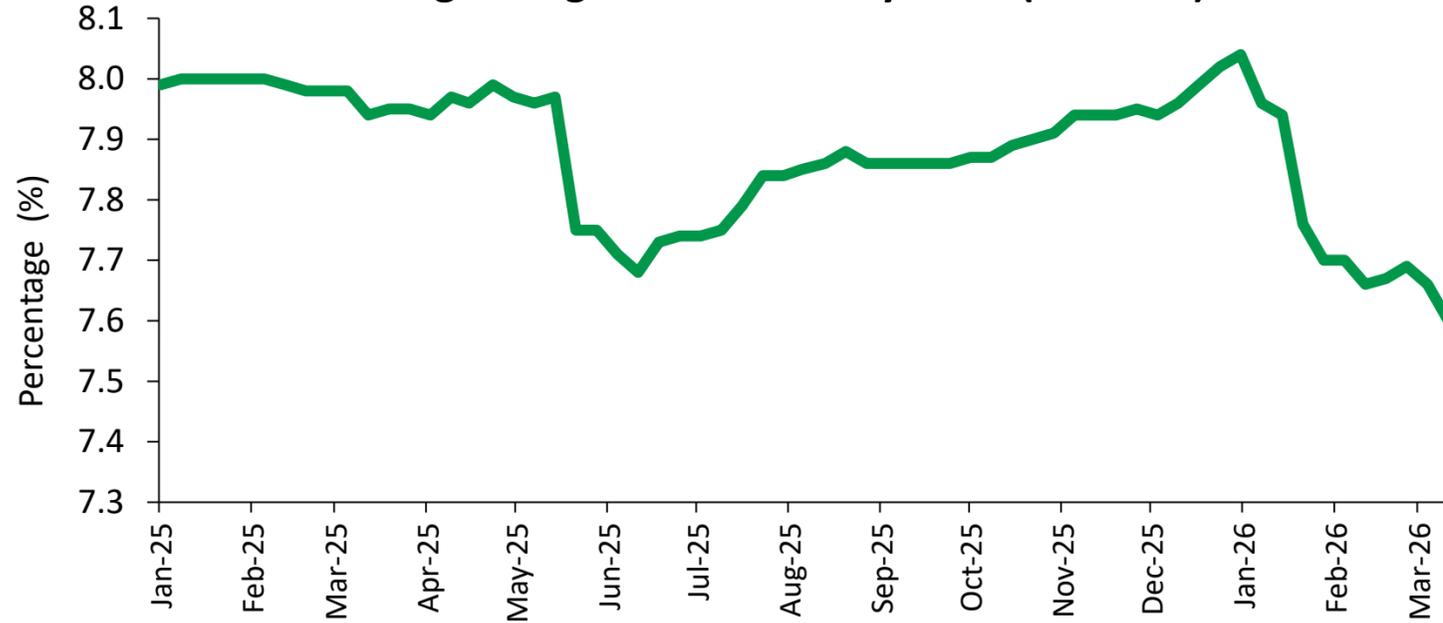
### PMI



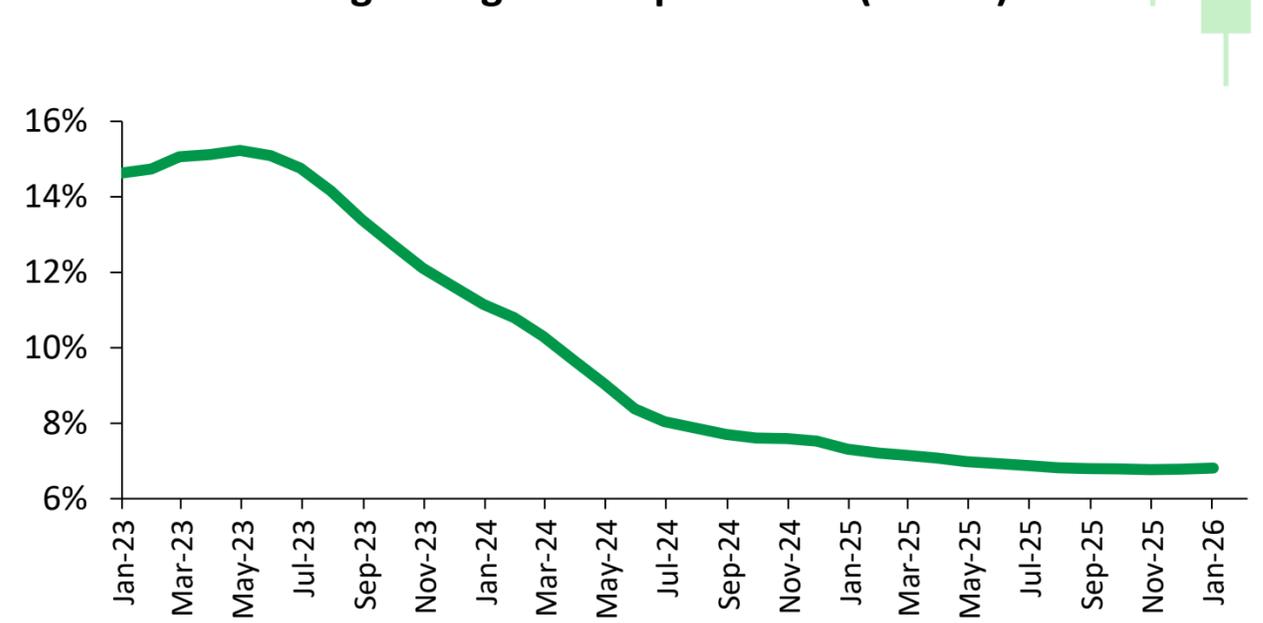
# WEEKLY ECONOMIC HIGHLIGHTS – MONETARY SECTOR

For the week ending 13 March 2026, AWPR decreased by 17 bps to 9.18 per cent compared to the previous week, while AWCMR declined slightly to 7.60% from 7.66% recorded at the end of the previous week.

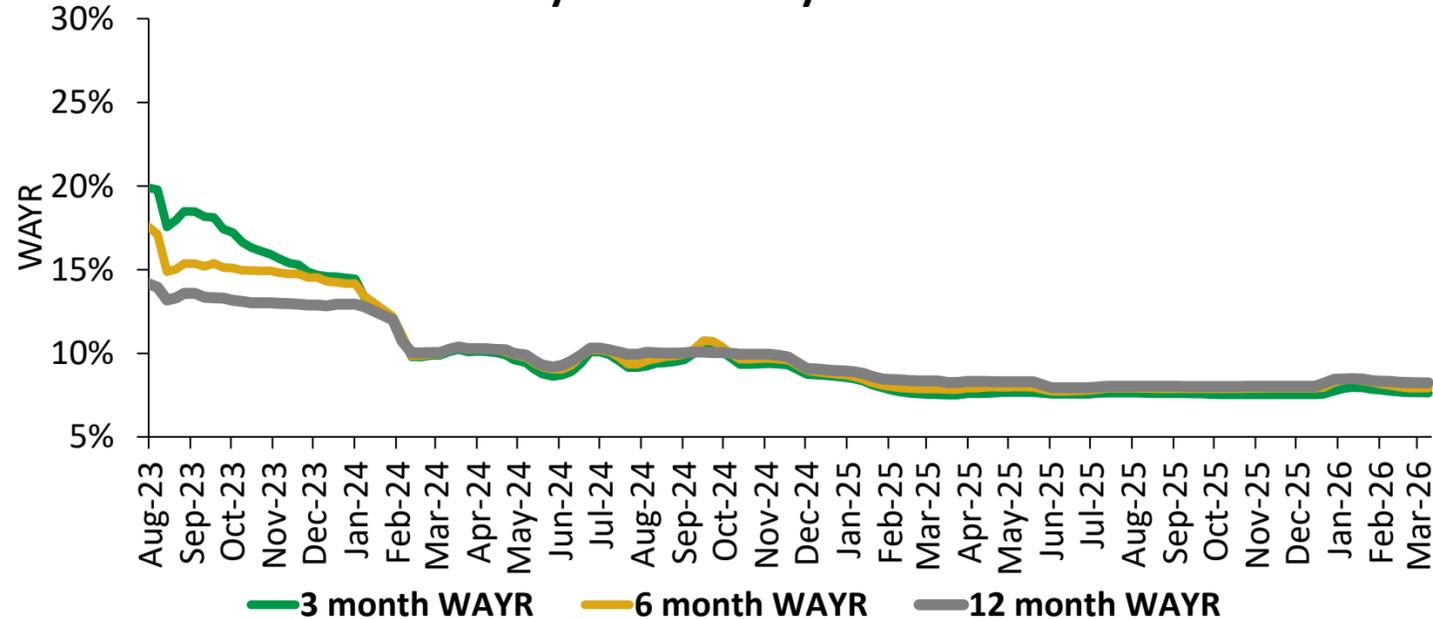
**Average Weighted Call Money Rate (AWCMR)**



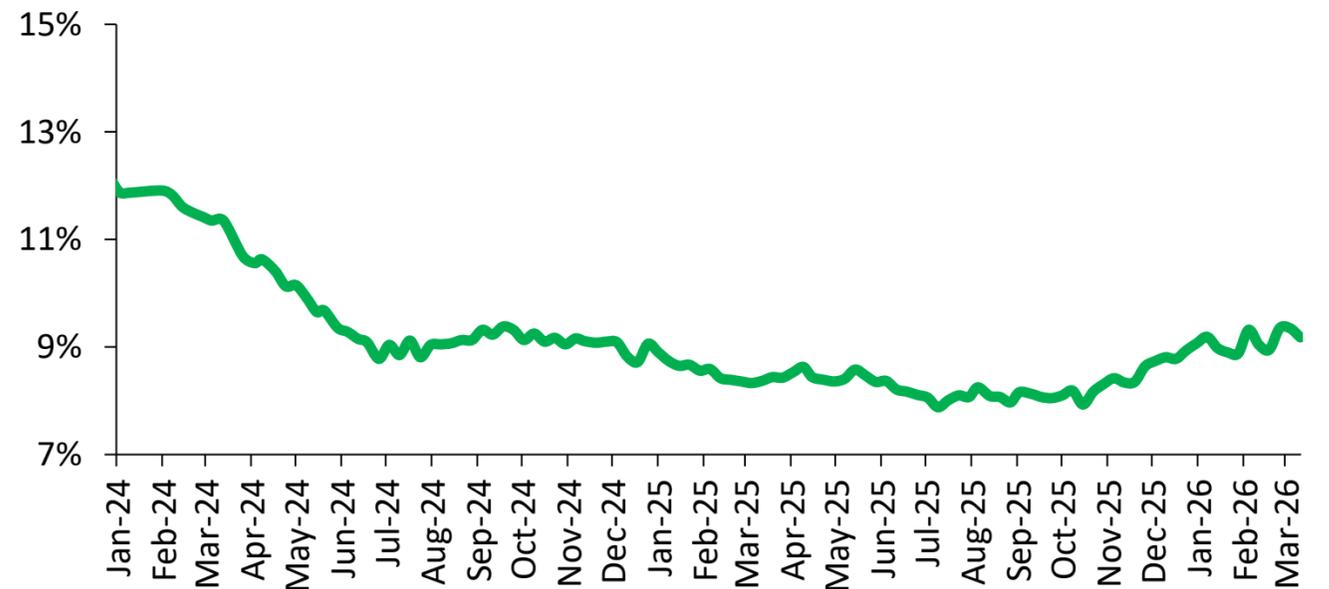
**Average Weighted Deposit Rate (AWDR)**



**Treasury Bills Primary Market Yields**



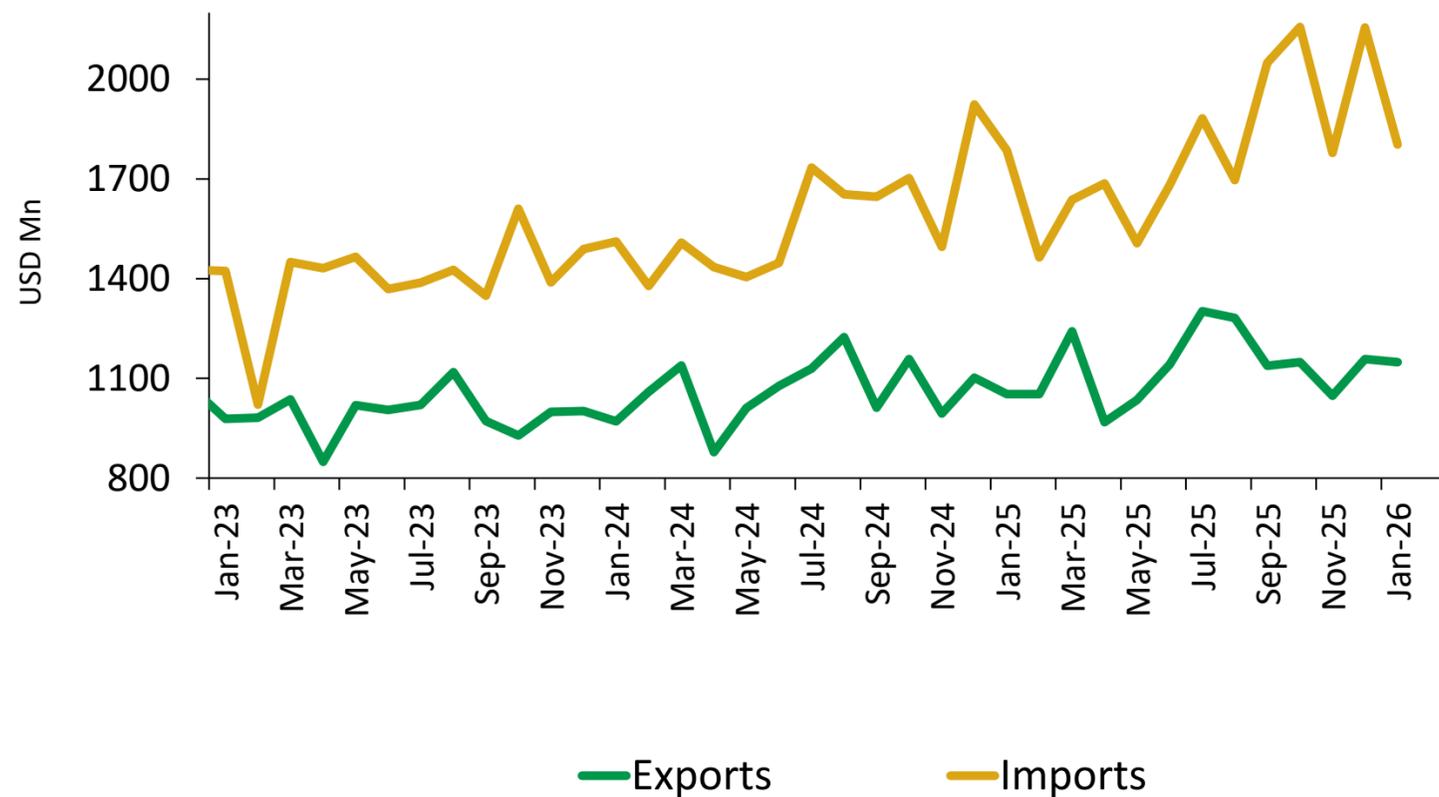
**Average Weighted Prime Lending Rate (AWPLR)**



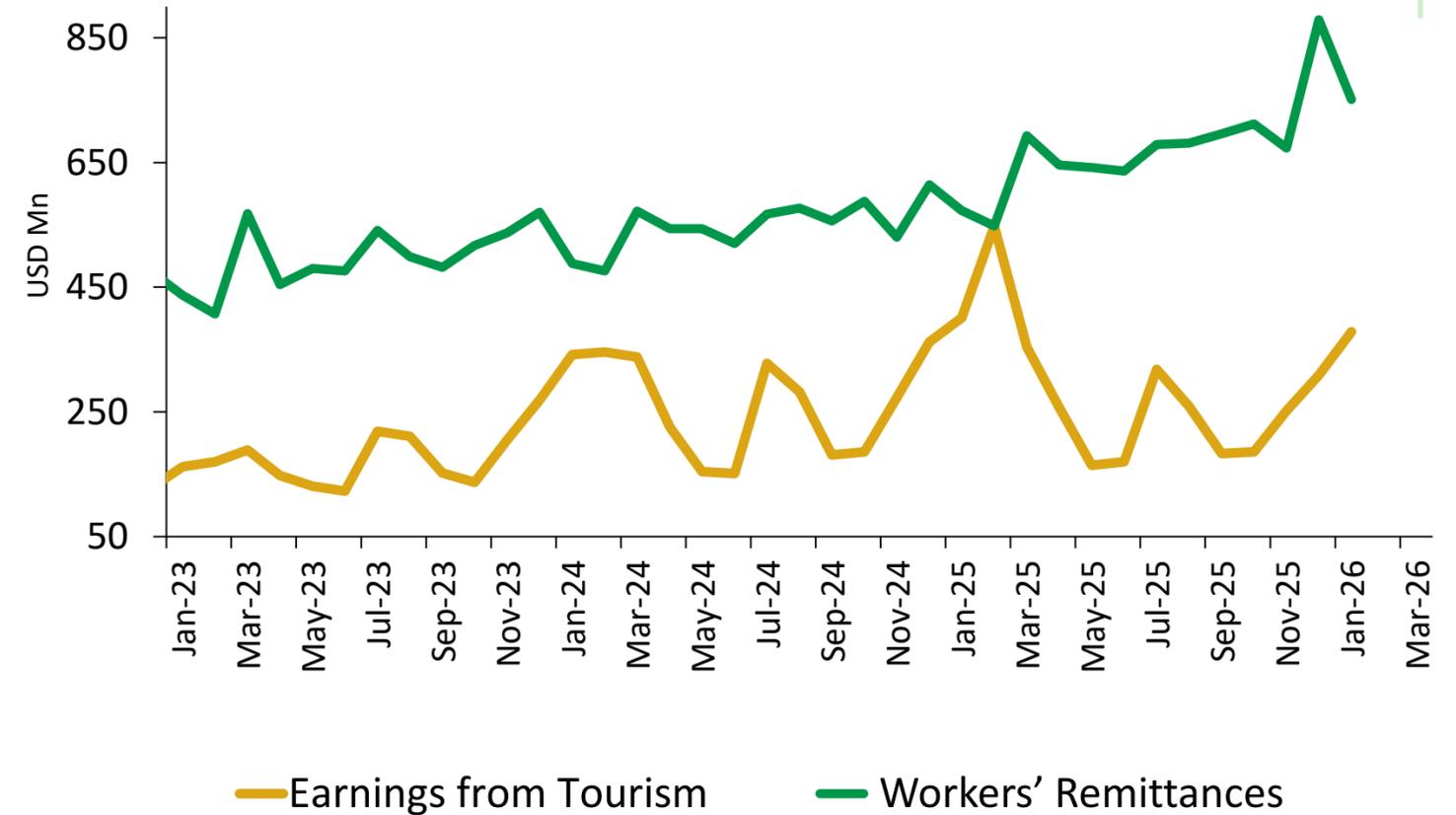
# WEEKLY ECONOMIC HIGHLIGHTS – EXTERNAL SECTOR

Earnings from tourism amounted to US dollars 352.0 mn in February 2026, compared to US dollars 378.3 mn in January 2026 and US dollars 367.6 mn in February 2025.

## Export Income & Import Expenditure



## Earnings from Tourism & Workers' Remittances



# WEEKLY ECONOMIC HIGHLIGHTS – EXTERNAL SECTOR

## Exchange Rate

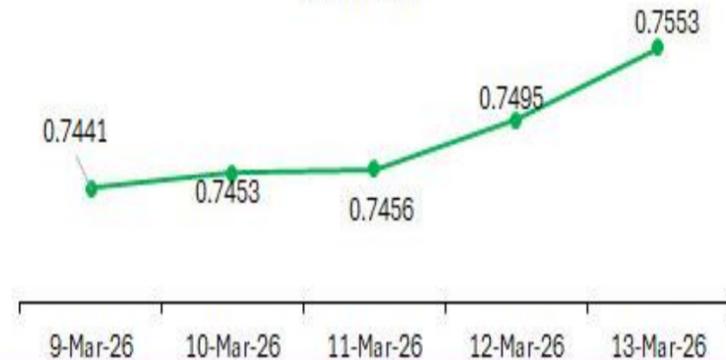
### USD/LKR



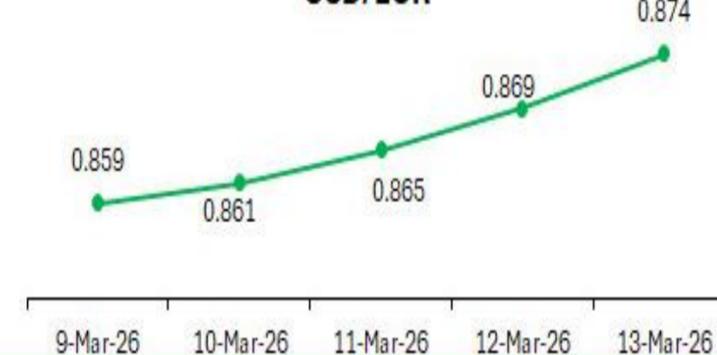
### USD/INR



### USD/GBP



### USD/EUR



- ❖ USD/LKR slightly appreciated to 311.23
- ❖ USD strengthened against GBP and EUR
- ❖ Regional currency INR also depreciated slightly

## Commodity Price Movement

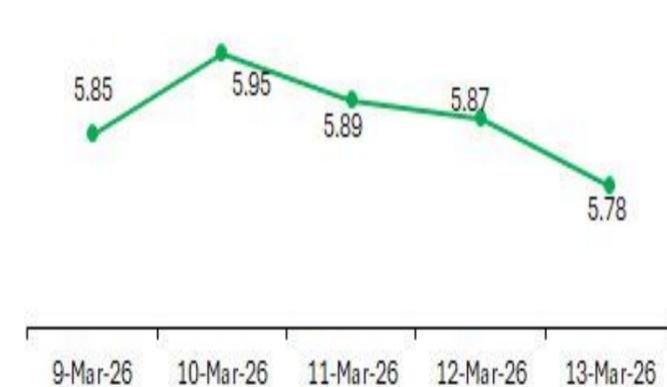
### Movement of Crude Oil Prices



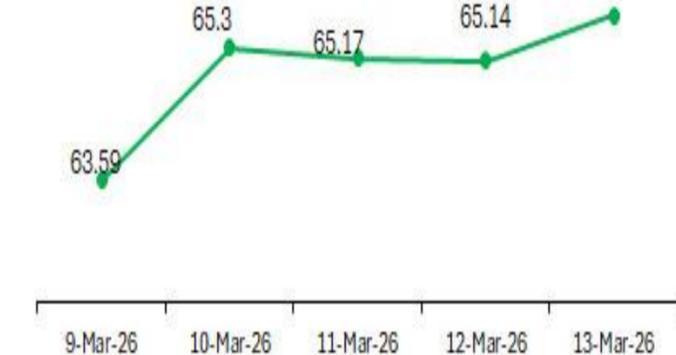
### Movement of Aluminium Prices



### Movement of Copper Prices



### Movement of Cotton Prices



- ❖ Crude Oil increased during the week
- ❖ Aluminium prices rose then eased
- ❖ Copper prices declined
- ❖ Cotton prices showed upward trend

# NEWS BRIEF

## 'Reserves' redefined under new IRD bill

- The Central Bank of Sri Lanka purchased \$461 million from the market in February 2026, more than double the \$209 million bought in January 2026.
- The increased purchases aim to boost Sri Lanka's foreign exchange reserves.
- The target is to raise reserves above \$7 billion in line with IMF programme requirements.
- The foreign exchange market currently has a strong dollar supply, with banks selling excess foreign currency.
- In comparison, the Central Bank bought only \$55 million in February 2025, showing a significant increase in reserve accumulation efforts.



# NEWS BRIEF

## Central Bank buying dollars

### 1. Proposed Amendment (2026 Bill)

- Redefines “reserves” under Section 18 to include negative retained earnings and accumulated losses.

### 2. Court of Appeal Precedent (2023)

- In Samson Rajarata Tiles (Pvt) Ltd v. Commissioner General of Inland Revenue, the court ruled that reserves must be positive amounts, not losses.

### 3. Impact on Interest Deductions

- Losses will reduce the capital base, limiting deductible interest expenses under thin capitalisation rules.

### 4. Business Implications

- Start-ups, manufacturing firms, and loss-making companies may face higher taxable income and tax liabilities.

### 5. Economic Concerns

- Could increase financing costs, discourage investment, and affect business growth during Sri Lanka’s economic recovery.



# NEWS BRIEF

## Index of Industrial Production up 4.4%



Industrial Production Growth: Sri Lanka's IIP increased 4.4% in January 2026, driven by growth in food, apparel, and mineral manufacturing.



Global Oil Prices: Brent and WTI prices rose by about US\$16 per barrel due to Middle East supply disruptions.



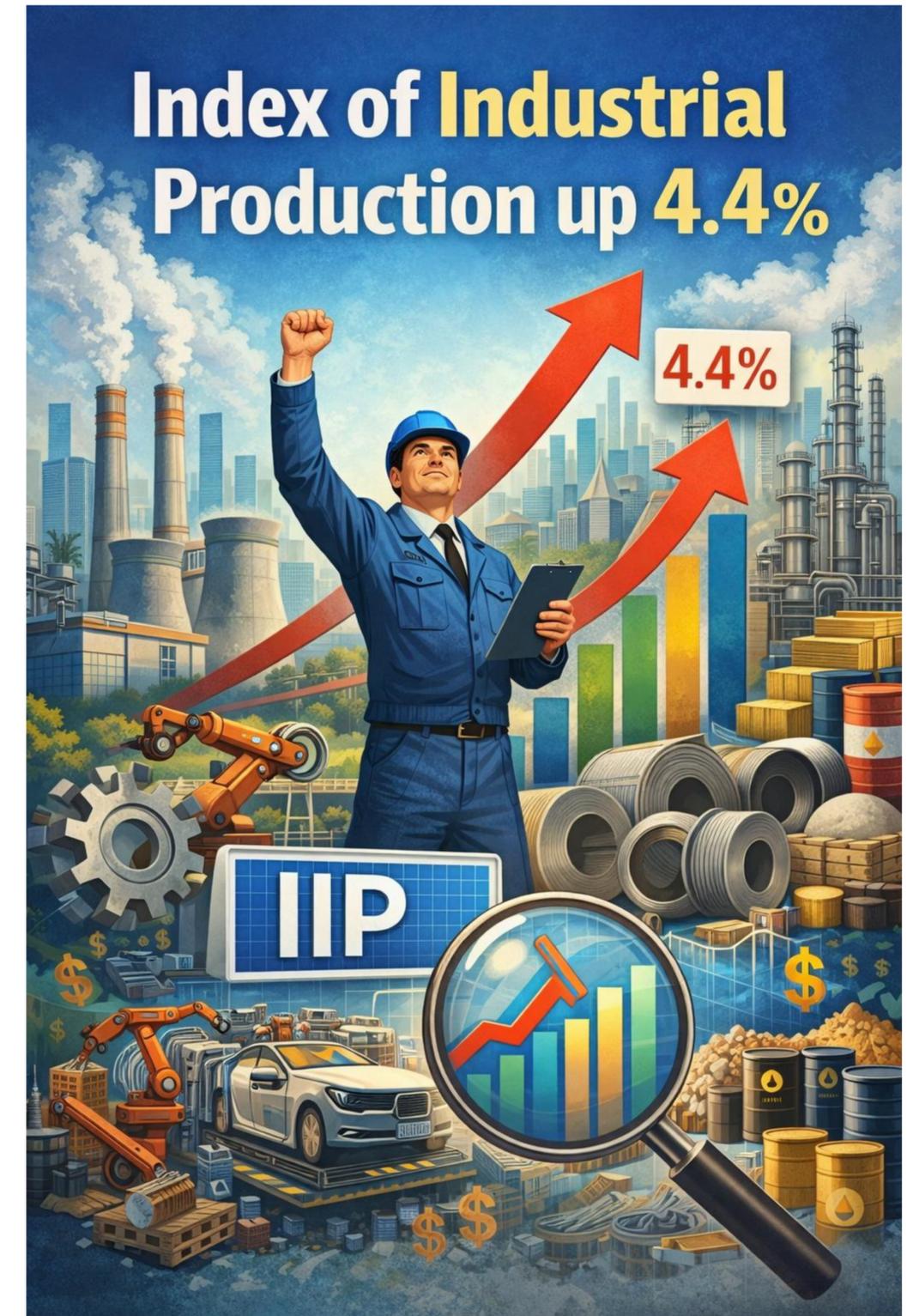
Interest Rates: AWPR decreased to 9.18% and AWCMR fell to 7.60%, indicating slightly lower lending rates.



Stock Market Decline: ASPI and S&P SL20 dropped by about 4% during the week.



Government Securities: Treasury bill and bond auctions were oversubscribed, showing strong investor demand.



**THANK YOU**

