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| <b>AS OF MARKET CLOSURE ON MONDAY, 23/09/2024:</b> | <b>ASPI</b><br>11,096.81<br>BUY - 39.3457<br>SELL - 44.4365 | <b>S&amp;P SL20</b><br>3,160.63<br>BUY - 58.43<br>SELL - 11.88 | <b>MARKET</b><br>MARKET CLOSE (STATISTICS BEING FINALISED)<br>SHARE VOLUME<br><b>49,161,254</b><br>TURNOVER<br><b>994,434,441.90</b> |
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| <b>EXCHANGE RATES</b> | <b>USD:</b><br>BUY - 298.8602<br>SELL - 309.5831 | <b>POUND:</b><br>BUY - 388.0952<br>SELL - 412.4424 | <b>EURO:</b><br>BUY - 325.4489<br>SELL - 345.8202 | <b>YUAN:</b><br>BUY - 39.3457<br>SELL - 44.4365 | <b>YEN:</b><br>BUY - 2.0243<br>SELL - 2.1763 | <b>INR:</b><br>BUY - 3.0176<br>SELL - 3.6944 | <b>SGD:</b><br>BUY - 226.3155<br>SELL - 241.8262 | <b>AUD:</b><br>BUY - 198.1091<br>SELL - 213.9056 | <b>FRANC:</b><br>BUY - 337.9770<br>SELL - 364.2740 |
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| <b>MARKET</b> 23/09/2024 | www.facebook.com/TheMorningBusiness | www.themorning.lk/business | 0115 200 900 | madhusa@liberty.lk |
|--------------------------|-------------------------------------|----------------------------|--------------|--------------------|

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| <b>GOLD</b> | 2,623<br>(PERTROY OZ) |
| <b>OIL</b>  | \$74.39               |

**ECONOMIC WORLD**



**Xiaomi refutes antitrust report**

Xiaomi has asked India's antitrust body to recall its report that found the company and Walmart's Flipkart breached competition laws, arguing it contains commercial secrets. Xiaomi has told the Competition Commission of India (CCI) in an application that the investigation report on Flipkart contains sensitive business data on the smartphone company which was supposed to be redacted when the document was shared with parties in the case. (Reuters)

**Oil edges higher**

Oil prices rose slightly yesterday (23) after last week's cut to US interest rates and a dip in US crude supply in the aftermath of Hurricane Francine countered weaker demand from top oil importer China. Brent crude futures for November edged up by 14 cents, or 0.19%, to \$74.63 a barrel by 08.15 GMT. US crude futures for November were up 16 cents, or 0.23%, at \$71.16. Both contracts registered their second consecutive weekly gains last week after the US Federal Reserve cut interest rates by half a percentage point, a larger decrease in borrowing costs than many expected. (Reuters)

**Citi expansion halted**

Citigroup's expansion plan in China has hit a roadblock with US regulators after the Fed imposed a penalty on the bank for its data management and risk controls. The bank is facing delays in setting up a standalone securities firm because it hasn't yet received a clearance letter from the US Fed verifying its regulatory standing, which is required by Chinese authorities. Citi was instructed to resolve its data management problems at home, after being hit with a combined \$136 million in fines in July. The fines make it more difficult to meet China's licensing rules, the report said. (Reuters)

# CSE surges on new Prez appointment

- Market rebounds after initial selling pressure
- Uncertainty over debt restructuring remains a concern

**THE** Colombo Stock Exchange (CSE) saw a monthly high on Monday (23) as the political uncertainty clears out with the appointment of the new President and his confident speech when he was sworn in, a market analyst said.

Speaking to *The Daily Morning Business*, First Capital Chief Research and Strategy Officer Dimantha Mathew said that although there was selling pressure during the first 20 minutes of the market opening, the market recovered with the appointment of the President. "We have already seen a bottoming out effect and the market has already reversed but with the actual appointment," he said,



Newly elected President of Sri Lanka Anura K. Dissanayake

adding after the speech by the President, where there were no real drastic controversial statements made, some amount of sanity came back into the system. Accordingly, the main index jumped by 130.30 (1.19%) to 11,096.81 while the S&P SL20 rose by 58.43 (1.88%) to 3,160.63. The market recorded a turnover of Rs. 994.4 million with 49.1 million share volumes. He said that the

Company and Ceylon Tobacco Company (CTC) contributed negatively to the main index with -2.50 and -2.37 points. He suggested that the banking counters have risen due to the assumption that, since no significant changes have been announced so far, the new President will continue to prioritise completing the debt restructuring process. He said that simply because of the deal the banking counters and on the assumption that since nothing significant has been said so far, the new president will also take steps to complete the debt restructuring. Richard Peiris and

## Gold soars amid geopolitical fears

The gold price reached a record high yesterday (23), supported by a softer Greenback. The start of a monetary easing cycle of the Federal Reserve's (Fed) and the expectation of deeper rate cuts this year might underpin the non-interest-bearing gold price. Furthermore, the rising geopolitical tensions in the Middle East might lead to fresh allocation towards safe-haven assets like gold. Looking ahead, traders will keep an eye on the flash reading of the US Purchasing Managers Index (PMI) data. However, the stronger-than-expected outcome could lift the US dollar and weigh on the USD-denominated gold price. "The forced liquidation of short positions may push the gold price higher into historical highs, as the US dollar generally holds its ground against a basket of major currencies, and rising bond yields create an unfavorable environment for gold," said FxPro analysts. Hezbollah and Israel exchanged heavy fire on Sunday (22), as the Lebanese militant group launched missiles deep into northern Israeli territory after facing some of the most intense bombardment in almost a year of conflict, per *CNN*. Fed Philadelphia President Patrick Harker said on Friday that the US central bank has effectively navigated a challenging economy over the last few years. Harker further stated that "hard" and "soft" data are both important in decision-making. Fed Governor Michelle Bowman noted on Friday (20) that it was appropriate to recalibrate the Fed funds rate level, but she preferred a smaller first move as they have not yet achieved the inflation target. Fed Governor Christopher Waller noted on Friday that the decision to cut interest rates by an accelerated 50 bps was the right call, but the US central bank could even pause, depending on further data. The gold price edges higher on the day. The precious metal keeps a strong bullish trend on the daily timeframe as the price is well-supported above the key 100-day exponential moving average (EMA). However, the 14-day relative strength index (RSI) stands near 70.50, indicating the overbought RSI condition. This suggests that further consolidation cannot be ruled out before positioning for any near-term gold price rise. The yellow metal approaches a major resistance area near the all-time high at \$2,625. A decisive break above this level could pave the way to the \$2,700 psychological level. On the flip side, the first downside target emerges at the \$2,600 round figure. A breach of this level could see a downward move back towards the resistance-turned-support level at \$2,560. The next contention level is located at \$2,485, the low of 6 September. (FXSTREET)

## FCCISL pledges support to new President-elect

The Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) congratulates Anura Kumara Dissanayake on his historic victory in the presidential election. "His achievement represents a pivotal moment for Sri Lanka, and we, as the representatives of the nation's business community, are optimistic about the opportunities that lie ahead under his leadership," the Federation said. "As President, we trust that you will inspire the nation with your commitment to good governance, transparency, and accountability, ensuring that the governance of our beloved country is free from corruption. We believe that by strengthening integrity in public institutions, the



FCCISL President Keerthi Gunawardane

new administration can foster an environment where Sri Lankan citizens and businesses alike can thrive," it added.

The FCCISL urges the new government to entrust capable and experienced leaders with the responsibility of steering key national institutions. With the right leadership in place, Sri Lanka can harness its immense potential, utilising the country's rich resources and strategic position to achieve sustainable growth and become a developed nation. "We pledge our support to work alongside your administration, contributing to policies and initiatives that will benefit all Sri Lankans and ensure economic prosperity," it further said. "Congratulations on your election victory. We look forward to a brighter future for Sri Lanka under your leadership."

## Bonds slide as election result puts IMF loan at risk

Sri Lanka's dollar bonds slid as leftist candidate Anura Kumara Dissanayake's victory at the presidential election put the nation's bailout by the International Monetary Fund and debt deals at peril. Bonds maturing in March 2029 declined 3.1 cents, the biggest drop in about two years, to 50.2 cents on the dollar yesterday (23). The S&P Sri Lanka 20 Index of blue-chip stocks reversed intraday losses to trade 2.2% higher. The rupee gained as Dissanayake said the island nation needs international support and his government will work with all. He had earlier vowed to reopen negotiations with the IMF over its \$3 billion bailout, which comes with spending cuts and tax hikes that proved deeply unpopular with voters. "A Dissanayake win is the worst possible outcome for Sri Lanka's bonds," Tellimer strategists Hasnain Malik and Patrick Curran wrote in a note Sunday (22). Sri Lanka's 2029 dollar notes are set for a nearly 15% slide this quarter, a spectacular turnaround after handing investors a return of close to 70% last year, one of the best in emerging markets. It raises question marks not only for the IMF programme but

## Lanka Sathosa chair resigns

Pasanda Yapa Abeywardena has formally resigned from his position as Chairperson of Lanka Sathosa Ltd. He sent his resignation letter to Trade Minister Nalin Fernando yesterday (23). In his resignation letter, Abeywardena has stated that he made this decision to support the newly elected President to appoint a new Chairperson for the company, as he sees fit. (BNN Bloomberg)



Pasanda Yapa Abeywardena

## JAAF congratulates new Prez.

The Joint Apparel Association Forum (JAAF) congratulates NPP Leader Anura Kumara Dissanayake on being elected as the new President of Sri Lanka. The body acknowledges that the country has entered a new phase of leadership, and highlights the immense importance of the apparel sector, a key driver of Sri Lanka's export-led growth and a vital component of the nation's economic competitiveness. JAAF also expresses its fullest support to the President and his team in delivering the very clear mandate that the people of

Sri Lanka have given him. The new President's vision for Sri Lanka is centred around creating a fair, just, and inclusive society, with a strong focus on eradicating corruption and uplifting the lives of ordinary citizens. His commitment to transparency, good governance, and sustainable economic development aligns with the JAAF's goals of promoting ethical practices and fostering long-term growth in the apparel industry. Accounting for over 40% of Sri Lanka's total exports, the apparel industry plays a pivotal role in the country's economy. Beyond generating significant export revenue, the sector provides employment to nearly a million Sri Lankans, supporting livelihoods and driving skills development across the country. The industry's impact extends far beyond its direct economic contributions; it is a vital force in uplifting communities and enhancing the nation's development. "We look forward to working closely with the new President and the Government to ensure the continued success of the apparel sector," said JAAF Secretary General Yohan Lawrence.



JAAF Secretary General Yohan Lawrence