

## Shares rise to 12-week closing high; rupee firmer

(Colombo) **REUTERS:** Sri Lankan shares rose for the third straight session yesterday to a 12-week closing high, as investors bought diversified and telecom stocks ahead of a key policy rates announcement later in the day.

Sri Lanka's Central Bank was expected to leave its key interest rates unchanged yesterday, a Reuters poll showed, after cutting them in May to support the economy as tourism and investment plummeted in the wake of Easter Sunday bombings.

The benchmark stock index hit its highest close since April 18 on Wednesday, buoyed by the government's decision to launch a US\$2.2 billion Japan-funded Light Railway Transit (LRT) project and some other stalled infrastructure projects, brokers said.

The index ended up 0.71 percent at 5,561.28. It rose 2.67 percent last week, notching its second consecutive weekly gain. However, it is down 8.11 percent so far this year.

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## Shares rise...

Shares in conglomerate John Keells Holdings Plc jumped 3.42 percent, LOLC Holdings Plc ended 5.92 percent firmer, Sri Lanka Telecom Plc closed up 6.33 percent and Dialog Axiata Plc rose 3.23 percent.

Stock market turnover was Rs.523 million (\$2.98 million), slightly below this year's daily average of about Rs.542.2 million. Last year's daily average came in at Rs.834 million.

Foreign investors sold a net Rs.44.8 million worth of shares yesterday, extending the year-to-date net

foreign outflow to Rs.7.29 billion, index data showed.

The government's launch of central highway and light railway projects helped lift hopes that the country's transformation would result in a faster economic growth rate, stockbrokers said.

Sri Lanka is unlikely to hit its full-year economic growth target of 3-4 percent following Easter Sunday bombings and a Reuters poll has forecast growth to slump to its lowest in nearly two decades this year.

Meanwhile, the currency closed firmer at 175.35/45 per dollar, compared with Wednesday's close of 175.50/60, as dollar sales by banks surpassed importer greenback demand. The rupee rose 0.17 percent last week, and is up 4.13 percent so far this year.

Meanwhile, the rupee dropped 16 percent in 2018 and was one of the worst-performing currencies in Asia. The island nation raised US\$2 billion via 5-year and 10-year sovereign bond sales last month, tapping global capital markets for the second time in three months.

Foreign investors sold a net Rs.3.93 billion worth of government securities in the week ended July 3, extending the year-to-date net foreign outflow to Rs.22.4 billion, the Central Bank data showed.

The Central Bank cut its key interest rates on May 31 to support a faltering economy as overall business and consumer confidence slumped following deadly bomb attacks in April.