



2026

JANUARY

MARKET LENS & ECONOMIC PULSE

This report delivers a strategic overview of capital market performance and key economic indicators in Sri Lanka, offering decision-makers a structured view of market direction, risks, and opportunities within the current macroeconomic landscape.

ABOUT COLOMBO STOCK EXCHANGE

The Colombo Stock Exchange (CSE) is Sri Lanka's principal stock exchange and the only licensed securities exchange in the country established to provide a platform for buying and selling stocks and other tradable securities.

Market Operator: It provides a fair, transparent, and orderly trading platform for securities including equities (shares), corporate debt, and government debt instruments.

Capital Raising: Enables companies to raise capital, supporting business expansion and economic growth.

Clearing & Settlement: Through its fully owned subsidiary, the Central Depository Systems (Pvt.) Ltd. (CDS), the CSE facilitates clearing, settlement, and safekeeping of securities.

Regulation & Governance: It oversees compliance with listing rules, promotes good corporate governance, and supports transparent disclosure by listed companies.

Investor Education: Actively involved in improving financial literacy and investor awareness through programs and educational initiatives

MAIN ECONOMIC INDICATORS

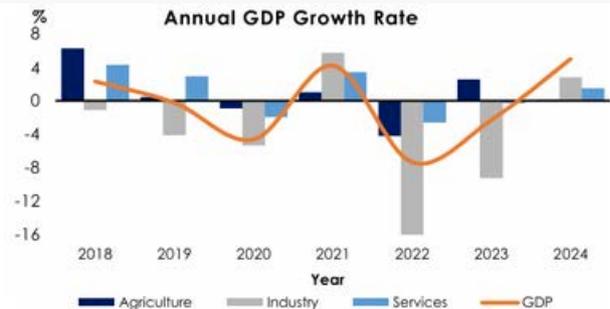
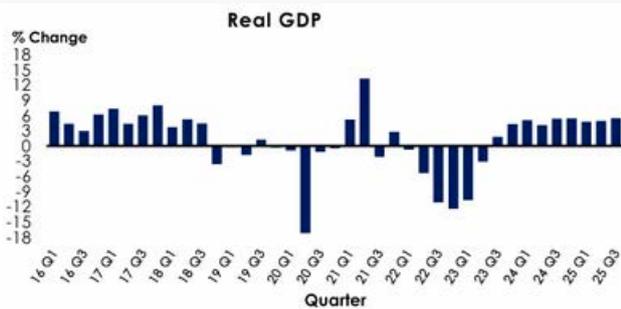
To analyze the current economic situation, the main macroeconomic indicators are used: inflation rate, exchange rate, policy interest rate, and Statutory Reserve Ratio (SRR). These indicators provide a comprehensive view of price stability, currency performance, monetary policy stance, and liquidity conditions in the economy.

General Inflation
2.3%

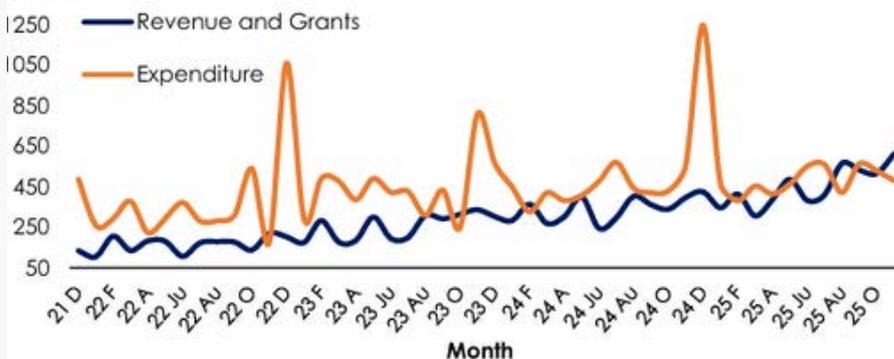
Policy Interest Rate and SRR
7.75

Exchange Rate LKR to USD
309.25

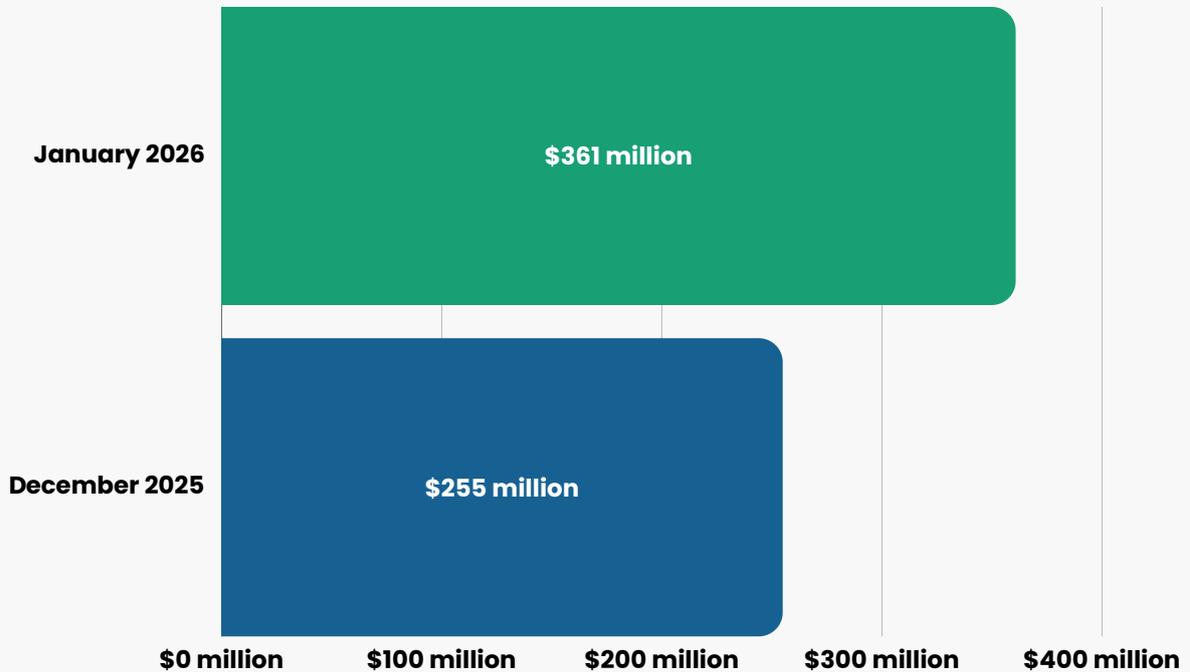
As at 31 January 2026



GOVERNMENT REVENUE & EXPENDITURE



MARKET TURNOVER



MARKET TURNOVER HIGHLIGHTS

-  Revenue (\$ Mn)
360.76
-  Domestic Turnover (\$ Mn)
341.39
-  Foreign Turnover (\$ Mn)
19.37

**Companies
Listed**

289

**Market Performance
(2025)**

41.89%

TURNOVER

	2026	2025	2024	2023	2022	2021	2020
Total Turnover (\$ Mn)	360.76	4,088.45	1,743.96	1,195.37	2,436.73	6,081.30	2,158.03
Domestic Turnover (\$ Mn)	341.39	3,835.56	1,571.22	1,081.05	2,251.56	5,768.52	1,730.93
Foreign Turnover (\$ Mn)	19.37	252.89	172.74	114.32	185.17	312.78	427.10
Daily Average Turnover (\$ Mn)	21.22	17.18	7.27	4.94	10.55	25.34	10.32
Crossings TO/Total TO (%)	21.33%	21.10%	23.88%	19.18%	11.24%	8.76%	20.34%
Turnover Velocity (%)	18.99%	18.06%	10.81%	10.06%	15.28%	27.77%	15.69%
Market Liquidity (Equity)							
Share Volume (Mn)	3.10	46.65	23.25	16.99	29.05	59.77	21.35
No. of Trades (No.'000)	743.68	7,493.00	3,524.07	3,618.96	6,057.23	8,131.51	3,070.02
Daily Average Trades (No.)	43,746	31,483	14,684	14,954	26,222	33,881	14,689
Market Size (Equity)							
Market Capitalization (\$ Bn)	27.58	26.76	18.47	12.37	13.65	28.45	16.09
Market Cap- to-GDP (%)	28.57%	26.99%	19.05%	14.21%	12.87%	18.36%	9.90%
Market Multiples							
Market P/E (x)	11.36	10.73	8.89	11.10	4.95	13.63	11.25
Market P/BV (x)	1.53	1.45	1.17	0.93	0.91	1.67	1.13
Dividend Yield (%)	2.48	2.62	3.57	3.31	4.10	2.17	2.66
Companies Listed (@ EOY)	289	288	284	290	290	296	283
Trading Period							
No. of Market Days	17	238	240	242	231	240	209

CONTRIBUTION TO TURNOVER

	2026	2025	2024	2023	2022	2021	2020
Foreign Companies (%)	4.15%	4.84%	8.72%	8.29%	6.60%	4.32%	19.03%
Foreign Individuals (%)	1.22%	1.34%	1.19%	1.27%	1.00%	0.83%	0.77%
Total Foreign Contribution (%)	5.37%	6.19%	9.90%	9.56%	7.60%	5.14%	19.80%
Domestic Companies (%)	44.94%	44.49%	44.85%	44.65%	37.67%	37.69%	32.21%
Domestic Individuals (%)	49.69%	49.32%	45.24%	45.79%	54.73%	57.16%	48.02%
Total Domestic Contribution (%)	94.63%	93.82%	90.10%	90.44%	92.40%	94.86%	80.23%

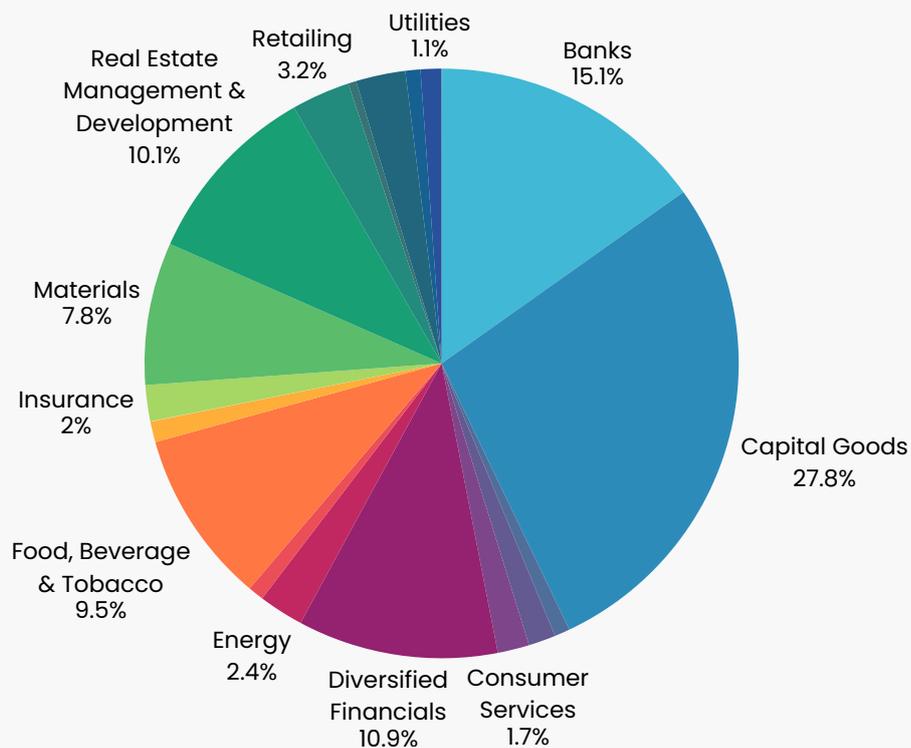
FOREIGN TRADING ACTIVITIES

	2026	2025	2024	2023	2022	2021	2020
Primary Market							
Purchases (\$ Mn)		1.03	100.51	5.26	72.86	27.59	50.10
Sales (\$ Mn)		-	-	-	-	-	-
Net foreign Flow (\$ Mn)		1.03	100.51	5.26	72.86	27.59	50.10
Secondary Market							
Foreign Purchases (\$ Mn)	11.99	188.83	155.74	120.67	239.51	176.33	287.51
Foreign sales (\$ Mn)	26.75	316.95	189.73	107.97	130.83	449.24	566.69
Net Foreign Flow (\$ Mn)	-14.76	-128.12	-33.99	12.70	108.69	-272.91	-279.18
Total Net foreign Flow (\$ Mn)	-14.76	-127.09	66.52	17.97	181.54	-245.32	-229.08

SECTOR WISE TURNOVER

As at 31 January 2026

- Automobiles & Components
- Banks
- Capital Goods
- Commercial & Professional Services
- Consumer Durables & Apparel
- Consumer Services
- Diversified Financials
- Energy
- Food & Staples Retailing
- Food, Beverage & Tobacco
- Health Care Equipment & Services
- Household & Personal Products
- Insurance
- Materials
- Real Estate Management & Development
- Retailing
- Software & Services
- Telecommunication Services
- Transportation
- Utilities



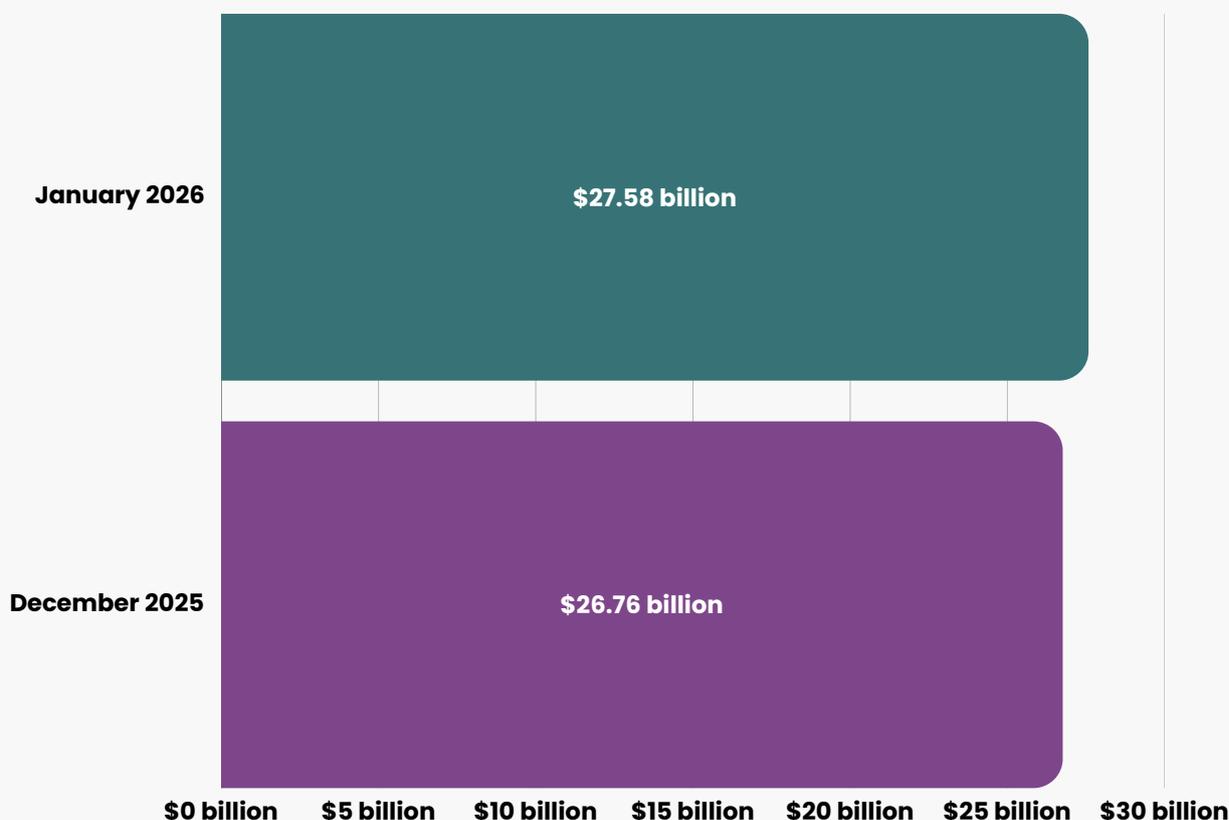
SECTOR WISE MARKET TURNOVER PERFORMANCE

SECTOR	PERFORMANCE (AGAINST DECEMBER)
Automobiles & Components	0.56%
Banks	8.22%
Capital Goods	4.88%
Commercial & Professional Services	22.22%
Consumer Durables & Apparel	0.55%
Consumer Services	-2.95%
Diversified Financials	3.72%
Energy	7.31%
Food & Staples Retailing	-1.59%
Food, Beverage & Tobacco	2.10%
Health Care Equipment & Services	13.55%
Household & Personal Products	-1.98%
Insurance	2.62%
Materials	3.65%
Real Estate Management & Development	25.41%
Retailing	16.37%
Software & Services	8.77%
Telecommunication Services	12.50%
Transportation	10.68%
Utilities	0.09%

MARKET LIQUIDITY (EQUITY)

	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025
Market Liquidity (Equity)								
Share Volume (Mn)	3.10	2.47	3.02	6.67	5.17	4.78	5.94	0.55
No. of Trades (No.'000)	743.68	657.55	693.45	877.36	852.38	808.20	828.10	73.06
Daily Average Trades (No.)	43,746	31,312	36,498	41,779	40,590	40,410	37,641	36,530
Market Multiples								
Market P/E (x)	11.36	10.73	11.16	10.06	9.59	9.81	9.14	8.54
Market P/BV (x)	1.53	1.45	1.50	1.50	1.43	1.41	1.31	1.22
Dividend Yield (%)	2.48	2.62	2.37	2.36	2.47	2.30	2.52	2.70
Companies Listed (@ EOY)	289	288	285	284	286	286	286	286

MARKET CAPTIALIZATION



INDEX PERFORMANCE

	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025
All Share Price Index	23,960.16	22,624.31	22,712.82	22,804.84	21,778.60	20,997.36	19,642.48
ASPI MTD Return	5.90%	-0.39%	-0.40%	4.71%	3.72%	6.90%	8.96%
ASPI YTD Return (%)	5.90% ↑	41.89% ↑	42.45% ↑	43.03... ↑	36.59... ↑	31.69% ↑	23.19... ↑
S&P SL20 Index	6,672.37	6,157.38	6,267.03	6,213.91	6,126.53	6,076.79	5,762.17
S&PSL20 MTD Return	8.36%	-1.75%	0.85%	1.43%	0.82%	5.46%	7.65%
S&P SL20 YTD Return (%)	8.36% ↑	26.64% ↑	28.90% ↑	27.80... ↑	26.01... ↑	24.98% ↑	18.51... ↑

FOREIGN TRADING ACTIVITY

	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 20...
Secondary Market								
Foreign Purchases (\$ '000)	11,995.87	5,257.51	8,066.63	18,453.13	33,799.27	12,010.44	19,695.12	975.64
Foreign Sales (\$ '000)	26,770.71	12,288.73	18,165.69	37,140.72	49,672.84	24,643.85	39,273.34	2,897.26
Net Foreign Flow (\$ '000)	-14,774.8	-7,031.23	-10,099.06	-18,687.58	-15,873.58	-12,633.41	-19,578.22	-1,921.62

INDEX PERFORMANCE (ANNUAL)

	2026	2025	2024	2023	2022	2021	2020
All Share Price Index	23,960.16	22,624.31	15,944.61	10,654.16	8,489.66	12,226.01	6,774.22
Return (%)	5.90% ↑	41.89% ↑	49.66% ↑	25.50% ↑	-30.56% ↓	80.48% ↑	10.52% ↑
S&P SL 20 Index	6,672.37	6,157.38	4,862.10	3,068.36	2,635.63	4,233.25	2,638.10
Return (%)	8.36% ↑	26.64% ↑	58.46% ↑	16.42% ↑	-37.74% ↓	60.47% ↑	-10.18% ↓
Highest ASPI	23,960.16	23,659.70	15,944.61	11,724.22	13,462.39	12,226.01	6,774.22
Lowest ASPI	22,864.08	14,660.45	10,274.39	8,262.58	6,905.37	6,854.32	4,247.95
Highest S&P SL20	6,672.37	12,114.26	4,862.10	3,470.13	4,627.03	4,253.83	2,929.09
Lowest S&P SL20	6,186.09	4,264.84	2,896.48	2,420.73	2,125.96	2,687.45	1,685.45

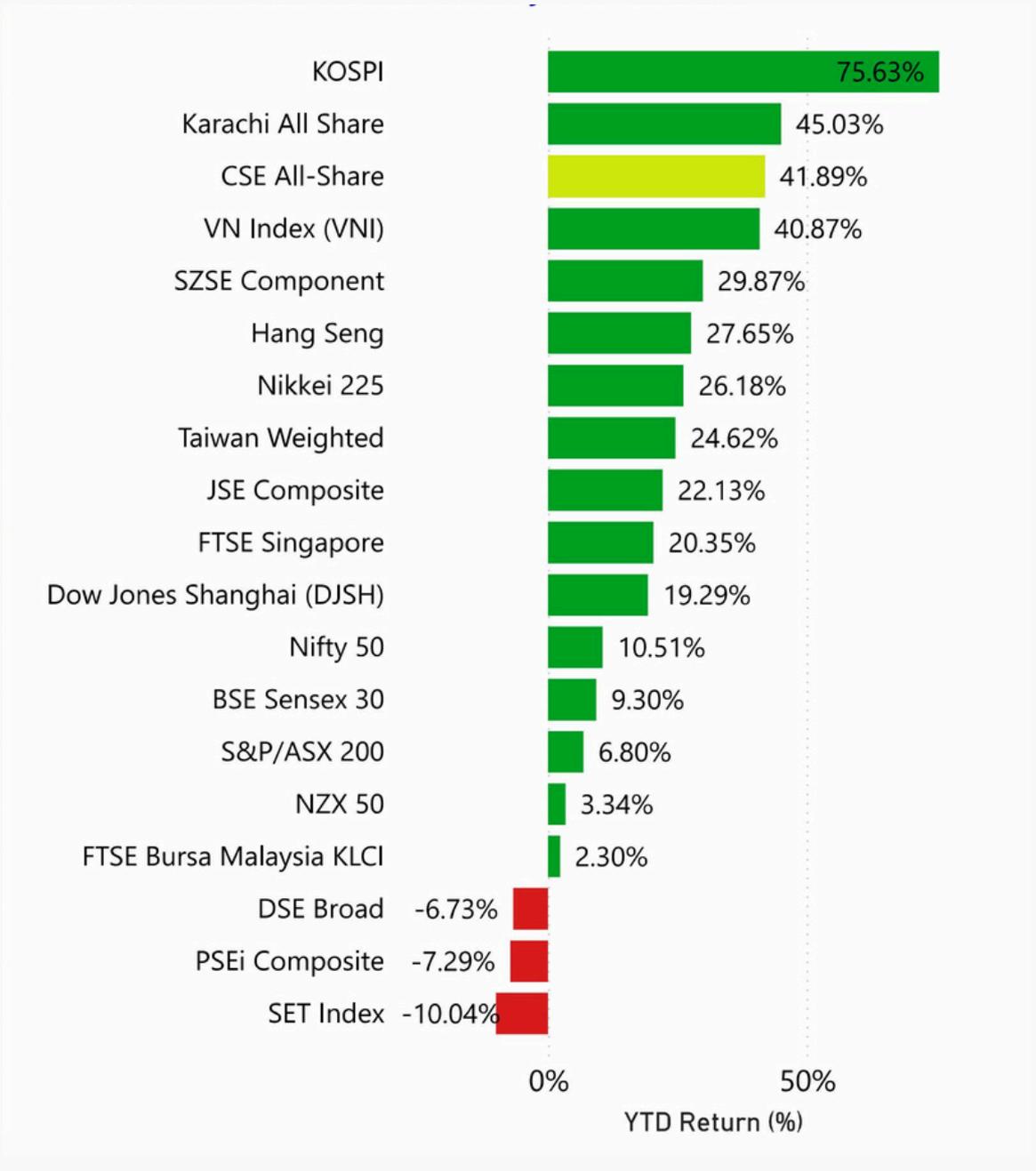
REGIONAL MARKET PERFORMANCE 2025

(Data for the year ended 31 December 2025)

Country	Index	Daily Return	YTD Return
South Korea	KOSPI	-0.15%	75.63%
Pakistan	Karachi All Share	0.02%	45.03%
Sri Lanka	CSE All-Share	0.79%	41.89%
Vietnam	VN Index (VNI)	1.00%	40.87%
China	SZSE Component	-0.58%	29.87%
Hong Kong	Hang Seng	-0.96%	27.65%
Japan	Nikkei 225	-0.37%	26.18%
Taiwan	Taiwan Weighted	-0.36%	24.62%
Indonesia	JSE Composite	0.03%	22.13%
Singapore	FTSE Singapore	-0.08%	20.35%
China	Dow Jones Shanghai (DJSH)	-0.05%	19.29%
India	Nifty 50	0.74%	10.51%
India	BSE Sensex 30	0.87%	9.30%
Australia	S&P/ASX 200	-0.03%	6.80%
New Zealand	NZX 50	0.00%	3.34%
Malaysia	FTSE Bursa Malaysia KLCI	-0.26%	2.30%
Bangladesh	DSE Broad	0.08%	-6.73%
Philippines	PSEi Composite	-0.21%	-7.29%
Thailand	SET Index	0.45%	-10.04%

MARKET PERFORMANCE BY YTD RETURN

(Data for the year ended 31 December 2025)



THANK YOU!

This month's market performance and economic data continue to highlight the powerful connection between long-term investing and economic growth. The market remains one of the best ways to create wealth and value and the time to participate is now.



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