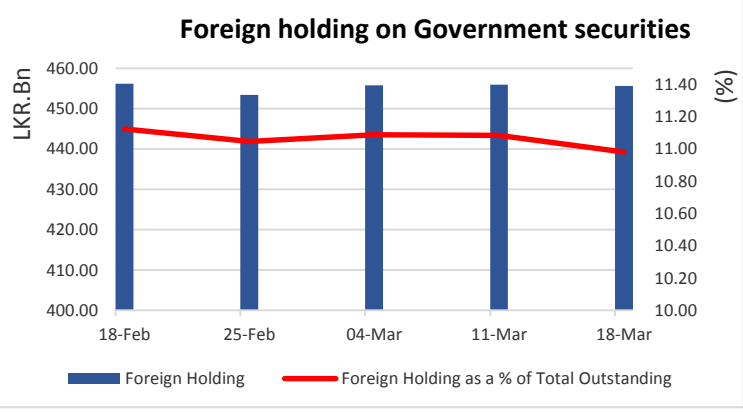
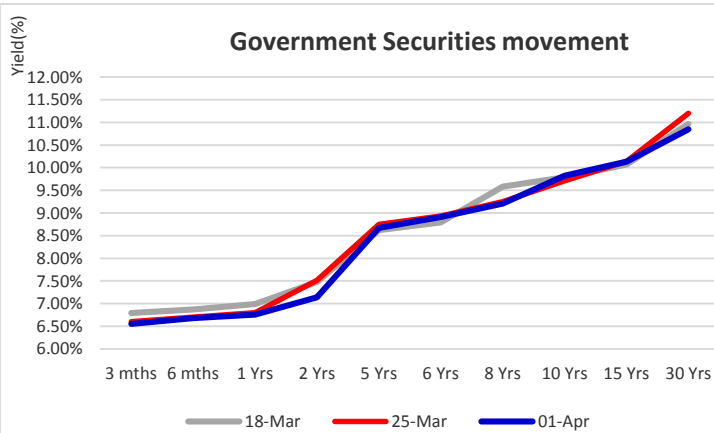


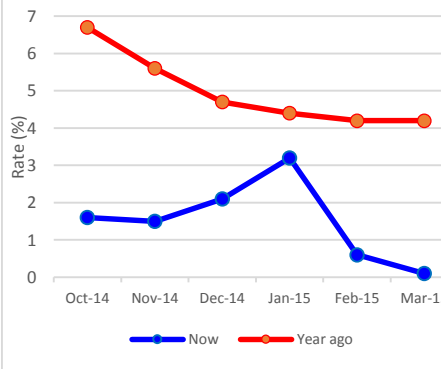
Economic Indicators: LKR/USD 133.33 (-0.01% WOW) | AWPR: 7.09% (1.14% WOW) | AWDR: 5.83% (-1.18% MPM) | ASPI: 6,948 (1.09% WOW) | S&P SL20: 3,910 (0.21% WOW)



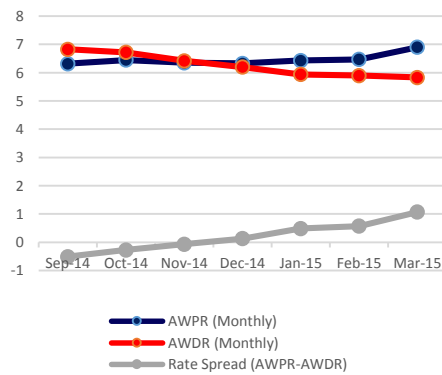
Market	Period	01-Apr	25-Mar	Change %
Primary Market	3 mths	6.55%	6.60%	-0.76%
	6 mths	6.68%	6.70%	-0.30%
	1 Yrs	6.76%	6.80%	-0.59%
Secondary Market	2 Yrs	7.14%	7.51%	-4.93%
	5 Yrs	8.67%	8.75%	-0.91%
	6 Yrs	8.91%	8.93%	-0.22%
	8 Yrs	9.21%	9.25%	-0.43%
	10 Yrs	9.82%	9.71%	1.13%
	15 Yrs	10.13%	10.14%	-0.10%
	30 Yrs	10.85%	11.20%	-3.13%

- Average Weighted Prime Lending Rate (AWPR): 7.09%. It has increased by 1.14% compared to last week.
- Average Weighted Deposit Rate (AWDR): 5.83% (Mar), 5.90% (Feb).
- Average Weighted Fixed Deposit Rate (AWFDR): 6.87% (Mar) and 6.95% (Feb).
- SLIBOR Rates : 6.70% (1Day), 6.87%(7Days), 7.11%(1Month), 7.30%(3Months), 7.63%(6Months), 7.92%(1Yr)
- Inflation (YOY change): 0.1% (Mar) and 0.6% (Feb).

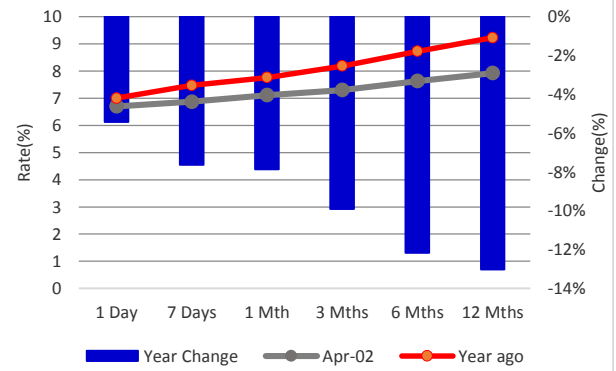
Inflation



Policy Rates



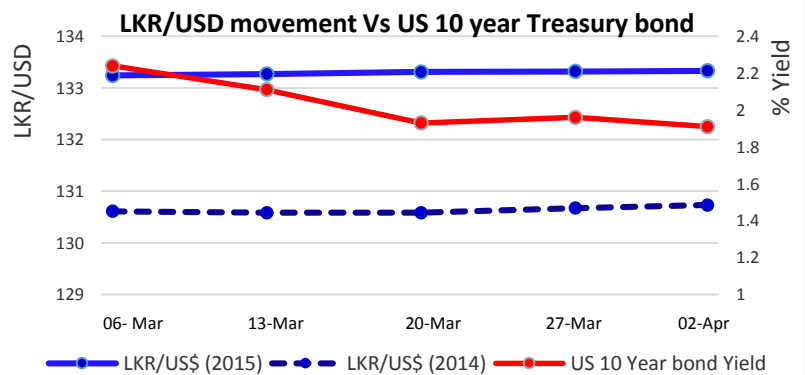
Sri Lanka Interbank Offer rates



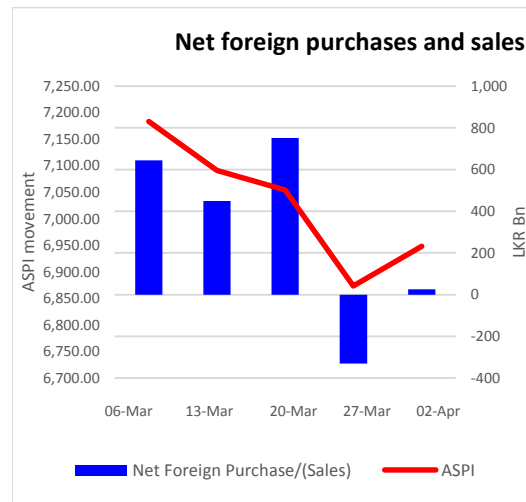
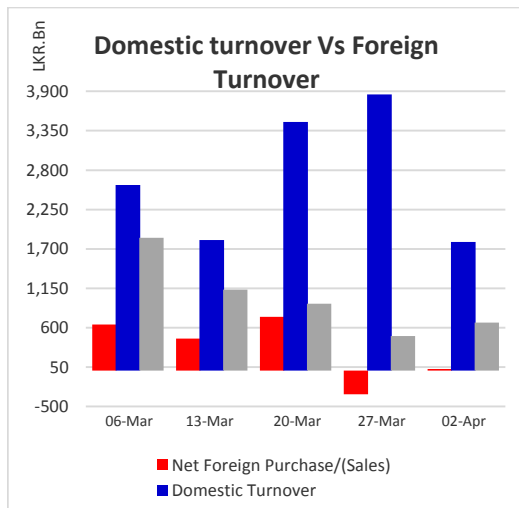
LKR EXCHANGE RATE MOVEMENT

- LKR depreciated over the week by 0.01% against USD from LKR/USD 133.32 to 133.33.
- One month forward rate of LKR/USD is 133.60 (Last week 133.82), three month forward rate is 134.68 (Last week 134.84)

	06-Mar	13-Mar	20-Mar	27-Mar	02-Apr
INR 2015	2.13	2.12	2.13	2.11	2.14
INR 2014	2.11	2.13	2.14	2.17	2.18
RM 2015	36.43	36.00	36.61	36.21	36.08
Rm 2014	39.98	39.82	39.69	39.70	40.00



- All Share Price Index: 6,948 points as at 02nd April 2015.
- S&P 20: 3,910 points as at 02nd April 2015.
- ASPI increased WOW by 75 points which is 1.09%.
- S&P 20 declined WOW by 8 points, reflecting a 0.21% positive variation.
- Net Foreign inflow: Rs. Mn. 26.
- Last week recorded a Net foreign outflow Rs. Mn. 331.
- Market capitalization: Rs.Bn.2,945 which is 1.10% increase compared to last week.
- Market PE: PE recorded as 18.94 in this week and it has increased by 2.27% from the last week.



LOCAL NEWS

The Shippers' Academy Colombo (SAC) has organized a business forum on 8 April at The Kingsbury Hotel from 4 p.m. onwards to bring awareness to the industry of the latest status of Sri Lankan exports re-entering the European market at zero duty with the GSP+ with the ongoing dialogue with European Union (EU). Sri Lanka enjoyed the GSP+ benefit from 15 July 2005 to 15 August 2010 for 7,200 export products to the EU market which has nearly 500 million consumers. The apparel industry was the number one beneficiary among other export products. The decision to withdraw GSP+ from Sri Lanka was based on the findings of an exhaustive commission investigation launched in October 2008 and completed in October 2009. (Source: Daily Ft - 31.03.2015)

A sporting icon, a legend and a genius came together today to launch the all-new 2016 Kia Sorento SUV in Colombo, an automotive icon in its own right, and the drive that the extraordinary trio have in common. Driven on to a stage in the packed 'Oak Room' at the Cinnamon Grand, Kumar Sangakkara, Muttiah Muralitharan and Mahela Jayawardena received the keys to their new Sorento vehicles as part of the gala launch of the dramatically reengineered, wider and longer Kia Sorento, a masterpiece of elegantly sculpted surfaces and an ultra-sophisticated interior. (Source: Derana - 02.04.2015)

A six member delegation representing China Pacific Economic Cooperation CEO Forum visited the Ceylon Chamber of Commerce to meet the Committee of The Sri Lanka-China Business Council on Tuesday, 24 March. The delegates were from Beijing, Shenzhen, Fujian, Ningxia and Zhejiang. The main objective of their visit was to learn about the business environment and potential for setting up joint ventures in Sri Lanka. The delegates are mainly involved in construction, engineering, heavy machinery, agriculture, shipping, printing, leather, automobiles, communication, health care, garments and tea sector. (Source: Daily Ft- 26.03.2015)

GLOBAL NEWS

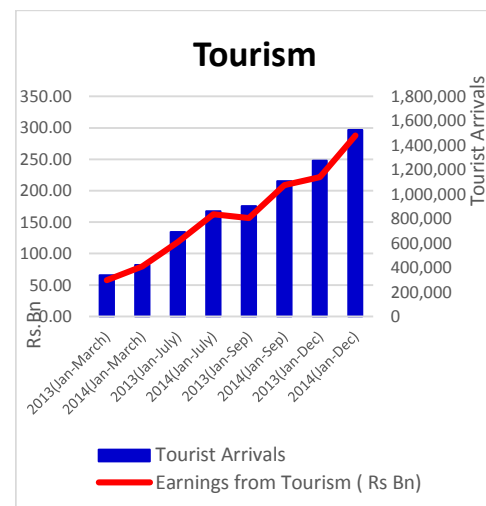
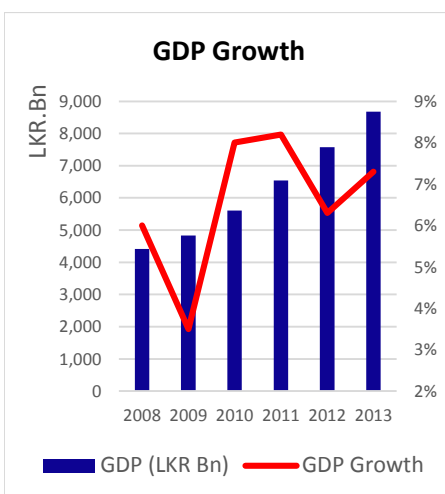
Franklin Templeton and four other leading Ukraine creditors have set up a committee to negotiate debt-restructuring terms with a government struggling to avert a default, according to a person close to the talks. Government bonds rose as the committee's formation paved the way for talks to start with Ukraine, which needs to reach new terms on 29 bonds and enterprise loans before the next review of a \$17.5 billion International Monetary Fund aid agreement at the end of May. Franklin Templeton is the biggest bondholder with about \$7 billion, followed by Russia, which bought a \$3 billion Eurobond from the country in December 2013. (Source: Bloomberg - 02.04.2015)

President Barack Obama launched a sanctions program on Wednesday to target individuals and groups outside the United States that use cyber-attacks to threaten U.S. foreign policy, national security or economic stability. In an executive order, Obama declared such activities a "national emergency" and allowed the U.S. Treasury Department to freeze assets and bar other financial transactions of entities engaged in destructive cyber-attacks. The executive order gave the administration the same sanctions tools it deploys to address other threats, including crises in the Middle East and Russia's aggression in Ukraine. Those tools are now available for a growing epidemic of cyber threats aimed at U.S. computer networks. (Source: Reuters- 01.04.2015)

Petrobras, as Brazil's state-run producer is known, signed a finance contract with the China Development Bank for \$3.5 billion, the first part of an accord to be implemented this year and in 2016, according to a regulatory filing Wednesday. That follows the entrance of two Chinese oil companies in Petrobras's biggest project in 2013 and a \$10 billion cash-for-oil agreement in 2009. Petrobras is slashing investments, selling assets and seeking financing options as it searches for ways to book corruption losses in financial statements. Delays in reporting earnings have all but shut out the company from bond markets at a time of slumping crude prices. (Source: Bloomberg - 01.04.2015)

GDP and Economy

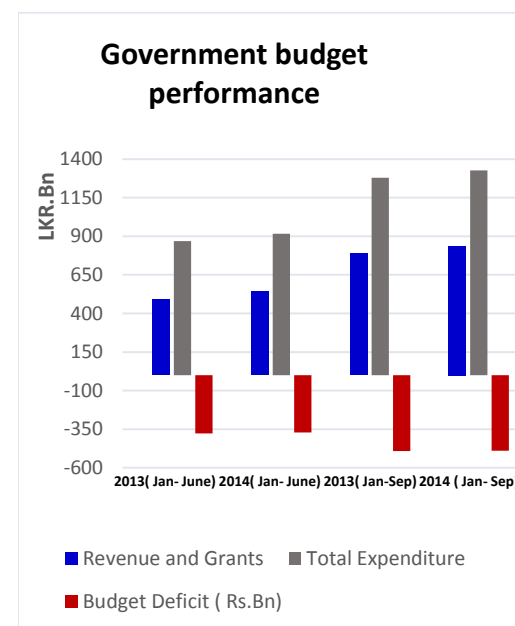
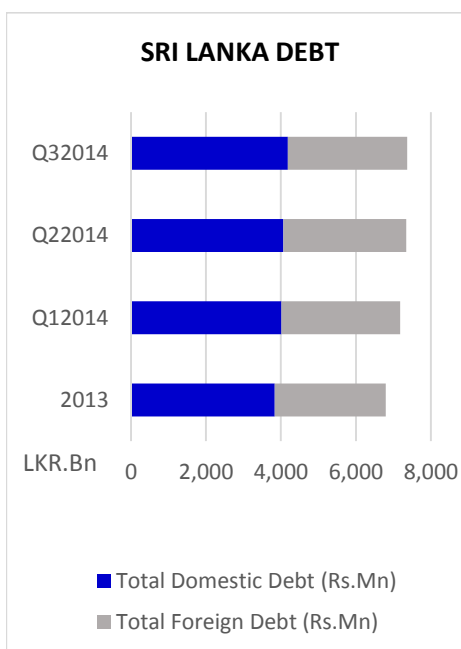
- The GDP of the third quarter of 2014 depicts a steady growth of 7.7% when compared with the second quarter. The Service sector contribution was higher than the other two sectors which is 53.9%.
- The agriculture sector, industry sector and Service sector GDP recorded in Q32014 were Rs. Mn 92,112, Rs. Mn 284,602 and Rs.Mn. 534,350 respectively.
- Unemployment rate is 4.5% in second quarter 2014 which is a 0.1% increment from the last year second quarter.



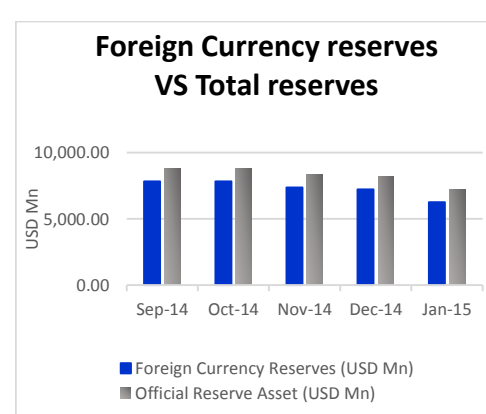
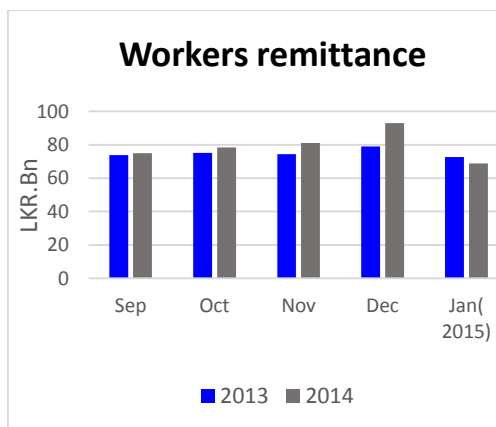
SRI LANKA FISCAL PERFORMANCE

According to the quarterly financial economic indicators, the Total Outstanding Government debt was increased by Rs. 575.7 Billion to Rs. 7368.9 Billion in 2014. The domestic debt was increased by Rs. 353.2 billion in 2014 whereby the majority of the domestic debts were comprised by Treasury bonds. The Foreign debts increased by Rs. 222.5 Billion mainly due to the issuance of International Sovereign Bond in US Dollars. The Government revenue increased by 5.6% in the first nine months of 2014, due to the tax revenue collected. The budget deficit was narrowed by Rs .Bn 2.1 in first nine months of 2014 compared to 2013.

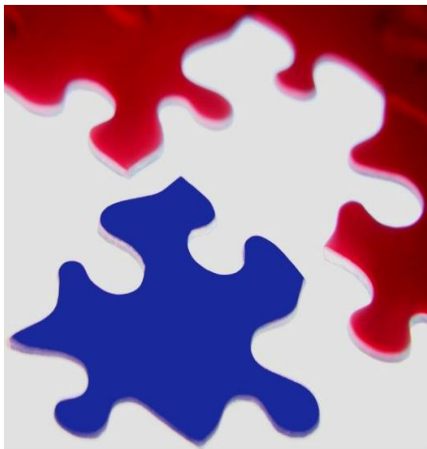
	2011	2012	2013
GOVERNMENT DEBT/GDP (%)	78.5	79.2	78.3
DOMESTIC DEBT/ GDP (%)	42.9	42.7	44.2
FOREIGN DEBT % OF GDP	35.6	36.5	34.1



SRI LANKA EXTERNAL SECTOR



DISCLAIMER: This document is a Research Report available to clients of Kenanga Investment Corp Ltd., The information contained in the document has been compiled from sources that we believe to be reliable; however we do not hold ourselves responsible for its completeness or accuracy. All opinions and estimates included in this report constitute of our judgment on the data available to us as at this date and as such are liable to change. Information contained in this document is not and should not be construed as an offer, or a solicitation of an offer to buy or sell any commodity or security or other financial instruments. Kenanga Investment Corporation Ltd, or its affiliates and/ or its directors, officers and employees shall not be in any way be responsible or liable for loss or damage which any person or party may sustain or incur by relying on the content of this document.



OUR SERVICES

1. CAPITAL MARKET ACTIVITIES
2. PORTFOLIO MANAGEMENT
3. CORPORATE RESTRUCTURING

Kenanga Investment Corporation Ltd (KICL) was established in Sri Lanka in 2007 and specializes in capital markets activities with core strengths in investment banking and fund management. KICL is the overseas investment arm of Malaysian listed company K & N Kenanga Holdings Berhad (KNKH), a long established financial group in Malaysia with 40 years of collective experience in equity broking,



KENANGA
INVESTMENT FOR ALL

CAPITAL MARKET ACTIVITIES

- IPO – Equity and Debt
- Private Placements
- Rights Issues
- Mergers and Acquisitions
- Corporate Syndicated Loan Facilities

PORTFOLIO MANAGEMENT

- Listed Equity
- Fixed Income Securities
- Kenanga Retirement Plan (KRP)

CORPORATE RESTRUCTURING

- Balance Sheet Restructuring
- Corporate Restructuring

KENANGA INVESTMENT CORPORATION LTD

4th Floor Landmark Building,
No 385, Galle Road,
Colombo 03

Web: www.kenangasl.com
Email: info@kenangasl.com

Tel: 011 523 8441
Fax: 011 523 8442



KENANGA RETIREMENT PLAN (KRP)

A smart investment idea

**AN
INVESTMENT
RETIREMENT**
Plan that will give you
peace of mind during

Kenanga Retirement Plan-retirement for any age

Kenanga Investment Corporation Ltd (KICL)--the investment banking and fund management expert introduces the Kenanga Retirement Plan (KRP), which affords an opportunity for individuals to invest for their retirement from early on.

Why should a customer choose KRP over other retirement products in the market? What differentiates KRP from the rest is the flexibility of the plan to individual needs. With a structure that delivers maximum convenience to the investor, KRP allows customers to monitor their portfolios online to maintain the deliverance of a transparent service. As the money is invested in different entities under the personal name of client, financial market risks can be mitigated, where the security of the investments are enhanced.

The funds will be invested at the equity or corporate debt markets depending on the client's preference. This could be structured according to a period desired by the customer--be it five, ten or 15 years or a period specified by the investor.



CONTACT US

4th Floor, Landmark Building,
No. 385, Galle Road, Colombo 03.
Tel: 0094 115 238 441
Fax: 0094 115 238 442
E-mail: info@kenangasl.com
Web Link : www.Kenangasl.com