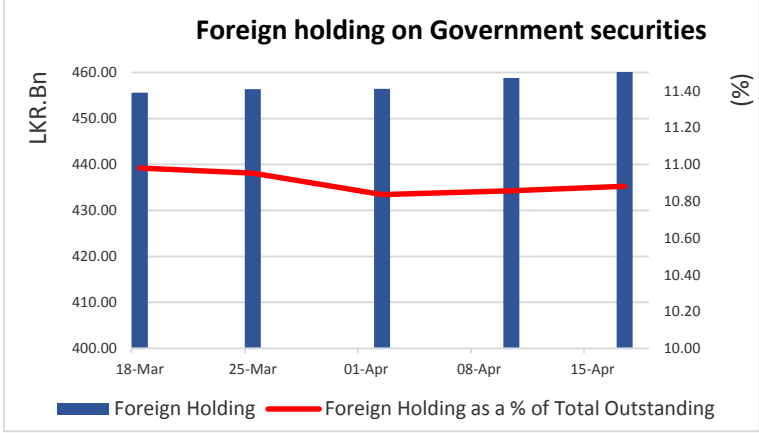
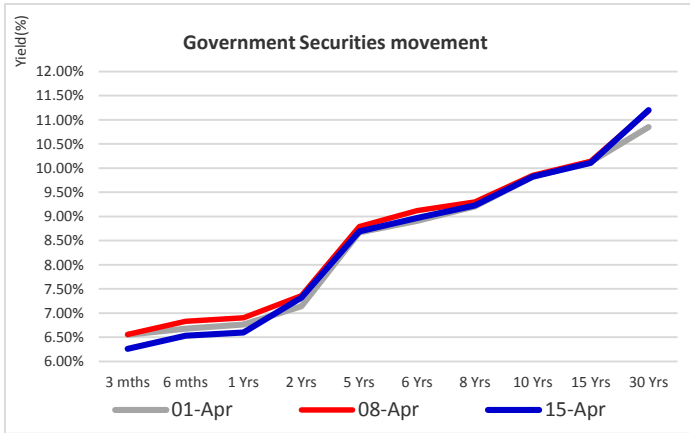


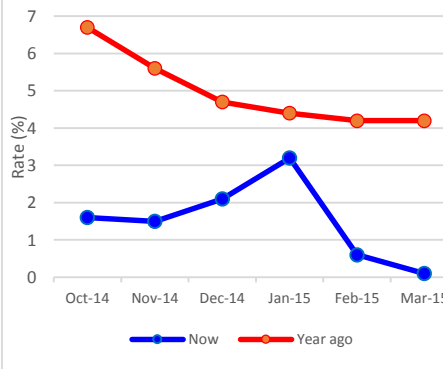
Economic Indicators: LKR/USD 133.29 (-0.1% WOW) | AWPR: 7.26% (1.68% WOW) | AWDR: 5.83% (-1.18% MPM) | ASPI: 7,086 (2.69% WOW) | S&P SL20: 4,012 (3.18% WOW)



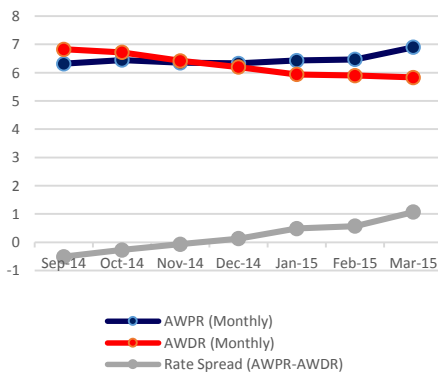
Market	Period	15-Apr	08-Apr	Change %
Primary Market	3 mths	6.56%	6.26%	4.79%
	6 mths	6.83%	6.53%	4.59%
	1 Yrs	6.90%	6.60%	4.55%
Secondary Market	2 Yrs	7.36%	7.32%	0.55%
	5 Yrs	8.79%	8.69%	1.15%
	6 Yrs	9.12%	8.97%	1.67%
	8 Yrs	9.30%	9.23%	0.76%
	10 Yrs	9.85%	9.82%	0.31%
	15 Yrs	10.14%	10.11%	0.30%
	30 Yrs	11.19%	11.20%	-0.09%

- Average Weighted Prime Lending Rate (AWPR): 7.26%. It has increased by 1.68% 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 : 6.22% (1Day), 6.47%(7Days), 6.77%(1Month), 7.05%(3Months), 7.31%(6Months), 7.55%(1Yr)
- Inflation (YOY change): 0.1% (Mar) and 0.6% (Feb).

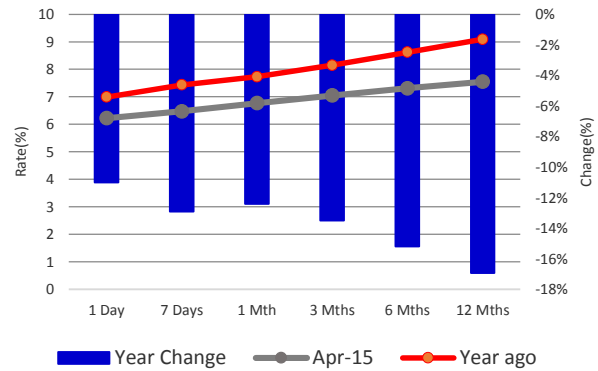
Inflation



Policy Rates



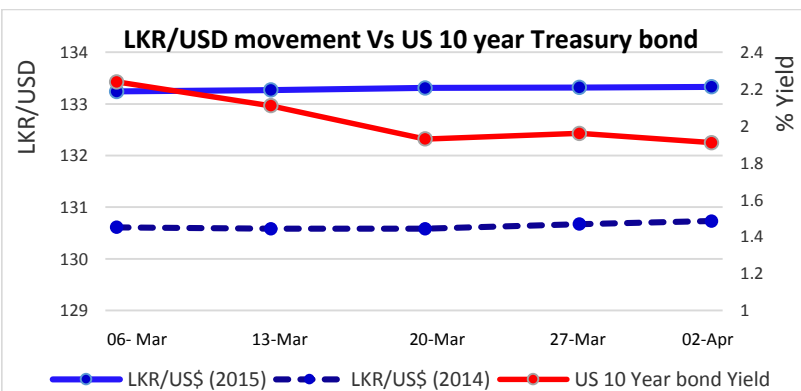
Sri Lanka Interbank Offer rates



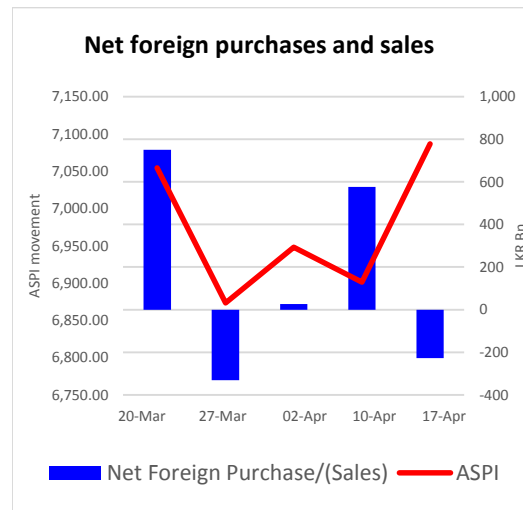
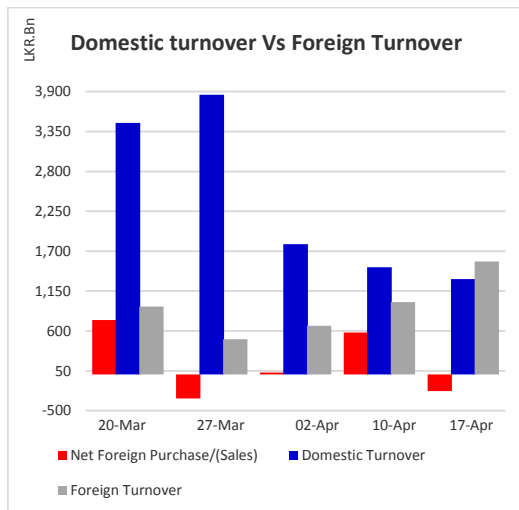
LKR EXCHANGE RATE MOVEMENT

- LKR depreciated over the week by 0.11% against USD from LKR/USD 133.15 to 133.29.
- One month forward rate of LKR/USD is 133.53 (Last week 133.71), three month forward rate is 135.18 (Last week 134.64)

	20-Mar	27-Mar	02-Apr	10-Apr	17-Apr
INR 2015	2.13	2.11	2.14	2.13	2.13
INR 2014	2.14	2.17	2.18	2.17	2.16
RM 2015	36.61	36.21	36.08	36.49	36.53
Rm 2014	39.69	39.70	40.00	40.46	40.33



- All Share Price Index: 7,086 points as at 17th April 2015.
- S&P 20: 4,012 points as at 17th April 2015.
- ASPI increased WOW by 185 points which is 2.69%.
- S&P 20 declined WOW by 124 points, reflecting a 3.18% positive variation.
- Net Foreign inflow: Rs. Mn. 26.
- Last week recorded a Net foreign outflow Rs. Mn. 228.
- Market capitalization: Rs.Bn.3,008 which is 2.84% increase compared to last week.
- Market PE: PE recorded as 19.23 in this week and it has increased by 2.83% from the last week.



LOCAL NEWS

In secondary bond markets, yields were seen increasing during morning hours of trading yesterday leading to the Treasury bond auction of 01.07.2019 for a volume of Rs 5 billion. Yields on the liquid maturities of 01.06.2018, 15.09.2019, 01.06.2020, 01.08.2021 and 01.09.2023 was seen increasing to intraday highs of 8.27%, 8.48%, 8.90%, 9.05% and 9.45% respectively as volumes changing hands remained high. However, following the outcome of the auction at where all bids were rejected, the first such occurrence in five years, yields was seen tumbling once again on the back of buying interest. Yields hit intraday lows of 8.20%, 8.30%, 8.80%, 8.90% and 9.35% once again. In addition, a limited amount of activity was witnessed on the 15.05.2017 maturity within the range of 7.50% to 7.53% and the 15.03.2025 within 9.70% to 9.75%.
(Source: Daily Ft - 17.04.2015)

The National Chamber of Commerce is holding a bilateral trade session with the High Commissioner of Canada, Madam Shelley Whiting on April 28, 2015 at the National Chamber Auditorium, D.R. Wijewardena Mawatha, Colombo 10. At this session the participants will get an opportunity to interact with the High Commissioner of Canada and officials of the High Commission to discuss any issues with regard to trade with Canada. Products and services which have potentials from Sri Lanka to Canada are, Textile and apparel, Gem and jewelry, Rubber based products, Ceramics, Confectionary items, Leather products, fresh and processed food.
(Source: Daily Mirror - 17.04.2015)

The Chinese Chamber of Commerce in Sri Lanka (CCCSL) on Friday rejected the accusation by the new government that the Southern Railway project in the island nation was constructed on a higher cost than the Northern Railway project. Rejecting a statement by the country's deputy minister of economic development, the CCCSL said that according to the relevant Chinese contractor involved in the Southern Railway project, the deputy minister's allegations were baseless.
(Source: Daily Ft- 17.04.2015)

GLOBAL NEWS

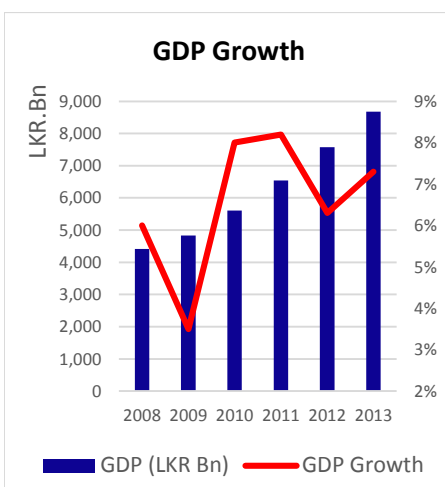
Investors anticipate consumer prices will rise at a rate of 1.45 percent annually, the highest level in almost two years, according to Bank of America Merrill Lynch data compiled by Bloomberg. The figure jumped from about 1 percent as recently as January. Prices are stagnant for now in the U.S. economy, the biggest in the world. It'll be tough for benchmark U.S. Treasuries to rise and for yields to fall in that environment. The U.S. 10-year yield fell two basis points to 1.87 percent as of 7:04 a.m. New York time, according to Bloomberg Bond Trader data. The price of the benchmark 2 percent note due in February 2025 was 101 5/32.
(Source: Bloomberg - 17.04.2015)

China lost its position as the largest holder of U.S. Treasury for the first time in six and a half years in February, owing to both an outflow of capital due to a slowing economy and efforts to diversify dollar-heavy reserves. Japan's holdings of \$1.224 trillion exceeded China's \$1.223 trillion. The reduction is fueled largely by China's economic slowdown and speculation over a U.S. interest rate hike, which are reversing the flow of money that previously poured into China from overseas. To keep the yuan from plunging, the People's Bank of China started tapping its Treasury to sell dollars and buy the Chinese currency.
(Source: Nikkie Asian review - 17.04.2015)

U.S. housing starts rose far less than expected in March and permits recorded their biggest drop since last May, which could raise concerns about the economy's ability to bounce back from a soft patch hit in the first quarter. Permits for future home construction declined 5.7 percent to a 1.04 million-unit pace. Permits have been above a 1 million-unit pace since July. The economy stumbled early in the year under the weight of a harsh winter, a resurgent dollar, weaker global growth and a now-resolved labor dispute at the West Coast ports.
(Source: CNBC - 16.04.2015)

GDP and Economy

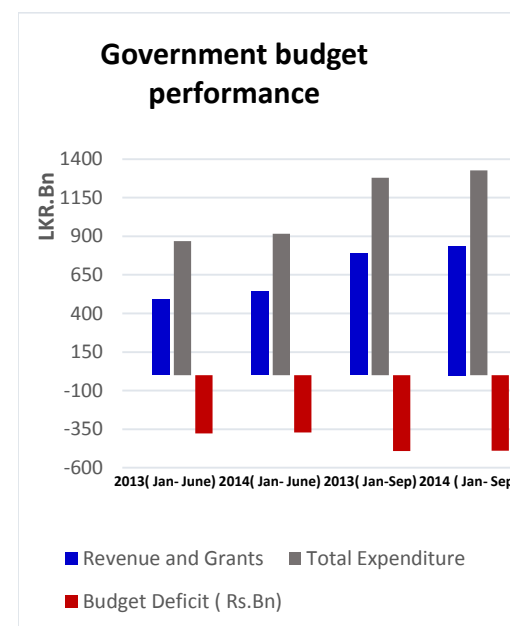
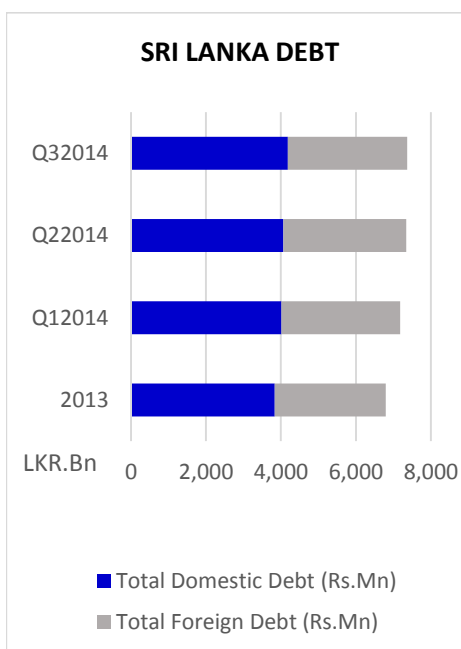
- The GDP of the third quarter of 2014 depicts a steady growth of 7.7% when compared with the second quarter. The Service sector contribution was higher than the other two sectors which is 53.9%.
- The agriculture sector, industry sector and Service sector GDP recorded in Q32014 were Rs. Mn 92,112, Rs. 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.



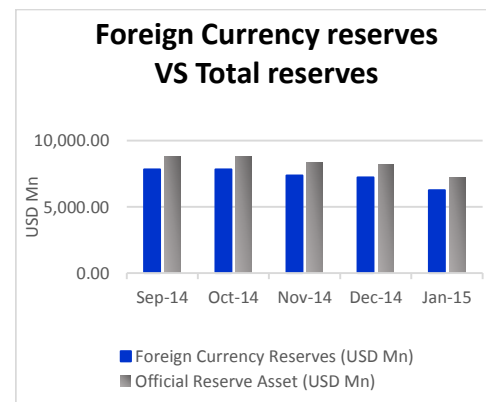
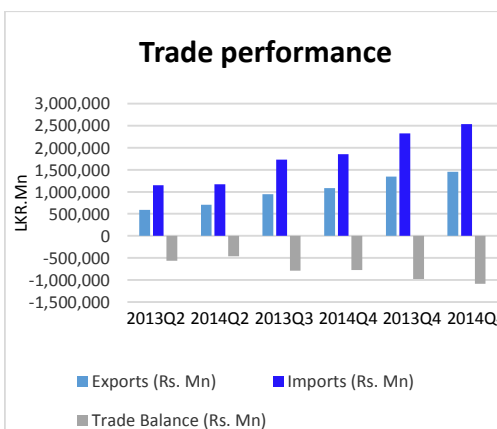
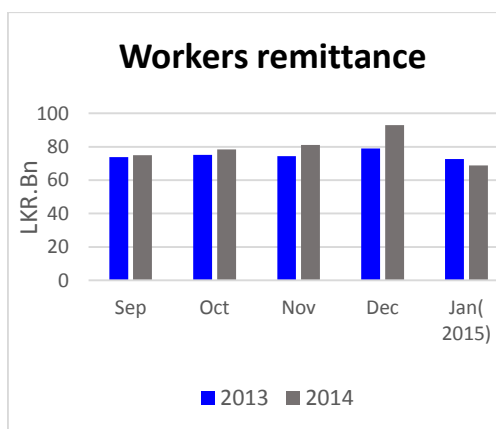
SRI LANKA FISCAL PERFORMANCE

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.

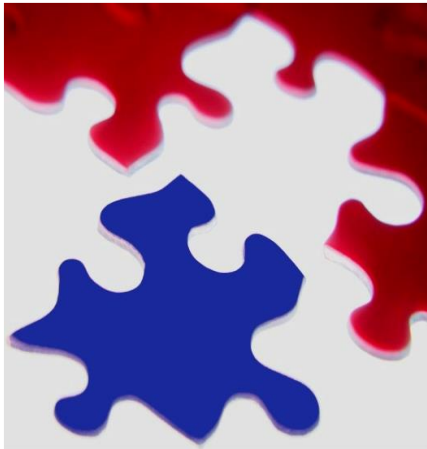
	2011	2012	2013
GOVERNMENT DEBT/GDP (%)	78.5	79.2	78.3
DOMESTIC DEBT/ GDP (%)	42.9	42.7	44.2
FOREIGN DEBT % OF GDP	35.6	36.5	34.1



SRI LANKA EXTERNAL SECTOR



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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,



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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

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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.



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