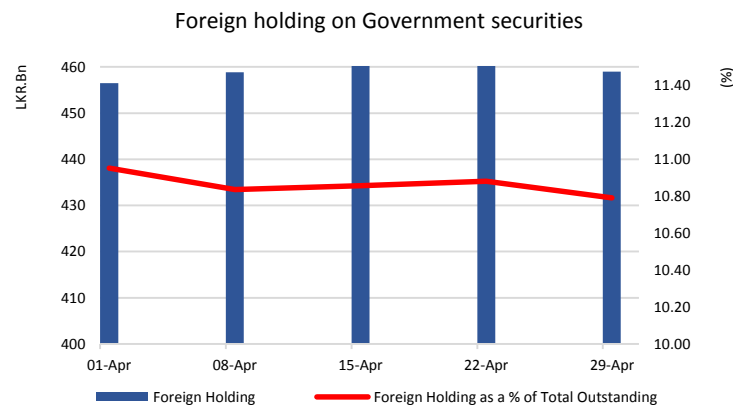
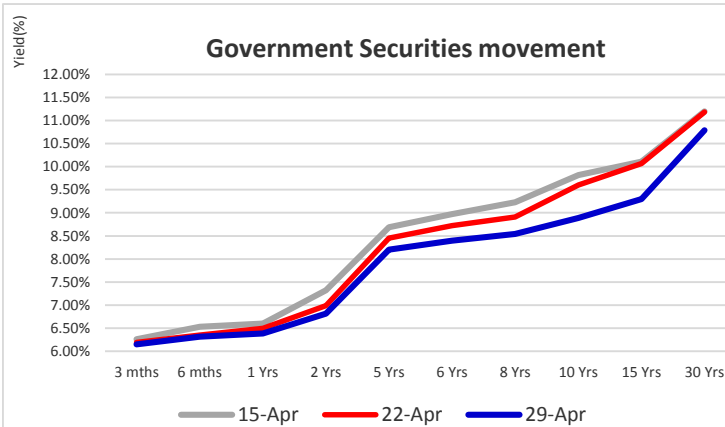
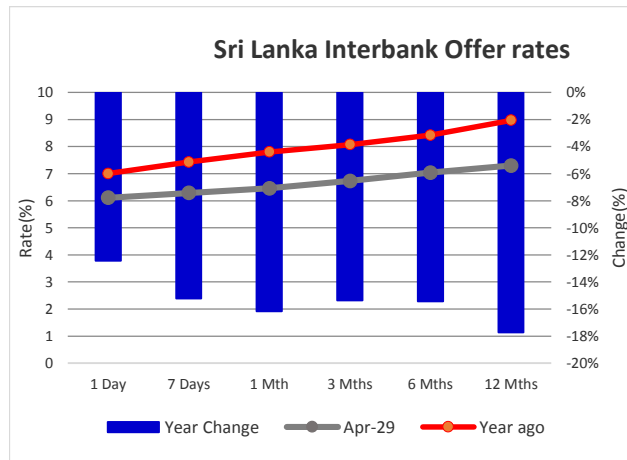
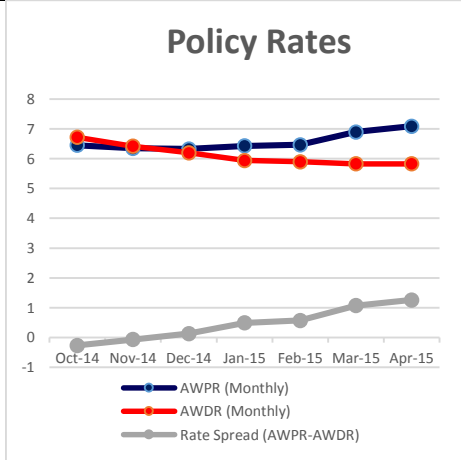
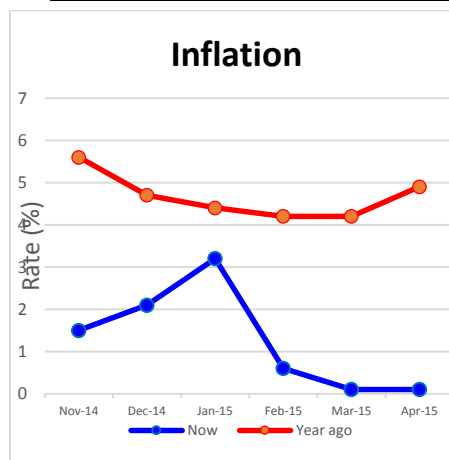


Economic Indicators: LKR/USD 134.05 (-0.20% WOW) | AWPR: 7.09% (0.56% WOW) | AWDR: 5.83% (0.00% MPM) | ASPI: 7,179 (0.69% WOW) | S&P SL20: 4,053 (0.75% WOW)



Market	Period	29-Apr	22-Apr	Change %
Primary Market	3 mths	6.15%	6.19%	-0.65%
	6 mths	6.32%	6.35%	-0.47%
	1 Yrs	6.39%	6.50%	-1.69%
Secondary Market	2 Yrs	6.82%	6.99%	-2.43%
	5 Yrs	8.20%	8.45%	-2.96%
	6 Yrs	8.40%	8.72%	-3.67%
	8 Yrs	8.54%	8.91%	-4.15%
	10 Yrs	8.89%	9.60%	-7.40%
	15 Yrs	9.30%	10.07%	-7.65%
	30 Yrs	10.79%	11.18%	-3.49%

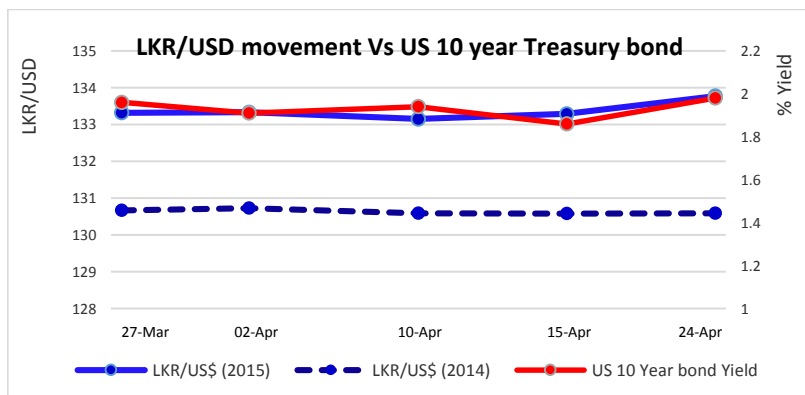
- Average Weighted Prime Lending Rate (AWPR): 7.09%. It has reduced by 0.56% compared to last week.
- Average Weighted Deposit Rate (AWDR): 5.83% (Apr), 5.83% (Mar).
- Average Weighted Fixed Deposit Rate (AWFDR): 6.87% (Apr) and 6.87% (Mar).
- SLIBOR Rates : 6.11% (1Day), 6.29%(7Days), 6.46%(1Month), 6.73%(3Months), 7.04%(6Months), 7.3%(1Yr)
- Inflation (YOY change): 0.1% (Apr) and 0.1% (Mar).



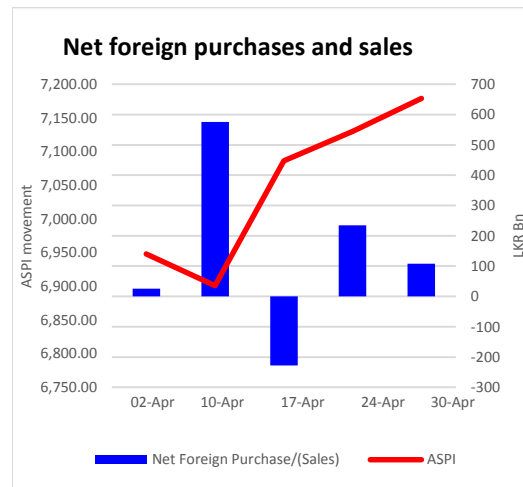
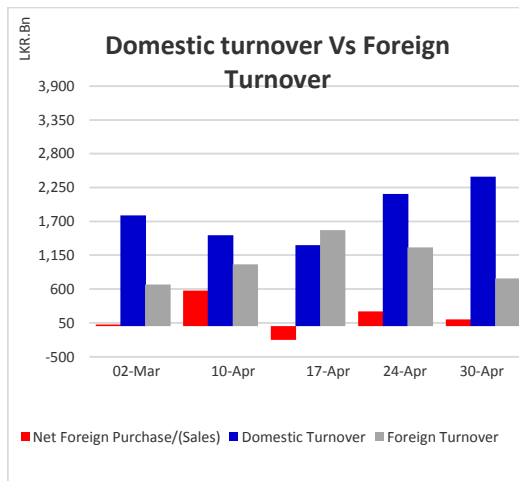
LKR EXCHANGE RATE MOVEMENT

- LKR depreciated over the week by 0.20% against USD from LKR/USD 133.77 to 134.05.
- One month forward rate of LKR/USD is 134.30 (Last week 133.62), three month forward rate is 134.60 (Last week 134.79)

	02-Apr	10-Apr	17-Apr	24-Apr	30-Apr
INR 2015	2.14	2.13	2.13	2.10	2.09
INR 2014	2.18	2.17	2.16	2.14	2.16
RM 2015	36.08	36.49	36.53	36.93	37.40
Rm 2014	40.00	40.46	40.33	40.02	40.00



- All Share Price Index: 7,179 points as at 30th April 2015.
- S&P 20: 4,053 points as at 30th April 2015.
- ASPI increased WOW by 49 points which is 0.69%.
- S&P 20 declined WOW by 30 points, reflecting a 0.75% positive variation.
- Net Foreign inflow: Rs. Mn. 108.
- Last week recorded a Net foreign inflow Rs. Mn. 235.
- Market capitalization: Rs.Bn.3,049 which is 0.69% increase compared to last week.
- Market PE: PE recorded as 19.43 in this week and it has increased by 0.73% from the last week.



LOCAL NEWS

The growth momentum of the Sri Lankan economy continued, while inflation declined further to low single-digit levels during the year. The economy, which was initially projected to grow in real terms by 7.8%, recorded a growth of 7.4% in 2014, in comparison to the growth of 7.2% in 2013. In nominal terms, GDP amounted to Rs. 9,785 billion (\$ 74.9 billion) in 2014, compared to Rs. 8,674 billion (\$ 67.2 billion) in 2013. Accordingly, GDP per capita increased to \$ 3,625 in 2014 from \$ 3,280 in the previous year. Inflation remained at single-digit levels for the sixth consecutive year, with year-on-year and annual average inflation declining to 2.1% and 3.3% respectively by the end of 2014, from 4.7% and 6.9%, respectively, at the end of 2013.

(Source: Daily Ft - 30.04.2015)

All five Sri Lankan inventors who took part in the recently-concluded 43rd International Inventors Exhibition and Competition in Geneva have secured Gold awards for their inventions. Four of them were fully sponsored by the Sri Lanka Inventors Commission having selected from among the Presidential Award winners and Sahasak Nimavum Award winners while the other inventor had joined the Sri Lankan contingent on his own. This is the third successive year where Sri Lankan inventors got recognized at Geneva but the first time to have secured Gold awards by all the participants. On their return to the island they were welcomed by the SLIC Director CEO Dinesh Satrukalsinghe and the Assistant Director Deepika Kahatapitiya at the VIP lounge of BIA.

(Source: Daily Ft - 30.04.2015)

As 2015 gathers pace, the world seems to be entering a more uncertain and unpredictable phase. With the end of the quantitative easing by the Federal Reserve, Sri Lanka is entering an era of tighter global liquidity. However, this might be offset to a certain extent by more aggressive monetary policy actions from the Eurozone and Japan. The plunge in oil and other commodity prices should help reduce inflationary expectations but could also presage a weaker economic environment. All these point to a more volatile environment, making it a more challenging year for Asian bond markets.

(Source: Daily Mirror- 30.04.2015)

GLOBAL NEWS

China will cut special government subsidies for shale gas developers in the next five years even as the country encourages explorers to produce more clean energy such as natural gas to replace coal. The subsidies will be cut to 0.3 yuan per square meters from 2016 to 2018, and to 0.2 yuan from 2019 to 2020, China's finance ministry said in a statement today, citing industrial development policies, technology advancement and cost changes as reasons, without elaborating. Energy executives including PetroChina Co. Chairman Zhou Jiping have urged the government to extend the current 0.4 yuan per square meter subsidy to 2020 or 2030 to spur growth in the usage of shale gas.

(Source: Bloomberg - 29.04.2015)

Sweden's central bank kept its rates on hold at -0.25 percent on Wednesday, surprising markets which had expected a cut, but expanded its asset purchase programme and said it stood ready to do more to support inflation at short notice if needed. Analysts in a Reuters poll had forecast a rate cut to -0.35 percent and further bond purchases of up to 50 billion crowns. The Riksbank has slashed interest rates to historic lows following two years of flat or falling prices. But it signaled it may now have done enough as the threat of deflation recedes and growth - expected to top 3 percent this year - picks up while worries about a red-hot housing market have increased. The Swedish crown strengthened sharply after the decision.

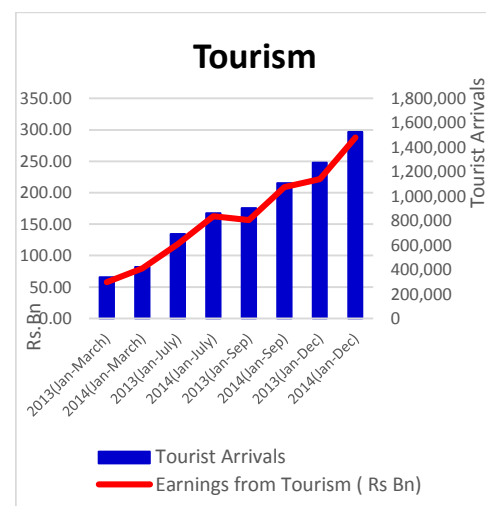
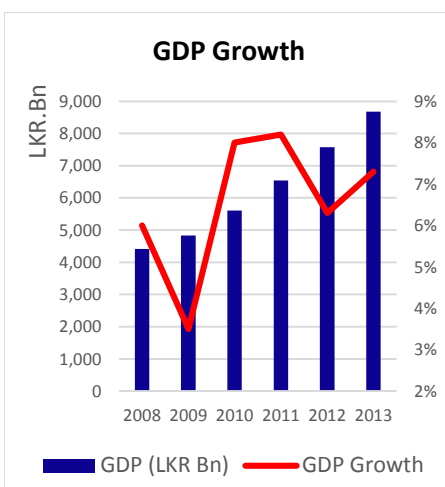
(Source: Reuters - 29.04.2015)

The Federal Reserve downgraded its view of the U.S. labor market and economy on Wednesday in a policy statement that suggested the central bank may have to wait until at least the third quarter to begin raising interest rates. The Fed's statement put in place a meeting-by-meeting approach on the timing of its first rate hike since June 2006, making such a decision solely dependent on incoming economic data. The data, however, have been getting worse. Just hours before the Fed's statement, the U.S. government reported that first-quarter gross domestic product came in much weaker than expected.

(Source: Reuters - 29.04.2015)

GDP and Economy

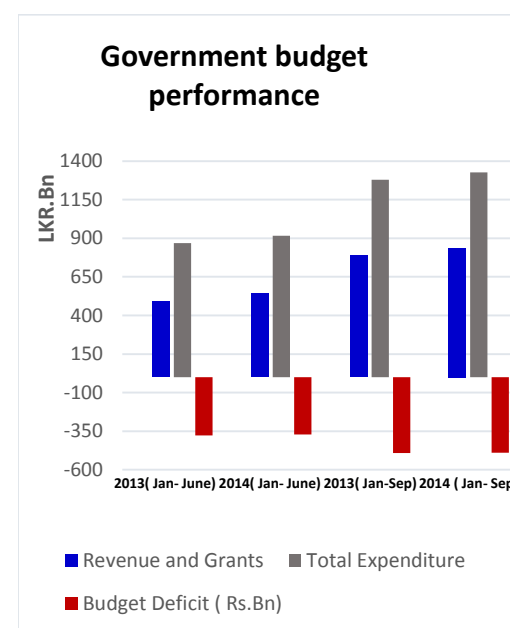
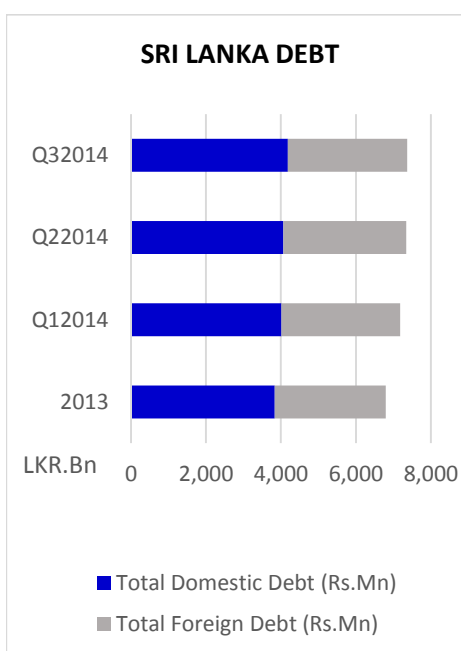
- The GDP of the third quarter of 2014 depicts a steady growth of 7.7% when compared with the second quarter. The Service sector contribution was higher than the other two sectors which is 53.9%.
- The agriculture sector, industry sector and Service sector GDP recorded in Q32014 were Rs. Mn 92,112, Rs.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



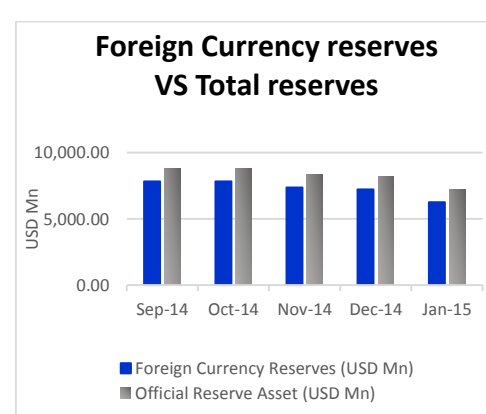
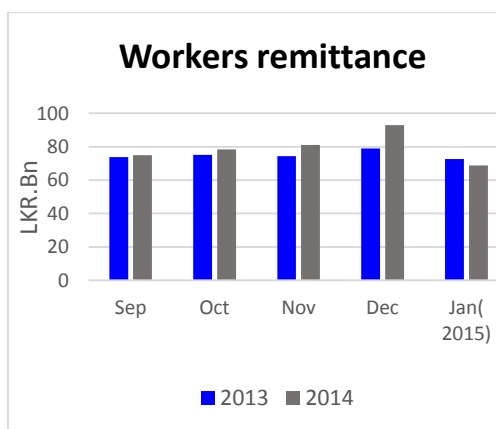
SRI LANKA FISCAL PERFORMANCE

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.

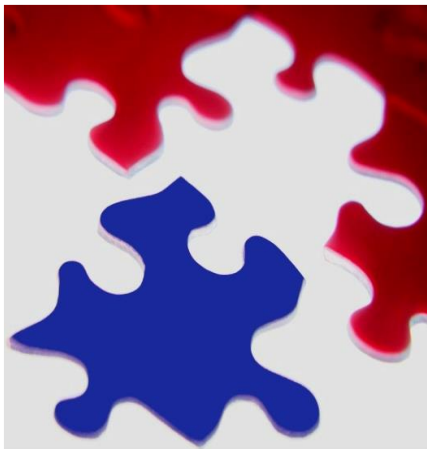
	2011	2012	2013
GOVERNMENT DEBT/GDP (%)	78.5	79.2	78.3
DOMESTIC DEBT/ GDP (%)	42.9	42.7	44.2
FOREIGN DEBT % OF GDP	35.6	36.5	34.1



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