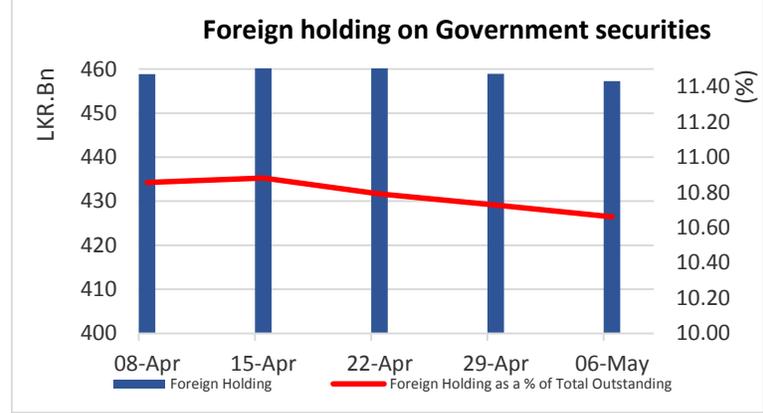
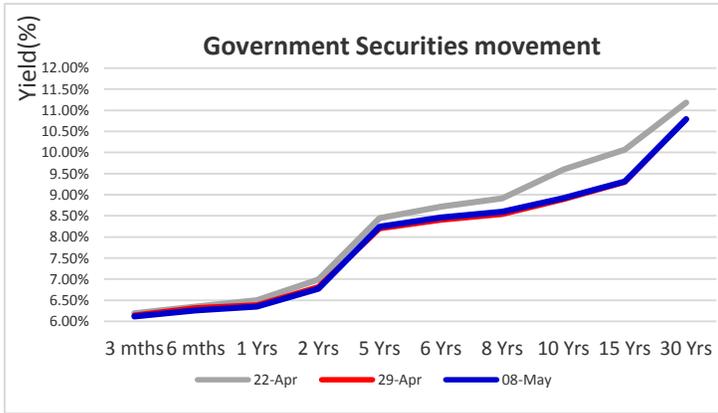
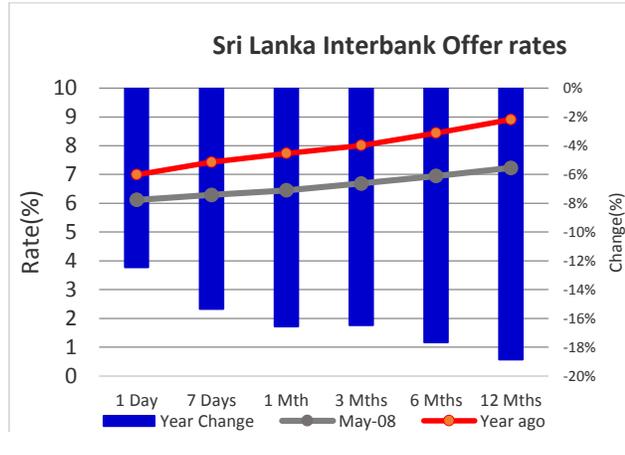
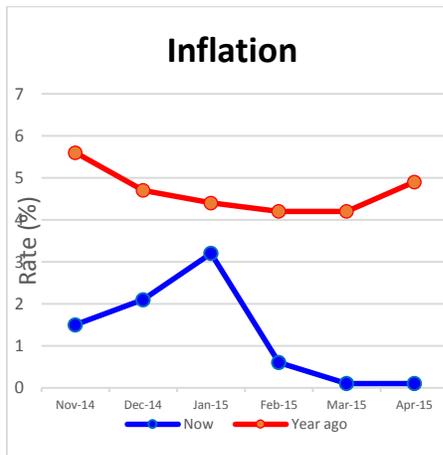


Economic Indicators: LKR/USD 134.37 (-0.24% WOW) | AWPR: 7.09% (0.00% WOW) | AWDR: 5.83% (0.00% MPM) | ASPI: 7,212 (0.46% WOW) | S&P SL20: 4,058 (0.12% WOW)



Market	Period	08-May	29-Apr	Change %
Primary Market	3 mths	6.12%	6.15%	-0.49%
	6 mths	6.26%	6.32%	-0.95%
	1 Yrs	6.35%	6.39%	-0.63%
Secondary Market	2 Yrs	6.77%	6.82%	-0.73%
	5 Yrs	8.24%	8.20%	0.49%
	6 Yrs	8.46%	8.40%	0.71%
	8 Yrs	8.60%	8.54%	0.70%
	10 Yrs	8.92%	8.89%	0.34%
	15 Yrs	9.31%	9.30%	0.11%
	30 Yrs	10.79%	10.79%	0.00%

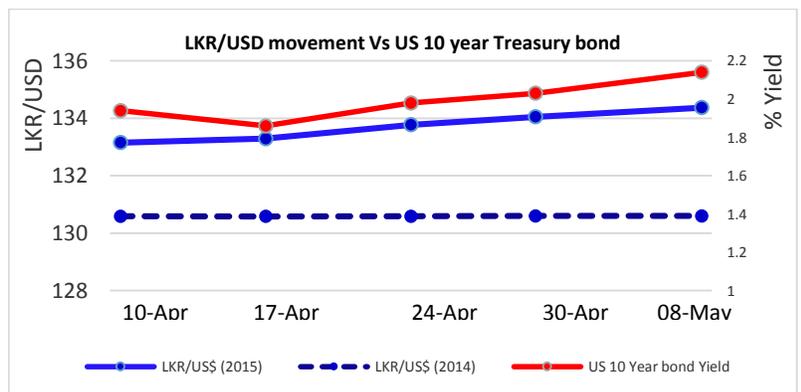
- Average Weighted Prime Lending Rate (AWPR): 7.09%. It has reduced by 0.56% compared to last week.
- Average Weighted Deposit Rate (AWDR): 5.83% (Apr), 5.83% (Mar).
- Average Weighted Fixed Deposit Rate (AWFDR): 6.87% (Apr) and 6.87% (Mar).
- SLIBOR Rates : 6.12% (1Day), 6.29%(7Days), 6.45%(1Month), 6.69%(3Months), 6.95%(6Months), 7.23%(1Yr)
- Inflation (YOY change): 0.1% (Apr) and 0.1% (Mar).



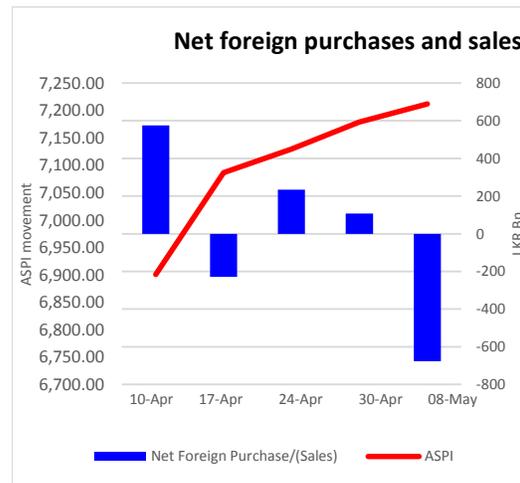
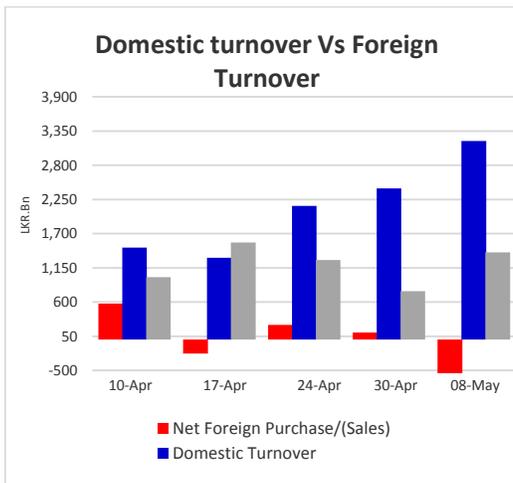
LKR EXCHANGE RATE MOVEMENT

- LKR depreciated over the week by 0.24% against USD from LKR/USD 134.05 to 134.37.
- One month forward rate of LKR/USD is 134.17 (Last week 134.30), three month forward rate is 135.03 (Last week 134.60)

	10-Apr	17-Apr	24-Apr	30-Apr	08-May
INR 2015	2.13	2.13	2.10	2.09	2.08
INR 2014	2.17	2.16	2.14	2.16	2.16
RM 2015	36.49	36.53	36.93	37.40	36.93
Rm 2014	40.46	40.33	40.02	40.00	40.19



- All Share Price Index: 7,212 points as at 08th May 2015.
- S&P 20: 4,058 points as at 08th May 2015.
- ASPI increased WOW by 33 points which is 0.46%.
- S&P 20 increased WOW by 5 points, reflecting a 0.12% positive variation.
- Net Foreign outflow: Rs. Mn. 676.
- Last week recorded a Net foreign inflow Rs. Mn. 108.
- Market capitalization: Rs.Bn.3,064 which is 0.49% increase compared to last week.
- Market PE: PE recorded as 19.49 in this week and it has increased by 0.31% from the last week.



LOCAL NEWS

Sri Lanka’s first-ever crowdfunding platform Help.lk is seeking to bring more foreign exchange to the country to support local innovative ventures and charities. “We want to bring in more foreign currency to the country, which is why the donations are done in US dollars and we’re targeting expats mostly,” Crowdfund Lanka (Pvt.) Ltd Co-Founder and CEO Kalpa Alawatta said. Built from the ground up to meet local needs, Help.lk will provide free use of its crowdfunding platform for all verified charitable projects and for a limited period, charge only a nominal fee for all others. Crowdfunding is the practice of funding a project/campaign or venture by raising monetary contributions from a large number of people, typically via the Internet.
(Source: Daily Mirror - 07.05.2015)

Sri Lanka’s February trade balance widened 10.4 percent year-on-year (yoy) to US \$ 638 million, while the overall Balance of Payment (BoP) position recording a deficit of US \$ 692.1 million in the first two months of 2015 compared to a surplus of US \$ 809.9 million recorded in the corresponding period of 2014. Data released by the Central Bank yesterday showed export earnings in February increasing 5.8 percent yoy to US \$ 891.4 million. The cumulative exports in the first two months rose 3.1 percent you to US \$ 1.8 billion. Earnings from textile and garments in February rose 6 percent yoy to US \$ 419.9 million while rubber products exports fell 3.9 percent yoy to US \$ 67.5 million.
(Source: Daily Mirror - 08.05.2015)

The Sri Lanka-Rwanda Business Forum, which is organized by the Ceylon Chamber of Commerce, will be held on 28 May with the participation of a high powered business delegation from Rwanda. The event, which is organized in association with the Rwanda Private Sector Federation is aimed at promoting trade, investment and tourism between the two countries. The focus sectors of the forum are agriculture, agro processing, dairy production, education, food processing, health, housing and real estate development, information technology, infrastructure development in Rwanda, mining, pharmaceuticals, power and energy, tea and garments.
(Source: Daily FT- 07.05.2015)

GLOBAL NEWS

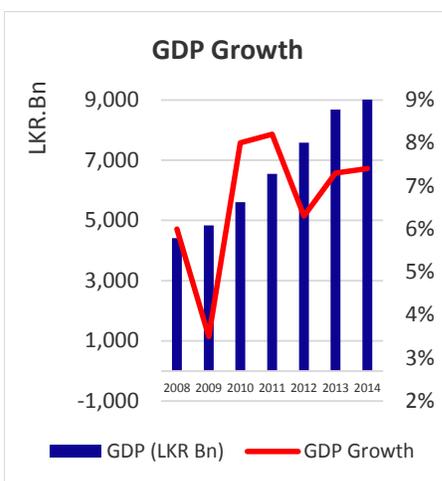
Greece defied its international creditors on Thursday, refusing to cut pensions or ease layoffs to meet their demands, dimming prospects of progress next week towards securing desperately needed financial aid. Despite efforts by European Commission President Jean-Claude Juncker to coax leftist Prime Minister Alexis Tsipras into moving on two key conditions for releasing EU/IMF bailout funds, a Greek government spokesman said lenders could not expect Athens to make all the concessions. Athens is running out of cash but has dragged its feet on accepting unpopular reforms promised by a previous government. Negotiations have moved so slowly that the lenders have ruled out an agreement at next Monday’s meeting of euro zone finance ministers..
(Source: Reuters - 07.05.2015)

The Federal Reserve is sketching out plans to prevent an abrupt contraction in its massive balance sheet next year, when as much as \$500 billion in bonds expire and risk disrupting markets and the U.S. economic recovery. Though it ended a stimulative asset-purchase program last October, the Fed is still buying mortgage and Treasury bonds to replenish its \$4.5-trillion portfolio as holdings mature. The central bank has said it will keep reinvesting until sometime after it begins raising interest rates later this year.
(Source: Reuters - 07.05.2015)

The International Monetary Fund (IMF) will soon send a team to India to get a grasp of the implementation of the government’s new GDP methodology, questioned in certain quarters, including the Reserve Bank of India. IMF’s Director for Asia Pacific Department, Changyong Rhee, said the change in the methodology was a “welcome move by India” and in line with what the multilateral lending institution had suggested. A delegation will be sent to India “to discuss and understand the implementation of this methodology”, Rhee said. Earlier this year, India changed the way it measures its GDP or economic output and revised its economic growth estimates accordingly.
(Source: Business Standard - 08.05.2015)

GDP and Economy

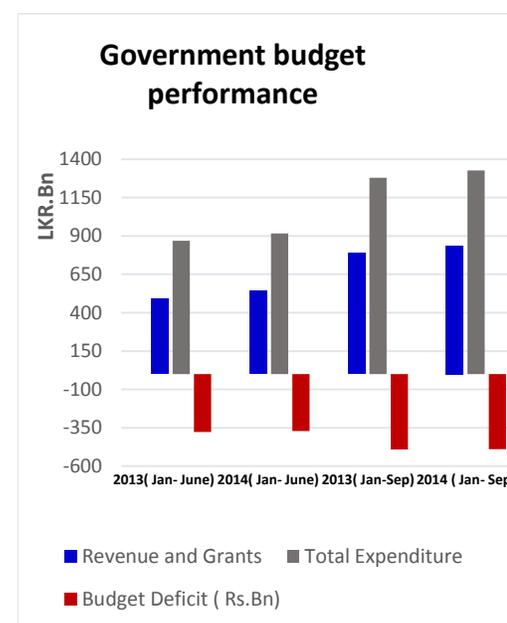
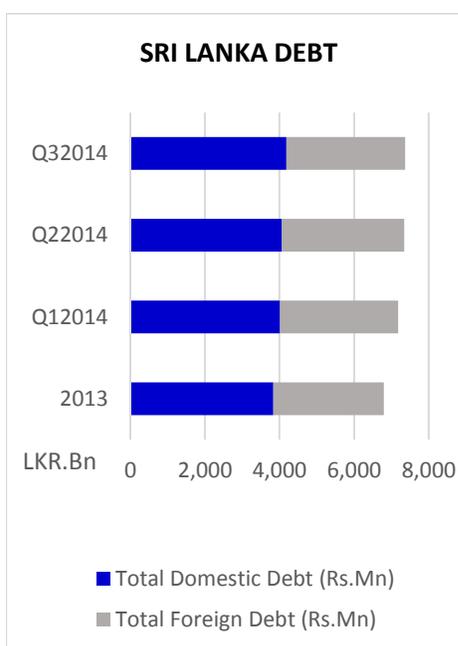
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the other two sectors which is 57.6%.
- The agriculture sector, industry sector and Service sector GDP recorded in 2014 were Rs. Mn 353,799, Rs. Mn 1,132,892 and Rs.Mn. 2,019,973 respectively.
- Unemployment rate is 4.3% in 2014 compared to 4.4% in the previous year.



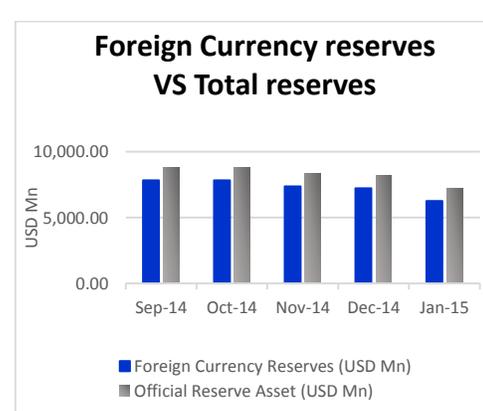
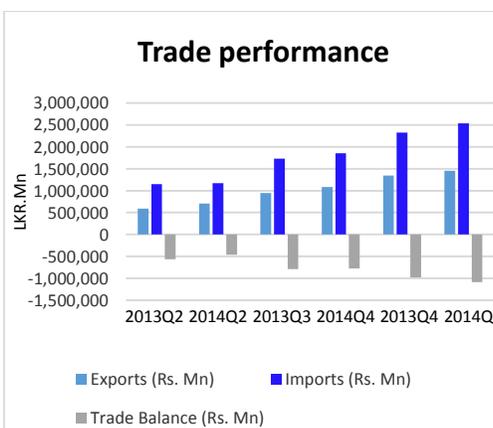
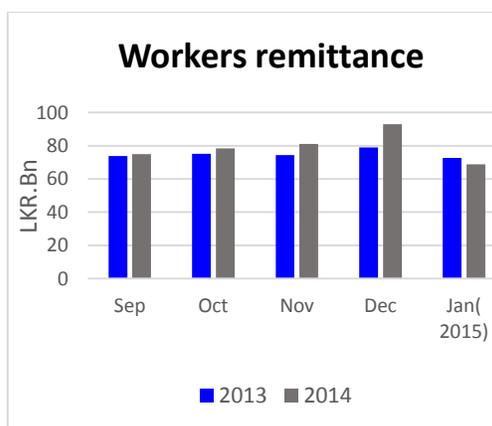
SRI LANKA FISCAL PERFORMANCE

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.

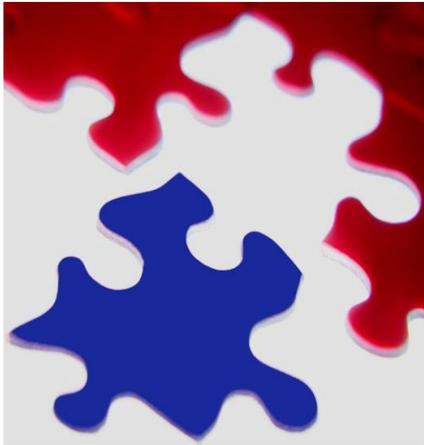
	2011	2012	2013
GOVERNMENT DEBT/GDP (%)	78.5	79.2	78.3
DOMESTIC DEBT/ GDP (%)	42.9	42.7	44.2
FOREIGN DEBT % OF GDP	35.6	36.5	34.1



SRI LANKA EXTERNAL SECTOR



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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

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- 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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