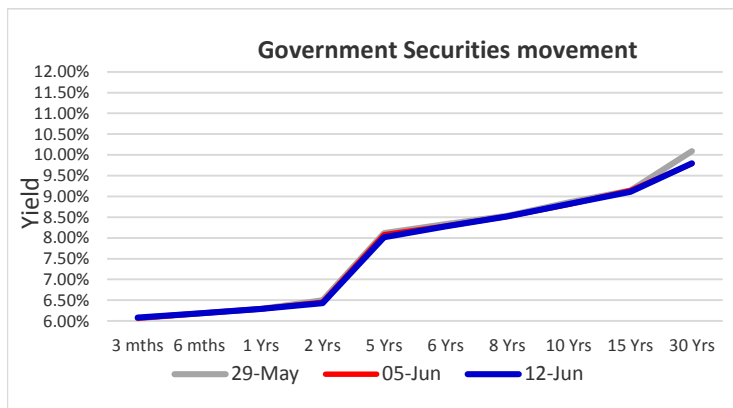
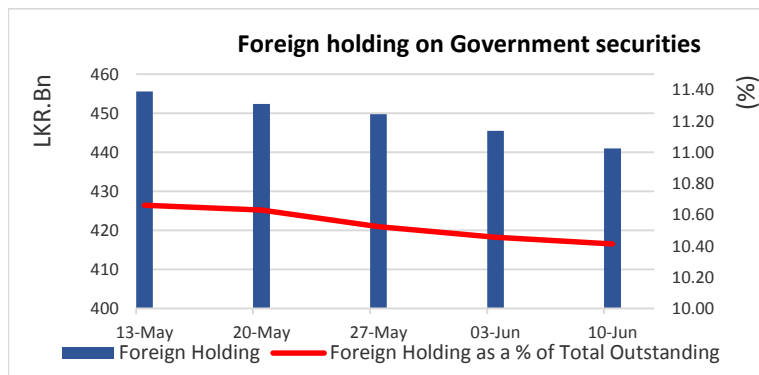


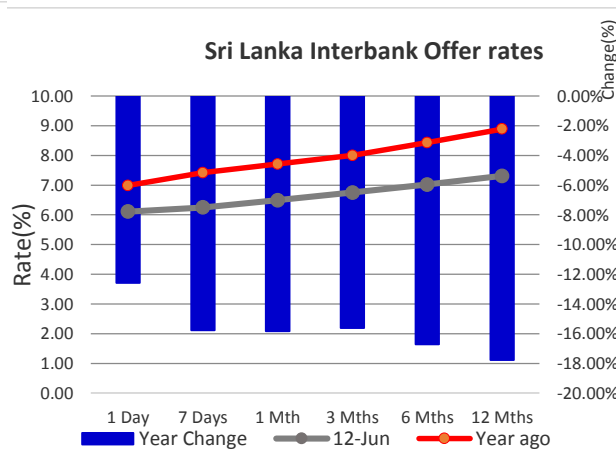
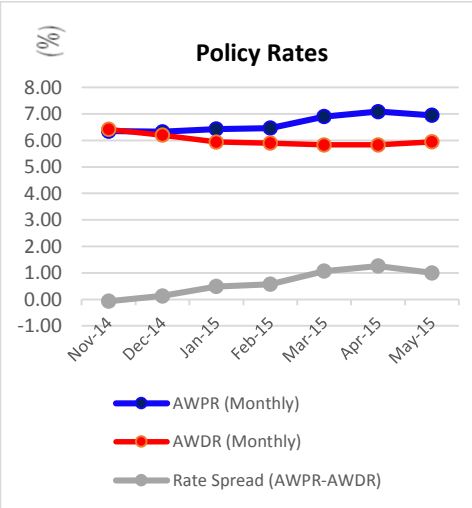
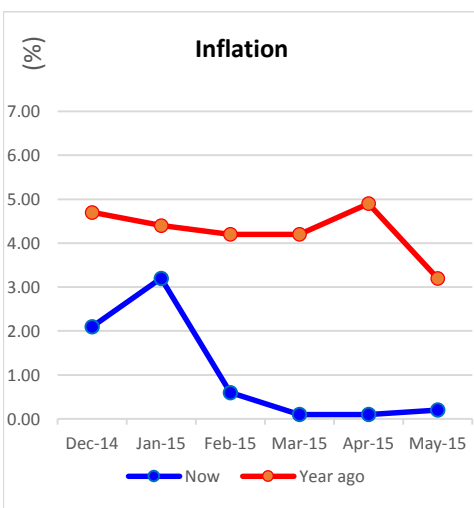
Economic Indicators: LKR/USD 134.05 (0.08% WoW) | AWPR: 6.86% (3.11% WoW) | AWDR: 5.95% (2.06% MoM) | ASPI: 7,060 (0.87% WoW) | S&P SL20: 3,914 (1.26% WoW)



Market	Period	12-Jun	05-Jun	Change %
Primary Market	3 mths	6.08%	6.07%	0.16%
	6 mths	6.18%	6.18%	0.00%
	1 Yrs	6.29%	6.29%	0.00%
Secondary Market	2 Yrs	6.43%	6.45%	-0.31%
	5 Yrs	8.02%	8.08%	-0.74%
	6 Yrs	8.28%	8.29%	-0.12%
	8 Yrs	8.52%	8.52%	0.00%
	10 Yrs	8.82%	8.81%	0.11%
	15 Yrs	9.11%	9.14%	-0.33%
	30 Yrs	9.80%	9.79%	0.10%



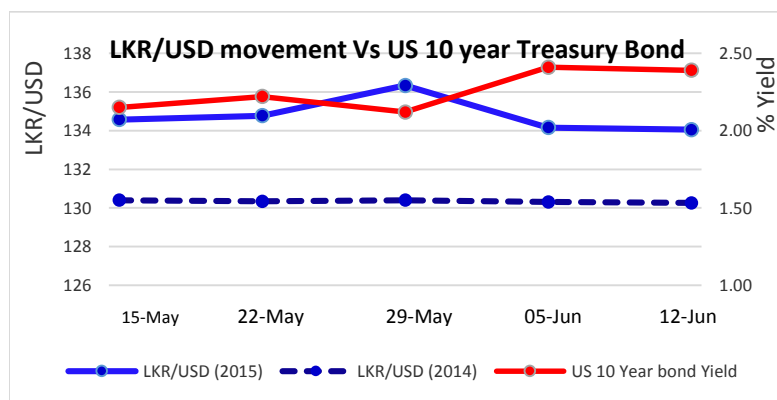
- Average Weighted Prime Lending Rate (AWPR): 6.86%. It has decreased by 3.11% compared to last week.
- Average Weighted Deposit Rate (AWDR): 5.95% (May), 5.83% (Apr).
- Average Weighted Fixed Deposit Rate (AWFDR): 7.12% (May) and 6.87% (Apr).
- SLIBOR Rates : 6.11% (1Day), 6.25%(7Days), 6.49%(1Month), 6.75%(3Months), 7.02%(6Months), 7.31%(1Yr).
- Inflation (Annual average change): 1.9% (May) and 2.1% (Apr).



LKR EXCHANGE RATE MOVEMENT

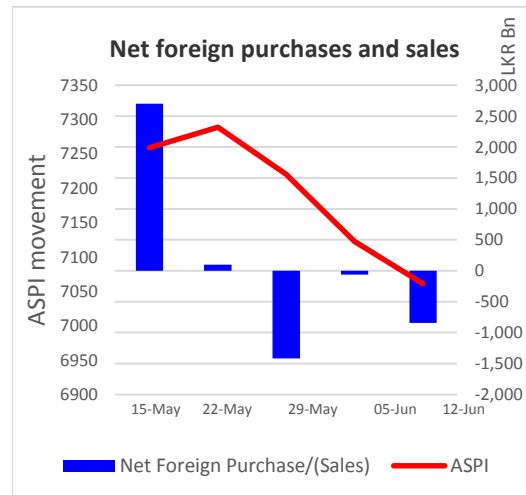
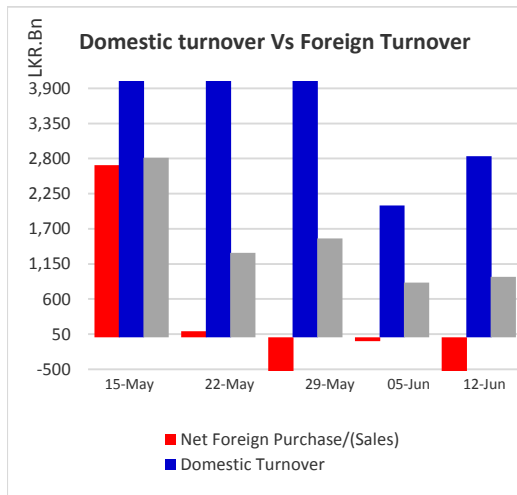
- LKR appreciated over the week by 0.08% against USD from LKR/USD 134.16 to 134.05.
- One month forward rate of LKR/USD is 134.45 (Last week 134.44), three month forward rate is 0.00 (Last week 136.70)

	15-May	22-May	29-May	05-Jun	12-Jun
INR 2015	2.10	2.10	2.10	2.10	2.09
INR 2014	2.20	2.22	2.21	2.20	2.20
RM 2015	37.33	37.26	36.76	36.10	35.79
RM 2014	40.35	40.65	40.45	40.30	40.56



Colombo Stock Exchange

- All Share Price Index: 7,060 points as at 12th June 2015.
- S&P 20: 3,914 points as at 12th June 2015.
- ASPI decreased by 62 points WoW which is 0.87%.
- S&P 20 decreased WoW by 50 points, reflecting a 1.26% negative variation.
- Net Foreign outflow: LKR. 841Mn.
- Last week recorded a Net foreign outflow LKR. 62Mn.
- Market capitalization: LKR.3,000Bn which is 0.86% decreased compared to last week.
- Market PE: PE recorded as 18.49 in this week and it has decreased by 3.35% from the last week.



LOCAL NEWS

The China-South Asia (CSA) Expo has brought new opportunities to Sri Lanka, said Sri Lanka's Ambassador to China, Ranjith Uyangoda. "The upcoming expo will help people in Sri Lanka, especially the young, to learn more about China," he added on the expo part. He also stated that more than 150 enterprises from Sri Lanka would be present at this year's expo. Sri Lanka and Yunnan Province have been increasingly connected since the expo, launched three years ago, Uyangoda further said: "China Eastern Airlines has three flights to Colombo, the capital of Sri Lanka, which is convenient for Chinese tourists, and we welcome more Chinese people to Sri Lanka."

(Source: Daily FT - 12.06.2015)

ACL Cables PLC, the market leader in cables with over 70% market share as a group, and the pioneer of Sri Lanka's cable industry since 1962, has recorded an impressive full-year group turnover of LKR. 14.5 Bn, for the 2014/2015 financial year, a promising year-on-year (YoY) growth of 27.2%. At the same time, group Profit After Tax (PAT) for the same period was also posted at LKR. 973.4 Mn, a lofty 90.4% rise over the previous 12 months (unaudited). "The ACL Cables Group has delivered remarkable growth over the 2014/2015 financial year.

(Source: Daily FT - 10.06.2015)

The LKR.1.5 Bn debenture issue of Singer Finance (Lanka) PLC was oversubscribed on the opening day (11.06.2015). The company issued 10 million rated, senior, secured, redeemable debentures at the par value of LKR.100 each with an option to issue up to a further five million in the event of oversubscription of the initial tranche. The debentures have a maturity of five years with bullet principal repayment at maturity. Coupon payments will be at a fixed rate and paid annually. The company expects to use the proceeds to fund lending growth, lengthen maturities of its liabilities and reduce structural maturity mismatches.

(Source: Daily Mirror- 12.06.2015)

GLOBAL NEWS

Iran needs \$100 Bn to rebuild its gas industry and has met with European energy giants as an end to decades of international sanctions looms, according to the state-run company in charge of discussions. "We welcome and appreciate investment by companies; we welcome new technology," Azizollah Ramazani, international affairs director at National Iranian Gas Co., said in an interview in Paris. "During the last 18 months we have had many discussions with foreign companies." While commodity markets fixate on a return of Iranian oil, the importance of gas in the longer term was underlined Wednesday as BP Plc data showed the Islamic Republic held its position as the nation with the largest proven reserves of the fuel after snatching the crown from Russia in 2011.

(Source: Bloomberg- 12.06.2015)

U.S. stocks fell on 12th June as Greek debt talks hit a stalemate and as concern over how soon the Federal Reserve might raise interest rates kept investors cautious. Energy shares dropped as oil prices fell for a second straight day. The energy index .SPNY, down 1.2 percent, led the day's decline, followed by a 1.1 percent drop in the healthcare index .SPXHC. Upbeat consumer sentiment and other data added to views the economy may be regaining momentum, which increased anxiety for investors ahead of next week's Federal Open Market Committee meeting, the U.S. central bank's last meeting before September.

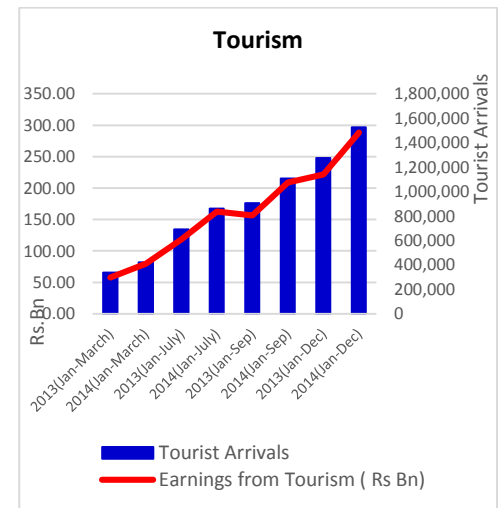
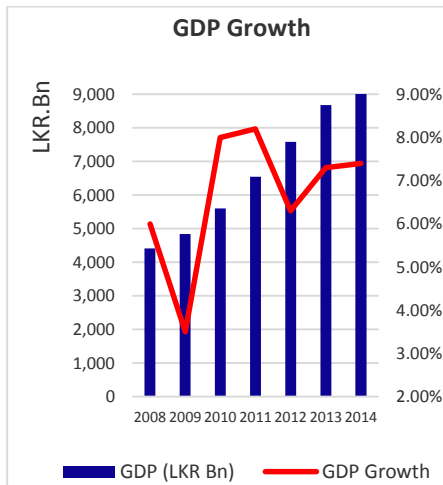
(Source: Reuters - 12.06.2015)

Oil slid on Friday (12th June) for a second day, giving back more of the week's gains as investors took profits on worries that higher Saudi Arabia output would feed the global supply glut. The number of oil rigs in the United States notched another weekly decline, but crude prices did not move much on the data from oil services firm Baker Hughes. Traders said the fuel remains fundamentally strong due to summer driving demand and relatively low pump prices. Crude rebounded early in the week, but the rally stalled on Thursday (11th June) as the dollar strengthened against the euro due to developments in Greece's debt crisis, which still dominated sentiment on global markets on Friday (12th June).

(Source: Reuters- 12.06.2015)

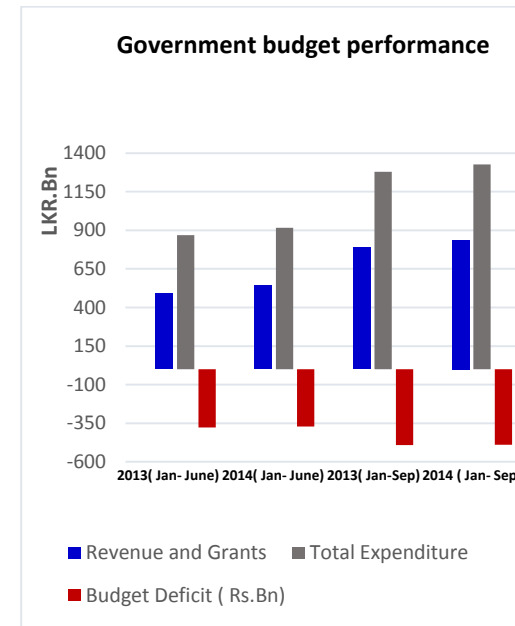
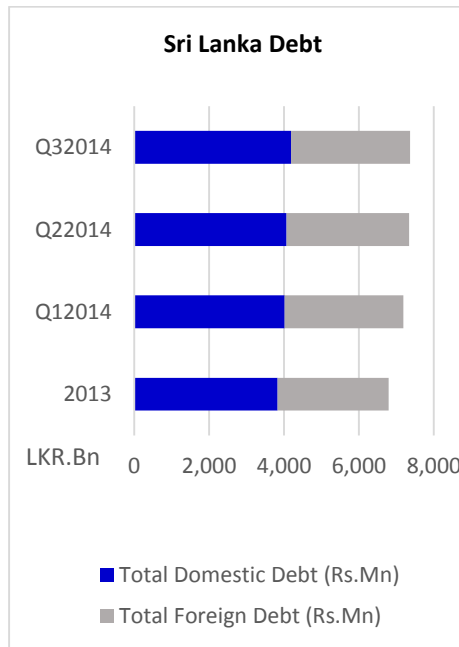
GDP and Economy

- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR. 353,799Mn, LKR.1,132,892Mn and LKR. 2,019,973Mn respectively.
- Unemployment rate was 4.3% in 2014 compared to 4.4% in the previous year.



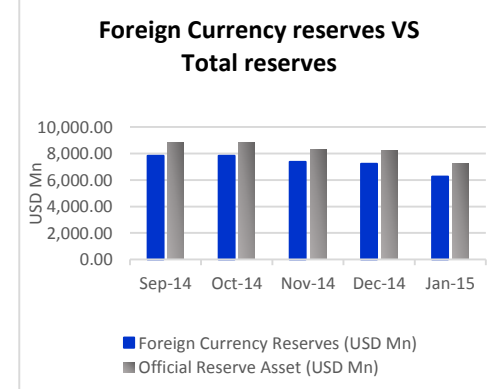
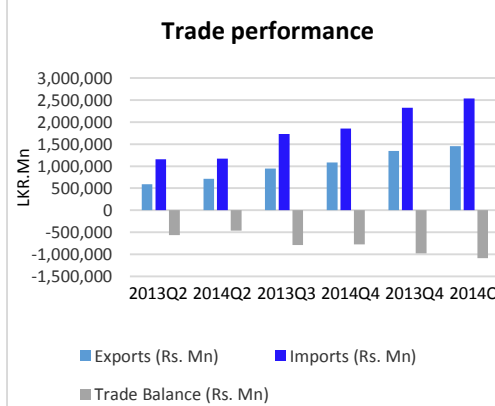
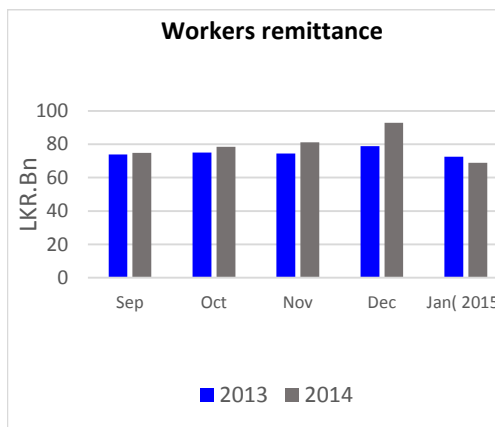
SRI LANKA FISCAL PERFORMANCE

According to the quarterly financial economic indicators, the Total Outstanding Government debt increased by LKR. 575.7Bn to LKR. 7368.9Bn in 2014. The domestic debt was increased by LKR. 353.2Bn in 2014 whereby the majority of the domestic debt comprised of Treasury bonds. The Foreign debt increased by LKR. 222.5Bn mainly due to the issuance of International Sovereign Bond in USD. 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 LKR. 2.1Bn in first nine months of 2014 compared to 2013.

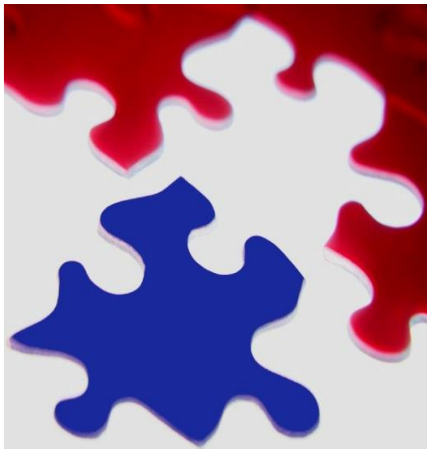


	2011	2012	2013
GOVERNMENT DEBT/GDP (%)	78.5	79.2	78.3
DOMESTIC DEBT/ GDP (%)	42.9	42.7	44.2
FOREIGN DEBT % OF GDP	35.6	36.5	34.1

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,



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

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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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