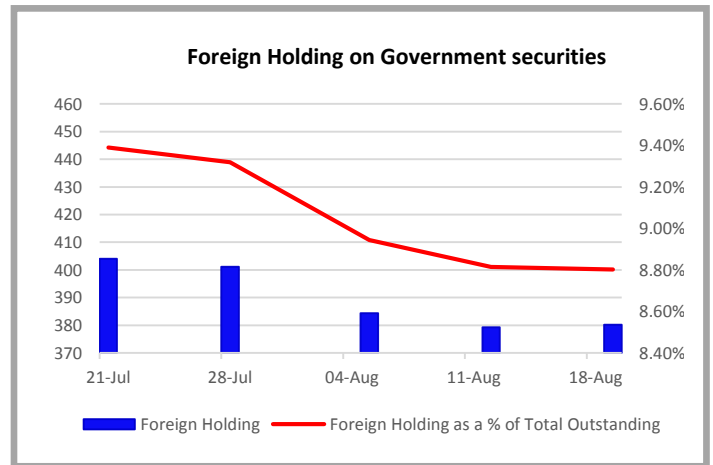
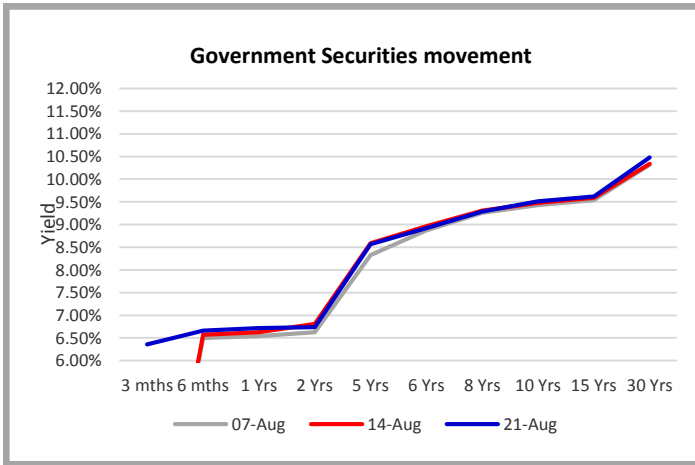


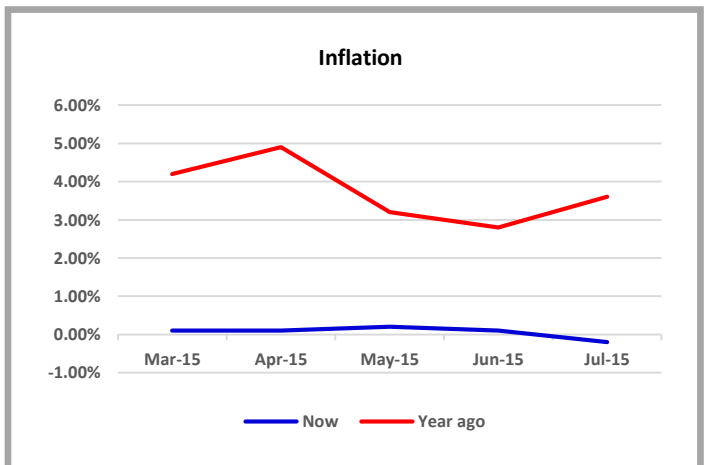
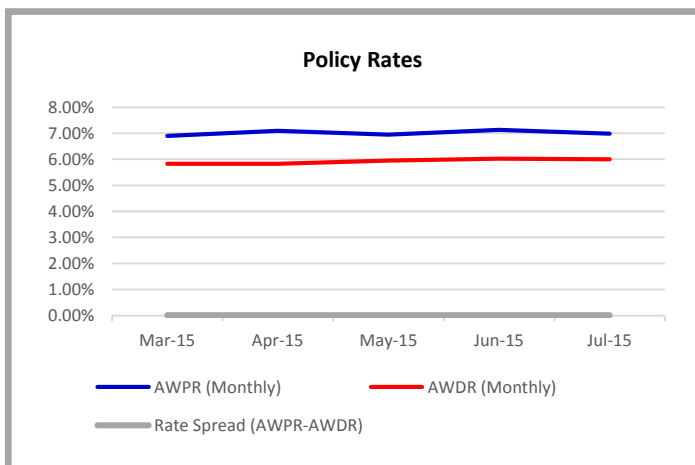


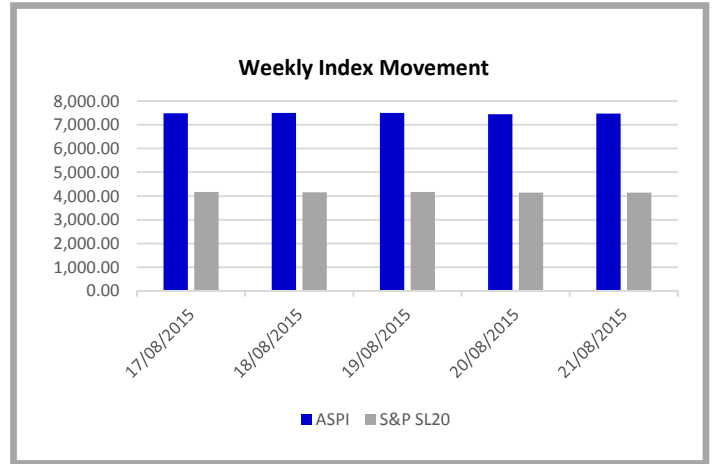
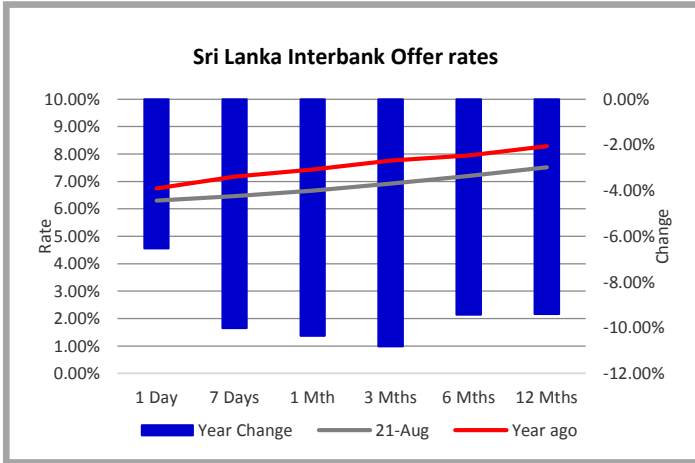
Economic Indicators: LKR/USD 134.05 (0.07% WoW) AWPR: 6.89% (1.47%WoW) AWDR: 6.00% (0.33% MoM) ASPI: 7,471 (0.12% WoW) S&P SL20: 4,141 (0.19% WoW)



Market	Period	21-Aug	14-Aug	Change %
Primary Market	3 mths	6.36%	6.36%	0.00%
	6 mths	6.66%	6.57%	1.37%
	1 Yr	6.72%	6.63%	1.36%
Secondary Market	2 Yrs	6.74%	6.81%	-1.03%
	5 Yrs	8.57%	8.59%	-0.23%
	6 Yrs	8.92%	8.96%	-0.45%
	8 Yrs	9.29%	9.31%	-0.21%
	10 Yrs	9.51%	9.48%	0.32%
	15 Yrs	9.62%	9.59%	0.31%
	30 Yrs	10.48%	10.34%	1.35%

- Average Weighted Prime Lending Rate (AWPR): 6.89%. It has increased by 1.47% compared to last week.
- Average Weighted Deposit Rate (AWDR): 6.00% (Jul), 6.02% (Jun).
- Average Weighted Fixed Deposit Rate (AWFDR): 7.21% (Jul) and 7.29% (Jun).
- SLIBOR Rates : 6.30% (1Day), 6.46%(7Days), 6.66%(1Month), 6.92%(3Months), 7.20%(6Months), 7.51%(1Yr).
- Inflation (Annual average change): 1.3% (Jul) and 1.7% (Jun).

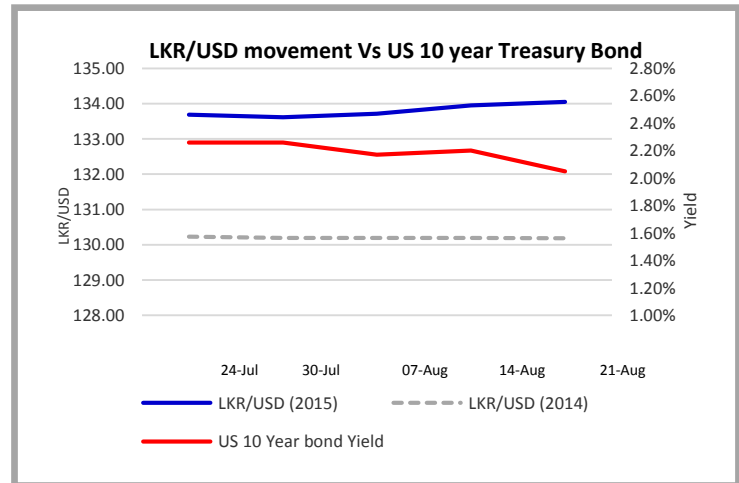




**LKR EXCHANGE RATE MOVEMENT**

- LKR depreciated over the week by 0.07% against USD from LKR/USD 133.95 to 134.05.
- One month forward rate of LKR/USD is 134.54 (Last week 134.38), three month forward rate is 135.73 (Last week 135.57)

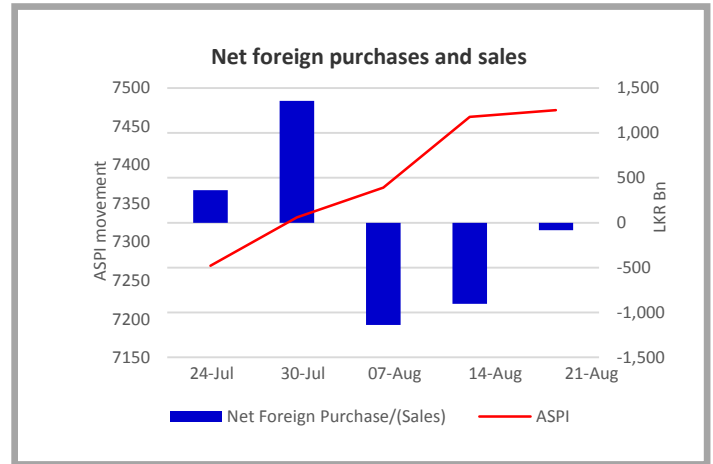
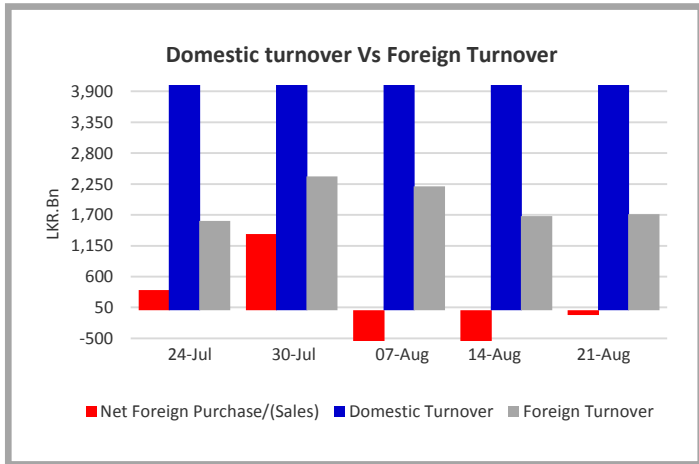
	24-Jul	30-Jul	07-Aug	14-Aug	21-Aug
INR 2015	2.09	2.09	2.10	2.05	2.04
INR 2014	2.17	2.17	2.12	2.13	2.15
RM 2015	35.12	35.03	34.12	32.90	32.21
RM 2014	41.12	40.97	40.64	40.95	41.06



**Colombo Stock Exchange**

- All Share Price Index: 7,471 points as at 21<sup>st</sup> Aug 2015.
- S&P 20: 4,141 points as at 21<sup>st</sup> Aug 2015.
- ASPI increased by 09 points WoW which is 0.12%.
- S&P 20 decreased WoW by 08 points, reflecting a 0.19% negative variation.
- Net Foreign outflow: LKR. 85Mn.
- Last week recorded a Net foreign outflow LKR. 902Mn.
- Market capitalization: LKR.3,174Bn which is 0.13% increase compared to last week.
- Market PE: PE recorded as 19.83 in this week and it has increased by 1.59% from the last week.

Price index by sector			
Top Gainers	This week	Pre. week	Change %
Beverage Food And Tobacco	23,184.75	22,685.39	2.20%
Oil Palms	111,847.40	109,899.74	1.77%
Chemicals And Pharmaceuticals	8,406.47	8,356.20	0.60%
Manufacturing	4,739.24	4,715.71	0.50%
Hotels And Travels	3,432.55	3,425.14	0.22%
<b>Top Losers</b>			
Construction And Engineering	3,382.86	3,382.86	-2.08%
Information Technology	78.89	78.89	-2.12%
Motors	20,189.52	20,189.52	-2.33%
Footwear And Textiles	1,034.61	1,034.61	-2.77%
Trading	20,364.01	20,364.01	-3.22%



**Local News**

The Sri Lankan rupee fell on Monday (17th Aug), declining for a third session in four, as a state-run bank raised the currency's peg against the dollar by 10 cents to allow the exchange rate to depreciate to 134.00, dealers said. They expect the central bank, which has so far this year directed the market through the state-run bank, to let the currency remain weaker after Monday's (17th Aug) parliament elections due to importer dollar demand and global trend. Analysts said the rupee may fall to 137 levels in the short term if the central bank allows it to depreciate, in line with the weakening seen in other global currencies against the dollar.

(Source: [www.economynext.com](http://www.economynext.com)- 17.08.2015)

**Foreign News**

Stock Market tumbled on Friday (21st Aug) after a survey showed Chinese factories contracted at their fastest pace since the depth of the global financial crisis in 2009, sending investor scurrying to the safety of bonds and gold. Emerging market assets took a hammering and oil prices were on track for their longest losing streak since 1986, as fear of a China-led deceleration in global growth gripped markets. MSCI's broadest index of Asia-Pacific shares outside Japan fell 2.4% to it's lowest since July 27, 2012, for a weekly loss of 6.1%. Shanghai stocks dropped 4% to below the 200-day moving average for the first time since July 2014.

(Source: [Daily FT](http://Daily FT)- 22.08.2015)

Janashakthi Insurance (JINS) has announced a move to raise Rs. 3.357 billion via a Rights Issue to fund future expansion. Proposed Rights Issue will be on the basis of 01:02 at Rs. 18.50 each. The stock traded at Rs. 23 on 19th August. Net asset value per share is Rs. 11.54 at company level and Rs. 12.15 at group level. Current stated capital of Janashakthi Insurance is Rs. 1,496 billion consisting of 363 million shares. The Rights Issue is subject to regulatory and shareholder approval.

(Source: [Daily FT](http://Daily FT)- 20.08.2015)

Iran's Oil Minister, Bijan Zanganeh, said on Sunday (23rd Aug) that holding an emergency OPEC meeting may be "effective" in stabilizing the oil prices. Algeria said earlier this month that the Organization of Petroleum Exporting Countries could hold an emergency meeting to discuss the drop in oil prices but other OPEC delegates said no meeting was planned. "Iran endorses an emergency OPEC meeting and would not disagree with it," Zanganeh told reporters in Tehran, according to Shana U.S. oil prices CLc1 fell below \$40 a barrel on Friday (21st Aug) for the first time since the 2009 financial crisis.

(Source: [Reuters](http://Reuters)- 23.08.2015)

The Government of France said Thursday (20th Aug) it intends to work with new government in Sri Lanka towards strengthening the bilateral relations between the two countries. Issuing a statement France commended the smooth conduct of parliamentary elections in Sri Lanka, which enjoyed a high voter turnout. The French Ministry of Foreign Affairs and International Development Spokesperson in a statement said the election is a further step toward strengthening democracy in Sri Lanka. "We hope that it will also make it possible to continue the efforts undertaken since the election of President Maithripala Sirisena to promote human rights and reconciliation between communities" the statement said.

(Source: [Daily FT](http://Daily FT)- 21.08.2015)

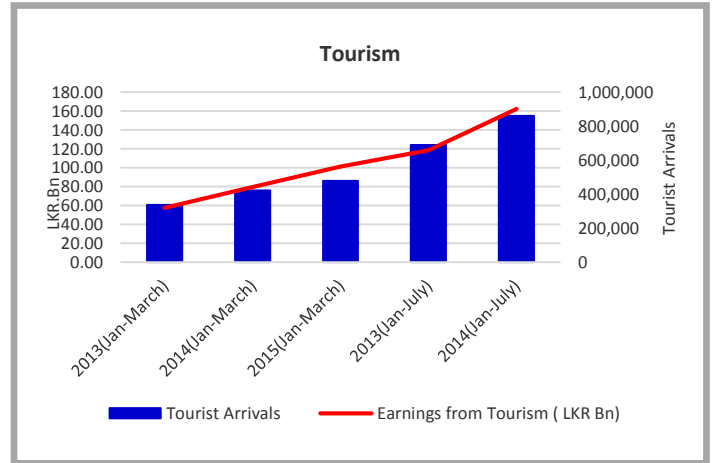
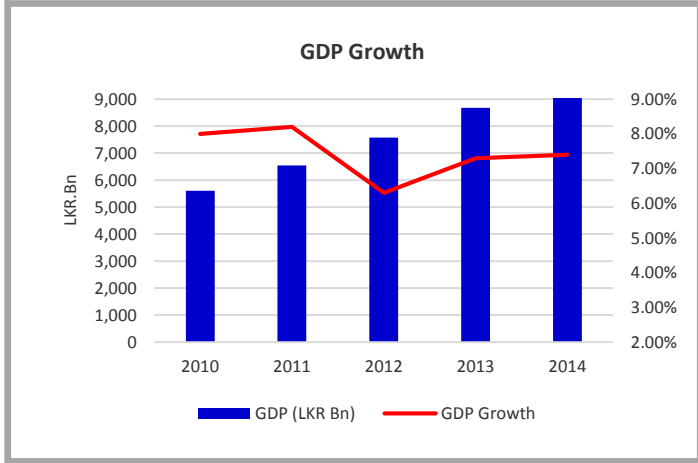
Greece narrowly avoided defaulting on its debt on Thursday ( 20th Aug), making a crucial payment to the European Central Bank after receiving billions of euros in new aid from other eurozone countries. But most of the new aid package will be used to repay existing debt rather than to rebuild the shattered Greek economy, leading to criticism that Eurozone creditors are repeating the same austerity policies that delivered six years in a row of recession in Greece. To qualify for the aid, Greece had to agree to maintain strict discipline while carrying out a long list of changes intended to improve the functioning of its economy.

(Source: [www.nytimes.com](http://www.nytimes.com)- 20.08.2015)



**GDP and Economy**

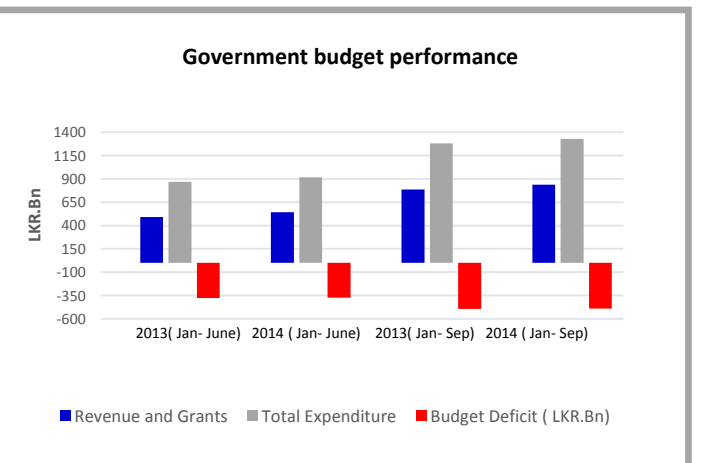
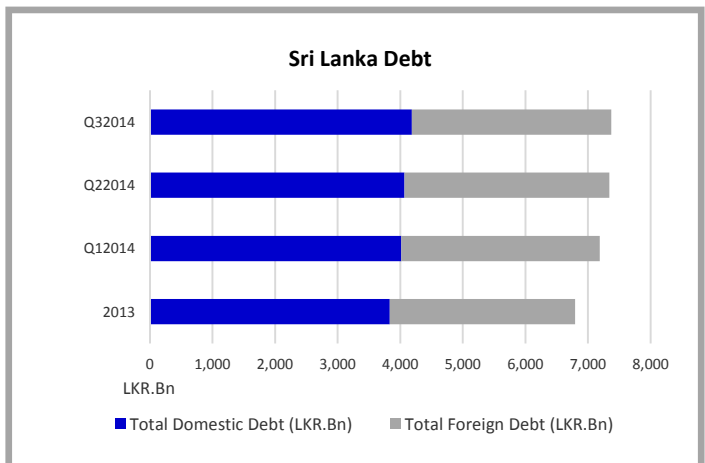
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR. 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**

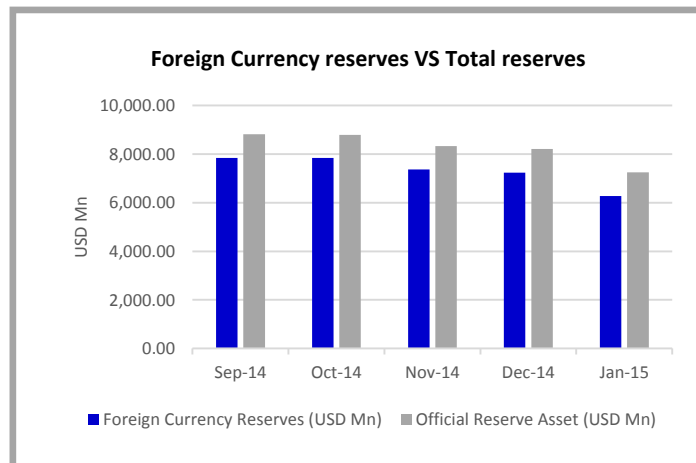
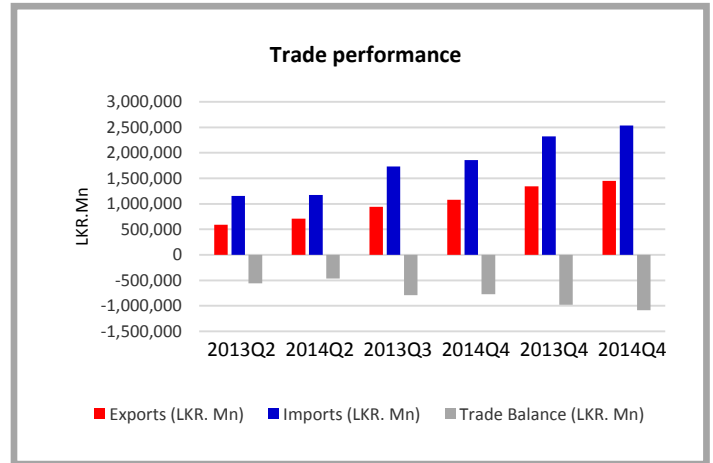
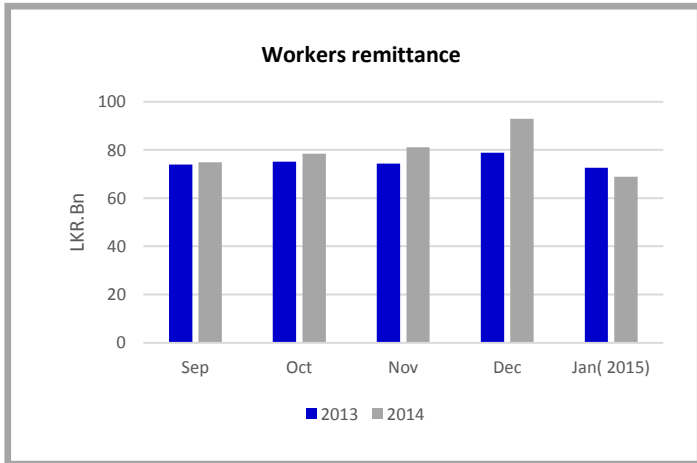
Debt service indicators improved during 2014. Debt service payments, which include amortization and interest payments declined to 11.0 per cent of GDP in 2014 from 13.4 per cent of GDP in the previous year. The ratio of total interest payments to GDP declined to 4.5 per cent in 2014 from 5.3 per cent in 2013, mainly due to the decline in domestic interest payments with lower interest rates in the market. Domestic interest payments to GDP declined to 3.4 per cent in 2014 from 4.1 per cent in 2013.

	2011	2012	2013	2014
<b>GOVERNMENT DEBT/GDP (%)</b>	78.5	79.2	78.3	75.5
<b>DOMESTIC DEBT/ GDP (%)</b>	42.9	42.7	44.2	43.7
<b>FOREIGN DEBT % OF GDP</b>	35.6	36.5	34.1	31.8
<b>BUDGET DEFICIT/GDP (%)</b>	-6.9	-6.5	-5.9	-5.2

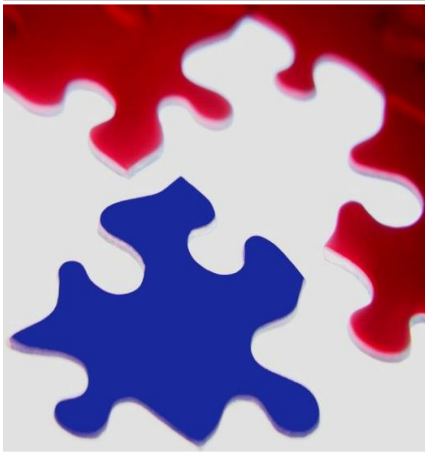




**SRI LANKA EXTERNAL SECTOR**



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

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- Fixed Income Securities
- Kenanga Retirement Plan (KRP)

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- 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

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