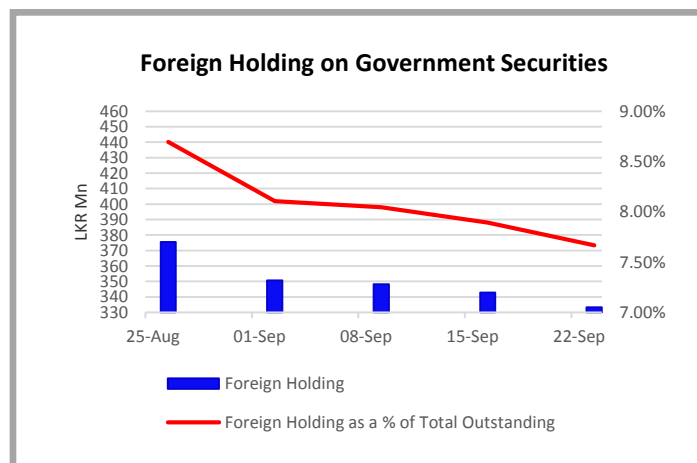
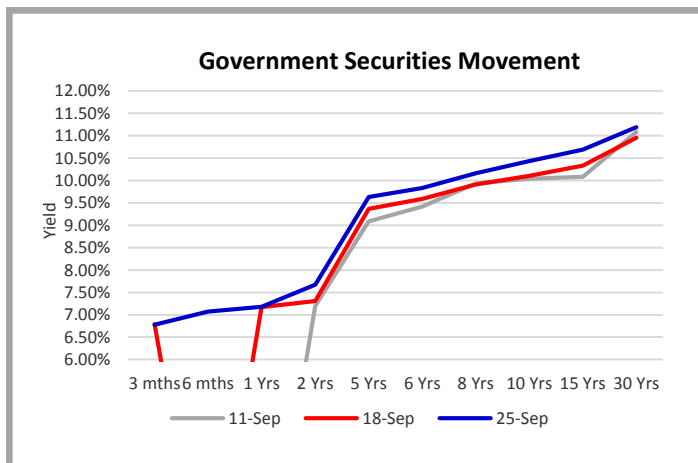
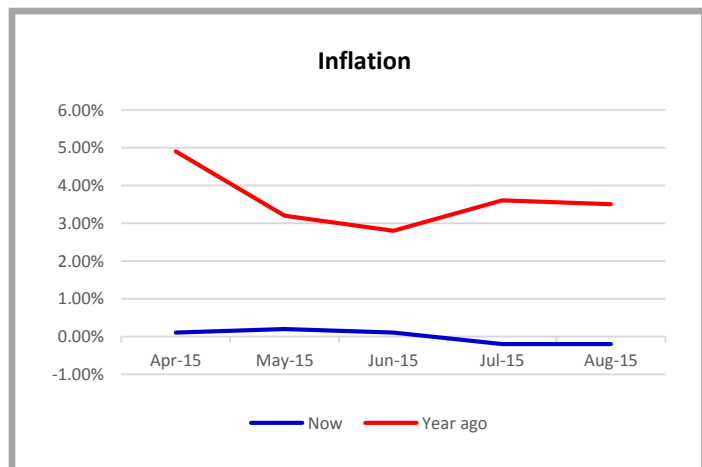
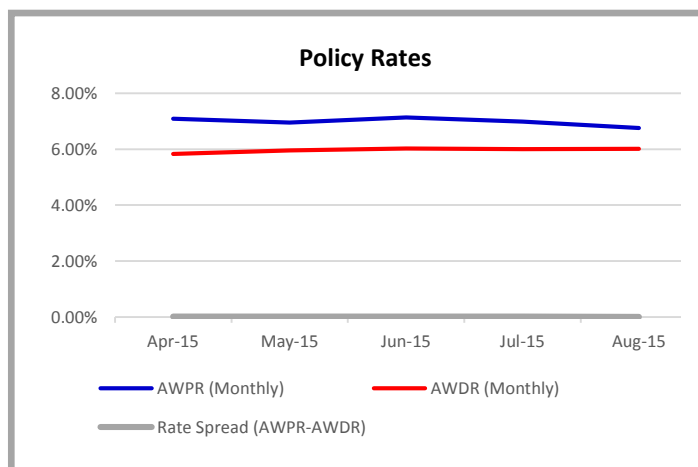


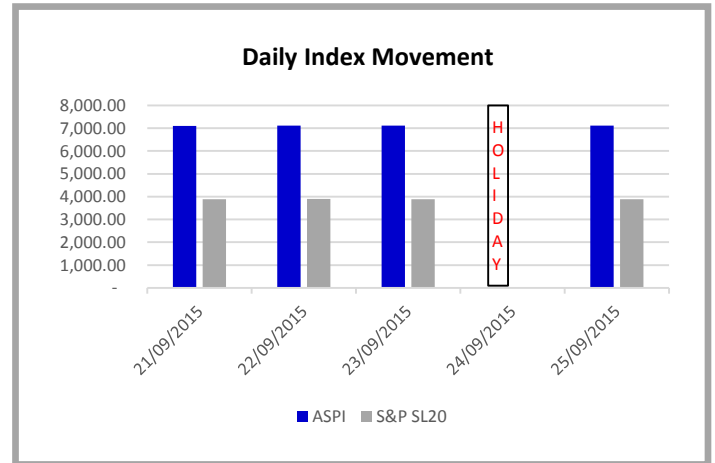
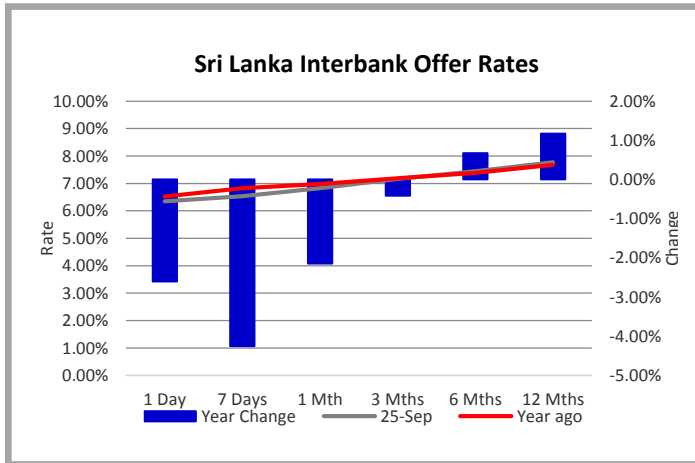
Economic Indicators: LKR/USD 140.55 (0.14% WoW) AWPR: 7.08% (2.76% WoW) AWDR: 6.01% (0.17% MoM) ASPI: 7,111 (0.04% WoW) S&P SL20: 3,887 (0.03% WoW)



Market	Period	25-Sep	18-Sep	Change %
Primary Market	3 months	6.78%	6.79%	-
	6 months	7.07%	7.07%	-
	1 Year	7.18%	7.17%	-
Secondary Market	2 Years	7.67%	7.31%	4.92%
	5 Years	9.63%	9.37%	2.77%
	6 Years	9.83%	9.59%	2.50%
	8 Years	10.16%	9.91%	2.52%
	10 Years	10.43%	10.10%	3.27%
	15 Years	10.69%	10.33%	3.48%
	30 Years	11.19%	10.95%	2.19%

- Average Weighted Prime Lending Rate (AWPR): 7.08%. It has increased by 2.76% compared to last week.
- Average Weighted Deposit Rate (AWDR): 6.01% (Aug), 6.00% (Jul).
- Average Weighted Fixed Deposit Rate (AWFDR): 7.23% (Aug) and 7.21% (Jul).
- SLIBOR Rates : 6.35% (1Day), 6.53%(7Days), 6.83%(1Month), 7.16%(3Months), 7.44%(6Months), 7.77%(1Yr).
- Inflation (Annual average change): 1.0% (Aug) and 1.3% (Jul).

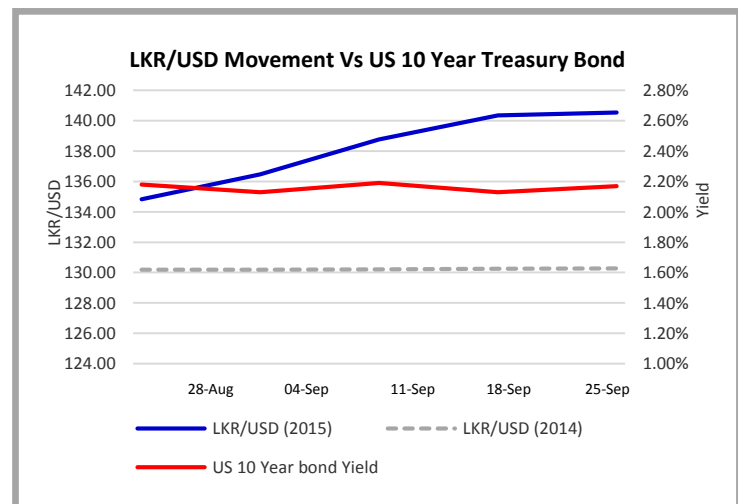




LKR Exchange Rate Movement

- LKR depreciated over the week by 0.14% against USD from LKR/USD 140.35 to 140.55.
- One month forward rate of LKR/USD is 141.59 (Last week 140.54), three month forward rate is 142.70 (Last week 142.30)

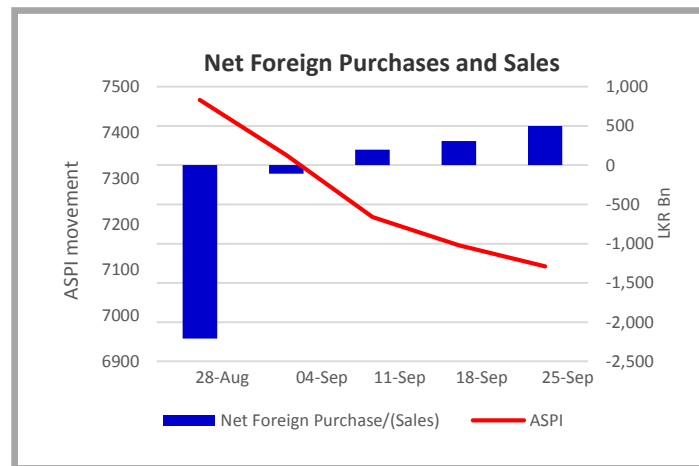
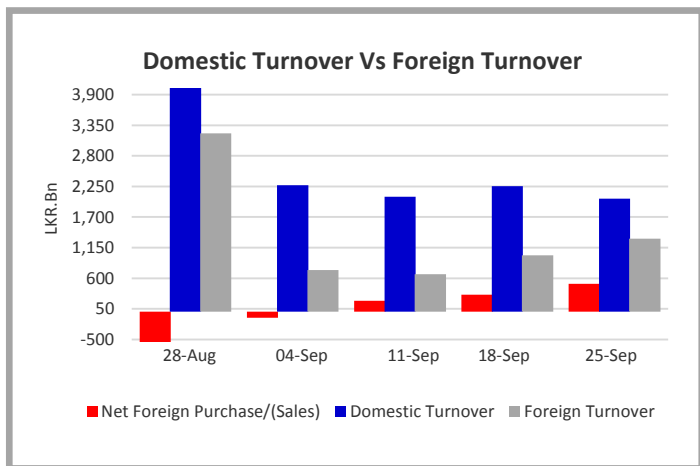
	28-Aug	04-Sep	11-Sep	18-Sep	25-Sep
INR 2015	2.03	2.04	2.09	2.13	2.13
INR 2014	2.15	2.15	2.14	2.14	2.14
RM 2015	31.74	31.64	32.19	33.25	32.14
RM 2014	41.40	41.00	40.69	40.26	40.14



Colombo Stock Exchange

- All Share Price Index: 7,111 points as at 25th Sep 2015.
- S&P 20: 3,887 points as at 25th Sep 2015.
- ASPI increased by 03 points WoW which is 0.04%.
- S&P 20 increased WoW by 01 point, reflecting a 0.03% positive variation.
- Net Foreign inflow: LKR. 498Mn.
- Last week recorded a Net foreign inflow LKR. 307Mn.
- Market capitalization: LKR.3,021Bn which is 0.03% increase compared to last week.
- Market PE: PE recorded as 18.89 in this week and it has decreased by 0.32% from the last week.

Price Index by Sector			
Top Gainers	This week	Pre. week	Change %
Stores And Supplies	25,844.89	25,232.44	2.43%
Land And Property	700.28	685.33	2.18%
Plantations	770.72	761.98	1.15%
Trading	18,284.83	18,091.35	1.07%
Chemicals And Pharmaceuticals	7,842.56	7,799.41	0.55%
Top Losers			
Services	25,826.27	27,065.28	-4.58%
Information Technology	68.42	70.54	-3.01%
Construction And Engineering	3,129.39	3,186.87	-1.80%
Motors	18,386.60	18,555.17	-0.91%
Investment Trusts	18,728.43	18,862.68	-0.71%


Local News

Sri Lankan car prices which spiked with the sharp depreciation of the local currency has seen weak demand following the central bank's move to curtail credit for vehicle purchases, dealers said on 27th September. Car dealers had jacked up prices on vehicles they had imported at an exchange rate before the depreciation triggered by a free float of the currency. The local rupee shed over 11 percent against the Japanese yen two weeks ago, but sales were hit as getting credit was more difficult. Recent studies have shown that the vast majority of vehicles were imported on borrowed money with financial institutions in a mad frenzy to extend credit to the full value of the purchase price.

(Source: Economy next- 27.09.2015)

India's envoy in Sri Lanka has indicated Indian companies will invest in the island's main port of Colombo, where a Chinese company has built and operates a container terminal. "Colombo port infrastructure modernization is important for India's bilateral and global trade," Y. K. Sinha, High Commissioner of India in Sri Lanka, said. "It is imperative Indian companies become stakeholders in Colombo port's expansion," he told at the India – Sri Lanka Maritime Forum which was held last week. Sinha noted that Colombo port was heavily dependent on Indian container transshipment cargo and that India was keen to boost trade and investment with the island. Sinha also said India is partnering Sri Lanka in upgrading the island's maritime infrastructure.

(Source: Economy next- 27.09.2015)

Asiri Hospital Holdings has decided to sell 38.4 million ordinary shares by way of a private placement to Actis Investment Holdings, a private equity firm, at a price of Rs. 22 per share for a total of Rs. 845.7 million, the company said in a statement to the Colombo Stock Exchange (CSE). The sale will constitute 3.38% of the company after the issue, it said. "The proceeds of the private placement will be used to partly fund the purchase of 67.9 million ordinary share of Central Hospital Ltd. which will result in the company consolidating its direct stake in the Central Hospital from 68.1% to 99.7%," Asiri Hospitals said. The private placement will be subject to the CSE approving in principle the issue and listing of such shares and obtaining shareholder approval at a General Meeting.

(Source: Daily Ft- 21.09.2015)

Foreign News

Goldman Sachs Group Inc is planning to launch its first ever exchange traded fund, as the bank tries to break into the lucrative and highly competitive \$3 trillion market for ETFs. The fund, focused on large U.S. companies, follows a so-called "ActiveBeta" strategy which tries to outperform a traditional market-cap weighted index by looking at factors like volatility and momentum. Goldman is attempting to enter a market in which BlackRock Inc, State Street and Vanguard together account for about 70% of total assets in the global ETF industry. ETFs, which allow investors to gain exposure to a particular group of companies or indexes without owning the underlying stocks or bonds, have gained popularity in recent years because of low costs and transparency. **(Source: Reuters- 21.09.2015)**

Hudson City Bancorp will pay nearly \$33 million to settle civil charges alleging the New Jersey-based bank wrongfully discriminated against prospective black and Hispanic home buyers, in a case that marks the largest ever redlining settlement in history, said the U.S. government. The joint action by the U.S. Justice Department and the Consumer Financial Protection Bureau said that Hudson City Savings Bank tried to avoid locating branches and marketing mortgages in neighborhoods with a majority of black and Hispanic residents. If approved by the court, Hudson City will be required to pay \$25 million in direct loan subsidies to qualified borrowers in the affected communities.

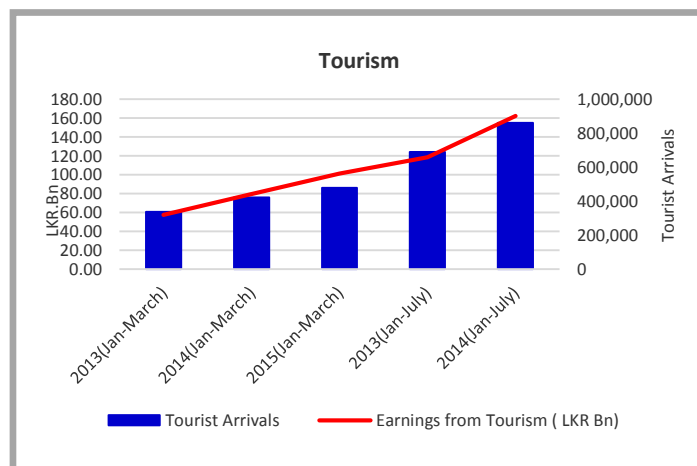
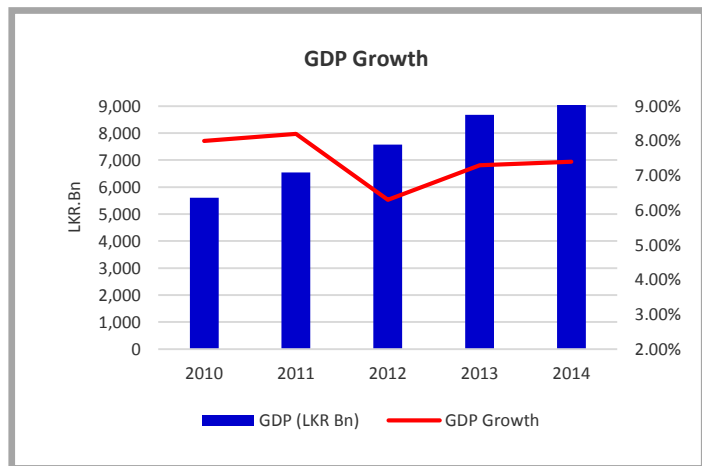
(Source: Reuters - 24.09.2015)

An expected pickup in property-price growth and an expanding buy-to-let mortgage market aren't undermining U.K. financial stability, the Bank of England said. House-price inflation is set to accelerate as sales volumes increase and mortgage-rate spreads fall to the lowest in seven years, the BOE's Financial Policy Committee said in a quarterly statement on Friday (25th September). And growth in buy-to-let mortgages, whose outstanding value has risen 40 percent since 2008, doesn't require immediate action. The report indicates officials are counting on existing government and central bank measures to prevent excessive leverage. Borrowing by landlords has helped drive house prices 4.6 percent higher in the year through July, in contrast to wage gains of just 2.9 percent.

(Source: Bloomberg - 25.09.2015)

GDP and Economy

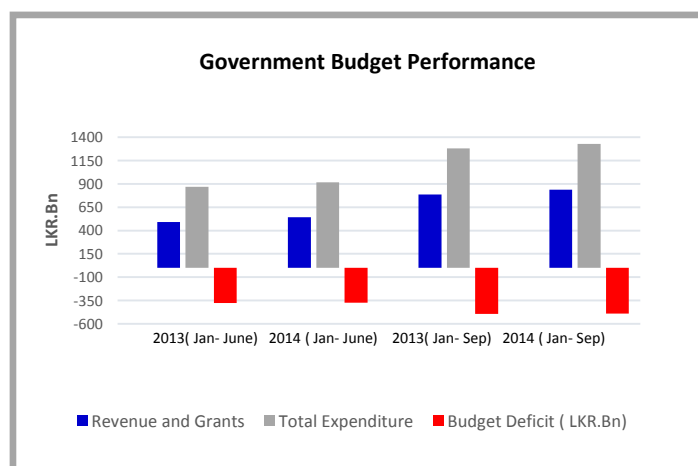
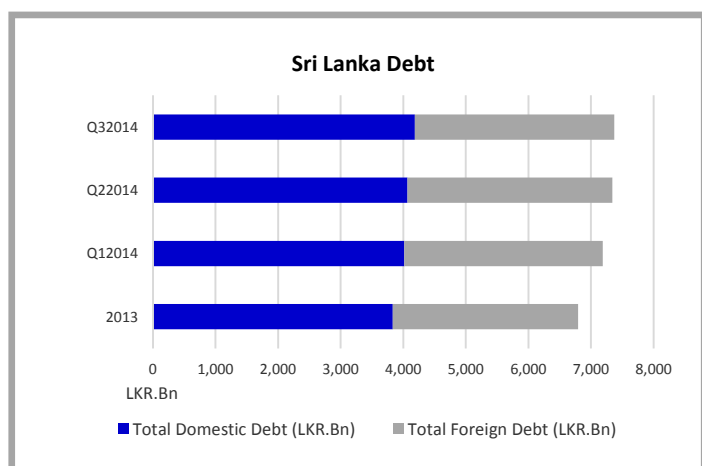
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

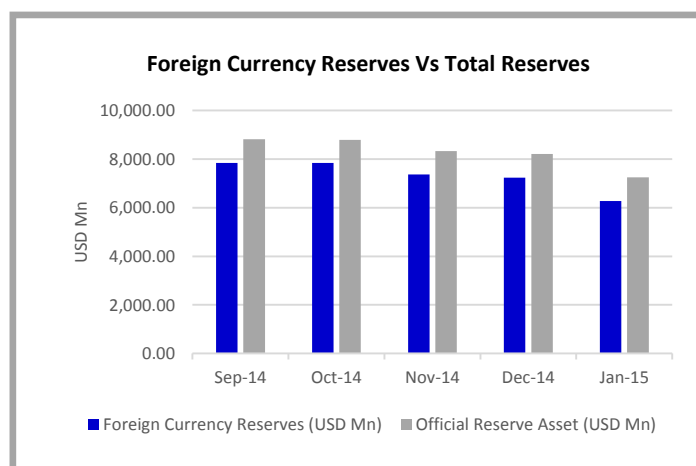
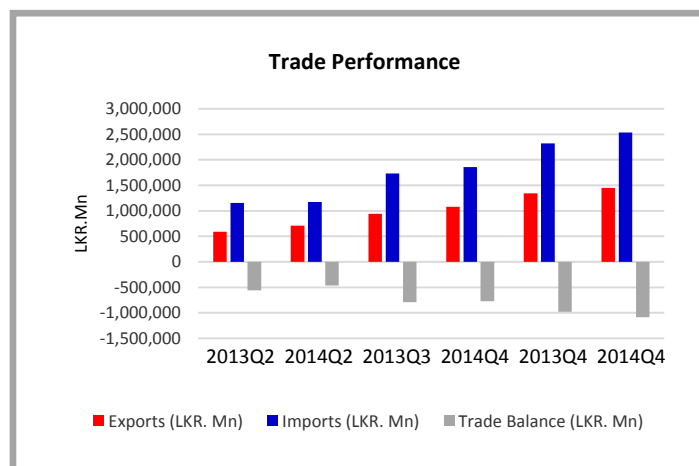
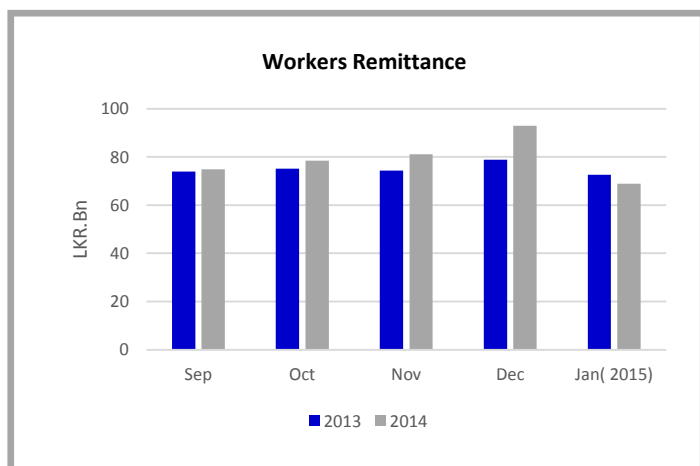


Sri Lanka Fiscal Performance

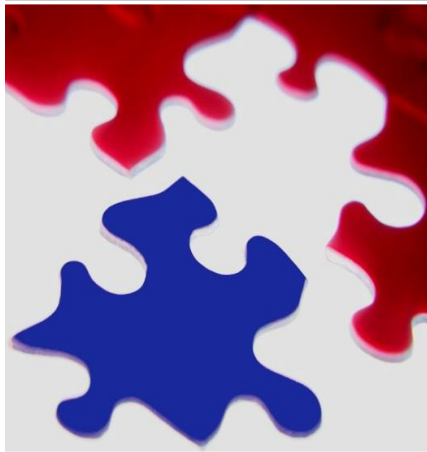
Debt service indicators improved during 2014. Debt service payments, which include amortization and interest payments declined to 11.0 per cent of GDP in 2014 from 13.4 per cent of GDP in the previous year. The ratio of total interest payments to GDP declined to 4.5 per cent in 2014 from 5.3 per cent 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
GOVERNMENT DEBT/GDP (%)	78.5	79.2	78.3	75.5
DOMESTIC DEBT/ GDP (%)	42.9	42.7	44.2	43.7
FOREIGN DEBT % OF GDP	35.6	36.5	34.1	31.8
BUDGET DEFICIT/GDP (%)	-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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- Rights Issues
- Mergers and Acquisitions
- Corporate Syndicated Loan Facilities

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- Fixed Income Securities
- Kenanga Retirement Plan (KRP)

CORPORATE RESTRUCTURING

- Balance Sheet Restructuring
- Corporate Restructuring

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