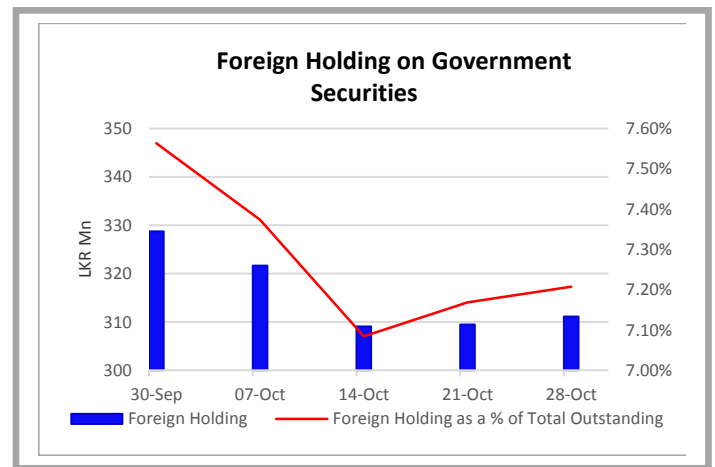
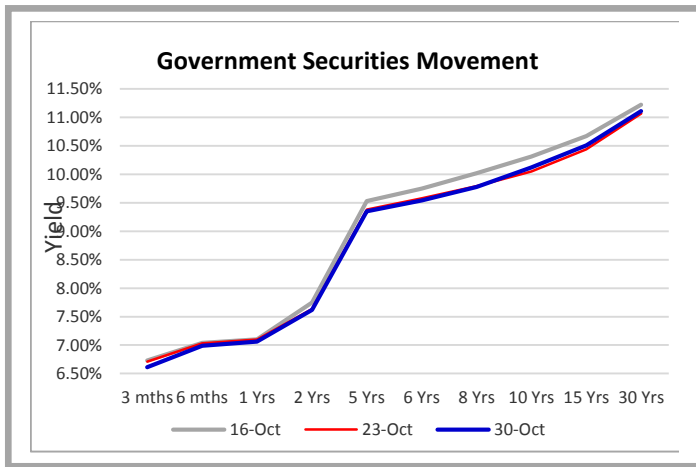
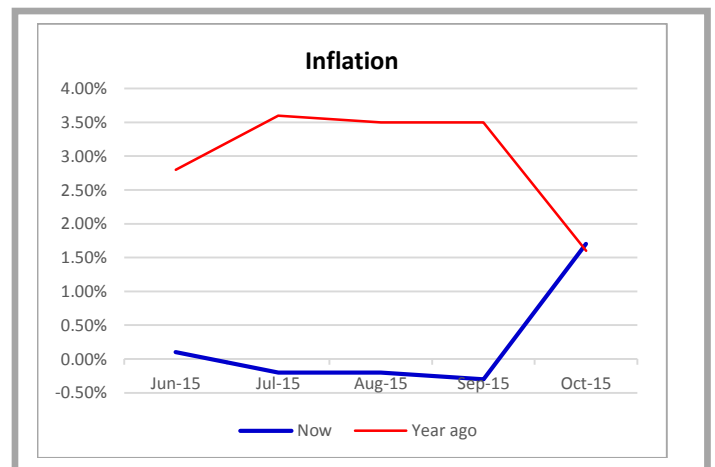
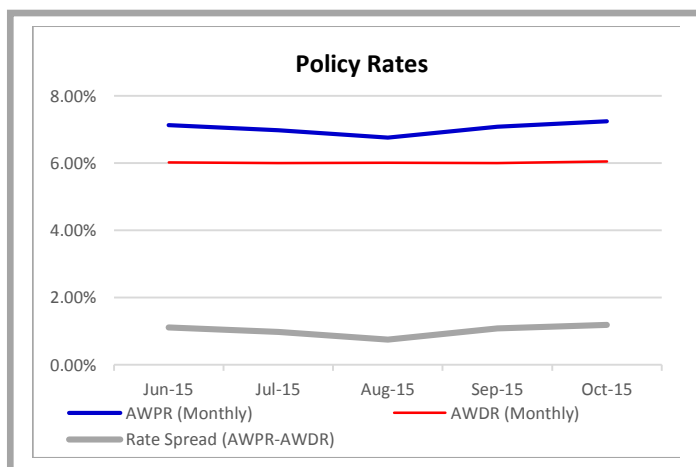


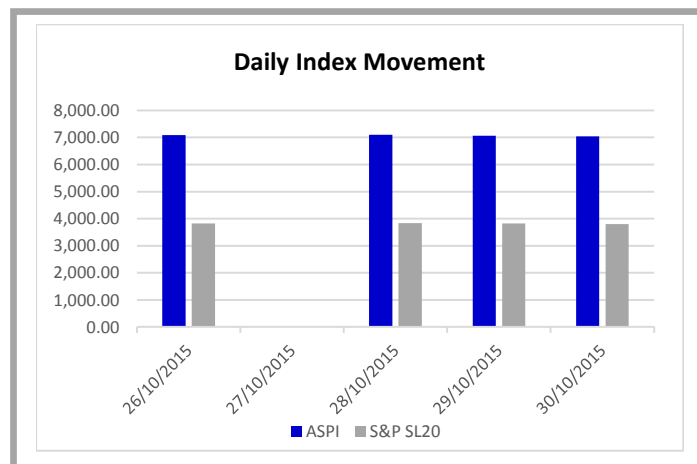
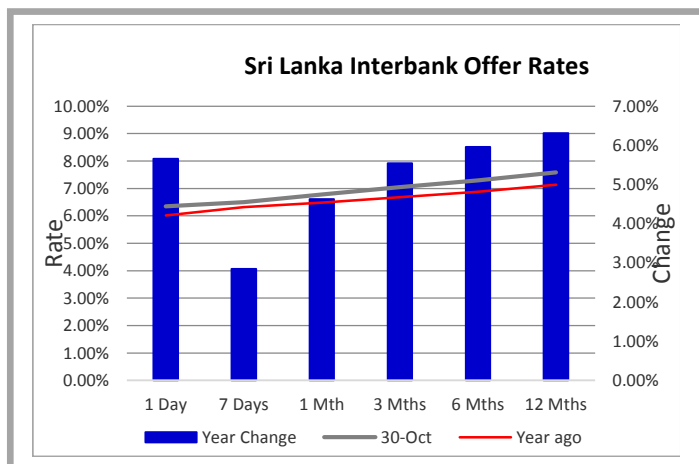
Economic Indicators: LKR/USD 140.81 (0.04% WoW) AWPR: 7.24% (0.07% WoW) AWDR: 6.05% (0.05% MoM) ASPI: 7,042 (0.56% WoW) S&P SL20: 3,803 (0.49% WoW)



Market	Period	30-Oct	23-Oct	Change %
Primary Market	3 months	6.61%	6.71%	-1.49%
	6 months	6.99%	7.03%	-0.57%
	1 Year	7.06%	7.10%	-0.56%
Secondary Market	2 Years	7.62%	7.63%	-0.13%
	5 Years	9.35%	9.38%	-0.32%
	6 Years	9.54%	9.58%	-0.42%
	8 Years	9.78%	9.79%	-0.10%
	10 Years	10.12%	10.05%	0.70%
	15 Years	10.51%	10.44%	0.67%
	30 Years	11.11%	11.07%	0.36%

- Average Weighted Prime Lending Rate (AWPR): 7.24%. It has increased by 0.07% compared to last week.
- Average Weighted Deposit Rate (AWDR): 6.05% (Oct), 6.00% (Sep).
- Average Weighted Fixed Deposit Rate (AWFDR): 7.33% (Oct) and 7.22% (Sep).
- SLIBOR Rates : 6.35% (1Day), 6.50%(7Days), 6.78%(1Month), 7.05%(3Months), 7.29%(6Months), 7.58%(1Yr).
- Inflation (Annual average change): 0.7% (Oct) and 0.7% (Sep).

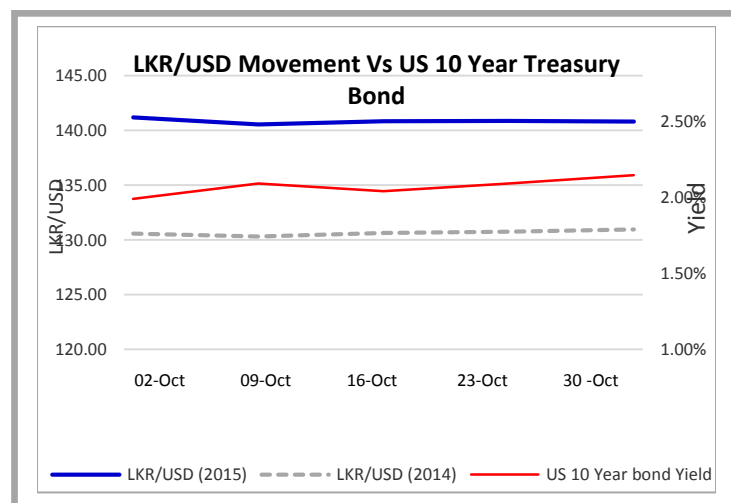




LKR Exchange Rate Movement

- LKR depreciated over the week by 0.04% against USD from LKR/USD 140.82 to 140.81.
- One month forward rate of LKR/USD is 141.56 (Last week 141.59), three month forward rate is 142.62 (Last week 142.70)

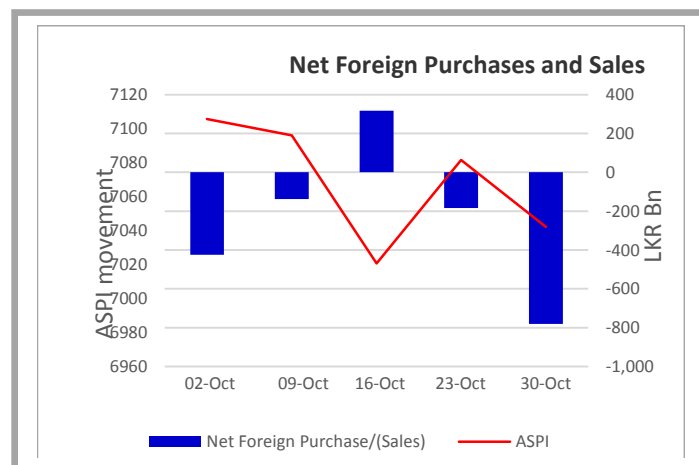
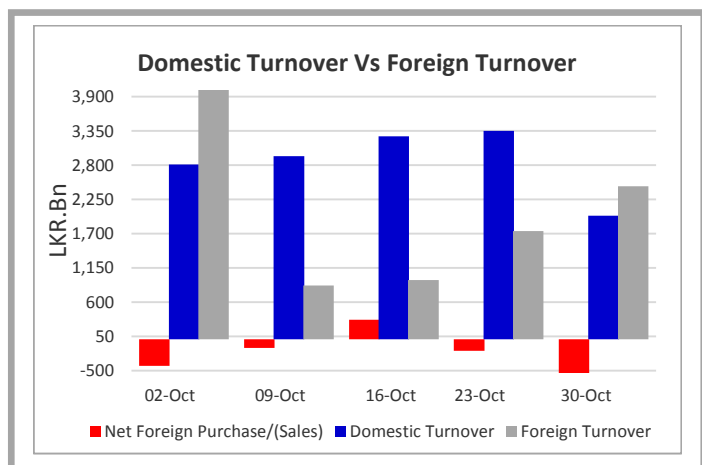
	02-Oct	09-Oct	16-Oct	23-Oct	30-Oct
INR 2015	2.15	2.17	2.17	2.18	2.15
INR 2014	2.12	2.12	2.13	2.14	2.13
RM 2015	31.77	34.03	33.92	33.36	32.71
RM 2014	40.06	40.22	39.89	40.02	39.80



Colombo Stock Exchange

- All Share Price Index: 7,042 points as at 30th Oct 2015.
- S&P 20: 3,803 points as at 30th Oct 2015.
- ASPI reduced by 28 points WoW which is 0.85%.
- S&P 20 reduced WoW by 24 points, reflecting a 1.27% negative variation.
- Net Foreign outflow: LKR. 780Mn.
- Last week recorded a Net foreign outflow: LKR. 184Mn.
- Market capitalization: LKR.2,990Bn which is 0.56% reduction compared to last week.
- Market PE: PE recorded as 18.26 in this week and it has reduced by 0.54% from the last week.

Price Index by Sector			
Top Gainers	This week	Pre. week	Change %
INFORMATION TECHNOLOGY	67.20	66.08	1.69%
HEALTH CARE	896.03	890.68	0.60%
PLANTATIONS	767.75	763.63	0.54%
BEVERAGE FOOD AND TOBACCO	22,390.85	22,284.88	0.48%
CONSTRUCTION AND ENGINEERING	3,011.20	3,009.08	0.07%
Top Losers			
CHEMICALS AND PHARMACEUTICALS	7,820.77	8,217.85	-4.83%
TRADING	18,106.60	18,690.23	-3.12%
STORES AND SUPPLIES	24,836.77	25,618.68	-3.05%
INVESTMENT TRUSTS	18,825.45	19,355.77	-2.74%
FOOTWEAR AND TEXTILES	1,046.75	1,074.19	-2.55%



Local News

Sri Lanka has recorded 1.7 percent inflation in October measured by Colombo Consumer Price Index after three consecutive months of deflation. The inflation year on year rose from negative 0.3 percent in September, mainly due to the lower base effect. Electricity was the main contributor to deflation experienced during previous three months. For the month of October 2015, on year to year basis, contribution to inflation by food commodities was 1.29 percent and contribution of Nonfood items was 0.44 percent. The index for all items for October was 182.1 recording an increase of 0.70 index points or a percentage of 0.38 compared to the month of September 2015 for which the index was 181.4.

(Source: LBO- 30.10.2015)

The change in government is likely to have a strong impact on the availability of concessional loans from friendly nations and multilaterals that had previously shunned Sri Lanka because of its alleged corruption and human rights record relating to the ending of the 26-year civil war in 2009. Bringing down debt to GDP is one of the chief tasks flagged by international rating agencies. In a recent analysis, Standard & Poor's highlighted that, at 34 percent of government revenues, Sri Lanka's debt servicing costs were second only to Lebanon among the sovereigns it covered in 2014. It expects net government debt to GDP to fall to 60% by the end of 2018, down from 70% in 2013.

(Source: Daily Mirror - 30.10.2015)

Sri Lanka was ranked 107 in the World Bank's "Doing Business 2016" index, which measures the ease of doing business in 189 different countries, a report released by the bank on Tuesday (27th Oct) revealed. Sri Lanka ranked 107th out of 189 countries in terms of ease of doing business for 2016. It was in the 113th place in 2015 as per revised figures. The report indicates an improvement in the score between 2015 and 2016 and therefore an improvement in the overall business environment as measured by Doing Business. Doing Business 2016 indicates that Sri Lanka made starting a business easier by eliminating the requirement to notify the Registrar of Companies of the payment of stamp duty for the initial issuance of shares.

(Source: LBO- 28.10.2015)

Foreign News

U.S. economic growth braked sharply in the third quarter as businesses cut back on restocking warehouses to work off an inventory glut, but solid domestic demand could encourage the Federal Reserve to raise interest rates in December. The U.S. central bank has kept benchmark overnight interest rates near zero since December 2008. The economy has struggled to sustain a faster pace of growth since the end of the 2007-2009 recession, with average yearly growth failing to break above 2.5 percent. This year, it has faced headwinds from a strong dollar and deep spending cuts by energy firms following a collapse in oil prices.

(Source: Reuters- 29.10.2015)

Breaking up European Union banks would be tougher under a compromise reached by lawmakers from the two biggest groups in the European Parliament setting out rules to split up banks that mix trading activities with deposit-taking. They have also agreed to an EU-wide ban on proprietary trading. The deal, which still needs plenary approval, gives banks more leeway to prove that they don't pose a systemic risk than do previous proposals, and allows regulators to impose a capital increase as an alternative to a breakup, according to lead legislator Gunnar Hoekmark from the conservative European People's Party, who struck the deal with his counterpart from the Social Democrats, Jakob von Weizsaecker. The final wording of the pact is yet to be published.

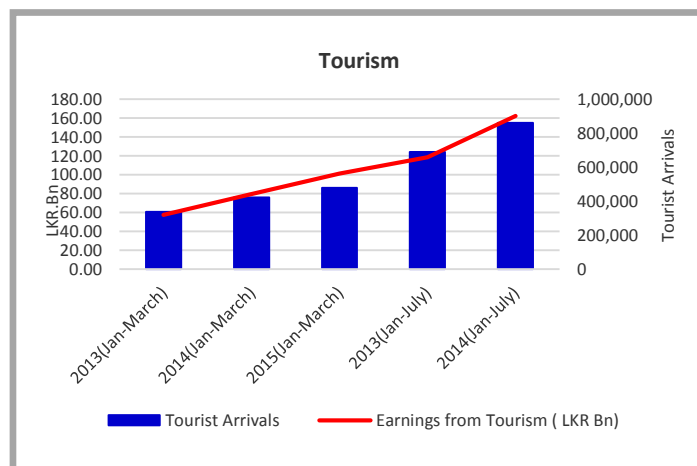
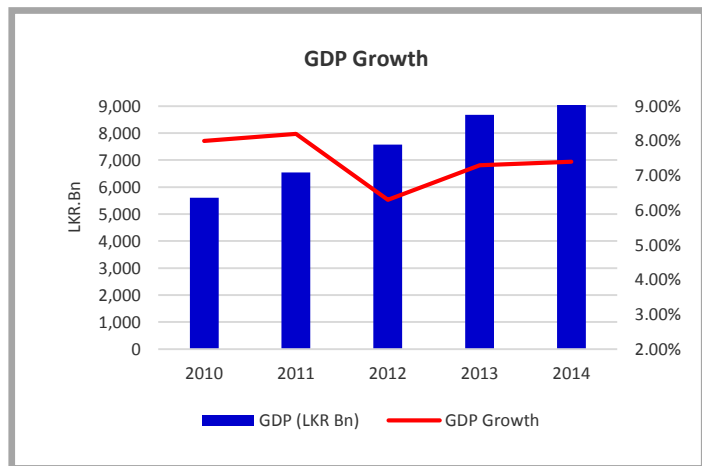
(Source: Bloomberg - 30.10.2015)

Consumer prices barely grew in Germany and kept falling in Spain this month, data showed on Thursday (29th Oct), keeping up pressure on the European Central Bank to ease policy further to revive stagnant euro zone inflation. German consumer prices rose by 0.2 percent year on year in October after falling below zero a month earlier while Spanish prices fell by 0.9 percent, less than in September. Both monthly improvements were driven by smaller declines in energy prices. This was unlikely to ease the ECB's concerns about a gloomy longer-term inflation picture or change the odds on whether the bank would unveil new stimulus measures at its December meeting.

(Source: Reuters- 29.10.2015)

GDP and Economy

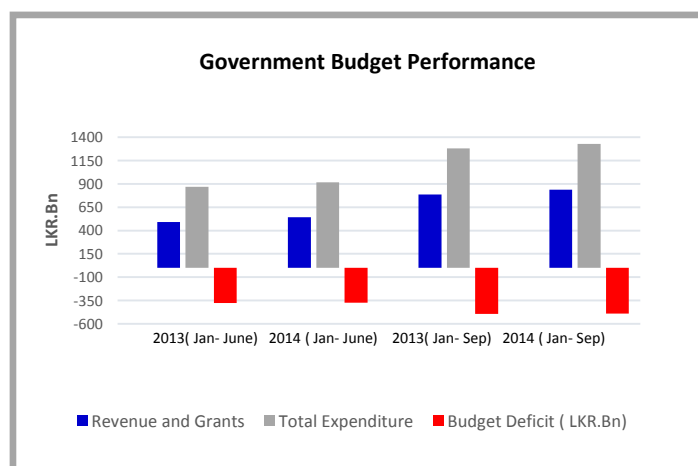
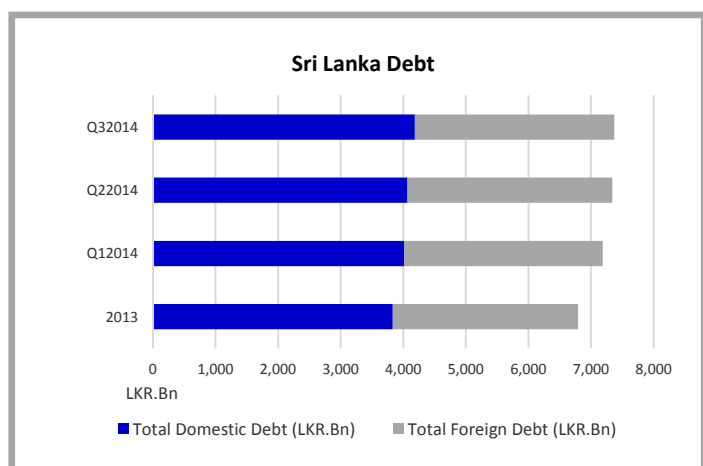
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

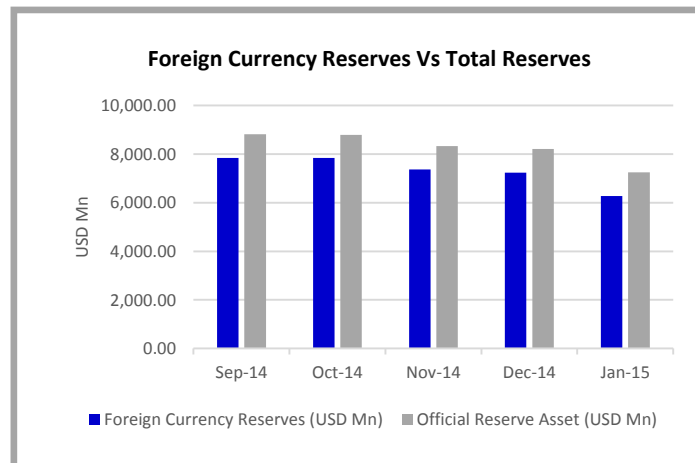
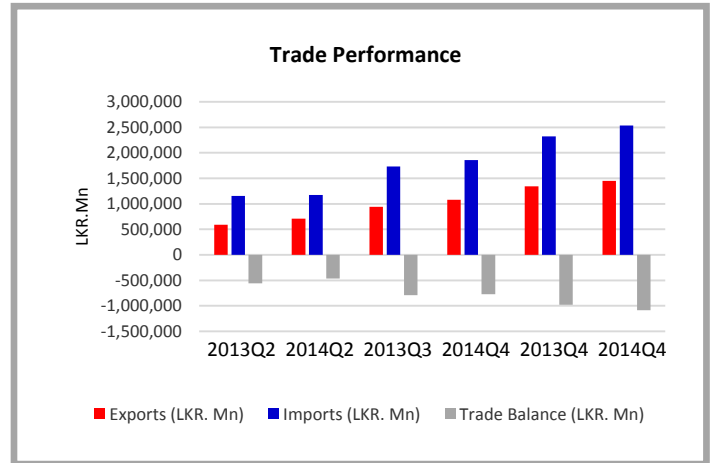
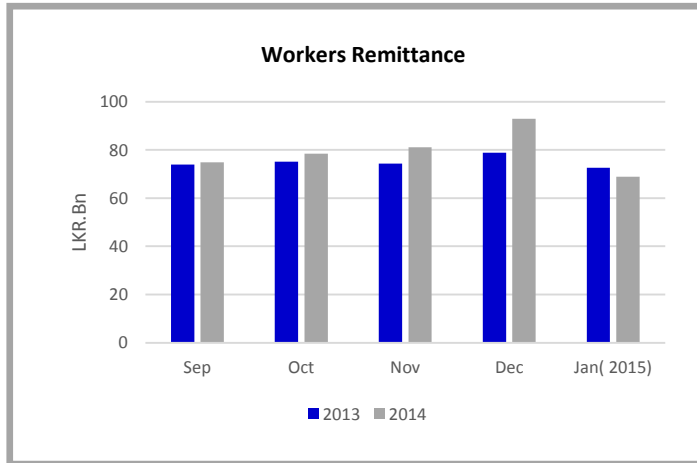


Sri Lanka Fiscal Performance

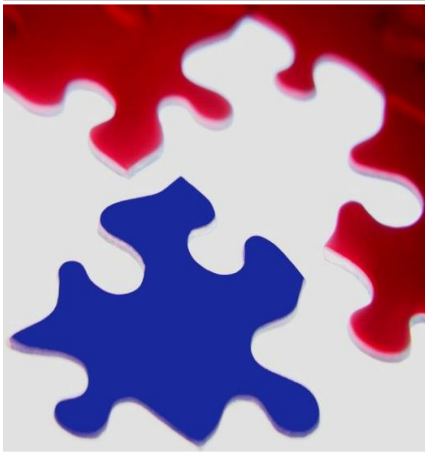
Debt service indicators improved during 2014. Debt service payments, which include amortization and interest payments declined to 11.0 per cent of GDP in 2014 from 13.4 per cent of GDP in the previous year. The ratio of total interest payments to GDP declined to 4.5 per cent in 2014 from 5.3 per cent 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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INVESTMENT
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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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