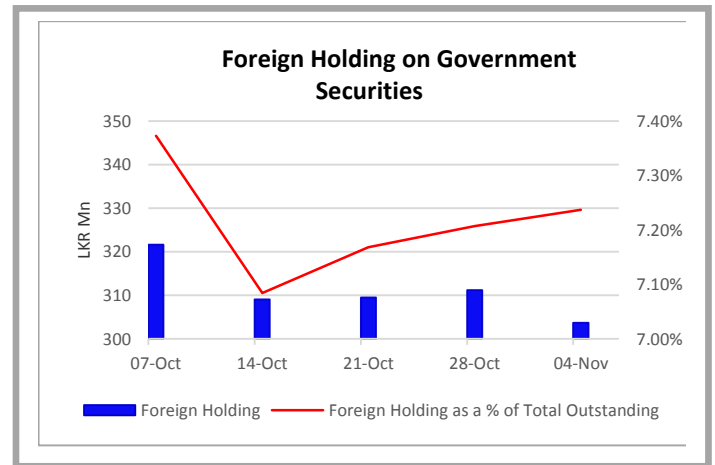
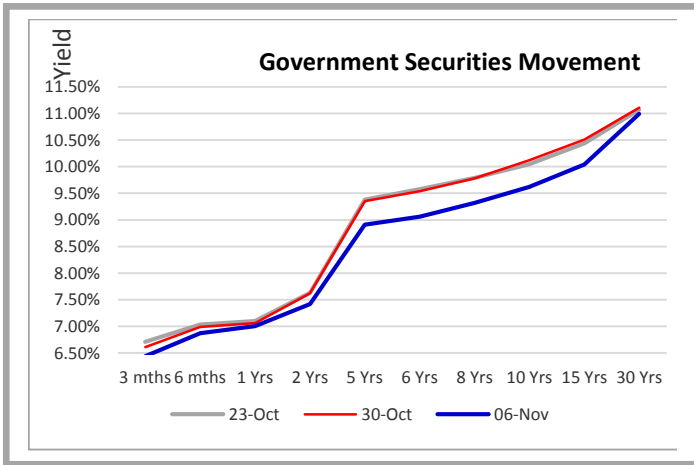
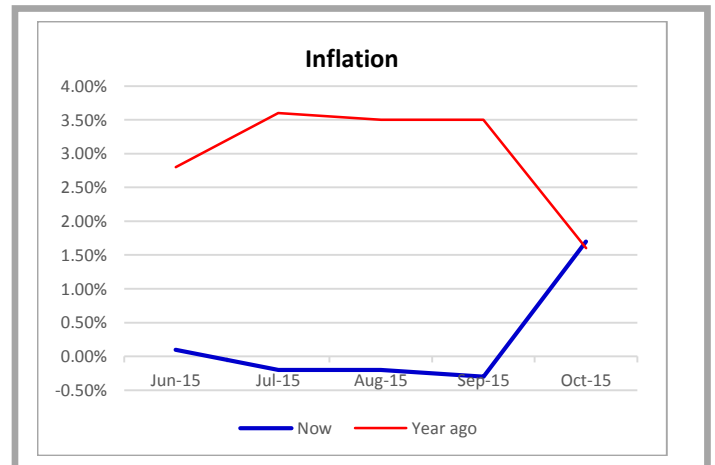
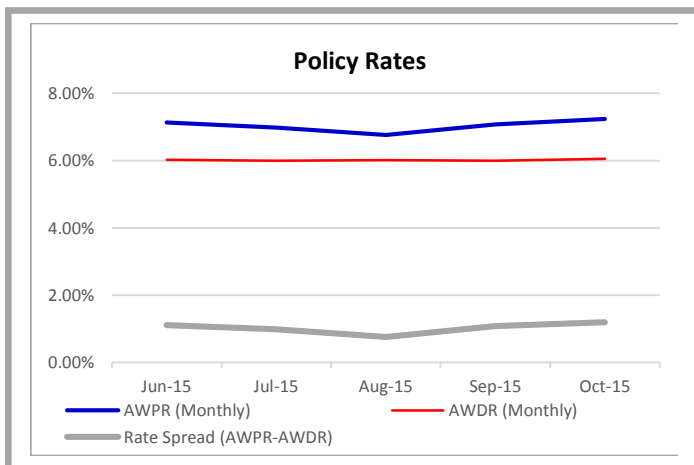


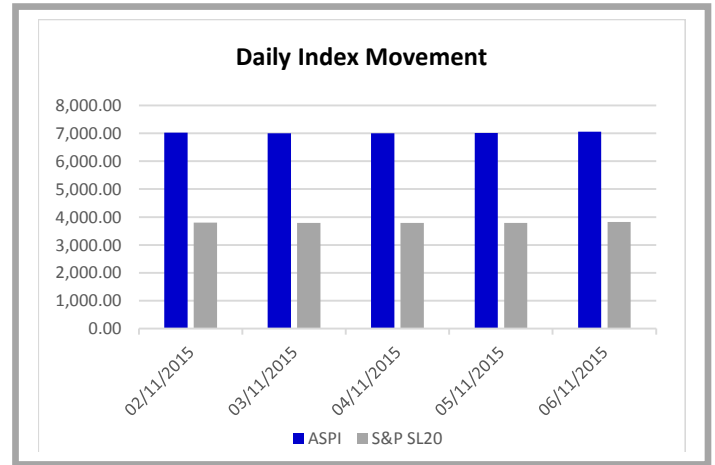
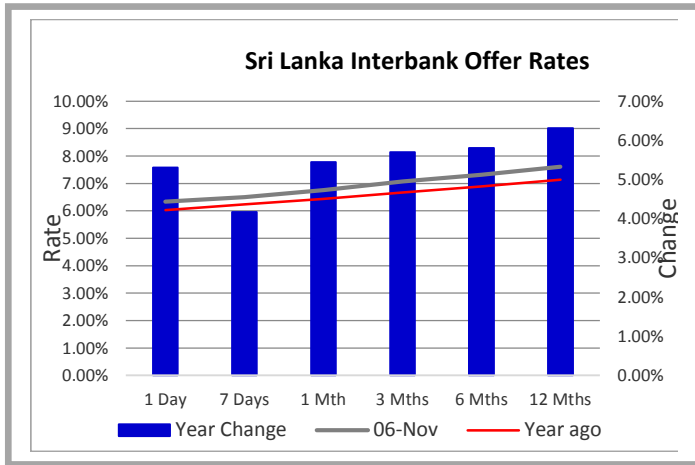
Economic Indicators: LKR/USD 141.37 (0.40% WoW) AWPR: 7.28% (0.04% WoW) AWDR: 6.05% (0.05% MoM) ASPI: 7,059 (0.24% WoW) S&P SL20: 3,824 (0.56% WoW)



Market	Period	06-Nov	30-Oct	Change %
Primary Market	3 months	6.44%	6.61%	-2.57%
	6 months	6.87%	6.99%	-1.72%
	1 Year	7.00%	7.06%	-0.85%
Secondary Market	2 Years	7.42%	7.62%	-2.62%
	5 Years	8.91%	9.35%	-4.71%
	6 Years	9.06%	9.54%	-5.03%
	8 Years	9.32%	9.78%	-4.70%
	10 Years	9.62%	10.12%	-4.94%
	15 Years	10.04%	10.51%	-4.47%
	30 Years	10.99%	11.11%	-1.08%

- Average Weighted Prime Lending Rate (AWPR): 7.28%. It has increased by 0.04% 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 : 6.34% (1Day), 6.50%(7Days), 6.76%(1Month), 7.07%(3Months), 7.32%(6Months), 7.61%(1Yr).
- Inflation (Annual average change): 0.7% (Oct) and 0.7% (Sep).

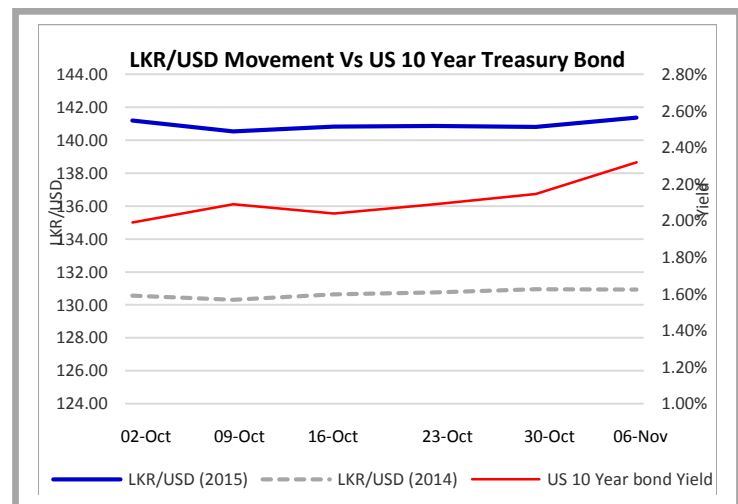




LKR Exchange Rate Movement

- LKR depreciated over the week by 0.39% against USD from LKR/USD 140.81 to 141.37.
- One month forward rate of LKR/USD is 141.66 (Last week 141.56), three month forward rate is 142.44 (Last week 142.62)

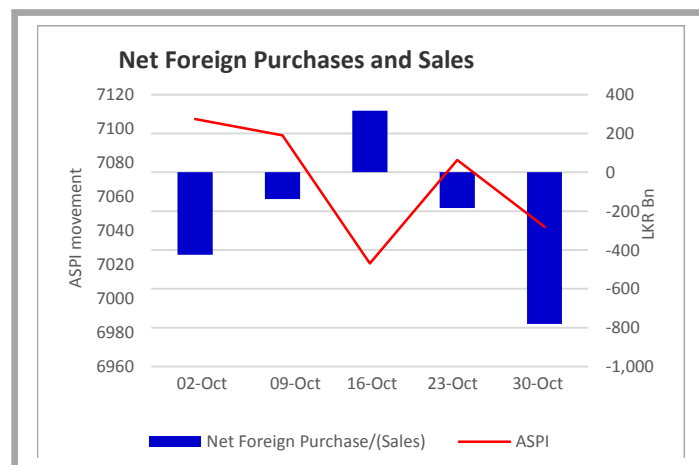
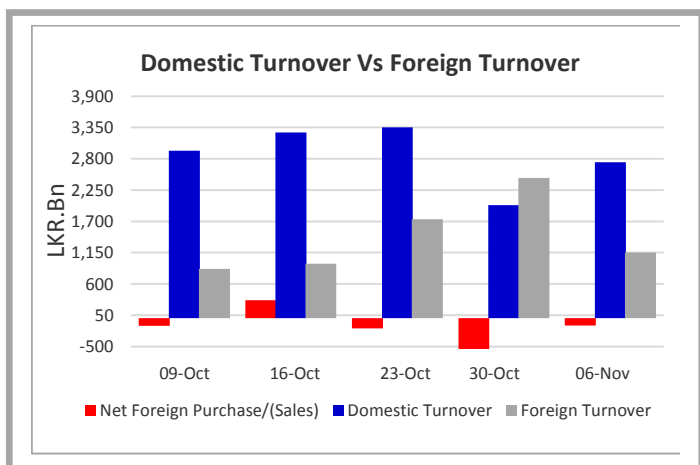
	09-Oct	16-Oct	23-Oct	30-Oct	06-Nov
INR 2015	2.17	2.17	2.18	2.15	2.15
INR 2014	2.12	2.13	2.14	2.13	2.13
RM 2015	34.03	33.92	33.36	32.71	32.92
RM 2014	40.22	39.89	40.02	39.80	39.11



Colombo Stock Exchange

- All Share Price Index: 7,059 points as at 06th Nov 2015.
- S&P 20: 3,824 points as at 06th Nov 2015.
- ASPI increased by 17 points WoW which is 0.24%.
- S&P 20 increased WoW by 24 points, reflecting a 0.56% negative variation.
- Net Foreign outflow: LKR. 132Mn.
- Last week recorded a Net foreign outflow: LKR. 780Mn.
- Market capitalization: LKR.2,998Bn which is 0.26% increase compared to last week.
- Market PE: PE recorded as 18.31 in this week and it has reduced by 0.27% from the last week.

Price Index by Sector			
Top Gainers	This week	Pre. week	Change %
LAND AND PROPERTY	684.74	665.80	2.84%
DIVERSIFIED HOLDINGS	1,894.75	1,845.09	2.69%
HEALTH CARE	919.41	896.03	2.61%
INFORMATION TECHNOLOGY	68.21	67.20	1.50%
FOOTWEAR AND TEXTILES	1,061.97	1,046.75	1.45%
Top Losers			
TRADING	17,579.23	18,106.60	-2.91%
SERVICES	24,904.30	25,644.85	-2.89%
OIL PALMS	100,093.39	103,005.14	-2.83%
INVESTMENT TRUSTS	18,413.74	18,825.45	-2.19%
CHEMICALS AND PHARMACEUTICALS	7,685.80	7,820.77	-1.73%



Local News

Sri Lanka's Prime Minister in parliament outlined several measures to be taken by the government; Key points: Generating of one million job opportunities under third generation of reforms; budget deficit to be reduced to 3.5 percent by 2020; Non-Strategic Enterprises to be divested to market such as 2-3 hotels, Lanka Hospitals; Merger of EPF and ETF with management outside of Central Bank; We need not maintain the Super Gain Tax; Committee to look into the effects of TPP to Sri Lanka with benefits that might accrue to Vietnam; Go into territorial taxation; Economy to be "digitalized"; Free Wi-Fi for universities, concessions (interest free loans) for laptops to university students;

(Source: LBO- 05.11.2015)

Foreign News

More Iranian oil on the market in 2016 will extend the oversupply. The impact will reverberate across the world, hurting oil-producing countries such as Russia, Saudi Arabia, and Venezuela, as well as entrepreneurial shale companies in North Dakota and Texas, and major oil companies including ExxonMobil and Royal Dutch Shell. As traders anticipate the return of Iranian oil, the futures market is already lowering its expectations for prices next year, with contracts for December 2016 trading at less than \$60 a barrel. Iran's oil minister said to the rest of the world: "Our only responsibility here is attaining our lost share of the market, not protecting prices."

(Source: Bloomberg - 05.11.2015)

The availability of opportunities and background for business and investment in Sri Lanka, as against other countries in the South Asian region, will be far more favourable in 2016 than 2015 said newly released data from the World Bank on year on year comparison. In 2015, the ease of doing business in Sri Lanka was 57.5%. The World Bank predicts that this will go up to 58.96% in 2016. In the overall list, Sri Lanka is currently ranked 113 in the ease of doing business index and it is expected to drop to 107 in 2016 indicating more favourable and friendly business environment for investors. India and the Maldives are ranked respectively 128 and 130

(Source: Daily News - 05.11.2015)

In its quarterly inflation report, the Bank of England said "the outlook for global growth has weakened since August". It blamed emerging market economies for that weakness, saying growth in those regions had "slowed markedly". While the Bank expects inflation to rise above its 2% target in two years, it says that risks "lie slightly to the downside" during that time period. In other words, inflation may not rise as quickly as the Bank forecasts. The Bank once again held UK interest rates at the record low of 0.5%. The Bank's Monetary Policy Committee, led by Governor Mark Carney, voted 8-1 to keep rates unchanged. So UK interest rates have now remained on hold for six-and-a-half years.

(Source: BBC - 05.11.2015)

Sri Lankan-born economist Howard Nicholas on Thursday warned that the world will have to face a recession by next year. Speaking at the 36th National Conference of Chartered Accountants in Colombo Nicholas, who is a senior lecturer of Rotterdam Erasmus University, argued the world is now near the bottom of a long business cycle. A business cycle is basically defined in terms of periods of expansion or recession. Nicholas whose views are widely respected among economists said one important phenomena identified with the long cycle is the dominant economic power that had to change near the bottom of the long cycle. Nicholas who denounces classical economics as being unrealistic said the global economic power has now shifted from US and Europe to East Asia.

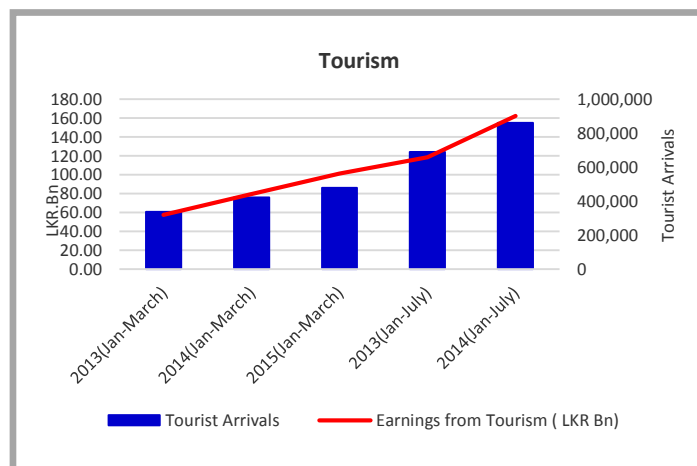
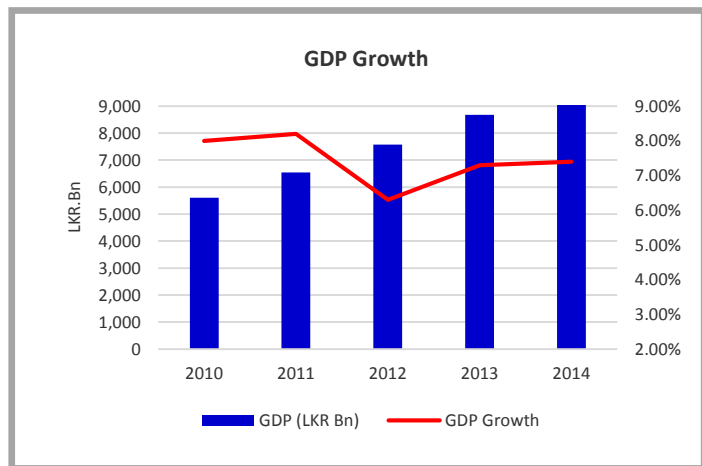
(Source: IBO- 06.11.2015)

Libor, or the London interbank offered rate, is a short-term rate financial institutions charge each other for loans that is calculated based on submissions by a panel of banks. Hundreds of trillions of dollars in short-term interest rates, swaps and other financial products are pegged to Libor. The case was the first by the Justice Department to go to trial following global investigations into whether banks submitted artificial rate estimates to bolster profits on trading derivatives tied to Libor. Those investigations resulted in charges against 22 people in the United States and United Kingdom and around \$9 billion in regulatory settlements with financial institutions.

(Source: Reuters- 05.11.2015)

GDP and Economy

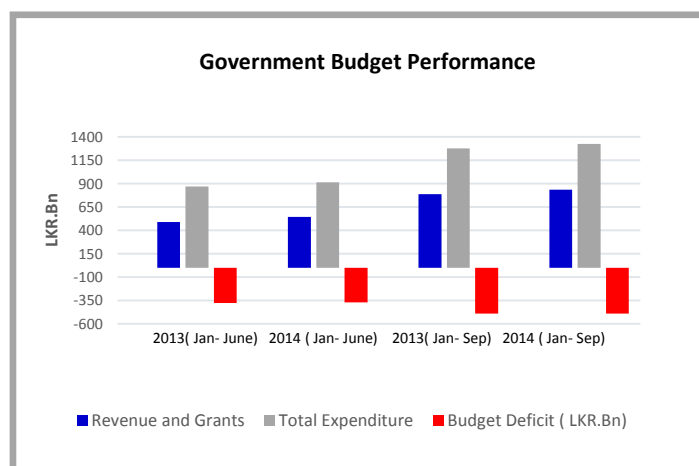
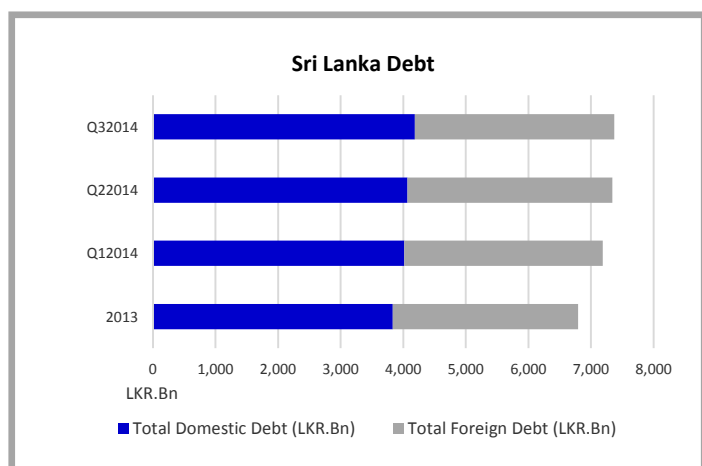
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

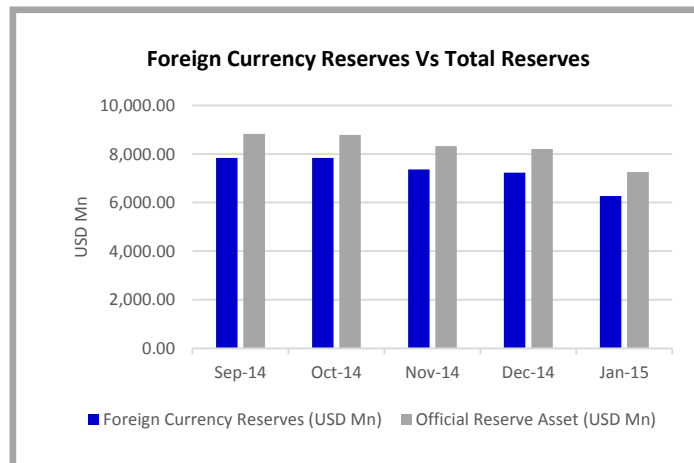
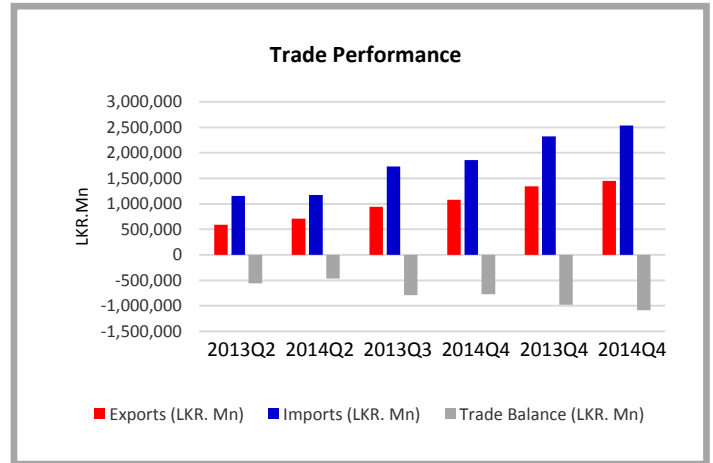
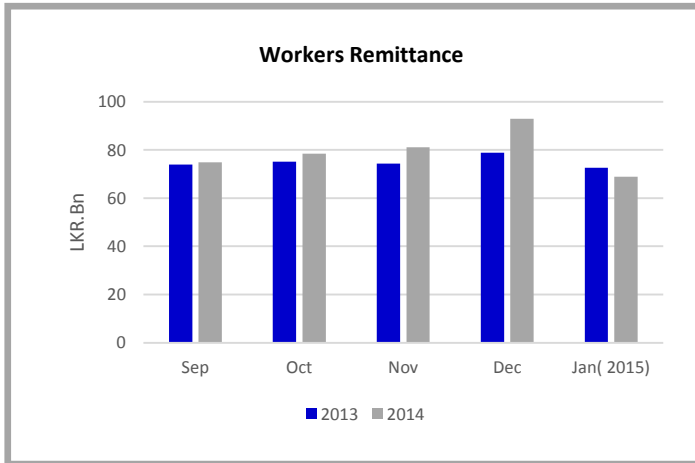


Sri Lanka Fiscal Performance

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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- Corporate Syndicated Loan Facilities

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- Kenanga Retirement Plan (KRP)

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- Balance Sheet Restructuring
- Corporate Restructuring

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