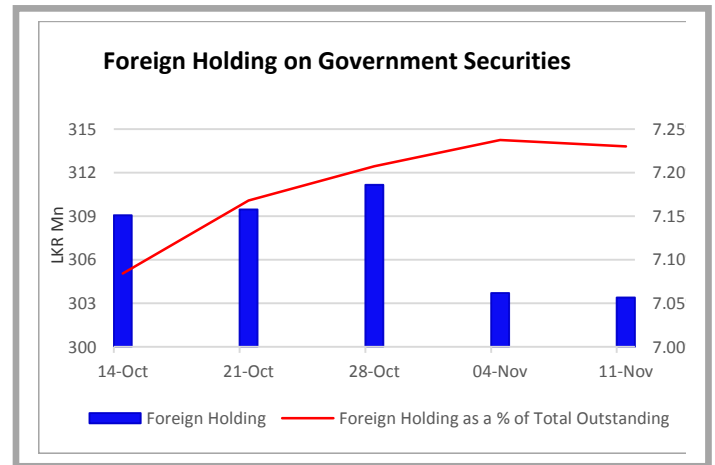
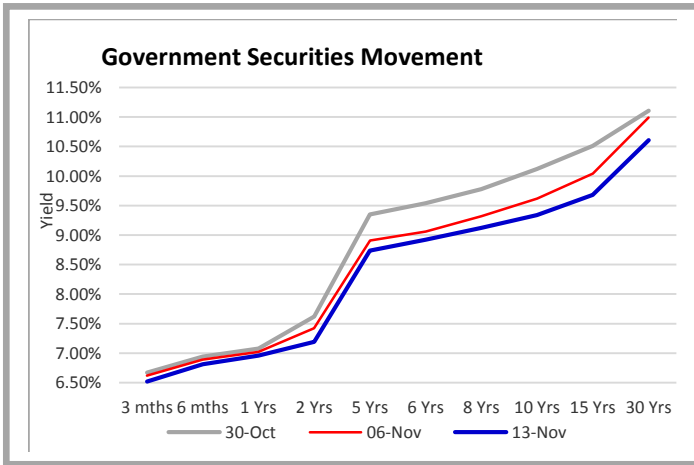
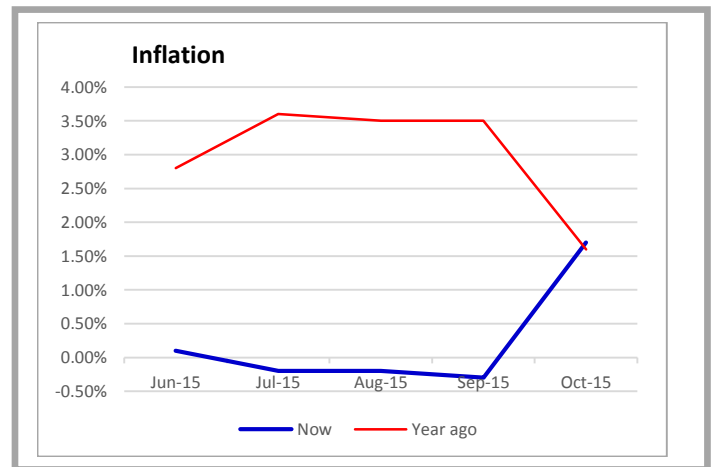
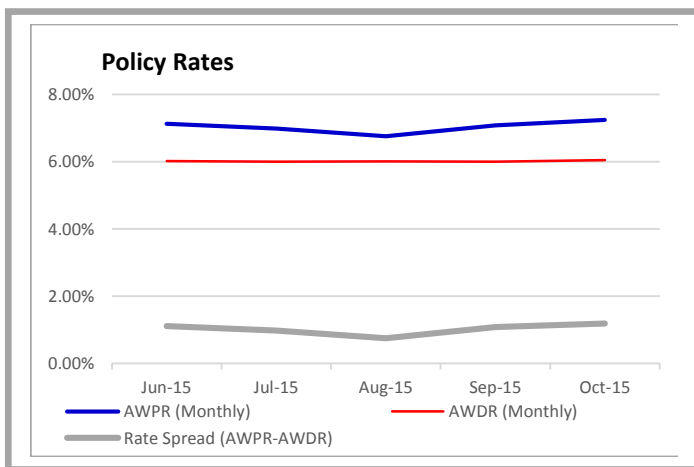


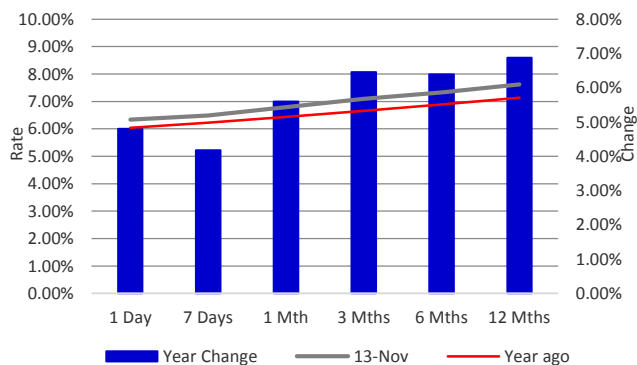
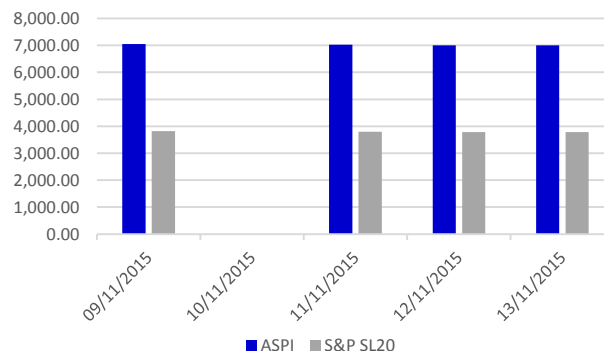
Economic Indicators: LKR/USD 141.93 (0.40% WoW) AWPR: 7.32% (0.04% WoW) AWDR: 6.05% (0.05% MoM) ASPI: 7,001 (081% WoW) S&P SL20: 3,787 (0.98% WoW)



Market	Period	13-Nov	06-Nov	Change %
Primary Market	3 months	6.52%	6.62%	-1.51%
	6 months	6.81%	6.89%	-1.16%
	1 Year	6.96%	7.02%	-0.85%
Secondary Market	2 Years	7.19%	7.42%	-3.10%
	5 Years	8.74%	8.91%	-1.91%
	6 Years	8.92%	9.06%	-1.55%
	8 Years	9.12%	9.32%	-2.15%
	10 Years	9.34%	9.62%	-2.91%
	15 Years	9.68%	10.04%	-3.59%
	30 Years	10.61%	10.99%	-3.46%

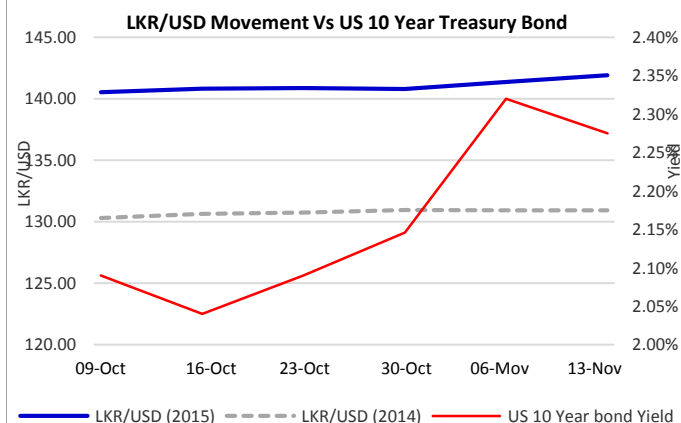
- Average Weighted Prime Lending Rate (AWPR): 7.32%. It has increased by 0.04% compared to last week.
- Average Weighted Deposit Rate (AWDR): 6.05% (Oct), 6.00% (Sep).
- Average Weighted Fixed Deposit Rate (AWFDR): 7.33% (Oct) and 7.22% (Sep).
- SLIBOR Rates : 6.33% (1Day), 6.49%(7Days), 6.79%(1Month), 7.09%(3Months), 7.33%(6Months), 7.62%(1Yr).
- Inflation (Annual average change): 0.7% (Oct) and 0.7% (Sep).



Sri Lanka Interbank Offer Rates

Daily Index Movement

LKR Exchange Rate Movement

- LKR depreciated over the week by 0.40% against USD from LKR/USD 141.37 to 141.93.
- One month forward rate of LKR/USD is 142.16 (Last week 141.66), three month forward rate is 143.11 (Last week 142.44)

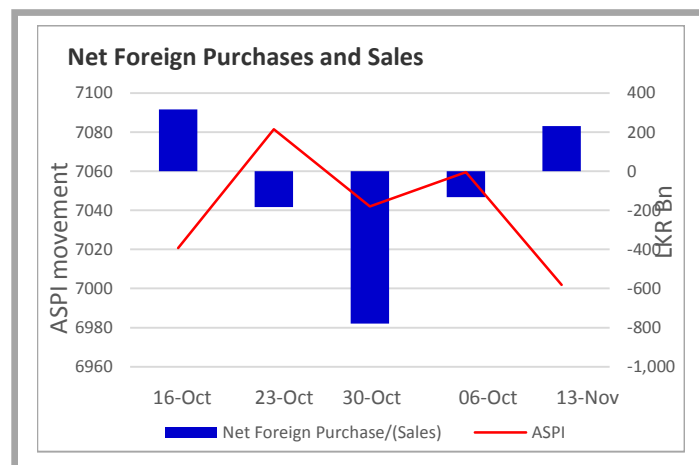
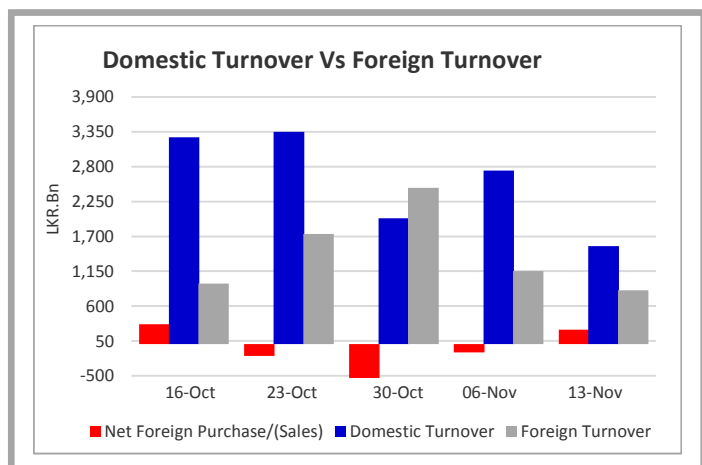
	09-Oct	16-Oct	23-Oct	30-Oct	06-Nov
INR 2015	2.17	2.18	2.15	2.15	2.14
INR 2014	2.13	2.14	2.13	2.13	2.13
RM 2015	33.92	33.36	32.71	32.92	32.43
RM 2014	39.89	40.02	39.80	39.11	39.23


Colombo Stock Exchange

- All Share Price Index: 7,001 points as at 13th Nov 2015.
- S&P 20: 3,787 points as at 13th Nov 2015.
- ASPI reduced by 58 points WoW which is 0.81%.
- S&P 20 reduced WoW by 37 points, reflecting a 0.98% negative variation.
- Net Foreign Inflow: LKR. 230Mn.
- Last week recorded a Net foreign outflow: LKR. 132Mn.
- Market capitalization: LKR.2,972Bn which is 0.60% reduction compared to last week.
- Market PE: PE recorded as 18.15 in this week and it has reduced by 0.87% from the last week.

Price Index by Sector

Top Gainers	This week	Pre. week	Change %
HEALTHCARE	952.19	919.41	3.57%
TELECOMMUNICATIONS	200.79	198.77	1.02%
STORES AND SUPPLIES	25,207.10	25,013.35	0.77%
MOTORS	17,943.19	17,847.46	0.54%
OIL PALMS	100,093.39	100,093.39	0.00%
Top Losers			
INFORMATION TECHNOLOGY	64.41	68.21	-5.57%
POWER AND ENERGY	173.93	181.36	-4.10%
PLANTATIONS	738.08	755.20	-2.27%
CONSTRUCTION AND ENGINEERING	2,896.48	2,960.33	-2.16%
TRADING	17,220.30	17,579.23	-2.04%



Local News

Sri Lanka's Ceylon Chamber of Commerce (CCC) has welcomed Prime Minister's statement in Parliament recently which provided important economic policy direction, a statement said. "The private sector was seeking clarity on the government's economic policy agenda, and this statement has provided that." Large and persistent budget deficits have continued to be a source of macroeconomic instability in Sri Lanka for many decades and the Chamber welcomed the moves to bring down the budget deficit to 3.5 percent by 2020. "Tackling this must come from both revenue and expenditure sides." This will no doubt be a challenge, given that the tax to GDP ratio is currently around 10 percent.

(Source: LBO - 09.11.2015)

The Embassy of Sri Lanka in the Russian Federation launched a series of tourism promotional events with the assumption of duties by Ambassador Dr. Saman Weerasinghe. Out of four seminars, two were held in October with the organizational support of leading tour operators in the Russian Federation. These included Grand Tour Voyage (GTV) and Quinta tour. GTV is a leading Russian Tour operator with 10 years of experience in exploring and then sending Russian tourist groups to a variety of destinations in Sri Lanka. Quinta tour, the other prestigious tour operator conducted the second seminar on October 30 and has experience over 20 years. Ambassador Weerasinghe requested the participants' active contribution towards improving Russian Tourism into Sri Lanka.

(Source: Daily News - 13.11.2015)

Finance Minister Ravi Karunanayake said Sri Lanka has received 450 million dollars as deposits after the government encouraged Sri Lankan expats to bring back undeclared funds in places such as Switzerland. Two accounts were from Saudi Arabia and two from Qatar, he said speaking at the Foreign Correspondents Association in Colombo. Due to a recent black money law, a number of Swiss and other European banks had begun asking Indian and Sri Lankan clients to disclose their accounts to tax authorities back home. In this situation, Sri Lankans and Indians with money in these countries could repatriate them to Sri Lanka, Karunanayake said in October.

(Source: LBO- 12.11.2015)

Foreign News

The Federal Reserve's policy committee may need to begin raising interest rates for the first time since 2006, though some slack remains in the labour market, Federal Reserve Bank of New York President William C. Dudley said Nov 12. "I think it is quite possible that the conditions the Committee has established to begin to normalize monetary policy could soon be satisfied," Dudley said in a speech in New York. "I will be evaluating the incoming information to see if it confirms my expectation that growth will be sufficient to further tighten the U.S. labour market." Fed President James Bullard of St. Louis earlier on Nov 12 urged the Fed to raise interest rates from near zero.

(Source: Bloomberg - 12.11.2015)

Nov 12 Global regulators published rules to rein in risks in so-called shadow banking by increasing the amount of collateral required to back core transactions in a \$137 trillion sector that continues to grow as mainstream banks shrink. Shadow banking refers to credit creation through the likes of hedge funds, repurchase agreements, pension funds, insurers, and securities financing transactions. Regulators have already imposed tougher capital requirements on mainstream banks after the 2007/09 financial crisis. The Financial Stability Board (FSB), a regulatory task force for the Group of 20 economies (G20), published final rules for regulating "shadow bank" transactions in case risky banking activities migrate to the hitherto less regulated sector.

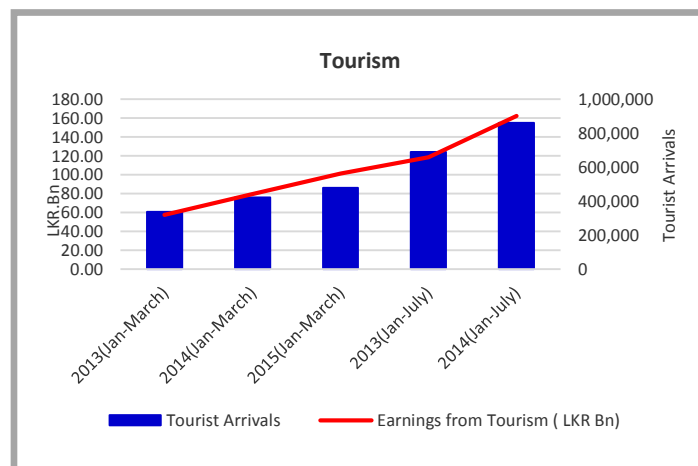
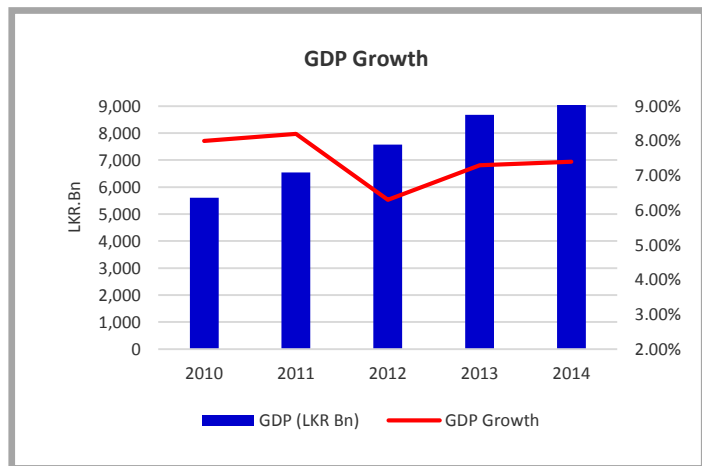
(Source: Reuters - 12.11.2015)

Two investment management firms on Nov 12 announced plans for an exchange-traded fund (ETF) dedicated to the debt of Indian state-run companies that they said would be the first such vehicle in the world. The ETF, to be listed on the London Stock Exchange and launched to coincide with Indian Prime Minister Narendra Modi's visit to Britain, is being launched by British firm Sun Global Investments and Indian firm Zyfin Funds. The fund will offer investors a basket of bonds issued by India's public sector companies - those which are at least 51 percent owned by the government - such as Indian Railways and Power Finance Corporation. The fund will be listed on November 19.

(Source: Reuters- 12.11.2015)

GDP and Economy

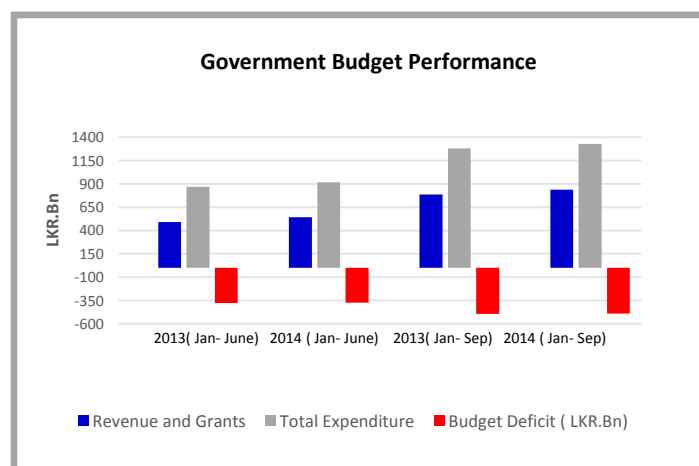
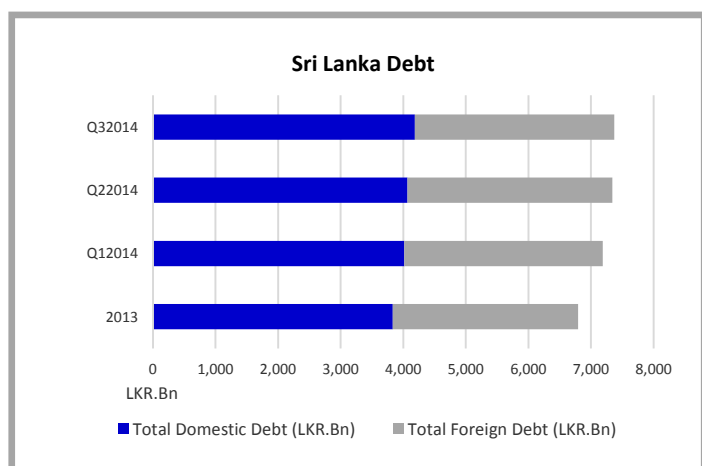
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

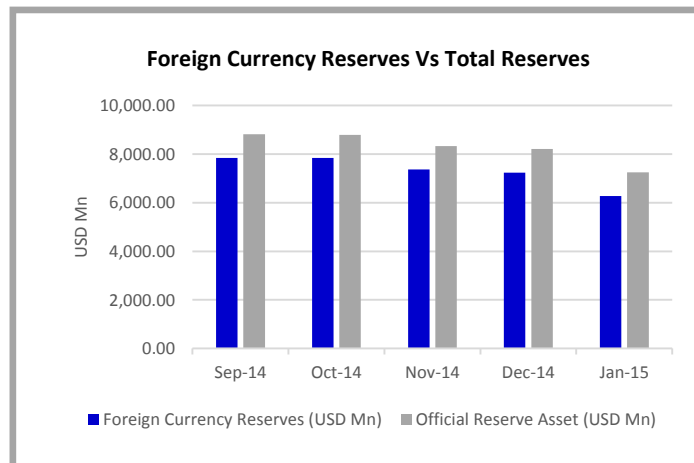
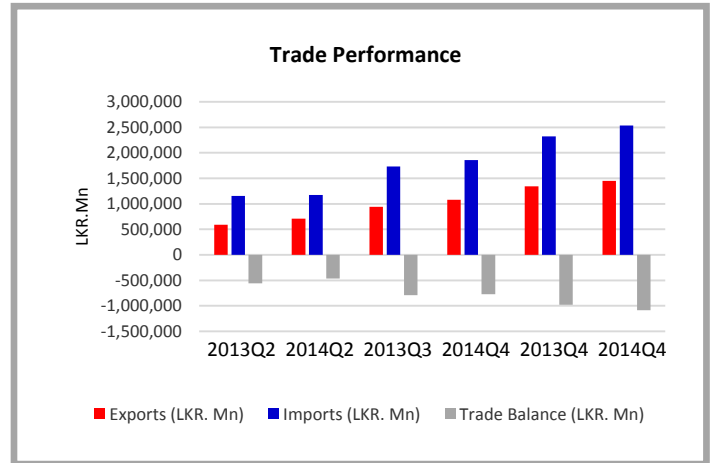
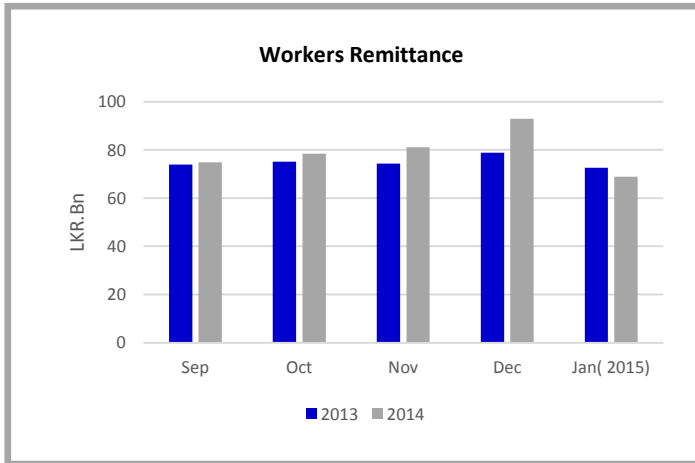


Sri Lanka Fiscal Performance

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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- Balance Sheet Restructuring
- Corporate Restructuring

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