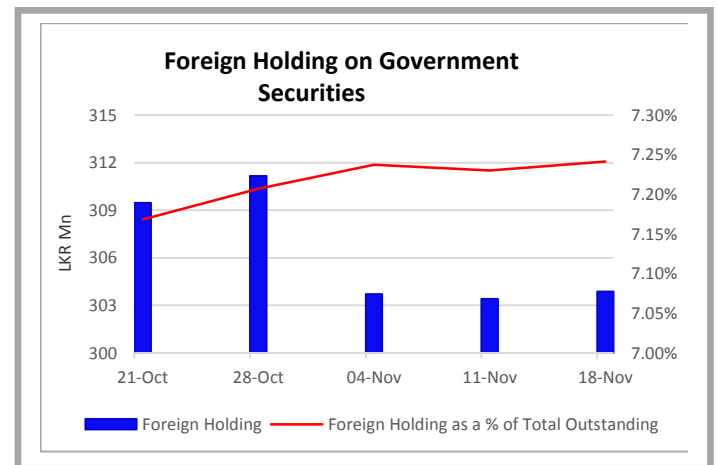
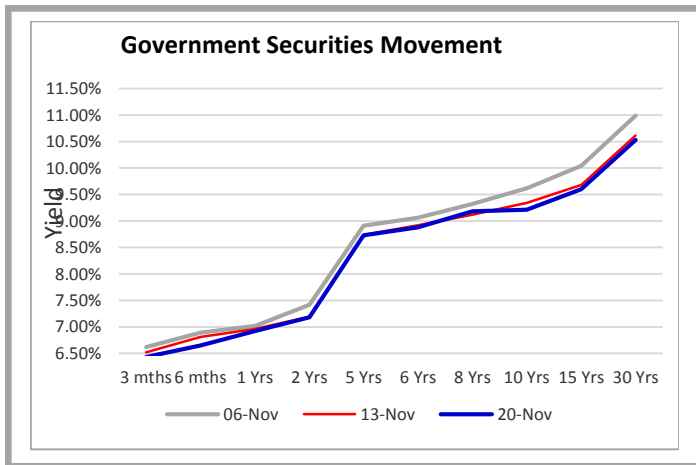
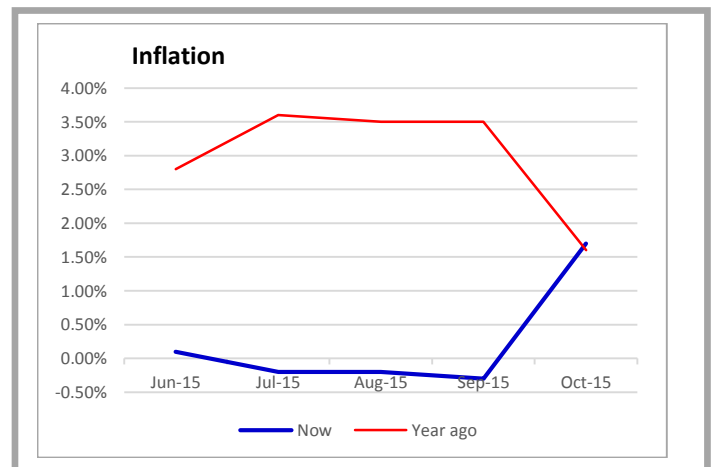
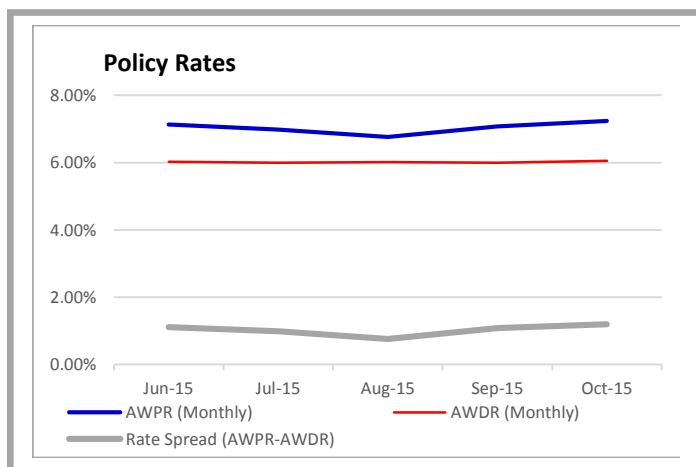


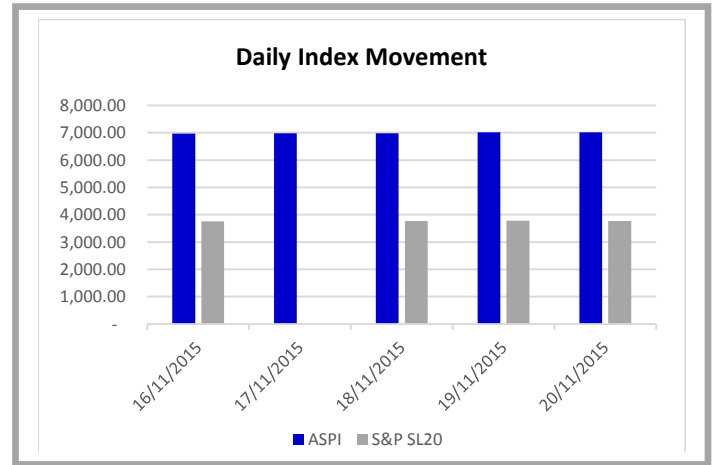
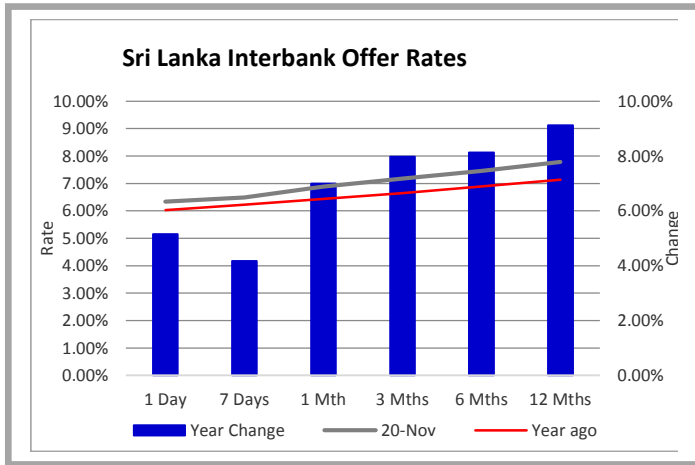
Economic Indicators: LKR/USD 142.32 (0.27% WoW) AWPR: 7.28% (0.54% WoW) AWDR: 6.05% (0.05% MoM) ASPI: 7,017 (0.22% WoW) S&P SL20: 3,774 (0.34% WoW)



Market	Period	20-Nov	13-Nov	Change %
Secondary Market	3 months	6.43%	6.52%	-1.38%
	6 months	6.65%	6.81%	-2.35%
	1 Year	6.92%	6.96%	-0.57%
	2 Years	7.18%	7.19%	-0.14%
	5 Years	8.73%	8.74%	-0.11%
	6 Years	8.88%	8.92%	-0.45%
	8 Years	9.18%	9.12%	0.66%
	10 Years	9.21%	9.34%	-1.39%
	15 Years	9.60%	9.68%	-0.83%
	30 Years	10.53%	10.61%	-0.75%

- Average Weighted Prime Lending Rate (AWPR): 7.28%. It has declined by 4 bps 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), 6.88%(1Month), 7.18%(3Months), 7.45%(6Months), 7.78%(1Yr).
- Inflation (Annual average change): 0.7% (Oct) and 0.7% (Sep).

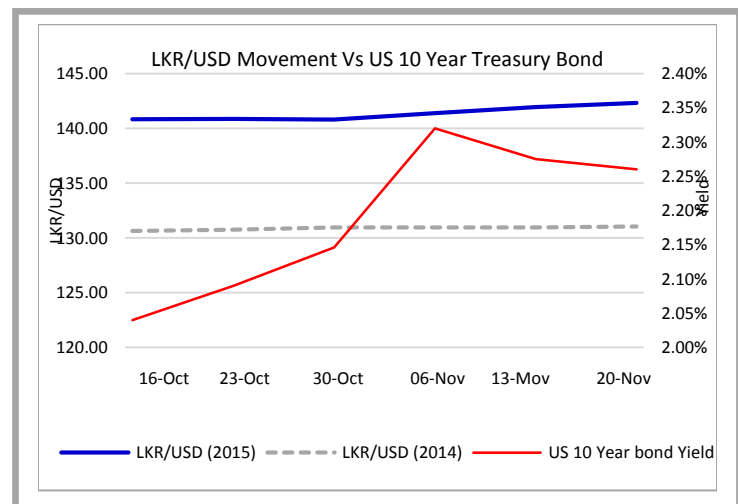




LKR Exchange Rate Movement

- LKR depreciated over the week by 0.27% against USD from LKR/USD 141.93 to 142.32.
- One month forward rate of LKR/USD is 142.57 (Last week 142.16), three month forward rate is 143.40 (Last week 143.11)

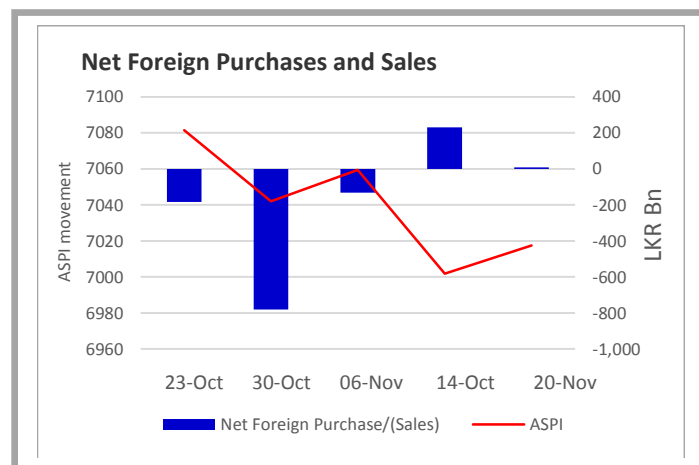
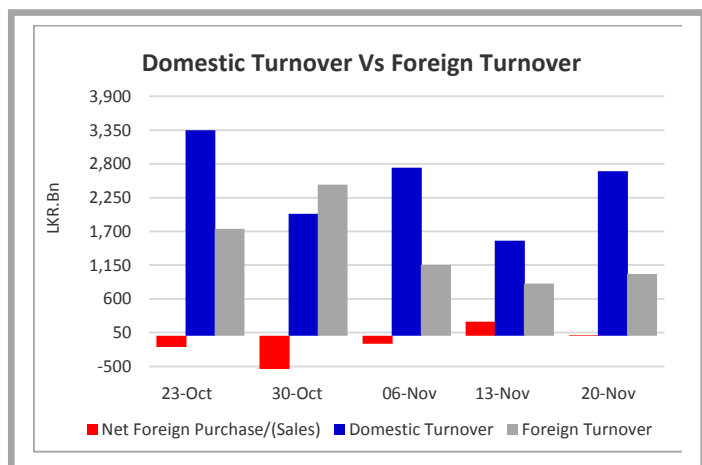
	23-Oct	30-Oct	06-Nov	13-Nov	20-Nov
INR 2015	2.18	2.15	2.15	2.14	2.15
INR 2014	2.14	2.13	2.13	2.13	2.11
RM 2015	33.36	32.71	32.92	32.43	32.97
RM 2014	40.02	39.80	39.11	39.23	38.99



Colombo Stock Exchange

- All Share Price Index: 7,017 points as at 13th Nov 2015.
- S&P 20: 3,774 points as at 13th Nov 2015.
- ASPI increased by 16 points WoW which is 0.22%.
- S&P 20 reduced WoW by 13 points, reflecting a 0.34% negative variation.
- Net Foreign Inflow: LKR. 09Mn.
- Last week recorded a Net foreign Inflow: LKR. 230Mn.
- Market capitalization: LKR.2,980Bn which is 0.27% increase compared to last week.
- Market PE: PE recorded as 18.20 in this week and it has increased by 0.27% from the last week.

Price Index by Sector			
Top Gainers	This week	Pre. week	Change %
STORES AND SUPPLIES	27,216.90	25,207.10	7.97%
CONSTRUCTION AND ENGINEERING	3,002.48	2,896.48	3.66%
POWER AND ENERGY	178.19	173.93	2.45%
FOOTWEAR AND TEXTILES	1,062.59	1,049.69	1.23%
TRADING	17,363.10	17,220.30	0.83%
Top Losers			
OIL PALMS	96,957.66	100,093.39	-3.13%
SERVICES	24,196.67	24,634.52	-1.78%
TELECOMMUNICATIONS	197.26	200.79	-1.76%
INFORMATION TECHNOLOGY	63.96	64.41	-0.70%
CHEMICALS AND PHARMACEUTICALS	7,582.38	7,628.63	-0.61%



Local News

At the first reading of Budget 2016, Minister of Finance asked Licensed banks to cease in engaging in leasing business from 1st June 2016 .Given the impact the international gold prices has had on the local banks specially with large pawning portfolios, the banking sector also asked to limit their pawning business to a maximum of 5 percent of their loan portfolios. He proposed that all the banks should lend at least 10 percent of their loan portfolio to Agriculture, 5 percent to SME and 5 percent to Women and Youth. The budget 2016 also imposed 2 percent charge for 1-10 million rupee cash withdrawal and 3 percent charge on above 10 million withdrawal.

(Source: LBO- 20.11.2015)

Tax on electric vehicles has been increased from 5% to 50% at the 2016 budget presented to parliament. The import tax on 1000cc vehicles has also been increased from 50% to 70% which will lead to increase of prices in that category by Rs 250,000 to 400,000. With tax on hybrid vehicles increased to 10% the prices of hybrids will increase by Rs 500,000 to Rs 700,000. The increase of tax on electric cars has come in the backdrop where huge amounts have been invested in electric charging points in the country. Meanwhile the government plans to save Rs 4 billion annually by abolishing the issue of vehicle permits.

(Source: Daily News - 20.11.2015)

Sri Lanka's Higher Education and Highways Ministry has taken steps to minimize the gap between Mahapola Scholarship holders and bursary payment holders by increasing the monthly bursary payment from 2,500 rupees to 4,000 rupees to enable university students to continue their studies without any economic difficulties, media spokesman said. Approximately, 25,000 students are admitted to universities annually and nearly 12,000 of them receive Mahapola Scholarships, while nearly 7,000 students receive bursaries.

Mahapola scholarship holder receives a payment of 5,000 rupees per months while the bursary holder receives a payment of 2,500 rupees per month.

(Source: LBO- 20.11.2015)

Foreign News

BEIJING - China's central bank said Thursday it will cut the interest rates on standing lending facility (SLF), a liquidity support tool, for its local branches. The interest rates of overnight and seven day SLFs for local financial institutions will be reduced to 2.75 percent and 3.25 percent respectively from Friday, the People's Bank of China (PBOC) announced.SLF is a tool created by the PBOC in early 2013 to provide a large amount of funding to banks when they face a liquidity squeeze and are unable to get sufficient financing from the interbank market. Early this year, the PBOC authorized its branches across the country to conduct SLFs and offer short-term liquidity to qualified small- and medium-sized banks.

(Source: ChinaDaily.com - 20.11.2015)

Japan's exports in October fell for the first time in more than a year, stoking worries the world's third-largest economy may struggle to recover from a recession as weak overseas demand dims the trade outlook. Ministry of Finance data showed on last Thursday that exports fell 2.1 percent in October from a year earlier, matching economists' median estimate. On the month, exports rose 0.6 percent, marking the first increase in four months. It was the first annual decline since August 2014 when a fall in U.S.-bound exports hurt overall shipments. The soft figures follow just days after third-quarter data showed Japan slipped into its fourth recession in five years, casting doubt about the effectiveness of Prime Minister Shinzo Abe's reflationary policies known as Abenomics.

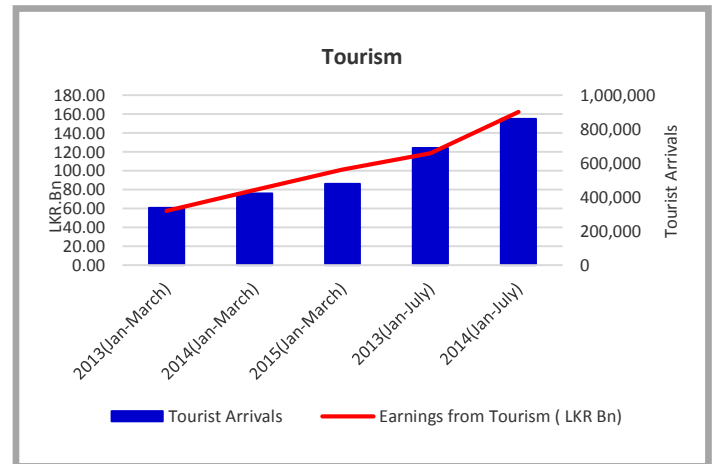
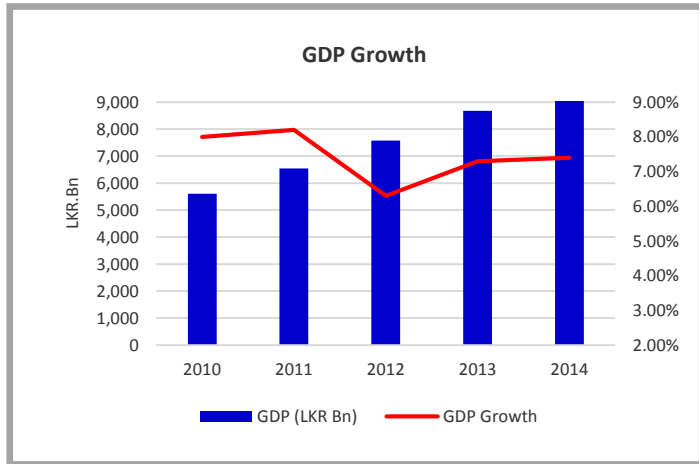
(Source: The Japan News - 20.11.2015)

Early indications of wage pressures in pockets of corporate America have begun emerging in recent weeks, suggesting labour costs could be a bigger headwind for U.S. companies in 2016. Over the course of the latest corporate earnings reporting season, executives from nearly 20 S&P 500 companies have flagged labour costs, shortages or wage pressure as headwinds. That is up from about a dozen companies who singled out these concerns a quarter earlier and a year ago, a sign that more companies are talking about wage issues, an analysis of earnings season comments by Thomson Reuters showed. To be sure, plenty of companies are still laying off workers to cut costs further, especially in the energy sector, which is hard hit by falling oil prices.

(Source: Reuters- 19.11.2015)

GDP and Economy

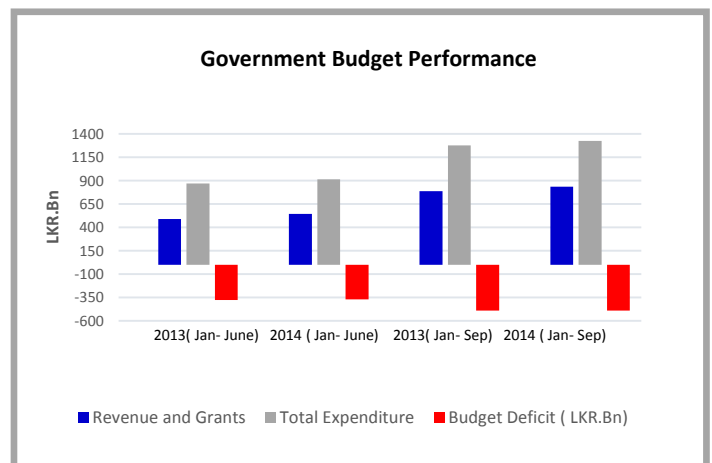
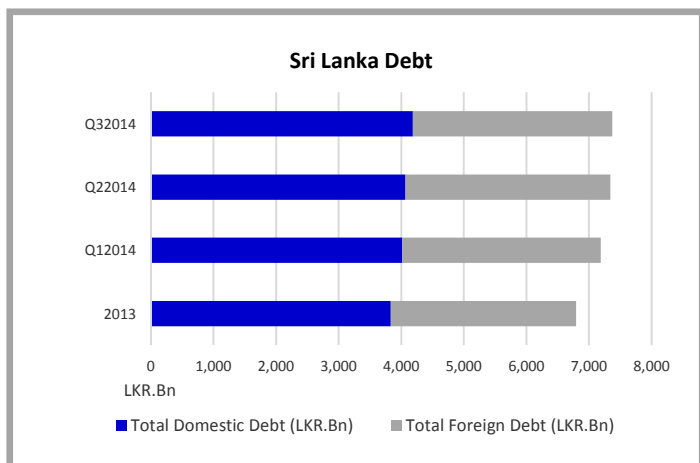
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

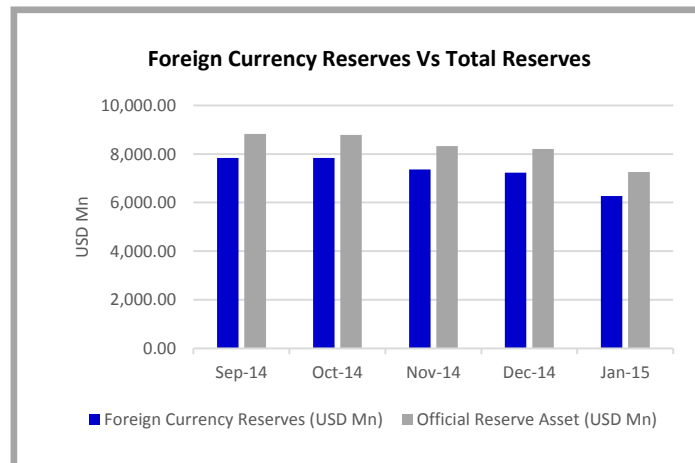
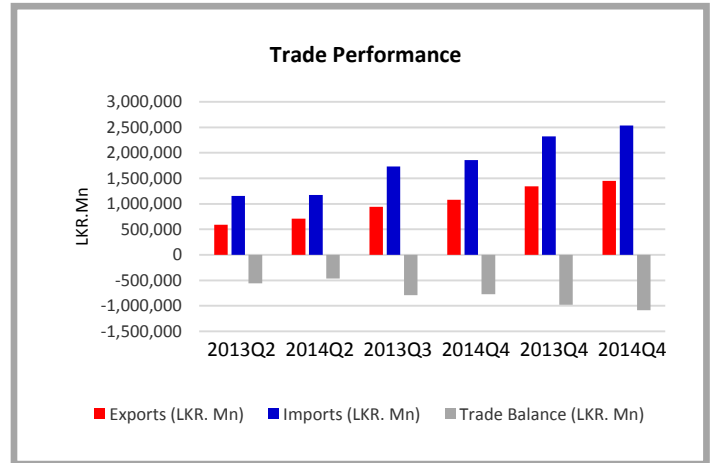
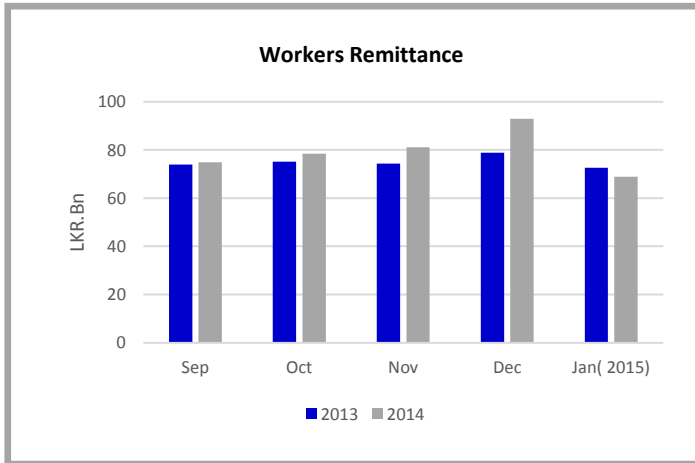


Sri Lanka Fiscal Performance

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


DISCLAIMER: This document is a Research Report available to clients of Kenanga Investment Corp Ltd., The information contained in the document has been compiled from sources that we believe to be reliable; however we do not hold ourselves responsible for its completeness or accuracy. All opinions and estimates included in this report constitute of our judgment on the data available to us as at this date and as such are liable to change. Information contained in this document is not and should not be construed as an offer, or a solicitation of an offer to buy or sell any commodity or security or other financial instruments. Kenanga Investment Corporation Ltd, or its affiliates and/ or its directors, officers and employees shall not be in any way be responsible or liable for loss or damage which any person or party may sustain or incur by relying on the content of this document.



OUR SERVICES

1. CAPITAL MARKET ACTIVITIES
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.

kenanga

INVESTMENT FOR ALL

CAPITAL MARKET ACTIVITIES

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

PORTFOLIO MANAGEMENT

- Listed Equity
- Fixed Income Securities
- Kenanga Retirement Plan (KRP)

CORPORATE RESTRUCTURING

- Balance Sheet Restructuring
- Corporate Restructuring

KENANGA INVESTMENT CORPORATION LTD

4th Floor Landmark Building,
No 385, Galle Road,
Colombo 03

Web: www.kenangasl.com
Email: info@kenangasl.com

Tel: 011 523 8441
Fax: 011 523 8442



KENANGA RETIREMENT PLAN (KRP)

A smart investment idea

**AN
INVESTMENT
Plan that will give you
peace of mind during
RETIREMENT**

Kenanga Retirement Plan-retirement for any age

Kenanga Investment Corporation Ltd (KICL)--the investment banking and fund management expert introduces the Kenanga Retirement Plan (KRP), which affords an opportunity for individuals to invest for their retirement from early on.

Why should a customer choose KRP over other retirement products in the market? What differentiates KRP from the rest is the flexibility of the plan to individual needs. With a structure that delivers maximum convenience to the investor, KRP allows customers to monitor their portfolios online to maintain the deliverance of a transparent service. As the money is invested in different entities under the personal name of client, financial market risks can be mitigated, where the security of the investments are enhanced.

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.



CONTACT US

4th Floor, Landmark Building,
No. 385, Galle Road, Colombo 03.
Tel: 0094 115 238 441
Fax: 0094 115 238 442
E-mail: info@kenangasl.com
Web Link : www.Kenangasl.com