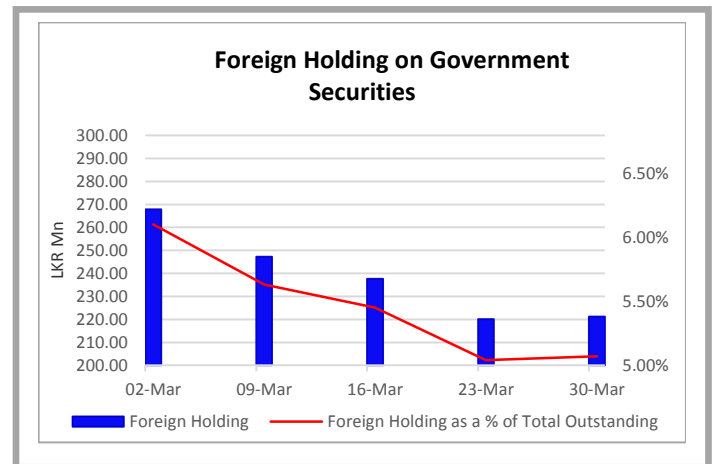
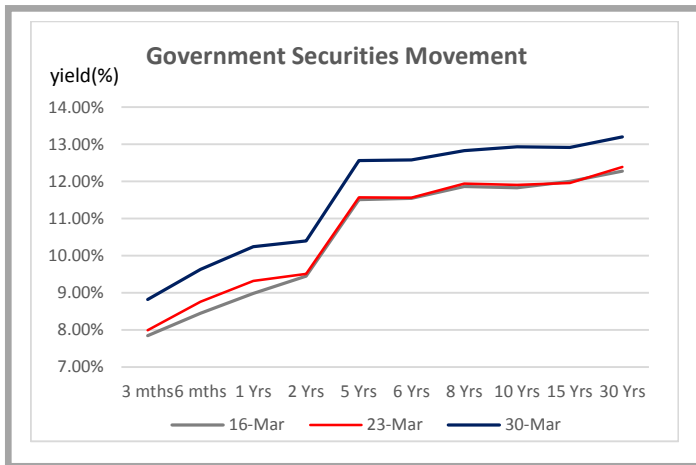
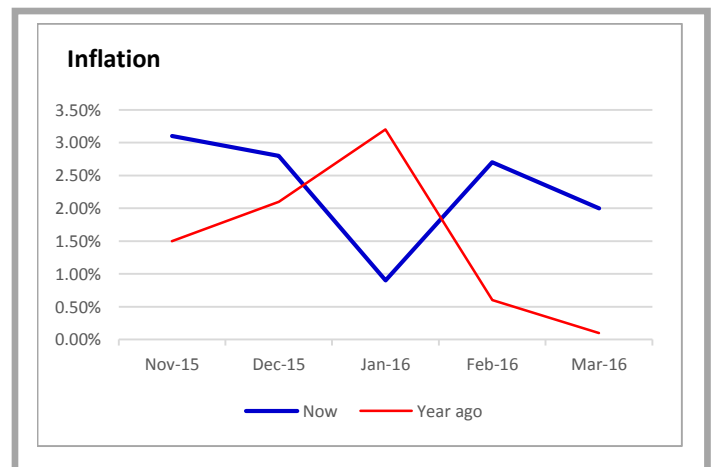
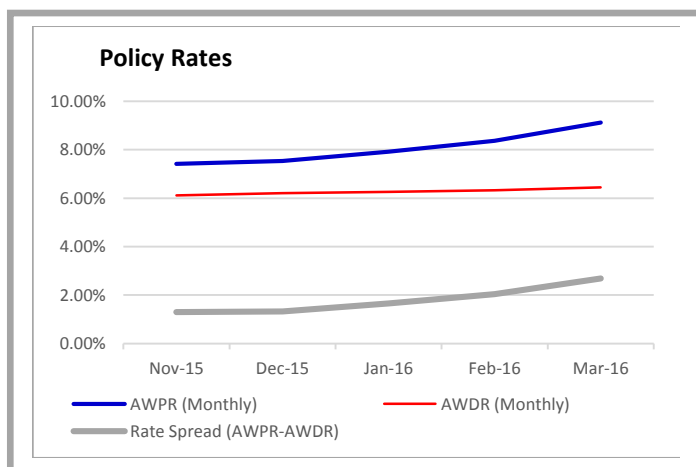


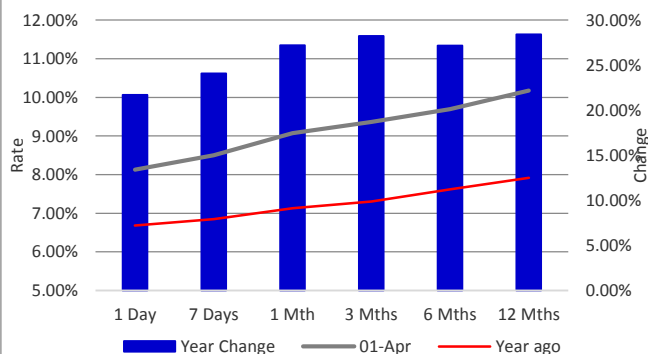
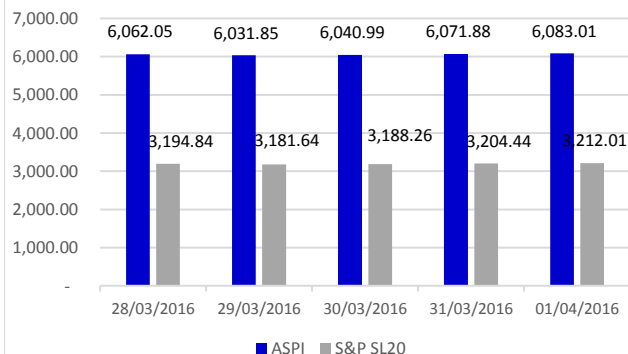
Economic Indicators: LKR/USD 145.28(0.42% WoW) AWPR: 9.19% (0.77% WoW) AWDR: 6.44% (1.74% MoM) ASPI: 6,083 (0.15% WoW) S&P SL20: 3,212 (0.46% WoW)



Market	Period	30-Mar	23-Mar	Change %
Secondary Market	3 months	8.82%	7.99%	10.39%
	6 months	9.63%	8.76%	9.93%
	1 Year	10.24%	9.32%	9.87%
	2 Years	10.40%	9.51%	9.36%
	5 Years	12.56%	11.57%	8.56%
	6 Years	12.58%	11.56%	8.82%
	8 Years	12.83%	11.94%	7.45%
	10 Years	12.93%	11.91%	8.56%
	15 Years	12.92%	11.96%	8.03%
	30 Years	13.20%	12.39%	6.54%

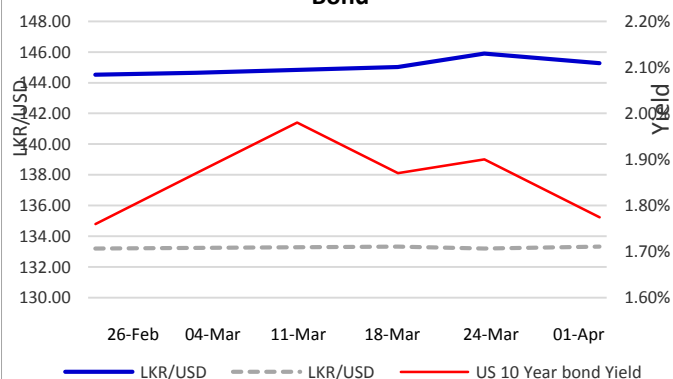
- Average Weighted Prime Lending Rate (AWPR): 9.19%. It has increased by 07 bps compared to last week.
- Average Weighted Deposit Rate (AWDR): 6.44% (Mar), 6.33% (Feb).
- Average Weighted Fixed Deposit Rate (AWFDR): 7.92% (Mar) and 7.75% (Feb).
- SLIBOR Rates : 8.13% (1Day), 8.50%(7Days), 9.07%(1Month), 9.36%(3Months), 9.69%(6Months), 10.17%(1Yr).
- Inflation (Annual average change): 1.1% (Mar) and 0.9% (Feb).



Sri Lanka Interbank Offer Rates

Daily Index Movement

LKR Exchange Rate Movement

- LKR appreciated over the week by 0.42% against USD from LKR/USD 145.89 to 145.28.
- One month forward rate of LKR/USD is 144.79 (Last week 145.18).

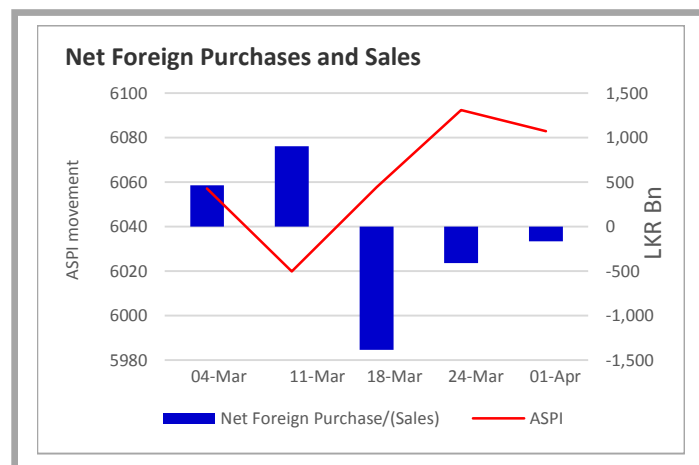
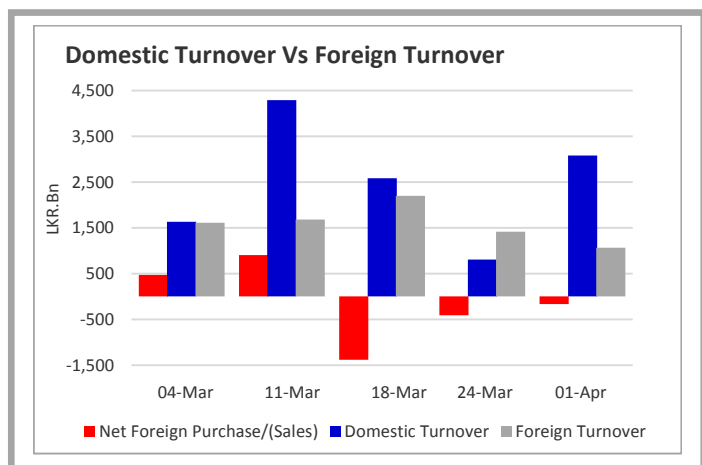
	04-Mar	11-Mar	18-Mar	24-Mar	01-April
INR 16	2.14	2.14	2.16	2.15	2.16
INR 15	2.14	2.11	2.11	2.13	2.12
RM 16	34.79	35.09	35.50	35.80	36.86
RM 15	36.62	35.78	35.96	36.23	35.98

LKR/USD Movement Vs US 10 Year Treasury Bond

Colombo Stock Exchange

- All Share Price Index: 6,093 points as at 01st April 2016.
- S&P 20: 3,212 points as at 01st April 2016.
- ASPI reduced by 09 points WoW which is 0.15%.
- S&P 30 increased WoW by 14 points, reflecting a 0.46% positive variation.
- Net Foreign Outflow: LKR. 163 Mn.
- Last week recorded a Net foreign Outflow: LKR. 410 Mn.
- Market capitalization: LKR.2,590Bn which is 0.54% reduction compared to last week.
- Market PE: PE recorded as 15.32 in this week and it has reduced by 0.39% from the last week.

Price Index by Sector

Top Gainers	This week	Pre. week	Change %
FOOTWEAR AND TEXTILES	914.88	890.16	2.78%
CHEMICALS AND PHARMACEUTICALS	7,105.55	6,950.07	2.24%
HEALTH CARE	889.00	877.01	1.37%
MANUFACTURING	3,807.01	3,762.64	1.18%
TRADING	14,911.48	14,764.21	1.00%
Top Losers			
BEVERAGE FOOD AND TOBACCO	20,471.47	20,841.63	-1.78%
TELECOMMUNICATIONS	168.17	170.49	-1.36%
INVESTMENT TRUSTS	12,979.57	13,156.48	-1.34%
INFORMATION TECHNOLOGY	46.13	46.69	-1.20%
MOTORS	16,395.79	16,573.19	-1.07%



Local News

Consumer prices in Sri Lanka's capital Colombo has accelerated 2.0 percent in March 2016 from a year earlier, down from 2.7 percent in February 2016 with the inflation index dropping 1.1 percent in the month, the state statistics office said. As per the statistics office, Year on year inflation of Food Group has increased from 0.8 percent in February 2016 to 1.4 percent in March 2016 while Non-food Group decreased by 4.6 percent to 2.5 percent during this period. For the month of March, on year to year basis, contribution to inflation by food commodities was 0.68 percent while contribution of Non-food items was 1.33 percent. The CCPI for all items for the month of March 2016 was 181.7 recording a decrease of 2.1 index points or a percentage of -1.16 compared to the month of February 2016.

(Source: LBO - 31.03.2016)

Sri Lanka's unemployment reported for the third quarter 2015 was 5.0 percent. According to the Lanka Labour Force Survey (LFS) released yesterday for the fourth quarter of 2015, it states that the estimated economically active population is 8.9 million of which 64.5 percent are males and 35.5 percent are females. Sri Lanka's labour force participation rate (LFPR) for the fourth quarter was at 53.6% and this is a 75.4% and 35.2% for males and females respectively. Out of this 47.2% are engaged in Services sector, 27.5% in Agriculture sector and 25.3% in Industry sector. Highest employment share is in service sector and this pattern is same for both male and female. The lowest employment share is for the industry sector.

(Source: Daily News - 01.04.2016)

Sri Lanka plans to issue international sovereign bonds up to three billion dollars in 2016, the Central Bank said, in a request for proposals to appoint lead managers or book runners. "As per the approved Sovereign Bond programme of the Government of Sri Lanka (GOSL), Central Bank of Sri Lanka (CBSL) intends to issue International Sovereign Bonds (ISBs) up to USD 3,000 million in the international capital market in 2016," a statement said. "The issuances in single or multiple tranches would be in US Dollar and Chinese Renminbi (Panda / Dim Sum) with a fixed coupon and medium to long term maturities where non-resident investors will be eligible to invest at the primary issuance," it said.

(Source: LBO - 30.03.2016)

Foreign News

The number of applications for unemployment benefits in the U.S. climbed last week to a two-month high. The four-week moving average of claims, a less volatile measure than the weekly figures, increased to 263,250 from 259,750. The number of people continuing to receive jobless benefits fell 7,000 in the week ended March 19 to 2.17 million, the lowest level since mid-October. The unemployment rate among people eligible for benefits held at 1.6 percent. These data are reported with a one-week lag. Initial jobless claims reflect weekly firings, and a sustained low level of applications has typically coincided with faster job gains. Layoffs can also reflect company- or industry specific causes, such as cost-cutting or business restructuring.

(Source: Bloomberg - 31.03.2016)

Japan's manufacturing activity contracted in March at the fastest pace in more than three years as new export orders shrank sharply, a business survey showed on Friday, adding to fears the world's third-largest economy is sliding back into recession. The Markit/Nikkei Final Japan Manufacturing Purchasing Managers Index (PMI) fell to 49.1 in March on a seasonally adjusted basis, unchanged from a preliminary reading and below the final 50.1 in February. The sub-index for new export orders sank to 46.1, above the flash reading of 45.9 but still well below the 49.0 recorded in February. New export orders contracted at the fastest since January 2013. Factory output contracted, albeit mildly, for the first time since April 2015, after growth slowed sharply in February.

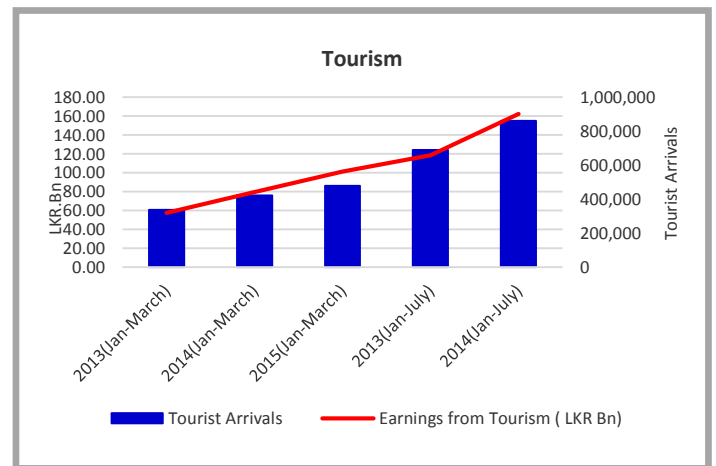
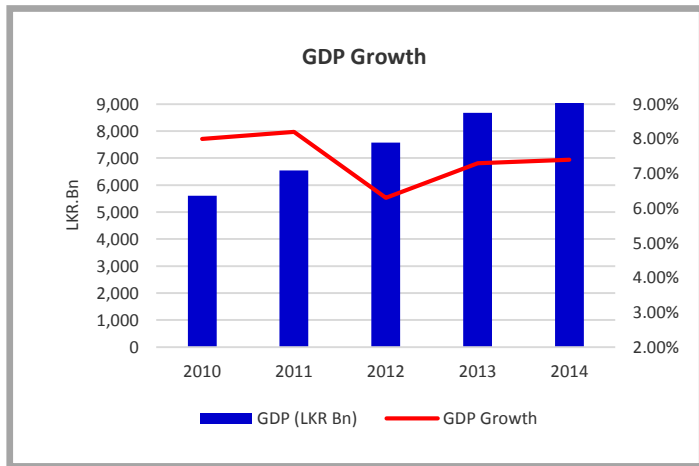
(Source: Reuters - 31.03.2016)

A sharp fall in energy prices in March meant the overall index of consumer prices fell again year-on-year, but less than in the previous month, the European Union's statistics office Eurostat estimated on Thursday. Eurostat said consumer inflation was -0.1 percent year-on-year in March, after a -0.2 percent year-on-year reading in February. The European Central Bank wants to keep inflation close to, but below 2 percent. Energy prices dropped 8.7 percent in March against the same period of 2015, Eurostat said. Without the volatile energy and unprocessed food components, a measure the ECB calls core inflation, consumer prices rose 0.9 percent year-on-year, accelerating from 0.8 percent in February.

(Source: Reuters - 31.03.2016)

GDP and Economy

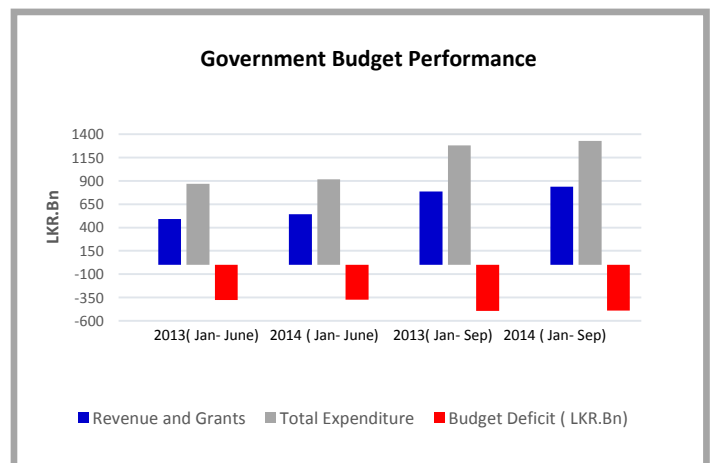
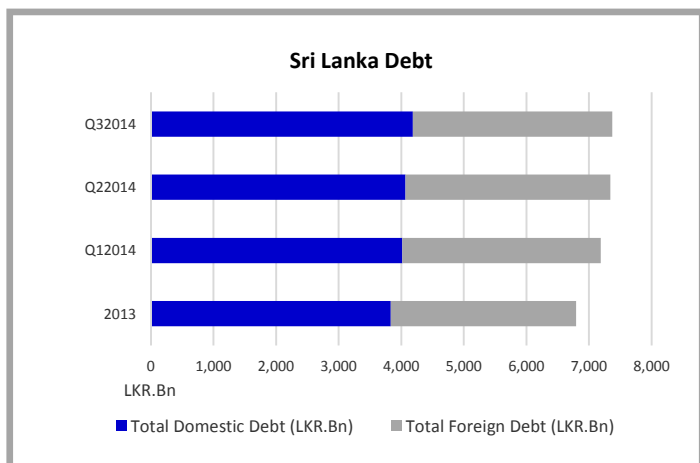
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

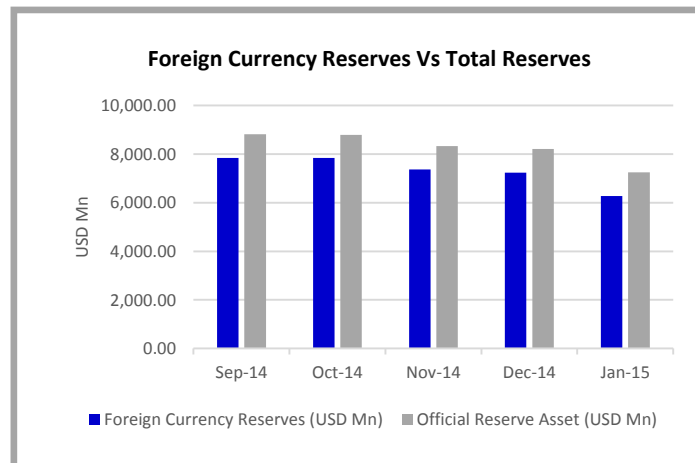
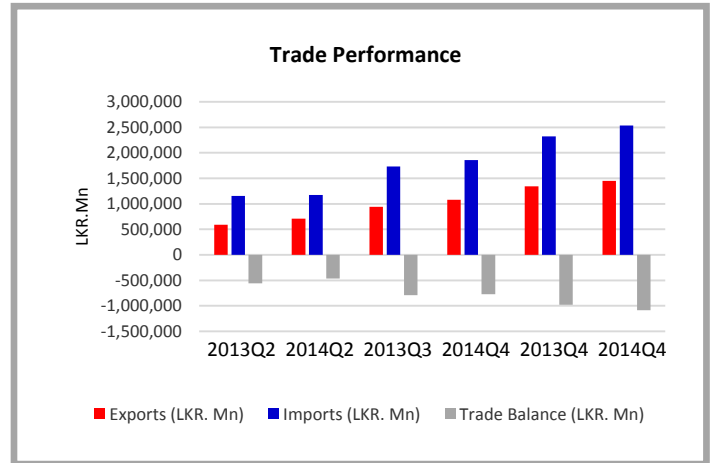
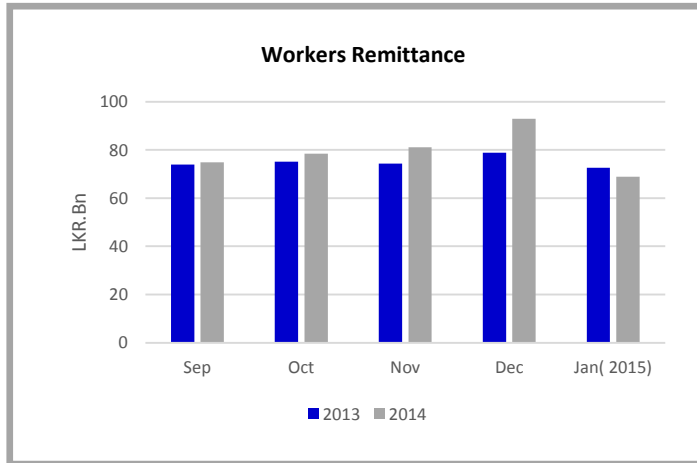


Sri Lanka Fiscal Performance

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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- Fixed Income Securities
- Kenanga Retirement Plan (KRP)

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- Balance Sheet Restructuring
- Corporate Restructuring

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