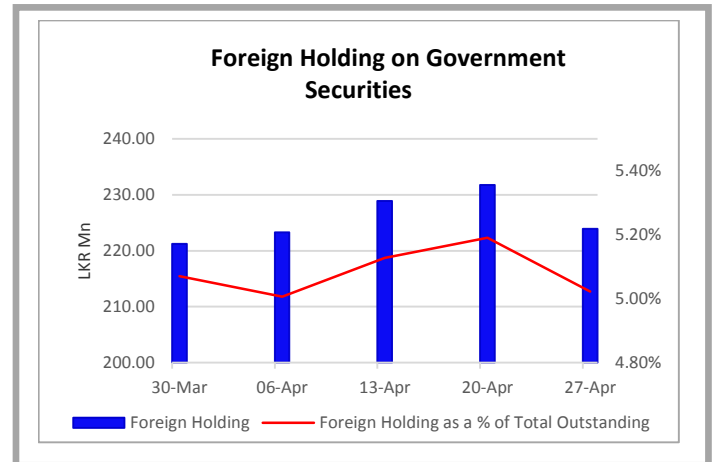
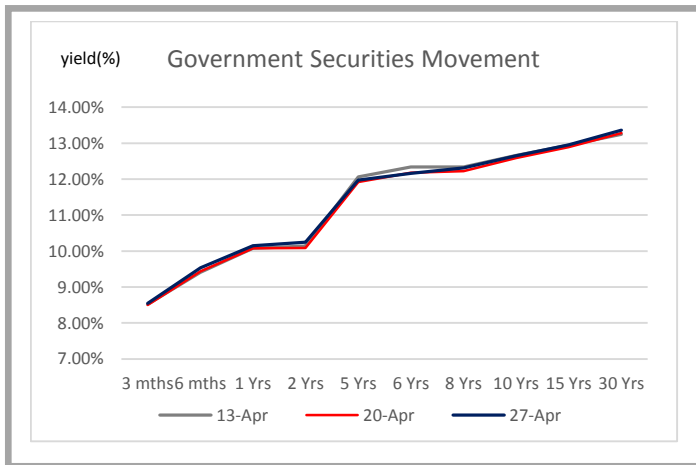
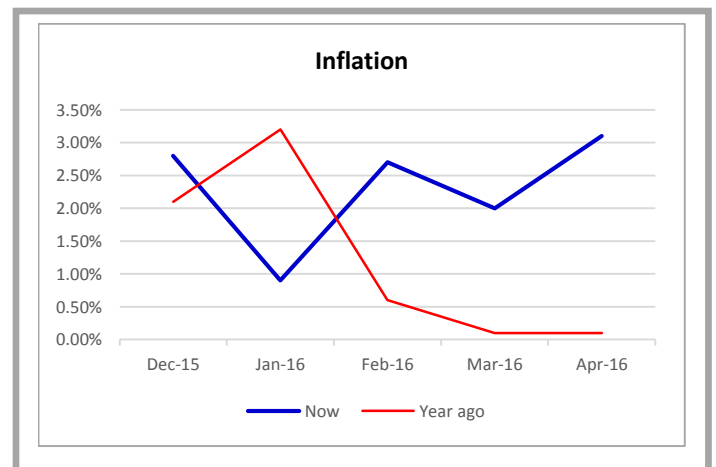
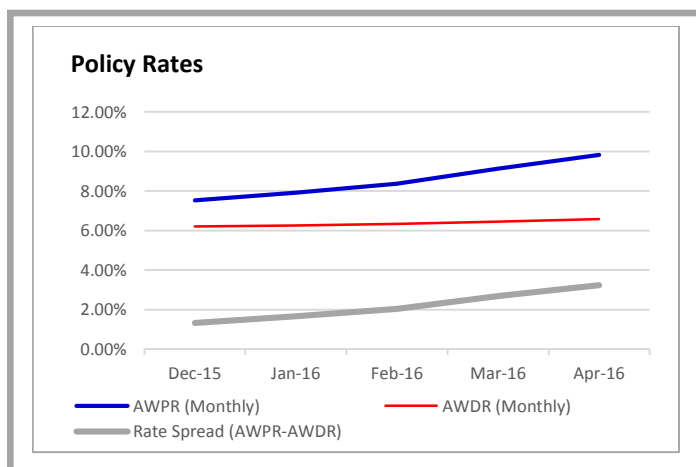


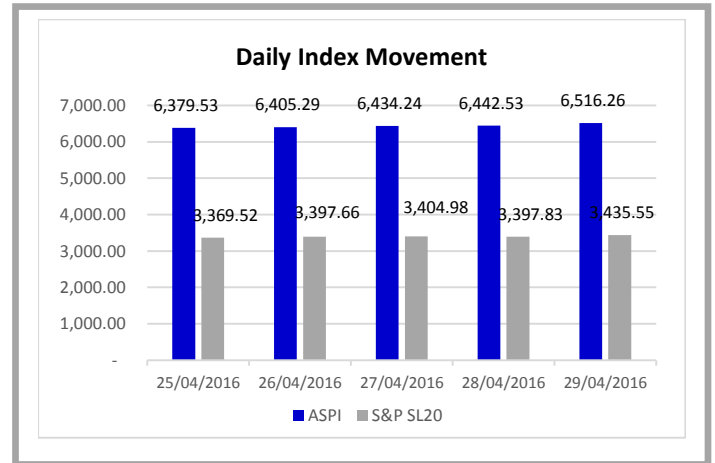
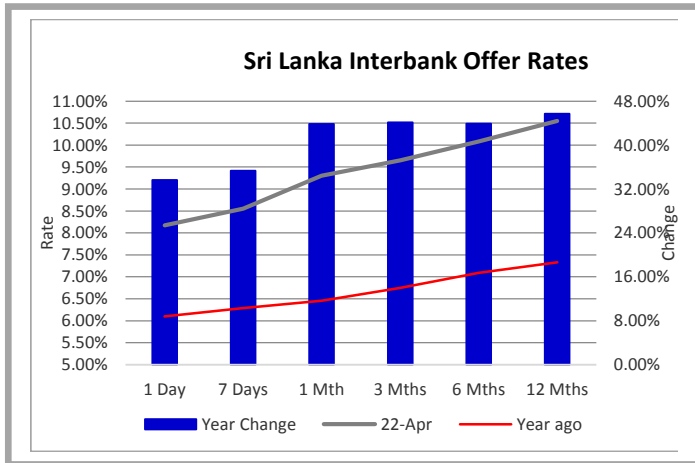
Economic Indicators: LKR/USD 145.51 (0.28% WoW) AWPR: 9.82% (2.72% WoW) AWDR: 6.58% (2.17% MoM) ASPI: 6,516 (1.46% WoW) S&amp;P SL20: 3,435 (1.17% WoW)



Market	Period	27-Apr	20-Apr	Change %
Secondary Market	3 months	8.55%	8.50%	0.59%
	6 months	9.53%	9.44%	0.95%
	1 Year	10.15%	10.08%	0.69%
	2 Years	10.25%	10.09%	1.59%
	5 Years	11.97%	11.92%	0.42%
	6 Years	12.16%	12.18%	-0.16%
	8 Years	12.31%	12.22%	0.74%
	10 Years	12.65%	12.59%	0.48%
	15 Years	12.95%	12.89%	0.47%
	30 Years	13.36%	13.28%	0.60%

- Average Weighted Prime Lending Rate (AWPR): 9.82%. It has increased by 26 bps compared to last week.
- Average Weighted Deposit Rate (AWDR): 6.58% (Apr), 6.44% (Mar).
- Average Weighted Fixed Deposit Rate (AWFDR): 8.18% (Apr) and 7.92% (Mar).
- SLIBOR Rates : 8.15% (1Day), 8.51%(7Days), 9.29%(1Month), 9.73%(3Months), 10.20%(6Months), 10.68%(1Yr).
- Inflation (Annual average change): 1.3% (Apr) and 1.1% (Mar).

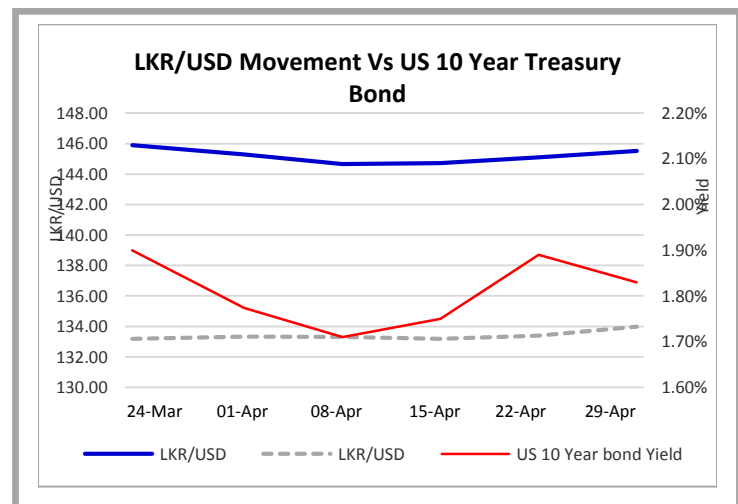




### LKR Exchange Rate Movement

- LKR depreciated over the week by 0.28% against USD from LKR/USD 145.10 to 145.51.
- One month forward rate of LKR/USD is 146.45 (Last week 145.51).
- Three months forward rate of LKR/USD is 147.70 (Last week 146.67).

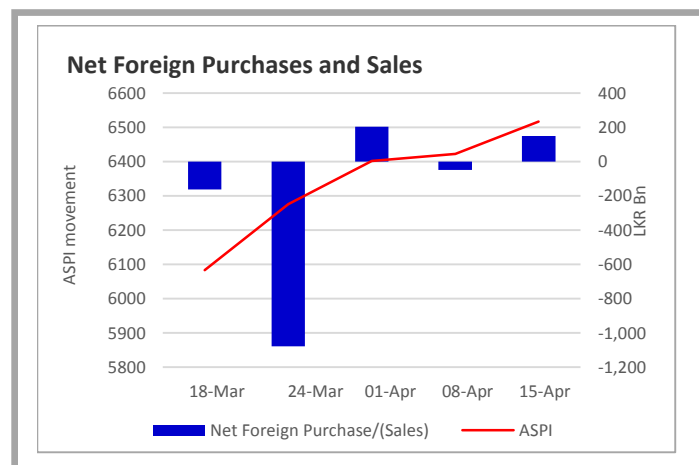
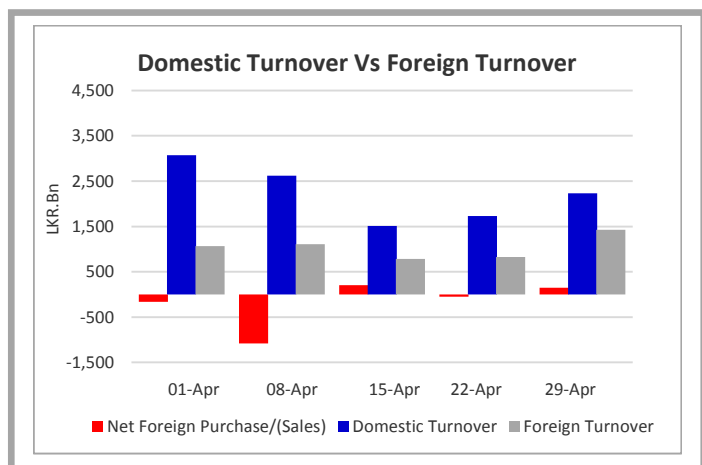
	01-Apr	08-April	15-April	22-April	29-April
INR 16	2.16	2.15	2.16	2.16	2.16
INR 15	2.12	2.13	2.13	2.11	2.10
RM 16	36.86	36.59	36.96	36.90	36.99
RM 15	36.98	36.45	35.90	36.60	37.33



### Colombo Stock Exchange

- All Share Price Index: 6,516 points as at 29<sup>th</sup> April 2016.
- S&P 20: 3,435 points as at 29<sup>th</sup> April 2016.
- ASPI increased by 93 points WoW which is 1.46%.
- S&P 30 increased WoW by 39 points, reflecting a 1.17% positive variation.
- Net Foreign Inflow: LKR. 150 Mn.
- Last week recorded a Net foreign Outflow: LKR. 48 Mn.
- Market capitalization: LKR.2,776 Bn which is 1.46% increase compared to last week.
- Market PE: PE recorded as 16.42 in this week and it has increased by 1.48% from the last week.

Price Index by Sector			
Top Gainers	This week	Pre. week	Change %
HEALTHCARE	1,028.45	960.79	7.04%
MANUFACTURING	4,219.27	4,071.53	3.63%
INVESTMENT TRUSTS	15,957.96	15,509.51	2.89%
POWER AND ENERGY	169.03	164.59	2.70%
BEVERAGE FOOD AND TOBACCO	21,906.92	21,459.46	2.09%
Top Losers			
INFORMATION TECHNOLOGY	60.06	66.19	-9.26%
LAND AND PROPERTY	703.78	714.50	-1.50%
CHEMICALS AND PHARMACEUTICALS	7,320.91	7,362.18	-0.56%
MOTORS	16,779.48	16,846.51	-0.40%
OIL PALMS	79,325.35	79,602.93	-0.35%



### Local News

Sri Lanka's economic growth is projected to gain further momentum, at 5.4 percent in 2016 and 5.9 percent in 2017, newly released 2016 UNESCAP report said. UNESCAP report further said private consumption in Sri Lanka will likely remain the key growth driver amid greater urbanization and rising demand for housing. As per the report, one immediate policy challenge is to ensure a strong fiscal position and debt sustainability. Public debt reached 72 percent of GDP in 2014. The 2016 budget suggests that the fiscal deficit would remain large at 5.9 percent of GDP. The fiscal shortfall is due to both limited revenue collection, with the tax revenue-to-GDP ratio having been only 10.2 percent in 2014, and the country's large expenditure burden.

**(Source: LBO - 28.04.2016)**

Consumer prices in Sri Lanka's capital Colombo has accelerated 3.1 percent in April 2016 from a year earlier, up from 2.0 percent in March 2016 with the inflation index gaining 1.3 percent in the month, the state statistics office said. The Year on Year inflation of Food Group has increased from 1.4 percent in March 2016 to 4.9 percent in April 2016 while Non-food Group decreased by 2.5 percent to 1.7 percent during this period. For the month of April 2016, on year to year basis, contribution to inflation by food commodities was 2.29 percent and the contribution of Nonfood items was 0.89 percent. The CCPI for all items for the month of April 2016 was 184.1 and it records an increase percentage of 1.33.

**(Source: LBO - 29.04.2016)**

Sri Lanka is looking to China to develop Hambantota as a mega Asia hub, Special Assignments Minister Dr. Sarath Amunugama said at the Maritime Co-operation and Management meeting last week. "We are going to expand the Hambantota harbour and also utilise the Mattala airport. We have discussed with the government to release 1,000 acres for Chinese and others investors to set up their factories in Hambantota and we are expecting over 100 investors for manufacturing in Sri Lanka." Commenting on the maritime sector the minister said nobody was very much interested in the Indian Ocean because it was dominated by a colonial regime at different parts of our positioning in the Indian Ocean.

**(Source: Daily News - 29.04.2016)**

### Foreign News

Vietnam is forecast to lure over 6.88 billion U.S. dollars of foreign direct investment (FDI) in the first four months of 2016, up 85 percent year-on-year, said the country's General Statistics Office (GSO) on Thursday. Specifically, during four-month period, Vietnam has granted licenses for 697 new FDI projects with registered capital of 5.08 billion U.S. dollars, up 55.6 percent in volume and 89.9 percent in value year-on-year. From January to April, industrial manufacturing and processing sector is likely to attract most FDI with 5.246 billion dollars, accounting for 76.2 percent of total Vietnam's FDI. Expertise, science and technology activities replace real estate sector to claim the second place with registered capital of 334.6 million dollars, accounting for 4.9 percent of total figure.

**(Source: Xhuanet.com - 28.04.2016)**

Indian economy is projected to expand by 7.6% in 2016-17 and accelerate to 7.8% in 2017-18, mainly on the back of domestic consumption demand aided by steady employment and a relatively low inflation, a UN report for the Asia-Pacific. The urban household spending is expected to drive the momentum amid steady employment growth and relatively low inflation. Fixed investment conditions are seen to be improving because of lower borrowing costs and a more enabling business environment brought about by a better World Bank ranking on ease of doing business. The report pointed to challenges such as high levels of stressed assets in the banking sector and a fragile business confidence that could constrain investment growth.

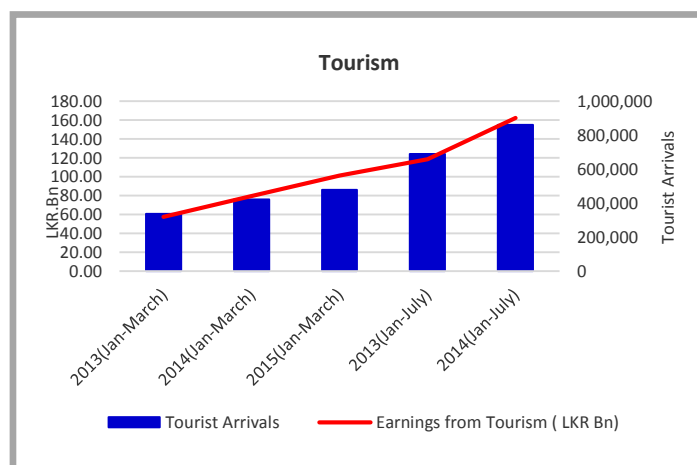
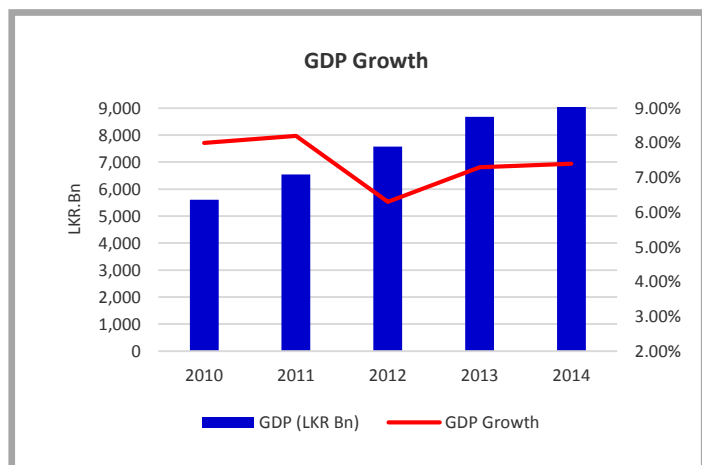
**(Source: Business Standard (India) - 28.04.2016)**

The U.S. economy grew at its weakest quarterly pace in two years between the months of January and March, government data showed Thursday morning, as consumers and businesses alike showed new caution with their spending. The nation's gross domestic product expanded just 0.5 percent on an annualized pace. Businesses cut back on investments with a severity not seen since the financial crisis. The relatively tepid growth indicates that the economy is still being held back by apprehension and caution even as global chaos diminishes, employers continue hiring and the stock market recovers from early-year turmoil. Most analysts say that the United States faces little risk of recession.

**(Source: The Washington Post - 28.04.2016)**

## GDP and Economy

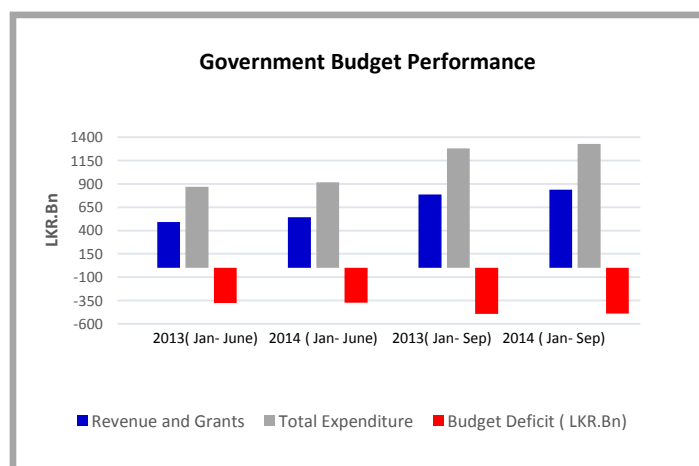
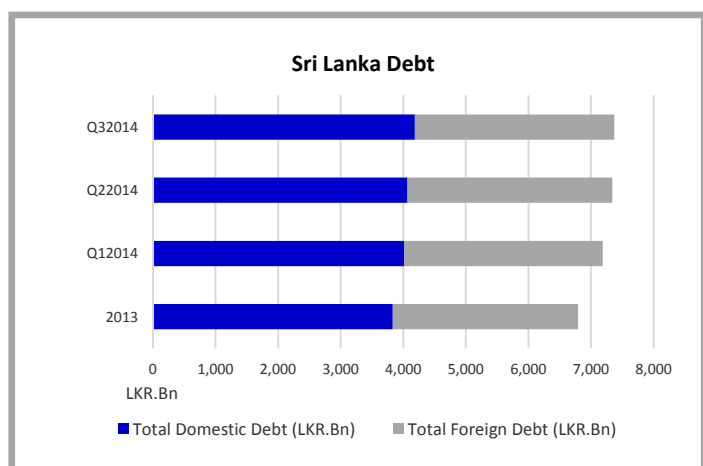
- The GDP of 2014 depicts a steady growth of 7.4% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 57.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2014 (as per the prices in 2002) were LKR.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

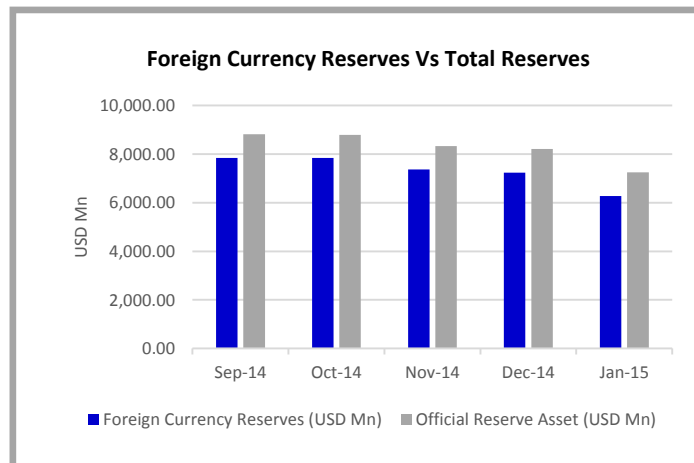
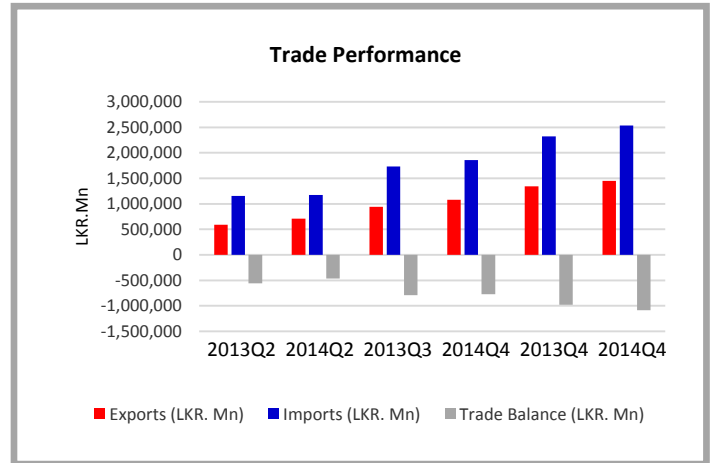
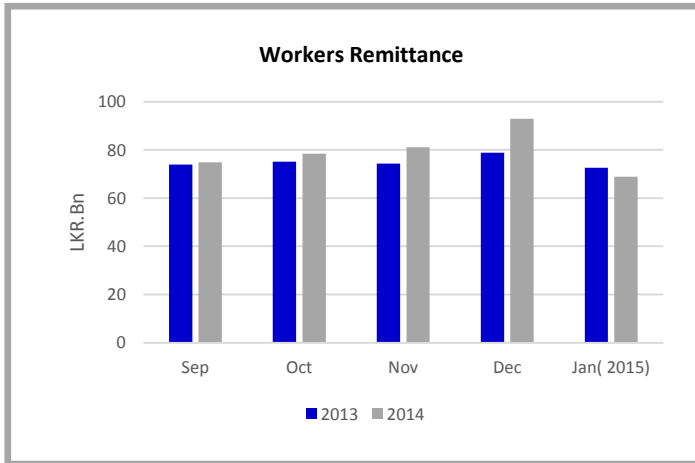


## Sri Lanka Fiscal Performance

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**


**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](http://www.kenangasl.com)  
Email: [info@kenangasl.com](mailto: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](mailto:info@kenangasl.com)  
Web Link : [www.Kenangasl.com](http://www.Kenangasl.com)