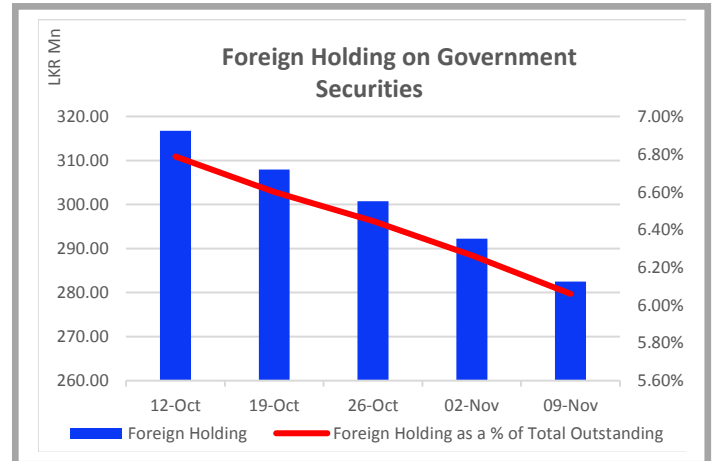
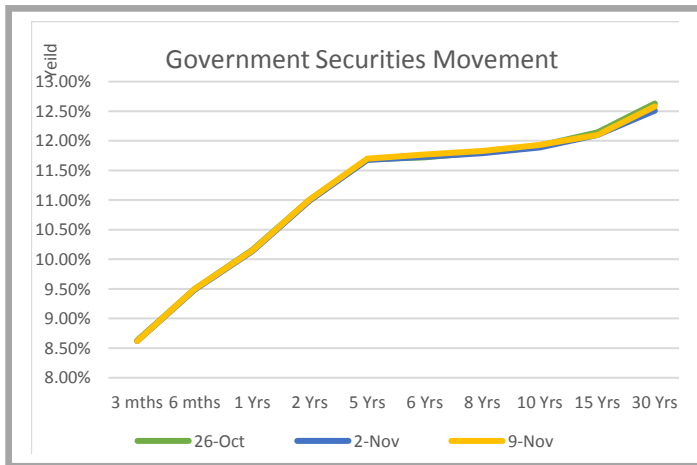
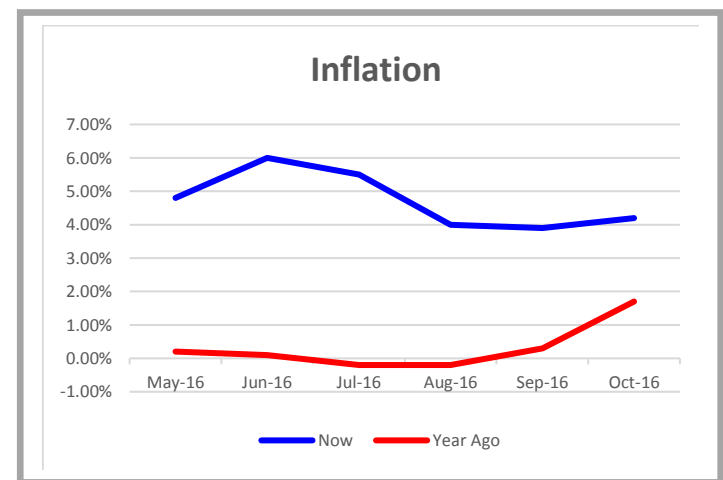
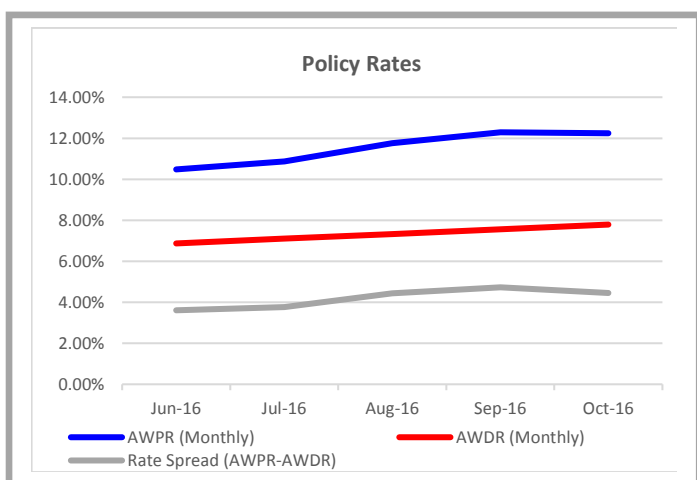


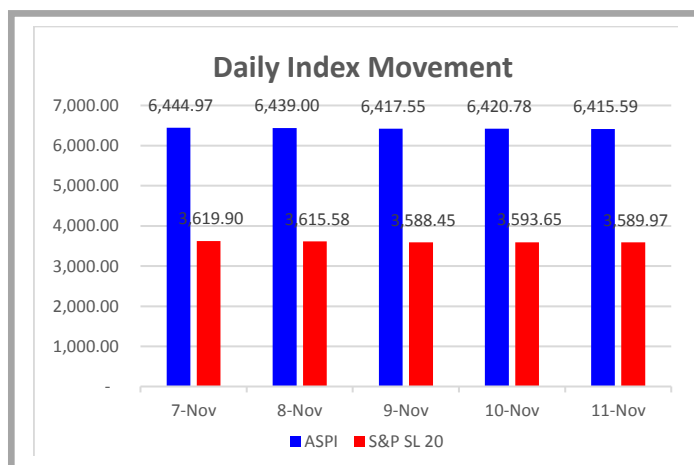
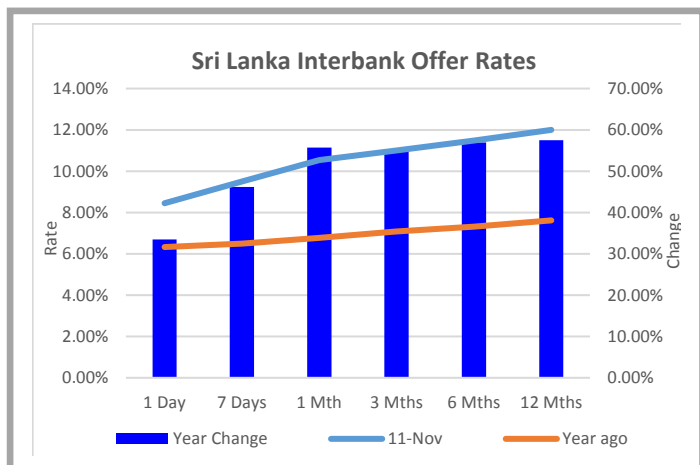
Economic Indicators: LKR/USD 147.73 (0.49% WoW) AWPR: 11.95% (1.57% WoW) AWDR: 7.79% (3.04% MoM) ASPI: 6,416 (0.30% WoW) S&P SL20: 3,590 (0.51% WoW)



Market	Period	09-Nov	02-Nov	Change bps
Secondary Market	3 months	8.62%	8.62%	0.00
	6 months	9.50%	9.49%	0.01
	1 Year	10.15%	10.14%	0.01
	2 Years	11.01%	10.99%	0.02
	5 Years	11.70%	11.68%	0.02
	6 Years	11.77%	11.73%	0.04
	8 Years	11.83%	11.79%	0.04
	10 Years	11.93%	11.89%	0.04
	15 Years	12.10%	12.10%	0.00
30 Years	12.58%	12.51%	0.07	

- Average Weighted Prime Lending Rate (AWPR): 11.95%. It has declined by 19 bps compared to last week.
- Average Weighted Deposit Rate (AWDR): 7.79% (Oct), 7.56% (Sep).
- Average Weighted Fixed Deposit Rate (AWFDR): 9.95% (Oct) and 9.67% (Sep).
- SLIBOR Rates: 8.44% (1Day), 9.50% (7Days), 10.52% (1Month), 11.00% (3Months), 11.50% (6Months), 12.00% (1Yr).
- Inflation (Annual average change): 4.9% (Oct) and 5.0% (Sep).

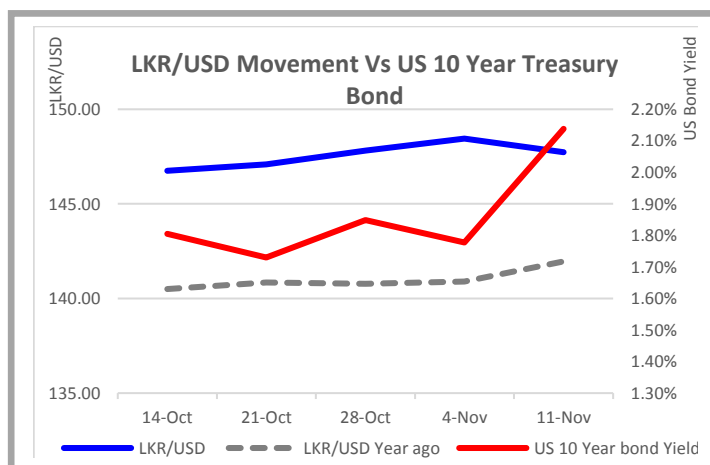




LKR Exchange Rate Movement

- LKR appreciated over the week by 0.49% against USD from LKR/USD 148.45 to 147.73
- One month forward rate of LKR/USD is 148.81 (Last week 149.22).
- Three months forward rate of LKR/USD is 150.45 (Last week 150.58).

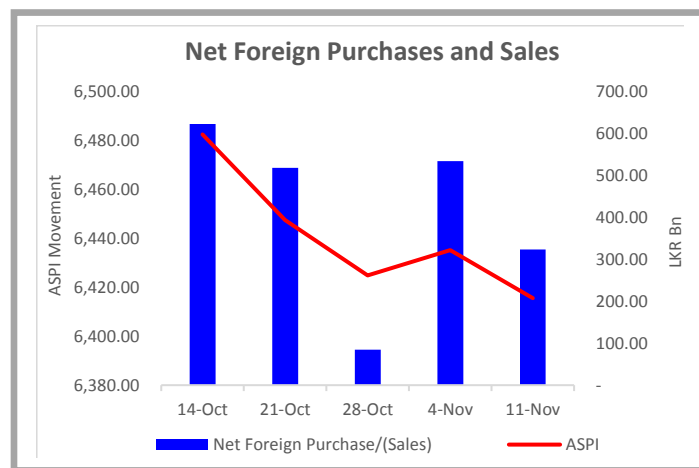
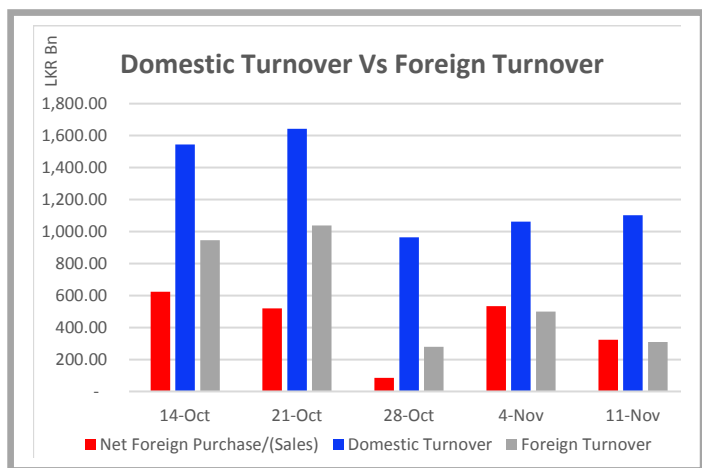
	14-Oct	21-Oct	28-Oct	04-Nov	11-Nov
INR 16	2.20	2.20	2.20	2.21	2.21
INR 15	2.16	2.17	2.17	2.15	2.14
RM 16	34.91	35.00	35.03	35.22	34.59
RM 15	33.60	32.82	32.96	33.13	32.50



Colombo Stock Exchange

- All Share Price Index: 6,415.59 points as at 11th November 2016.
- S&P 20: 3,589.97 points as at 11th November 2016.
- ASPI decreased by 19.58 points WoW which is 0.30%.
- S&P 20 decreased WoW by 18.58 points, reflecting a 0.51% positive variation.
- Net Foreign Inflow: LKR. 323.65 Mn.
- Last week recorded a Net Foreign Inflow: LKR. 534.20 Mn.
- Market capitalization: LKR. 2,733.18 Bn which is 0.30% decrease compared to last week.
- Market PE: PE recorded as 13.31 in this week and it has decreased by 0.37% from the last week.

Price Index by Sector			
	This week	Pre. week	Change %
Top Gainers			
SERVICES	18,637.22	18,034.23	3.34%
MOTORS	16,255.71	15,982.70	1.71%
BEVERAGE FOOD AND TOBACCO	21,283.40	20,956.49	1.56%
FOOTWEAR AND TEXTILES	947.24	938.15	0.97%
OIL PALMS	71,570.85	70,995.74	0.81%
Top Losers			
TRADING	16,153.75	16,655.98	-3.02%
INVESTMENT TRUSTS	13,646.85	14,047.98	-2.86%
LAND AND PROPERTY	632.21	642.33	-1.58%
CHEMICALS AND PHARMACEUTICALS	6,981.47	7,083.23	-1.44%
HEALTH CARE	1,078.98	1,093.12	-1.29%



Local News

Sri Lanka's online retail industry growing fast due to lack of physical infrastructure like shops and malls, Jones Lang LaSalle, SriLanka said. "Not only do things look good for physical retail in the country but also for online retail," Gagan Singh, chairperson, JLL, SriLanka said in a statement. "Unlike other countries where e-commerce slowly developed as a third retailing option after their high streets and malls had matured, Sri Lanka is already seeing the emergence of online retail even as its high streets and malls remain in a nascent stage." While the current penetration of internet is less than 30%, it is growing at a fast rate. Also, mobile penetration is at 107% and therefore, browsing via mobiles is higher, they said

(Source: <http://www.lankabusinessonline.com/> - 15.11.2016)

Foreign News

The International Monetary Fund (IMF) has approved a three-year \$12 billion (11.5 billion euros) loan package for Egypt to revive its struggling economy hit by soaring public debt and inflation. The IMF said it had immediately released \$2.75 billion to Egypt's central bank. Further payments would be made over the next three years, pending five reviews of reforms. The program will help "restore macroeconomic stability and promote inclusive growth," the IMF board said in a statement. IMF Managing Director Christine Lagarde called the bailout part of a "homegrown economic program" that will help to "address longstanding challenges to the economy" while protecting the poor and vulnerable.

(Source: <http://www.dw.com/> - 12.11.2016)

Sri Lanka's official reserves dropped 394.6 mn USD to 6.1 bn USD in Oct, down from 6.5 bn USD at the end of Sep, official Central Bank data showed. Foreign currency reserves were 5.1 bn USD and reserves in Gold were 0.91 bn USD. Central Bank has purchased 88.3 mn USD of foreign exchange from commercial banks at market rates in Oct while selling 163.8 mn USD in the month. The Central Bank's Treasury Bill holdings were down from 213.3 bn rupees in Sep to 179.3 bn rupees in Oct. During the year up to 11 Nov: 2016 the rupee has depreciated against the USD by 2.5%. Given the cross currency exchange rate movements, the Sri Lanka rupee has appreciated against the sterling pound by 15.1%. It has depreciated against Indian rupee by 1.9%, yen by 13.9% and euro by 2.4% during this period. (Source: <http://www.lankabusinessonline.com/> - 11.11.2016)

Japan's economy grew more than forecast in the three months through September, as a rebound in exports compensated for continued weak spending at home by people and companies. The surprisingly strong expansion, the biggest since early 2015, will likely provide some relief to Japanese Prime Minister Shinzo Abe as he faces the possible economic fallout from Donald Trump's U.S. election victory. Trump has said he strongly opposed a trade pact at the center of Abe's economic reform policies, and if his campaign rhetoric on trade becomes policy, Japanese companies could take a hit in one of their biggest markets. Economists say another key question is whether demand among Japanese consumers can improve.

(Source: <http://www.bloomberg.com/> - 14.11.2016)

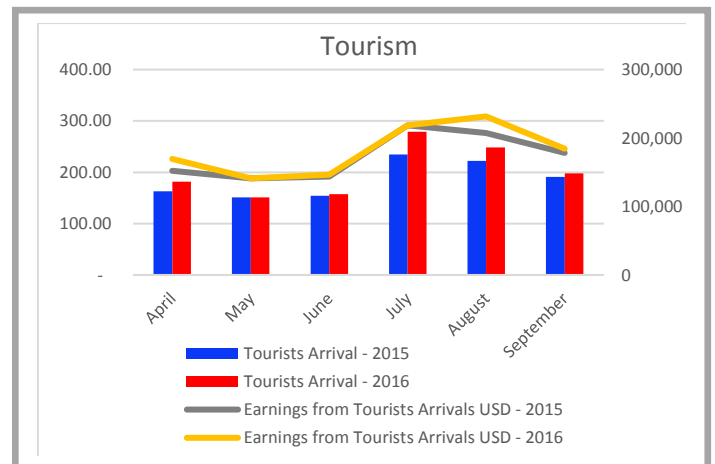
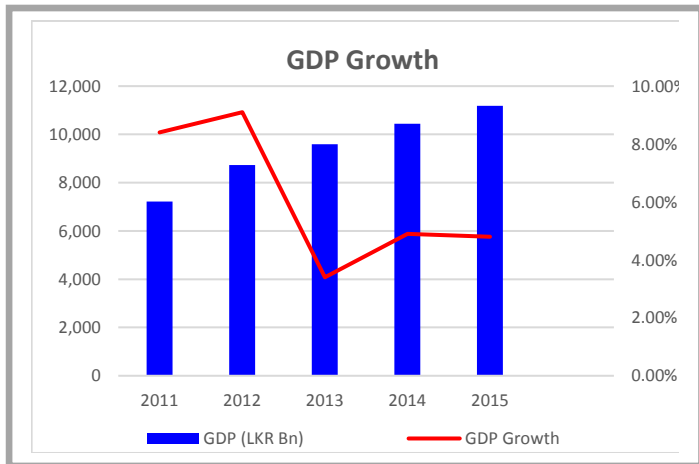
Confusion reigned on Friday at a post-Budget forum in Colombo over the actual amount the Government was planning to raise via the new Financial Transaction Levy (FTL). In the 2017 Budget presented by Finance Minister Ravi Karunanayake, a new Financial Transaction Levy (FTL) of Rs. 5 for every Rs. 10,000 cash transaction was proposed, including Easy Cash by banks and other financial institutions. This levy, Karunanayake justified was a contribution for social development. FTL will be treated as expenditure for income purposes. The Finance Minister also announced a fee of 2% on cash transactions above Rs. 5 million. This was to discourage cash transactions. The levy is not applicable on any transaction carried out through the banking channels including through cheques, telegraphic transfers, Bank drafts, etc. (Source: <http://www.ft.lk/> - 15.11.2016)

Mario Draghi reckons the European Central Bank has engineered a moderate and steady recovery in the euro area, and economists agree. Respondents in a Bloomberg survey predict a roughly consistent pace of growth right through 2017. That revival from a double-dip recession and debt crisis has depended heavily on an exceptionally loose monetary stance, meaning that when the ECB president and his colleagues speak in Frankfurt this week, investors will be seeking hints on how long the policy will last. It's not a simple topic. U.S. President-Elect Donald Trump's surprise victory last week, alongside the looming exit of the U.K. from the European Union, prompted Governing Council members Jens Weidmann and Vitor Constancio to warn of high uncertainty.

(Source: <http://www.bloomberg.com/> - 14.11.2016)

GDP and Economy

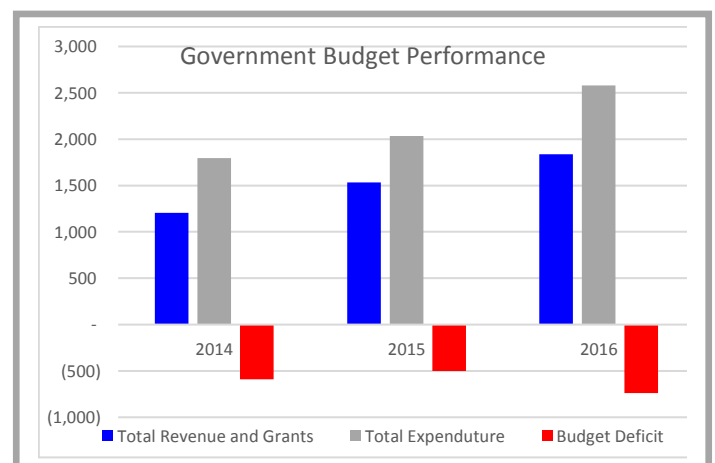
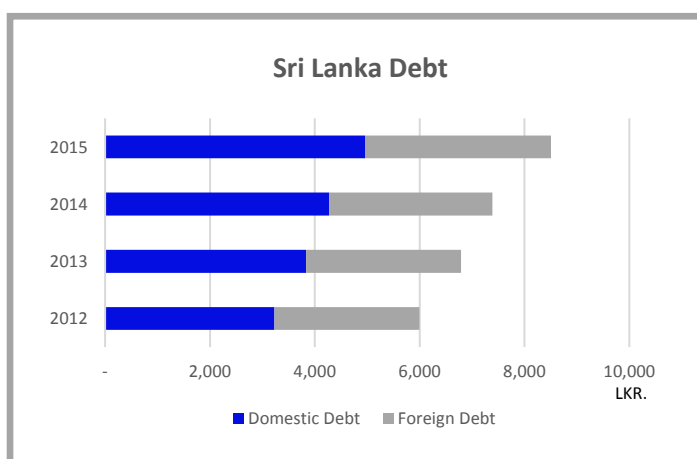
- The GDP of 2015 depicts a steady growth of 4.8% when compared to last year. The Service sector contribution was higher than the agriculture and industry sectors which was 56.6%.
- The agriculture sector, industry sector and Service sector real GDP recorded in 2015 (as per the prices in 2010) were LKR. 676,899Mn, LKR.2,259,223 Mn and LKR. 4,881,273Mn respectively.
- Unemployment rate was 4.6% in 2015 compared to 4.3% in the previous year.

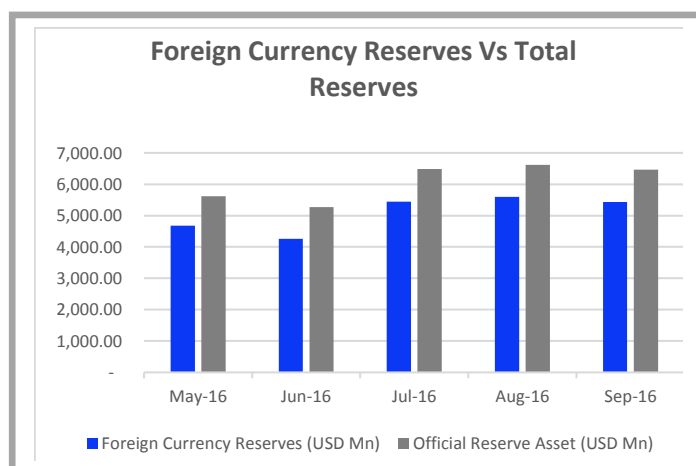
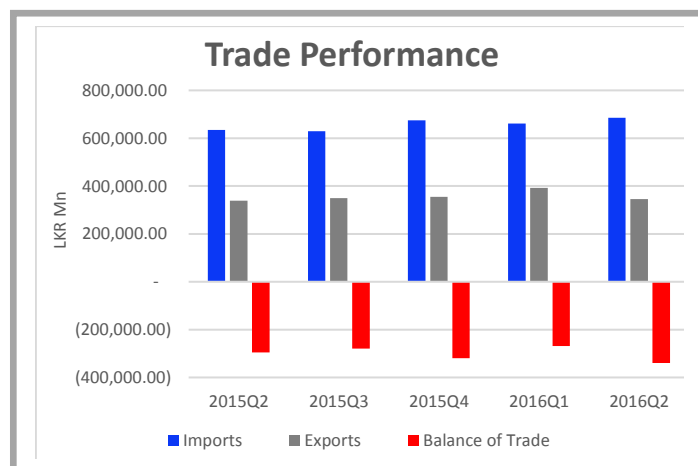
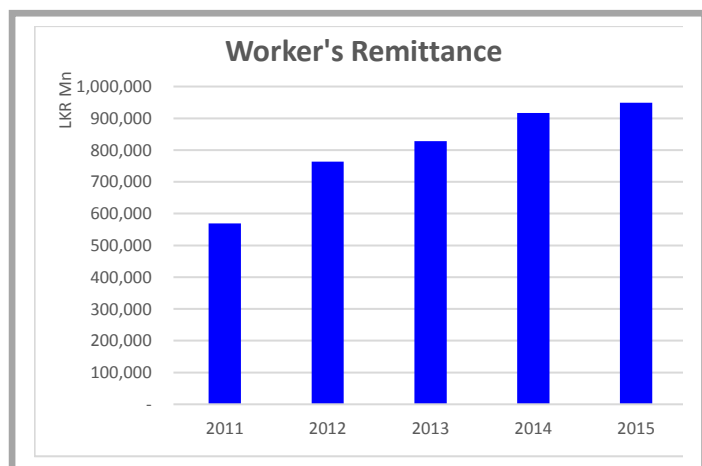


Sri Lanka Fiscal Performance

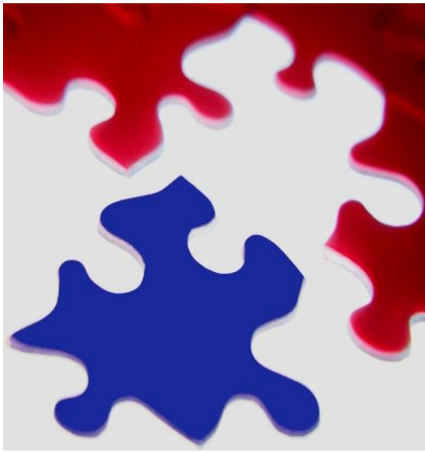
Debt service payments increased to 11.8 percent of GDP in 2015 from 10.3 percent of GDP in the previous year. Domestic and foreign amortisation payments to GDP increased to 4.7 percent and 2.5 percent, respectively in 2015 from 4.3 percent and 1.8 percent in 2014. The ratio of total interest payments to GDP increased to 4.6 percent in 2015 from 4.2 percent in 2014. Although interest payments on domestic sources to GDP increased to 3.5 percent in 2015 from 3.1 percent in 2014, foreign interest payments to GDP declined marginally to 1.0 percent in 2015 from 1.1 percent in 2014.

	2011	2012	2013	2014	2015
Government Debt/GDP (%)	78.5	79.2	78.3	70.7	76
Domestic Debt/ GDP (%)	42.9	42.7	44.2	40.9	44.3
Foreign Debt % of GDP	35.6	36.5	34.1	29.8	31.7
Budget Deficit/GDP (%)	-6.9	-6.5	-5.9	-5.2	-7.4



Sri Lanka External Sector


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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.



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

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