

**ASPI surpasses  
psychological  
barrier of 12,000  
mark**



In Apr'24

**Foreign reserves  
soared to near  
USD 5.0 Bn**



In Mar'24

**Tourist arrivals  
exceeds  
750,000+ YTD**



**Worker  
remittances Up by  
20% MoM to USD  
572 Mn**



In Mar'24

**Trade Gap  
narrows down by  
10% YoY to USD  
369 Mn**



In Mar'24

**Inflation  
increased  
marginally to  
1.5% YoY**



In Apr'24

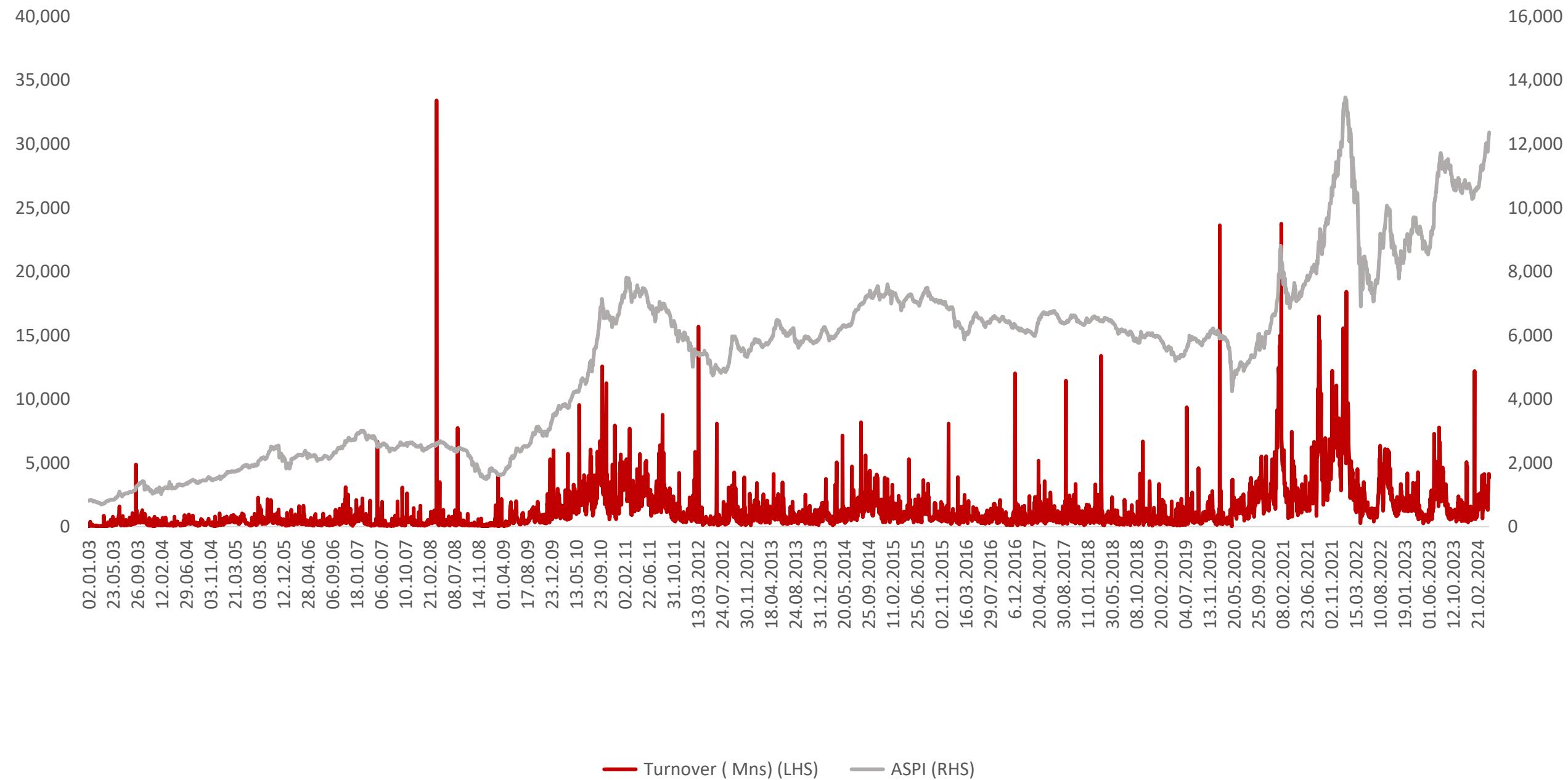


## Key events for April'24

- Colombo bourse extended its bullish trend in Apr'24, reaching a new milestone by surpassing 12,000 mark for the first time in 2-Years. The benchmark ASPI improved in Apr'24 by gaining 918 points from 11,444 to 12,363 (16% YTD), while more liquid S&P SL 20 ended at 3,690 adding 372 points (20.3% YTD). Meanwhile, high turnover levels were witnessed during the month, owing to the improved retail and HNI participation. Optimistic expectation on external debt restructuring and the IMF deal pushed the average daily turnover levels to LKR 2.7Bn in Apr'24, up 42% MoM.
- Trade deficit meanwhile narrowed down by 10.4%YoY to USD 369Mn in Mar'24 (from USD 412Mn in March'23) despite imports increasing by 4% YoY to USD 1.5Bn for the month. The narrow down in deficit was primarily led by notable improvements in exports that grew by 9.8% YoY to USD 1.1Bn in March'24, the highest earnings recorded since Aug'22. Further, the Sri Lanka rupee demonstrated a notable appreciation trend against the USD, with an 8.4% appreciation in value against USD during the year up to Apr'24.
- In Mar'24, earnings from tourism grew by 79%YoY to USD 338Mn and annual cumulative tourist arrivals have crossed 750,000 arrivals. Meanwhile, Sri Lanka has recognized the number one destination for solo female travelers in 2024, and the UK has revised its Travel Advisory for Sri Lanka due to current economic advancement. Further, India became the largest tourist destination source, followed by Russia, the UK and Germany in Mar'24.
- Sri Lanka's Gross Official Reserves meanwhile reached closer to USD 5.0Bn mark in Mar'24, comfortably covering over three months of imports. The primary drivers of this gradual recovery were the combined inflows from tourism and remittances, both of which have recovered to pre-pandemic levels.
- Meanwhile, Sri Lanka's annual inflation rate (CCPI) surged by 1.5% in Apr'24 from 0.9% in Mar'24, pushed by both food items (increased by 2.9%YoY) and non-food items (up by 0.9%YoY). However, inflation is anticipated to stabilize around the targeted level of 5% in the period ahead, supported by appropriate policy measures.

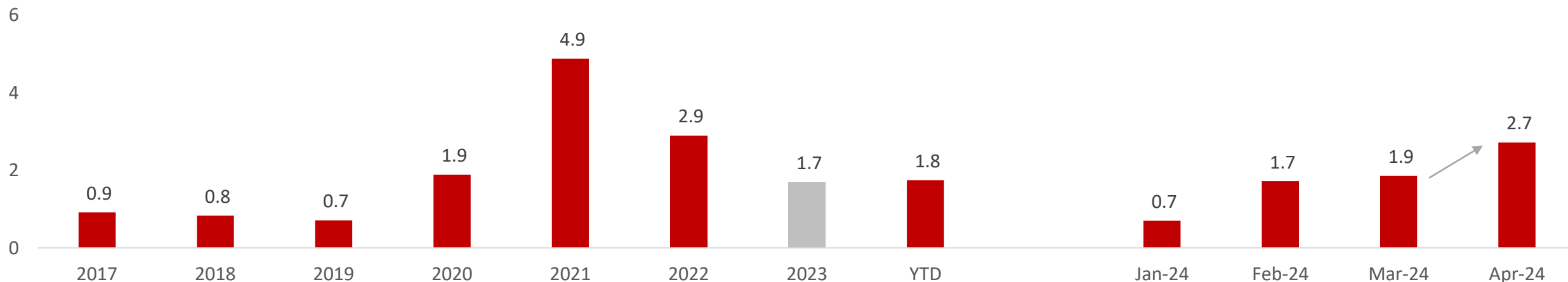


# ASPI gained 918 points in Apr'24

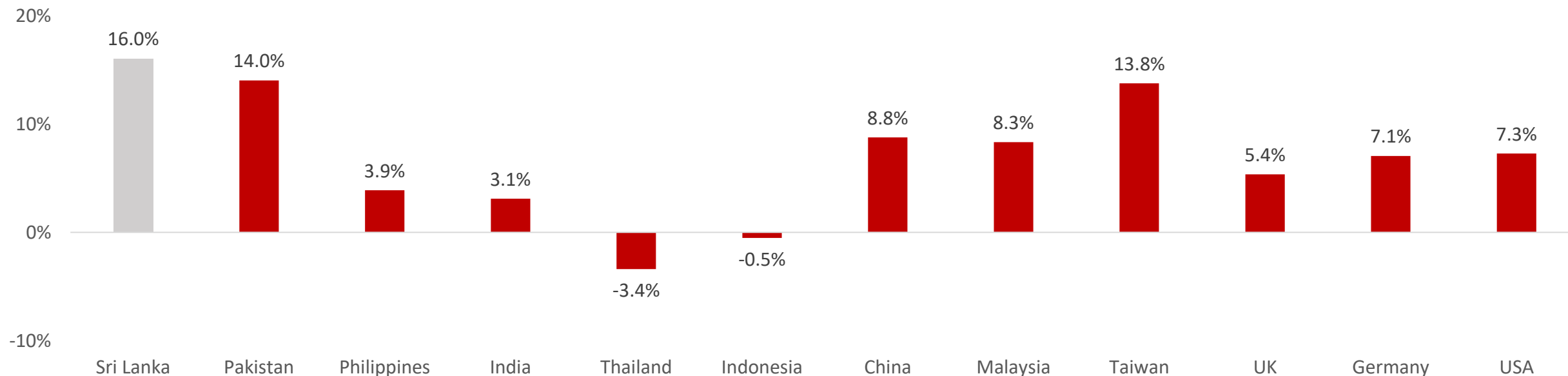


**Average daily turnover soared to LKR 2.7 Bn in Apr'24**

*Avg YTD turnover levels stands at LKR 1.8Bn*



**SL's returns records at 16.0% YTD**

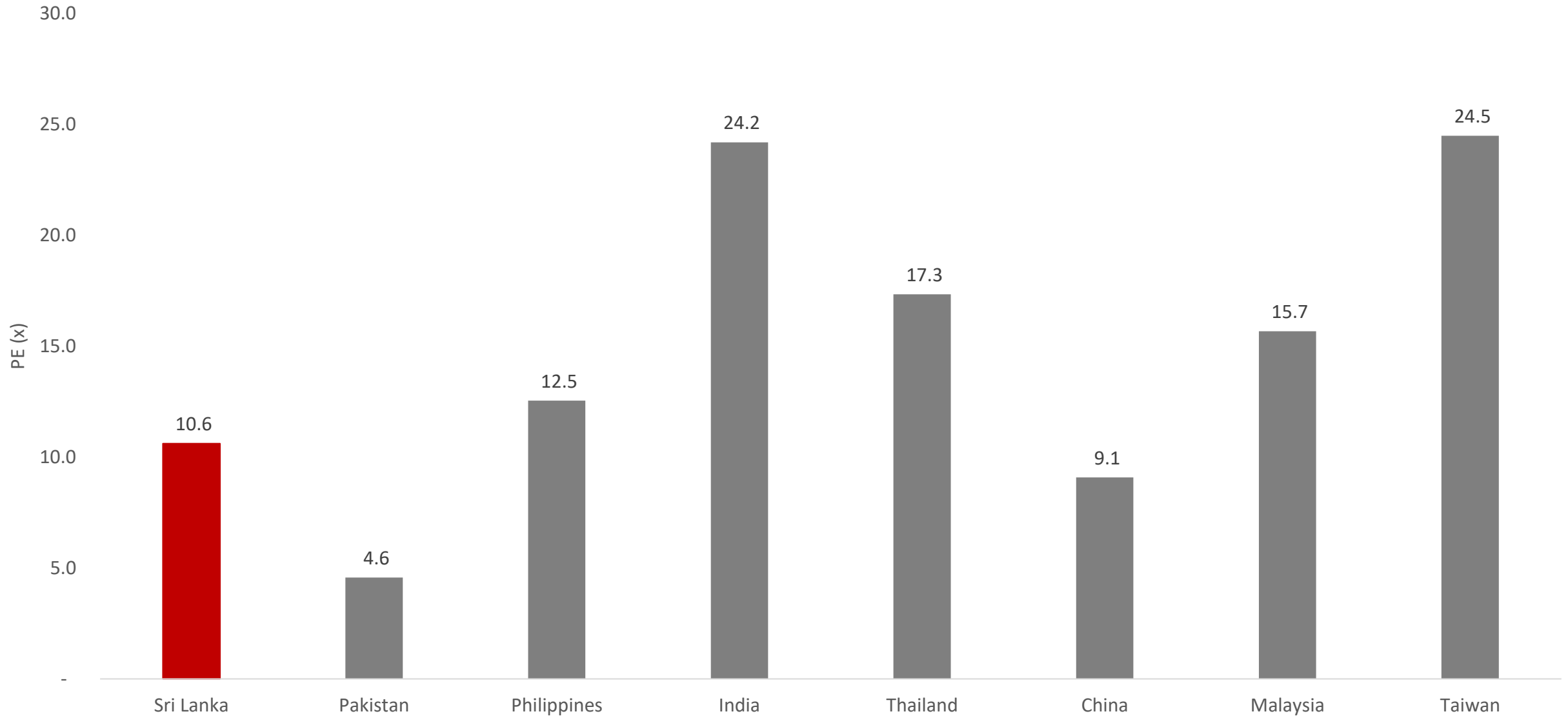


Source : CSE, Bloomberg



# Sri Lanka is still cheaper than most of its regional peers

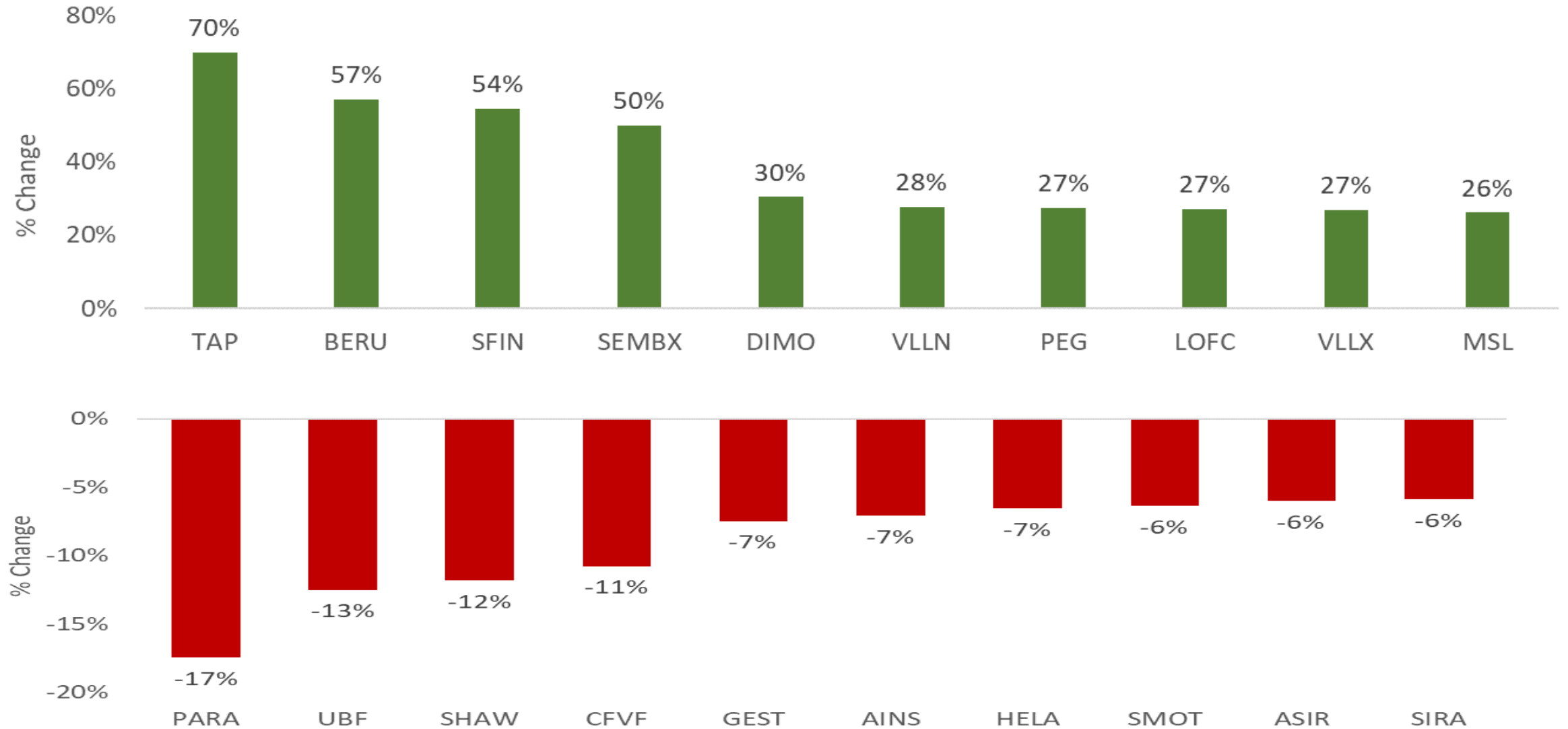
*Sri Lanka still trades at attractive valuations, trading at a 57% discount to Taiwan, a 56% discount to India, 38% discount to Thailand, and 32% discount to Malaysia.*





# Top ten gainers and losers for the month

TAP, BERU & SFIN as the biggest price gainers for the month.





**ASPI gained 16% YTD while S&P SL 20 returns gained 20.3% YTD**

*Total net foreign buying stood at LKR 4.4 Bn for the month*

	2016	2017	2018	2019	2020	2021	2022	2023	YTD
ASPI (Year End)	6228.3	6369.3	6052.4	6129.2	6774.2	12226.0	8489.7	10654.2	12363.0
ASPI Return (%)	-9.7%	2.3%	-5.0%	1.3%	10.5%	80.5%	-30.6%	25.5%	16.0%
S&P SL20	3496.4	3671.7	3135.2	2937.0	2638.1	4233.3	2635.6	3068.4	3690.0
S&P SL20 Return (%)	-3.6%	5.0%	-14.6%	-6.3%	-10.2%	60.5%	-37.7%	16.4%	20.3%
Average Daily Turnover (LKR Mn)	737	915	834	711	1899	4888	2972	1697	1745
YoY Growth	-30%	24%	-9%	-15%	167%	157%	-39%	-43%	3%
Avg USD =LKR	145.6	152.5	162.5	178.8	185.4	203.0	371.6	328.8	302.8
Average Daily Turnover (USD Mn)	5.1	6.0	5.1	4.0	10.2	24.1	8.0	5.2	5.8
Foreign Purchases ( LKR Mn)	74,583	113,276	76,621	56,649	53,901	34,085	67,508	41,471	21,165
Foreign Sales (LKR Mn)	74,199	95,052	99,979	68,366	104,233	86,687	36,906	37,124	29,095
Net Foreign flows (LKR Mn)	384	18,224	(23,358)	(11,717)	(50,332)	(50,284)	30,601	4,348	(7,930)
Foreign Purchases ( USD Mn)	512	743	471	317	291	168	182	126	70
Foreign Sales (USD Mn)	510	623	615	382	562	427	99	113	96
Net Foreign Flows (USD Mn)	3	119	(144)	(66)	(271)	(248)	82	13.2	(26.2)
Market Cap ( LKR Bn)	2,745	2,899	2,839	2,851	2,959	5,489	3,888	4,249	4,894
Market Cap ( USD Mn)	18,856	19,010	17,469	15,944	15,959	27,039	10,463	12,924	16,164
CSE - PER (Year End)	12.4	10.7	9.7	11.5	15.2	13.6	5.0	11.1	10.7

Source : CSE

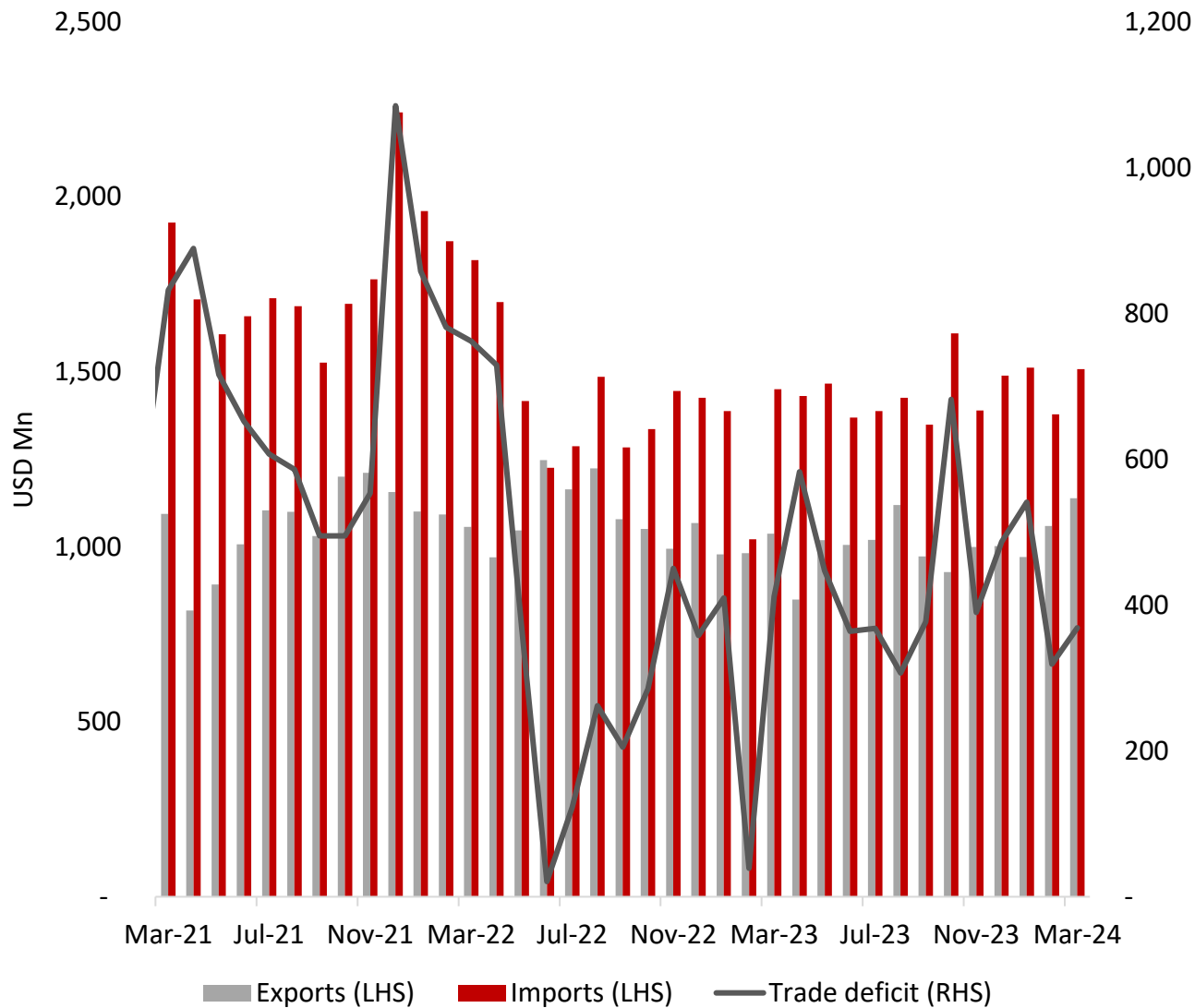
## Economic Indicators – April'24





# External Sector

**Export income soared by 9.8% YoY while the import bill surged by 4% YoY in Mar'24. Trade deficit narrowed by 10.4% YoY to USD 369Mn in Mar'24.**



- In Mar'24, the trade deficit narrowed by 10.4%YoY to USD 369Mn, supported by a notable improvement in export earnings by 9.8%YoY to USD 1.1Bn, the highest earnings recorded since Aug'22.
- Earnings from industrial exports increased by 11.7%YoY in Mar'24 mainly contributed by petroleum products due to the increase in volumes of bunkering aviation fuel exports. Also, Exports of agricultural goods improved marginally by 2.7%YoY in Mar'24 largely driven by tea and coconut-related products. Meanwhile, earnings from exports improved by 7.5% MoM in Mar'24, mainly led by higher textiles and garment exports, which was the highest earnings from these exports recorded since Dec'22.
- On the other hand, expenditure on investments goods have increased by 7.7%YoY, primarily driven by higher imports of building materials and machinery and equipment. Meanwhile, import expenditure increased by 9.4%MoM in Mar'24, primarily due to the normalization of fuel expenditure.



**Cumulative total exports soared by 6%YoY while the cumulative import bill surged by 13%YoY**

USD Mn	Mar'23	Mar'24	Variance	Jan - Mar 2023	Jan - Mar 2024	Variance	Contribution to Exports
<b>Total Exports</b>	<b>1,037</b>	<b>1,139</b>	<b>10%</b>	<b>2,998</b>	<b>3,169</b>	<b>6%</b>	
<b>Industrial Exports</b>	816	912	12%	2,375	2,517	6%	79%
Textiles and garments	417	445	7%	1,273	1,248	-2%	39%
Rubber Products	88	95	9%	233	262	12%	8%
<b>Agricultural Exports</b>	216	222	3%	608	639	5%	20%
Tea	110	125	13%	314	355	13%	11%

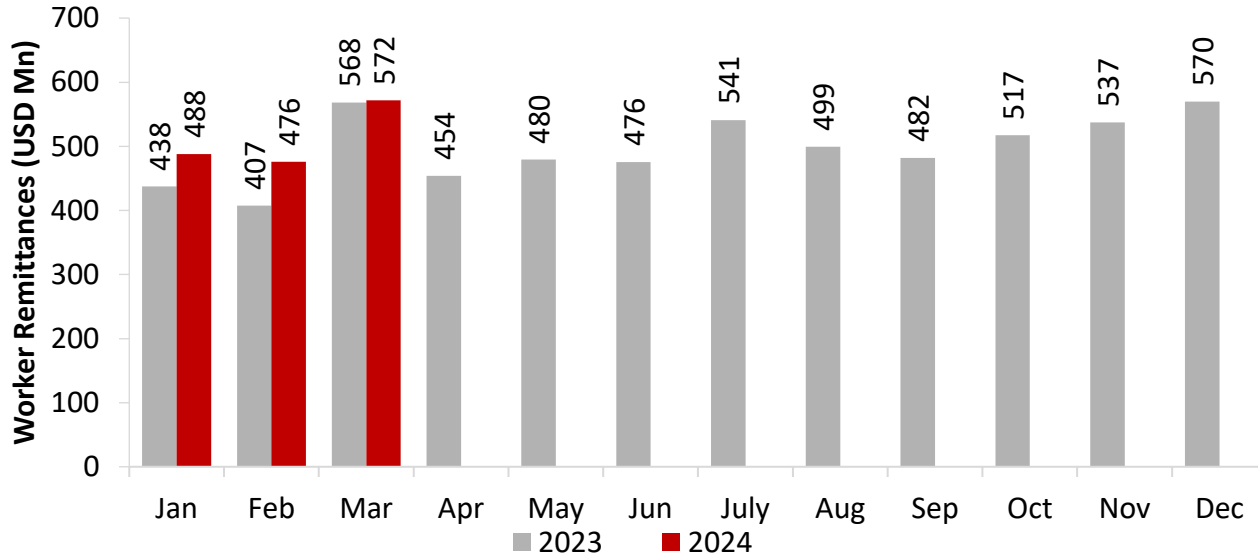
USD Mn	Mar'23	Mar'24	Variance	Jan - Mar 2023	Jan - Mar 2024	Variance	Contribution to Imports
<b>Total Imports</b>	<b>1,450</b>	<b>1,508</b>	<b>4%</b>	<b>3,894</b>	<b>4,398</b>	<b>13%</b>	
<b>Consumer Goods</b>	266	271	2%	687	802	17%	18%
Food and beverages	145	155	6%	378	438	16%	10%
<b>Non-food consumer goods</b>	121	116	-4%	308	364	18%	8%
Medical and pharmaceuticals	69	42	-39%	162	137	-15%	3%
<b>Intermediate goods</b>	972	1010	4%	2,615	2,831	8%	64%
Fuel	391	462	18%	1,112	1,170	5%	27%
Textiles and textile articles	221	188	-15%	605	659	9%	15%
<b>Investment goods</b>	210	226	8%	590	762	29%	17%
Machinery and equipment	144	149	3%	404	516	28%	12%

USD Mn	Mar'23	Mar'24	Variance	Jan - Mar 2023	Jan - Mar 2024	Variance
Trade balance	-413	-369	-11%	-896	-1,229	37%
Earnings from tourism	189	338.4	79%	504	1,026	104%
Workers' remittances	568	572	1%	1,413	1,536	9%
Foreign Direct Investment	-	-	-	-	-	-
<b>Overall Balance</b>				<b>858</b>	<b>720</b>	<b>16%</b>



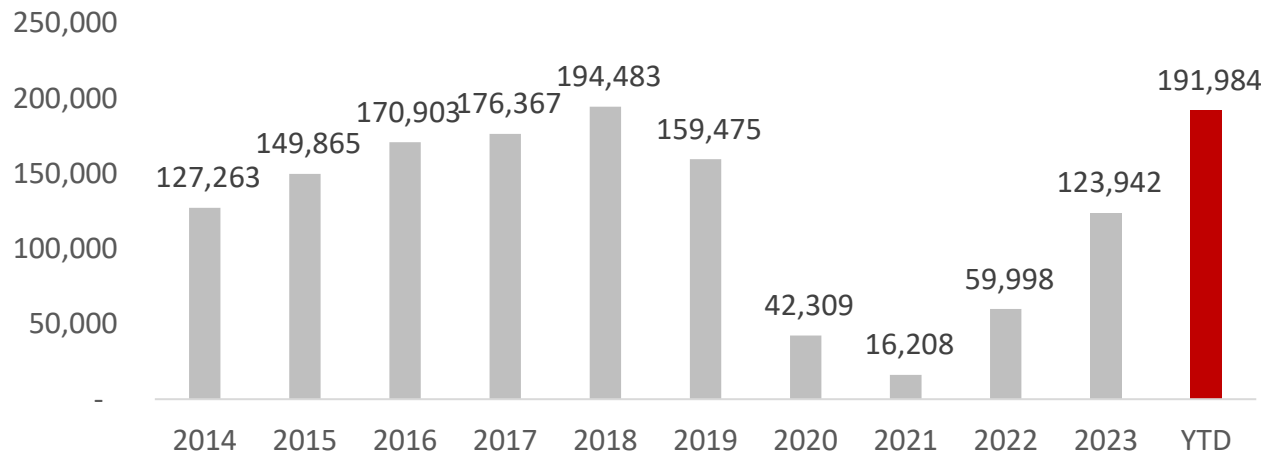
# Remittances and Tourism

**Remittances soared by 20%MoM in Mar'24 while tourist arrivals exceeds 750,000+ YTD**



- Worker's remittances remained elevated in Mar'24 in line with the seasonal trend. Remittances for the month of Mar'24 surged by 20%MoM to USD 572Mn, in comparison to USD 476Mn in Feb'24 and USD 568Mn in Mar'23.

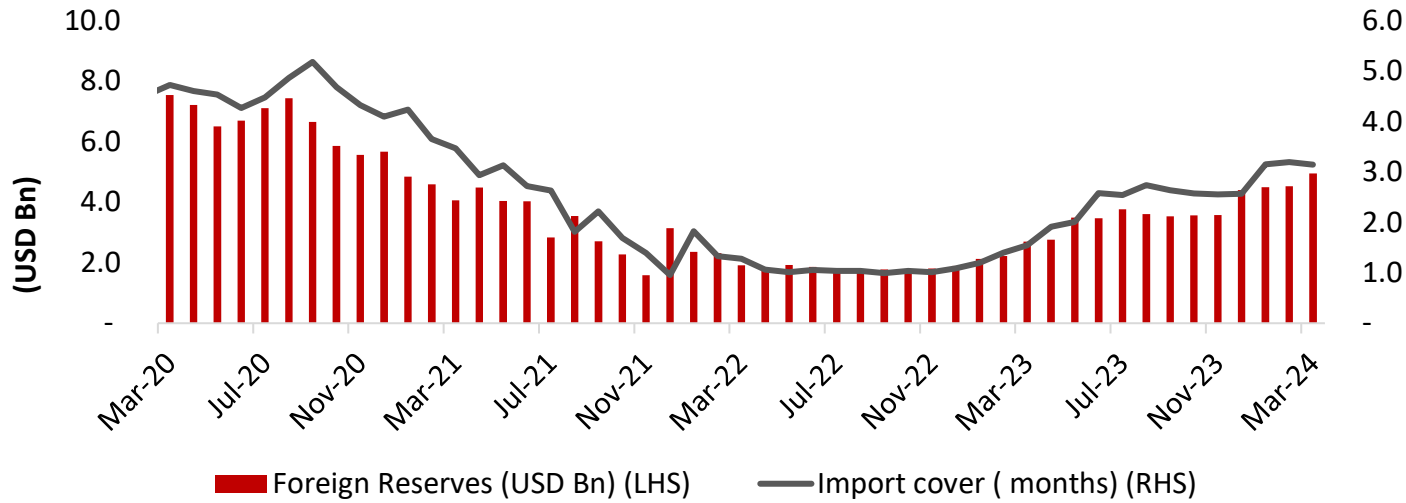
Average Monthly Tourist Arrivals



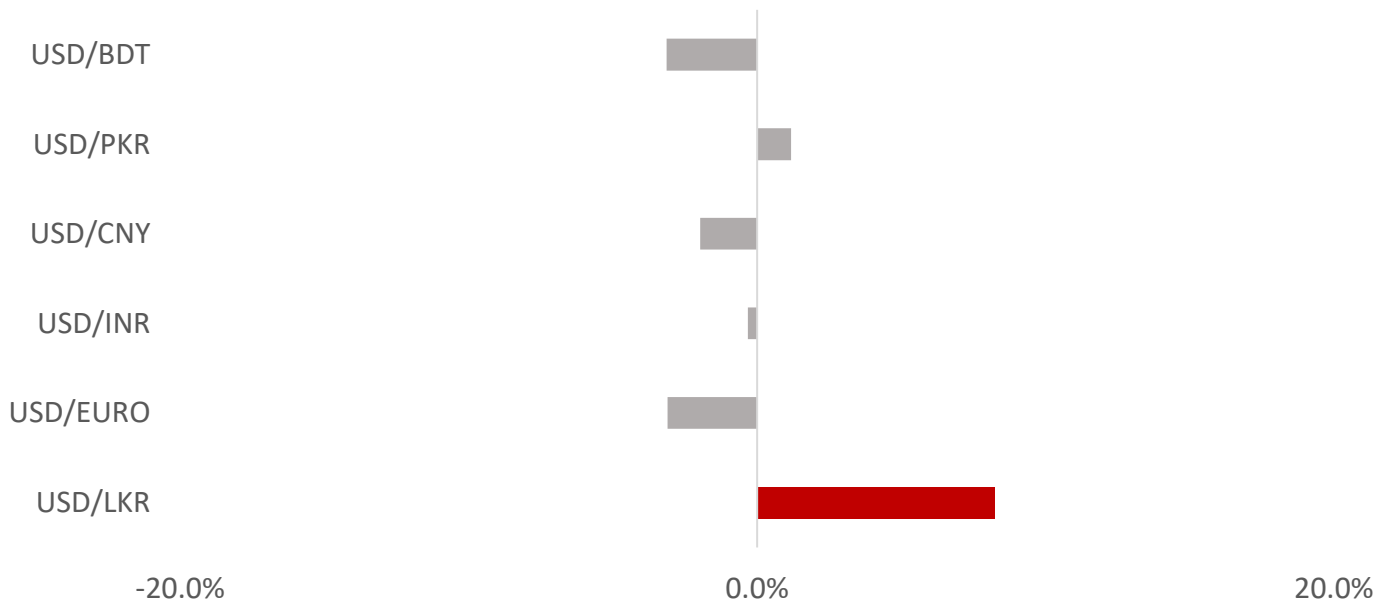
- Sri Lanka experienced a notable increase in tourist arrivals of +130,000 in Apr'24 (25% YoY) owing to the ongoing government campaigns, and the recognition of Sri Lanka as the top travel destination. Meanwhile, India, Russia, the UK, Germany and France emerged as the top source markets during Apr'24.

Source : CBSL , SLTDA

Reserves rose to 5.0Bn Mar'24, representing 3 month's worth of imports.



- Sri Lanka's foreign reserves increased to near USD 5.0Bn at the end of Mar'24. This included the swap facility from the People's Bank of China (PBOC) equivalent to around USD 1.5Bn, which is subject to conditionalities on usability. The monthly import bill is also around USD 1.5Bn, which is comfortable to cover above 3 month's worth of imports.



- Official exchange rate of LKR, and PKR against USD appreciated by 8.4%, and 1.2% YTD respectively. While the EURO, INR, CNY, and BDT depreciated by 3.1%, 0.3%, 2.0%, and 3.1% YTD against USD. According to Bloomberg, LKR ranked top performer among emerging market currencies in 1Q'24.

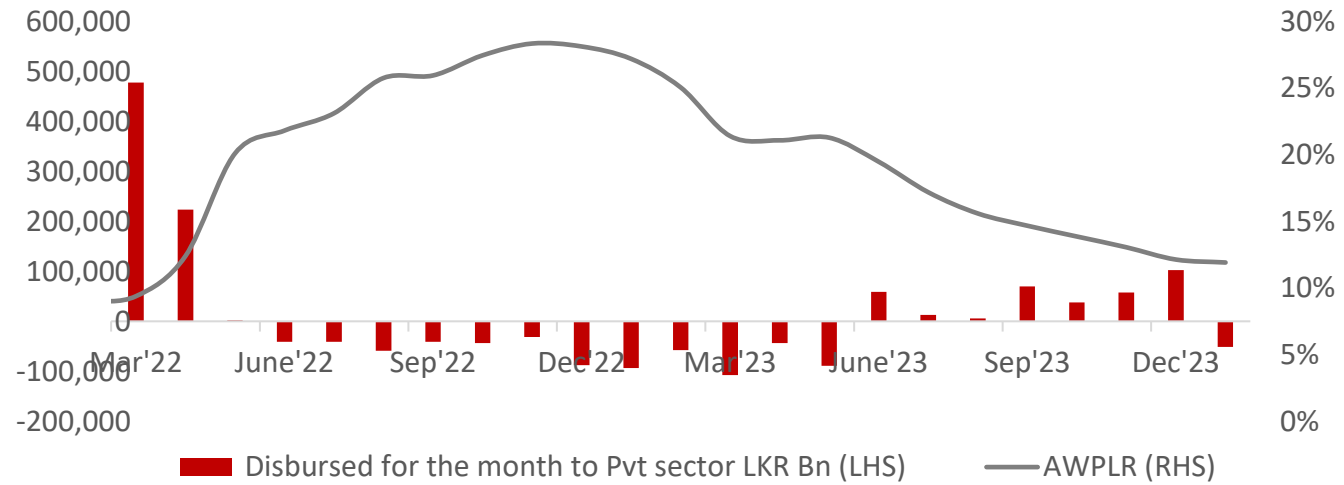
Source : CBSL, Xe Currency,

Note: LKR : Sri Lankan Rupee, EURO: Euro, INR: Indian Rupee, CNY: Chinese yuan, PKR: Pakistan Rupee, and BDT: Bangladesh Taka

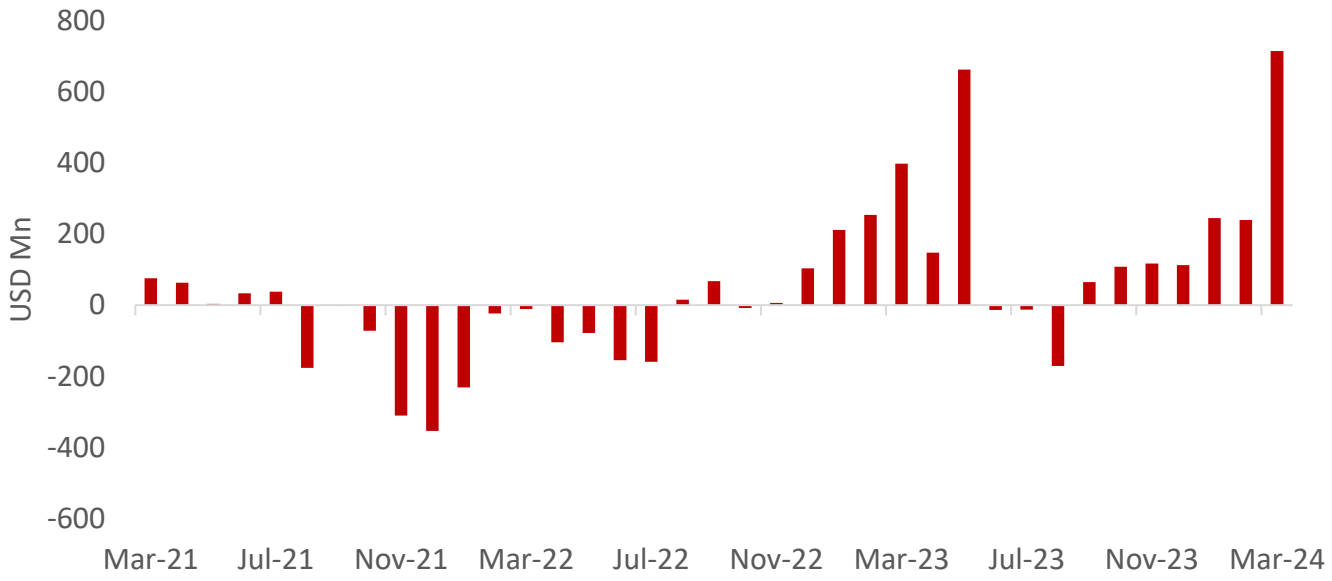


# Pvt sector credit & Foreign Intervention

Private sector credit continues its growth momentum



- Private sector credit edged up back again in February adding LKR 6.1Bn for the month. We expect the credit to private sector to surge on the back of declining interest rates which would be promoted further by rate cuts in the future.

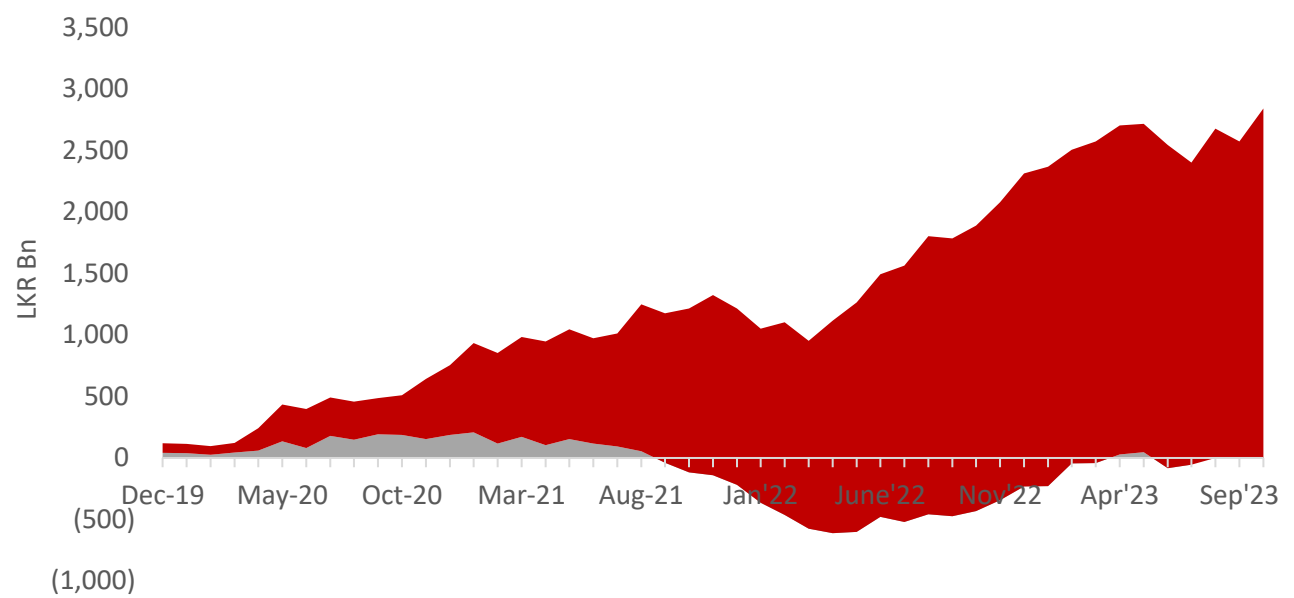


- Sri Lanka purchased USD 715.1Mn in Mar'24 and no selling has reported in Mar'24. The net purchases amounted to USD 1.2Bn during 1Q'24.

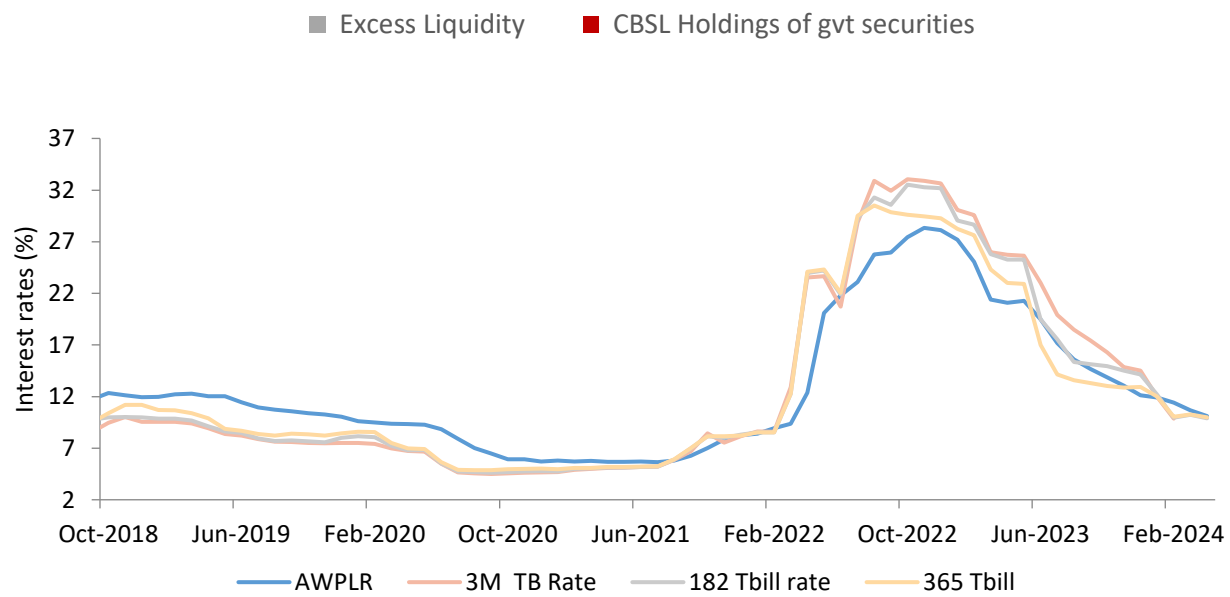
Source : CBSL



## Tbill rates falls further

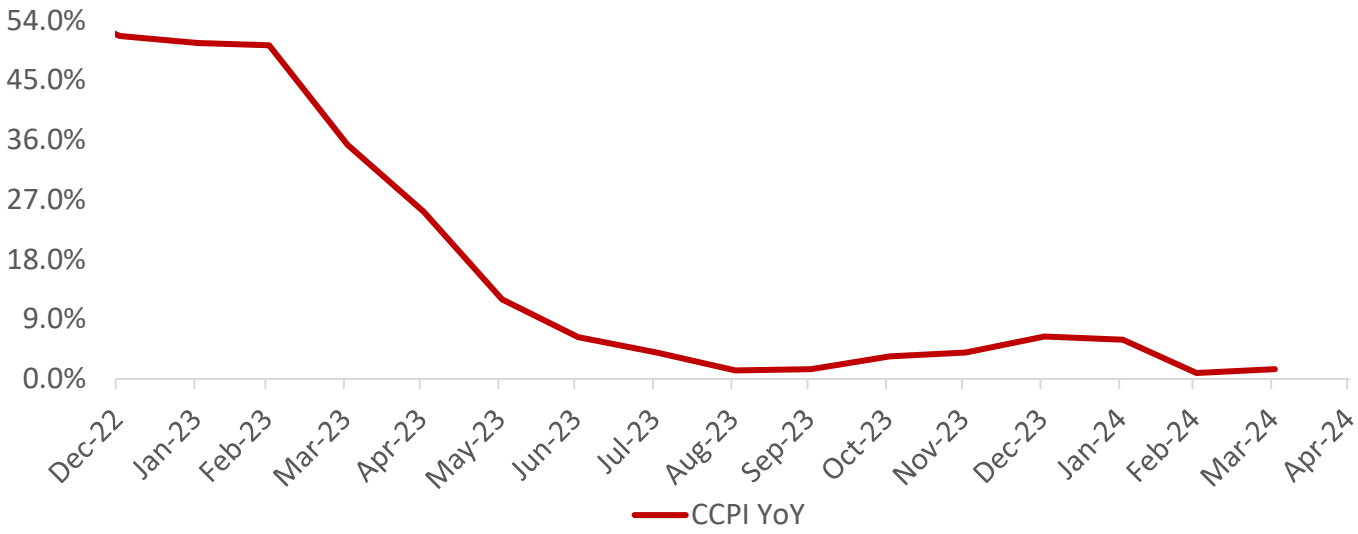


- Overnight liquidity levels meanwhile ended positive of LKR 173.8Bn. CBSL's holdings of government securities meanwhile dropped by LKR 15.6Bn to stand at LKR 2.675Tn.



- T bill rates dropped to single digit levels for the first time with 91 days, 182 days and 365Bill dropping by 46bps, 34bps and 29bps respectively to end at 9.61%, 9.89% and 9.99%.
- AWPLR meanwhile dropped to 10.13%, 56bps down from last month.

**CCPI inflation marginally soared to 1.5%YoY in Apr'24**

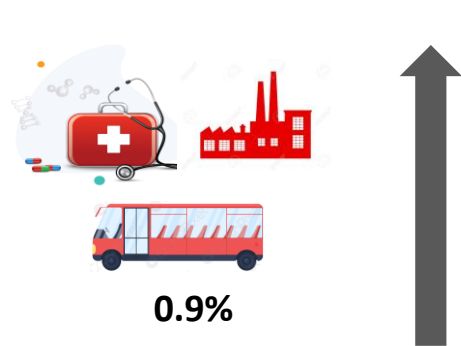


- The CCPI dropped by 0.8% (MoM), with Food and Non-Food decreasing by 1.0% (MoM) and 0.7% (MoM), respectively.
- The contribution of Non-Food items was 0.58%. This was mainly due to price increases in group of items 'Transport' (0.75%), 'Alcoholic beverages Tobacco and Narcotics' (0.52%), 'Education' (0.46%), 'Restaurants and Hotels' (0.21%); 'Miscellaneous Goods and Services' (0.08%), 'Recreation and Culture' (0.08%), Communication (0.07%), 'Clothing and Footwear' (0.02%), 'Furnishing Household Equipment and Routine Household Maintenance' (0.02%) and price decreases recorded in the groups of 'Housing, Water, Electricity, Gas and Other Fuels' (1.59%) and Health (0.04%) compared to month of April 2023.

Food Inflation (Y-o-Y)



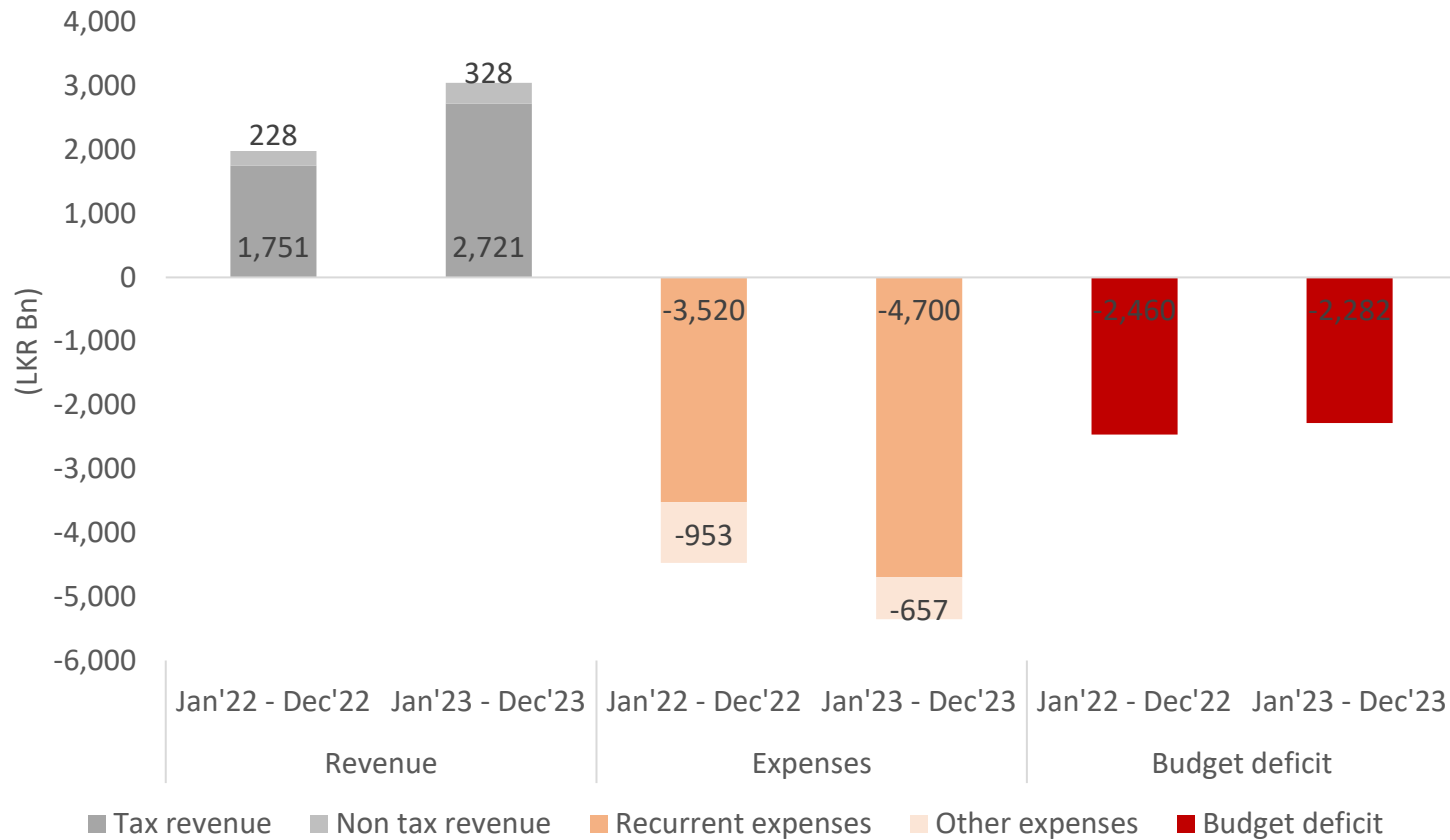
Non-Food Inflation (Y-o-Y)



Source : CBSL , Department of Census and Statistics- Sri Lanka



# Fiscal Position



- Government revenue for Jan'23-Dec'23 soared by 54%YoY to LKR 3.0Tn, with tax revenue growing by 55%YoY (accounts for 89% of total revenue) and the non-tax revenue increased by 44%YoY for the same period.
- Recurrent expenses grew by 33%YoY while capital expenses plummeted by 31%YoY. Consequently, the total expenses grew by 20% YoY during Jan'23 – Dec'23 to LKR 5.4Tn.
- However, the Budget deficit declined by 7%YoY during the period to LKR 2.3Tn.

Source : CBSL



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