

**Policy rates
maintained at
current levels**

In Feb’26

**Exports
surpassed USD
1.1 Bn up by 9%
YoY**

In Jan’26

**Trade gap
narrowed by 11%
YoY to USD
655Mn**

In Jan’26

**CCPI inflation
increased to
1.6% YoY**

In Feb’26

**Worker
remittances up
by 31% YoY to
USD 751 Mn**

In Jan’26

**Tourist arrivals
crossed 0.5 Mn
mark, up by
12% YoY**

In Feb’26

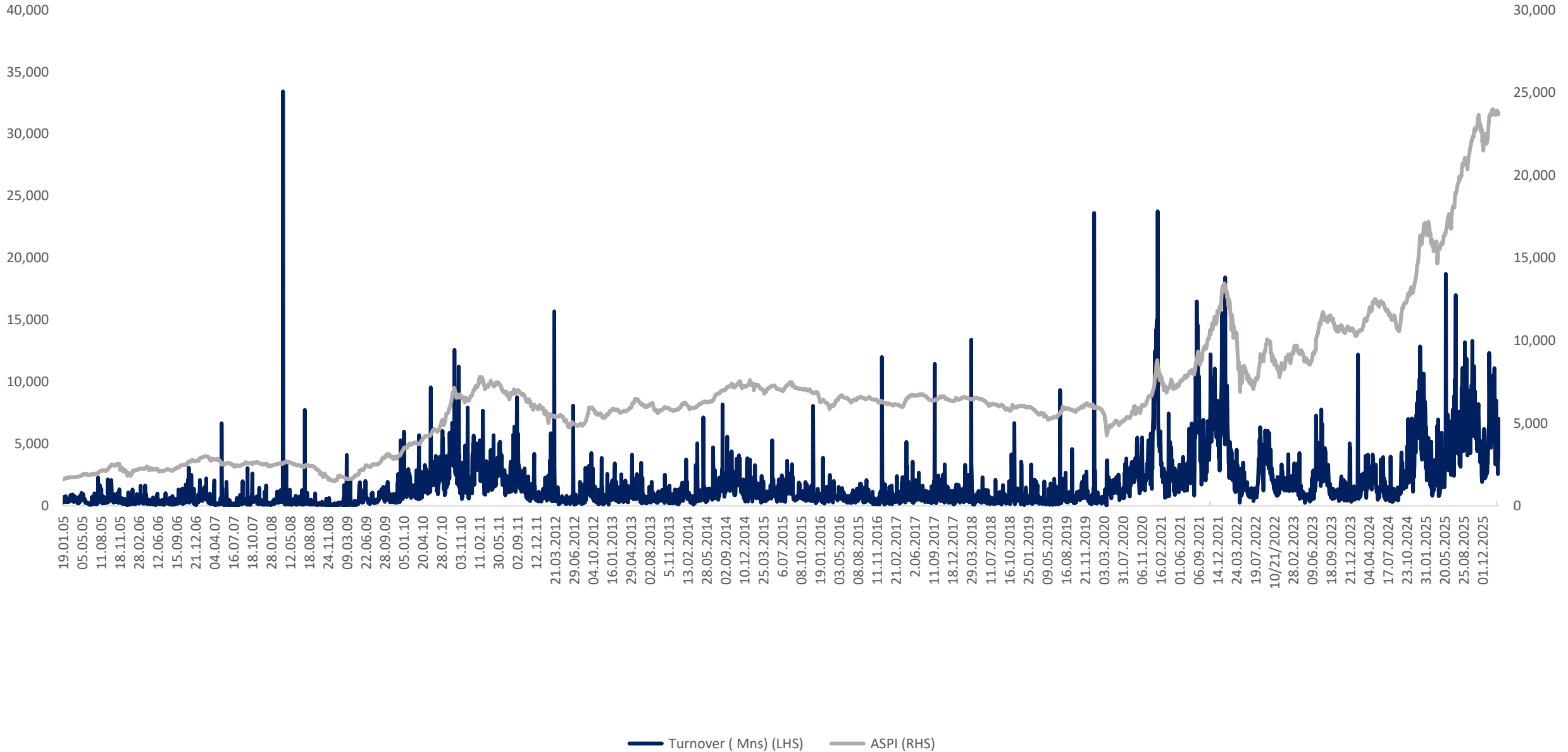


Key events for Feb'26

- The Central Bank of Sri Lanka maintained policy rates at current levels during Feb'26, signaling confidence in the existing monetary stance to guide inflation toward the 5% target while sustaining economic growth.
- Exports surpassed USD 13.5Bn by the end 2025, reflecting a 6.3% YoY increase. The growth was mainly driven from textile and garments and tea exports that soared by 5.0% YoY each to USD 5.3Bn and USD 1.5Bn respectively. Further, coconut exports which rebounded to USD 573Mn after several years of subdued performance contributed to the overall growth in total exports, strengthening the external sector.
- Sri Lanka's trade deficit narrowed by 11% YoY to USD 655Mn in Jan'26, improving from USD 733Mn in Jan'25. The contraction was supported by a 9% YoY increase in export earnings to USD 1,149Mn, while import expenditure rose marginally by 1% YoY to USD 1,803Mn. The stronger export performance relative to import growth helped ease pressure on the external sector and reduce the overall trade gap.
- Worker remittances continued to record strong inflows by rising 31% YoY to US\$ 751Mn in Jan'26, providing sustained support to Sri Lanka's external sector. Tourist arrivals surpassed half million by the end of February, driven by strong demand from India, the UK, Russia, and Germany, and bolstered by the ICC Men's T20 World Cup matches hosted in Colombo and Kandy. Meanwhile, Tourism earnings amounted to USD 378 Mn in Jan'26 further contributing to external sector stability.
- CCPI inflation moderated to 1.6% YoY in Feb'26 compared with 2.3% in Jan'26. Food inflation ticked up to 0.2% YoY, and non-food inflation climbed to 2.3% YoY.

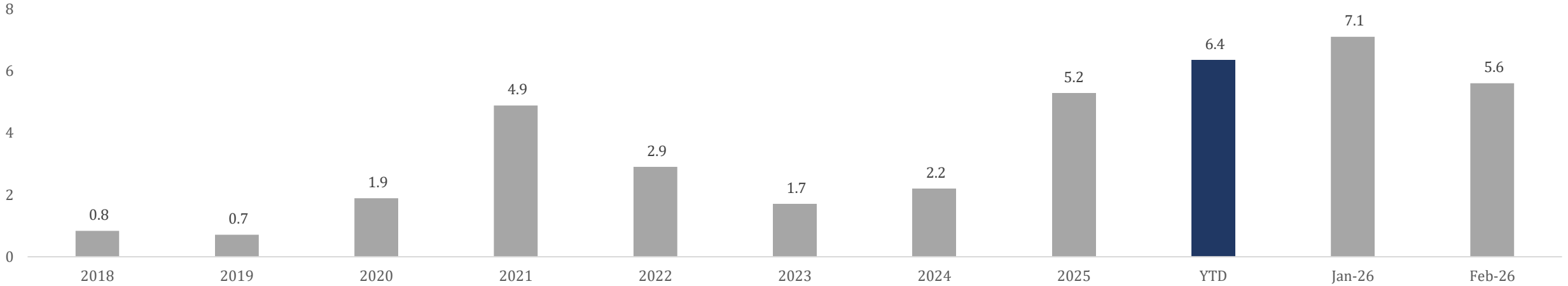


ASPI lost 78 points (-0.3%YTD) in Feb'26

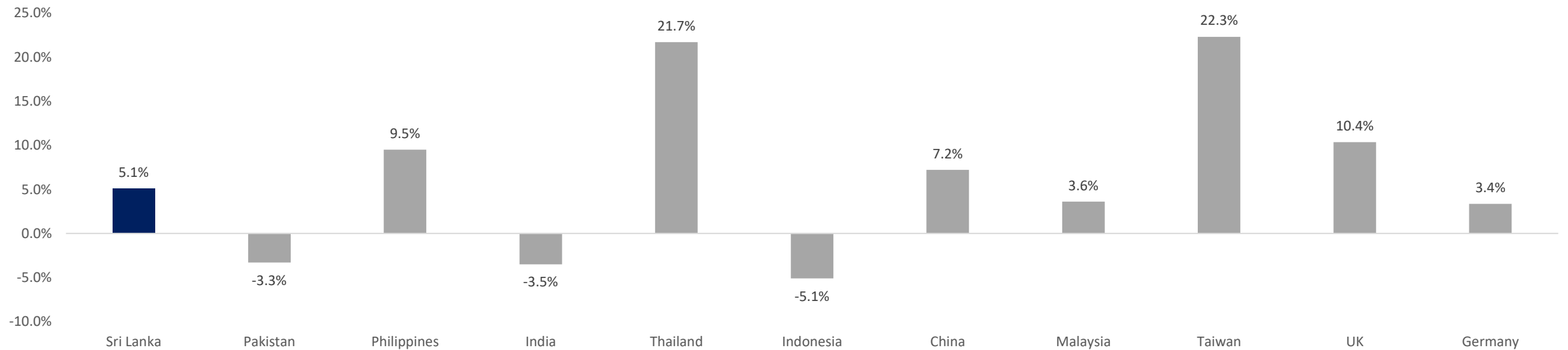


Average daily turnover stood at LKR 5.6Bn in Feb'26

Avg YTD turnover levels stands above LKR 6.4Bn



SL's returns records at 5.1% YTD

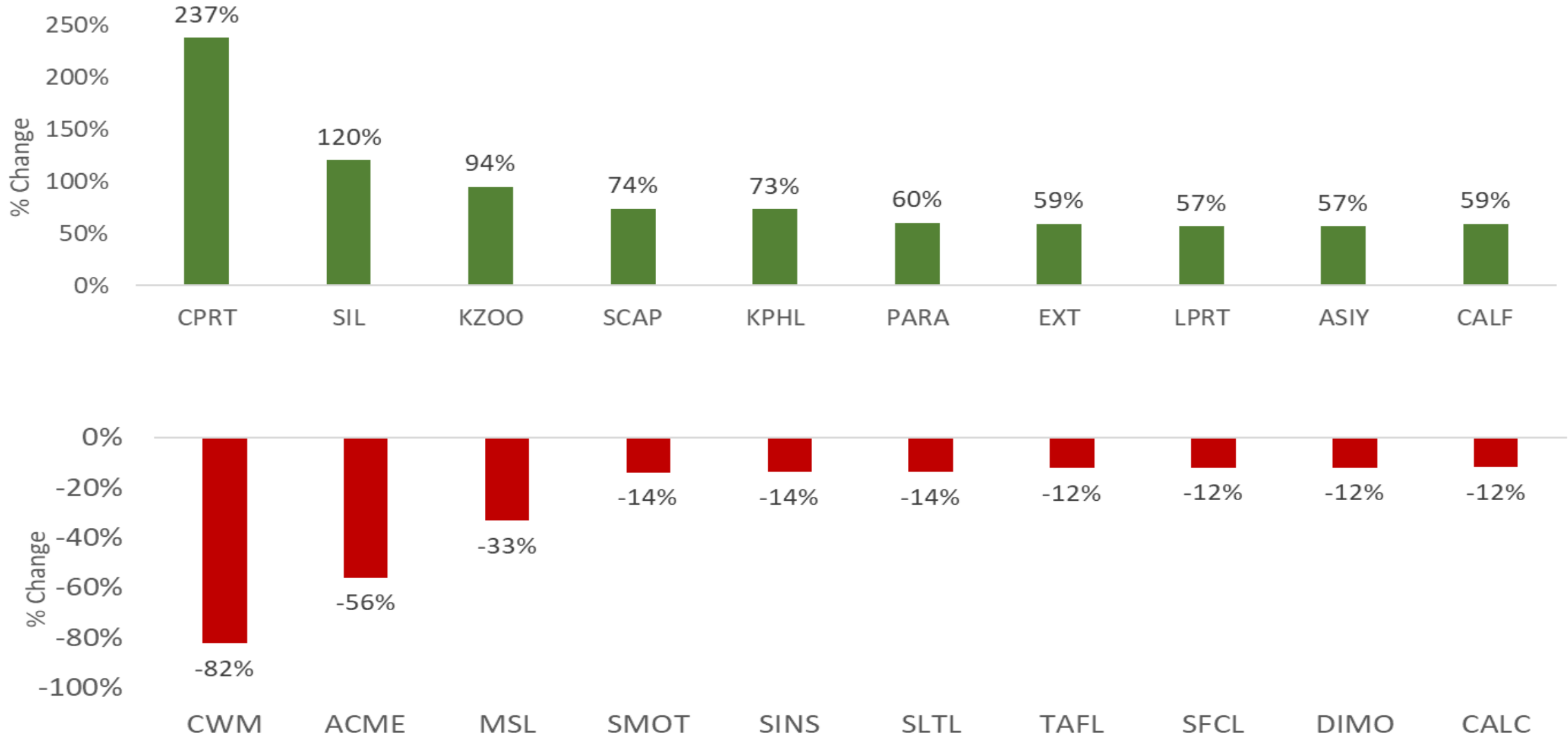


Source : CSE, Bloomberg



Top ten gainers and losers for the month

CPRT, SIL & KZOO recorded the highest monthly gains.





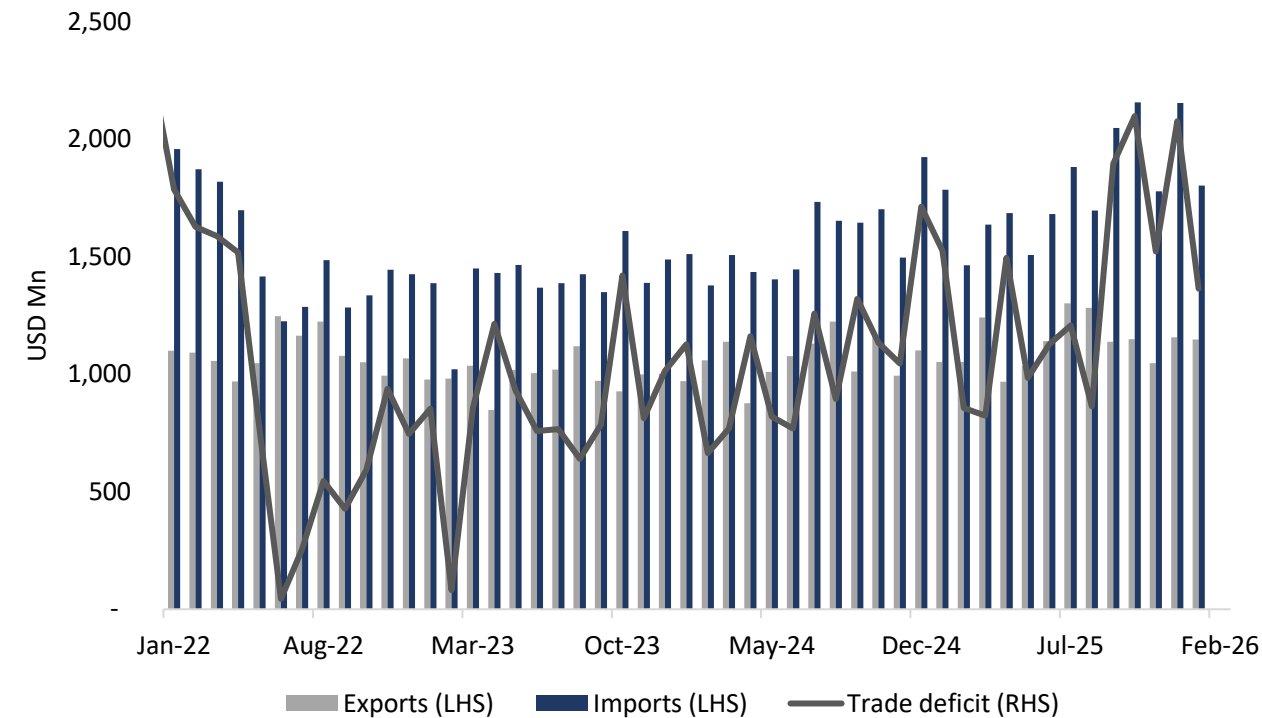
ASPI gained 4.9% YTD and S&P SL20 returns gained 7.8% YTD

Total net foreign selling stood at LKR 9.3Bn for the month

	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
ASPI (Year End)	6369.3	6052.4	6129.2	6774.2	12226.0	8489.7	10654.2	15944.6	22624.3	23734.1
ASPI Return (%)	2.3%	-5.0%	1.3%	10.5%	80.5%	-30.6%	25.5%	49.7%	41.9%	4.9%
S&P SL20	3671.7	3135.2	2937.0	2638.1	4233.3	2635.6	3068.4	4862.1	6157.4	6636.0
S&P SL20 Return (%)	5.0%	-14.6%	-6.3%	-10.2%	60.5%	-37.7%	16.4%	58.5%	26.6%	7.8%
Average Daily Turnover (LKR Mn)	915	834	711	1899	4888	2972	1697	2240	5239	6356
YoY Growth	24.2%	-8.8%	-14.8%	167.0%	157.4%	-39.2%	-42.9%	32.0%	133.9%	21.3%
Avg USD =LKR	152.5	162.5	178.8	185.4	203.0	371.6	328.8	292.6	300.9	309.3
Average Daily Turnover (USD Mn)	6.0	5.1	4.0	10.2	24.1	8.0	5.2	7.7	17.4	20.6
Foreign Purchases (LKR Mn)	113,276.0	76,621.5	56,649.0	53,901.0	34,084.6	67,507.9	41,471.2	49,797.1	57,117.0	13,430.0
Foreign Sales (LKR Mn)	95,052.0	99,979.3	68,366.5	104,233.0	86,687.0	36,906.3	37,123.6	59,721.9	95,595.0	30,572.0
Net Foreign flows (LKR Mn)	18,223.5	(23,357.9)	(11,717.5)	(50,332.1)	(50,283.8)	30,601.0	4,347.8	(9,924.8)	(38,477.0)	(17,142.3)
Foreign Purchases (USD Mn)	742.8	471.4	316.8	290.7	167.9	181.7	126.1	170.2	189.8	43.4
Foreign Sales (USD Mn)	623.3	615.1	382.3	562.1	427.0	99.3	112.9	204.1	317.7	98.8
Net Foreign Flows (USD Mn)	119.5	(143.7)	(65.5)	(271.4)	(247.7)	82.3	13.2	(33.9)	(127.9)	(55.4)
Market Cap (LKR Bn)	2,899.0	2,839.4	2,851.3	2,959.5	5,489.0	3,888.2	4,248.9	5,695.6	8,068.6	8,425.2
Market Cap (USD Mn)	19,009.8	17,468.9	15,944.3	15,959.0	27,039.4	10,463.3	12,923.7	19,466.7	26,811.4	27,239.6
CSE - PER (Year End)	10.7	9.7	11.5	15.2	13.6	5.0	11.1	8.9	10.7	11.7

Economic Indicators – Feb’26

Exports edged up by 9% YoY, imports rose marginally by 1% YoY, narrowing the trade deficit by 11% YoY



- The trade deficit narrowed by 11% YoY to USD 655Mn in Jan'26 from USD 733Mn recorded in Jan'25.
- In Jan'26, export income experienced a notable increase of 9% YoY, to USD 1.1Bn, reflecting a solid performance. This growth was largely driven by increase of food, beverages and tobacco imports and petroleum products imports by 27% YoY to USD 71Mn and 8% YoY to USD 79Mn respectively. Furthermore, tea and coconut exports grew by 8% YoY to USD 122Mn and 26% YoY to USD 35Mn.
- Meanwhile, total imports expenditure slightly grew by 1% YoY to USD 1.8Bn in Jan'26. Growth was primarily supported by a 5405% YoY surge in personal vehicle imports to USD 163Mn and 4% YoY increase of textile imports to USD 243Mn. However, fuel imports saw a notable decline of 39% YoY to USD 253Mn, primarily due to reduced import of crude oil and refined petroleum.



Cumulative textile and garments exports improved by 5%YoY while cumulative import bill on fuel plummeted by 7%YoY.

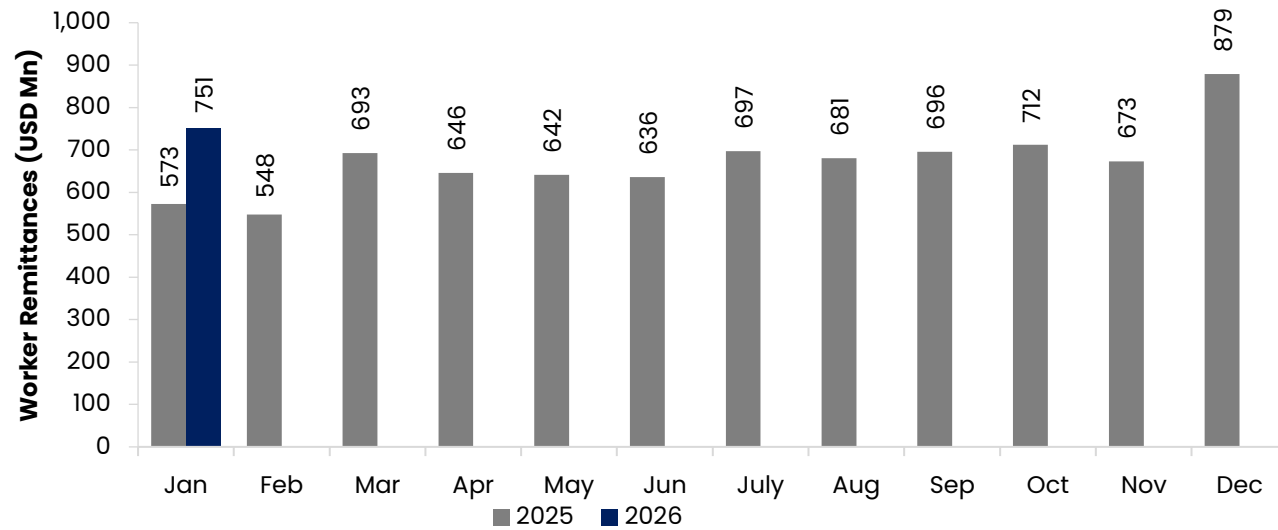
USD Mn	Jan'25	Jan'26	Variance	2024	2025	Variance	Contribution to Exports
Total Exports	1,053	1,149	9%	9,947	10,461	5%	
Industrial Exports	828	877	6%	652	896	37%	9%
Textiles and garments	461	449	-3%	5,061	5,314	5%	51%
Rubber Products	72	76	5%	976	915	-6%	9%
Agricultural Exports	222	264	19%	2,775	3,072	11%	29%
Tea	113	122	8%	1,436	1,507	5%	14%

USD Mn	Jan'25	Jan'26	Variance	2024	2025	Variance	Contribution to Imports
Total Imports	1,786	1,803	1%	18,841	21,480	14%	
Consumer Goods	380	475	25%	3,466	5,518	59%	26%
Food and beverages	241	161	-33%	1,914	2,116	11%	10%
Non-food consumer goods	139	314	126%	1,551	3,402	119%	16%
Medical and pharmaceuticals	45	62	36%	576	667	16%	3%
Personal vehicles	3	164	5360%	66	1,607	2327%	7%
Intermediate goods	1061	935	-12%	11,915	11,859	0%	55%
Fuel	418	254	-39%	4,354	4,043	-7%	19%
Textiles and textile articles	233	243	4%	2,847	2,749	-3%	13%
Investment goods	340	393	15%	3,448	4,090	19%	19%
Machinery and equipment	240	236	-1%	2,363	2,513	6%	12%

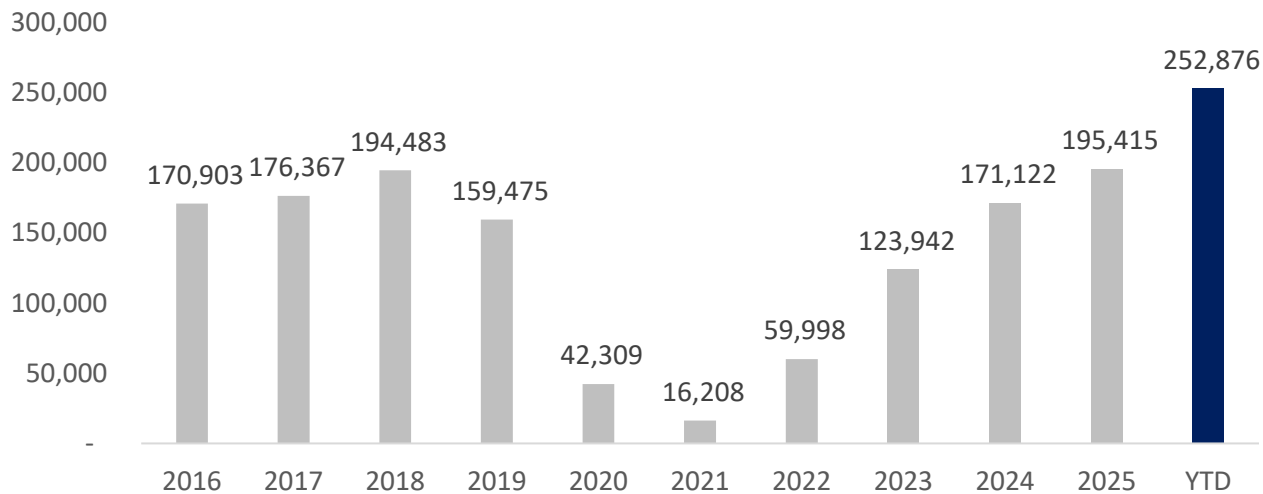
USD Mn	Jan'25	Jan'26	Variance	2024	2025	Variance
Trade balance	-733	-655	-11%	-8895	-11,019	24%
Earnings from tourism	401	378	-6%	3,169	3,219	2%
Workers' remittances	573	751	31%	6,575	8,076	23%
Current Account Balance	99.8	369.7	270%	1,206	1,733	



Remittances soared by 31%YoY in Jan'26 while tourist arrivals exceeds 500000 at the end of Feb'26

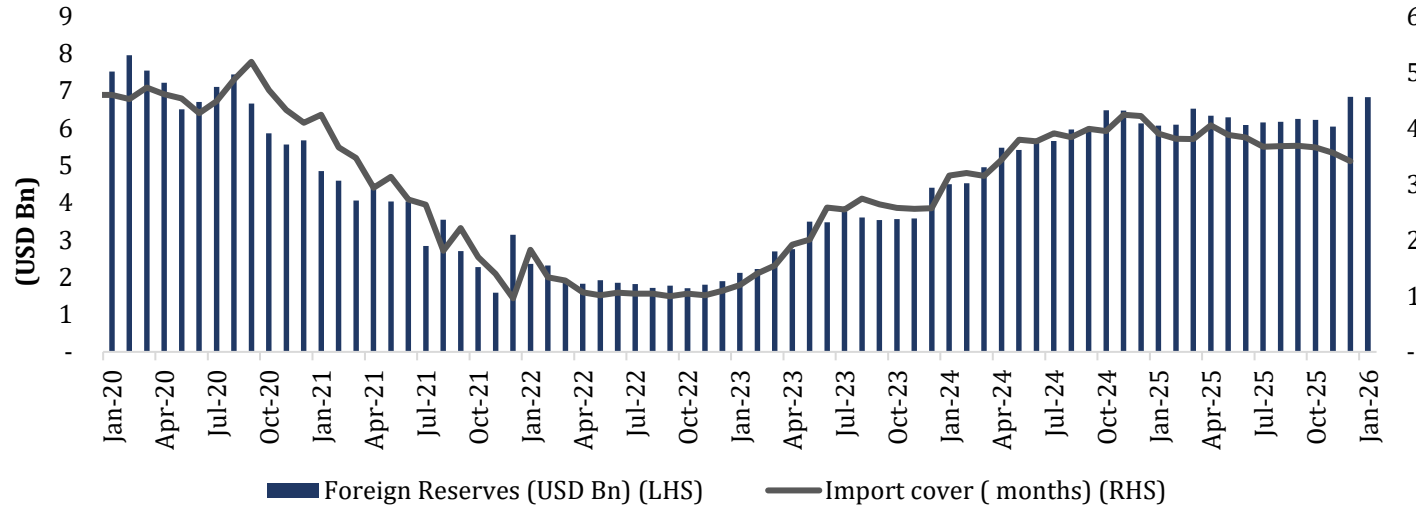


Average Monthly Tourist Arrivals

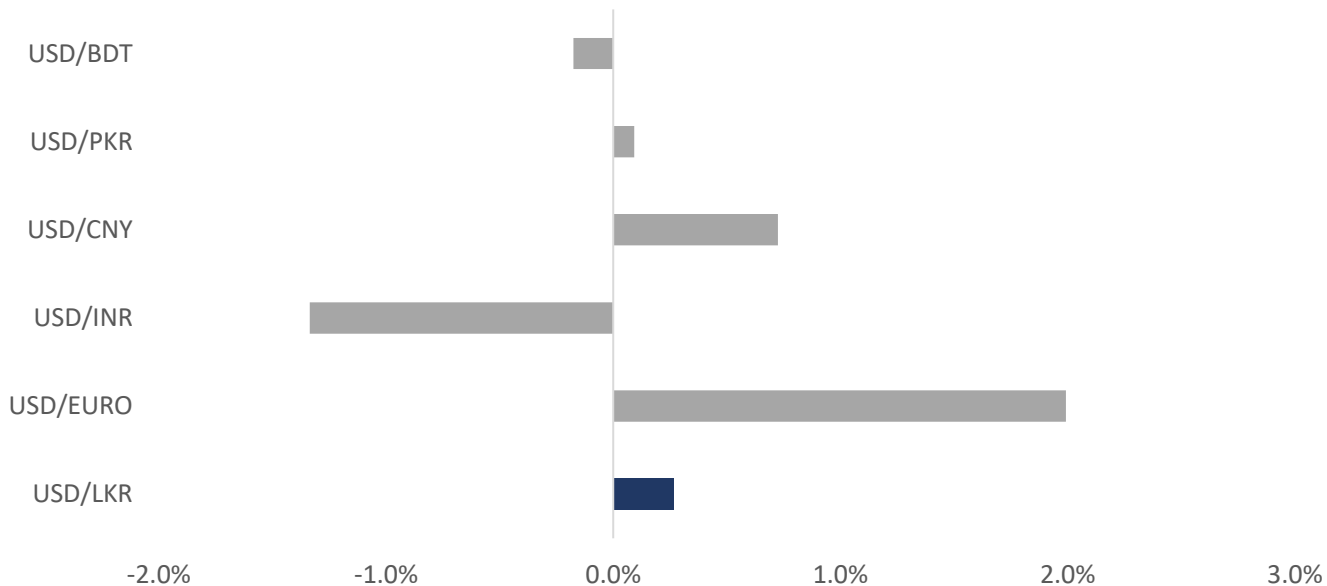


- Workers' remittances in Jan'26 have recorded a USD 751Mn, reflecting a YoY increase of 31% compared to USD 573Mn in Jan'25. This marks a continued upward trend, with remittances exceeding USD 600Mn since Mar'25. According to provisional data, 20,484 individuals departed for foreign employment in Jan'26.
- In 2026, Sri Lanka's tourism sector reached the half-million arrival milestone in end of Feb'26, welcoming a total of 505,751 tourists. This robust growth was fueled by the February performance which recorded 228,424 arrivals reflecting 12% YoY increase compared to Feb'25. Meanwhile, tourism earnings recorded the USD 378Mn in Jan'26, underscoring the industry's resilience and sustained recovery. The leading source market in Feb'26 was India, followed by the UK, Russia Germany and China.

Reserves stood at USD 6.8Bn in Jan'26, representing near 4 month's worth of imports.



- Sri Lanka's Gross Official Reserves stood at USD 6.8Bn at end Jan'26 reflecting strengthened external liquidity position. The average monthly import bill is also around USD 1.8Bn, which is comfortable to cover 4 months' worth of imports.

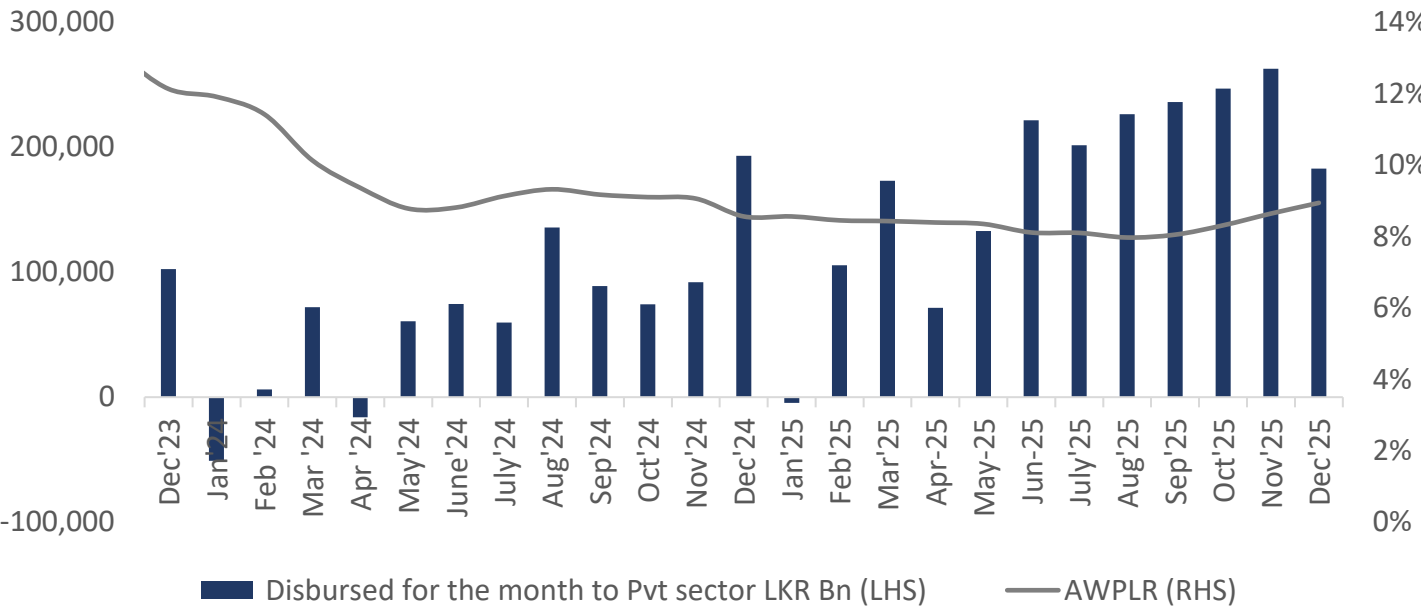


- Official exchange rate of LKR against USD appreciated by 0.3% YTD and the Euro, CNY and PKR also appreciated by 2.0%,0.7% and 0.1% YTD and against USD. While the INR and BDT depreciated by 1.3% and 0.2% YTD against USD.

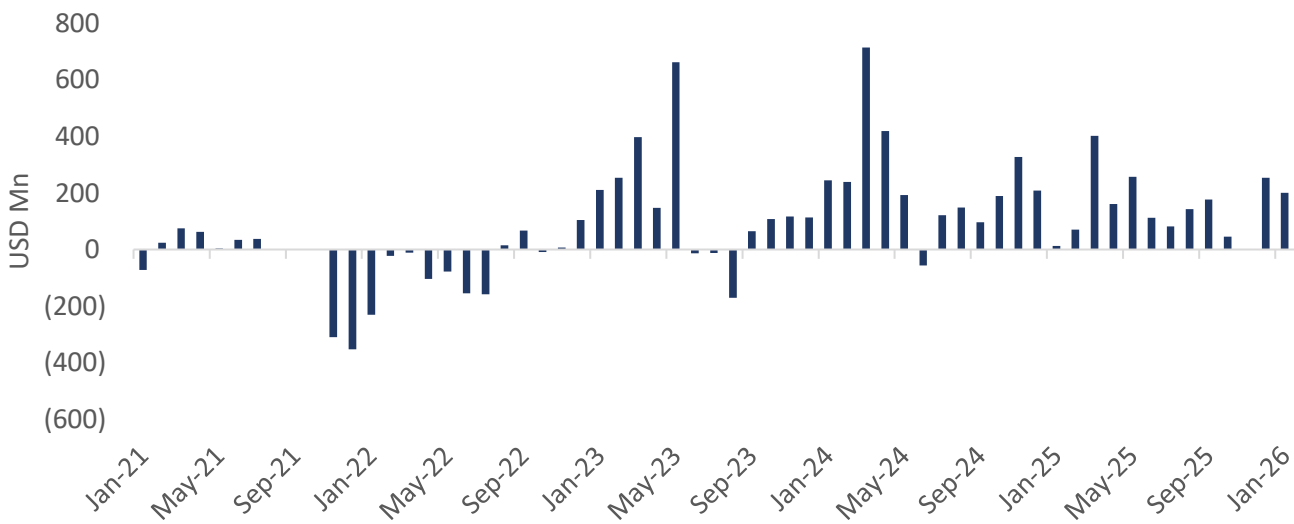
Source : CBSL, Xe Currency,
Note: LKR : Sri Lankan Rupee, EURO: Euro, INR: Indian Rupee, CNY: Chinese yuan, PKR: Pakistan Rupee, and BDT: Bangladesh Taka



Private sector credit picks up by 25% YoY for Dec'25

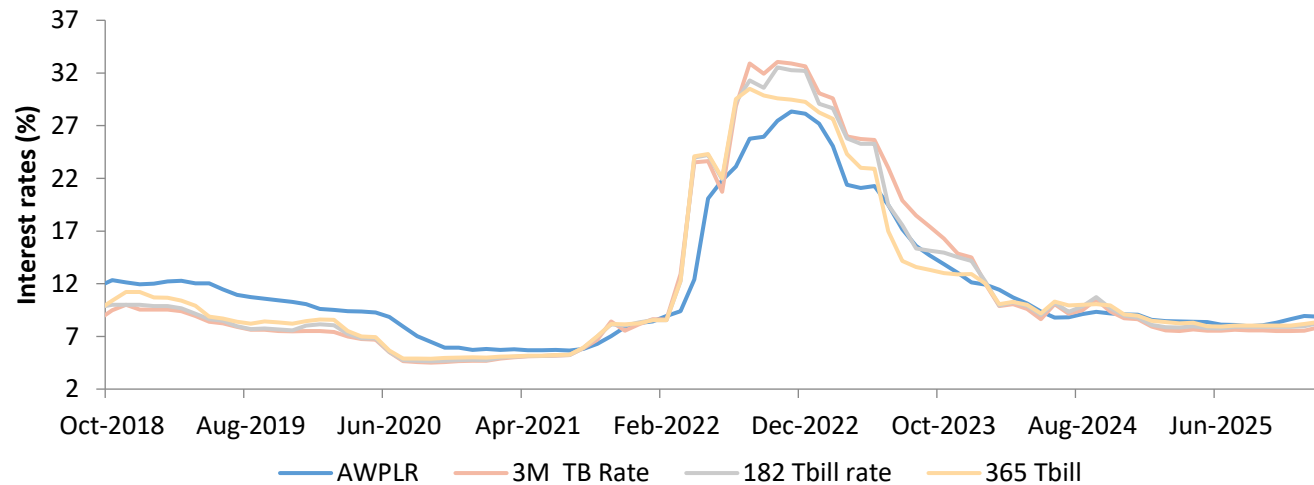
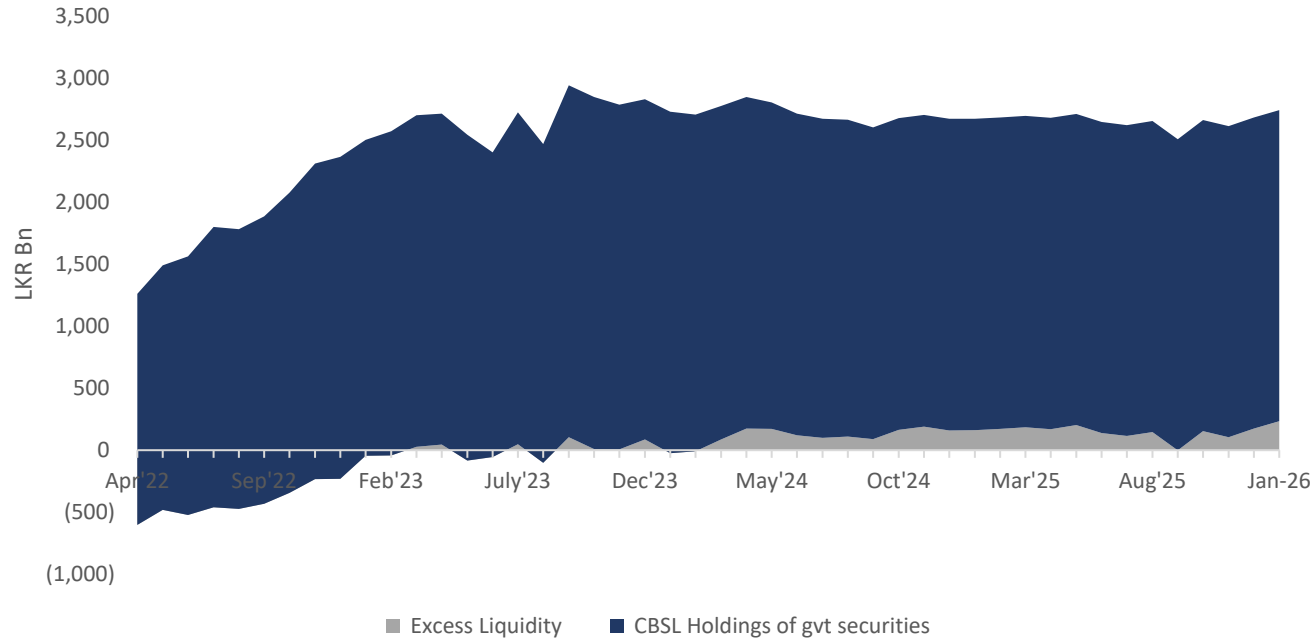


- Private sector credit expanded by 25%YOY to LKR 10.2Tn, increasing by LKR 182Bn in Dec'25. Monthly credit disbursements averaged around LKR 171bn during the year, a sharp rise from LKR 66bn recorded in 2024.



- The CBSL purchased USD 210Mn and USD 10Mn selling has reported in Jan'26, resulting in a net purchase of USD 200Mn.

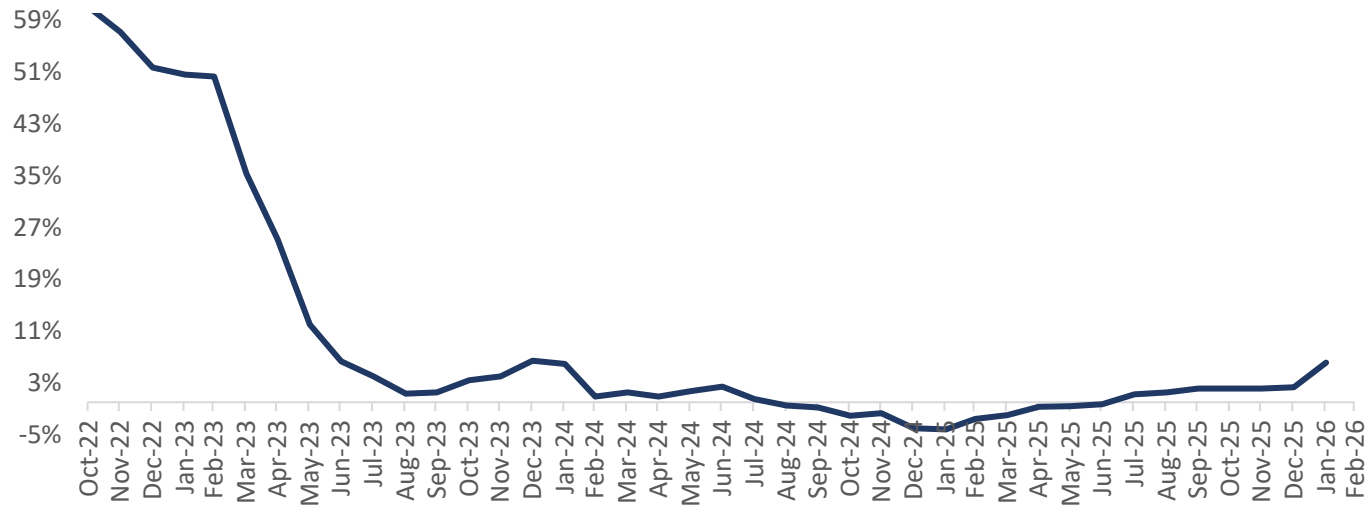
Tbill rates decline slightly, AWPLR edges up marginally



- Overnight liquidity levels meanwhile ended positive of LKR 233.1Bn. CBSL's holdings of government securities meanwhile remained at LKR 2.5Tn in Jan'26.

- In Feb'26, Treasury bill yields moderated slightly, with the 91-day, 182-day and 364-day bills recorded at 7.63%, 7.92% and 8.24%, respectively.
- Meanwhile, the Average Weighted Prime Lending Rate (AWPLR) edged up marginally to 8.95% during the month.

CCPI inflation accelerated to 1.6% YoY in Feb'26



- Sri Lanka's CCPI inflation eased to 1.6% YoY in Feb'26 from 2.3% in Jan'26. Food inflation edged up to 0.2% YoY, while non-food inflation increased to 2.3% YoY, contributing to overall price pressures during the month.
- For the month of February 2026, on Y-on-Y basis, contribution to inflation by food commodities was 0.08%. The contribution of Non-Food items was 1.55%. This was mainly due to price increases in groups of 'Housing, Water, Electricity, Gas and Other Fuels' (0.73%), 'Restaurants and Hotels' (0.31%), 'Education' (0.19%), 'Health' (0.16%), 'Clothing and Footwear' (0.11%), 'Miscellaneous Goods and Services' (0.09%), 'Furnishing Household Equipment and Routine Household Maintenance' (0.05%), 'Alcoholic beverages Tobacco and Narcotics' (0.04%), 'Recreation and Culture' (0.02%) and 'Communication' (0.02%). However, price decrease was reported for the group of 'Transport' (0.16%).

Food Inflation (Y-o-Y)



0.2%



Non-Food Inflation (Y-o-Y)

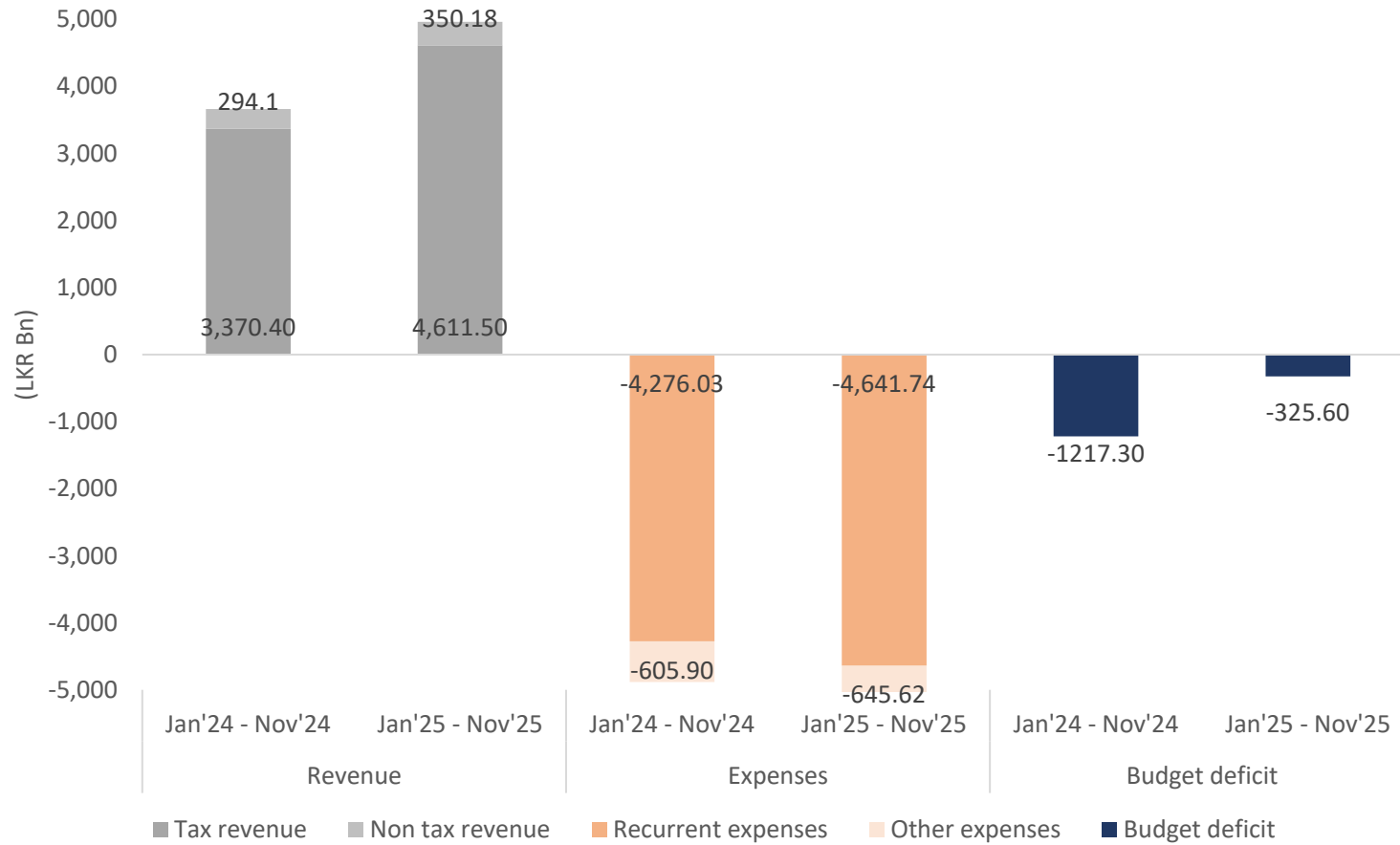


2.3%





Fiscal Position



- Government revenue increased by 35.4% YoY to LKR 4.9Tn during Jan'25 - Nov'25. This growth was primarily driven by a strong rise in tax revenue, which expanded by 36.8% YoY to LKR 4.6Tn, while non-tax revenue increased by 19.1% YoY to LKR 350.2Bn.
- Further, Recurrent expenditure rose by 8.6% YoY to LKR 4.6Tn, while capital and lending minus repayments increased by 6.6% YoY to LKR 645.6Bn. As a result of the significant improvement in revenue performance relative to expenditure growth, the budget deficit narrowed sharply by 73.3% YoY to LKR 325.6Bn over the same period.

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