



THE SUNDAY ECONOMY

WSO2 \$600 million acquisition

Sri Lankan digital transformation tech leader, WSO2, announced being acquired by EQT, a Swedish private equity firm. "EQT's backing will fuel our innovation, global expansion, and empower businesses in the digital age," stated WSO2 CEO and Founder, Sanjiva Weerawarana.

WSO2's cloud-based, open-source software is used by hundreds of major companies, universities, and governments, processing 60 trillion transactions annually.

"We see significant potential in WSO2 to capitalize on digital transformation and generative AI growth. EQT's experience in the software sector will accelerate WSO2's trajectory," said Hari Gopalakrishnan, Partner at EQT Private Capital Asia.

Founded by Sweden's Wallenberg family, EQT owns companies across Europe, Asia-Pacific, and the Americas, including IFS, SUSE, and thinkproject



Japan LRT to Resume

Sri Lanka's Foreign Affairs Minister, Ali Sabry, PC, expressed gratitude for Japan's longstanding support through the Japan International Cooperation Agency (JICA), emphasizing Japan as a vital development partner. Minister Yoko Kamikawa of Japan echoed this sentiment, affirming Japan's commitment to bolster Sri Lanka's development, particularly by promptly resuming yen loan projects.

In July 2023, Sri Lanka's Cabinet approved discussions with the Japanese mission to revive the proposed Light Railway Transit (LRT) project, originally scrapped by the previous administration. The Ministry of Urban Development and Housing initiated steps to reinstate the project, seeking expert opinions for its re-implementation.

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Weekly CSE Summary

The Colombo stock market closed with mixed results yesterday but ended the week positively with active investor engagement.

The benchmark ASPI rose by 0.4%, gaining over 50 points, while the S&P SL20 declined slightly by 0.1%. Weekly gains stood at 1.7% for ASPI and 1% for S&P SL20.

Turnover was Rs. 2.47 billion, below the weekly average of Rs. 3.38 billion. Foreign investors recorded a net inflow of Rs. 56.2 million.

The Diversified Financials sector led turnover at 23%, with Central Finance Company and LB Finance contributing significantly. John Keells Holdings drove activity in the Capital Goods sector.

Notable gains were seen in Central Finance Company, LB Finance, and John Keells Holdings, while Ceylon Cold Stores and R I L Property also saw positive movements.

ASPI

12,404.33 +50.64

0.41%

S&P SL20

3,672.05 -3.72

-0.10%

The LRT project, aimed at alleviating Colombo's traffic congestion, received a substantial loan pledge of USD 1.8 billion from Japan in 2019. It envisioned a 17 km elevated rail track with 16 stations connecting Malabe to Colombo Fort.

However, the project faced abrupt termination under the prior administration, incurring significant costs and sparking controversy. A special audit by the Sri Lankan Auditor General highlighted the decision's financial repercussions, estimating a loss of Rs. 5.978 billion due to insufficient assessment and unilateral termination.

The termination decision drew scrutiny for lacking a viable alternative transport solution. Despite Japan's generous loan terms, the project's premature end underscored the need for transparent and informed decision-making in future infrastructure endeavors.

This Week In History

April 29th, 1945: Benito Mussolini, the fascist dictator of Italy, is captured and executed by Italian partisans near Milan

May 3rd, 1494: Christopher Columbus lands on the island of Jamaica during his second voyage to the Americas

May 4th, 1970: Four students are shot to death by National Guardsmen at Kent State University in Ohio, during protests against the Vietnam War

May 5th, 1862: Cinco de Mayo is celebrated in Mexico, commemorating the Mexican victory over the French army at the Battle of Puebla

Public Feedback for the proceeds of the crime Act

Transparency International Sri Lanka (TISL) is urging public feedback on the Proceeds of Crime Act (POCA) draft legislation. TISL criticizes the lack of public consultation in drafting the law, stressing the importance of input from diverse stakeholders for effective anti-corruption measures. Concerns are raised about the rushed process and the IMF's apparent acceptance of it. Feedback can be submitted via email, with TISL pledging to forward it to the Ministry of Justice.

TISL emphasizes the need for robust legislation aligning with democratic principles, constitutional rights, and the aspirations of Sri Lankan citizens. POCA aims to combat grand corruption by tracing, seizing, and recovering illicitly acquired assets, aligning with international standards. The Ministry of Justice published the draft Bill, prepared by a committee headed by Supreme Court Justice Yasantha Kodagoda, covering various aspects of asset recovery and management.

Parliament with UNDP hold a forum for Youth Representatives of the Sectoral Oversight Committees

The Representatives had a workshop on 30th April ,focusing the topics of the economy and contribution of the youth towards the sectoral oversight committees, Senior Advisor to the President ,Dr. R.H.S Samaranayake Conducted the Keynote Speech along with remarks from the UNDP deputy Resident representatives Ms. Malin Herwig, Mr. Chaminda Kularathne , Deputy Secretary General of the Parliament . Forwarded with a committee specific session with Sectoral Oversight committee chairpersons along with relevant ministry representatives.



World Column

NYSE weekly summary

Last week, major US indices rebounded, ending a three-week losing streak. The S&P 500 surged by 2.7%, its best performance since November.

Despite Treasury yields remaining high and economic data indicating growth moderation, oversold conditions and strong earnings fueled the market. April marked a 4.2% decline for the S&P 500, breaking a five-month winning streak.

Notable moves occurred in fixed income and currency markets, with Treasury yields and the USD index retreating. Market volatility eased, with the VIX falling below 14 for the first time since early April. Earnings season continued, with about 80% of S&P 500 companies surpassing estimates.

Highlights included Apple's robust returns, cautious consumer sentiment from Amazon, McDonald's, and Starbucks, and positive outcomes for Pfizer and Amgen in healthcare.

Indicies

DOW 38,676 (+450),
S&P 500 5,128 (+64),
Russell 2000 2,036 (+20),
NYSE FANG+ 10,032 (+215),
ICE Brent Crude \$82.85/barrel (-\$0.82),
Gold \$2,310/oz (+\$1),
Bitcoin ~62.6k (+3496)

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