



# MONTHLY ECONOMIC WRAP | APRIL 2026

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SECURITIES

14.05.2026



## Contents

CSE PERFORMANCE	03
MONETARY SECTOR	10
EXTERNAL SECTOR	18
COMMODITIES AND OTHER	28



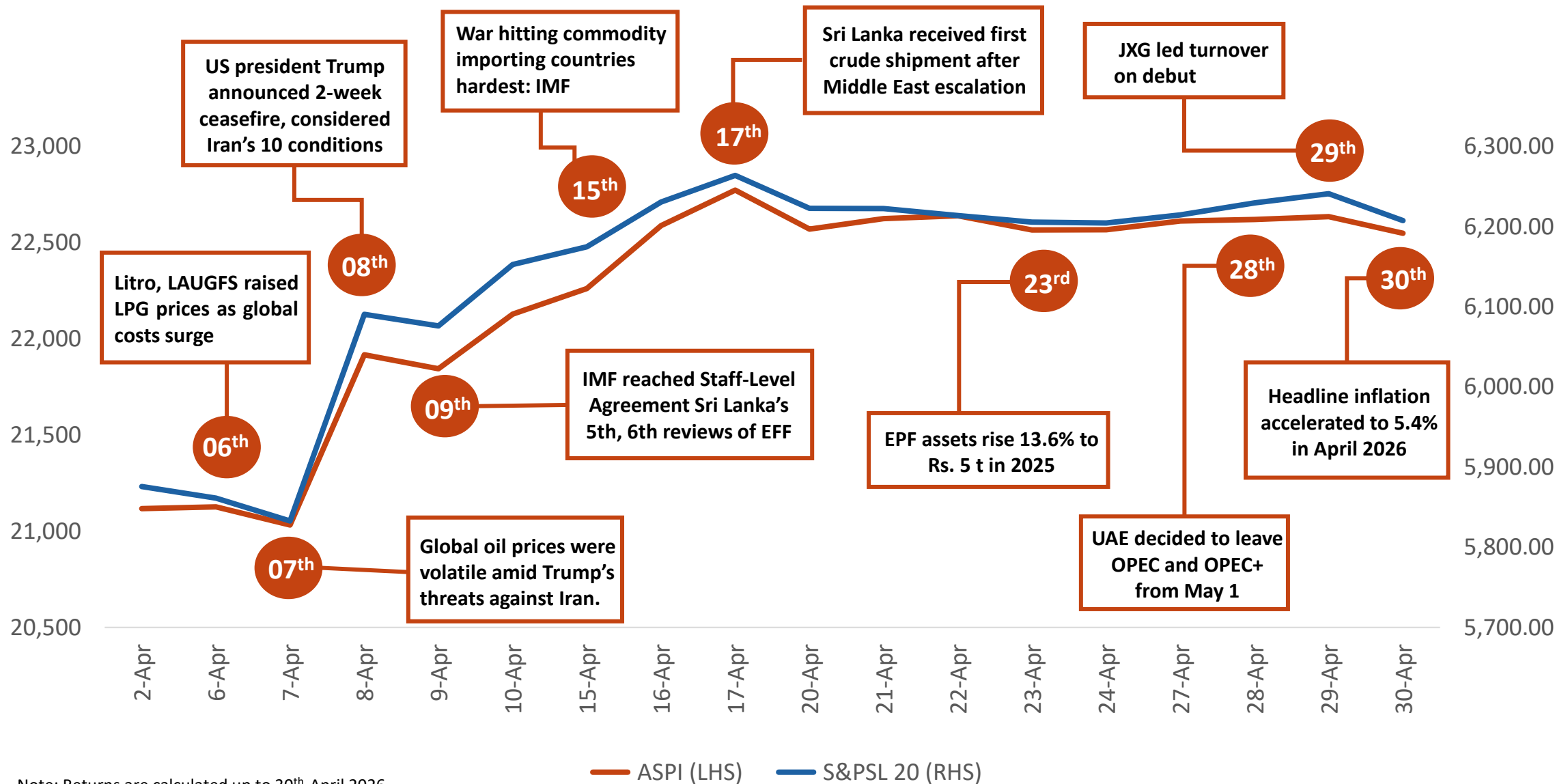


## CSE PERFORMANCE

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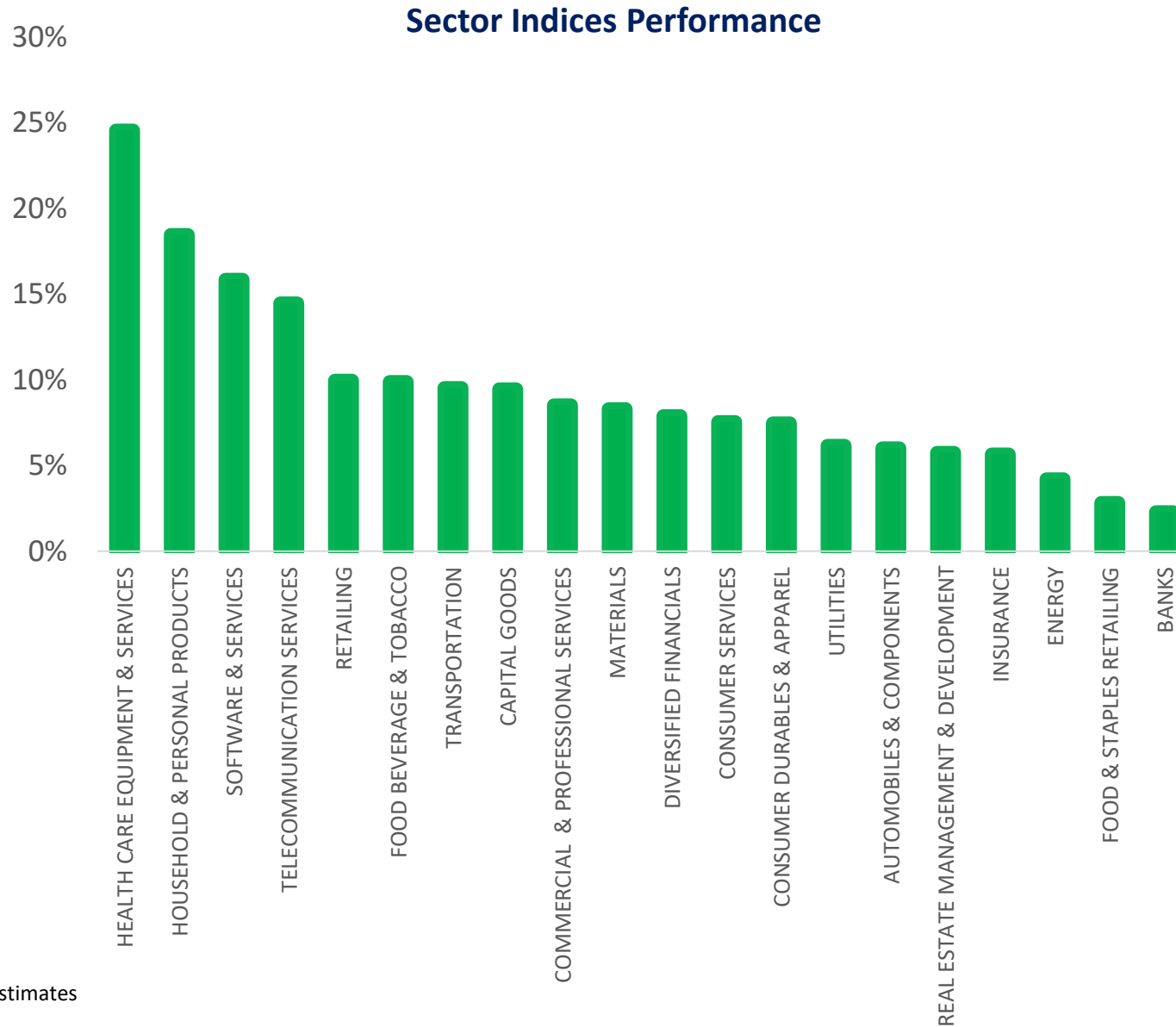


# ASPI increased by 6.78% and S&PSL20 increased by 5.65% in Apr 2026



Note: Returns are calculated up to 30<sup>th</sup> April 2026  
Source: CSE, Ambeon estimates

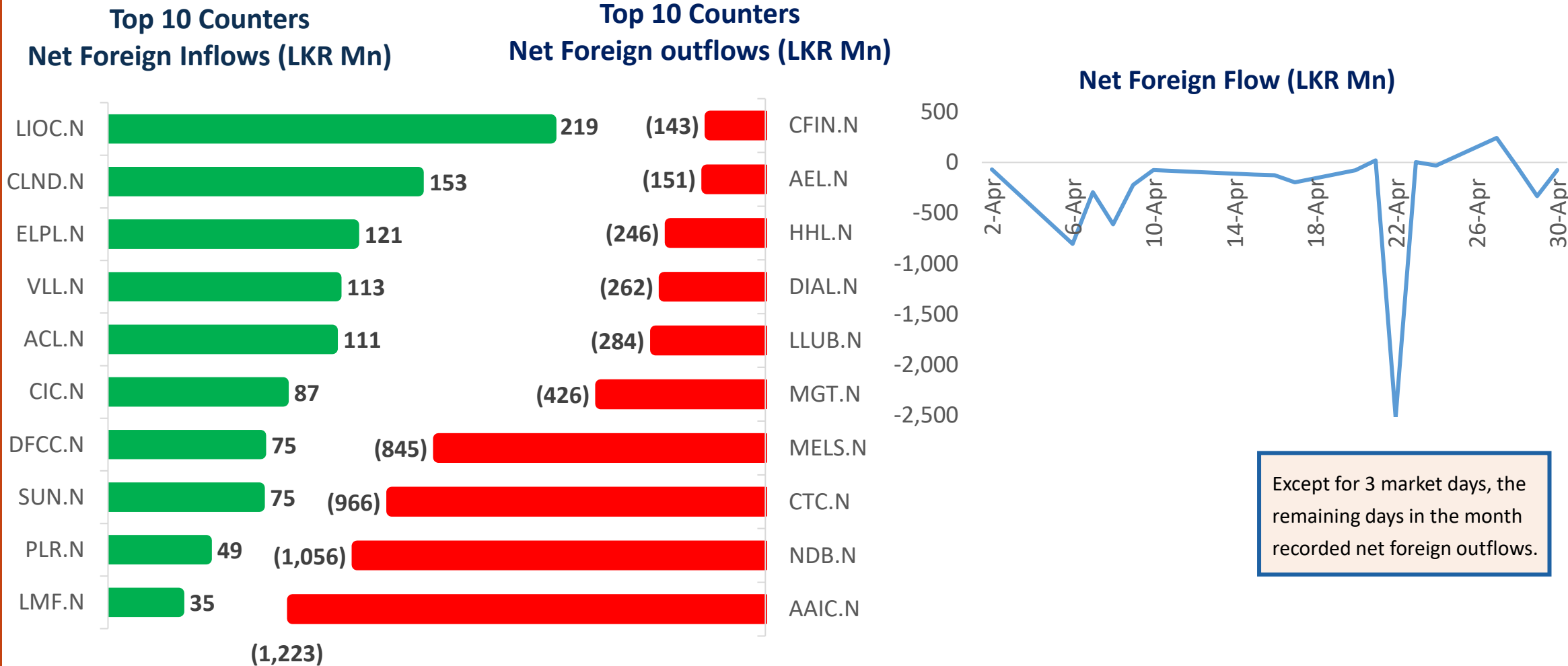
## In Apr 2026, all the 20 sectors recorded increases



The **Health Care Equipment & Services** sector had **the highest increase of 24.54%** this month, while no sectors showed declines.

Source: CSE, Ambeon estimates

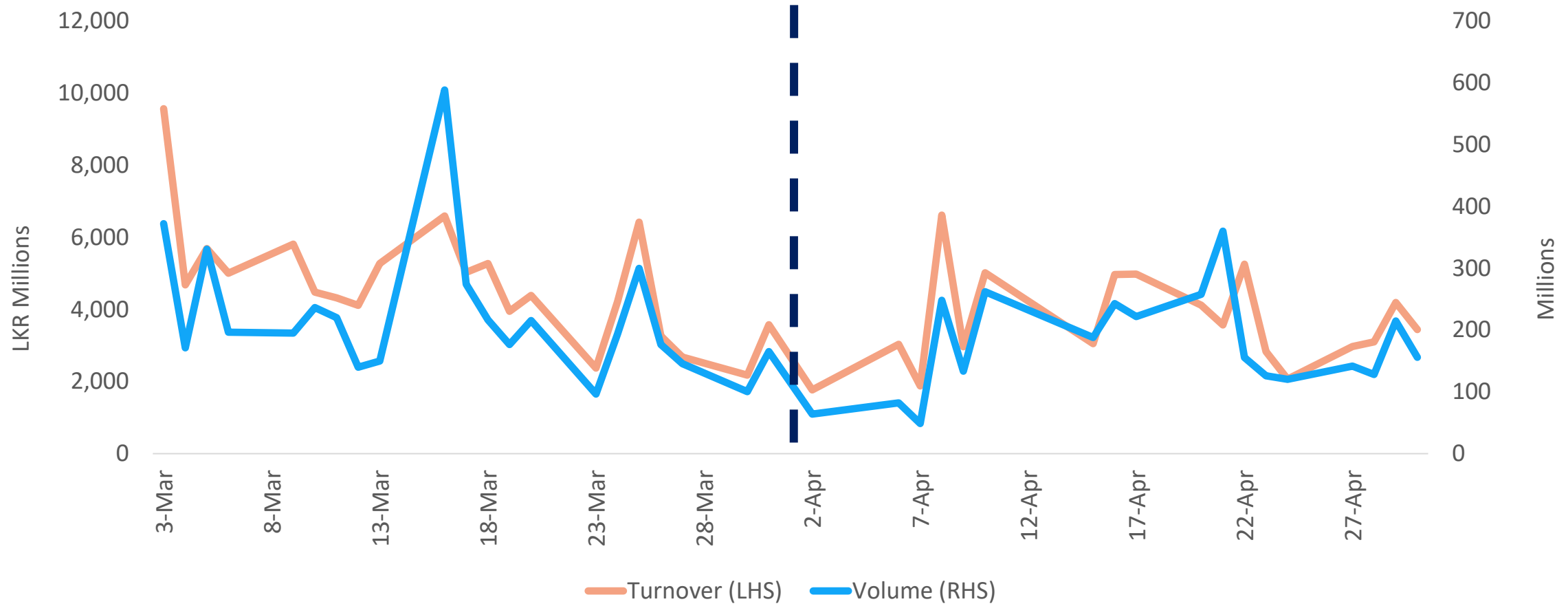
# Total net foreign outflow for Apr 2026 was LKR -5,330.78 Mn



**Apr 26 Total Net Foreign Flow LKR -5,330.78 Mn | Year-to-date Net Foreign Flow\* LKR - 25,130.94 Mn**

Source: CSE, Ambeon estimates  
 \*Year-to-date calculated as of 30<sup>th</sup> April 2026

## During Apr 2026, daily average turnover and volume decreased MoM



Daily average	MoM %	Mar 2026	Apr 2026	YTD Average
Turnover (LKR Mn)	-22%	4,706	3,655	5,275
Volume (Mn)	-21%	222	175	209

Source: CSE, Ambeon estimates

Note: Daily average turnover and volume for the month

## Regional valuation comparison

### Frontier Markets (Asia)

Index	PE	PBV
ASPI (Sri Lanka)	11.3	1.6
KSE 100 (Pakistan)	8.0	1.5
VNI (Vietnam)	15.6	2.2

### US & European Markets

Index	PE	PBV
S&P 500 (US)	28.7	5.7
DJIA (US)	25.3	5.7
FTSE 100 (UK)	16.4	2.3

### Other Markets (Asia)

Index	PE	PBV
Nikkei 225 (Japan)	24.5	3.0
CSI 300 (China)	19.1	1.9
HSI (Hong Kong)	13.9	1.4
BSE 500 (India)	24.7	3.5
NIFTY 50 (India)	22.6	3.3
JCI (Indonesia)	14.2	1.9

Note: Figures are as of 08<sup>th</sup> May 2026

Source: Bloomberg

## Key economic news & events

08th April

**US president Trump announces 2-week ceasefire**

The proposed ceasefire between the US and Iran aimed to temporarily halt escalating military tensions and reopen the Strait of Hormuz, a critical global oil shipping route. President Donald Trump gave Iran a deadline to accept the agreement, warning of severe military action if Tehran refused. However, Iran remained defiant, insisting that any ceasefire must include broader conditions such as sanctions relief and long-term security guarantees. The uncertainty surrounding the ceasefire continued to raise concerns over regional stability and global energy markets.

09th April

**IMF reaches Staff-Level Agreement with Sri Lanka**

The IMF reached a staff-level agreement with Sri Lanka on the 5th and 6th reviews under the Extended Fund Facility (EFF), paving the way for a further USD 700 million disbursement upon Executive Board approval. The IMF noted that Sri Lanka's economy has shown positive progress through stronger GDP growth, improved government revenue, higher foreign reserves, and stabilizing inflation. However, the IMF emphasized the need to continue fiscal and structural reforms while highlighting external risks such as Middle East tensions, rising energy prices, and global uncertainties that could affect the country's recovery.

15th April

**War hitting commodity importing countries hardest: IMF**

The ongoing conflict in the Middle East has significantly affected global commodity prices, particularly energy and food commodities. According to the IMF, disruptions to oil production and the closure of the Strait of Hormuz, a key global shipping route for oil and gas, have sharply increased global energy prices. Higher oil and gas prices have raised transportation, manufacturing, and production costs worldwide, leading to inflationary pressure across many economies. In addition, fertilizer and food prices have also risen due to supply chain disruptions and higher energy costs, placing greater pressure on importing countries and increasing global cost-of-living concerns.

28th April

**UAE Leaves OPEC And OPEC+**

The UAE has decided to leave OPEC and OPEC+, marking a significant setback for the global oil producers' alliance led by Saudi Arabia. The decision was taken to support the UAE's long-term energy strategy and allow greater flexibility in oil production without quota restrictions. This move is expected to weaken OPEC's influence over global oil markets and could increase volatility in oil prices. The development also comes amid heightened Middle East tensions and disruptions in the Strait of Hormuz, which have further unsettled global energy markets.



## MONETARY SECTOR

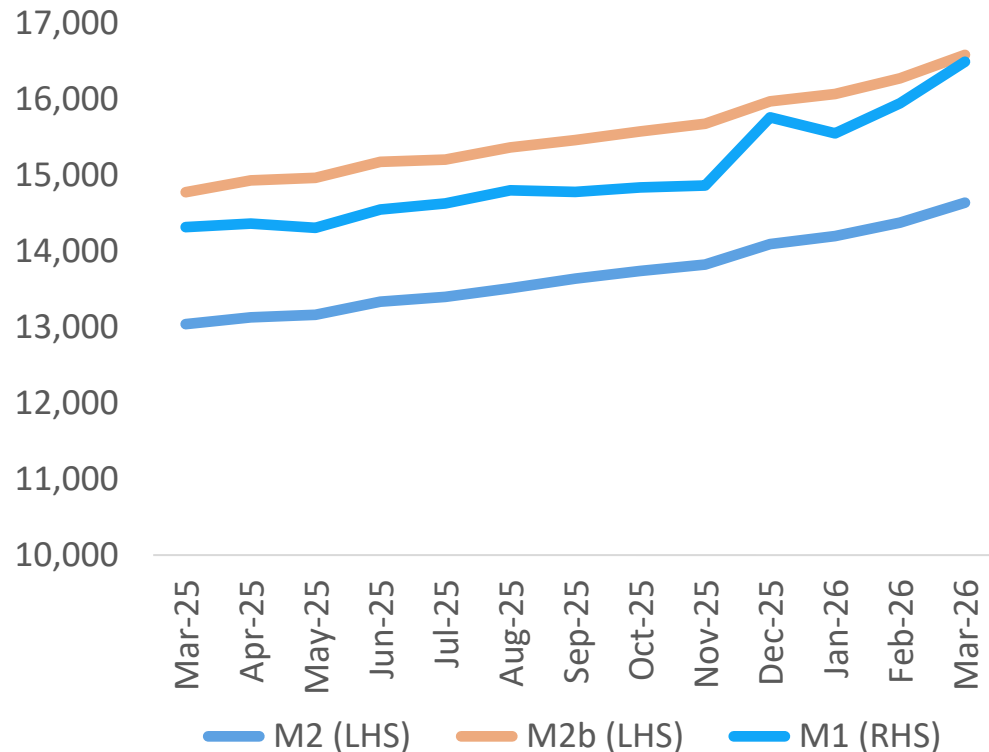
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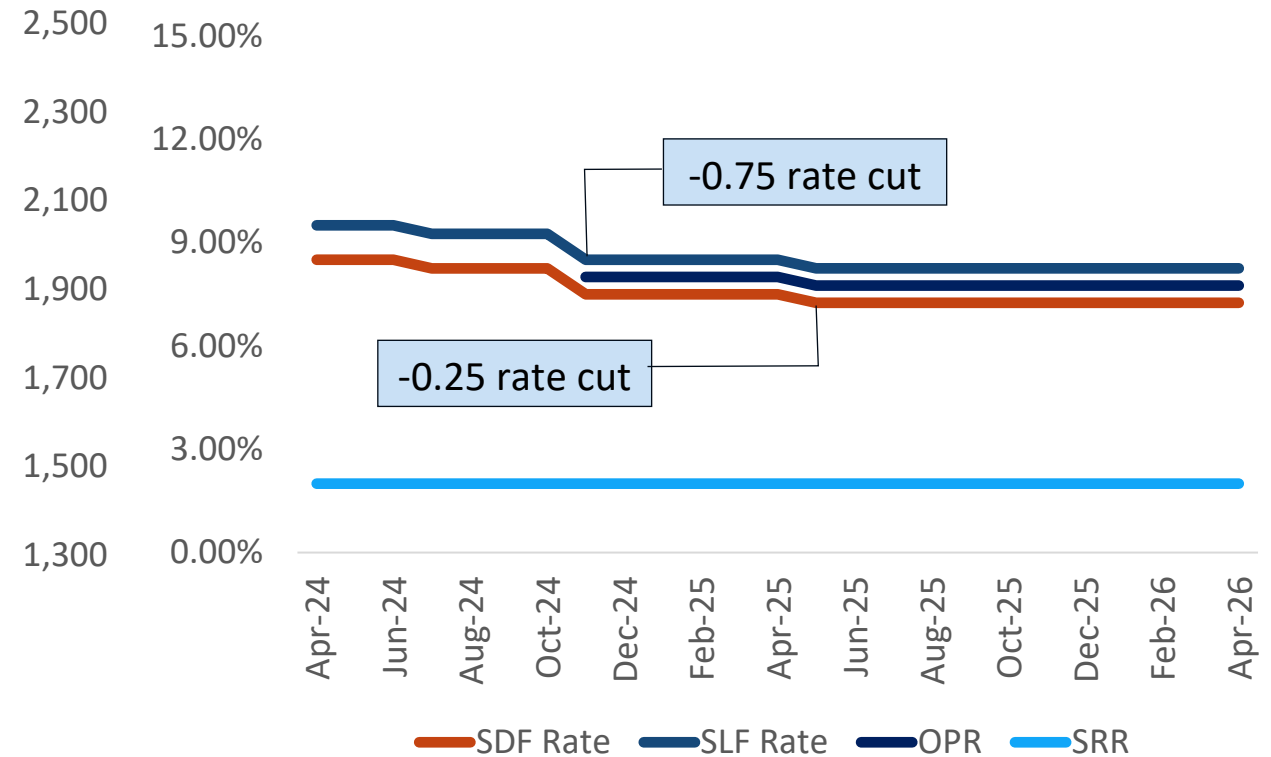
## Overnight Policy Rate continues at 7.75%

By the end of March 2026, Sri Lanka's narrow money supply (M1) rose to LKR 2,413.5 billion, while the consolidated broad money supply (M2b) expanded to LKR 16,585.7 billion, marking an increase from February 2026. Policy rates remained unchanged in April 2026 at 7.75%, indicating a continuation of the monetary stance maintained since May 2025.

Money Supply (LKR Bn)

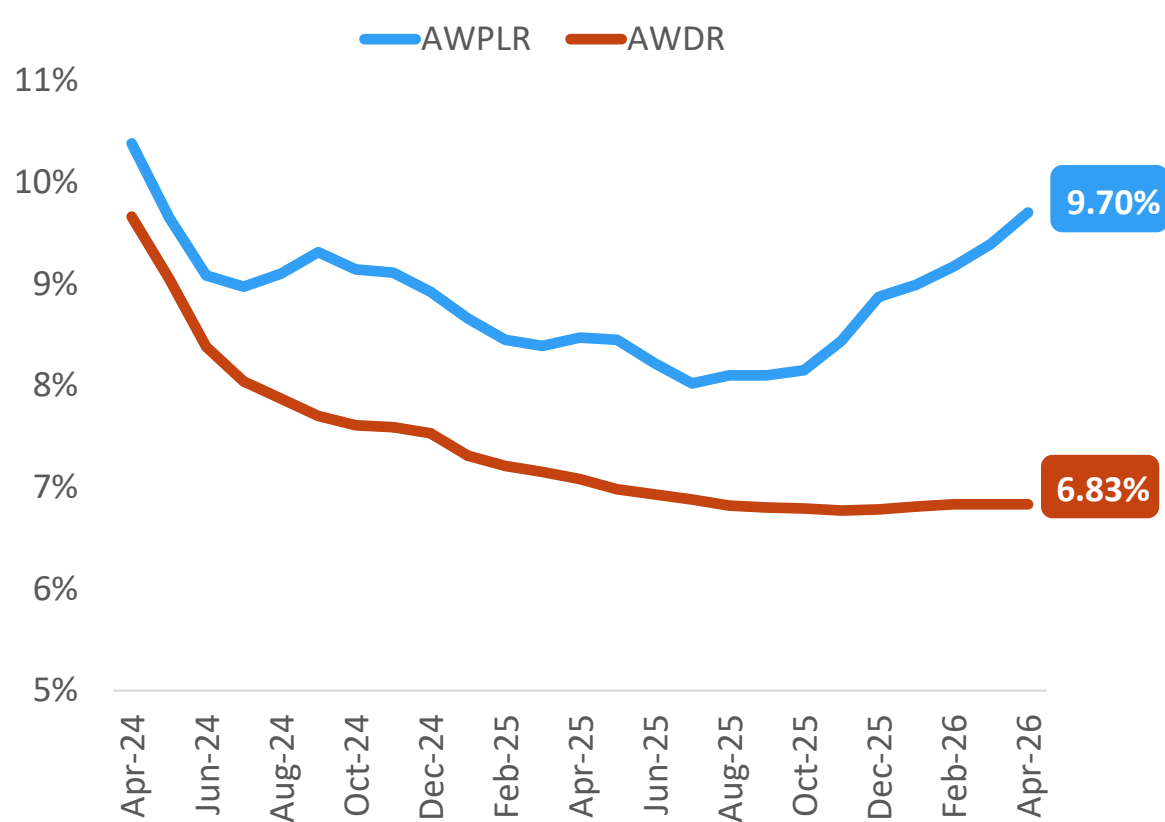


Policy Rates

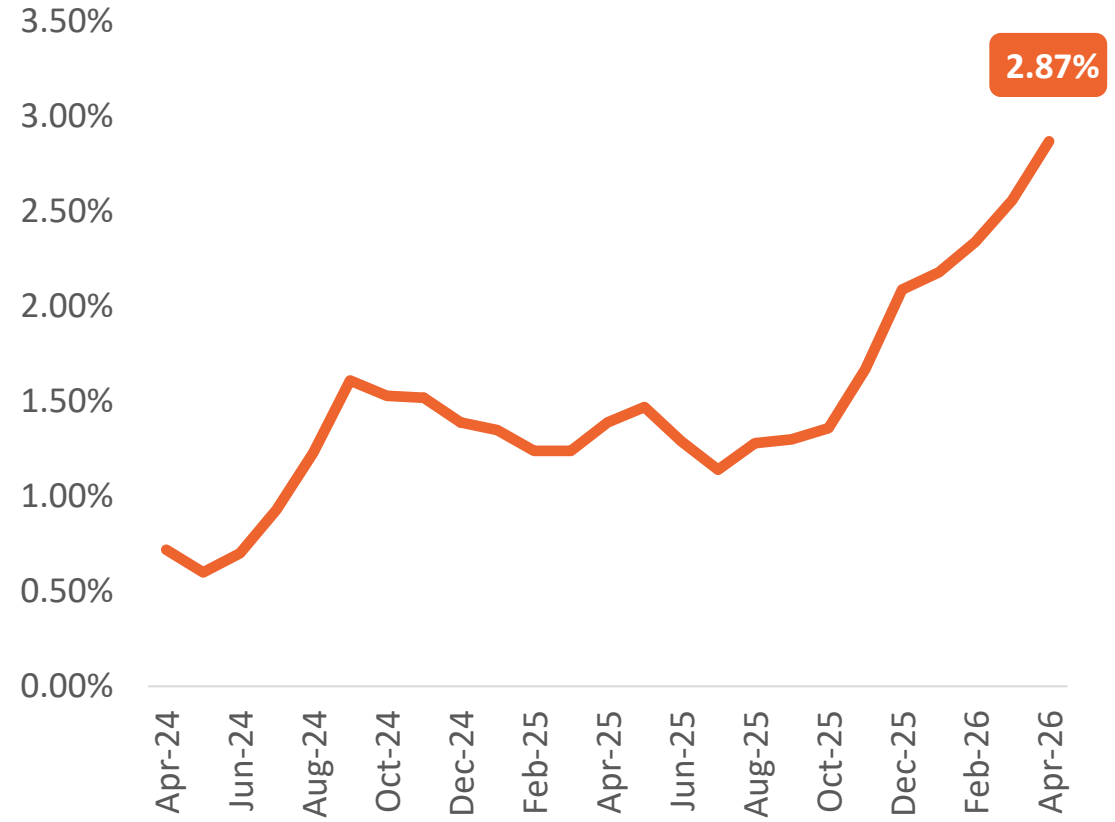


# Lending rates and interest rate spread experienced an increase in Apr 2026

**Lending and Deposit Rates**



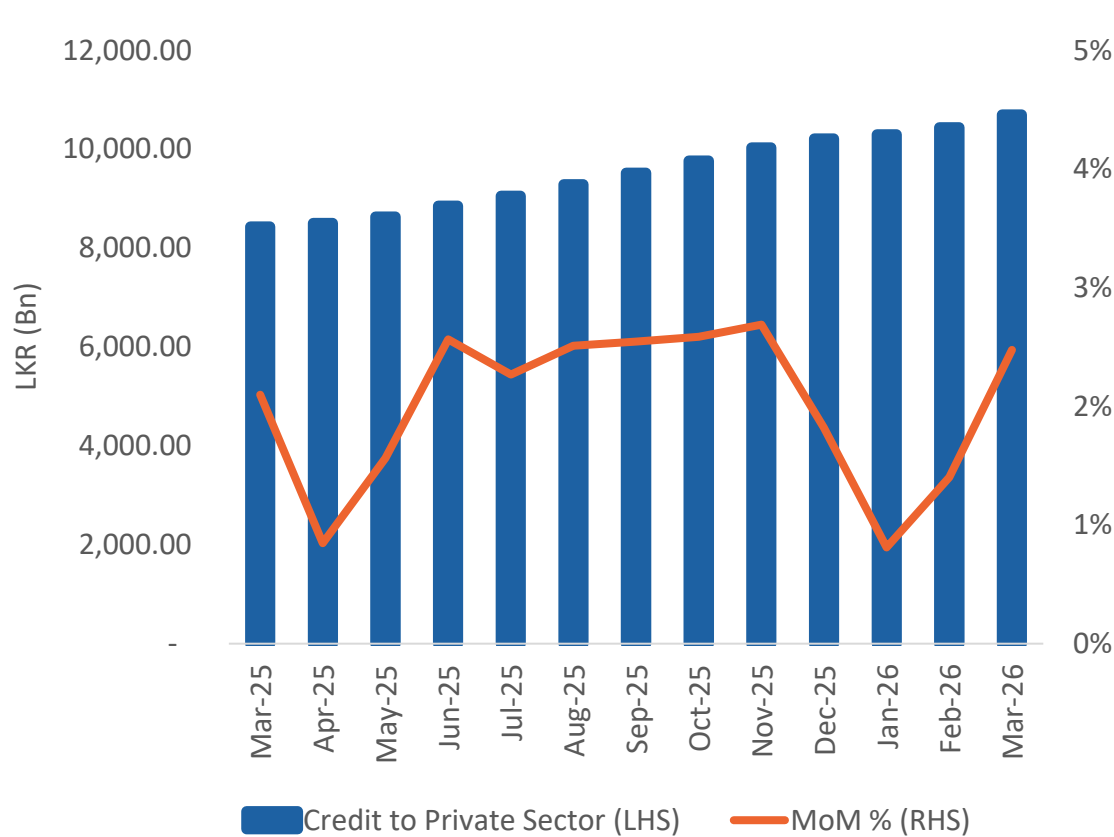
**Interest Spread**



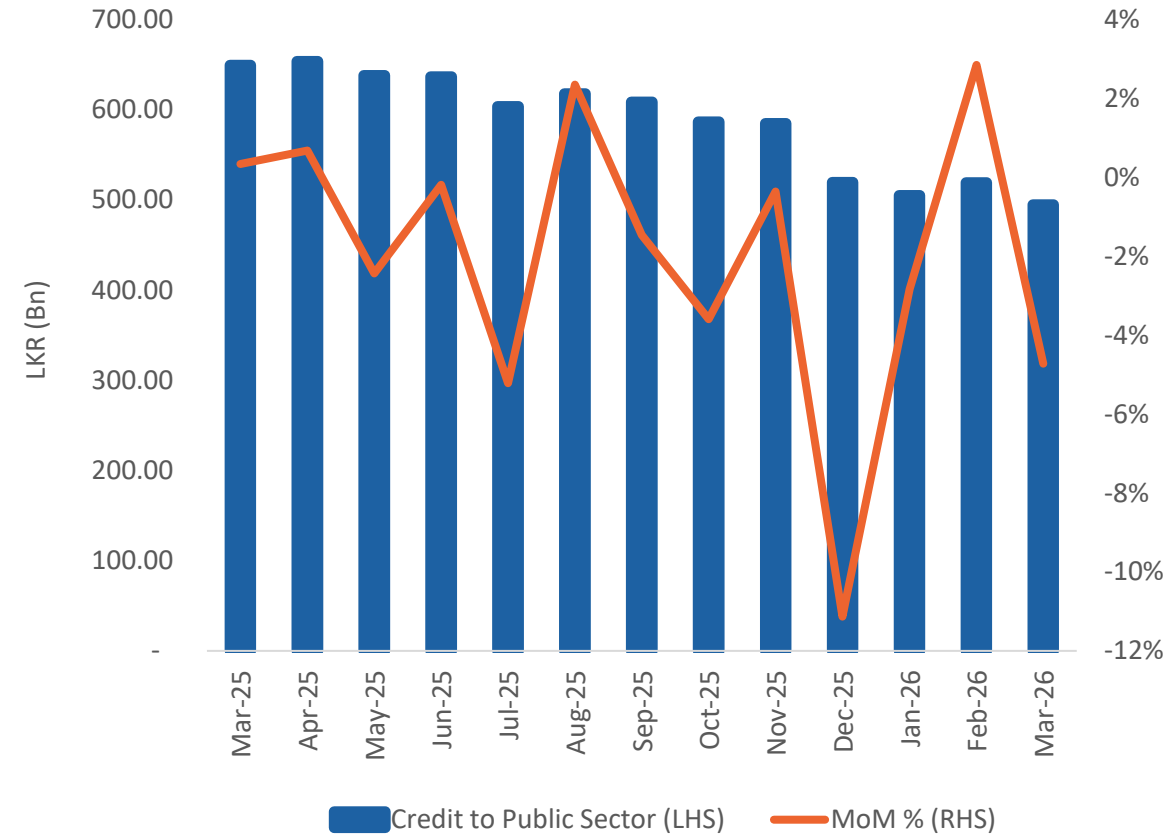
Source: CBSL

# Private sector credit increased in Mar 2026

### Credit to Private Sector

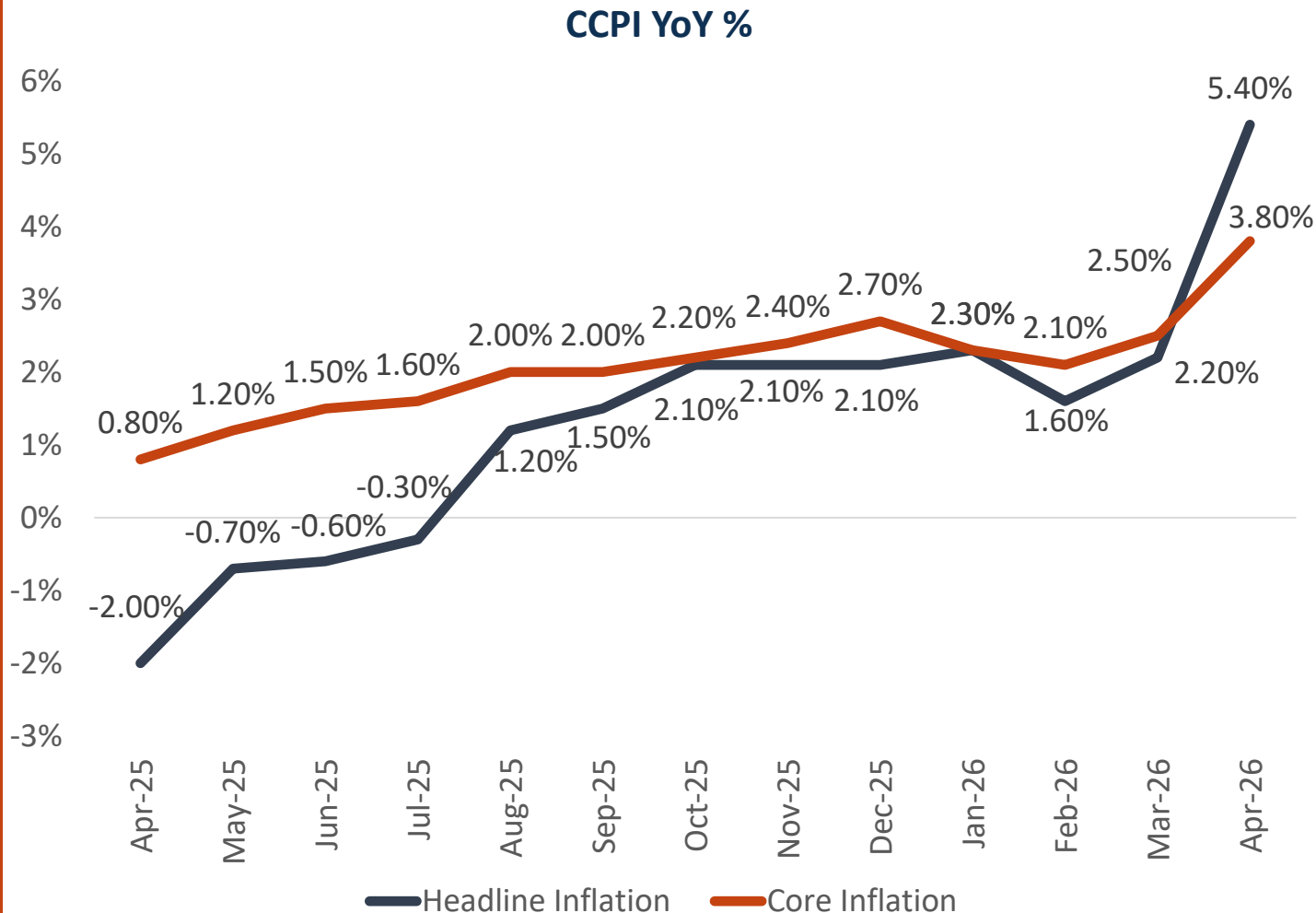


### Credit to Public Sector



Source: CBSL

## Headline inflation accelerated to 5.4% in Apr 2026, surpassing CBSL target



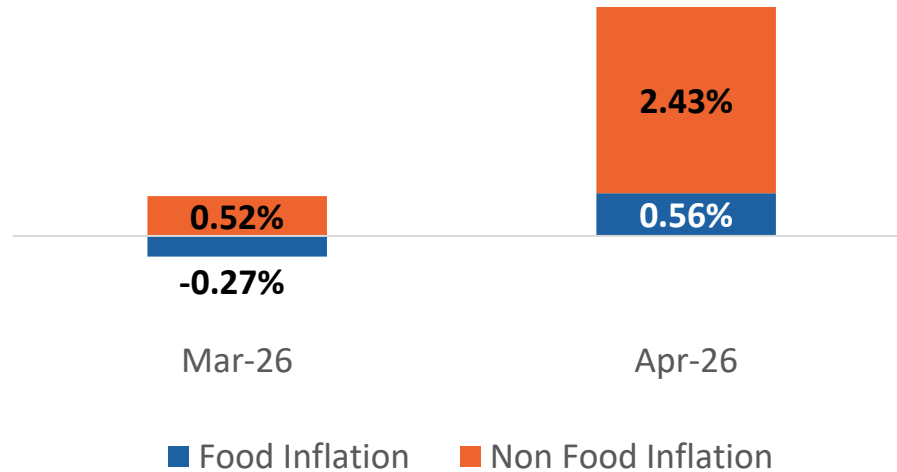
Headline inflation (YoY), measured by the Colombo Consumer Price Index (CCPI), accelerated to 5.4% in April 2026 from 2.2% in March 2026, mainly due to the ongoing Middle East war, which caused domestic energy prices to rise. The transport sector recorded the highest inflation at 11.6% YoY in April 2026, compared to 0.8% YoY in March 2026.

Meanwhile, core inflation (YoY) also increased to 3.8% in April 2026 from 2.5% in March 2026.

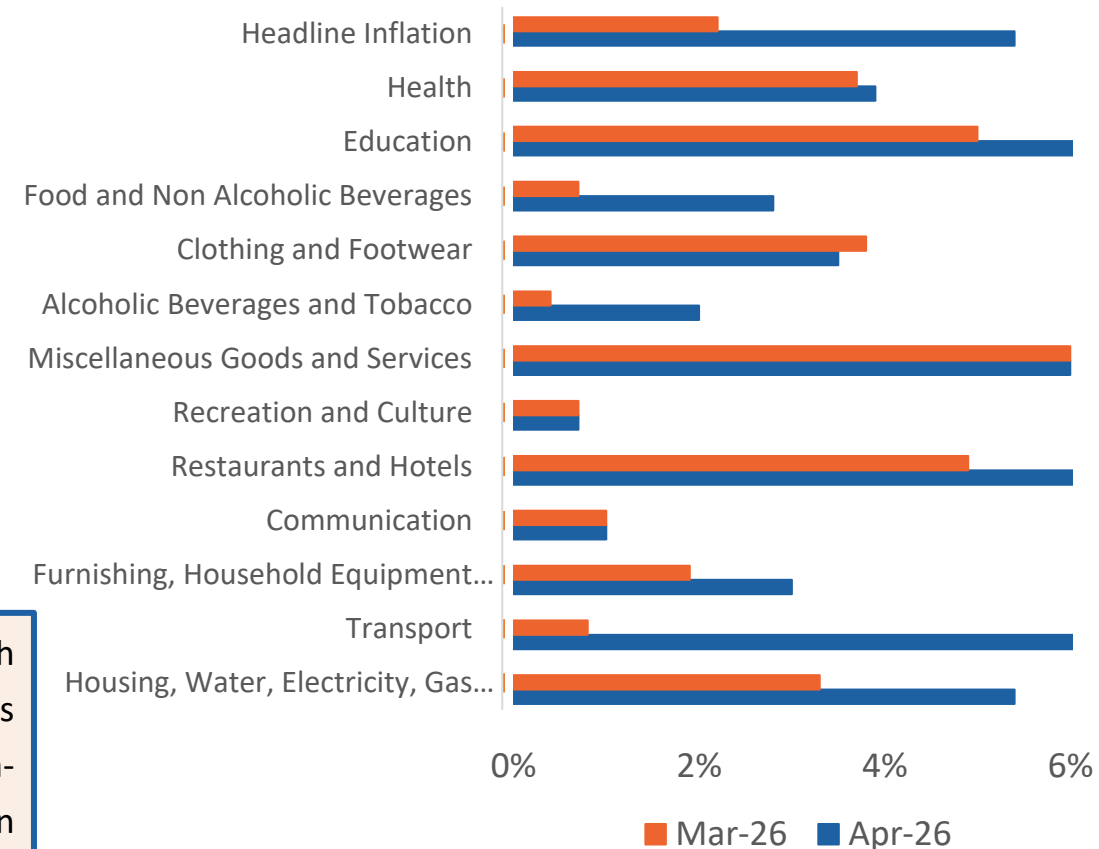
Sri Lanka’s relatively low inflation levels before April 2026 created room to absorb the impact of rising energy prices and their effects on the broader economy. However, the ongoing Middle East conflict has increased uncertainty over the inflation outlook due to its potential impact on global and domestic economic activity. Despite possible short-term price increases caused by supply-side pressures, inflation is expected to remain close to the Central Bank’s 5% target over the medium term with appropriate policy support.

# Apr 2026, CCPI increased by 2.99% MoM mainly due to non-food category

Contribution to monthly change in CCPI



CCPI YoY Change by Subcategory



On a month-on-month basis, the CCPI increased by 2.99% in April 2026, with non-food prices contributing 2.43 percentage points and food prices contributing 0.56 percentage points to the overall increase. On a year-on-year basis, headline inflation accelerated to 5.4% in April 2026 from 2.2% in March 2026. Food inflation (YoY) increased to 2.8% in April from 0.7% in the previous month, while non-food inflation (YoY) accelerated sharply to 6.8% in April 2026 from 2.9% in March 2026.

Prices accelerated across all categories except Miscellaneous Goods and Services, Recreation and Culture, and Communication, which remained at the same level.

# Call and Repo Rates experienced an increase in Apr 2026

### Weighted Averaged Yields of Money Market Rates

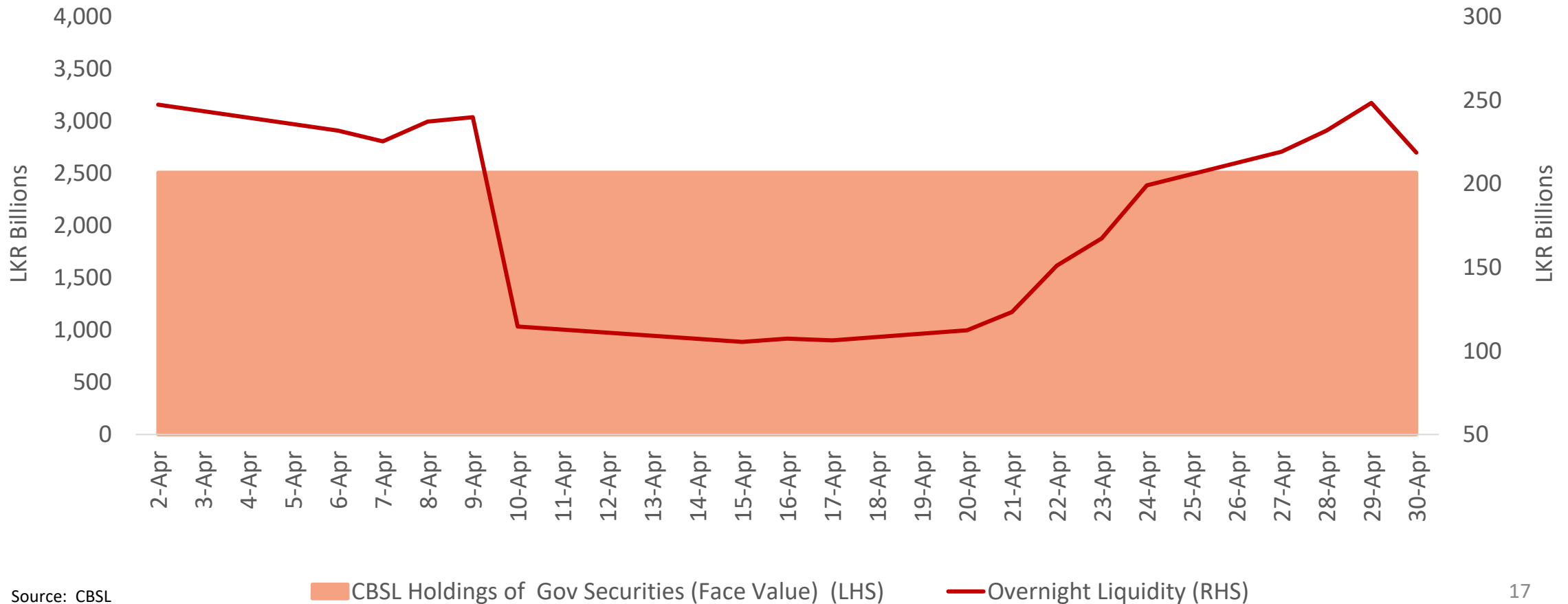


Source: CBSL

## CBSL's G-Sec holdings were stable; overnight liquidity remained positive

During April 2026, the Central Bank of Sri Lanka's (CBSL) holdings of government securities remained broadly stable at LKR 2508.92 billion, indicating limited new monetary financing. Meanwhile, overnight liquidity in the banking system remained volatile throughout the month, with several sharp fluctuations observed. It declined during the mid-month period, before showing a gradual recovery toward the latter part of the month, reaching approximately LKR 219 billion by end-April.

Liquidity and CBSL Holdings



Source: CBSL

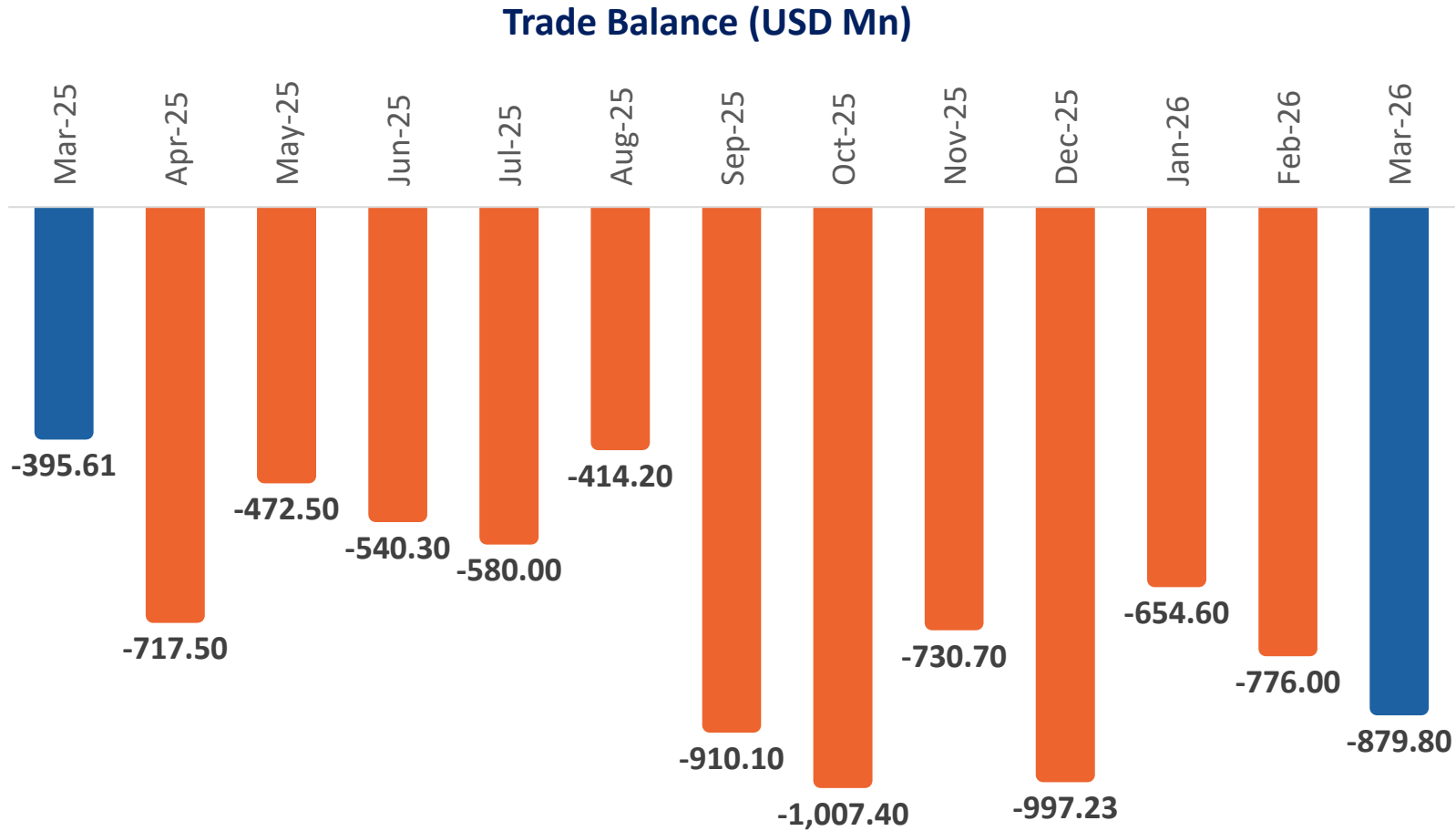


## EXTERNAL SECTOR

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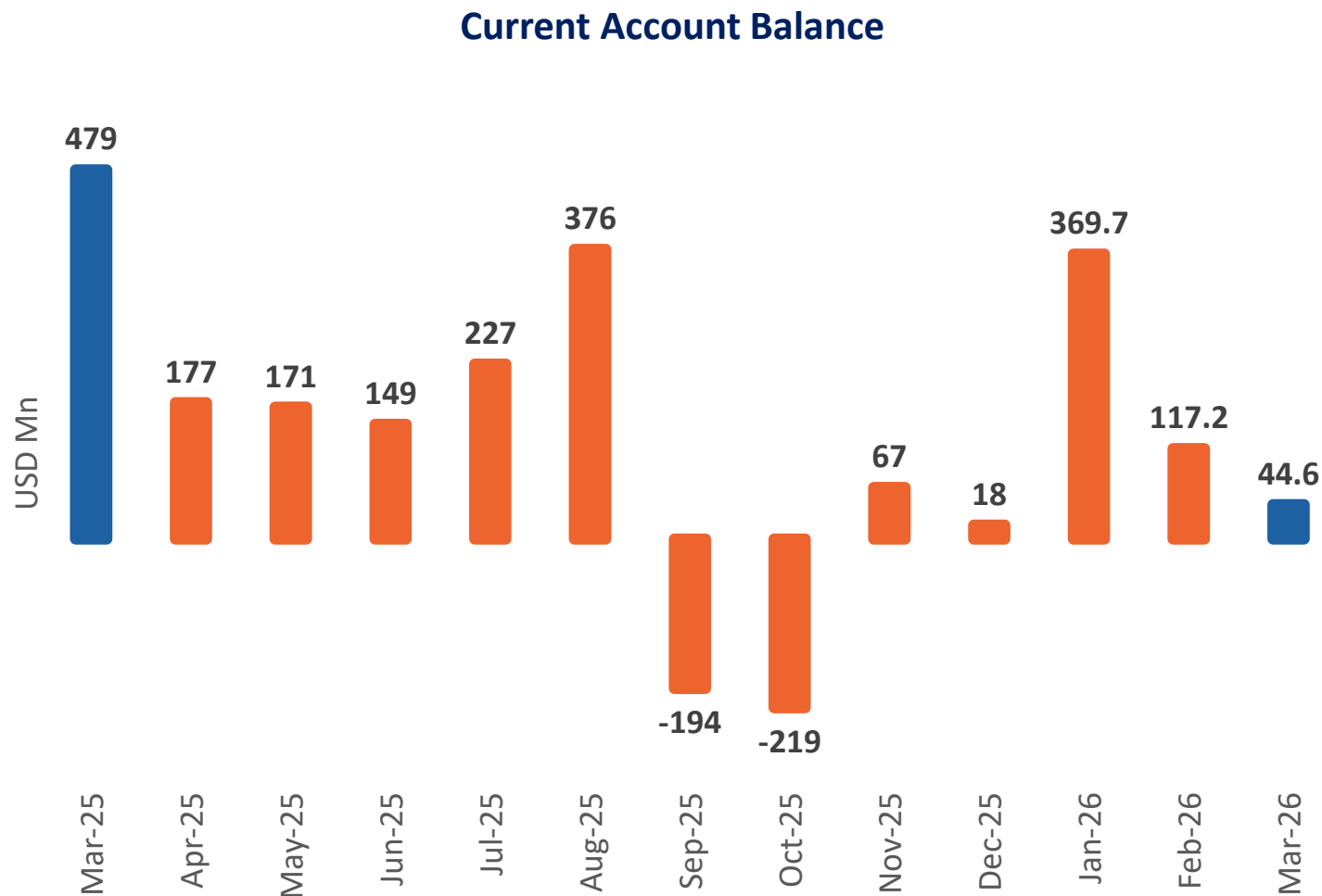
## Trade Balance deteriorated by 122.4% YoY in Mar 2026



In March 2026, Sri Lanka’s trade deficit widened to USD 879.8 million, reflecting an 122.4% increase compared to March 2025 and a 13.4% increase from the previous month.

The year-on-year decrease in the trade balance was driven mainly by the increase in import expenditure by 30.3% YoY.

## Current Account Balance decreased by 90.7% YoY in Mar 2026

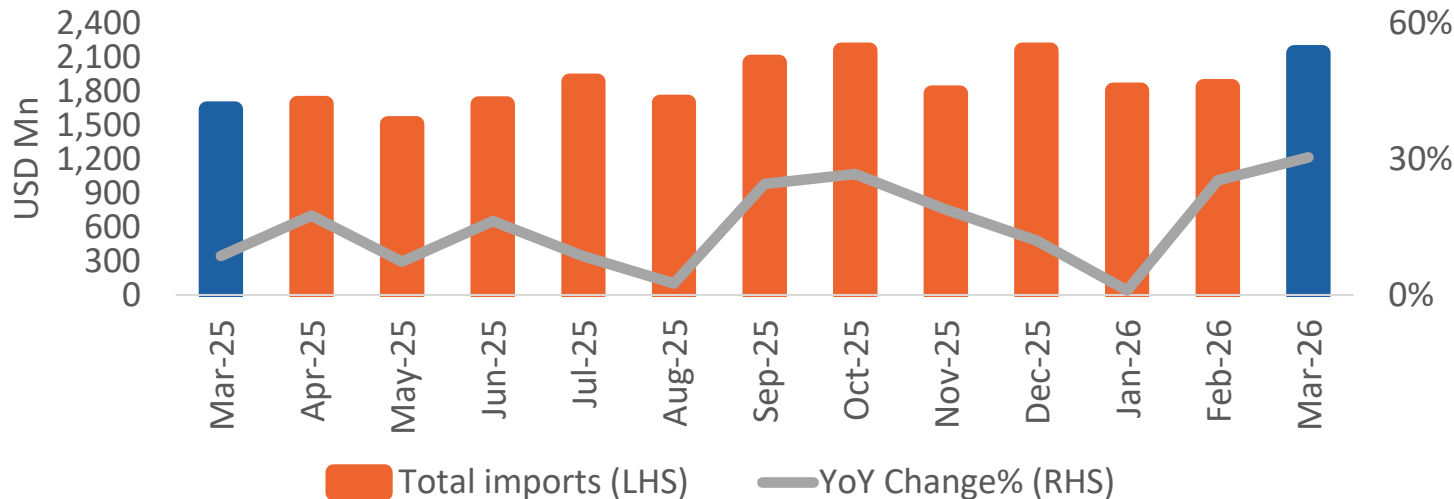


The current account recorded a surplus for the fifth consecutive month in March 2026. The current account balance deteriorated by 90.69% YoY and posted a surplus of USD 44.6 million. On a month-on-month basis, the balance deteriorated by 61.95%. The cumulative current account surplus amounted to approximately USD 531.5 million.

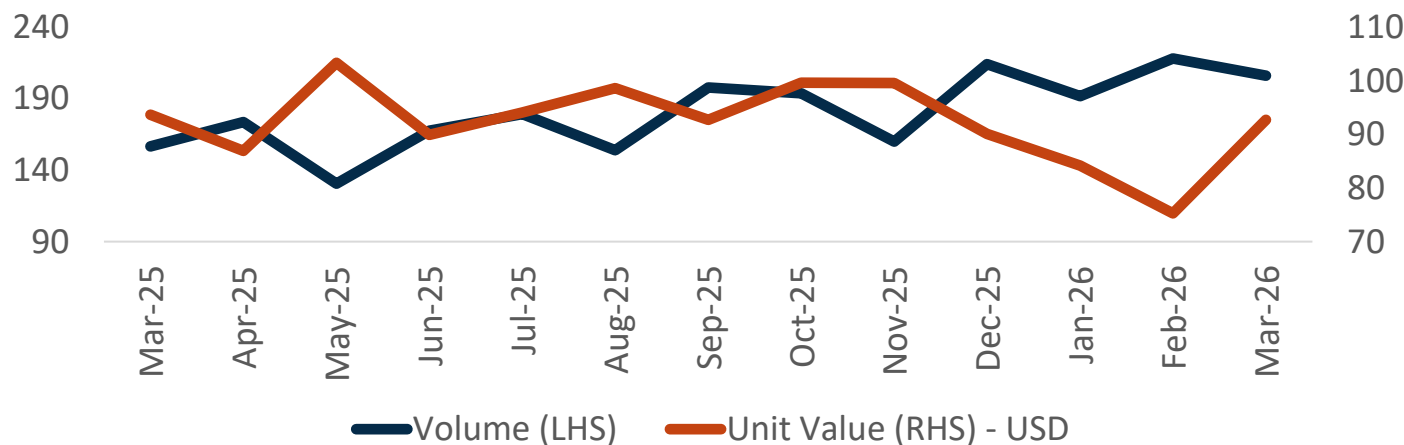
The current account balance comprises four key components: the trade balance, the services account, the primary income account, and the secondary income account. In March 2026, the trade balance deteriorated by 122.37% YoY. Similarly, service account decreased by 42.38% YoY. However, the Primary account and secondary account surpluses increased by 47.41% YoY and 18.02% YoY, respectively.

# Mar 2026 import expenditure increased by 30.3% YoY

### Total Imports and Growth



### Import Indices



In March 2026, imports increased by 30.3% YoY to USD 2,134.1 million, marking a 16.4% increase compared to the previous month. The year-on-year growth was mainly driven by higher imports of intermediate goods.

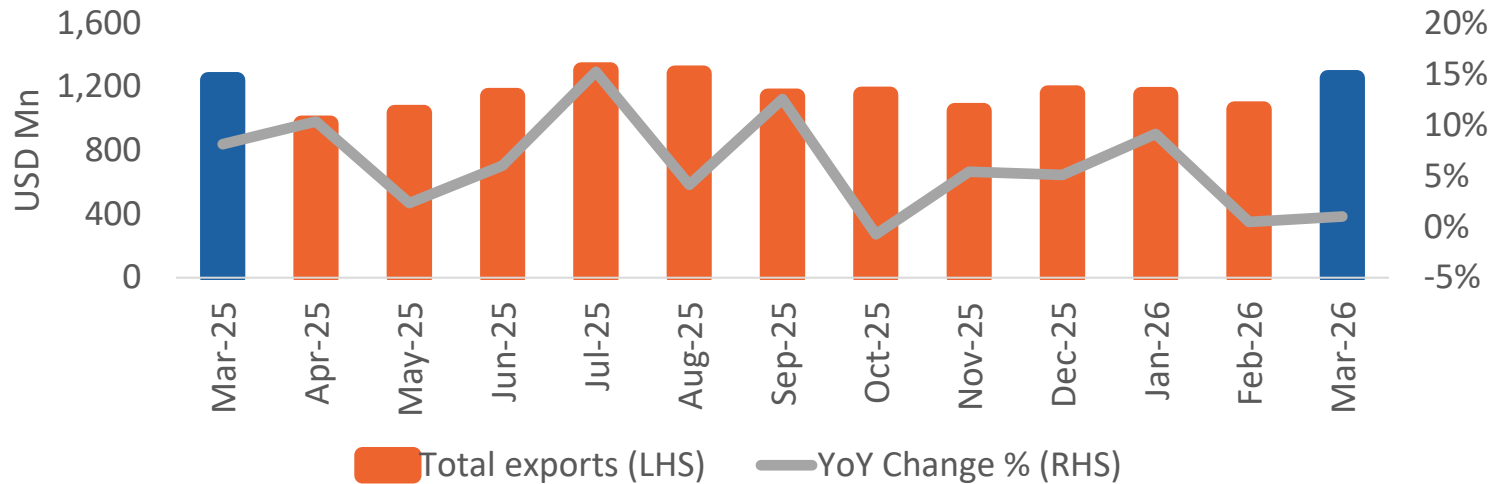
On a month-on-month (MoM) basis, imports of consumer goods, intermediate goods and investment goods increased. The increase in consumer goods imports was primarily driven by higher imports of items within the food and beverages category, including vegetables, oils and fats, and beverages.

Meanwhile, intermediate goods imports also rose on a MoM basis, mainly due to fuel imports, driven by the sharp rise in global oil prices and higher fuel import volumes.

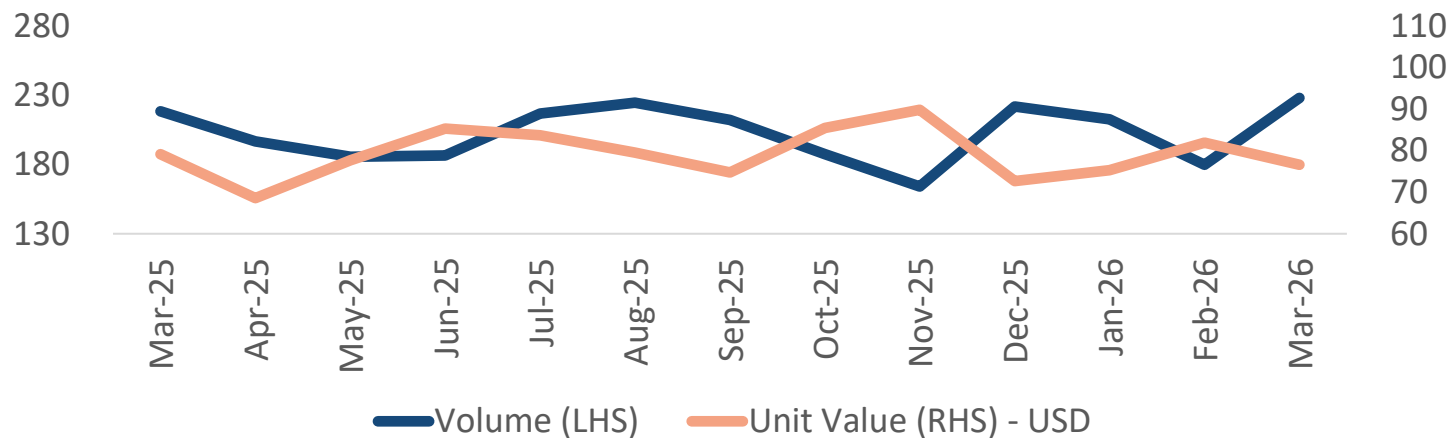
In March 2026, the Import Volume Index increased by 31.7% YoY, while the Import Unit Value Index decreased by 1% YoY.

# Mar 2026 export earnings increased by 1% YoY

**Total Exports and Growth**



**Export Indices**



In March 2026, export earnings marginally increased by 1% YoY to USD 1,254.3 million, representing a 18.6% increase compared to February 2026. The YoY increase was mainly driven by industrial exports.

On a month-on-month (MoM) basis, earnings from agricultural, industrial exports increased while earning from mineral exports declined. Among these, industrial exports recorded the largest increase, primarily driven by higher export volumes of textiles, petroleum products, rubber products etc. Meanwhile, agricultural export earnings also increased on a MoM basis, mainly due to Coconut, Rubber and seafood products.

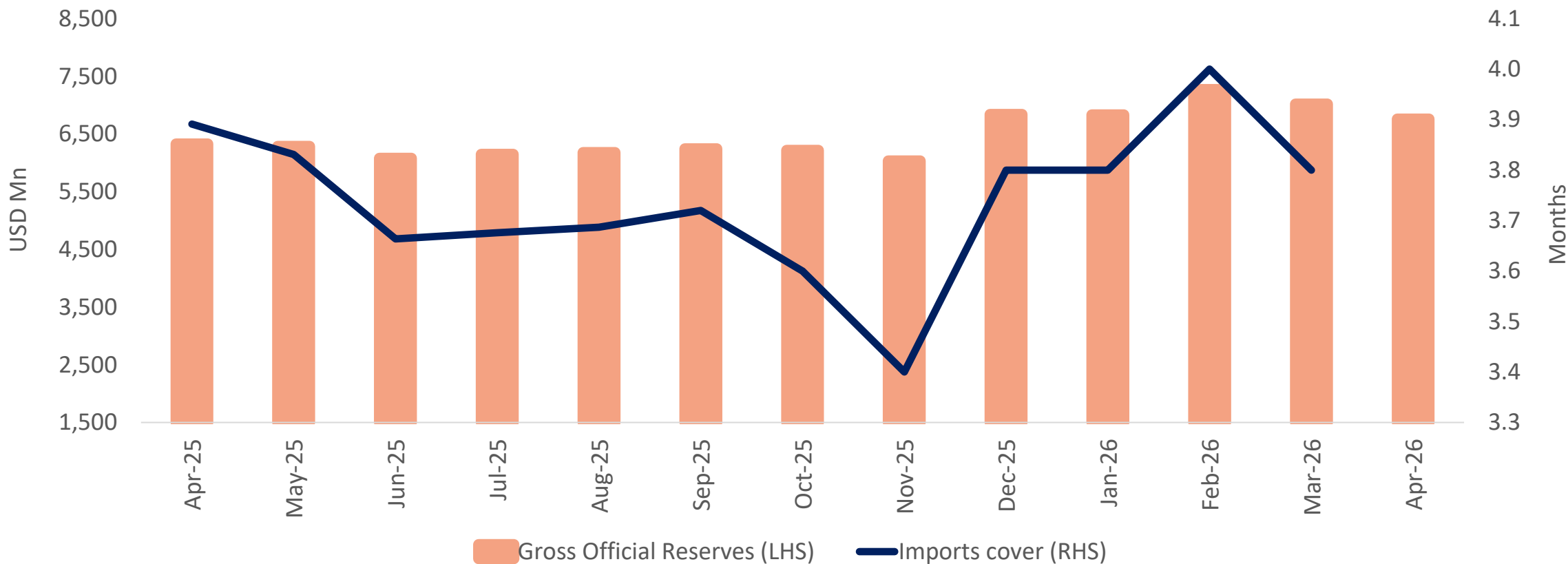
In March 2026, the Export Volume Index increased by 4.4% YoY while the Export Unit Value Index decreased by 3.2% YoY during the same period.

Source: CBSL

## In Apr 2026 gross official reserves declined to USD 6.8 Bn

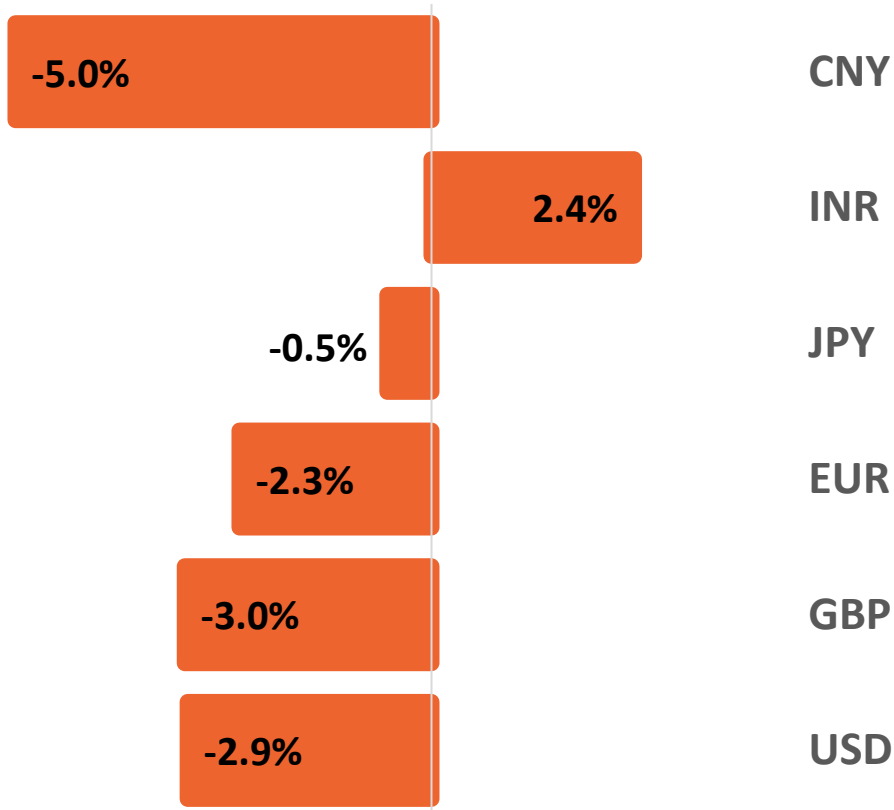
In April 2026, Sri Lanka’s gross official reserves fell to approximately USD 6.80 billion. Reserves increased by 6.84% year-on-year but declined by 3.70% month-on-month. The decrease in April 2026 was mainly due to lower foreign currency reserves and gold holdings. This downward trend continued for the second consecutive month in 2026.

Foreign Reserves

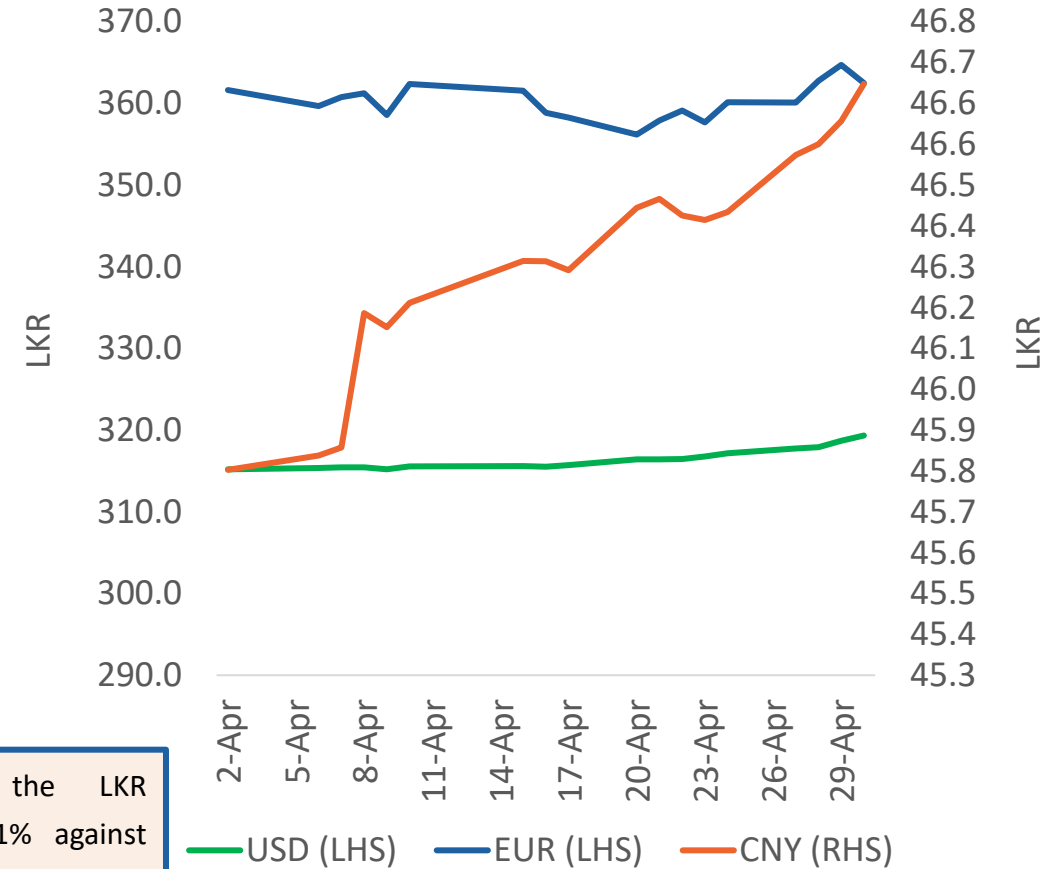


# In Apr 2026, the LKR depreciated against the majority of currencies

LKR appreciation/(depreciation) against major currencies YTD end of April 2026



Monthly movement of major currencies



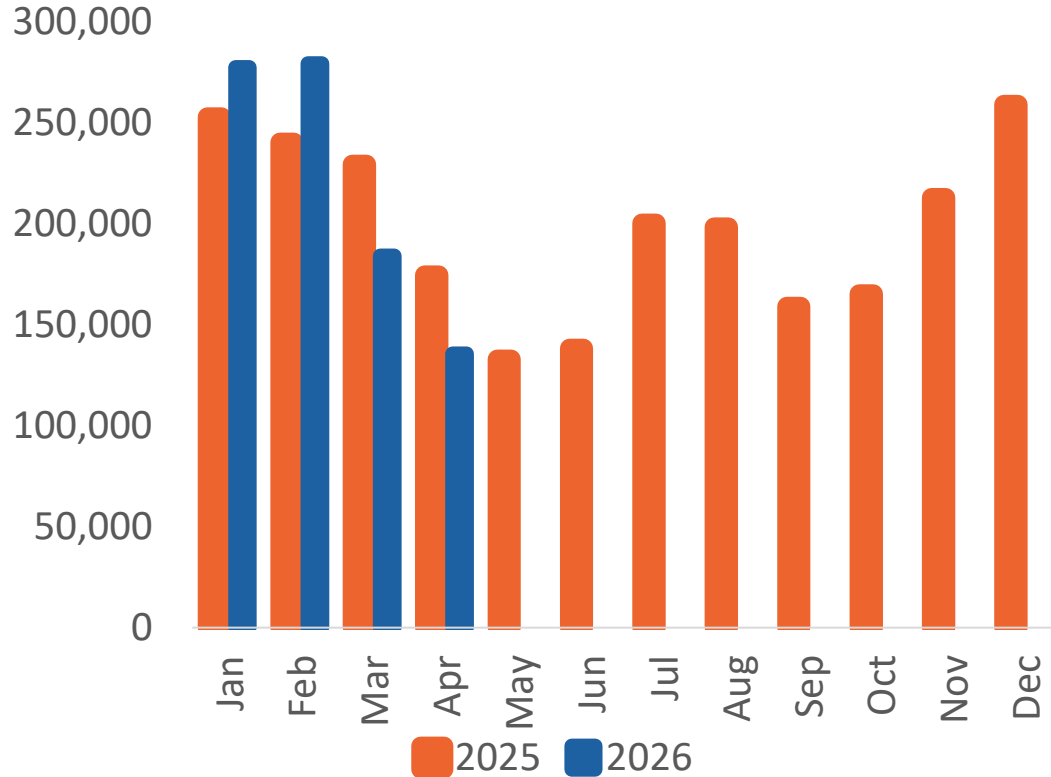
In April 2026, the LKR depreciated by 1.31% against the USD, depreciated by 2.38% against the EUR and depreciated by 1.96% against the CNY.

Source: CBSL

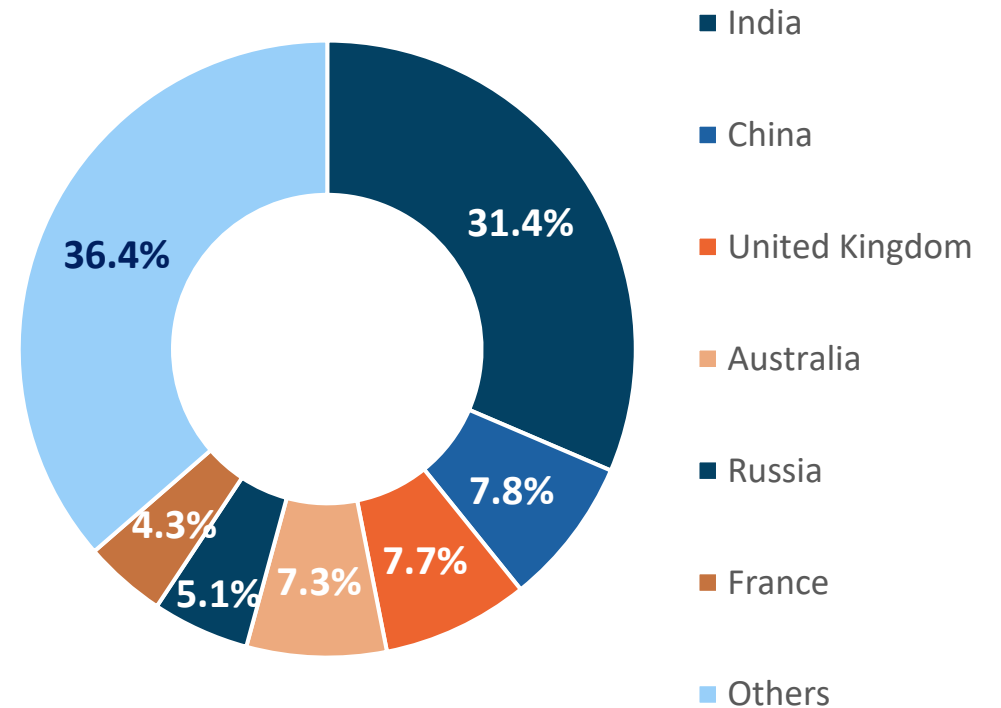
## Apr 2026 tourist arrivals declined by 22.3% YoY

In April 2026, Sri Lanka recorded 135,643 tourist arrivals, reflecting a 22.3% year-on-year decrease and a 26.3% drop compared to March 2026. This marked the lowest number of arrivals since May 2025 and second consecutive yearly decline. The drop was driven primarily by severe travel disruptions and airspace closures stemming from the Middle East conflict. The unrest forced major airlines to cancel flights and disrupted key transit hubs, which impacted the tourism industry in the country.

Monthly Tourists Arrivals



Arrival % by Country in Apr 26

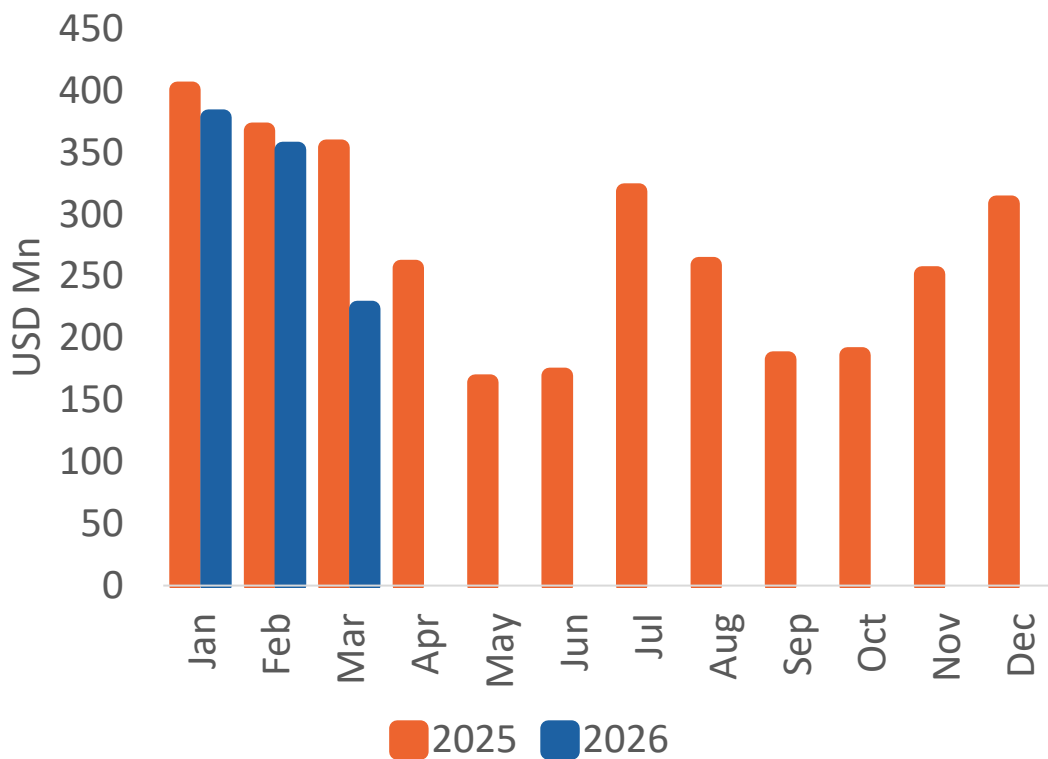


Source: SLTDA

YTD Tourist Arrivals = 876,277

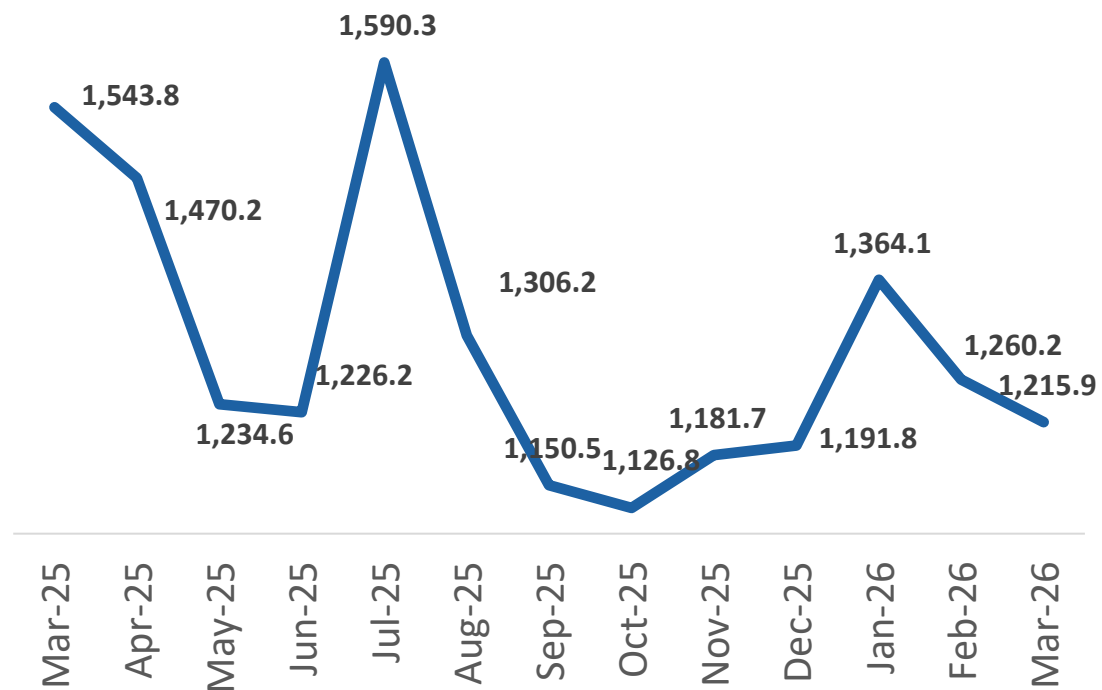
# Mar 2026 tourism earnings dropped by 36.8% YoY

Monthly Tourists Earnings



**YTD Tourism Earnings = USD 954 Mn**

Earnings per Tourist (USD)

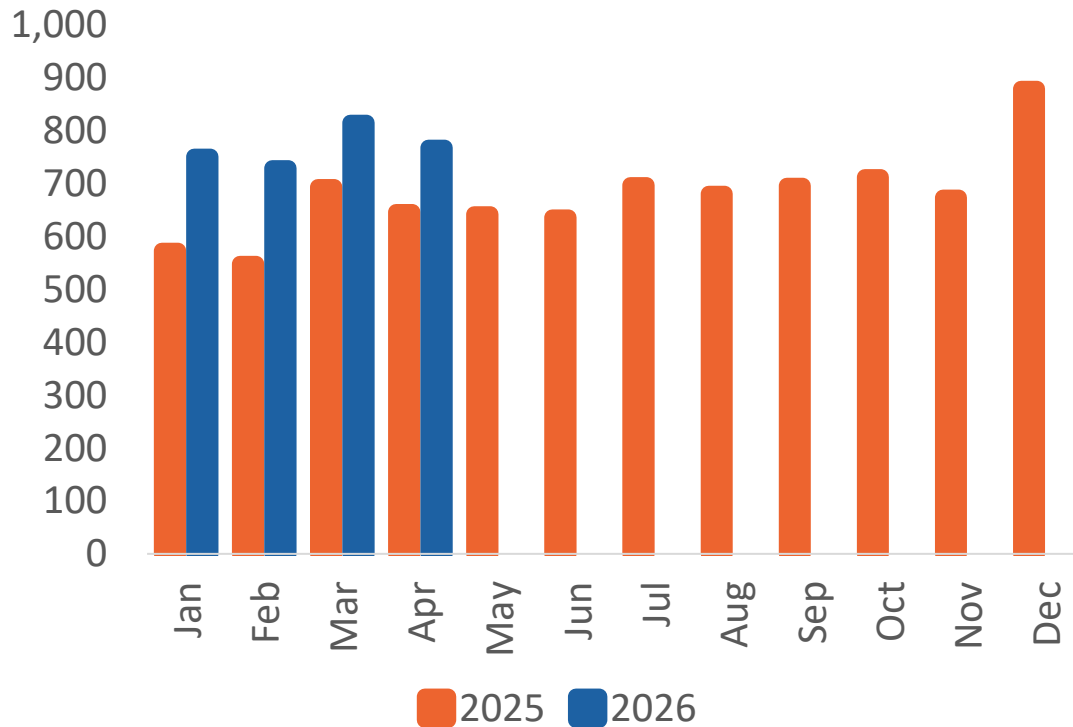


In March 2026, tourism earnings dropped by 36.8% YoY to USD 223.7 million and dropped by 36.4% compared to the previous month. Earnings per tourist was USD 1,215.9 , reflecting a 21.2% YoY decrease and a 3.5% MoM decrease.

## Apr 2026 worker remittances increased by 18.9% YoY

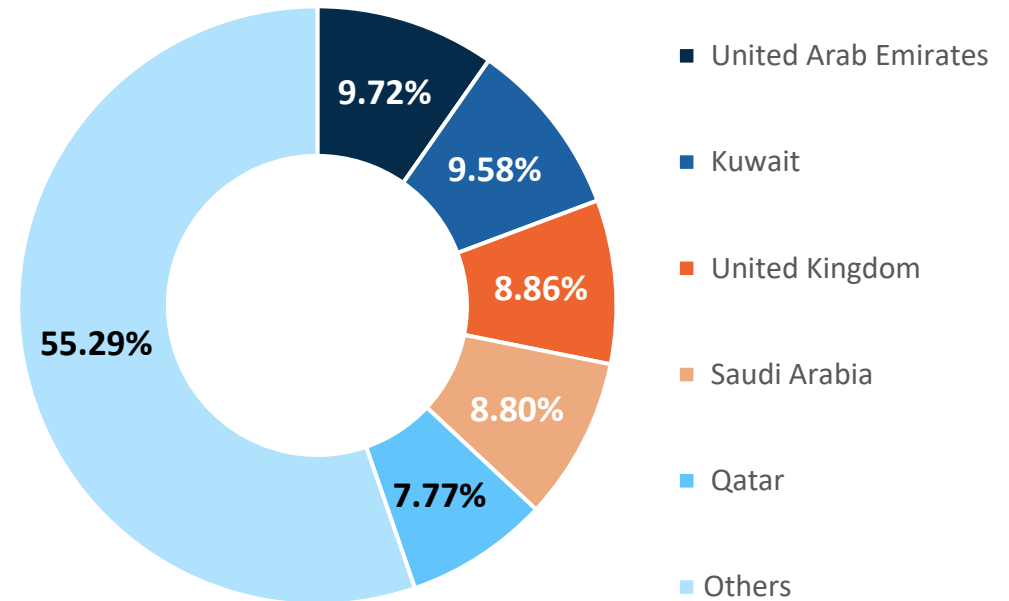
In April 2026, remittance inflows reached USD 767.9 million, reflecting a 18.9% YoY growth and a 5.8% MoM decrease. The Jan-Apr 2026 remittances showed a 24.5% increase compared to the same period last year. Remittance earnings were primarily driven by the United Arab Emirates accounting for 9.72% of the total earnings.

Workers' Remittances (USD Mn)



**YTD Remittances = USD 3,062.8 Mn**

Remittance Earnings % by country in Q4 of 2025



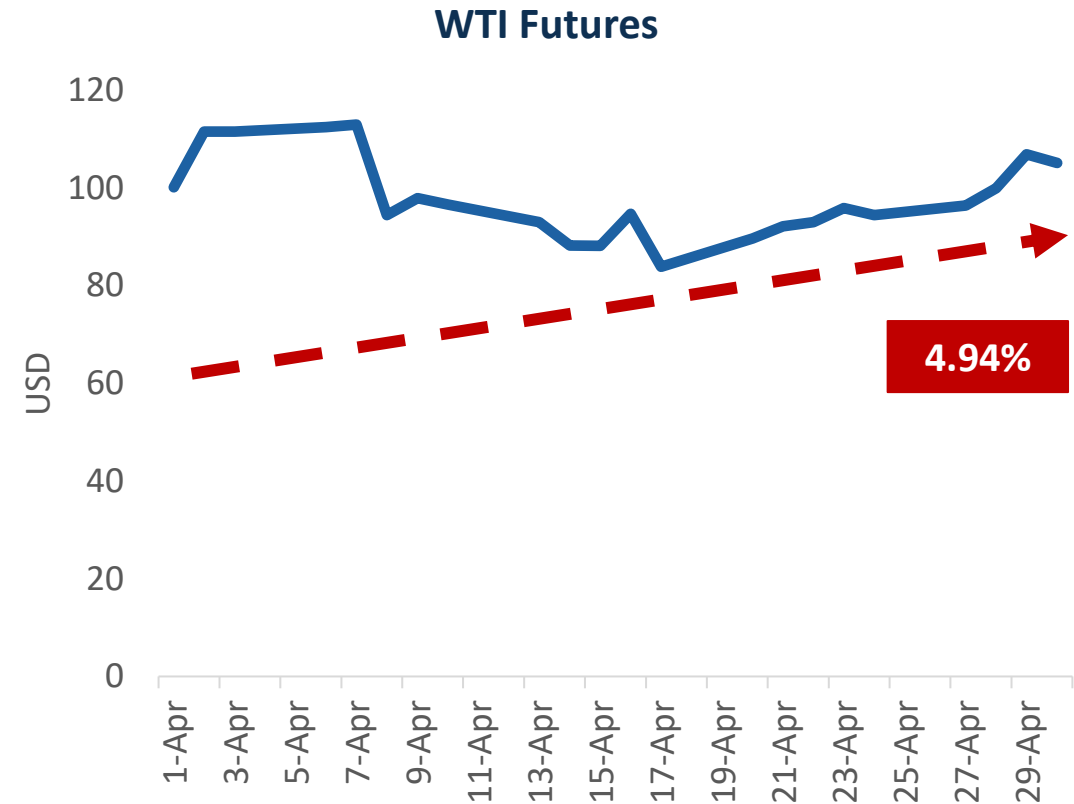
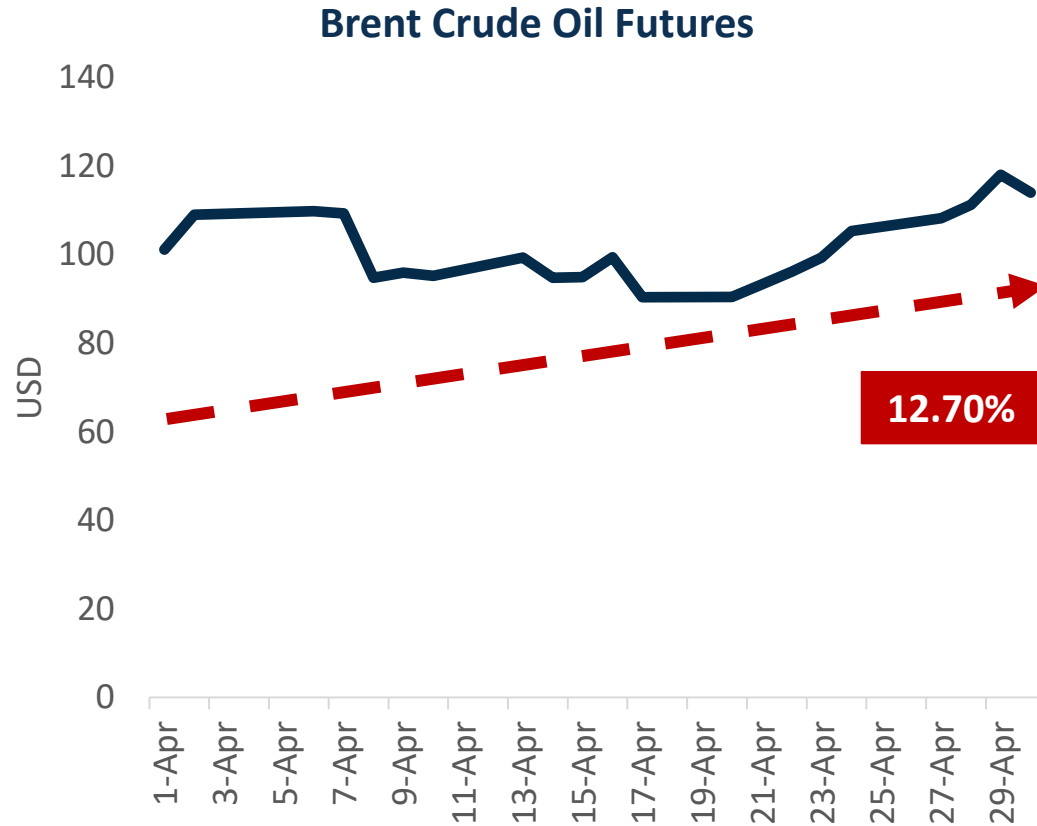


## COMMODITIES AND OTHER

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# Crude oil prices increased in Apr 2026

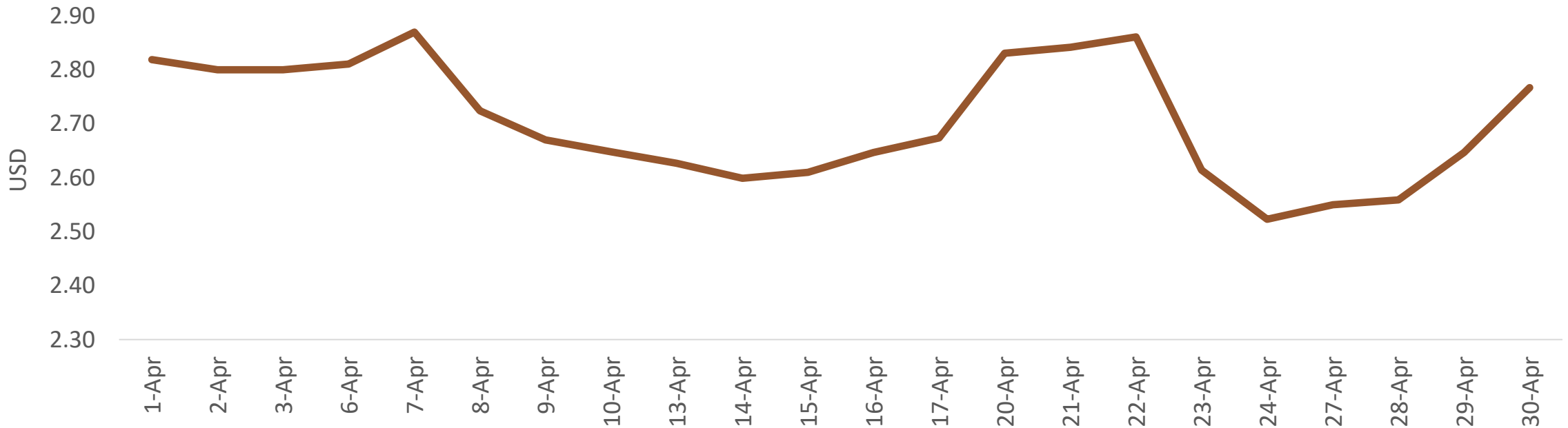


In April 2026, crude oil prices rose, with Brent increasing by 12.70% and WTI by 4.94%. Oil prices rose in April mainly due to escalating geopolitical tensions in the Middle East, particularly around Iran, which created uncertainty in global energy markets. Fears of supply disruptions intensified as shipping routes such as the Strait of Hormuz were at risk of restriction, limiting the flow of a significant share of global crude oil. As supply concerns grew while demand remained steady, traders pushed prices higher in anticipation of tighter global oil availability.

## US natural gas prices decreased by 1.8% in Apr 2026

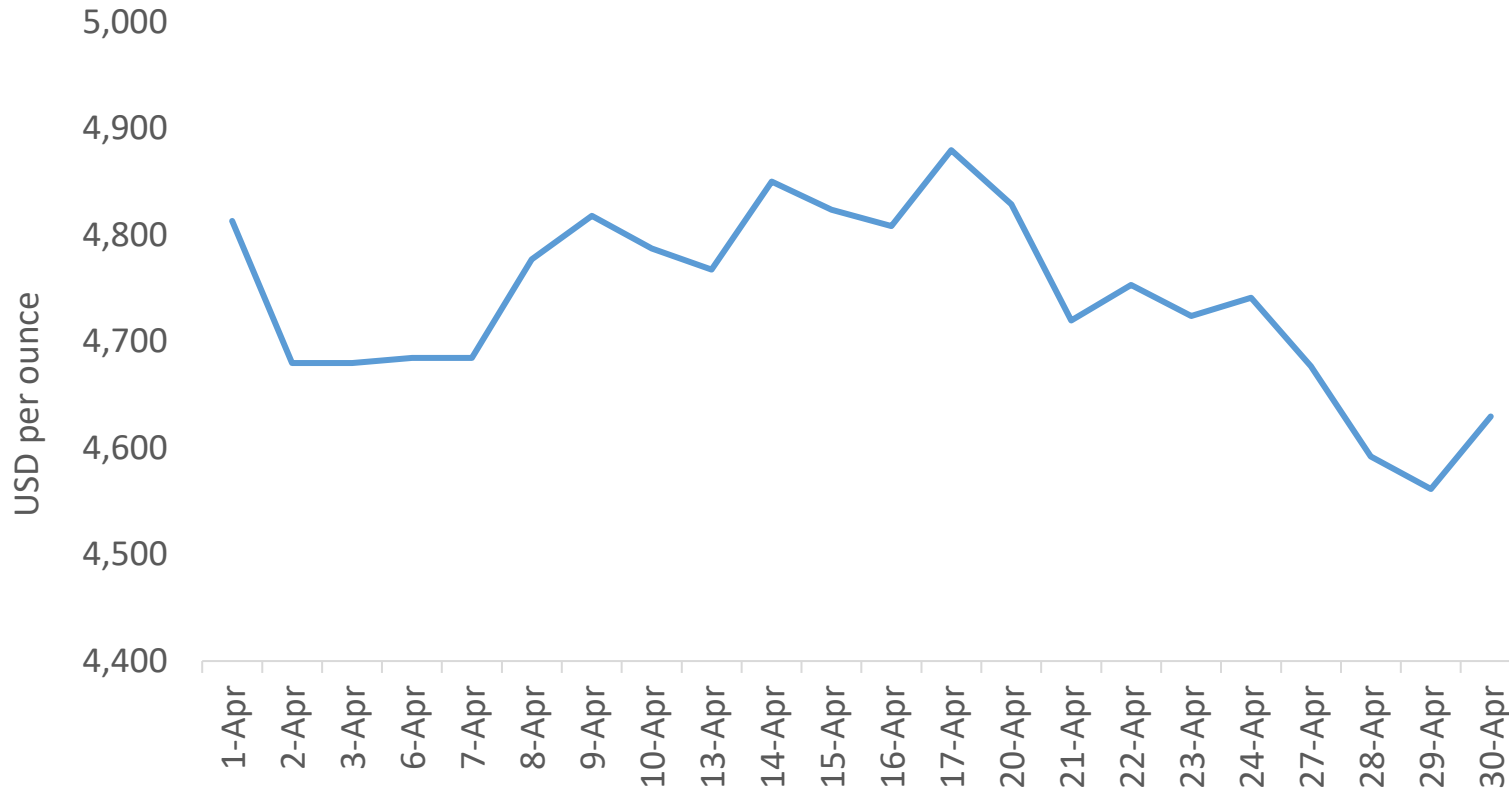
In April 2026, U.S. natural gas prices decreased by 1.8%. Natural gas prices declined in April 2026 primarily due to unseasonably mild spring weather, which significantly reduced heating demand across key consuming regions. In addition, sustained high production levels and strong storage injections led to elevated inventory levels above historical norms, resulting in an oversupplied market that exerted downward pressure on prices.

Natural Gas Futures



## Gold prices decreased by 3.81% in Apr 2026

Gold Price Movement



Gold prices decreased by 3.81% in April 2026. On 17th April, gold hit a one-month high after comments from Iran’s foreign minister indicated that passage through the Strait of Hormuz remained open during the ceasefire. This helped push oil prices lower and eased some inflation concerns, supporting gold prices at that point.

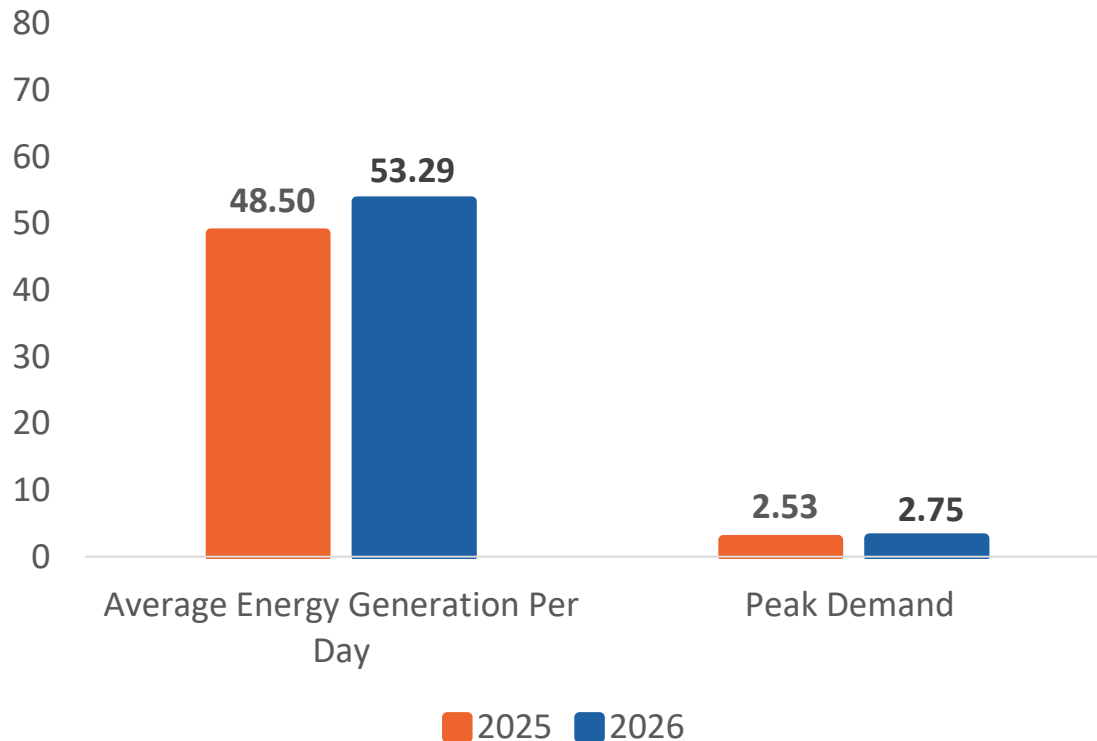
However, gold later extended its losses, falling to a one-month low on 29th April, after the U.S. Federal Reserve kept interest rates unchanged as expected. Traders were also concerned about inflation pressures linked to ongoing Middle East tensions, while higher interest rates made gold less attractive since it does not generate yield.

Overall, gold prices fell in April mainly because the U.S. dollar strengthened and interest rates remained high. In addition, some easing of geopolitical fears led investors to take profits after earlier gains, adding further downward pressure on prices.

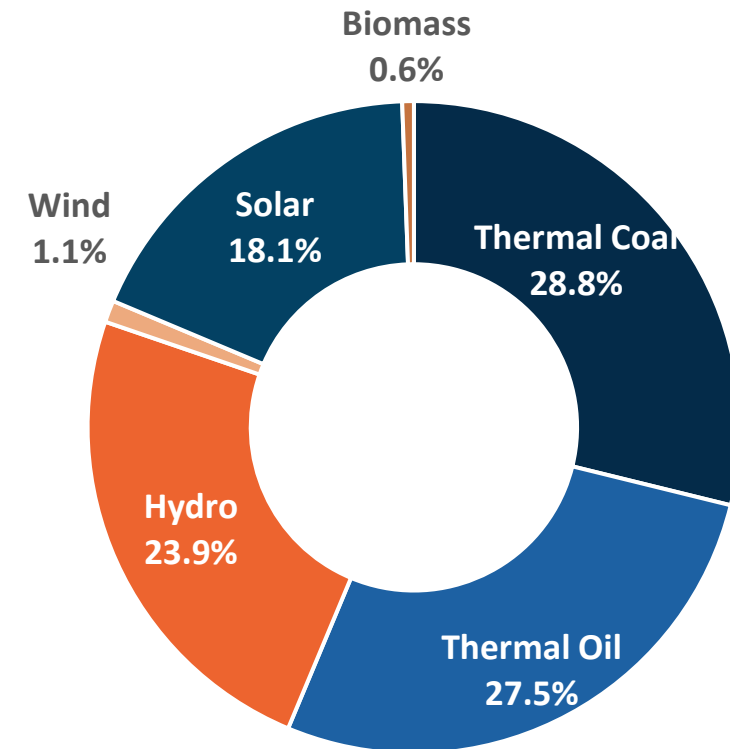
## Apr 2026 daily electricity generation rose 9.9% YoY

In April 2026, average daily electricity generation reached 53.29 GWh, marking an 9.9% increase compared to the same month last year. The average daily peak demand during the month was 2.75 GW which is an 8.4% increase YoY.

**Average Daily Electricity Generation In April (GWh)**



**Electricity Generation Composition by Category in April 2026**



## Mar 2026 tea production decreased by 14.5% YoY

In March 2026, Sri Lanka's tea production decreased by 14.5% YoY to 20.9 million kilograms. Similarly, tea export volumes declined by 15.8% YoY to 19.73 million kilograms. As a result, export earnings fell by 12.9% YoY to LKR 35.79 billion.

The decline was mainly driven by shipping and logistics disruptions linked to Middle East tensions and the Strait of Hormuz crisis, which weakened demand from key markets such as the Middle East and Russia.

### Tea Exports

Export	Volume in Kgs	Value in LKR Mn
Tea in Bulk	7,448,470	11,218
Tea in Packets	9,134,727	14,894
Tea in Bags	2,331,794	6,729
Instant Tea	351,107	1,193
Green Tea	464,358	1,754
<b>Total</b>	<b>19,730,456</b>	<b>35,788</b>

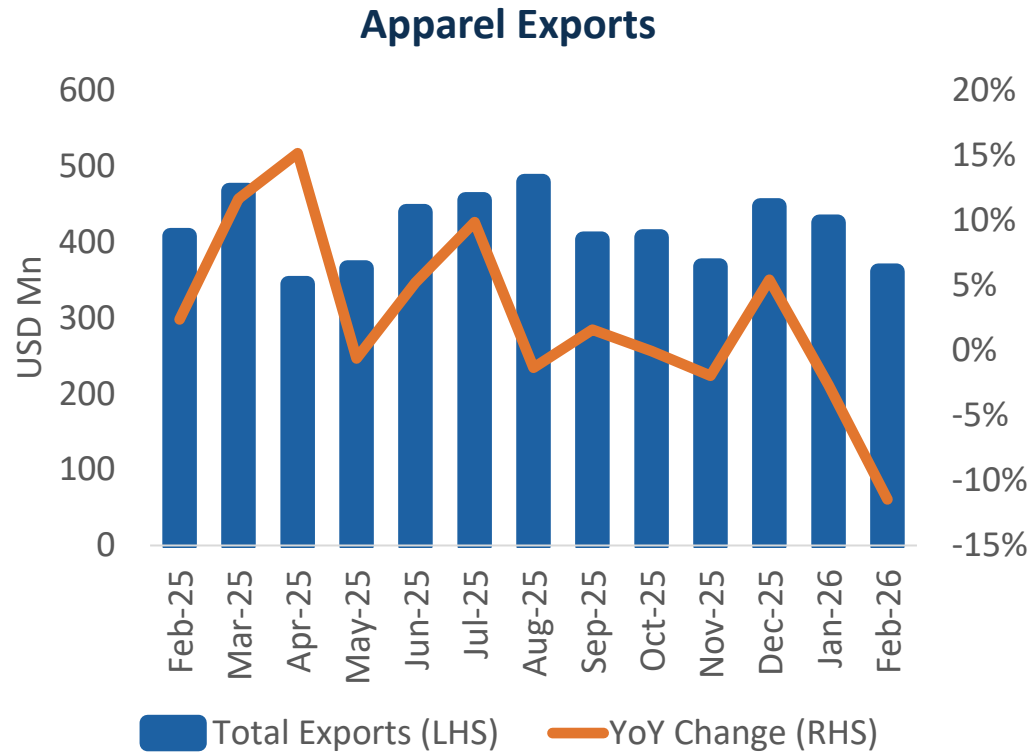
### Average Tea Auction Prices (Monthly)

For Mar 2026	LKR per Kg
High	1,156.45
Medium	966.16
Low	1,193.45
<b>Total</b>	<b>1,154.09</b>

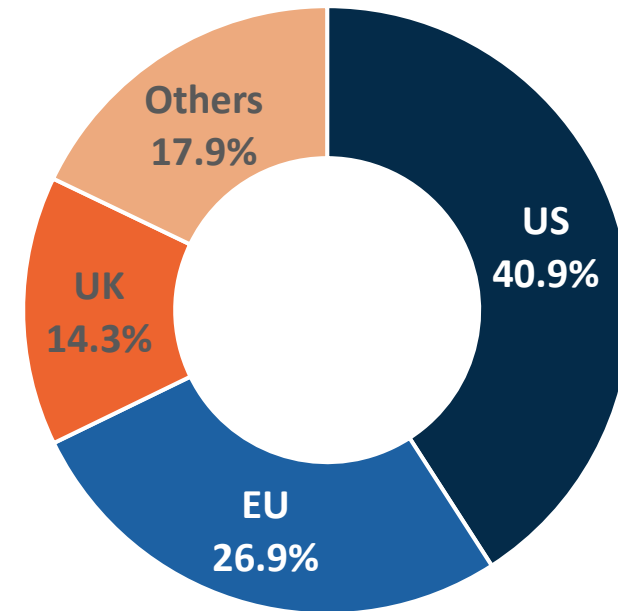
### Tea Production

Production	Kgs
High	4,547,895
Medium	3,763,480
Low	12,349,804
Green Tea	236,208
<b>Total</b>	<b>20,897,387</b>

## Feb 2026 apparel exports decreased by 11.46% YoY



### Top Export Markets – Feb 2026



Sri Lanka's apparel exports in February 2026 amounted to USD 361.2 million, reflecting a 11.46% YoY decrease and a 15.1% decrease MoM. Key export markets showed a decline, with exports to the US decreasing by 3.5% YoY, exports to UK decreasing by 5.7% and exports to the European Union decreasing by 19.5% YoY. Sri Lanka's apparel exports slowed in February 2026 due to weak demand in the EU and US amid inflationary pressures, slower economic growth, and stronger competition from countries such as Vietnam and Bangladesh. However, supported by UK DCTS zero-tariff access, EU GSP+ concessions, and reduced US tariff access from 20% to 10%, the apparel and textile sector is forecast to generate USD 5.5 billion in export revenue in 2026.

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 Kemitha Withanage  
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 Manager Investment Advisory  
 Manager Retail Sales  
 Senior Investment Advisor  
 Investment Advisor  
 Investment Advisor

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