

Bloomberg: Buy World-Beating Sri Lankan Stocks on Macro Data: Asia Frontier

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By Ishika Mookerjee

(Bloomberg) -- Sri Lanka's benchmark stock gauge, which has gained about 13% over the past month to become the top-performing index in the world during the period, could see further gains as macroeconomic indicators improve, according to Ruchir Desai, fund manager at Asia Frontier Capital.

* "Any correction linked to the just announced sovereign rating cut or global uncertainties would be a good time to look at blue-chip names in the consumer and telecom sectors," Desai wrote in response to Bloomberg queries

** Attractive valuations relative to history, he added

** Asia Frontier invested in a Sri Lankan latex glove manufacturer in July

* Sri Lanka has handled the Covid-19 outbreak better than South Asian peers, and purchasing managers' indexes, industrial production and the business confidence index have all shown improvements, according to Desai

* Additionally, Sri Lanka Podujana Peramuna Party's majority position after parliamentary elections "gives more room to execute decision making compared to the coalition government"

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