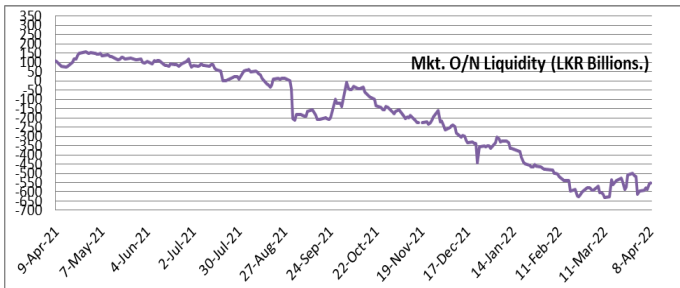


Weekly review for the week ending 08th April 2022

Money Market: Money market liquidity shortage continues.

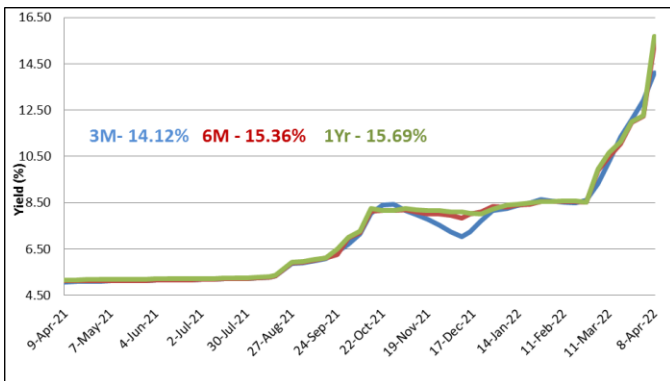
Overnight liquidity recorded a deficit of LKR 550.47 billion at the end of the week compared to the deficit of LKR 593.63 billion by the end of last week and overnight Repo was exchanged at 7.50% in the market. Total gross volume of Repo was Rs. 43.60Billion.



Government Securities Market Review

Treasury Bill Market: 6M and 1Y treasuries soar more than 300bps.

CBSL offered 80 billion and accepted only LKR 72.8 billion at the weekly T-Bill auction held on 06th April 2022. The Weighted average yield rate of 91-days maturity increased by 120 basis points to 14.12% and LKR 64.3Billion was accepted in 91-days maturity. 182-days and 364-days bills were accepted at the weighted average yield rates of 15.36% (up by 311bps) and 15.69% (up by 341bps) respectively.

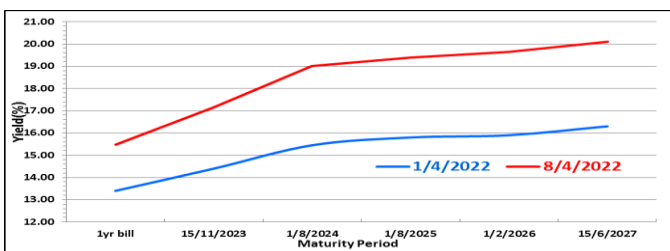


Bond Market: Bond market remained stagnant amid policy uncertainty.

The bond market remained stagnant during the week amid the resignation of CBSL governor and the postponement of policy announcement till Friday (08). CBSL held a Treasury bond auction on 08th April and the details of the auction as follows.

15/03/2025 offered 25 billion and rejected all the bids received.

15/12/2027 offered 20 billion and accepted only 13.1 billion at 20.21%

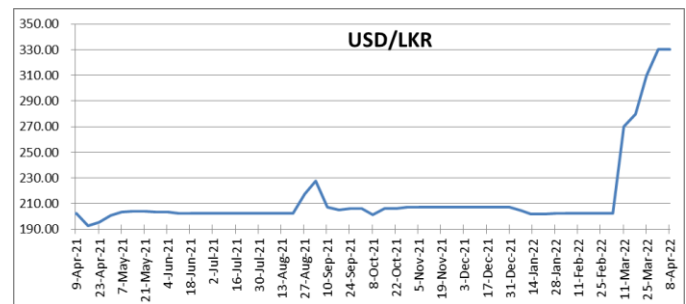


International Forex Market

The dollar index edged higher above 99.9 on Friday, scaling its highest in nearly two years and approaching the critical 100 mark, underpinned by the prospect of a more aggressive pace of Federal Reserve tightening. The U.S. Dollar Index that tracks the greenback against a basket of other currencies was at 99.92 as of writing.

Local Forex Market

In the Forex market USD/LKR spot rate was quoted at LKR.310/350 (Offer rate is indicative). The total USD/LKR traded volume from 04th Apr to 07th Apr was \$ 63.15 million.



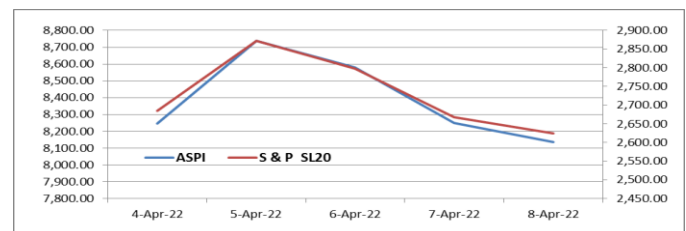
Commodity Markets

- **Oil:** Crude oil prices fell during the week amid plans for a massive reserve release, demand concerns in top importer China and a firm hawkish stance from the Federal Reserve. Crude oil WTI futures and Brent crude futures were trading at \$ 97.03 and \$ 101.24 as of writing.
- **Gold:** Gold traded around \$1,930 an ounce on Friday as the Federal Reserve's aggressive tightening plans countered inflation concerns intensified by the Ukraine war and mounting sanctions on Russia. Gold futures were traded at \$ 1,938.68 as of writing.

Economic updates.

- Sri Lanka forex reserves drop to US\$1.9bn in March 2022.
- Central bank increased SDFR and SLFR (policy rates) by 700bps to 13.50% and 14.50% respectively.

Stock Market:



At the end of the week the ASPI has lost 336.18 points to close at 8,135.25 while the S & P SL20 index which tracks the largest capitalized stocks traded in the CSE has also lost 207.03 points and ended at 2,623.90. The average turnover for the week ending 08.04.2022 was around LKR 1.5 billion.