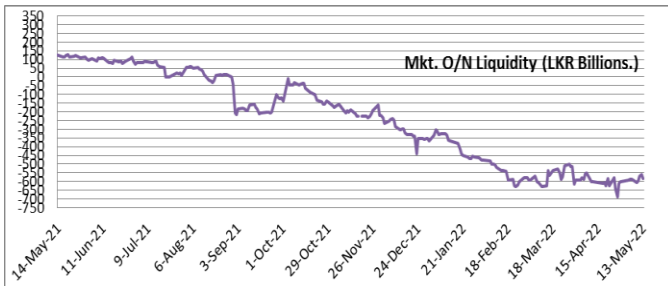


Weekly review for the week ending 13th May 2022

Money Market: Money market liquidity shortage continues.

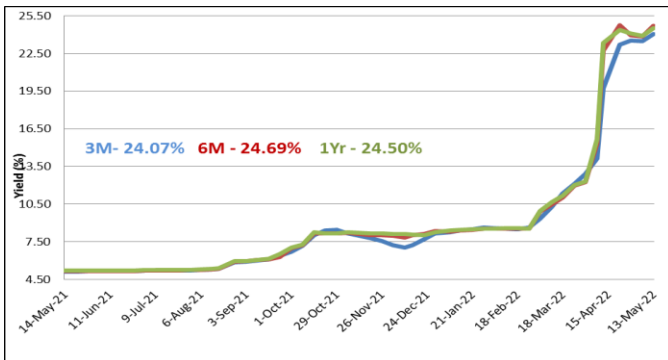
Overnight liquidity recorded a deficit of LKR 582.06 billion at the end of the week compared to the deficit of LKR 588.77 billion by the end of last week and overnight Repo was exchanged at 14.50% in the market. Total gross volume of Repo was Rs. 14.20Billion.



Government Securities Market Review

Treasury Bill Market: Treasury bill rates increased amid the political crisis.

CBSL offered 92.5Billion and accepted only 85.3Billion at the weekly T-Bill auction held on 11th May 2022. The Weighted average yield rate of 91-days maturity increased by 59 basis points to 24.07% and LKR 66Billion was accepted in 91-days maturity. 182-days and 364-days bills were accepted at the weighted average yield rates of 24.69% (up by 84 bps) and 24.50% (up by 58bps) respectively.

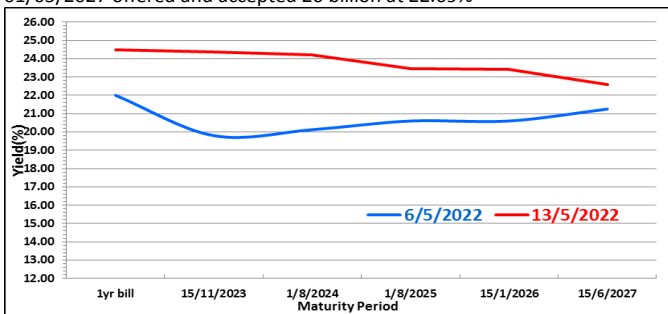


Bond Market: Bond market activities were stagnant.

The bond market activities dried up amid the political crisis and the public unrest prevailed during the week. The CBSL conducted a Treasury bond auction on 12th May 2022 and the details of the auction as follows.

01/06/2025 offered 15 billion and accepted only 11.7 billion at 23.53%

01/05/2027 offered and accepted 20 billion at 22.69%

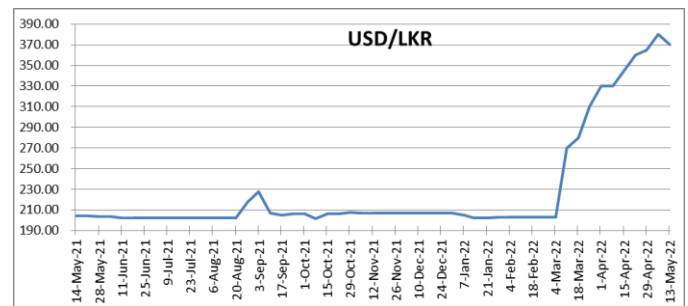


International Forex Market

The dollar index firmed up above the 104 on Friday, hovering 20year highs after US inflation came in higher than expected, keeping the Federal Reserve on course to tighten monetary policy aggressively. The U.S. Dollar Index that tracks the greenback against a basket of other currencies was at 104.68 as of writing.

Local Forex Market

In the Forex market USD/LKR spot rate was quoted at LKR.360/380 (Offer rate is indicative). The total USD/LKR traded volume from 09th May and 12th May was \$ 32.25 million.



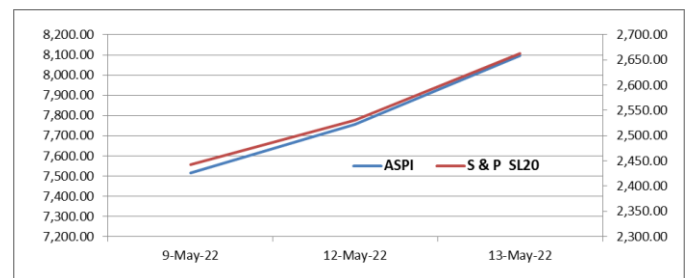
Commodity Markets

- **Oil:** Crude oil prices showed mixed performance during the week amid concerns of further supply disruptions from Russia. Crude oil WTI futures and Brent crude futures were trading at \$ 107.97 and \$ 109.31 as of writing.
- **Gold:** Gold held near three-month lows around \$1,825 an ounce on Friday as a rallying dollar continued to sap demand for greenback-priced bullion. Gold futures were traded at \$ 1,817.51 as of writing.

Economic updates.

- Sri Lanka will have to print money unless taxes are raised: CB Governor.
- Sri Lanka's trade deficit widens in Feb 2022 despite above USD 1Bn of export earnings.

Stock Market:



At the end of the week the ASPI has gained 670.93 points to close at 8,098.41 while the S & P SL20 index which tracks the largest capitalized stocks traded in the CSE has also gained 261.10 points and ended at 2,662.31. The average turnover for the week ending 13.05.2022 was around LKR 1.4 Billion.