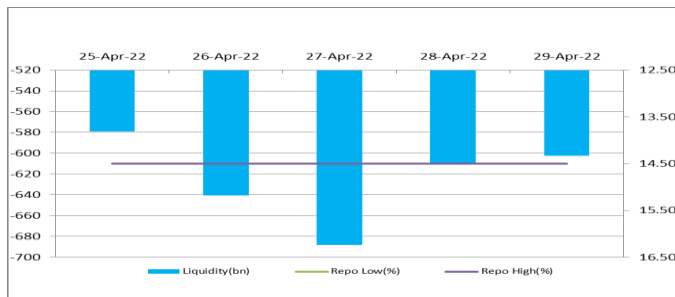


Weekly review for the week ending 29th April 2022

Money Market: Money market liquidity shortage continues.

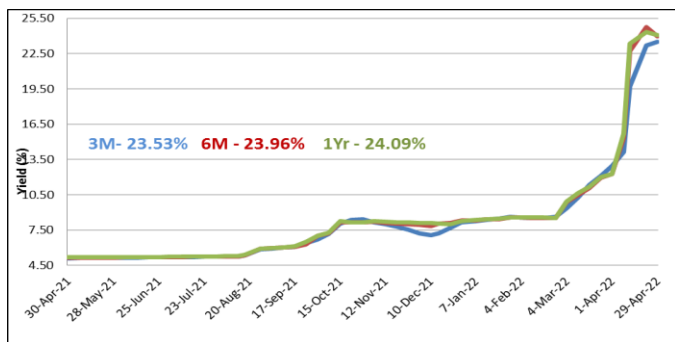
Overnight liquidity recorded a deficit of LKR 602.61 billion at the end of the week compared to the deficit of LKR 624.11 billion by the end of last week and overnight Repo was exchanged at 14.50% in the market. Total gross volume of Repo was Rs. 63.70Billion.



Government Securities Market Review

Treasury Bill Market: 3M bill increased while 6M & 1Y fell.

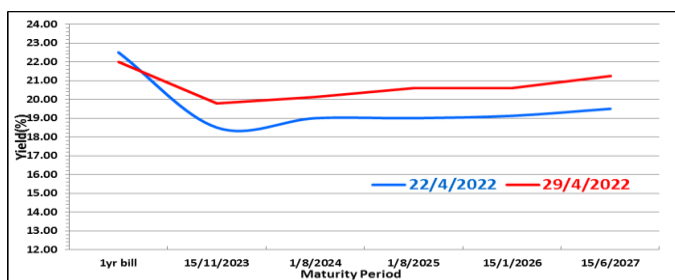
CBSL offered and accepted 87.5 billion at the weekly T-Bill auction held on 27th April 2022. The Weighted average yield rate of 91-days maturity increased by 32 basis points to 23.53% and LKR 78.7Billion was accepted in 91-days maturity. 182-days and 364-days bills were accepted at the weighted average yield rates of 23.96% (down by 81 bps) and 24.09% (down by 27bps) respectively.



Bond Market: Bond market remained stagnant.

The bond market activities dried up ahead of the Treasury bond auction and show few activities after the auction. The details of the Treasury bond auction held on 28th April 2022 as follows.

01/06/2025 offered 20 billion and accepted only 13.1 billion at 22.01%
01/05/2027 offered and accepted 15 billion at 22.16%

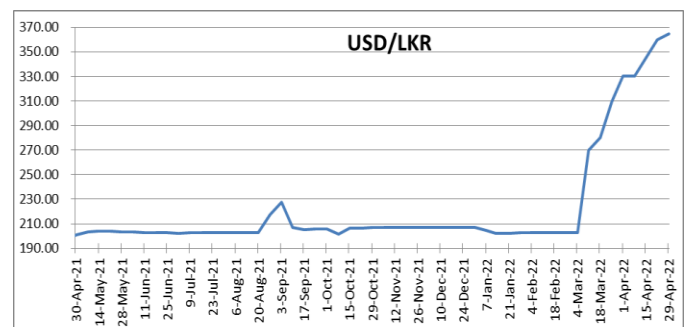


International Forex Market

The greenback was lifted by bets on faster US interest rate hikes and worries about growth in Europe and China. The Federal Reserve is expected to deliver a hefty 50 basis point rate hike at next week's policy meeting in response to soaring inflation. The U.S. Dollar Index that tracks the greenback against a basket of other currencies was at 103.25 as of writing.

Local Forex Market

In the Forex market USD/LKR spot rate was quoted at LKR.350/380 (Offer rate is indicative). The total USD/LKR traded volume from 25th Apr to 28th Apr was \$ 67.14 million.



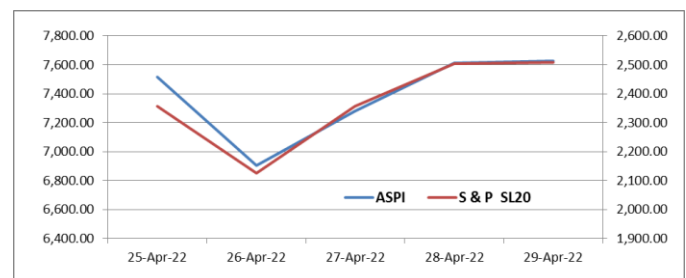
Commodity Markets

- **Oil:** Crude oil prices rose during the week due to geopolitically driven supply disruptions and Covid-induced demand slowdown in China. Crude oil WTI futures and Brent crude futures were trading at \$ 107.24 and \$ 109.96 as of writing.
- **Gold:** Gold traded around \$1,900 an ounce on Friday as bets for aggressive interest rate hikes by the Federal Reserve dampened bullion's appeal. Gold futures were traded at \$ 1,910.32 as of writing.

Economic updates.

- Inflation (CCPI) in April soars to 29.8%; food inflation 46.6%.
- Sri Lanka budget deficit 12.2% of GDP in 2021.

Stock Market:



At the end of the week the ASPI has lost 510.99 points to close at 7,624.26 while the S & P SL20 index which tracks the largest capitalized stocks traded in the CSE has also lost 114.66 points and ended at 2,509.24. The average turnover for the week ending 29.04.2022 was around LKR 1.7 billion.