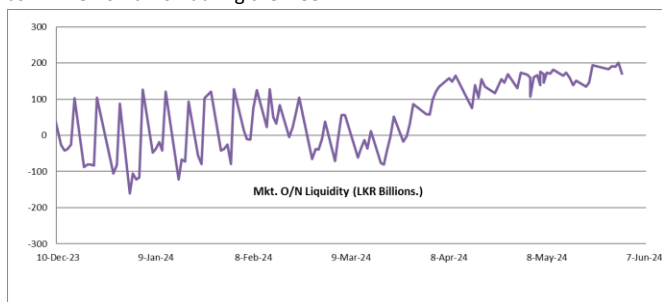


Weekly review for the week ending 07th June 2024

Money Market: Overnight Money market liquidity recorded a surplus on Friday.

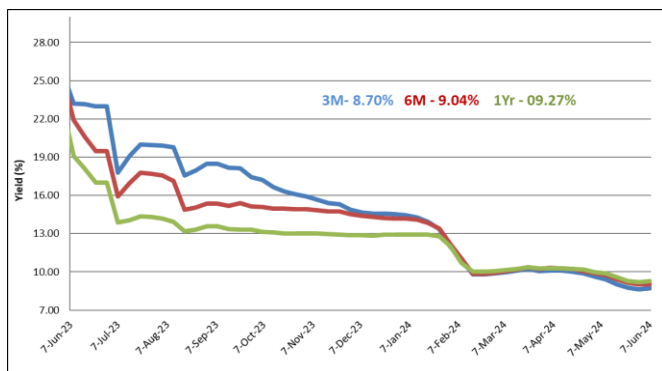
Overnight liquidity recorded a surplus of LKR 145.55 billion at the end of the week compared to the surplus of LKR 170.63 billion by the end of last week and overnight Repo was exchanged between 8.65%-8.95% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 181.01 billion during the week.



Government Securities Market Review

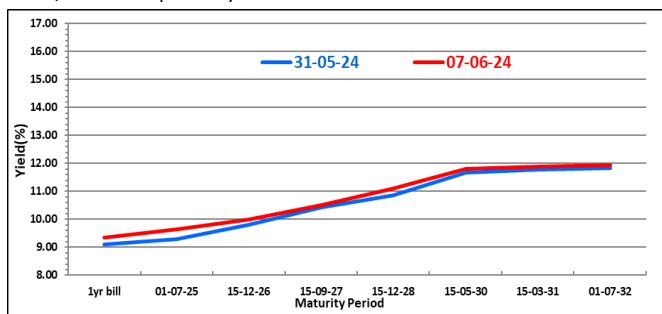
Treasury Bill Market: Treasury bill yields slightly higher and Auction fully subscribed.

CBSL offered and accepted LKR 235 billion at the weekly T-Bill auction held on 05th June 2024. The weighted average rate of 91-days maturity increased by 8 basis points to 8.70%, while 182-days and 364-days bills were accepted at weighted average rates of 9.04% and 9.27% (increased by 9 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 281 million from twelve months maturity at phase2.



Treasury Bond Market: Secondary Bond market yields edge up.

The secondary bond market yields edge up due to selling interest of market counterparties. Most liquid maturities were 01.07.2028, 01.07.2028 & 15.10.2030. Maturities were closed for the week at 10.80%/10.90% & 11.60/11.75% respectively.

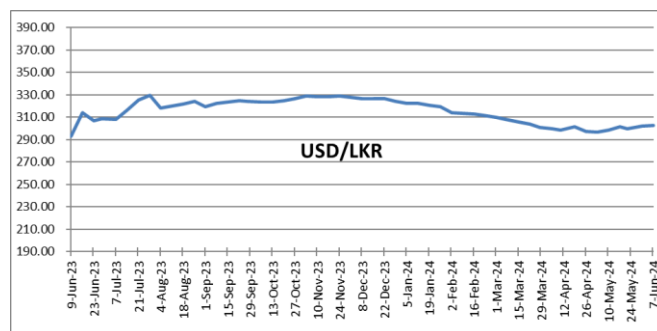


International Forex Market

The dollar index steadied around 104 on Friday but was still set to lose about half a percent this week as signs of a softening US labor market bolstered bets for Federal Reserve interest rate cuts this year. The dollar Index that tracks the greenback against a basket of other currencies was at 104.08 as of writing.

Local Forex Market

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 302.70 on Friday. The total USD/LKR traded volume from 31st May to 06th June 2024 was \$ 253.43 million.



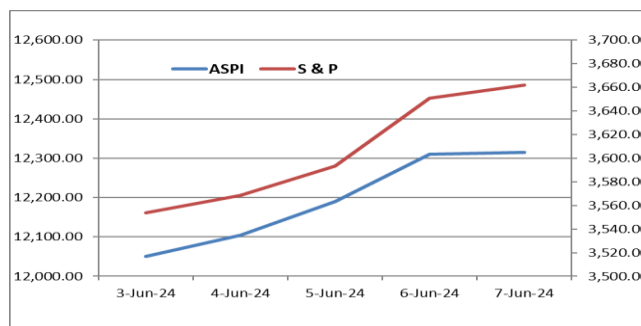
Commodity Markets

- **Oil:** Crude futures between \$75 - \$80 per barrel on Friday, as growing optimism that the US Federal Reserve could still lower borrowing costs twice this year spurred a rally in risk assets. Crude oil WTI futures and Brent crude futures were trading at \$75.54 and \$79.84 as of writing.
- **Gold:** Gold held at \$2,370 per ounce on Friday, remaining near two-week highs, as investors await the US non-farm payrolls data due later in the day to assess the country's economy's health and seek cues on the Federal Reserve's potential rate-cut timeline. Gold futures were traded at \$ 2,341.30 as of writing.

Economic updates – Local

- IMF says Sri Lanka has made “sufficiently strong progress” on debt for June review.
- Sri Lanka relaxes food imports controls that were kept as poor skipped meals.
- Sri Lanka budget deficit down, tax revenues up 41-pct to Feb 2024.

Stock Market:



At the end of the week the ASPI had gained 207.89 points to close at 12,314.38 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 93.14 points, and ended at 3,662.18. The average turnover for the week ending 07.06.2024 was around LKR 1,134.15 million.