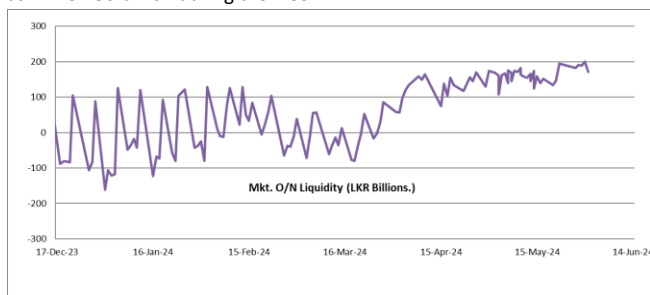


**Weekly review for the week ending 14<sup>th</sup> June 2024**

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

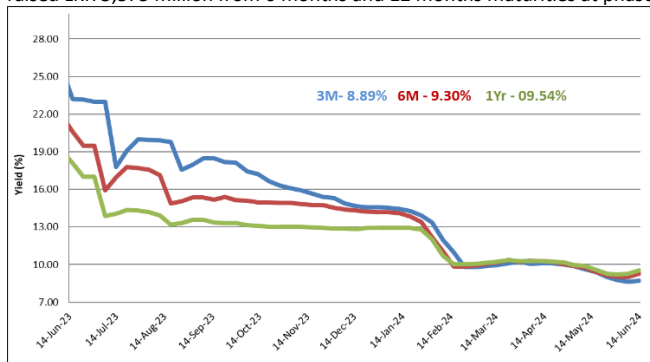
Overnight liquidity recorded a surplus of LKR 123.93 billion at the end of the week compared to the surplus of LKR 145.55 billion by the end of last week and overnight Repo was exchanged between 8.65%-8.95% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 81.36 billion during the week.



**Government Securities Market Review**

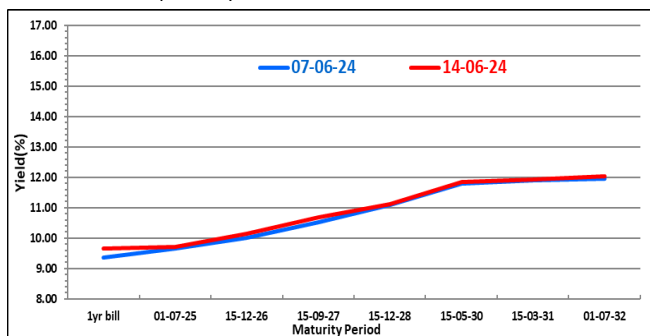
**Treasury Bill Market:** Treasury bill yields fully subscribed and rates up.

CBSL offered and accepted LKR 215 billion at the weekly T-Bill auction held on 12<sup>th</sup> June 2024. The weighted average rate of 91-days maturity increased by 19 basis points to 8.89%, while 182-days and 364-days bills were accepted at weighted average rates of 9.30% (increased by 26 basis points) and 9.54% (increased by 27 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 5,375 million from 6 months and 12 months maturities at phase 2.



**Treasury Bond Market:** Secondary Bond market yields edge up.

The secondary bond market yields edge up due large Treasury Bond auction. Most liquid maturities were 15.09.2027, 01.07.2028 & 15.07.2029. Maturities were closed for the week at 10.60%/10.75%, 11.05%/11.15% & 11.55%/11.85% respectively.

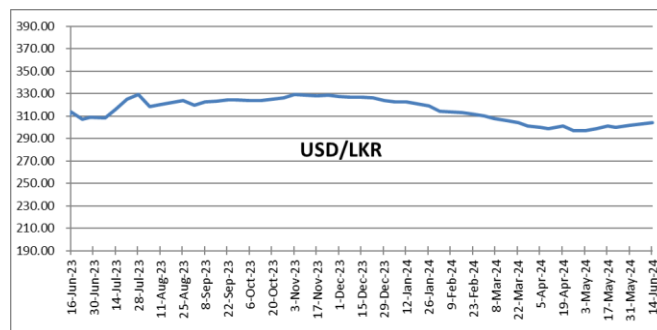


**International Forex Market**

The dollar index steadied around 105.2 on Friday and was set to advance for the second straight week, underpinned by fears that the Federal Reserve could keep interest rates higher for longer. The dollar Index that tracks the greenback against a basket of other currencies was at 105.48 as of writing.

**Local Forex Market**

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 303.83 on Friday. The total USD/LKR traded volume from 07<sup>th</sup> June to 13<sup>th</sup> June 2024 was \$ 180.55 million.



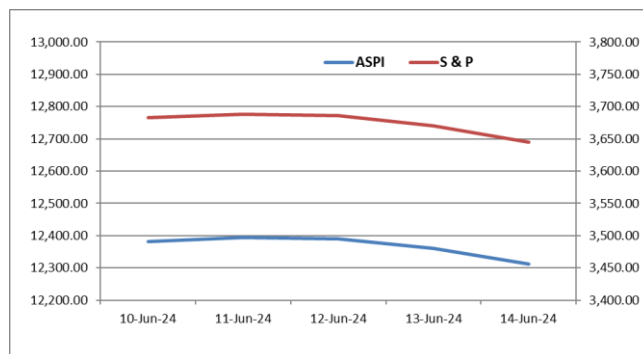
**Commodity Markets**

- **Oil:** Crude futures between \$78 - \$83 per barrel on Friday in a likely technical correction, but were still on track to gain more than 3% this week as a robust global demand outlook outweighed market uncertainties on the timing and scale of US rate cuts. Crude oil WTI futures and Brent crude futures were trading at \$78.10 and \$82.33 as of writing.
- **Gold:** Gold held steady above the \$2,300 per ounce mark on Friday, on track for its first weekly gain in four weeks after falling over 1% in the previous session, as investors assessed softer-than-anticipated US inflation figures against the Federal Reserve's updated interest rate projections. Gold futures were traded at \$ 2,310 as of writing.

**Economic updates – Local**

- Sri Lanka car import relaxation full plan by June 15.
- IMF Executive Board approves second review of Sri Lanka's Extended Fund Facility.
- Tourism earnings went up 87% to \$ 1.4 b in the first five months.

**Stock Market:**



At the end of the week the ASPI had lost 3.55 points to close at 12,310.83 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 10.32 points, and ended at 3,645.29. The average turnover for the week ending 14.06.2024 was around LKR 2,039.92 million.