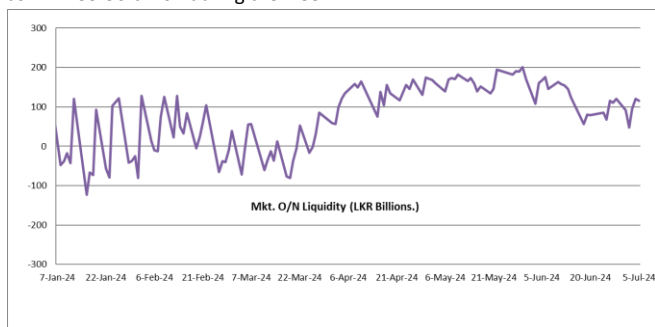


## Weekly review for the week ending 05<sup>th</sup> July 2024

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

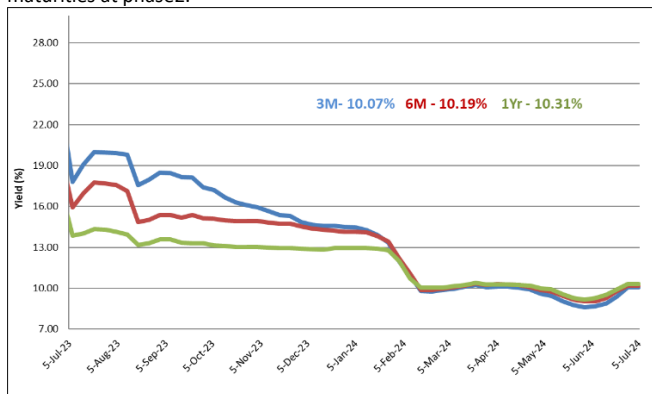
Overnight liquidity recorded a surplus of LKR 114.98 billion at the end of the week compared to the surplus of LKR 120.39 billion by the end of last week and overnight Repo was exchanged between 8.75%-9.30% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 299.36 billion during the week.



### **Government Securities Market Review**

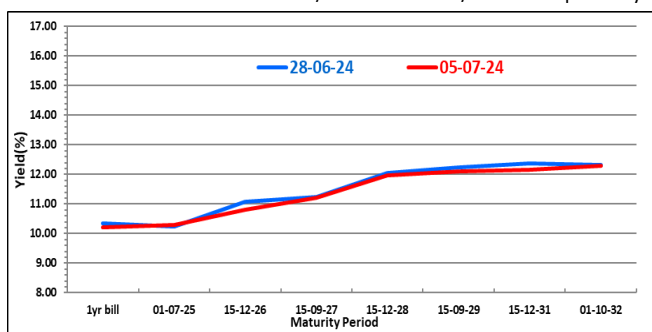
#### **Treasury Bill Market:** Treasury bill weighted averages steady across maturities.

CBSL offered LKR 190 billion and accepted LKR 175.671 billion at the weekly T-Bill auction held on 03<sup>rd</sup> July 2024. The weighted average rate of 91-days maturity was 10.07%, while 182-days and 364-days bills were accepted at weighted average rates of 10.19% and 10.31% respectively. Further to the T-bill auction, CBSL raised LKR 33,329 million from 6 months and 12 months maturities at phase2.



#### **Treasury Bond Market:** Secondary bond market activities remain moderate.

The secondary treasury bond market activities remained moderate during the week. Most liquid maturities were 01.05.2028 & 15.09.2029. Maturities were closed for the week at 11.85%/11.95% & 11.95%/12.05% respectively.

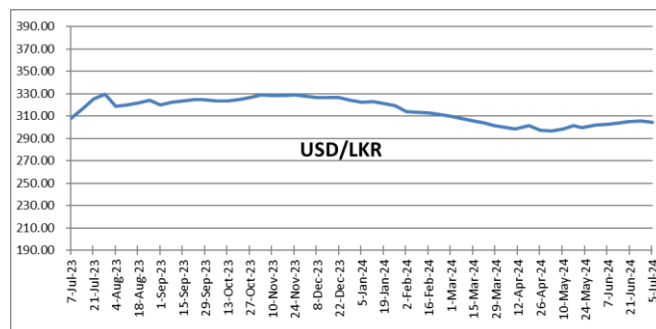


### **International Forex Market**

The dollar index held its recent decline to around 105 on Friday, hovering at three-week lows as investors braced for a crucial US jobs report which is expected to show further signs of a cooling labor market, supporting the case for the Federal Reserve to start cutting interest rates soon. The dollar Index that tracks the greenback against a basket of other currencies was at 105 as of writing.

### **Local Forex Market**

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 304.54 on Friday. The total USD/LKR traded volume from 28<sup>th</sup> June to 04<sup>th</sup> July 2024 was \$ 356.58 million.



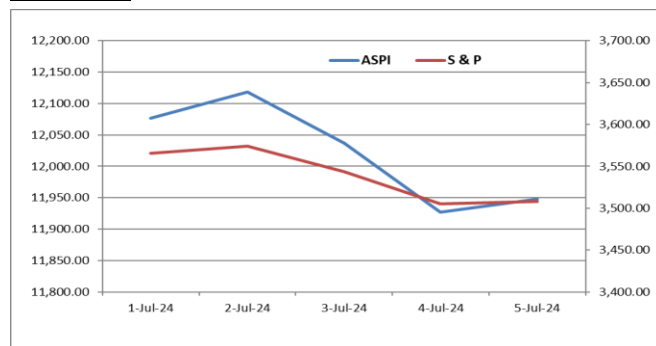
### **Commodity Markets**

- **Oil:** Crude futures between \$83 - \$88 per barrel on Friday and were set to advance for the fourth straight week as falling US crude inventories and signs of strong seasonal demand supported oil prices. Crude oil WTI futures and Brent crude futures were trading at \$83.71 and \$87.15 as of writing.
- **Gold:** Gold firmed up around \$2,360 per ounce on Friday and was set to advance for the second straight week as investors look forward to a key US monthly jobs report that could cement expectations for Federal Reserve interest rates this year. Gold futures were traded at \$ 2,365.7 as of writing.

### **Economic updates – Local**

- Sri Lanka bondholder deal gives NPV benefit of 40%, 27% in upside.
- Sri Lanka's bilateral debt restructuring deal concluded and admin issues remain.
- Sri Lanka to make US\$5bn interest savings in bilateral debt deal.

### **Stock Market:**



At the end of the week the ASPI had lost 197.11 points to close at 11,947.43 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 80.52 points, and ended at 3,508.02. The average turnover for the week ending 05.07.2024 was around LKR 1,299.17 million.