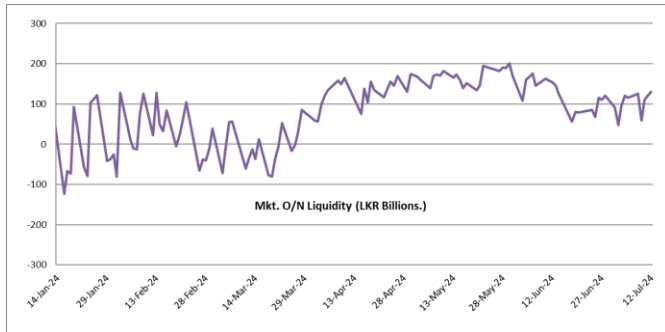


**Weekly review for the week ending 12<sup>th</sup> July 2024**

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

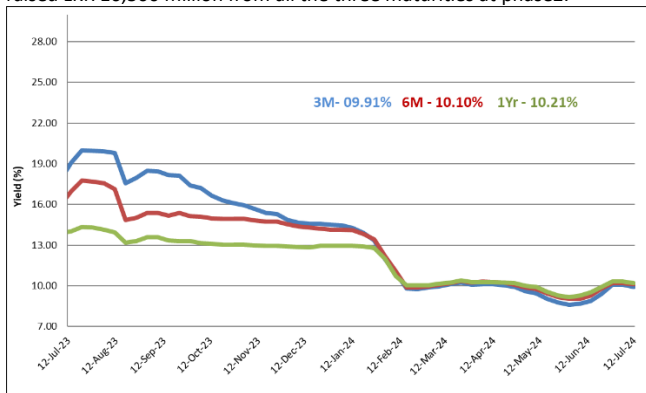
Overnight liquidity recorded a surplus of LKR 130.4 billion at the end of the week compared to the surplus of LKR 114.98 billion by the end of last week and overnight Repo was exchanged between 8.75%-9.35% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 156.88 billion during the week.



**Government Securities Market Review**

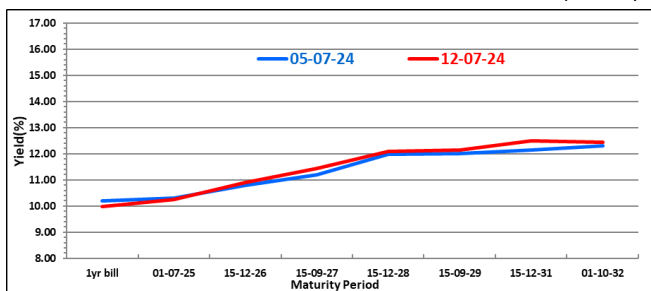
**Treasury Bill Market:** Treasury bill yields fall across maturities.

CBSL offered and accepted LKR 105 billion at the weekly T-Bill auction held on 10<sup>th</sup> July 2024. The weighted average rate of 91-days maturity reduced by 16 basis points to 9.91%, while 182-days and 364-days bills were accepted at weighted average rates of 10.10% (reduced by 9 basis points) and 10.21% (reduced by 10 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 10,500 million from all the three maturities at phase2.



**Treasury Bond Market:** Secondary bond market experienced moderate activity.

The secondary treasury bond market activities remained moderate during the week. Most liquid maturities were 15.12.2027 & 15.09.2029. Maturities were closed for the week at 11.78%/11.85% & 12.10/12.30% respectively.

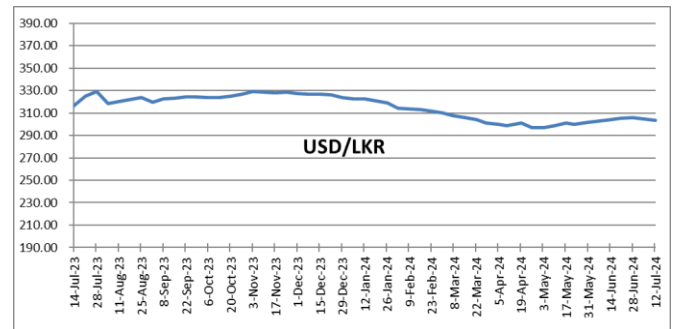


**International Forex Market**

The dollar index held around 104.5 on Friday and was set to decline for the second straight week as cooling US inflation and the latest central bank pronouncements cemented expectations for a Federal Reserve interest rate cut in September. The dollar Index that tracks the greenback against a basket of other currencies was at 104.35 as of writing.

**Local Forex Market**

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 303.32 on Friday. The total USD/LKR traded volume from 05<sup>th</sup> July to 11<sup>th</sup> July 2024 was \$ 301.70 million.



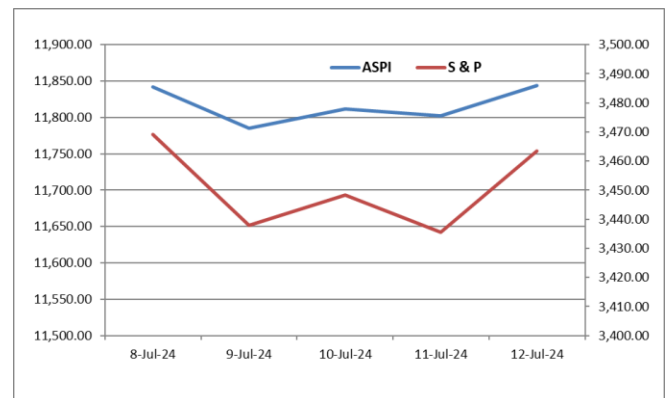
**Commodity Markets**

- **Oil:** Crude futures between \$83 - \$87 per barrel on Friday rising for the third straight session, driven by positive market sentiment following a lower-than-expected inflation print for the US, the world's largest oil consumer. Crude oil WTI futures and Brent crude futures were trading at \$83.45 and \$86.01 as of writing.
- **Gold:** Gold fell below \$2,410 per ounce on Friday after rising nearly 2% in the previous session but is set to notch a third straight weekly gain, supported by softer-than-expected inflation figures for the US. Gold futures were traded at \$ 2,402.20 as of writing.

**Economic updates – Local**

- ADB approves Sri Lanka US\$100mn power sector policy loan.
- Sri Lanka presidential election 'most probably' on October 5 or 12.
- Sri Lanka to bring in 14 previously untaxed sectors into direct tax net.

**Stock Market:**



At the end of the week the ASPI had lost 103.46 points to close at 11,843.97 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 42.25 points, and ended at 3,463.39. The average turnover for the week ending 12.07.2024 was around LKR 627.22 million.