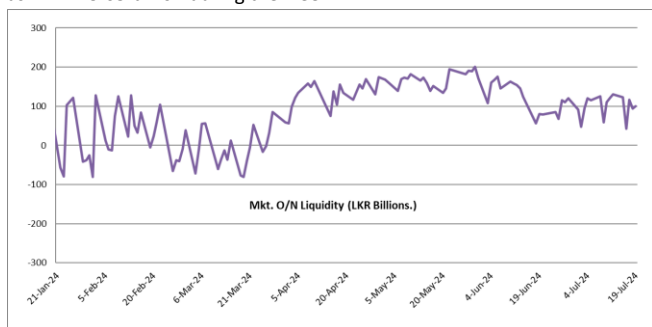


Weekly review for the week ending 19th July 2024

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

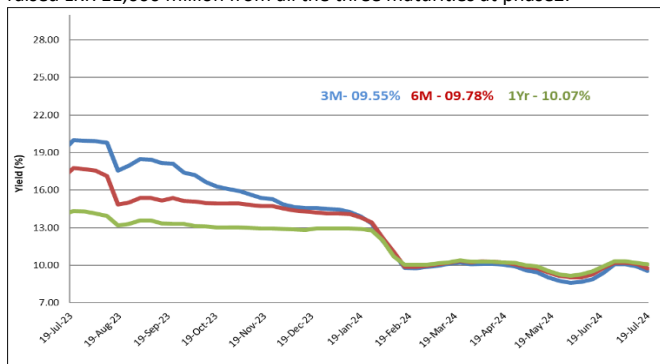
Overnight liquidity recorded a surplus of LKR 100.08 billion at the end of the week compared to the surplus of LKR 130.4 billion by the end of last week and overnight Repo was exchanged between 8.75%-9.35% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 243.65 billion during the week.



Government Securities Market Review

Treasury Bill Market: Treasury bill auction fully subscribed, and yields fall across maturities.

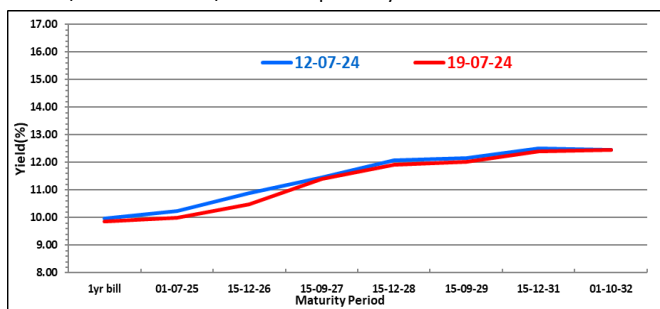
CBSL offered and accepted LKR 110 billion at the weekly T-Bill auction held on 17th July 2024. The weighted average rate of 91-days maturity reduced by 36 basis points to 9.55%, while 182-days and 364-days bills were accepted at weighted average rates of 09.78% (reduced by 32 basis points) and 10.07% (reduced by 14 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 11,000 million from all the three maturities at phase2.



Treasury Bond Market: Secondary bond market yields edge down.

activity.

The secondary treasury bond market yields edged down on robust activity during the week. Most liquid maturities were 15.12.2027, 15.09.2029 and 01.12.2031. Maturities were closed for the week at 11.60%/11.70%, 12.00%/12.10% & 12.35%/12.45% respectively.

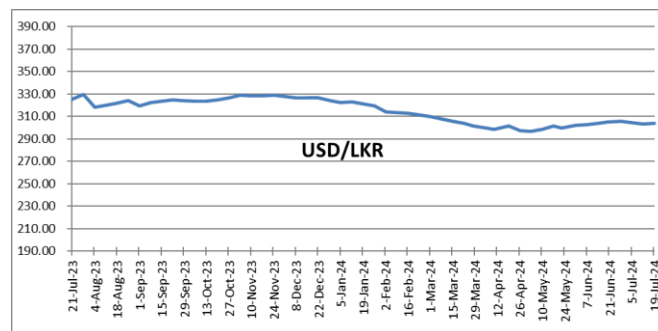


International Forex Market

The dollar index held above 104.2 on Friday after gaining 0.4% in the previous session, rebounding sharply from a four-month low as strong US economic data provided support. On Thursday, data showed that manufacturing activity in the US Mid-Atlantic region expanded more than expected in July amid a surge in new orders. The dollar Index that tracks the greenback against a basket of other currencies was at 104.32 as of writing.

Local Forex Market

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 303.99 on Friday. The total USD/LKR traded volume from 12th July to 18th July 2024 was \$ 167.30 million.



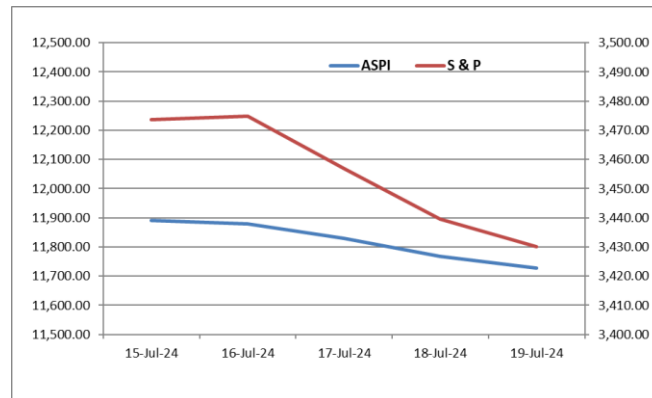
Commodity Markets

- **Oil:** Crude futures between \$82 - \$86 per barrel on Friday extending losses from the previous session, weighed down by a broad selloff in risk assets and a stronger US dollar. Crude oil WTI futures and Brent crude futures were trading at \$82.80 and \$85.29 as of writing.
- **Gold:** Gold dropped near \$2,420 per ounce on Friday, retreating further from record highs as the dollar rebounded on robust US economic data, although bets for Federal Reserve interest rate cuts remained intact. Gold futures were traded at \$ 2,420.10 as of writing.

Economic updates – Local

- Net foreign inflow at CSE tops Rs. 3 b mark in July but locals bearish.
- Electricity price slash promises 20% savings on goods and services.
- European Commission permits regional cumulation between Sri Lanka and Indonesia.

Stock Market:



At the end of the week the ASPI had lost 116.89 points to close at 11,727.08 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 24.49 points, and ended at 3,430.19. The average turnover for the week ending 19.07.2024 was around LKR 1,157.76 million.