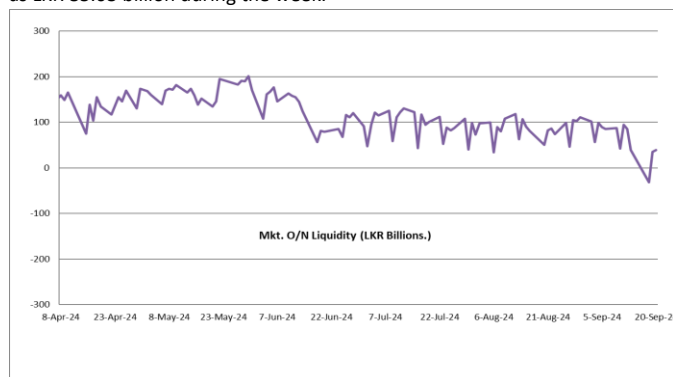


Weekly review for the week ending 20th September 2024

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

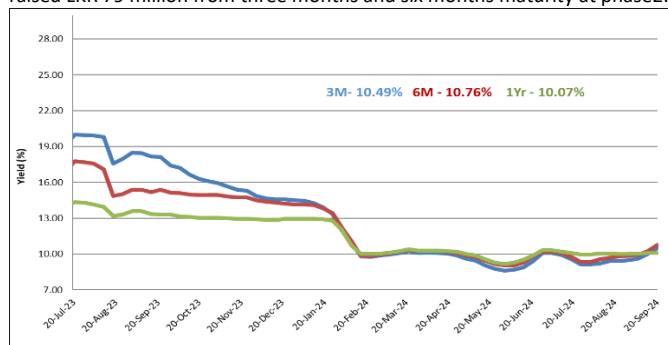
Overnight liquidity recorded a surplus of LKR 38.97 billion at the end of the week compared to the surplus of LKR 38.58 billion by the end of last week and overnight Repo was exchanged between 8.60%-9.05% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 85.03 billion during the week.



Government Securities Market Review

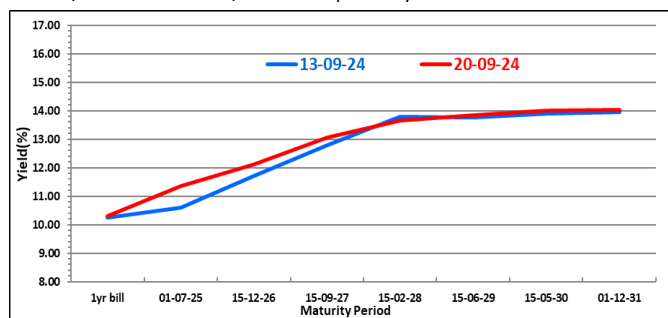
Treasury Bill Market: Treasury bill yields rose across maturities with weak demand for one year T bills.

CBSL offered LKR 175 billion and accepted LKR 160.989 billion at the weekly T-Bill auction was held on 18th September 2024. The weighted average rate of 91-days maturity increased by 50 basis points to 10.49%, while 182-days and 364-days bills were accepted at weighted average rates of 10.76% (increased by 52 basis points) and 10.07% respectively. Further to the T-bill auction, CBSL raised LKR 79 million from three months and six months maturity at phase2.



Treasury Bond Market: Secondary Bond market activities remain moderate, and the yield curve remains broadly steady.

The secondary bond market activities remain moderate, and the yield curve remains broadly steady during the week. Most liquid maturities were 15.02.2028 and 15.06.2029. Maturities were closed for the week at 13.60%/13.70% & 13.80%/13.90% respectively.

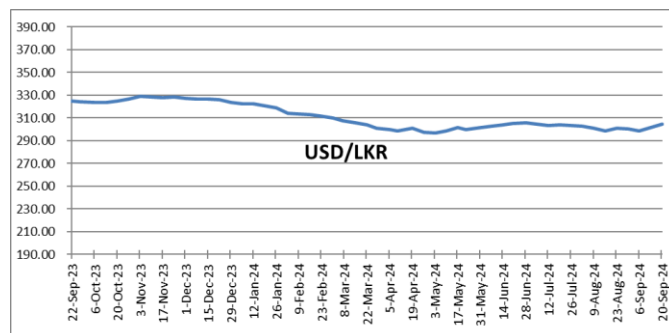


International Forex Market

The dollar index held its recent decline to around 100.6 on Friday, hovering near a 14-month low and facing pressure from a rally in risk assets as the Federal Reserve's jumbo rate cut raised the likelihood for a soft landing for the US economy. The dollar Index that tracks the greenback against a basket of other currencies was at 100.75 as of writing.

Local Forex Market

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 304.55 on Friday. The total USD/LKR traded volume from 13th September to 19th September 2024 was \$ 180.96 million.



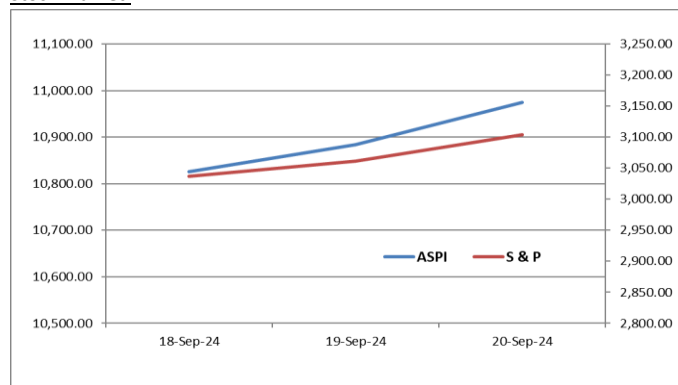
Commodity Markets

- **Oil:** Crude futures between \$71 - \$75 per barrel on Friday, poised for a second consecutive weekly gain, driven by demand optimism and potential supply risks amid rising Middle East tensions. Crude oil WTI futures and Brent crude futures were trading at \$71.10 and \$74.77 as of writing.
- **Gold:** Gold rose above \$2,600 per ounce on Friday, reaching a new record high, as markets continued to assess monetary policy decisions from major central banks amid support for safe-haven assets driven by rising geopolitical risks. Gold futures were traded at \$ 2,609.3 as of writing.

Economic updates – Local

- Sri Lanka says bondholders have made further interest cuts, NPV benefit 33%.
- Sri Lanka central govt debt falls below 100-pct of GDP in June 2024.
- Sri Lanka central bank net foreign reserves negative by US\$728mn in July.

Stock Market:



At the end of the week the ASPI had gained 291.20 points to close at 10,974.30 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 123.78 points, and ended at 3,103.55. The average turnover for the week ending 20.09.2024 was around LKR 1,186.04 million.