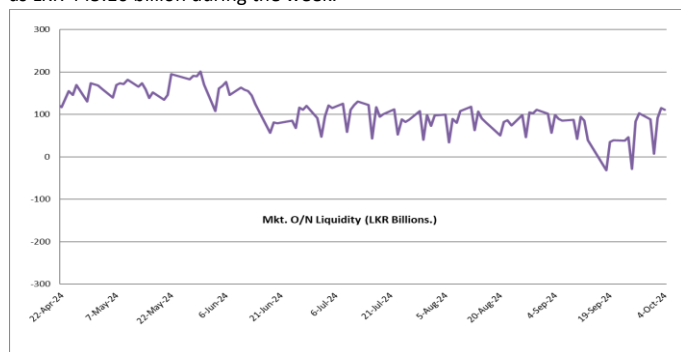


Weekly review for the week ending 04th October 2024

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

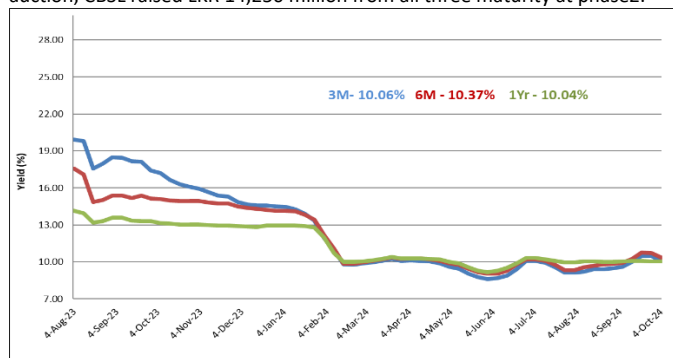
Overnight liquidity recorded a surplus of LKR 110.92 billion at the end of the week compared to the surplus of LKR 102.43 billion by the end of last week and overnight Repo was exchanged between 8.60%-9.25% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 445.10 billion during the week.



Government Securities Market Review

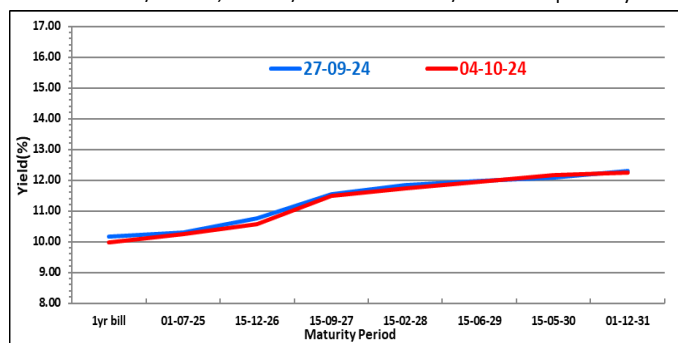
Treasury Bill Market: Treasury bill auction fully subscribed, and yields plunged.

CBSL offered and accepted LKR 142.5 billion at the weekly T-Bill auction was held on 02nd October 2024. The weighted average rate of 91-days maturity reduced by 43 basis points to 10.06%, while 182-days and 364-days bills were accepted at weighted average rates of 10.37% (reduced by 35 basis points) and 10.04% (reduced by 01 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 14,250 million from all three maturity at phase2.



Treasury Bond Market: Secondary Bond market activities remain moderate.

The secondary bond market activities remain moderate during the week and yield slightly edge down compared to the last week. Most liquid maturities were 15.12.2027, 15.02.2028 and 15.06.2029. Maturities were closed for the week at 11.50%/11.55%, 11.70%/11.75% & 11.90%/12.00% respectively.

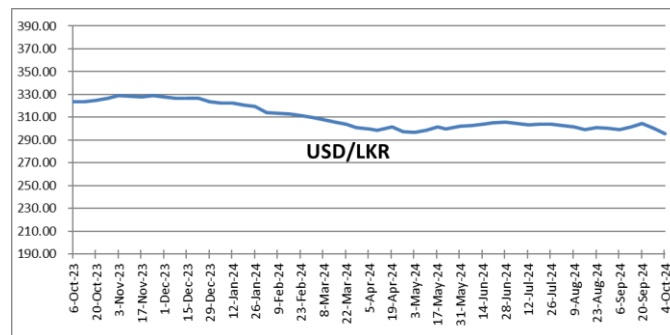


International Forex Market

The dollar index steadied around 101.9 on Friday after rising for four straight sessions as investors geared up for the September jobs report to gain more insights on the labor market. Traders expect no significant market movements from the employment data unless it comes in way below forecasts. The dollar Index that tracks the greenback against a basket of other currencies was at 101.90 as of writing.

Local Forex Market

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 295.47 on Friday. The total USD/LKR traded volume from 27th September to 03rd October 2024 was \$ 507 million.



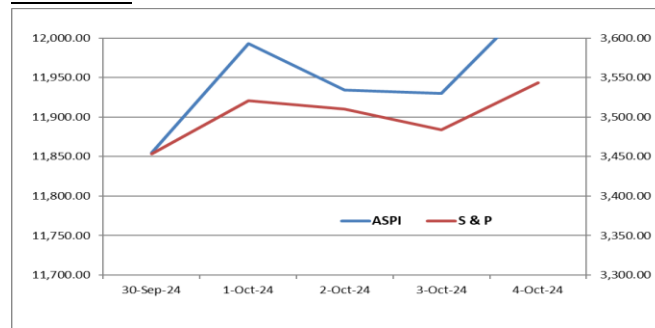
Commodity Markets

- **Oil:** Crude futures between \$74 - \$79 per barrel on Friday, trading at a four-week high and poised for its highest weekly gain since late March 2023, as escalating conflict in the Middle East continued to pose supply risks. Crude oil WTI futures and Brent crude futures were trading at \$74.44 and \$78.32 as of writing.
- **Gold:** Gold remained near \$2,660 per ounce on Friday, benefiting from its safe-haven status magnified by heightened geopolitical risks. Markets are closely monitoring developments in the Middle East, as fears intensified after US President Biden on Thursday refrained from directly condemning the potential for Israel to target Iran. Gold futures were traded at \$ 2,661.2 as of writing.

Economic updates – Local

- Sri Lanka foreign exchange inflows exceed imports by \$757mn in August.
- Sri Lanka services exports rise 6.49-pct to US\$318mn in August.
- Sri Lanka enters deflation as administrative prices pull CCPI further down.

Stock Market:



At the end of the week the ASPI had gained 279.61 points to close at 12,053.49 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 133.32 points, and ended at 3,543.22. The average turnover for the week ending 04.10.2024 was around LKR 2,520.23 million.