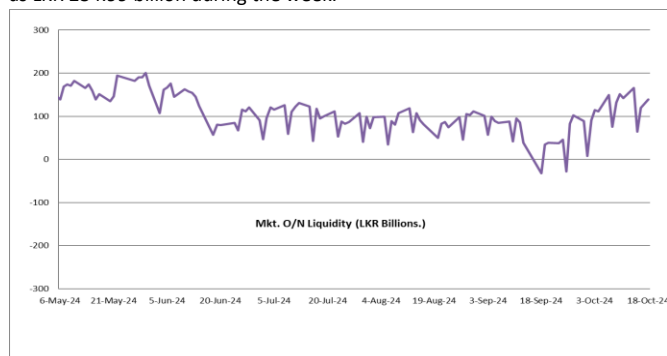
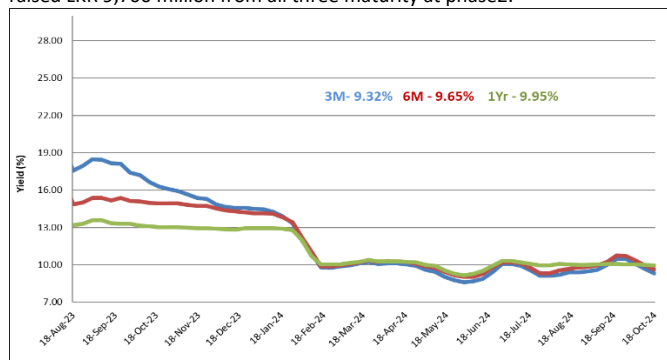


Weekly review for the week ending 18th October 2024
Money Market: Overnight Money market liquidity recorded a surplus on Friday.

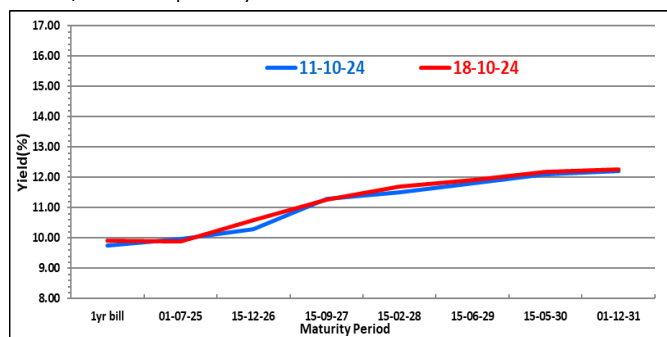
Overnight liquidity recorded a surplus of LKR 139.1 billion at the end of the week compared to the surplus of LKR 141.83 billion by the end of last week and overnight Repo was exchanged between 8.50%-9.00% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 234.99 billion during the week.


Government Securities Market Review
Treasury Bill Market: Treasury bill auction fully subscribed, and weighted averages declined.

CBSL offered and accepted LKR 97 billion at the weekly T-Bill auction held on 15th October 2024. The weighted average rate of 91-days maturity reduced by 37 basis points to 9.32%, while 182-days and 364-days bills were accepted at weighted average rates of 9.65% (reduced by 30 basis points) and 9.95% (reduced by 05 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 9,700 million from all three maturity at phase 2.


Treasury Bond Market: Secondary Bond market activities remain moderate.

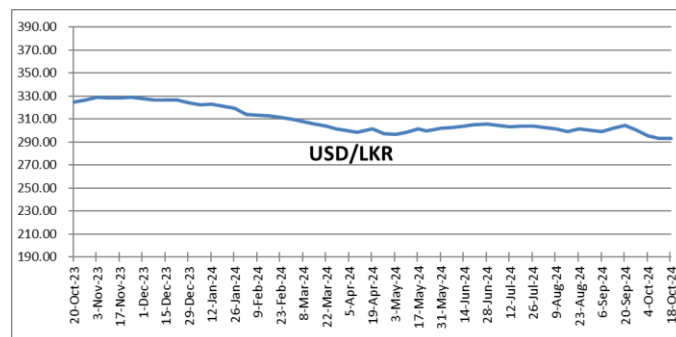
The secondary bond market activities remained moderate during the week and yields were at elevated levels as selling pressure continued in the market. Most liquid maturities were 15.12.2027, 15.02.2028 and 15.09.2029. Maturities were closed for the week at 11.30%/11.40%, 11.70%/11.75% & 11.90%/12.10% respectively.


International Forex Market

The dollar index traded at 11-week highs around 103.8 on Friday and was headed for a third straight weekly gain, underpinned by strong US economic data and the so-called "Trump trade." Data released on Thursday showed that US retail sales grew more than anticipated in September, while the latest weekly jobless claims came in below forecasts. The dollar Index that tracks the greenback against a basket of other currencies was at 103.61 as of writing.

Local Forex Market

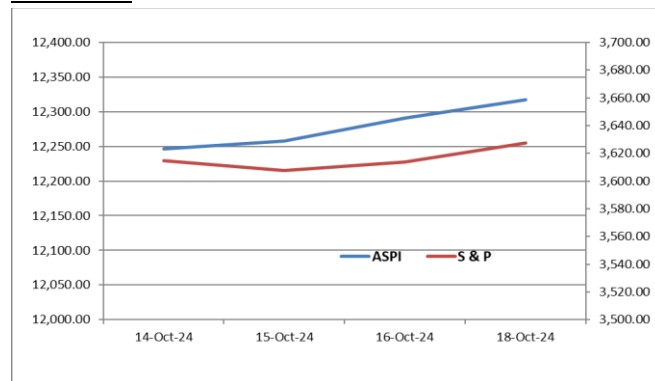
In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 293.00 on Friday. The total USD/LKR traded volume from 11th October to 16th October 2024 was \$ 234.97 million.


Commodity Markets

- **Oil:** Crude futures between \$70 - \$75 per barrel on Friday, poised for its sharpest weekly decline in over a month due to concerns over demand outlook and a looming surplus. Crude oil WTI futures and Brent crude futures were trading at \$70.97 and \$74.70 as of writing.
- **Gold:** Gold climbed past \$2,700 per ounce on Friday, reaching a new record high, driven by global demand for safe-haven assets and expectations of further interest rate cuts from major central banks. Gold futures were traded at \$ 2,705.4 as of writing.

Economic updates – Local

- Sri Lanka budget deficit down 38%, tax revenues up 41% to August.
- The government increases tax on several key imported food items.
- Sri Lanka caught in low-productivity trap.

Stock Market:


At the end of the week the ASPI had gained 23.61 points to close at 12,317.64 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 13.40 points, and ended at 3,627.25. The average turnover for the week ending 18.10.2024 was around LKR 1,754.24 million.