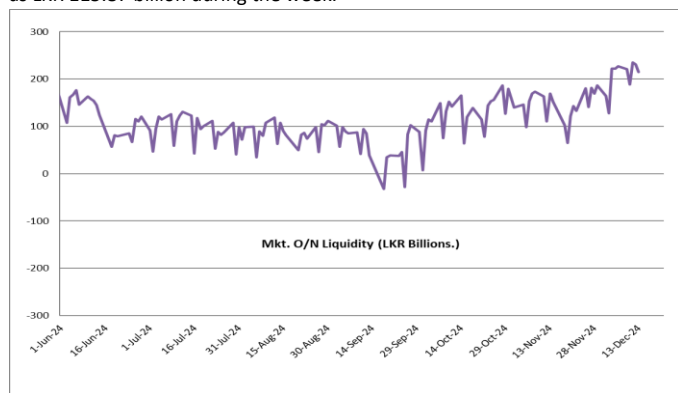
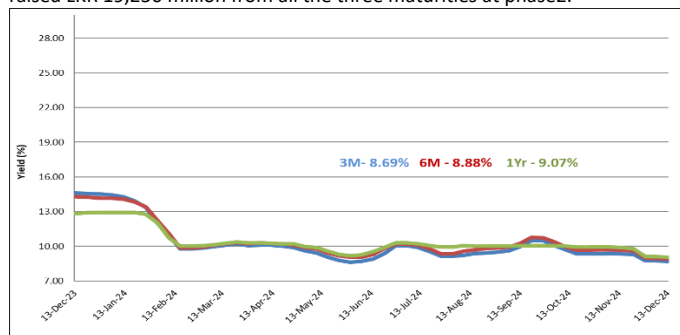


Weekly review for the week ending 13th December 2024
Money Market: Overnight Money market liquidity recorded a surplus on Friday.

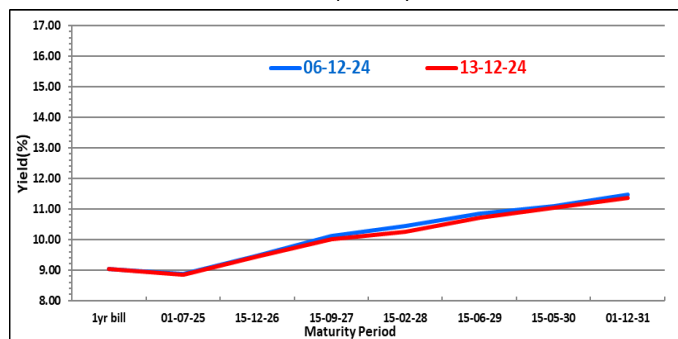
Overnight liquidity recorded a surplus of LKR 215.1 billion at the end of the week compared to the surplus of LKR 226.87 billion by the end of last week and overnight Repo was exchanged between 8.00%-8.40% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 115.87 billion during the week.


Government Securities Market Review
Treasury Bill Market: Treasury bill auction fully subscribed, yields down across maturities.

CBSL offered and accepted LKR 206 billion at the weekly T-Bill auction held on 11th December 2024. The weighted average rate of 91-days maturity reduced by 4 basis points to 8.69%, while 182-days and 364-days bills were accepted at weighted average rates of 8.88% (reduced by 6 basis points) and 9.07% (reduced by 1 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 19,250 million from all the three maturities at phase 2.


Treasury Bond Market: Secondary Bond market yields edged down.

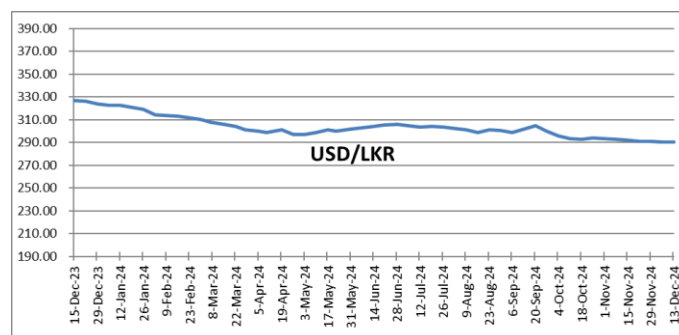
The secondary bond market witnessed active trading sessions during the week and bond yield edged down end of the week. Most liquid maturities were 01.05.2028 & 15.09.2029. Maturities were closed for the week at 10.32%/10.40% & 10.70%/10.75% respectively.


International Forex Market

The dollar index strengthened above 107 on Friday, positioning it for a 1% gain for the week. These gains come as markets have already priced in a 25-basis point rate cut from the Federal Reserve next week, though the outlook for 2025 remains uncertain. The dollar Index that tracks the greenback against a basket of other currencies was at 107.12 as of writing.

Local Forex Market

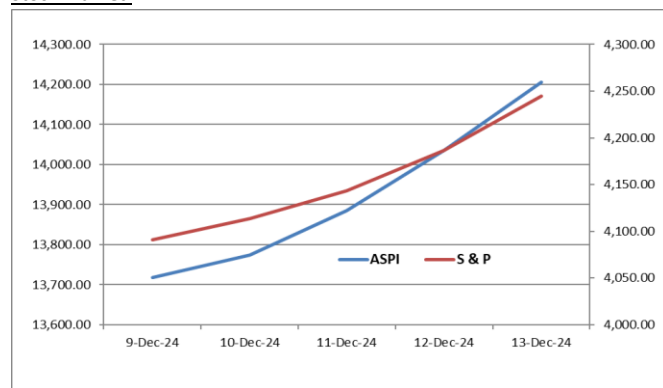
In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 290.26 on Friday. The total USD/LKR traded volume from 06th December to 12th December 2024 was \$ 383.33 million.


Commodity Markets

- **Oil:** Crude futures between \$70 - \$74 per barrel on Friday, trading within a narrow range, as forecasts of ample oil supply next year weighed on prices. The IEA slightly raised its demand forecast for 2025 but still expects the oil market to remain well-supplied. Crude oil WTI futures and Brent crude futures were trading at \$70.16 and \$73.57 as of writing.
- **Gold:** Gold rose above \$2,680 on Friday, since factory gate prices in the US rose more than expected in November, fueling concerns that inflation may remain persistently above the Federal Reserve's target into next year. Gold futures were traded at \$ 2,683.80 as of writing.

Economic updates – Local

- Sri Lanka stocks close up, ASPI hits 14,000 on ISB deadline day.
- Sri Lanka to announce vehicle import relaxation 'under certain limits'.
- Sri Lanka excess rupee reserves rise close to last crisis levels.

Stock Market:


At the end of the week the ASPI had gained 591.97 points to close at 14,205.34 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 182.40 points, and ended at 4,244.45. The average turnover for the week ending 13.12.2024 was around LKR 5,657.61 million.