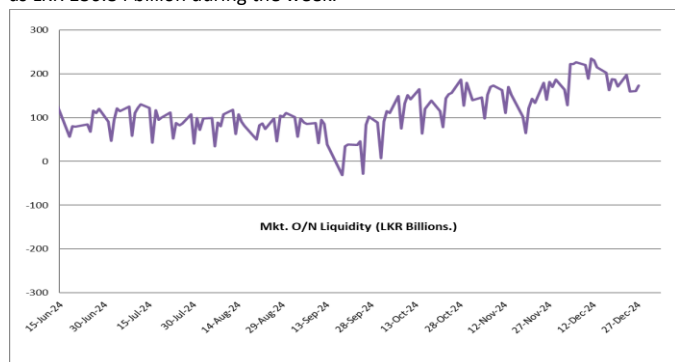
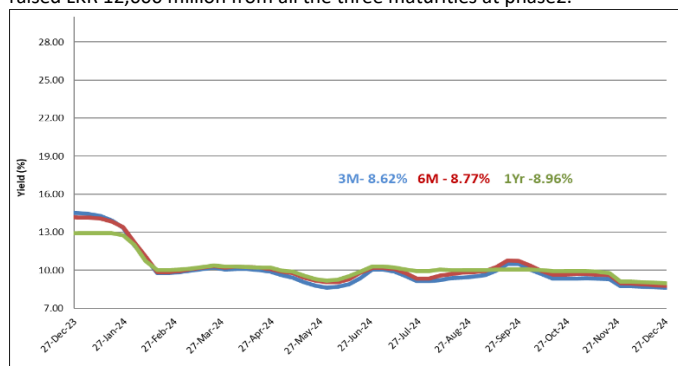


Weekly review for the week ending 27th December 2024
Money Market: Overnight Money market liquidity recorded a surplus on Friday.

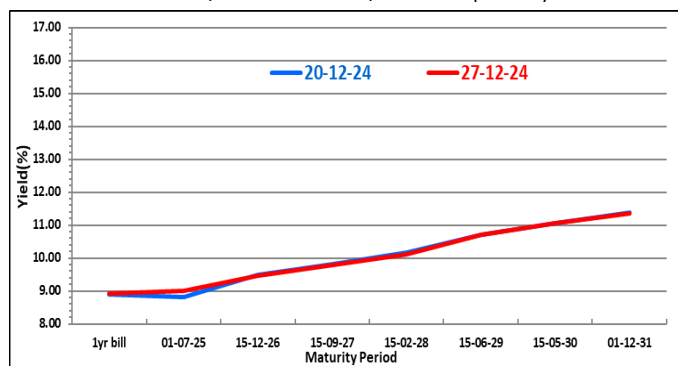
Overnight liquidity recorded a surplus of LKR 173.27 billion at the end of the week compared to the surplus of LKR 171.15 billion by the end of last week and overnight Repo was exchanged between 8.00%-8.30% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 136.84 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 120 billion at the weekly T-Bill auction held on 24th December 2024. The weighted average rate of 91-days maturity reduced by 4 basis points to 8.62%, while 182-days and 364-days bills were accepted at weighted average rates of 8.77% (reduced by 4 basis points) and 8.96% (reduced by 6 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 12,000 million from all the three maturities at phase2.


Treasury Bond Market: Secondary Bond market yields remained unchanged.

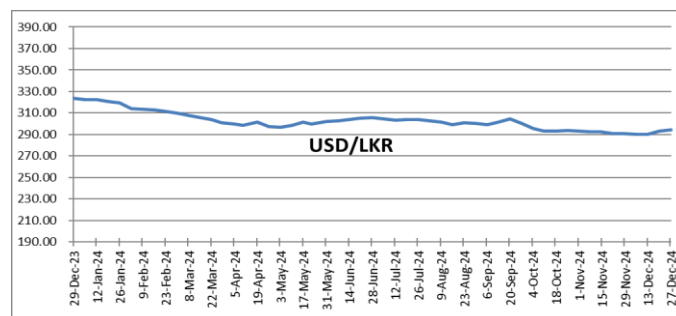
The secondary bond market yields remained unchanged during the week. Most liquid maturities were 15.03.2028 & 01.05.2028. Maturities were closed for the week at 10.10%/10.15% & 10.30%/10.35% respectively.


International Forex Market

The US dollar index held steady around 108.1 on Friday, as investors continued to assess the Federal Reserve's monetary policy outlook and hawkish projections from the Fed last week have fueled doubts about the extent of potential interest rate cuts in the coming year, bolstering the dollar's strength. The dollar Index that tracks the greenback against a basket of other currencies was at 108.16 as of writing.

Local Forex Market

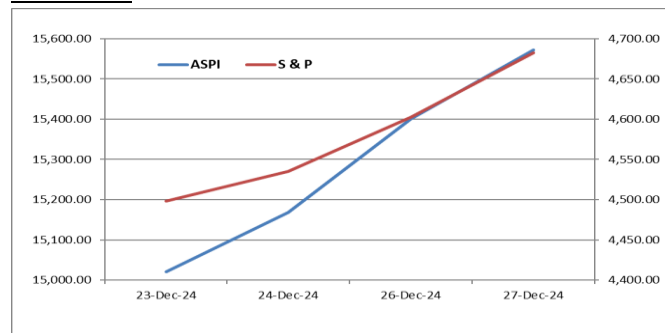
In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 294.33 on Friday. The total USD/LKR traded volume from 20th December to 26th December 2024 was \$ 360.73 million.


Commodity Markets

- **Oil:** Crude futures between \$69 - \$74 per barrel on Friday, as Oil gained traction after China announced additional economic measures, including reports that officials have greater flexibility to use government bond proceeds to stimulate growth, potentially boosting demand from the top consumer. Crude oil WTI futures and Brent crude futures were trading at \$69.77 and \$73.40 as of writing.
- **Gold:** Gold eased below \$2,630 per ounce on Friday, Traders continued to await signals about the US economy under the incoming Trump administration and assessed the Federal Reserve's monetary policy outlook. Gold futures were traded at \$ 2,625.05 as of writing.

Economic updates – Local

- Sri Lanka service exports rise 20.89% in November.
- Sri Lanka's stock market sees over 35% growth under new leader, turnover doubles.
- Sri Lanka bank bad loans fall to 12.4% in 3Q.

Stock Market:


At the end of the week the ASPI had gained 761.50 points to close at 15,572.20 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 261.56 points, and ended at 4,682.35. The average turnover for the week ending 27.12.2024 was around LKR 7,696.62 million.