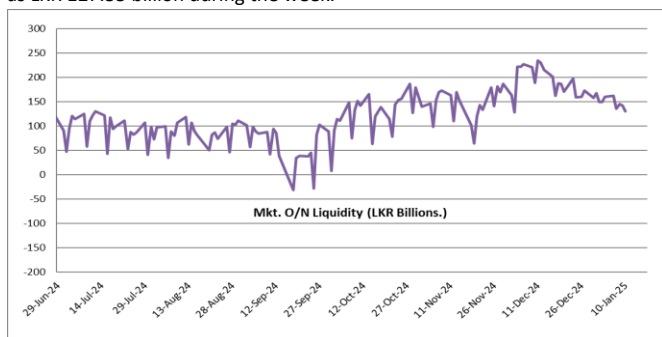


Weekly review for the week ending 10th January 2025

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

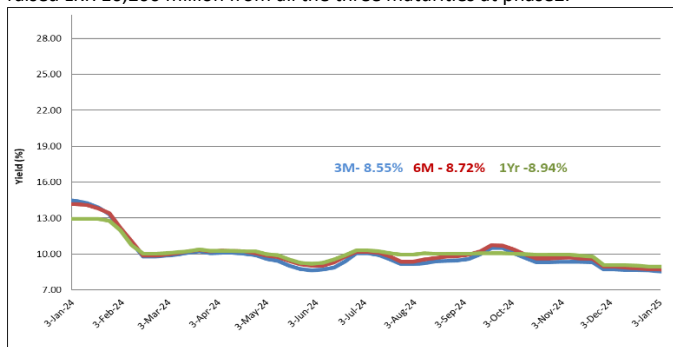
Overnight liquidity recorded a surplus of LKR 130.26 billion at the end of the week compared to the surplus of LKR 160.16 billion by the end of last week and overnight Repo was exchanged between 7.95%-8.25% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 127.35 billion during the week.



Government Securities Market Review

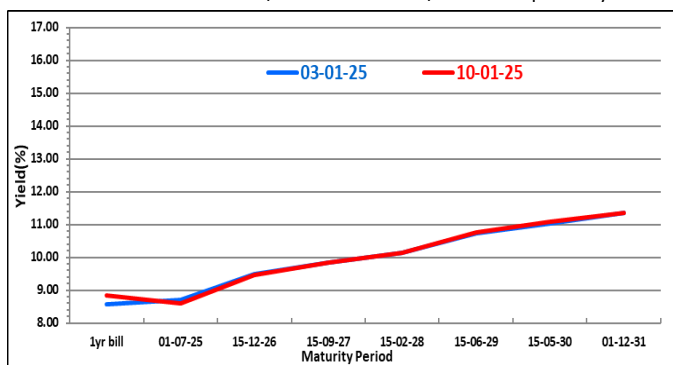
Treasury Bill Market: Treasury bill auction fully subscribed, and yields dropped across the board.

CBSL offered and accepted LKR 102 billion at the weekly T-Bill auction held on 08th January 2025. The weighted average rate of 91-days maturity reduced by 8 basis points to 8.47%, while 182-days and 364-days bills were accepted at weighted average rates of 8.60% (reduced by 12 basis points) and 8.90% (reduced by 4 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 10,200 million from all the three maturities at phase2.



Treasury Bond Market: Secondary bond market witnessed active trading.

The secondary bond market witnessed active trading sessions during the week. Most liquid maturities were 01.05.2028 & 15.10.2030. Maturities were closed for the week at 10.25%/10.30% & 11.27%/11.30% respectively.

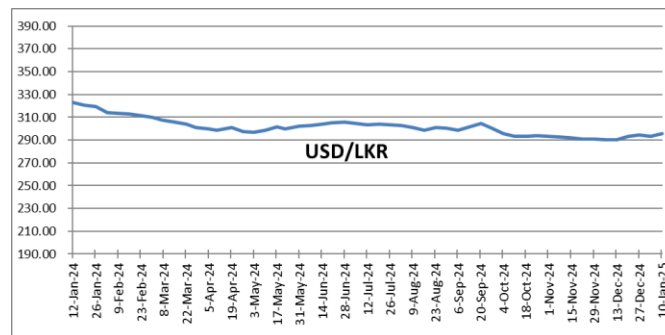


International Forex Market

The dollar index remained steady above 109 on Friday as investors braced for the December nonfarm payrolls report, seeking insights into the strength of the labor market. A strong jobs report could reinforce expectations for fewer interest rate cuts from the Federal Reserve this year. The dollar Index that tracks the greenback against a basket of other currencies was at 109.36 as of writing.

Local Forex Market

In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 295.59 on Friday. The total USD/LKR traded volume from 03rd January to 09th January 2025 was \$ 432.57 million.



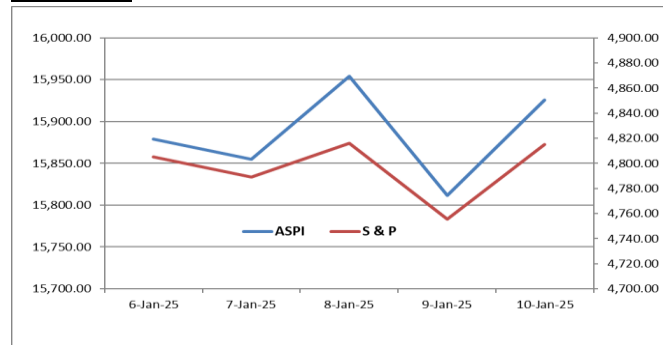
Commodity Markets

- **Oil:** Crude futures between \$74 - \$78 per barrel on Friday, extending gains from the previous session, driven by expectations of increased demand. Prolonged colder temperatures across the Northern Hemisphere are anticipated to boost heating fuel consumption. Crude oil WTI futures and Brent crude futures were trading at \$74.34 and \$77.38 as of writing.
- **Gold:** Gold prices rose above \$2,670 per ounce on Friday, extending gains for the fourth session and on track for its best week since mid-November. Traders are awaiting the release of US payroll figures, expected to shape the Federal Reserve's policy outlook for the year. Gold futures were traded at \$ 2,655.02 as of writing.

Economic updates – Local

- Tourism earnings soar by 52% to \$ 3.2 b in 2024.
- GDP forecast to have grown by seven-year high of 5% in 2024.
- CBSL purchases of forex from market at highest ever of \$ 2.8 b in 2024.

Stock Market:



At the end of the week the ASPI had lost 123.42 points to close at 15,926.00 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 45.05 points, and ended at 4,815.28. The average turnover for the week ending 10.01.2025 was around LKR 5,244.85 million.