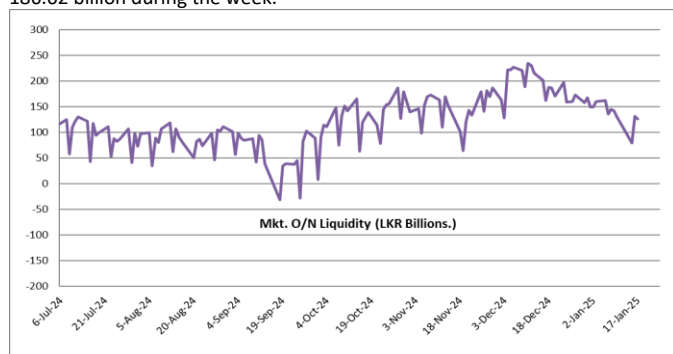
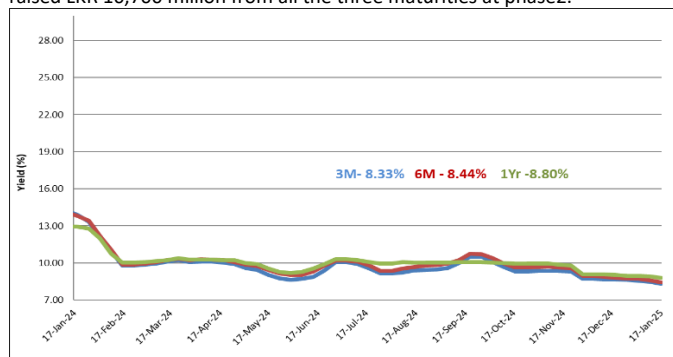


**Weekly review for the week ending 17<sup>th</sup> January 2025**
**Money Market: Overnight Money market liquidity recorded a surplus on Friday.**

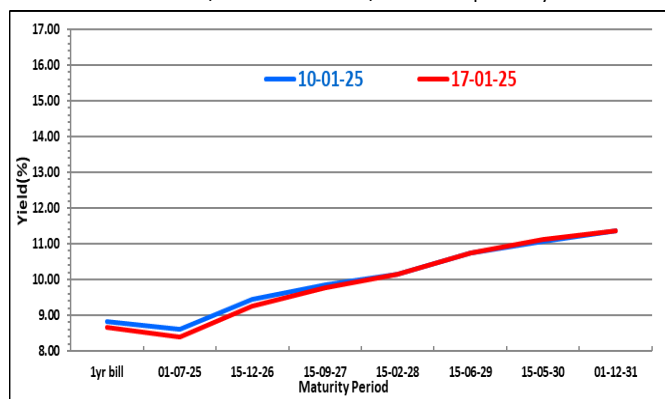
Overnight liquidity recorded a surplus of LKR 126.3 billion at the end of the week compared to the surplus of LKR 130.26 billion by the end of last week and overnight Repo was exchanged between 8.00%-8.30% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 186.02 billion during the week.


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

CBSL offered and accepted LKR 107 billion at the weekly T-Bill auction held on 15<sup>th</sup> January 2025. The weighted average rate of 91-days maturity reduced by 14 basis points to 8.33%, while 182-days and 364-days bills were accepted at weighted average rates of 8.44% (reduced by 16 basis points) and 8.80% (reduced by 10 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 10,700 million from all the three maturities at phase2.


**Treasury Bond Market: Secondary Bond market activities remain moderate.**

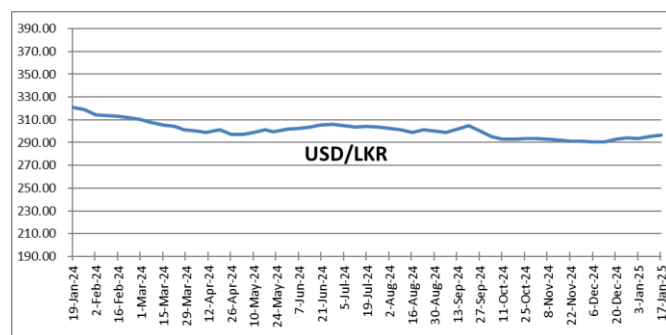
The secondary bond market activities remained moderate during the week. Most liquid maturities were 01.05.2028 & 15.05.2030. Maturities were closed for the week at 10.27%/10.30% & 11.07%/11.15% respectively.


**International Forex Market**

The dollar index held below 109 on Friday and was set for its first weekly decline in seven, coming under pressure this week as a surprise decline in US core inflation boosted bets on further Federal Reserve interest rate cuts this year. The dollar Index that tracks the greenback against a basket of other currencies was at 109.02 as of writing.

**Local Forex Market**

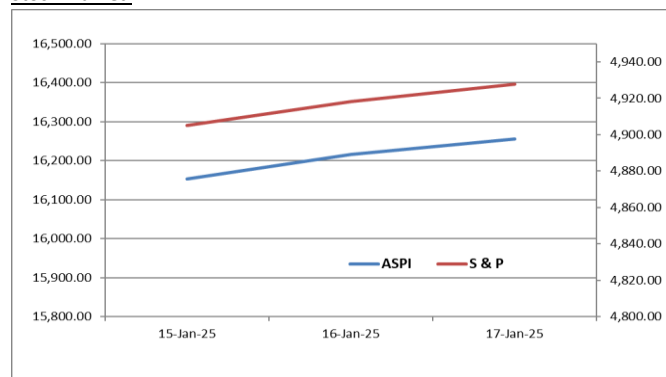
In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 296.51 on Friday. The total USD/LKR traded volume from 03<sup>rd</sup> January to 09<sup>th</sup> January 2025 was \$ 305.16 million.


**Commodity Markets**

- Oil:** Crude futures between \$79 - \$82 per barrel on Friday, the overnight drop was due to speculation that President-elect Trump might ease sanctions on Russian energy exports as part of diplomatic efforts to resolve tensions between Russia and Ukraine. Crude oil WTI futures and Brent crude futures were trading at \$79.01 and \$81.49 as of writing.
- Gold:** Gold traded around \$2,710 per ounce on Friday, Recent U.S. economic data, including cooler-than-expected core inflation and disappointing retail sales figures, have rekindled hopes that the Federal Reserve may cut rates more than once this year. Gold futures were traded at \$ 2,706.40 as of writing.

**Economic updates – Local**

- Sri Lanka records BOP surplus of US\$2,912mn up to November.
- Sri Lanka budget deficit down 40-pct by November 2024.
- Sri Lanka central bank revalues restructured bonds booking profit.

**Stock Market:**


At the end of the week the ASPI had gained 330.12 points to close at 16,256.12 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 119.57 points, and ended at 4,927.86. The average turnover for the week ending 10.01.2025 was around LKR 4,956.18 million.