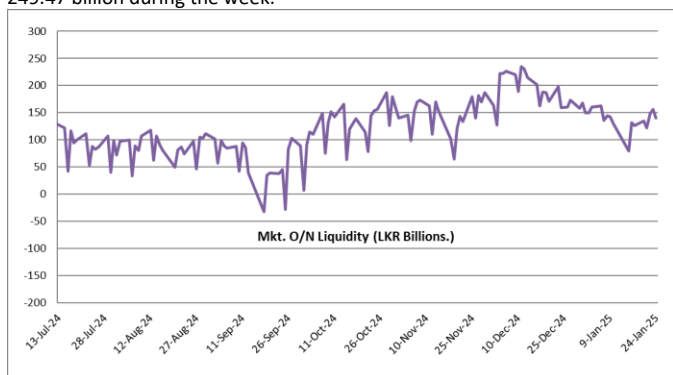


Weekly review for the week ending 24th January 2025

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

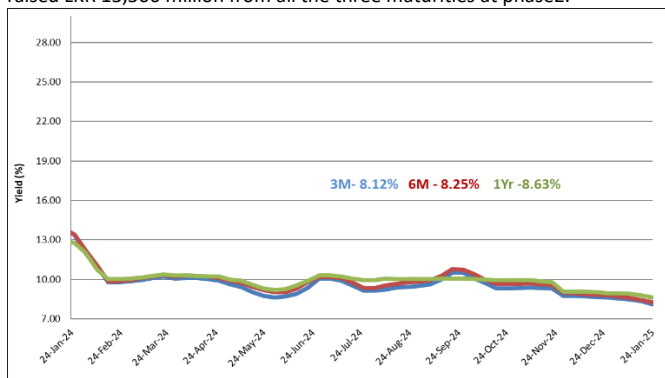
Overnight liquidity recorded a surplus of LKR 139.99 billion at the end of the week compared to the surplus of LKR 126.30 billion by the end of last week and overnight Repo was exchanged between 8.00%-8.20% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 249.47 billion during the week.



Government Securities Market Review

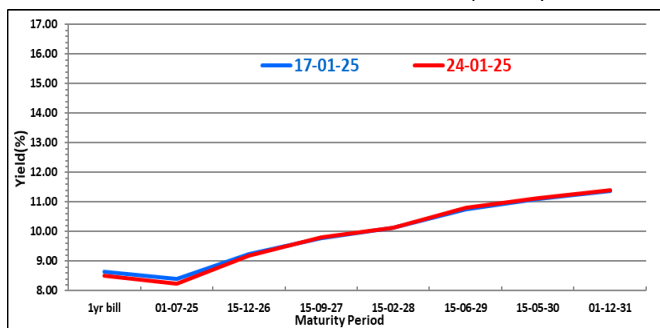
Treasury Bill Market: Treasury bill auction fully subscribed and yields down across maturities.

CBSL offered and accepted LKR 155 billion at the weekly T-Bill auction held on 22nd January 2025. The weighted average rate of 91-days maturity reduced by 21 basis points to 8.12%, while 182-days and 364-days bills were accepted at weighted average rates of 8.25% (reduced by 19 basis points) and 8.63% (reduced by 17 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 15,500 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 10.28%/10.32% & 11.10%/11.15% respectively.

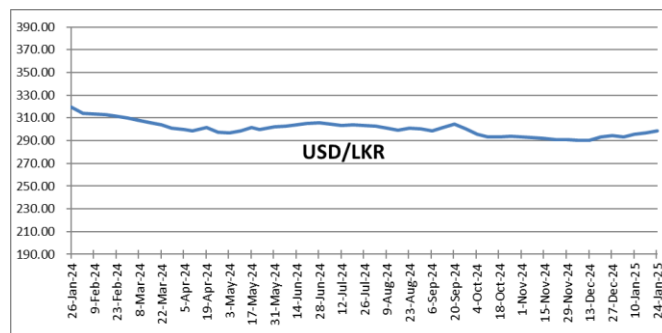


International Forex Market

The dollar index dipped below 108 on Friday, poised to decline by over 1% for the week. This drop comes as President Donald Trump has refrained from implementing aggressive tariffs following his inauguration, contrary to market expectations. The dollar Index that tracks the greenback against a basket of other currencies was at 107.73 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 17th January to 23rd January 2025 was \$ 415.62 million.



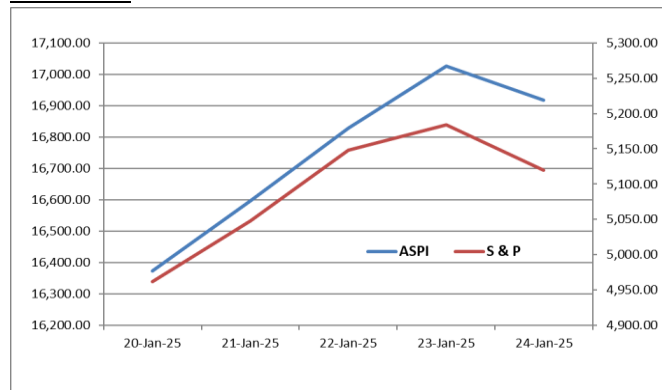
Commodity Markets

- **Oil:** Crude futures between \$74 - \$79 per barrel on Friday, due to President Trump's call for lower crude prices. Speaking at the Davos forum on Thursday, Trump announced plans to urge Saudi Arabia and OPEC to reduce oil prices, and made moves to boost US production. Crude oil WTI futures and Brent crude futures were trading at \$74.85 and \$78.73 as of writing.
- **Gold:** Gold rose above \$2,770 per ounce on Friday, reaching its highest level since October, and just shy of its record high of \$2,790, amid weaker dollar and after President Trump called for a reduction in interest rates. Gold futures were traded at \$ 2,776.40 as of writing.

Economic updates – Local

- Sri Lanka apparel export revenues up 5% in 2024 amid falling prices.
- Sri Lanka central bank net foreign exchange reserves rise to \$310mn.
- Sri Lanka electricity tariffs cut 20%.

Stock Market:



At the end of the week the ASPI had gained 660.55 points to close at 16,917.86 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, gained 188.46 points, and ended at 5,120.12. The average turnover for the week ending 24.01.2025 was around LKR 8,353.76 million.