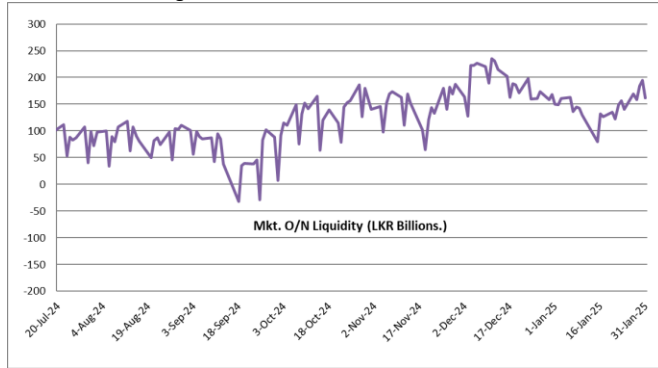
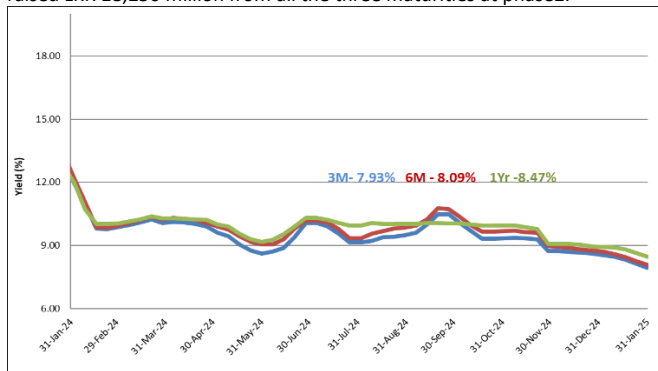


Weekly review for the week ending 31st January 2025
Money Market: Overnight Money market liquidity recorded a surplus on Friday.

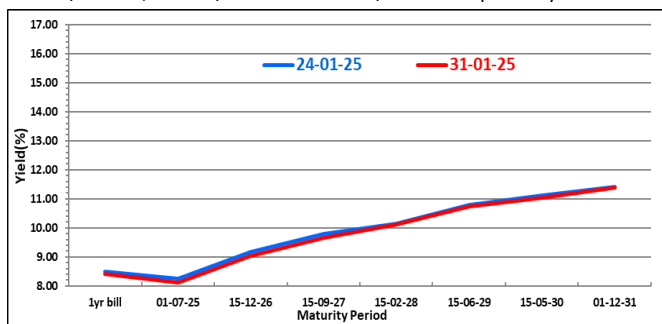
Overnight liquidity recorded a surplus of LKR 161.96 billion at the end of the week compared to the surplus of LKR 139.99 billion by the end of last week and overnight Repo was exchanged between 8.00%-8.12% in the market. The total gross volume of Repo transactions in the money market was recorded as LKR 233.56 billion during the week.


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

CBSL offered and accepted LKR 182.50 billion at the weekly T-Bill auction held on 29th January 2025. The weighted average rate of 91-days maturity reduced by 19 basis points to 7.93%, while 182-days and 364-days bills were accepted at weighted average rates of 8.09% (reduced by 16 basis points) and 8.47% (reduced by 16 basis points) respectively. Further to the T-bill auction, CBSL raised LKR 18,250 million from all the three maturities at phase2.


Treasury Bond Market: Secondary Bond market yields down with buying interest.

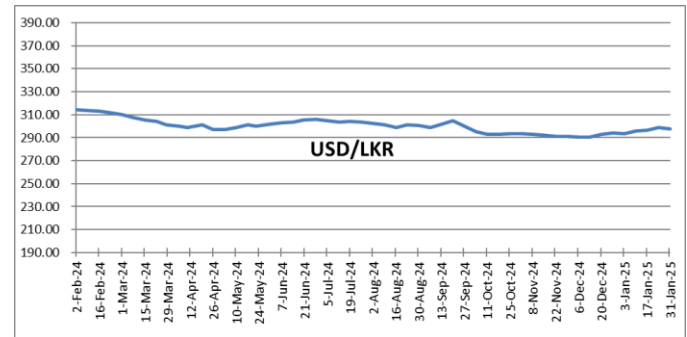
The secondary bond market yields down due to aggressive buying interest after the bond auction results. Most liquid maturities were 15.03.2028, 15.09.2029 & 15.10.2030. Maturities were closed for the week at 10.17%/10.20%, 10.73%/10.78% & 11.25%/11.28% respectively.


International Forex Market

The dollar index held above 108 on Friday after rising for three straight sessions, as President Donald Trump reaffirmed plans to impose 25% tariffs on Mexico and Canada on Saturday, while a 10% tariff on China remains under consideration. The dollar Index that tracks the greenback against a basket of other currencies was at 108.17 as of writing.

Local Forex Market

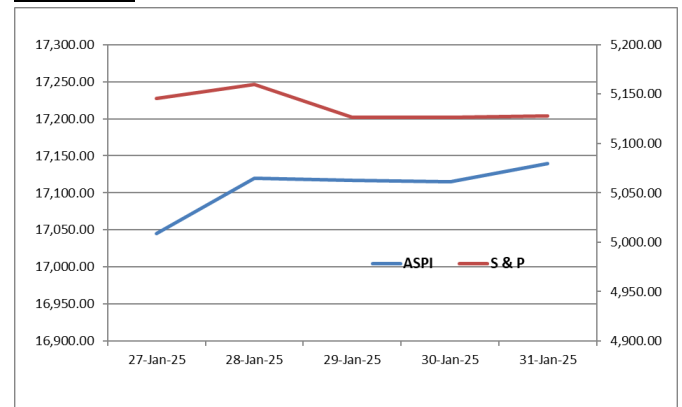
In the Forex market, the indicative middle rate for USD/LKR published by CBSL was Rs. 297.58 on Friday. The total USD/LKR traded volume from 24th January to 30th January 2025 was \$ 324.21 million.


Commodity Markets

- **Oil:** Crude futures between \$72 - \$76 per barrel on Friday, extending gains from the previous session, as traders awaited further clarity on President Trump's looming tariff deadline. Crude oil WTI futures and Brent crude futures were trading at \$72.81 and \$75.93 as of writing.
- **Gold:** Gold drifted toward \$2,800 per ounce on Friday, reaching its all-time high as investors sought safety after US President Donald Trump reiterated tariff threats. His plan stoked fears of trade wars and prospects of economic slowdown. Gold futures were traded at \$ 2,792.70 as of writing.

Economic updates – Local

- Sri Lanka services exports US\$3,467mn in 2024, up 8.5%.
- Sri Lanka tourist arrivals rise 18.9-pct in first three-weeks of January.
- Government issues gazette lifting ban on passenger vehicle imports.

Stock Market:


At the end of the week the ASPI gained 204.87 points to close at 17,122.73 while the S & P SL20 index, which tracks the largest capitalized stocks traded in the CSE, lost 5.77 points, and ended at 5,114.35. The average turnover for the week ending 31.01.2025 was around LKR 6,644.98 million.