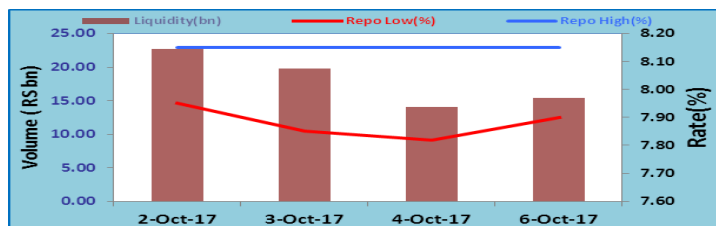


**Weekly review for the week ending 06 October 2017**

**Money Market: Liquidity surplus shrinks end of the week.**

Market recorded a surplus of Rs.15.4billion at the end of the week and overnight repo was exchanged between 7.85%-8.15% levels. Central bank was seen conducting Repo auctions and absorbed Rs.33.6billion from the system.

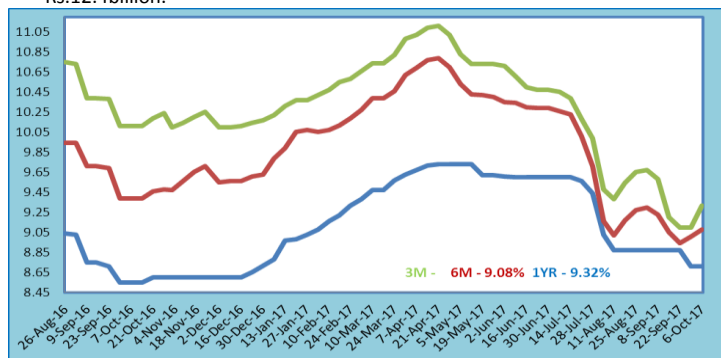


**Government Securities Market Review**

**Treasury bill Market: Benchmark 1year bill spikes upward.**

Total amount accepted through auction was Rs.13.4billion to the offered amount of Rs.23billion indicating a decrease in investor appetite for T-bills for the second consecutive week. 3months bills were not offered through auction while the 6 months bill increased by 7 basis points to 9.08% and was accepted the greatest of Rs.8.7billion. The benchmark 1 year bill increased the utmost by 22 basis points to 9.32%.

Total secondary market T-bills transacted amount during this week was Rs.12.4billion.



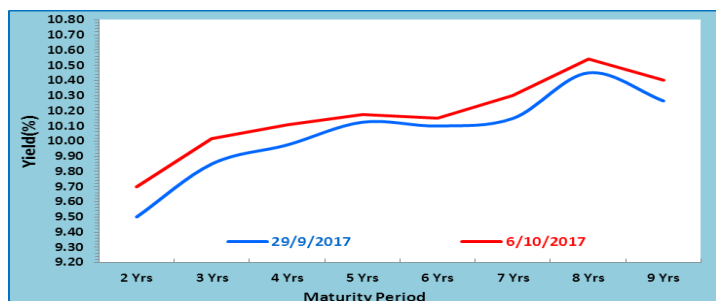
**Bond Market: Local selling surpasses foreign buying pushing yields to increase.**

Market witnessed yields increasing 10-20 basis points compared to last week as local traders started a selling spree from the beginning of the week but subdued with foreign buying coming into the market preventing further increase in yields.

The liquid maturities 01/05/2021, 15/12/2021, 01/08/2026 and 15/05/2030 saw yields increasing up to 10.22%, 10.30%, 10.45% and 10.70% but closed at 10.05/20%, 10.07/15%, 10.40/45% and 10.60/70% respectively on Friday.

Total secondary market T-bonds transacted amount during this week was Rs.9.2billion.

The liquid 2 year bond was quoted 9.60/80.

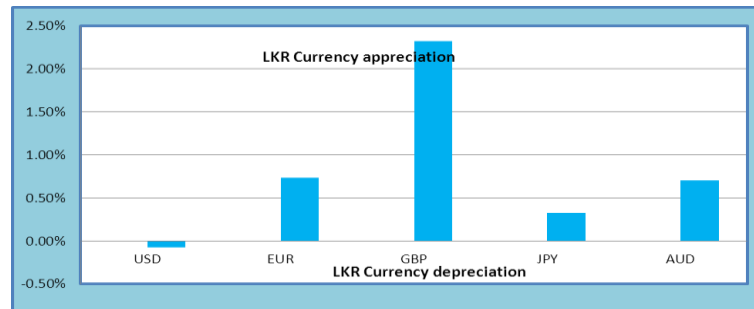


**International Forex Market**

The dollar rose on Friday and is on track for its fourth consecutive week of gains as investors trimmed some short bets on growing views that interest rate markets are underpricing the extent of U.S. rate increases over the coming months. The dollar index edged up to 94.097

**Local Forex Market**

The rupee depreciated on Friday as demand for dollars from importers outweighed conversions of the greenback by exporters. The spot rupee ended at 153.20/28 per dollar; compared with last week's Friday's closing of 153.10/15. The rupee was seen appreciating against EUR, JPY and AUD while GBP close to 2.50% this week.



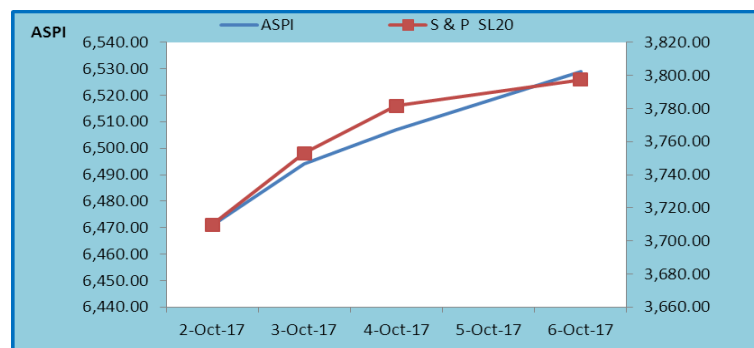
**Commodity Markets**

- **Oil:** Crude oil prices slid lower on Friday, as traders grew more cautious due to the possibility of supply disruptions caused by incoming tropical storm Nate, Brent oil for November delivery on the ICE Futures Exchange in London was down 16 cents at \$56.84 a barrel.
- **Gold:** Gold prices slipped near two-month lows on Friday, as demand for the U.S. dollar strengthened amid rising optimism over the outlook for the economy. Comex gold futures were down \$2.22 at \$1,270.98 a troy ounce.

**Economic updates - Local & Foreign**

- FDI up 142% Jan-June US\$ 711.2 million from US\$ 293 million last year.
- Remittances down 5.7% Jan-July Negative trend reversing with remittance in July up 3.4%.
- GDP growth to reduce below 4.5% - IMF.
- Atlanta Fed raises U.S. third-quarter GDP growth view to 2.8 percent.

**Stock Market - Review**



At the end of the week the ASPI has gained 58.09 points to finish at 6,529.05 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE has also gained 87.77 points and ended at 3,797.43. The average turnover for the week ending 06/10/2017 was around Rs.1.3Billion.