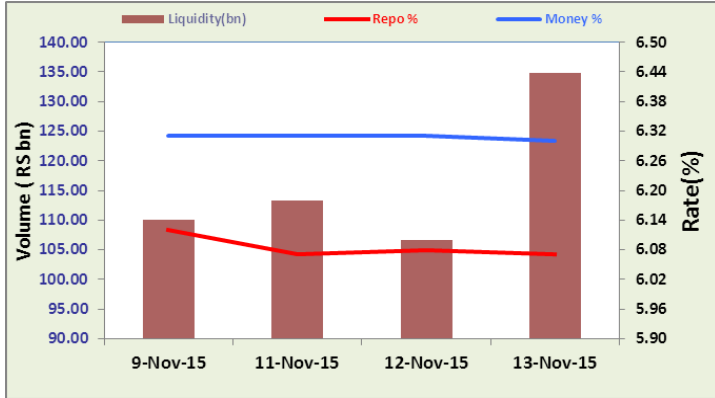


WEEKLY REVIEW FOR THE WEEK ENDING 13th November 2015

Money Market: liquidity maintained above 100bn...

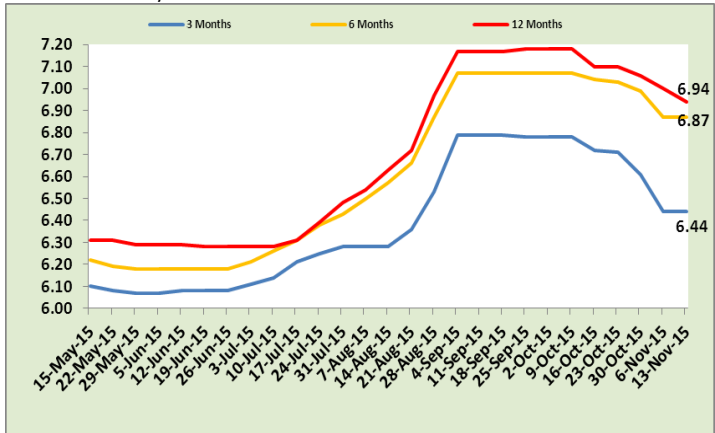
The market liquidity recorded a surplus figure of 135bn with overnight repo being exchanged between 6.00%-6.15% levels. CBSL holding showed an increase of 27bn for the week.



Government Securities Market Review

Treasury bill Market: yields continued its downward path.....

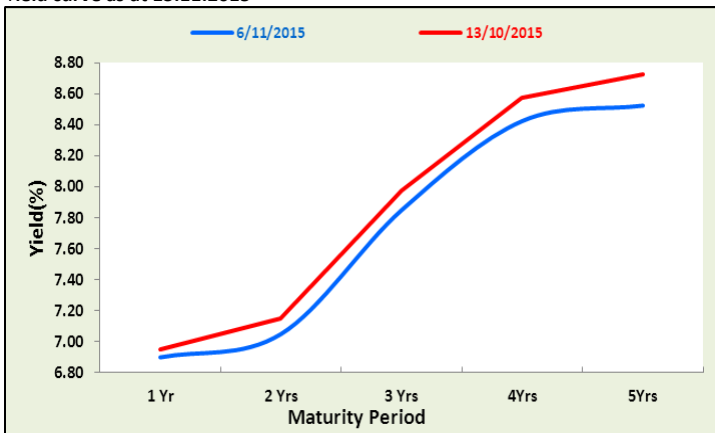
At this week's T-bill auction the yield for 12months declined by 6bps to 6.94% while the 6month bids were rejected by the CBSL. The total amount accepted for the week was only 5.8bn which is the lowest amount in last 5weeks.



Bond Market: yields spike on profit taking

The secondary bond market yield on all maturities showed a 10-20bps increase for the week as traders locked in some of the gains from longer tenors. At the close of trading the more liquid 5year maturity was quoted as 8.75%.

Yield curve as at 13.11.2015

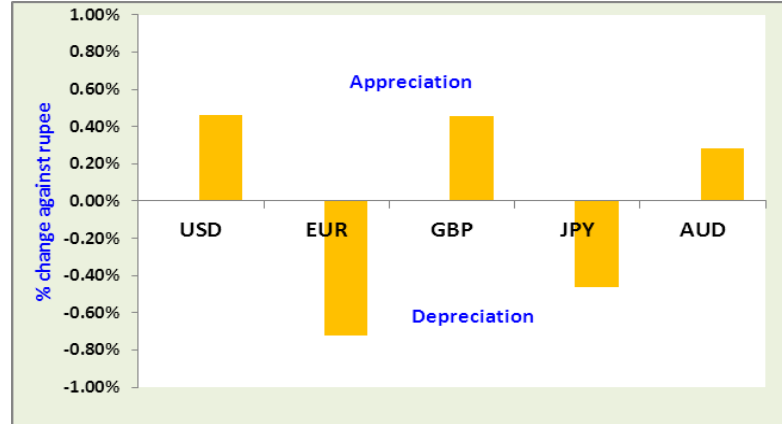


International Forex Market

The dollar was on the defensive against the euro and yen on Friday as risk appetite receded amid a tumble in equities to pull the greenback further away from its recent highs.

Local Forex Market...

Sri Lanka's rupee fell to a new record low of 142.20 against the US dollar in the spot forex market, as excess liquidity continued to pressure the currency.



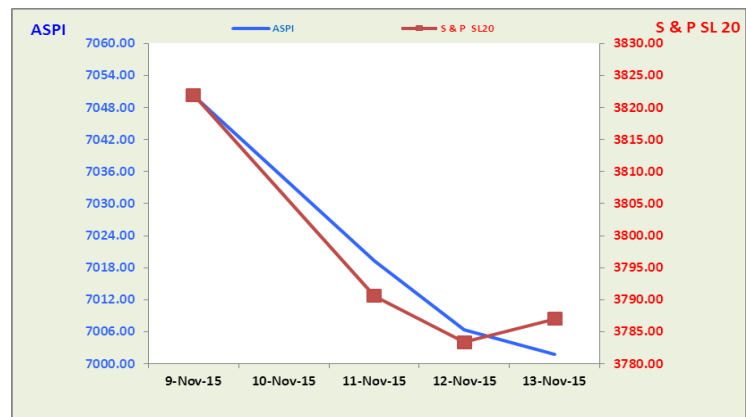
Commodity Markets

- **Oil:** Crude oil fell for a third session in a row on Friday to the lowest in over two months as a relentless climb in oil stockpiles helped trigger a 10% drop in prices since the start of November.
- **Gold:** Gold fell for a twelfth session out of thirteen on Friday, trading close to a near-six-year low on rising bets that the Federal Reserve would hike U.S. rates next month and as investors pull out of bullion-backed funds.

Economic updates -Local & Foreign

- Sri Lanka is to set up a new private sector-style body with a board of directors to handle economic development of the southern region.
- Global growth prospects have dimmed again with the global economy expanding by less than three percent in 2015; the weakest for six years, the OECD said launching its Economic Outlook, November 2015.
- The euro zone's two largest economies grew 0.3 percent in the third quarter, with activity driven by domestic consumption.

Stock Market – Review



At the end of the week the ASPI lost 57.67 points to finish at 7001.81 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE lost 37.62 points and ended at 3787. The average turnover for the week ending 13th November 2015 was around Rs 600mn.