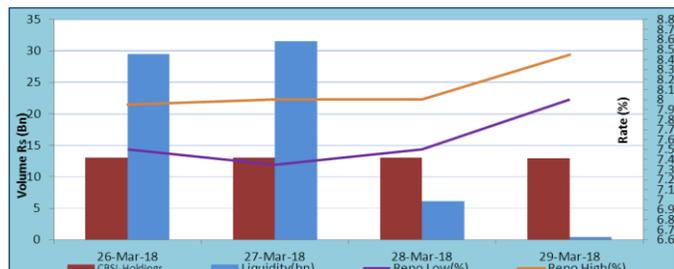


Weekly review for the week ending 29 March 2018

Money Market: Liquidity decreases to 470 Mio.

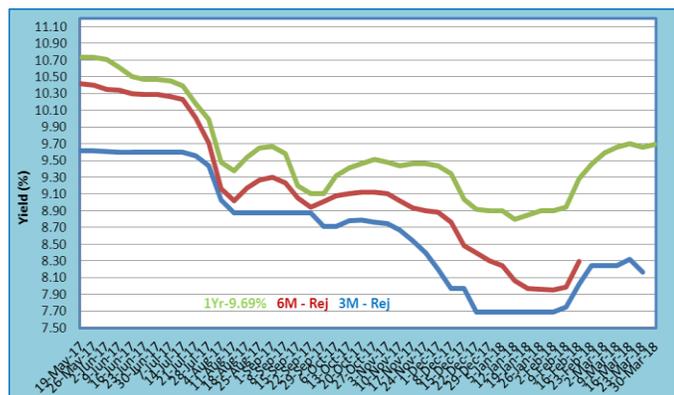
Market recorded a surplus of Rs.470million at the end of the week and overnight repo was exchanged between 7.45%-8.50% levels in the market. Central bank was seen conducting o/n Repo and outright repo auctions and absorbed Rs.47.45billion and 330 million respectively from the market while injecting Rs.20Billion in way of Rev.Repo auction on Thursday.



Government Securities Market Review

Treasury bill Market: Benchmark 1Year bill spike upward.

Total offered and accepted amount through auction was Rs.25.5billion.3M and 6M bids which was received was rejected while the benchmark 1Y year bill was accepted 4 basis higher than the previous week at the rate of 9.69%.



Bond Market: Treasury bond weighted averages increases shocking traders.

During the beginning of the week yields remained broadly steady but increased as weighted averages from bond auction shot upward due to first round of primary auctions excluding the 10% W.H.T. Trading activity was focused mainly on auction bonds as traders took speculative positions in the hope of making near term gains.

Results of the bond auction which was held on 28 Mar are as follows: -
15/03/2023 – Off - 50billion Acc - 50billion @ 10.68%
01/09/2028 – Off - 30billion Acc - 30billion @ 11.18%



International Forex Market

The dollar dipped against the yen on Thursday a day after posting its largest daily percentage gains in around six months boosted by faster U.S. economic growth and hopes for a diplomatic breakthrough with North Korea. The U.S. dollar index was little changed near a one-week high of 89.71.

Local Forex Market

The rupee appreciated to 155.65/75 compared to last week's closing of 156.10/15 as exporter dollar sales and inward remittances surpassed importer demand for the US currency. The rupee was seen appreciating against all other major currencies compared to last week's closing.



Commodity Markets

- **Oil:** Brent oil lingered below this week's highs on Thursday, as optimism over OPEC's commitment to controlling its output was partly offset by another rise in U.S. inventories. June Brent crude futures were down at \$68.65 a barrel
- **Gold:** Gold prices falls in the previous session on a rally in the dollar after data showing faster U.S. economic growth and hopes for a diplomatic breakthrough with North Korea. Gold futures for April delivery on the Comex division of the New York Mercantile Exchange slid \$1.3 or 0.1% to \$1,323.30 a troy ounce

Economic updates - Local & Foreign.

- Sri Lanka to raise USD1000mn via ETF to finance budget expenses.
- Thumps up from US on GSP for Sri Lanka and others.
- Japan government lays groundwork for more stimulus spending to offset tax hike.

Stock Market – Review



At the end of the week the ASPI has gain 28.18 points to finish at 6,478.78 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE has also gain 14.75 points and ended at 3,650.10. The average turnover for the week ending 29/03/2018 was around Rs.4.8Billion.