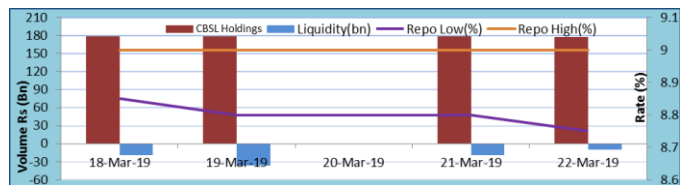


Weekly review for the week ending 29 March 2019

Money Market: Liquidity deficit increases end of the week.

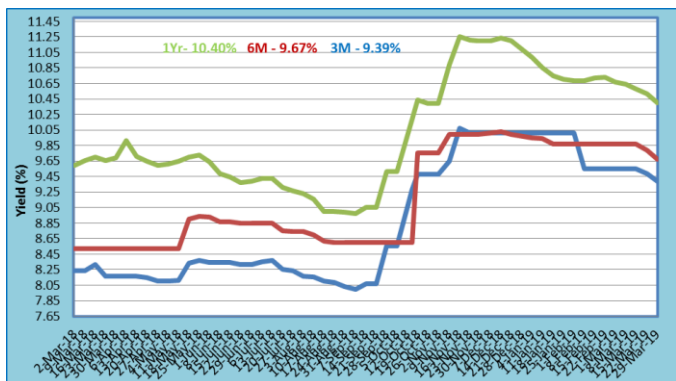
Market recorded a deficit of Rs.20.1billion at the end of the week and overnight repo was exchanged between 8.50%-9.00% levels in the market. Central bank was seen injecting Rs.54.9billion, Rs.33.9billion through O/n and term repo auctions and further Rs.138.5billion by SLF @9.00% to the market while absorbing Rs142.1billion by SDF @8.00%.



Government Securities Market Review

Treasury bill Market: Yields decrease on all tenors.

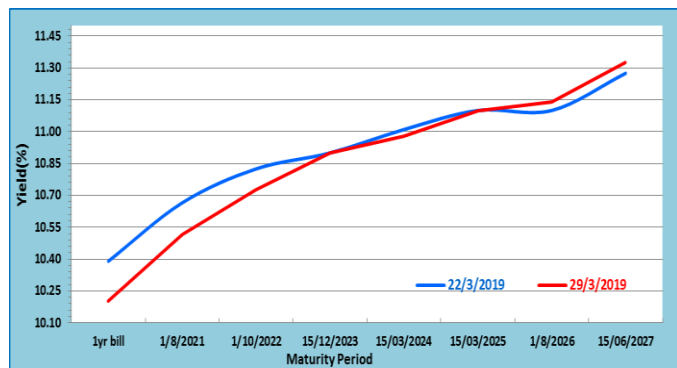
Total amount offered and accepted was Rs.25billion. The weighted average yield of 3M and 6M bills recorded a drop of 10 and 12 basis points to 9.39% and 9.67% respectively. The benchmark 1 year bill weighted average dipped by 12 basis point to 10.40% and bids amounting Rs20billion was accepted.



Bond Market: Mixed sentiment within traders.

Market witnessed a decrease in yields by 10-20 basis points mainly on the short end of the yield curve during the week as yields through the primary T bill auction decreased which had a knock on effect. Yields on the long end of the yield curve witnessed a increase by 2-10 basis points as selling pressure from traders prevented yields from falling ahead of bond auction.

A bond auction is to be held on 02 Apr 2019 details are as follows:-
15/03/2022 – 15billion Date of settlement – 04/04/2019
15/01/2027 – 25billion



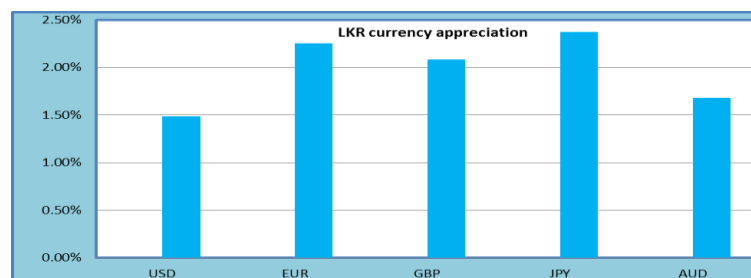
International Forex Market

The dollar is holding on to most of its recent gains supported by fears of an extended period of uncertainty over Brexit that is weighing on both sterling and the euro.

The U.S. dollar index that tracks the greenback against a basket of other currencies was down to 97.21.

Local Forex Market

The rupee appreciated to 175.40/55 compared to last week's closing of 178.10/15 as exporters converted dollars. The rupee has gained 1.49% this month and 3.94% so far this year from Dec2018 closing of 181.57. LKR has appreciated against all major currencies compared to last week.



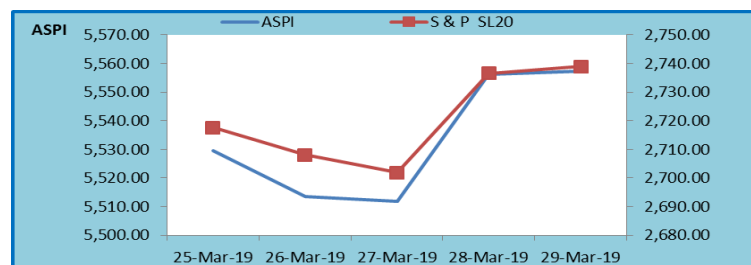
Commodity Markets

- **Oil:** Oil prices rose on Friday amid the ongoing OPEC-led supply cuts and U.S. sanctions against Iran and Venezuela,. New York-traded Crude Oil WTI Futures was at 59.34 whilst London-traded Brent Oil Futures was at \$68.06.
- **Gold:** Gold prices traded slightly lower on Friday in Asia and were near two-week lows. Brexit developments and news on Sino-U.S. trade front were in focus. Gold futures traded on the Comex division of the New York Mercantile Exchange were down to \$1,294.05per ounce.

Economic updates – Local and Foreign.

- Sri Lanka's inflation For Mar 4.3% P/P, Y/Y 4.1%.
- Fed done raising interest rates; significant chance of cut in 2020: Reuters poll.

Stock Market – Review



At the end of the week the ASPI has gained 27.57 points to finish at 5,557.24 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE has also gained 21.35 points and ended at 2,738.95. The average turnover for the week ending 29/03/2019 was around Rs.305million.