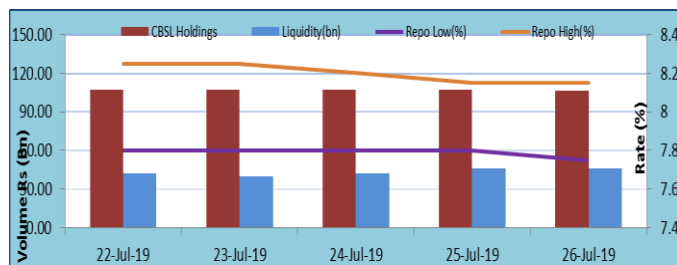


Weekly review for the week ending 26 July 2019

Money Market: Overnight liquidity increases end of the week.

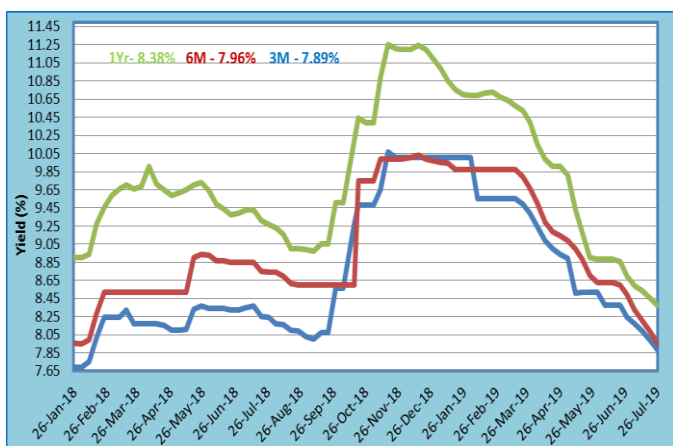
Market recorded a surplus of Rs.46.3billion at the end of the week and overnight repo was exchanged between 7.75%-8.25% levels in the market. Central bank was seen absorbing Rs.220.6billion by SDF @7.50% from the market while lending Rs4.1billion by SLF @8.50% during the week.



Government Securities Market Review

Treasury bill Market: Yields continue its decreasing trajectory.

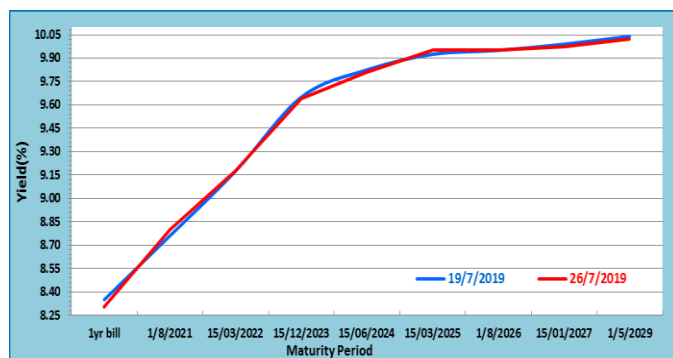
Total amount offered and accepted was Rs.25billion.3M and 6M bills reduced by 10 and 13 basis points to 7.89% and 7.96% respectively. The benchmark 1 year bill weighted average recorded a drop of 6 basis points to 8.38% and bids amounting Rs18billion was accepted.



Bond Market: Yields remain broadly steady.

During the week trading activity remained rather dull as most market participants opted to stay on the sidelines until fresh cues from economic fronts are established

The liquid 5 year was quoted 9.80/82 on Fridays closing

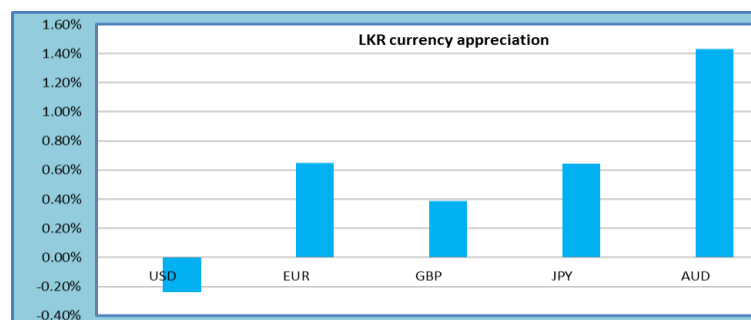


International Forex Market

The dollar hit its highest level in two months early Friday in Europe, resuming its upward trend against both the euro and sterling after unconvincing performances on Thursday from both the European Central Bank and the U.K.'s new Prime Minister. The dollar index was at 97.627.

Local Forex Market

The rupee has depreciated to 176.18/25 compared to last week's closing of 175.75/85 against the dollar as importer demand for the greenback outpaced the dollar selling by banks. LKR has appreciated against EUR, GBP, JPY and AUD compared to last week. The rupee has gained 3.73% so far this year from Dec2018 closing of 181.57.



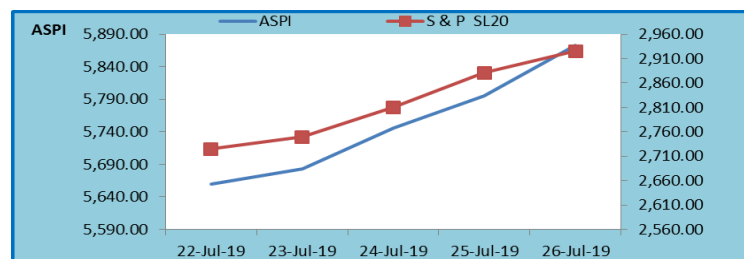
Commodity Markets

- **Oil:** Oil Prices Continue to Gain on Fall in U.S. Crude Stockpiles. Brent crude futures were at \$63.45 a barrel. U.S. West Texas Intermediate (WTI) crude futures were at \$56.21 per barrel.
- **Gold:** Gold Prices Rise; All Eyes on U.S. Q2 GDP Data, Fed Meeting. Gold futures for August delivery on the Comex division of the New York Mercantile Exchange inched up 0.1% to \$1,415.25 a troy ounce

Economic updates – Local .

- Sri Lanka national inflation slows to 2.1-pct in June.
- CBSL needs new monetary law to block money printing: Governor.
- Sri Lanka expects revenues to improve by third quarter: Treasury Secy.
- Fed to cut rates for first time in a decade this month: Reuters poll.

Stock Market – Review



At the end of the week the ASPI has gained 213.12 points to finish at 5,872.89 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE has also gained 200.72 points and ended at 2,925.48. The average turnover for the week ending 26/07/2019 was around Rs.720 Million.