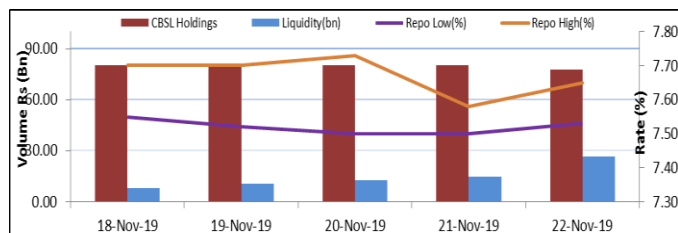


Weekly review for the week ending 22 November 2019

Money Market: Overnight liquidity recorded a surplus during the week.

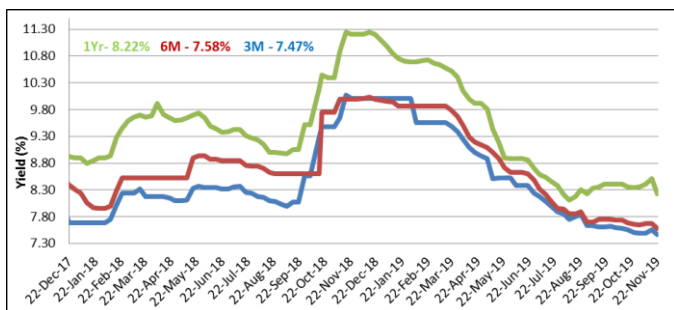
Market recorded a surplus of Rs.26.40billion at the end of the week and overnight repo was exchanged between 7.50%-7.73% levels in the market. Central bank was seen lending Rs.2.44billion by SLF to the market while absorbing Rs.135.50billion by SDF during the week.



Government Securities Market Review

Treasury bill Market: Benchmark 1year bill dropped sharply by 29 basis points reversing the upward trend prevailed in last three weeks.

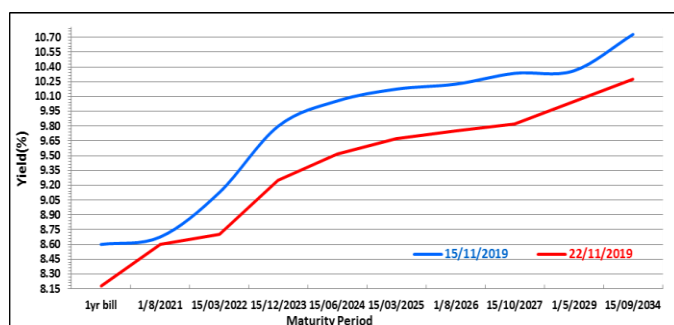
Total amount offered at auction was Rs.19billion and accepted 19billion. 3M bills were accepted at the rate of 7.47% 9 basis points down from last week and 6M bills were accepted at the rate of 7.58% by CBSL. The benchmark 1 year bill weighted average dropped sharply to 8.22% and bids amounting Rs.16.3billion was accepted.



Bond Market: Yields decreased with heavy activity.

Market witnessed yields decreasing sharply by 40-50 basis points compared to last week with local traders buying bonds and bills after the results of Presidential election.

The liquid maturities 15/12/2021, 15/09/2024 and 15/10/2027 saw yields decreasing up to 8.60/70, 9.50/55% and 9.80/85% compared to last week's closing of 8.70/80%, 10.05/10% and 10.32/38% respectively.

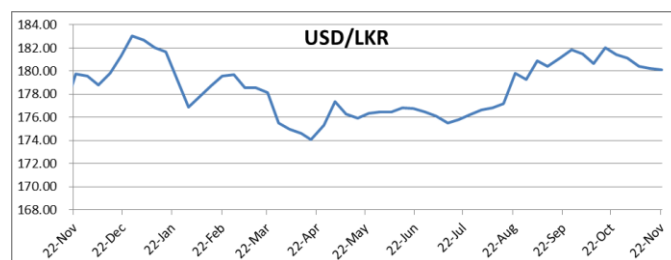


International Forex Market

The dollar trod water on Friday as a week of mixed messages on the prospect of China-U.S. tariff rollbacks left traders on edge and currency markets paralyzed, ahead of the release of closely-watched manufacturing data.

Local Forex Market

The rupee has appreciated to 180.00/15 compared to last week's closing of 180.20/30 against the dollar due to dollar conversion from exporters.



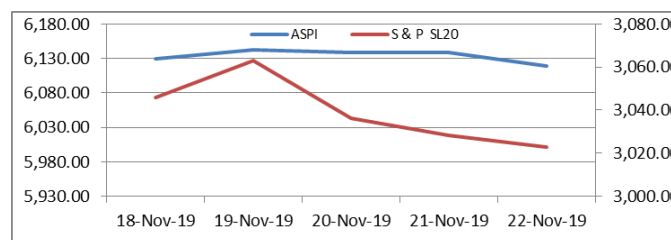
Commodity Markets

- **Oil:** Oil prices pulled back from their highest levels in nearly two months on Friday amid lingering doubts on whether the United States and China will be able to reach a partial trade deal that would lift some pressure on the global economy. U.S. Crude Oil WTI Futures traded at \$ 58.52 and International Brent Oil Futures traded at \$ 64.04.
- **Gold:** Gold prices steadied on Friday in Asia as traders awaited more China-U.S. trade news. U.S. Gold Futures traded at \$1,473.25.

Economic updates – Local & Foreign.

- Sri Lanka inflation hits high of 5.6-pct in October 2019.
- Sri Lanka polls worsen policy uncertainty, stimulus may widen deficits: Fitch.
- Sri Lanka stocks up after GR election victory.
- China wants to work out an initial trade pact with the United States and has been trying to avoid a trade war: China President Xi Jinping.

Stock Market – Review



At the end of the week the ASPI has declined 10.29 points to finish at 6,119.27 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE has also declined 23.21 points and ended at 3,022.83. The average turnover for the week ending 22/11/2019 was around Rs.1.6billion.