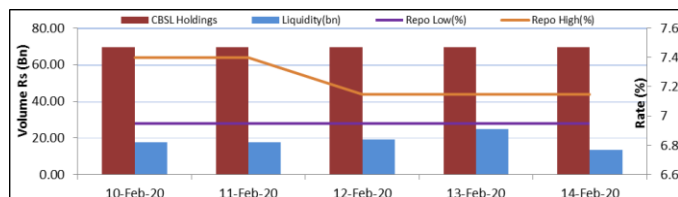


Weekly review for the week ending 14 February 2020

Money Market: Overnight liquidity surplus decreases end of the week.

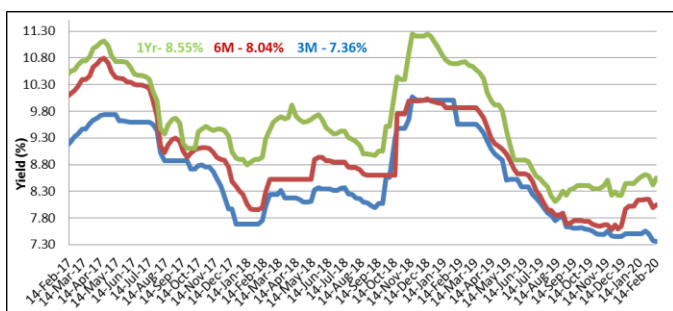
Market recorded a surplus of Rs.13.6billion at the end of the week and overnight repo was exchanged between 6.95%-7.40% levels in the market. Central bank was seen lending Rs5.7billion by o/n rev.repo auction further Rs.23.2billion was lend by SLF facility to the market. CBSL was seen absorbing Rs118.2billion by SDF and 7.2billion by o/n repo auction during the week.



Government Securities Market Review

Treasury bill Market: Benchmark 1year bill spikes upward.

Total amount offered and accepted at auction was Rs.29.5billion. Bids received for 3months bill were accepted 2 basis points lower at 7.36% whilst bids received for 6months bills were accepted 5 basis points higher at 8.04%. The benchmark 1 year bill increased the most by 13 basis points to 8.55% and bids amounting Rs15billion was accepted.

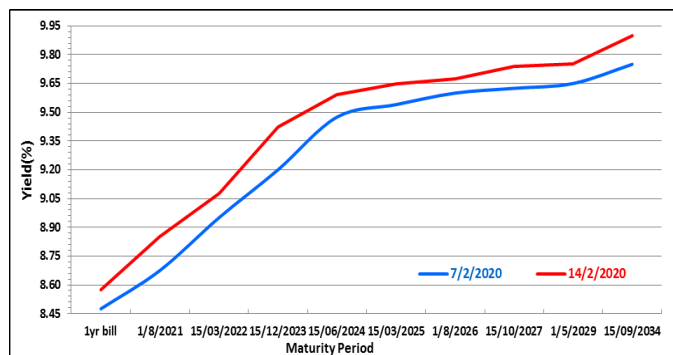


Bond Market: Yields increase for the second consecutive week.

During the week yields increased 10-20 basis points along the yield curve due to continuous selling from traders backed by foreign selling whilst most investors opted to stay on the sidelines.

The liquid maturities 01/09/2023, 15/06/2024, 15/09/2024, 15/10/2027 and 15/09/2034 saw yields increasing up to 9.30/40%, 9.58/62%, 9.58/62%, 9.72/78% and 9.80/10.05% on Friday compared to last week's closing of 9.15/25%, 9.45/50%, 9.45/50%, 9.60/70% and 9.60/90% respectively.

Foreign holding in Rupee bonds recorded an outflow for the week ending 12 February 2020 of Rs. 2.9billion.



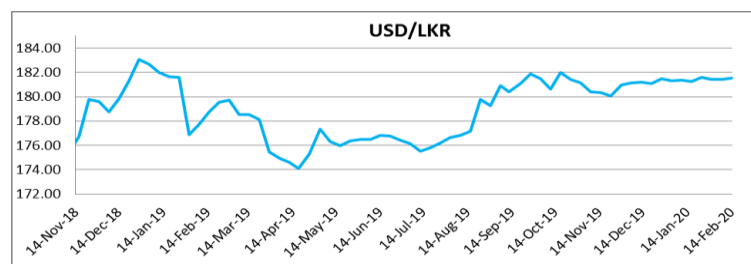
International Forex Market

The U.S. dollar remains in demand, and it's the beleaguered euro which is taking a lot of the associated beating Friday as investors fret about low growth in the single currency region.

The U.S. Dollar Index which tracks the greenback against a basket of six other currencies stood at 98.957

Local Forex Market

The rupee depreciated slightly during the week to 181.48/53 compared to last week's closing of 181.40/50 against the greenback.



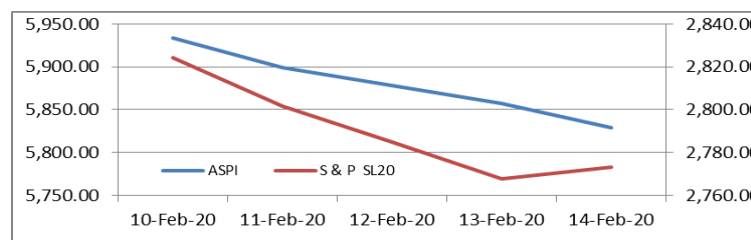
Commodity Markets

- **Oil:** Oil prices steadied on Friday in Asia amid possibility of deeper supply cuts from major producers. U.S. Crude Oil WTI Futures inched up to \$51.48. International Brent Oil Futures was little changed at \$56.35.
- **Gold:** Gold prices inched down on Friday after two days of gains, but risk-averse sentiment in the market capped the safe-haven metal's losses. Gold Futures for April delivery on New York's COMEX inched down to \$1,577.95.

Economic updates – Local.

- Sri Lanka tax payers to get relief for shares, housing interest, pensions, education.
- Sri Lanka tax revenues, economy to pick up from 2020 2nd half: Treasury Sec.
- Sri Lanka program expires June 02, interest in 'range of options' later: IMF.
- Negative rating stances on Sri Lanka worrying, but will improve with next budgetary cycle: CB Governor.

Stock Market – Review



At the end of the week the ASPI has lost 104.54 points to finish at 5,829.21 while the S & P SL20 index which tracks the 20 largest capitalized stocks traded on the CSE has also lost 50.80 points and ended at 2,773.26. The average turnover for the week ending 14.01.2020 was around Rs.443million.