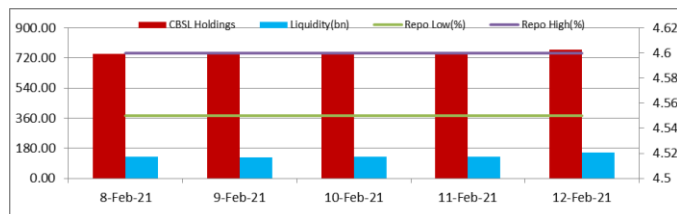


Weekly review for the week ending 12 February 2021

Money Market: O/n liquidity and CBSL holdings increase end of the week.

Overnight liquidity recorded a surplus of Rs.154billion at the end of the week compared to a surplus of Rs.116billion by the end of last week and overnight Repo was exchanged between 4.50% - 4.60% levels in the market. CBSL holding of government securities increased to Rs.769billion from Rs.744billion last week.

Weekly AWPR for the week ending 12th February 2021 increased by 24 bps to 5.83% compared to the previous week.

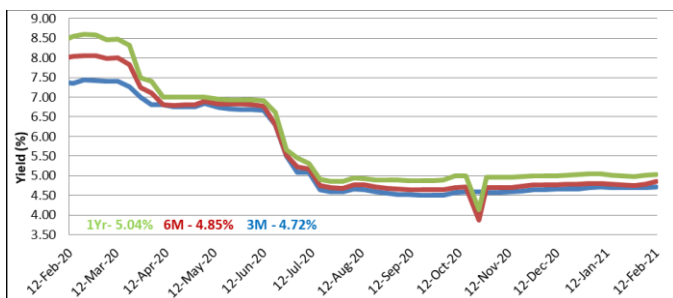


Government Securities Market Review

Treasury bill Market: Auction undersubscribed for the third consecutive week.

The total accepted amount was Rs.13.9billion to the offered amount of Rs.40billion. Weighted average yield of 3M and 6M bills increased by two and seven basis points to 4.72% and 4.85% respectively. The benchmark 1 year bill increased by two basis points to 5.04% and bids amounting to Rs.1.6billion was accepted.

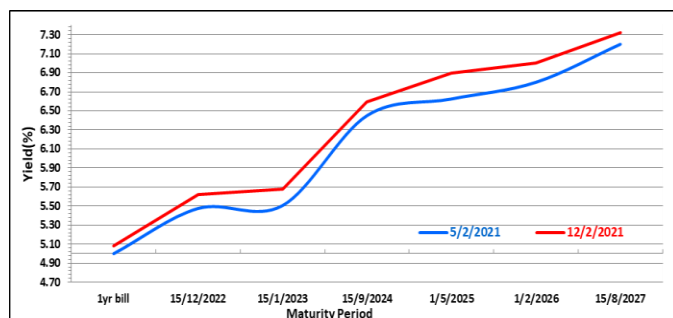
Rs.38billion worth of treasury bills is to be issued through an auction on 17 February 2021.



Bond Market: Yields increase along the yield curve.

During the week moderate activity was witnessed as selling pressure surpassed buying from investor's. Yields during the week increased by 10-20 basis points when compared with last week.

The liquid maturities 15/12/2022, 15/01/2023, 15/09/2024 and 15/10/2027 witnessed yields increasing up to 5.60/65%, 5.63/73%, 6.55/63% and 7.25/40% compared to last week's closing of 5.45/55%, 5.48/53%, 6.40/50% and 7.15/25% respectively.

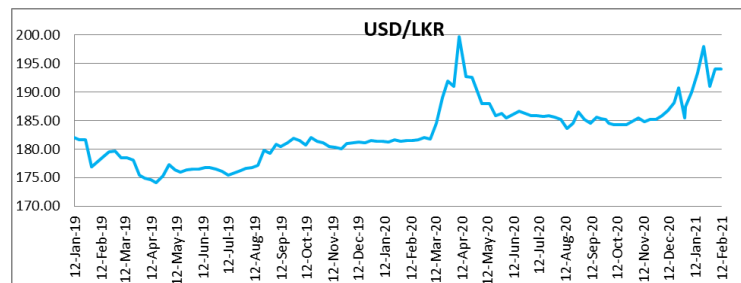


International Forex Market

The dollar edged higher in early European trading Friday, but still heading for its first weekly loss in three as doubts emerge about the strength of the U.S. economic recovery. The Dollar Index, was at 90.487.

Local Forex Market

Sri Lanka rupee closed weaker at 194.50/195.50 to the US dollar in the one-week market on Friday. The gross official reserves were estimated at US dollars 4,814.6 mn as at 29th January 2021.



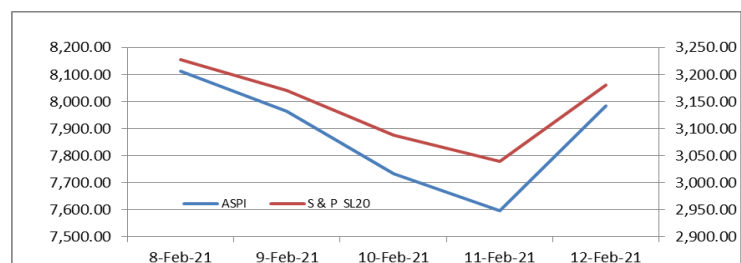
Commodity Markets

- **Oil:** Crude oil prices reversed overnight losses by mid-morning Friday in New York, as faith in the global demand rebound revived and concerns mounted about a looming in the stand-off between the West and Iran. U.S. crude futures were up at \$58.89 a barrel, while Brent crude futures were up at \$61.92 a barrel.
- **Gold:** Gold clinched a weekly gain on Friday after two weeks in the red. At Friday's settlement, gold for April delivery on Comex was at \$1,823.20

Economic updates.

- Sri Lanka in talks for US\$4-5bn pipeline of swaps, credits except IMF: Central Bank.
- Sri Lanka exports down 3.5% in Dec 2020, but recovers from Nov.
- Sri Lanka to eyes re-negotiating trade deals amid import controls.

Stock Market – Review



At the end of the week the ASPI has lost 128.26 points to finish at 7,985.00 while the S & P SL20 index which tracks the largest capitalized stocks traded on the CSE has also lost 47.42 points and ended at 3,180.24. The average turnover for the week ending 12.02.2021 was around Rs.4.8billion.