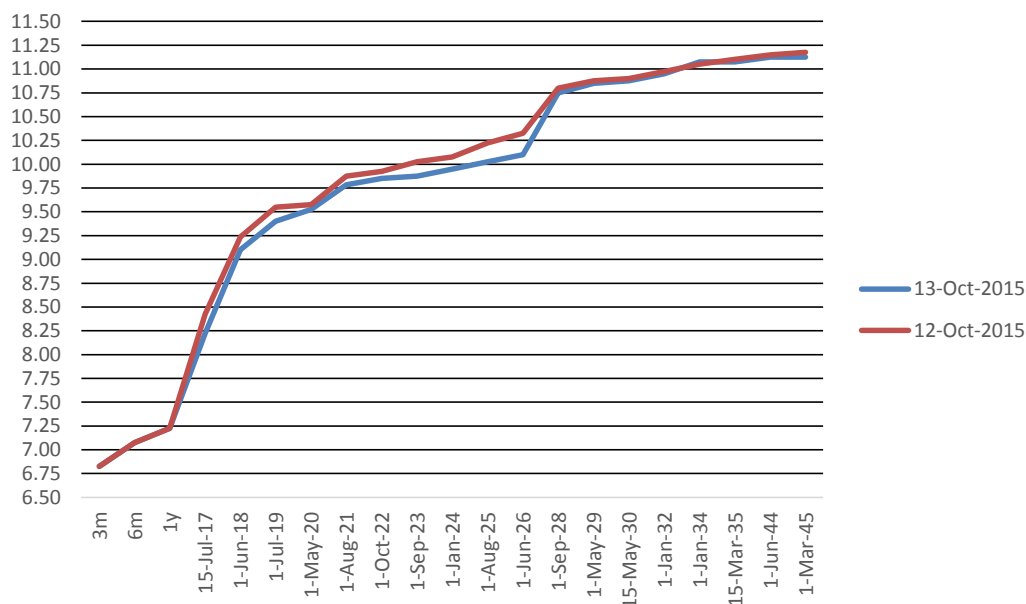
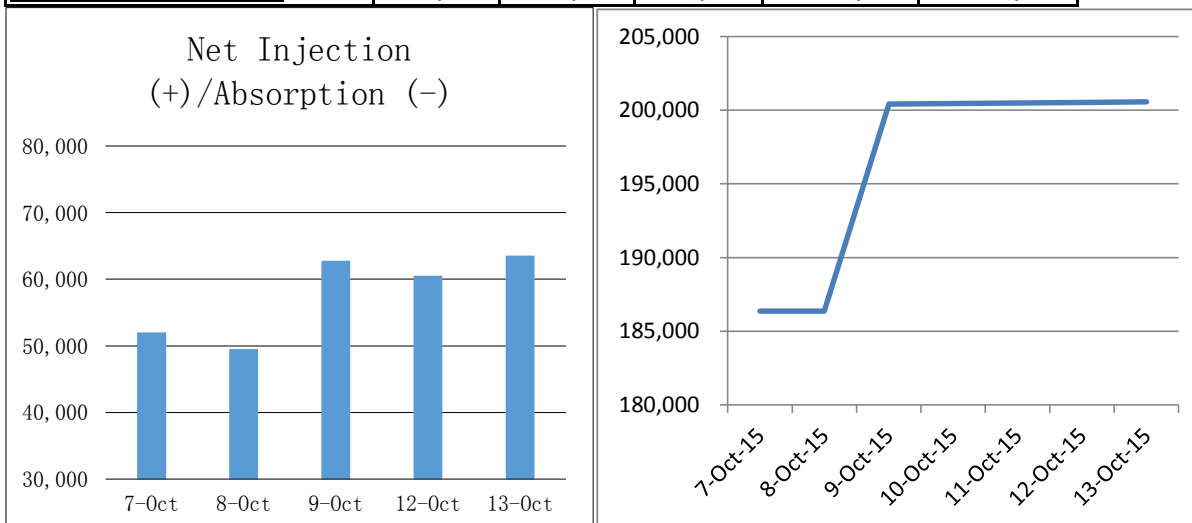


The bond market started off with high spirits of yesterday ,showing heavy buying interest across the yield curve. Yields on more liquid maturities dropped almost 15-20 basis points compared to their opening levels with large volumes changing hands. The 15 November, 2018 which opened at 9.42%closed at 9.22%, 01st April, 2018 opened at 9.30% closed at 9.10%. The much awaited correction in the yield curve took place where all under priced maturities attract investor and trader attention. Explained in the below chart the gap between 1 year bill and two year bond has narrowed from 160 basis points (1.60%) to 100 bps (1.00%) but there is still margin for improvement to smoothen the yield curve. According to the data published by the CBSL the call money rate and the overnight repo rate both averaged at 6.36% .

Maturity	Offer %	Bid %	GAP	13-Oct-2015	12-Oct-2015
3m	6.70	6.95		6.83	6.83
6m	7.00	7.15	0.25	7.08	7.08
1y	7.15	7.30	0.15	7.23	7.23
15-Jul-17	8.20	8.25	1.00	8.23	8.43
1-Jun-18	9.05	9.15	0.88	9.10	9.24
1-Jul-19	9.35	9.45	0.30	9.40	9.55
1-May-20	9.50	9.55	0.13	9.53	9.58
1-Aug-21	9.77	9.80	0.26	9.79	9.88
1-Oct-22	9.83	9.87	0.06	9.85	9.93
1-Sep-23	9.85	9.90	0.03	9.88	10.03
1-Jan-24	9.90	10.00	0.07	9.95	10.08
1-Aug-25	10.00	10.05	0.08	10.03	10.23
1-Jun-26	10.05	10.15	0.08	10.10	10.33
1-Sep-28	10.70	10.80	0.65	10.75	10.80
1-May-29	10.80	10.90	0.10	10.85	10.88
15-May-30	10.80	10.95	0.02	10.88	10.90
1-Jan-32	10.90	11.00	0.07	10.95	10.98
1-Jan-34	11.00	11.15	0.13	11.08	11.05
15-Mar-35	11.00	11.15	0.00	11.08	11.10
1-Jun-44	11.00	11.25	0.05	11.13	11.15
1-Mar-45	11.00	11.25	0.00	11.13	11.18



<u>Market Liquidity</u>	7-Oct-15	8-Oct-15	9-Oct-15	12-Oct-15	13-Oct-15
Standing Deposit Facility(Mn)	52,025	49,547	62,782	60,540	63,521
Standing Lending Facility(Mn)	-	-	-	-	-
CBSL Holdings: (Mn)	186,360	186,373	200,414	200,525	200,569



<u>Repo Market</u>	7-Oct-15	8-Oct-15	9-Oct-15	12-Oct-15	13-Oct-15
Minimum Rate:	6.45%	6.45%	6.40%	5.25%	6.25%
Maximum Rate:	6.55%	6.60%	6.55%	6.50%	6.50%
Weighted Average:	6.48%	6.50%	6.48%	6.36%	6.36%
Gross Amount:(LKR Mio)	12,150	12,410	7,740	6,830	9,140

<u>Call Money Market</u>	7-Oct-15	8-Oct-15	9-Oct-15	12-Oct-15	13-Oct-15
Minimum Rate:	6.35%	6.30%	6.35%	6.35%	6.35%
Maximum Rate:	6.40%	6.40%	6.40%	6.40%	6.40%
Weighted Average:	6.36%	6.37%	6.38%	6.37%	6.36%
Gross Amount:(LKR Mio)	16,940	14,590	15,910	10,230	14,080
Spot Opening :	140.90/10	140.50/70	140.40/60	140.20/35	140.30/40
Spot Closing :	140.60/65	140.50/60	140.30/40	140.39/45	140.55/65
Spot High :	140.85	140.6	140.35	140.40	140.55
Spot Low :	140.5	140.5	140.25	140.35	140.40

Spot Dollar closing 140.55/65

Forex Volumes (12-Oct-2015) USD (Mn) Average

	USD (Mn)	Average
Cash	-	-
TOM	10.50	140.2771
Spot	24.50	140.3209
Forwards	31.00	
Total	66.00	

Commodities	USD
Gold	1153.6
Crude Oil	47.07
Brent Oil	50.36

(Sources: Bloomberg, , cbsl.gov.lk)



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