

Report Date: 11th May 2016 (SL Time 06.00pm)

Market Report

The upward trend in the secondary bond market yields continued with 10year maturity 01st June 2026 closing at 12.15% while the 01st September 2028 rose by 5bps to 12.30%. On the short end of the yield curve 15th November 2018 bond was sold up to 11.45%.

At this week's bill auction the yields showed a mixed result with 6months declining by 23bps to 9.40% while the benchmark 12months yield rose by 10bps to 10.37%. CBSL offered 30bn worth of bills and accepted only Rs 8.2bn.

The Colombo All Share Price Index rose by 0.36% to close at 6661.45 points as gains in the Stores & Supplies, Healthcare and Service sectors led shares higher. The turnover for the day recorded Rs 1.2bn with a net foreign outflow Rs 453mn.

Local Market News

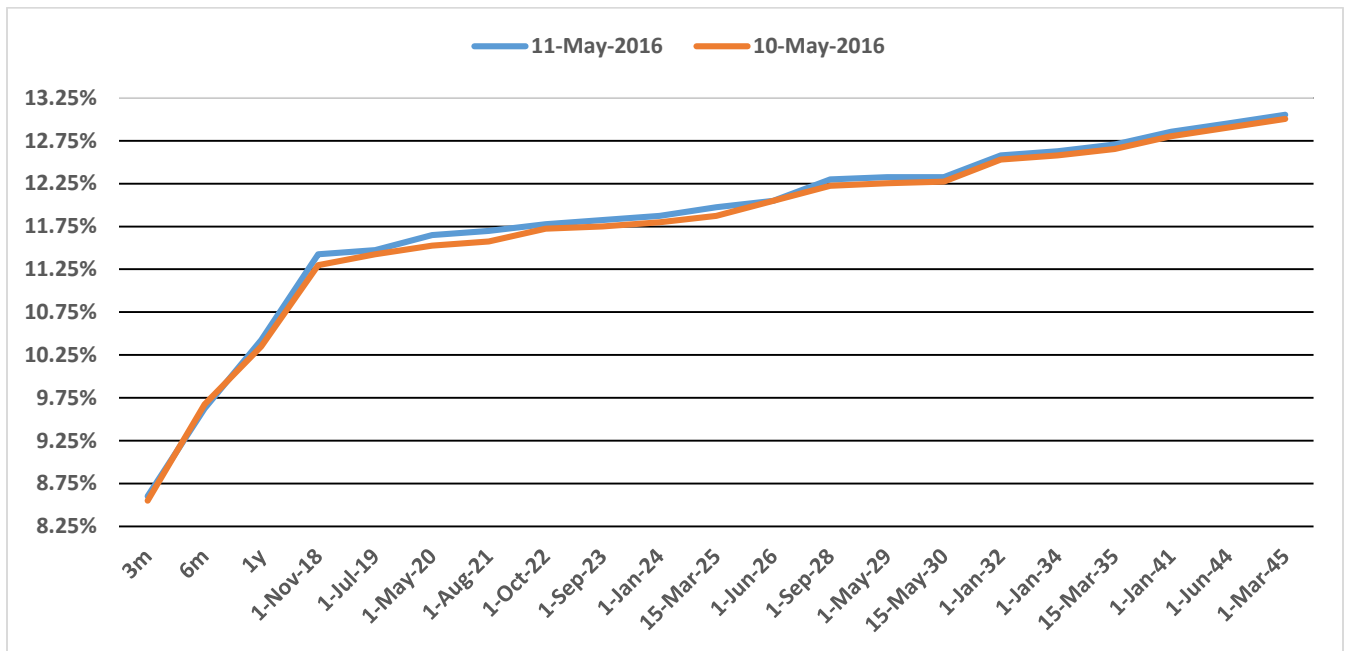
- The cabinet of Ministers has approved a proposal by Prime Minister Ranil Wickremesinghe to amend the Companies Act No 7 of 2007 to introduce new laws in institutional bankruptcy that suit present day needs.(www.news.lk/cabinet-decusions)
- The Malaysian Investment Development Authority (Mida) is optimistic that India and Sri Lanka offer a lot of investment opportunities for Malaysian construction and infrastructure industry players amid the two countries' ongoing economic reforms. (bernama.com)
- Sri Lanka Tourism has initiated a promotional campaign in collaboration with National Film Corporation and the Sri Lanka Embassy in France in this year Cannes Film Festival which will be held from 11th May to 22nd May. (ft.lk)

Market Calendar

- Bank Of England (BOE) : **Interest Rate Decision 12th May 2016**
- Issue of Treasury Bonds (CBSL Public Debt): **Auction Date 12th May 2016**
(15th November 2018 – 5Bn, 01st May 2020 – 5Bn, 01st October 2022- 5Bn, 01st January 2024- 4bn.)
- Euro Area 1st Quarter GDP : **13th May 2016**

Next Page =>

Sri Lanka Yield Curve

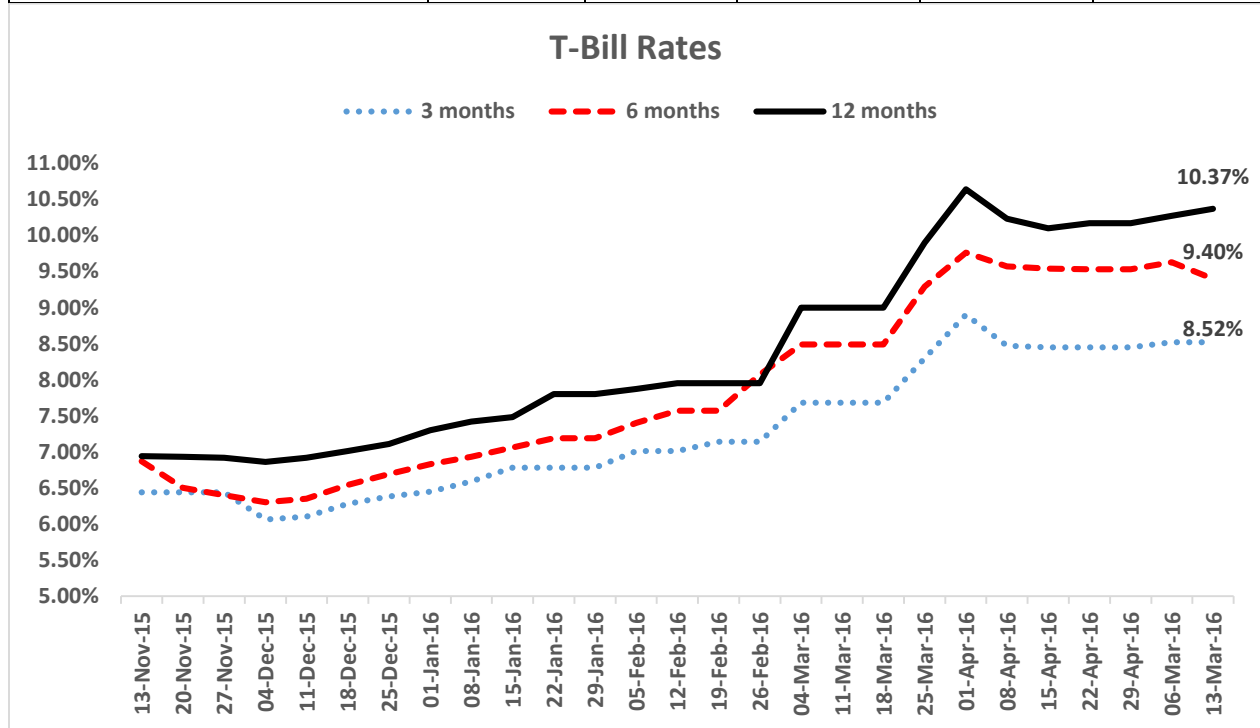


<u>Maturity</u>	<u>Offer %</u>	<u>Bid %</u>	<u>GAP</u>	<u>11-May-2016</u>	<u>10-May-2016</u>
3m	8.55%	8.65%		8.60%	8.55%
6m	9.55%	9.70%	1.03%	9.63%	9.68%
1y	10.35%	10.50%	0.80%	10.43%	10.35%
1-Nov-18	11.35%	11.50%	1.00%	11.43%	11.30%
1-Jul-19	11.40%	11.55%	0.05%	11.48%	11.43%
1-May-20	11.60%	11.70%	0.18%	11.65%	11.53%
1-Aug-21	11.65%	11.75%	0.05%	11.70%	11.58%
1-Oct-22	11.70%	11.85%	0.08%	11.78%	11.73%
1-Sep-23	11.75%	11.90%	0.05%	11.83%	11.75%
1-Jan-24	11.80%	11.95%	0.05%	11.88%	11.80%
15-Mar-25	11.95%	12.00%	0.10%	11.98%	11.88%
1-Jun-26	12.00%	12.10%	0.08%	12.05%	12.05%
1-Sep-28	12.25%	12.35%	0.25%	12.30%	12.23%
1-May-29	12.30%	12.35%	0.03%	12.33%	12.26%
15-May-30	12.25%	12.40%	0.00%	12.33%	12.28%
1-Jan-32	12.53%	12.63%	0.26%	12.58%	12.53%
1-Jan-34	12.58%	12.68%	0.05%	12.63%	12.58%
15-Mar-35	12.63%	12.78%	0.08%	12.71%	12.66%
1-Jan-41	12.78%	12.93%	0.15%	12.86%	12.81%
1-Jun-44	12.88%	13.03%	0.10%	12.96%	12.91%
1-Mar-45	12.98%	13.13%	0.10%	13.06%	13.01%

Next Page =>

Market Liquidity	5-May-16	6-May-16	9-May-16	10-May-16	11-May-16
Standing Deposit Facility(Bn)	15.037	21.064	15.652	18.852	26.445
Standing Lending Facility(Bn)	(17.737)	(20.529)	(11.861)	(10.650)	(13.166)
Repo/Reverse Repo Auction (Bn)	(10.000)	-	-	-	-
Market Liquidity (Bn)	(12.700)	0.535	3.791	8.202	13.279
CBSL Holdings: (Bn)	235.839	238.569	230.080	228.924	231.495

Overnight Money Market	5-May-16	6-May-16	9-May-16	10-May-16	11-May-16
Repo					
W. A. Repo Rate:	8.01%	8.02%	8.00%	8.02%	8.01%
Gross Amount:(LKR Bn)	24.42	35.48	34.69	36.32	43.32
Call Money					
W. A. Money Rate:	8.15%	8.15%	8.15%	8.15%	8.15%
Gross Amount:(LKR Bn)	10.28	14.68	17.88	18.55	18.40



Next Page =>

<u>U.S. \$ Yield</u>	5-May-16	6-May-16	9-May-16	10-May-16	11-May-16
U.S. 10 Year Yield	1.793%	1.742%	1.772%	1.760%	1.758%
Sri Lanka Int Sovereign Yield 2025	7.424%	7.428%	7.432%	7.350%	7.332%
Spot Opening :	143.90/50	143.90/50	143.90/50	143.90/50	143.90/50
Spot Closing :	143.90/50	143.90/50	143.90/50	143.90/50	143.90/50
Spot Next	146.30/40				
Forex Volumes (10-May-2016)	USD (Mn)	Average	Colombo Stock Exchange		
Cash	11.00	145.6864		ASPI	S & P SL 20
TOM	4.00	145.7050	Index	6,661.45	3,502.97
Spot	11.00	145.7327	Day Return %	0.36%	-0.13%
Forwards	79.25				
Total	105.25				

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