

**Report Date: 17<sup>th</sup> May 2016 (SL Time 06.00pm)**

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### **Market Report**

The bond market yields continued with the upward swing as lack of local participation with the announcement of a bond auction triggered fresh round of selling on the short to mid-term maturities. The 01<sup>st</sup> May 2020 was sold up to 12.10% intraday before closing at 11.98/12.02 while on the long end of the yield curve the 15<sup>th</sup> May 2030 bond was exchanged between 12.60%- 12.65% levels.

In the overnight money market repo and call money were exchanged at an average of 8.00% & 8.15% respectively. The market liquidity recorded a surplus of Rs 4.68bn.

The Colombo All Share Price Index snapped a two day winning streak by closing 0.56% below yesterdays close as losses in the Investment Trust, Footwear & Textile and Power & Energy sectors led shares lower. The turnover for the day was around Rs 710mn with a net foreign inflow of Rs 47.6mn.

### **Economic News**

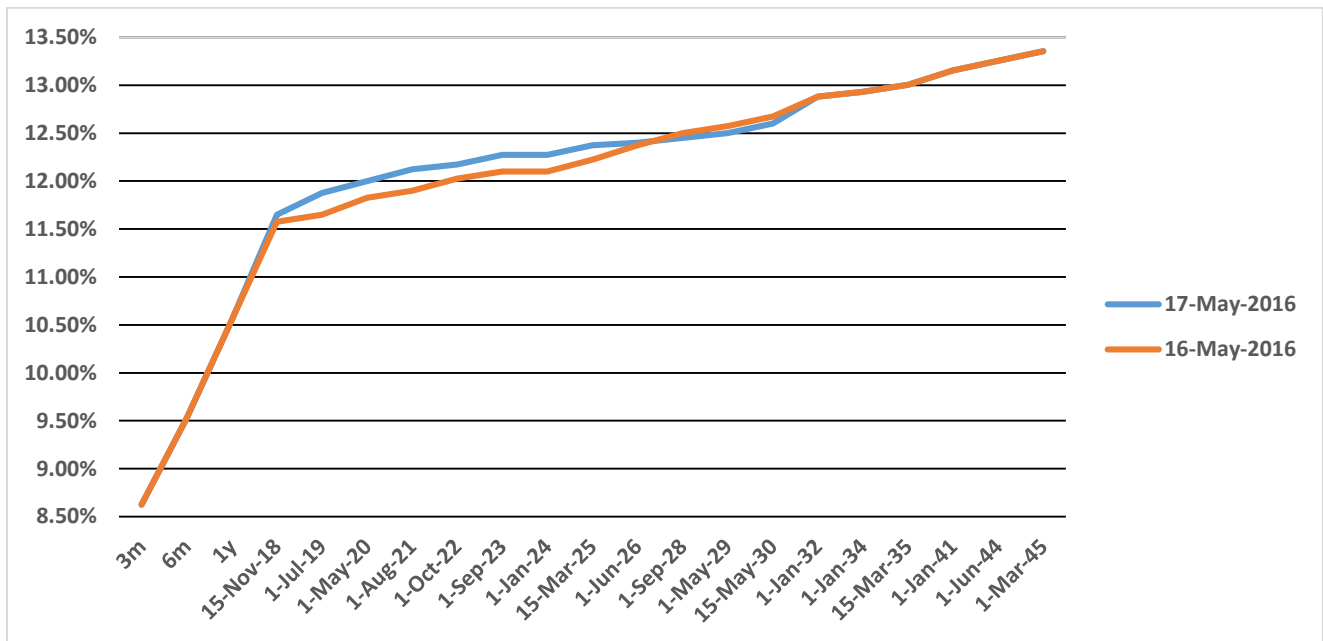
- Boosting Sri Lankan mineral sector outlook, a global industry conglomerate from China mainland Beijing's SSG International Holding Group announced on May 12 that it is ready to take a lead role in Sri Lanka's strategic minerals.(island.lk)
- Greece's parliament will vote on a new package of tax hikes and reforms demanded by its international lenders on Sunday, two days before euro zone finance ministers assess whether Athens qualifies for much-needed bailout loans.
- Oil prices rose to fresh seven-month highs in European trade on Tuesday, adding amid mounting concerns over global supply disruptions.

### **Market Calendar**

- Treasury Bill Auction (CBSL) : **18<sup>th</sup> May 2016** (91Days -10bn, 182Days- 10bn, 364Days- 10bn)
- Treasury Bond Auction (CBSL) : **19<sup>th</sup> May 2016 (Total 45bn)**  
(15<sup>th</sup> November 2018- 10bn, 01<sup>st</sup> May 2020- 10bn, 01<sup>st</sup> January 2024- 12.5bn, 01<sup>st</sup> June 2026- 12.5bn)
- Monetary Policy Review May 2016 (CBSL) – **20<sup>th</sup> May 2016, 05.00p.m**

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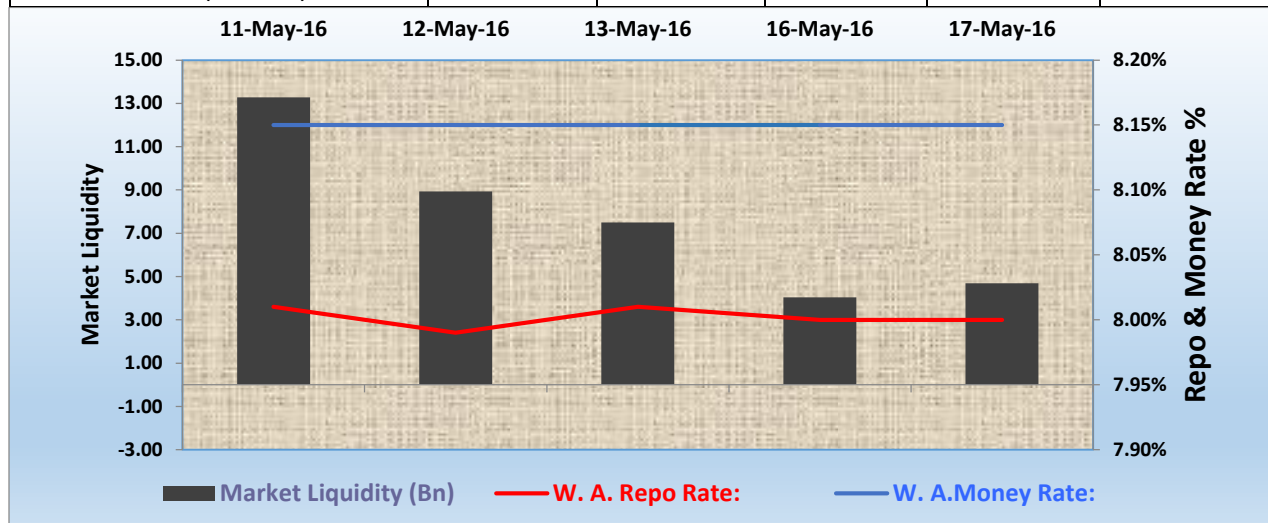
## Sri Lanka Yield Curve



<u>Maturity</u>	Offer %	Bid %	GAP	17-May-2016	16-May-2016
3m	8.50%	8.75%		8.63%	8.63%
6m	9.40%	9.65%	0.90%	9.53%	9.53%
1y	10.40%	10.70%	1.03%	10.55%	10.55%
15-Nov-18	11.60%	11.70%	1.10%	11.65%	11.58%
1-Jul-19	11.85%	11.90%	0.22%	11.88%	11.65%
1-May-20	11.95%	12.05%	0.13%	12.00%	11.83%
1-Aug-21	12.10%	12.15%	0.13%	12.13%	11.90%
1-Oct-22	12.10%	12.25%	0.05%	12.18%	12.03%
1-Sep-23	12.20%	12.35%	0.10%	12.28%	12.10%
1-Jan-24	12.20%	12.35%	0.00%	12.28%	12.10%
15-Mar-25	12.25%	12.50%	0.10%	12.38%	12.23%
1-Jun-26	12.30%	12.50%	0.03%	12.40%	12.38%
1-Sep-28	12.35%	12.55%	0.05%	12.45%	12.50%
1-May-29	12.40%	12.60%	0.05%	12.50%	12.58%
15-May-30	12.55%	12.65%	0.10%	12.60%	12.68%
1-Jan-32	12.83%	12.93%	0.28%	12.88%	12.88%
1-Jan-34	12.88%	12.98%	0.05%	12.93%	12.93%
15-Mar-35	12.93%	13.08%	0.08%	13.01%	13.01%
1-Jan-41	13.08%	13.23%	0.15%	13.16%	13.16%
1-Jun-44	13.18%	13.33%	0.10%	13.26%	13.26%
1-Mar-45	13.28%	13.43%	0.10%	13.36%	13.36%

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<b>Overnight Money Market</b>	<b>11-May-16</b>	<b>12-May-16</b>	<b>13-May-16</b>	<b>16-May-16</b>	<b>17-May-16</b>
<b>Repo</b>					
W. A. Repo Rate:	8.01%	7.99%	8.01%	8.00%	8.00%
Gross Amount:( LKR Bn)	43.32	38.35	31.70	40.05	39.45
<b>Call Money</b>					
W. A. Money Rate:	8.15%	8.15%	8.15%	8.15%	8.15%
Gross Amount:( LKR Bn)	18.40	22.98	23.45	19.09	19.36



<b>U.S. \$ Yield</b>	<b>11-May-16</b>	<b>12-May-16</b>	<b>13-May-16</b>	<b>16-May-16</b>	<b>17-May-16</b>
U.S. 10 Year Yield	1.758%	1.750%	1.729%	1.717%	1.757%
Sri Lanka Int Sovereign Yield 2025	7.332%	7.340%	7.382%	7.405%	7.382%
<b>Spot Opening :</b>	<b>143.90/50</b>	<b>143.90/50</b>	<b>143.90/50</b>	<b>143.90/50</b>	<b>143.90/50</b>
<b>Spot Closing :</b>	<b>143.90/50</b>	<b>143.90/50</b>	<b>143.90/50</b>	<b>143.90/50</b>	<b>143.90/50</b>

**Spot Next** 146.65/80

**Forex Volumes (16-May-2016)**

**USD (Mn)**

**Average**

**Colombo Stock Exchange**

<b>Cash</b>	<b>11.25</b>	<b>145.7000</b>		<b>ASPI</b>	<b>S &amp; P SL 20</b>
<b>TOM</b>	<b>5.00</b>	<b>145.7060</b>	<b>Index</b>	<b>6,670.79</b>	<b>3,482.58</b>
<b>Spot</b>	<b>-</b>	<b>-</b>	<b>Day Return %</b>	<b>-0.56%</b>	<b>-0.78%</b>
<b>Forwards</b>	<b>25.85</b>				
<b>Total</b>	<b>42.10</b>				

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