

Report Date: 03rd May 2016 (SL Time 06.00pm)

Market Report

The secondary bond market yields moved up for the second day in a row mainly on 2025, 2026 & 2028 maturities. The selling pressure created by the local investors was absorbed by foreign buying with considerable amount of 01st Sep 2028 maturity being exchanged between 12.08% to 12.15% levels. At the close of trading the liquid 10year maturity 01st June 2026 was quoted as 11.85/95.

In the overnight money market total Rs 50bn worth of repo and call money were exchanged at an average of 8.02% & 8.15% respectively. The market liquidity turned positive again recording a surplus figure of Rs 535mn.

The Colombo All Share Price Index rose by 0.21% to close the week at 6592.45 points. The turnover for the day recorded Rs 701mn with a net foreign inflow of Rs 71mn.

Local Market News

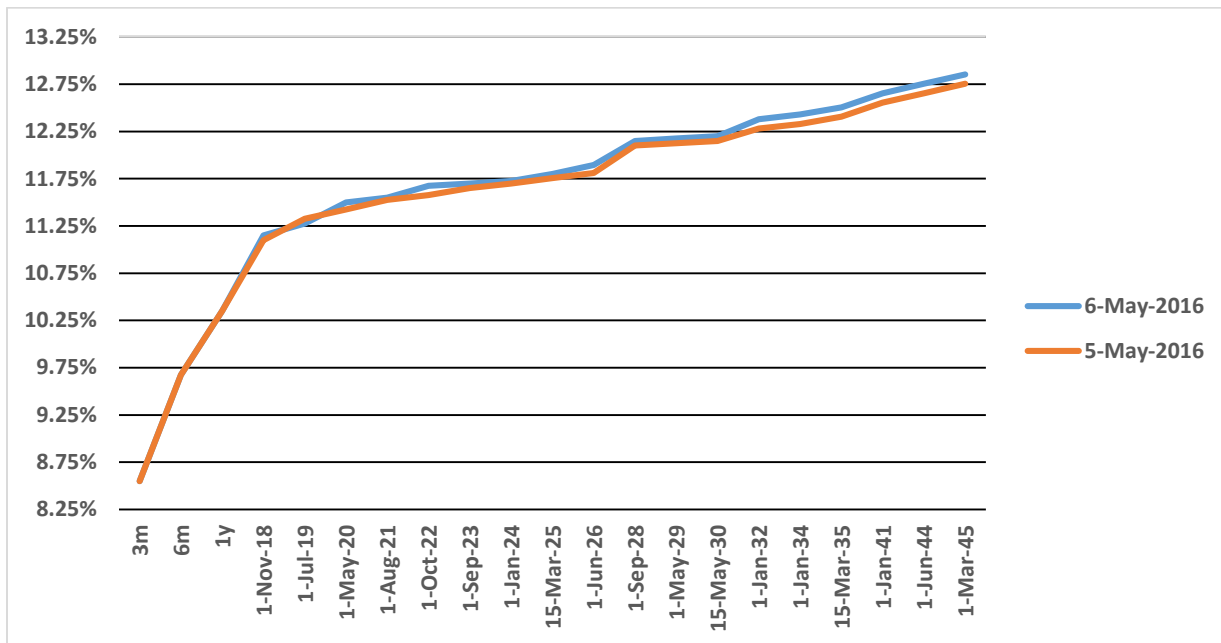
- The Malaysian government looks forward to formulating a Free Trade Agreement (FTA) with Sri Lanka in the near future, Malaysia's International Trade and Industry Minister Mustapa Mohamed said yesterday. Speaking at a seminar on "Business Opportunities in Malaysia" in Colombo he said an FTA with Sri Lanka will pave the way for trade between Sri Lanka and Malaysia to reach new heights. (dailynews.lk)
- Sri Lanka will build a new 300MW Liquefied Natural Gas (LNG) power plant in Kerawalapitiya adjoining the existing power plant there, the Ministry of Power and Renewable Energy said. "The plant will be built on a 10 acre land in Kerawalapitiya utilizing LNG which minimizes environmental pollution," the ministry said in a statement.
- The 16th edition of the World Export Development Forum (WEDF) 2016 will be held in Colombo for the first time on October 12th and 13th 2016. The event being a first in Sri Lanka aims at a large amount of Foreign Direct Investment coming in with potential investors.

Market Calendar

- Issue of Treasury Bills : **Auction Date 11th May 2016**
(91Days- 6Bn, 182Days- 12Bn & 364Days- 12Bn)
- Issue of Treasury Bonds: **Auction Date 12th May 2016**
(15th November 2018 – 5Bn, 01st May 2020 – 5Bn, 01st October 2022- 5Bn, 01st January 2024- 4bn.)

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Sri Lanka Yield Curve

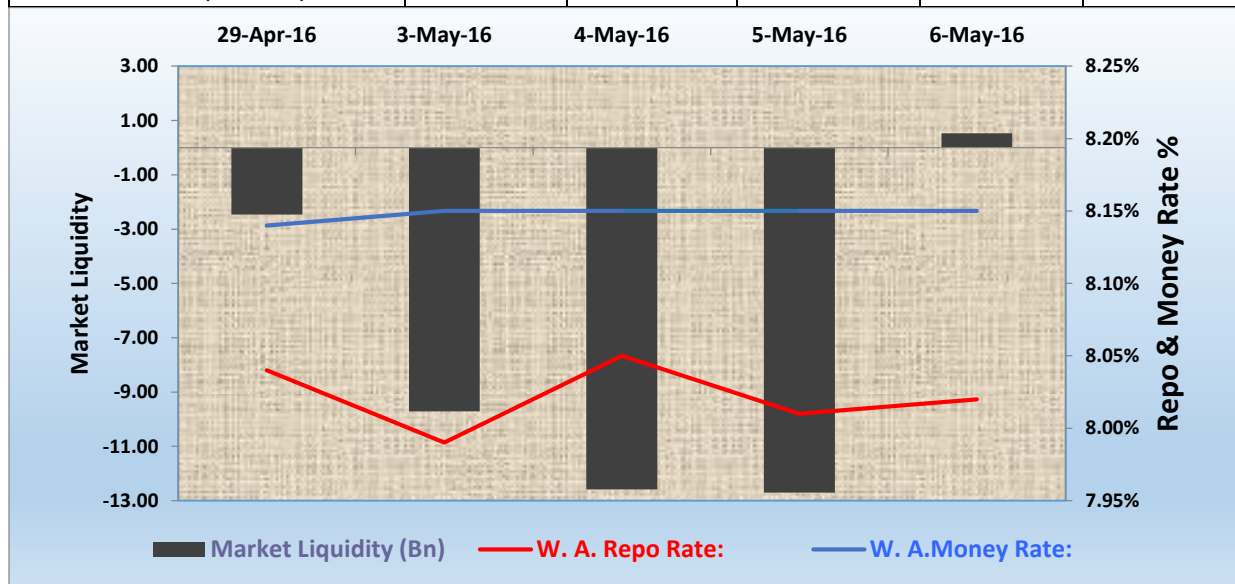


<u>Maturity</u>	<u>Offer %</u>	<u>Bid %</u>	<u>GAP</u>	<u>6-May-2016</u>	<u>5-May-2016</u>
3m	8.45%	8.65%		8.55%	8.55%
6m	9.60%	9.75%	1.13%	9.68%	9.68%
1y	10.25%	10.45%	0.67%	10.35%	10.35%
1-Nov-18	11.10%	11.20%	0.80%	11.15%	11.10%
1-Jul-19	11.25%	11.30%	0.13%	11.28%	11.33%
1-May-20	11.45%	11.55%	0.23%	11.50%	11.43%
1-Aug-21	11.50%	11.60%	0.05%	11.55%	11.53%
1-Oct-22	11.60%	11.75%	0.12%	11.68%	11.58%
1-Sep-23	11.65%	11.75%	0.03%	11.70%	11.65%
1-Jan-24	11.70%	11.75%	0.03%	11.73%	11.70%
15-Mar-25	11.75%	11.85%	0.08%	11.80%	11.76%
1-Jun-26	11.85%	11.94%	0.10%	11.90%	11.81%
1-Sep-28	12.10%	12.20%	0.26%	12.15%	12.10%
1-May-29	12.15%	12.20%	0.03%	12.18%	12.13%
15-May-30	12.17%	12.23%	0.03%	12.20%	12.15%
1-Jan-32	12.33%	12.43%	0.18%	12.38%	12.28%
1-Jan-34	12.38%	12.48%	0.05%	12.43%	12.33%
15-Mar-35	12.43%	12.58%	0.08%	12.51%	12.41%
1-Jan-41	12.58%	12.73%	0.15%	12.66%	12.56%
1-Jun-44	12.68%	12.83%	0.10%	12.76%	12.66%
1-Mar-45	12.78%	12.93%	0.10%	12.86%	12.76%

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Market Liquidity	29-Apr-16	3-May-16	4-May-16	5-May-16	6-May-16
Standing Deposit Facility(Bn)	29.098	10.235	11.128	15.037	21.064
Standing Lending Facility(Bn)	(31.556)	(9.948)	(13.717)	(17.737)	(20.529)
Repo/Reverse Repo Auction (Bn)	-	(10.000)	(10.000)	(10.000)	-
Market Liquidity (Bn)	(2.458)	(9.713)	(12.589)	(12.700)	0.535
<u>CBSL Holdings: (Bn)</u>	239.314	227.936	231.765	235.839	238.569

Overnight Money Market	29-Apr-16	3-May-16	4-May-16	5-May-16	6-May-16
Repo					
W. A. Repo Rate:	8.04%	7.99%	8.05%	8.01%	8.02%
Gross Amount:(LKR Bn)	17.71	29.76	22.00	24.42	35.48
Call Money					
W. A. Money Rate:	8.14%	8.15%	8.15%	8.15%	8.15%
Gross Amount:(LKR Bn)	10.12	16.15	16.59	10.28	14.68



U.S. \$ Yield	29-Apr-16	3-May-16	4-May-16	5-May-16	6-May-16
U.S. 10 Year Yield	1.844%	1.809%	1.798%	1.793%	1.742%
Sri Lanka Int Sovereign Yield 2025	7.087%	7.313%	7.406%	7.424%	7.428%

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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 146.15/25

Forex Volumes (05-May-2016) **USD (Mn)** **Average** **Colombo Stock Exchange**

Cash	7.00	145.6500		ASPI	S & P SL 20
TOM	3.00	145.6700	Index	6,592.45	3,471.37
Spot	0.50	145.7300	Day return %	0.21%	-0.11%
Forwards	27.51				
Total	38.01				

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