

Report Date: 04th July 2016 (SL Time 06.00pm)

Market Report

The new trading week started with bond yields moving up across the board as local investors continued with the selling momentum on the 2024, 2025 and 2026 maturities. Accordingly these maturities recorded an intraday high of 12.63%, 12.71% & 12.80% respectively. Foreign investors remained on the buying side mainly on the 01st Jan 2024 maturity.

In the overnight money market repo and call money were exchanged at an average of 8.03% & 8.20% respectively. The market liquidity recorded a deficit figure of Rs 18.54bn. The CBSL continued with its OMO activities by injecting Rs 18bn worth of overnight money to the system at an average of 7.99%.

The Colombo All Share Price Index declined by 0.51% to close at 6254.77 points as losses in the Information, Chemicals & Pharmaceuticals and Engineering sectors led shares lower. Foreign investors remained net sellers with a net outflow of Rs 58.74mn.

Economic News

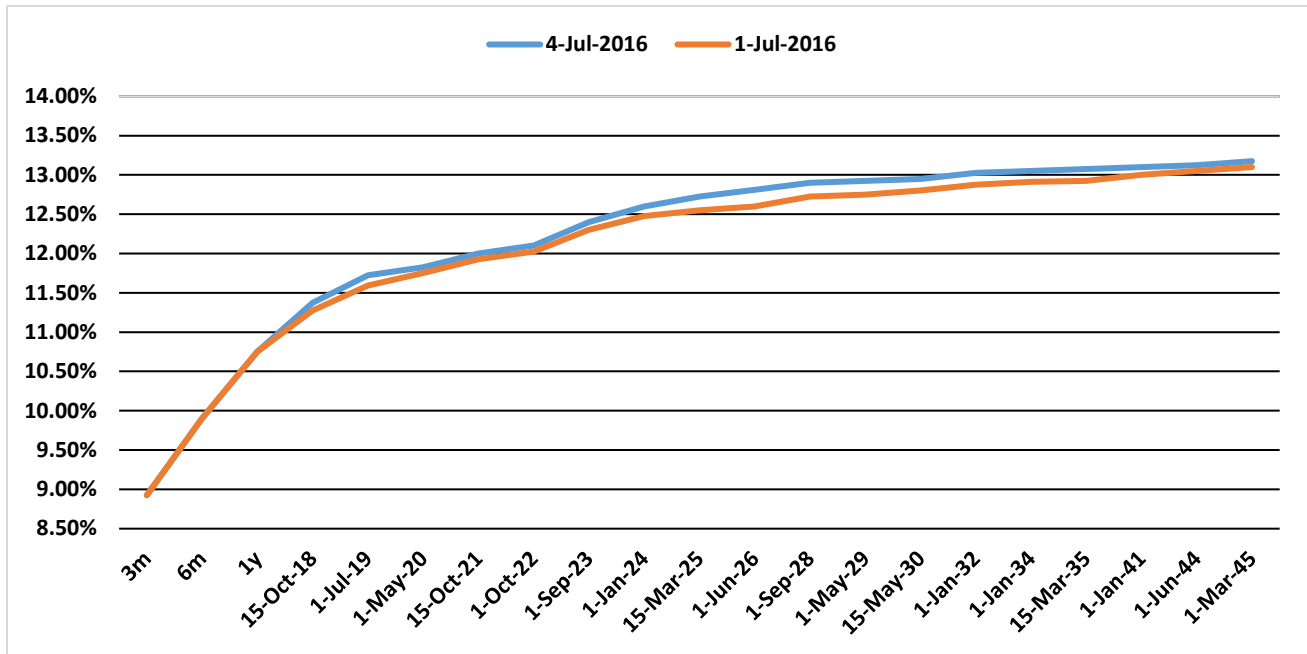
- Sri Lanka's tourist arrivals rose marginally by 2.2% in June this year compared to the same period last year, the data released today by the Sri Lanka Tourism Development Authority (SLTDA) showed. In the first six months of this year 964,267 tourists visited the island compared to the 830,051 visited in the corresponding period of 2015, recording an increase of 16.17%.
- Sri Lanka Ports Authority boosted profits by 43.7 percent to 4.6 billion rupees before tax, during the first four months of the year, the mid-year fiscal report of the Finance Ministry said. Revenue increased by 8.5 percent to 14 billion rupees during this period.
- Gold rose to \$1355 an ounce on Monday as political turmoil following Britain's vote to leave the European Union supported prices after a burst of short-covering activity in China earlier pushed them back towards last week's two-year high.
- The dollar edged higher against the other major currencies on Monday, as caution resumed after fears sparked by Britain's vote to leave the European Union had slightly eased last week.

Market Calendar

- Treasury Bill auction (CBSL) – **05th July 2016** (Total offered- Rs 22bn)
(3months- 8.5bn, 6months – 8.5bn, 12months- 5bn)
- Treasury bond auction (CBSL) – **08th July 2016** (Total offered – Rs 35bn)
(15th Sep 2019- 10bn, 01st March 2021- 9bn, 01st Oct 2022- 9bn, 01st Sep 2023- 7bn)

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Sri Lanka Yield Curve

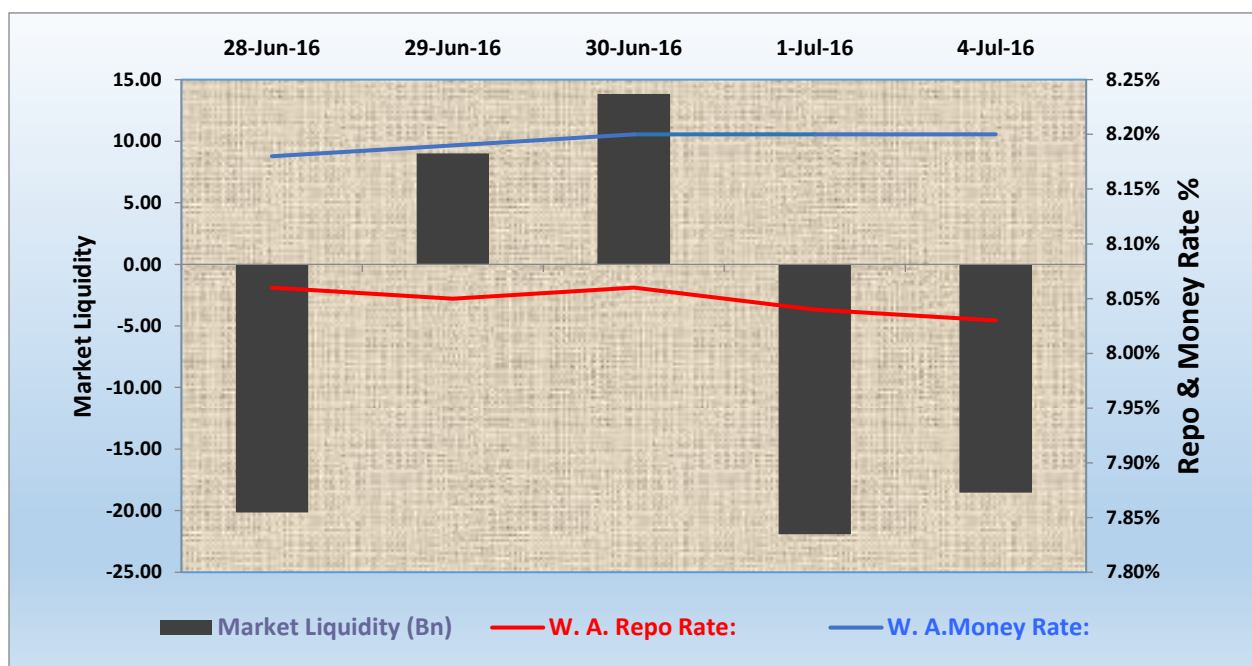


Maturity	Offer %	Bid %	GAP	4-Jul-2016	1-Jul-2016
3m	8.85%	9.00%		8.93%	8.93%
6m	9.80%	10.00%	0.98%	9.90%	9.90%
1y	10.60%	10.90%	0.85%	10.75%	10.75%
15-Oct-18	11.30%	11.45%	0.63%	11.38%	11.28%
1-Jul-19	11.65%	11.80%	0.35%	11.73%	11.60%
1-May-20	11.75%	11.90%	0.10%	11.83%	11.75%
15-Oct-21	11.90%	12.10%	0.18%	12.00%	11.93%
1-Oct-22	12.00%	12.20%	0.10%	12.10%	12.03%
1-Sep-23	12.30%	12.50%	0.30%	12.40%	12.30%
1-Jan-24	12.55%	12.65%	0.20%	12.60%	12.48%
15-Mar-25	12.65%	12.80%	0.13%	12.73%	12.55%
1-Jun-26	12.77%	12.85%	0.08%	12.81%	12.60%
1-Sep-28	12.80%	13.00%	0.09%	12.90%	12.73%
1-May-29	12.85%	13.00%	0.03%	12.93%	12.75%
15-May-30	12.90%	13.00%	0.03%	12.95%	12.80%
1-Jan-32	12.95%	13.10%	0.08%	13.03%	12.88%
1-Jan-34	13.00%	13.10%	0.03%	13.05%	12.91%
15-Mar-35	13.00%	13.15%	0.03%	13.08%	12.93%
1-Jan-41	13.00%	13.20%	0.03%	13.10%	13.00%
1-Jun-44	13.00%	13.25%	0.03%	13.13%	13.05%
1-Mar-45	13.05%	13.30%	0.05%	13.18%	13.10%

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Market Liquidity	28-Jun-16	29-Jun-16	30-Jun-16	1-Jul-16	4-Jul-16
Standing Deposit Facility(Bn)	21.541	29.300	34.211	14.364	15.988
Standing Lending Facility(Bn)	(21.680)	(20.305)	(20.380)	(16.275)	(16.532)
Repo/Reverse Repo Auction (Bn)	(20.000)	-	-	(20.000)	(18.000)
Market Liquidity (Bn)	(20.139)	8.995	13.831	(21.911)	(18.544)
CBSL Holdings: (Bn)	246.222	224.847	273.899	271.089	269.554

Overnight Money Market	28-Jun-16	29-Jun-16	30-Jun-16	1-Jul-16	4-Jul-16
Repo					
W. A. Repo Rate:	8.06%	8.05%	8.06%	8.04%	8.03%
Gross Amount:(LKR Bn)	27.29	30.30	29.60	25.44	31.03
Call Money					
W. A. Money Rate:	8.18%	8.19%	8.20%	8.20%	8.20%
Gross Amount:(LKR Bn)	12.79	12.89	10.75	19.70	16.69



U.S. \$ Yield	28-Jun-16	29-Jun-16	30-Jun-16	1-Jul-16	4-Jul-16
U.S. 10 Year Yield	1.471%	1.471%	1.517%	1.431%	1.456%
Sri Lanka Int Sovereign Yield 2025	7.267%	7.225%	7.192%	7.165%	7.164%

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Spot Opening :	144.50/00	144.50/00	144.50/00	144.50/00	144.50/00
Spot Closing :	144.50/00	144.50/00	144.50/00	144.50/00	144.50/00

Spot One Week 146.90/10

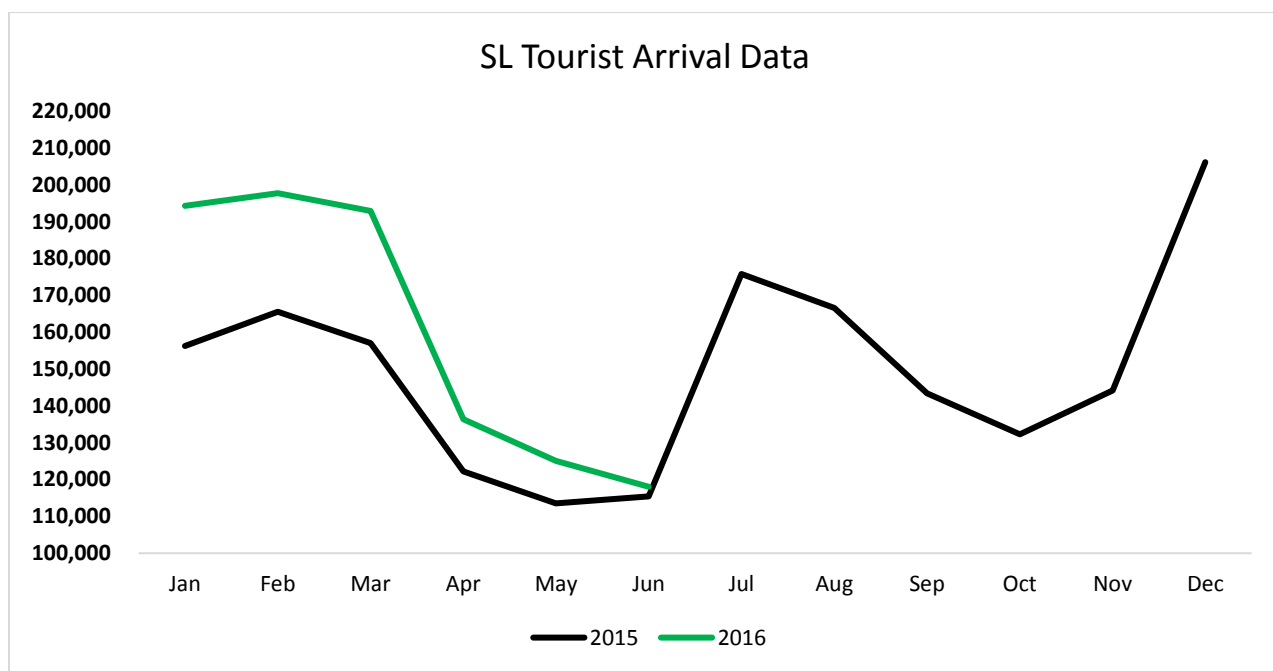
Forex Volumes (01-Jul-2016)

USD (Mn)

Average

Colombo Stock Exchange

Cash	9.00	145.1583		ASPI	S & P SL 20
TOM	-	-	Index	6,254.77	3,290.33
Spot	19.00	145.2500	Day Return %	-0.51%	-0.37%
Forwards	36.75				
Total	64.75				



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