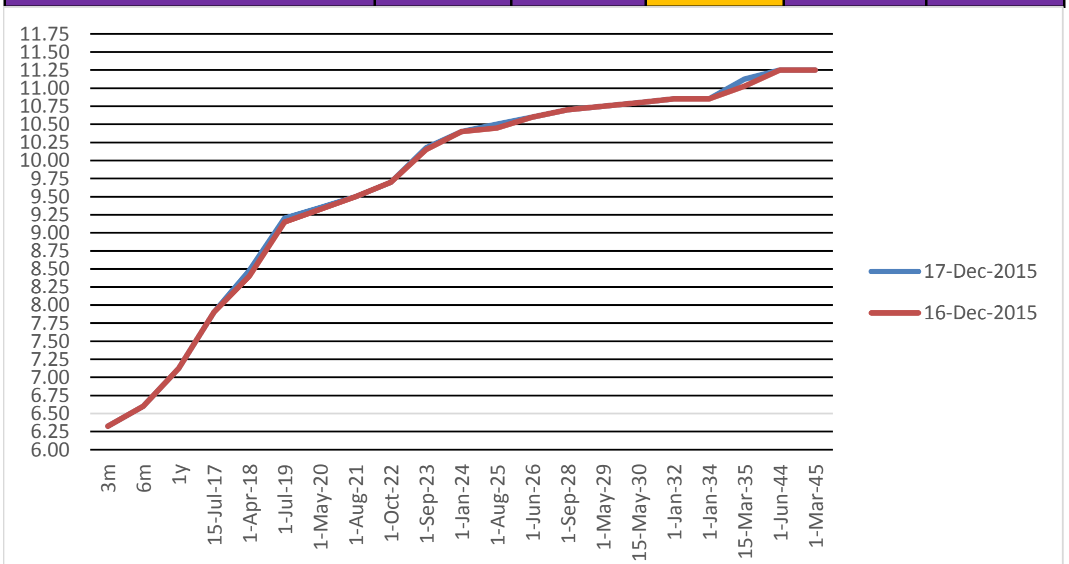
Post the Fed announcement to increase the Federal Reserve interest for the first time in nearly a decade by 25 basis points saw local market bond prices widen further.
There was almost no activity in the secondary market for Tbonds given the prevalent uncertainty ahead of tomorrows Tbond auction. The CBSL OMO department conducted a overnight repo auction at which it absorbed LKR.20 Bn at a Weighted average yield of 6.13%. This is above 04 basis points from yesterdays weighted average yield at the overnight repo auction concluded at 6.09%. Total liquidity in the system as published by the CBSL was LKR 66.093 Bn. The overnight weighted average call money rate and the weighted average overnight repo rate was reported at 6.39% and 6.14% respectively.

***info@perpetualtreasuries.com- 17th December 2015***

| Maturity | Offer % | Bid % | GAP | 17-Dec-2015 | 16-Dec-2015 |
|---|---|---|---|---|---|
| 3m | 6.25 | 6.40 | | 6.33 | 6.33 |
| 6m | 6.50 | 6.70 | 0.27 | 6.60 | 6.60 |
| 1y | 7.00 | 7.25 | 0.53 | 7.13 | 7.13 |
| 15-Jul-17 | 7.80 | 8.00 | 0.78 | 7.90 | 7.90 |
| 1-Apr-18 | 8.30 | 8.65 | 0.58 | 8.48 | 8.40 |
| 1-Jul-19 | 9.05 | 9.35 | 0.72 | 9.20 | 9.15 |
| 1-May-20 | 9.20 | 9.50 | 0.15 | 9.35 | 9.33 |
| 1-Aug-21 | 9.40 | 9.60 | 0.15 | 9.50 | 9.50 |
| 1-Oct-22 | 9.60 | 9.80 | 0.20 | 9.70 | 9.70 |
| 1-Sep-23 | 10.05 | 10.30 | 0.48 | 10.18 | 10.15 |
| 1-Jan-24 | 10.30 | 10.50 | 0.23 | 10.40 | 10.40 |
| 1-Aug-25 | 10.40 | 10.60 | 0.10 | 10.50 | 10.45 |
| 1-Jun-26 | 10.50 | 10.70 | 0.10 | 10.60 | 10.60 |
| 1-Sep-28 | 10.60 | 10.80 | 0.10 | 10.70 | 10.70 |
| 1-May-29 | 10.65 | 10.85 | 0.05 | 10.75 | 10.75 |
| 15-May-30 | 10.70 | 10.90 | 0.05 | 10.80 | 10.80 |
| 1-Jan-32 | 10.70 | 11.00 | 0.05 | 10.85 | 10.85 |
| 1-Jan-34 | 10.70 | 11.00 | 0.00 | 10.85 | 10.85 |
| 15-Mar-35 | 10.95 | 11.30 | 0.28 | 11.13 | 11.03 |
| 1-Jun-44 | 11.00 | 11.50 | 0.13 | 11.25 | 11.25 |
| 1-Mar-45 | 11.00 | 11.50 | 0.00 | 11.25 | 11.25 |

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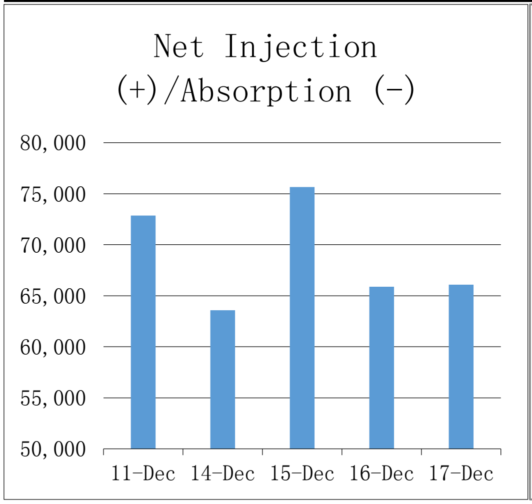
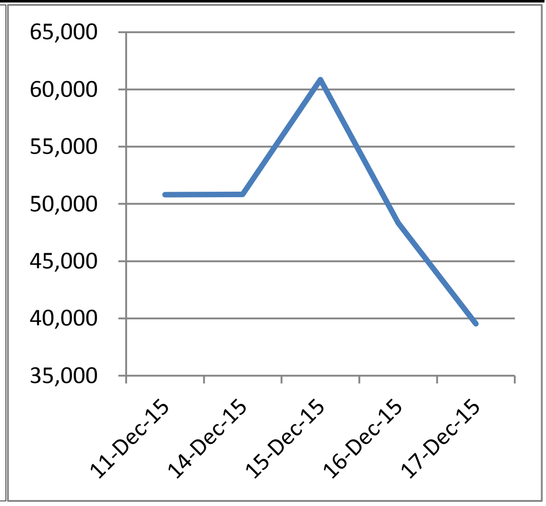
| Market Liquidity | 11-Dec-15 | 14-Dec-15 | 15-Dec-15 | 16-Dec-15 | 17-Dec-15 |
|---|---|---|---|---|---|
| Standing Deposit Facility(Mn) | 72,869 | 63,572 | 77,038 | 54,711 | 46,093 |
| Standing Lending Facility(Mn) | - | - | (1,388) | - | - |
| Repo/Reverse Repo Auction | - | - | - | 11,173 | 20,000 |
| Net Injection(+)Absorption(-) | 72,869 | 63,572 | 75,650 | 65,884 | 66,093 |
| **CBSL Holdings: (Mn)** | **50,810** | **50,840** | **60,859** | **48,332** | **39,533** |




| Repo Market | 11-Dec-15 | 14-Dec-15 | 15-Dec-15 | 16-Dec-15 | 17-Dec-15 |
|---|---|---|---|---|---|
| Minimum Rate: | 5.88% | 5.88% | 5.95% | 6.00% | 6.05% |
| Maximum Rate: | 6.05% | 6.05% | 6.50% | 6.20% | 6.25% |
| Weighted Average: | 5.96% | 5.96% | 6.07% | 6.08% | 6.14% |
| Gross Amount:( LKR Mio) | 4,850 | 5,010 | 7,070 | 13,600 | 17,780 |

| Call Money Market | 11-Dec-15 | 14-Dec-15 | 15-Dec-15 | 16-Dec-15 | 17-Dec-15 |
|---|---|---|---|---|---|
| Minimum Rate: | 6.30% | 6.30% | 6.30% | 6.32% | 6.35% |
| Maximum Rate: | 6.35% | 6.35% | 6.40% | 6.40% | 6.45% |
| Weighted Average: | 6.31% | 6.30% | 6.35% | 6.36% | 6.39% |
| Gross Amount:(LKR Mio) | 12,580 | 15,480 | 14,540 | 13,610 | 9,670 |
| Spot Opening : | 143.20/35 | 143.35/50 | 143.65/90 | 143.50/80 | 143.60/90 |
| Spot Closing : | 143.35/50 | 143.70/80 | 143.55/85 | 143.70/85 | 143.50/65 |
| Spot High : | 143.35 | 143.67 | 143.50 | 143.65 | 143.74 |
| Spot Low : | 143.30 | 143.50 | 143.40 | 143.50 | 143.50 |

**Spot Dollar closing** 143.50/65

| Forex Volumes (16-Dec-2015) | USD (Mn) | Average |
|---|---|---|
| Cash | 5.50 | 143.4409 |
| TOM | 4.50 | 143.4649 |
| Spot | 25.65 | 143.5647 |
| Forwards | 22.03 | |
| Total | 57.68 | |

| Commodities | USD |
|---|---|
| Gold | 1066.20 |
| Crude Oil | 35.23 |
| Brent Oil | 37.47 |

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