

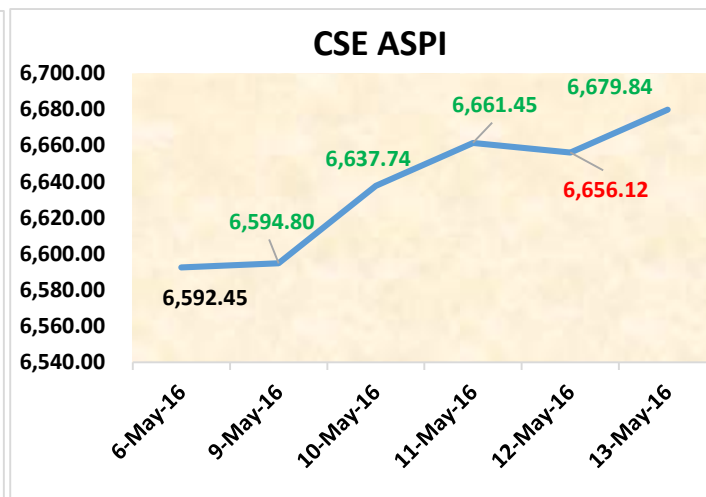
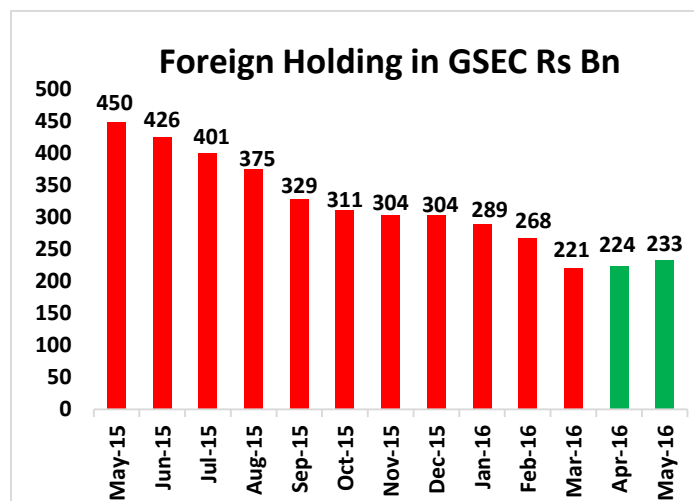
Report Date: 13th May 2016 (SL Time 06.00pm)

Market Report

The bond prices fell across the board on Fridays trading activities as local investors continued with the selling momentum pushing the yields to a three week high. At the close of trading the liquid 10year maturity 01st June 2026 was quoted as 12.20/30 while the 15th May 2030 was sold up to 12.45%. On the short end of the yield curve the 15th November 2018 maturity was quoted as 11.45/55. Foreign investors remained net buyers for the week with a net foreign inflow of Rs 11.1bn.

In the overnight money market repo and call money were exchanged at an average of 8.01% & 8.15% respectively. The market liquidity recorded a surplus of Rs 7.49bn.

The Colombo All Share Price Index rose by 1.33% for the week to close at 6679.84 points. The average turnover was around Rs 952mn.



Economic News

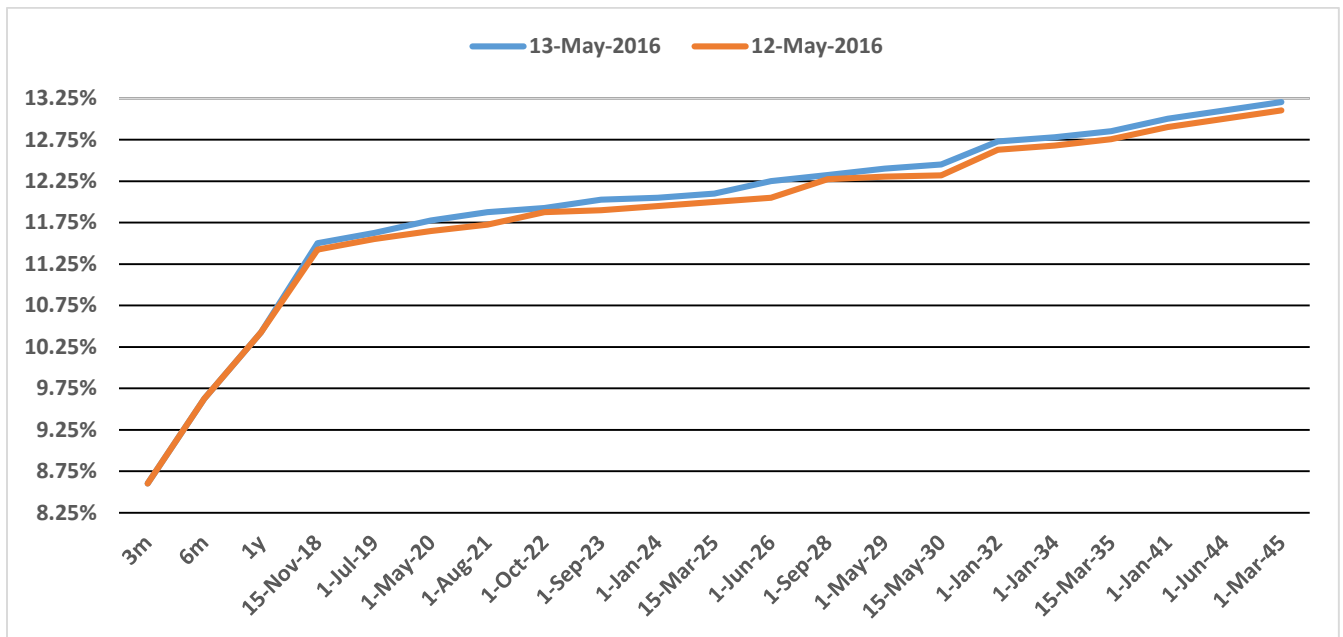
- The Sri Lankan government has received the cabinet nod to establish mini garment factories in under developed provinces as a measure to empower the women in rural areas.
- China's fiscal expenditures rose 4.5 percent in April from a year earlier, slowing sharply from a 20.1 percent jump in March, data from the Finance Ministry showed on Friday.(Reuters)
- Gross domestic product (GDP) in the euro zone rose less than expected in the first quarter, adding to global growth worries, according to official data released on Friday. In a report, Eurostat said that GDP rose to a seasonally adjusted 0.5%, from 0.3% in the preceding quarter.

Market Calendar

- Treasury Bill Auction (CBSL) : **18th May 2016** (91Days -10bn, 182Days- 10bn, 364Days- 10bn)

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Sri Lanka Yield Curve

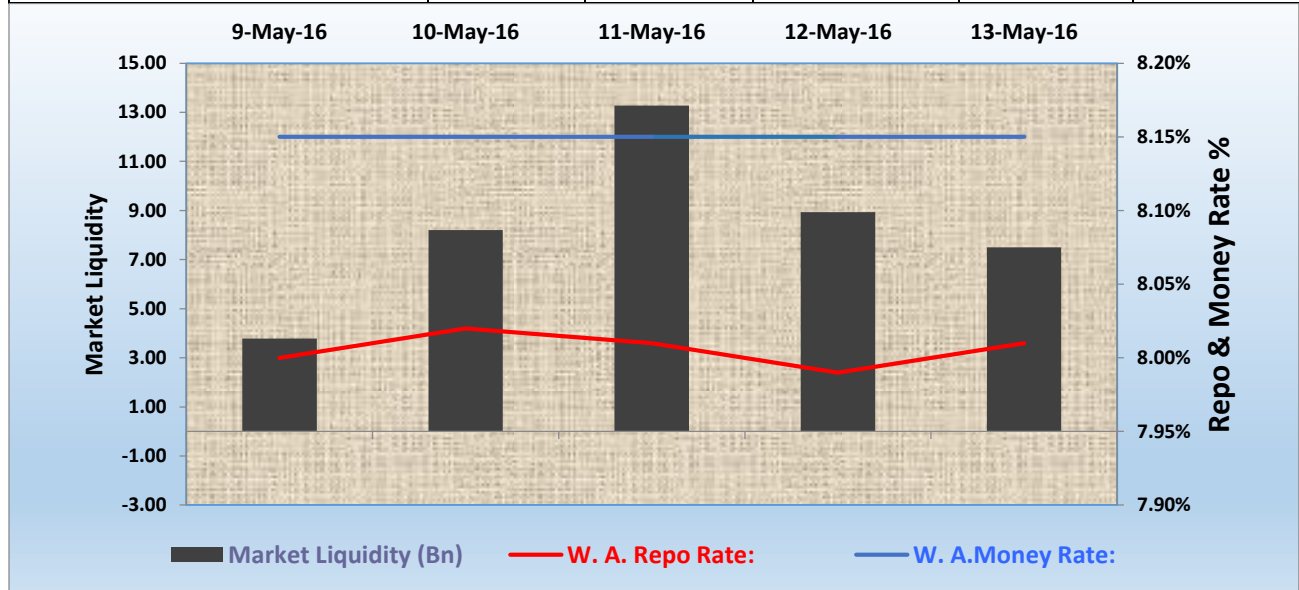


<u>Maturity</u>	<u>Offer %</u>	<u>Bid %</u>	<u>GAP</u>	<u>13-May-2016</u>	<u>12-May-2016</u>
3m	8.55%	8.65%		8.60%	8.60%
6m	9.55%	9.70%	1.03%	9.63%	9.63%
1y	10.35%	10.50%	0.80%	10.43%	10.43%
15-Nov-18	11.45%	11.55%	1.08%	11.50%	11.43%
1-Jul-19	11.55%	11.70%	0.13%	11.63%	11.55%
1-May-20	11.75%	11.80%	0.15%	11.78%	11.65%
1-Aug-21	11.80%	11.95%	0.10%	11.88%	11.73%
1-Oct-22	11.85%	12.00%	0.05%	11.93%	11.88%
1-Sep-23	12.00%	12.05%	0.10%	12.03%	11.90%
1-Jan-24	12.00%	12.10%	0.03%	12.05%	11.95%
15-Mar-25	12.05%	12.15%	0.05%	12.10%	12.00%
1-Jun-26	12.20%	12.30%	0.15%	12.25%	12.05%
1-Sep-28	12.25%	12.40%	0.08%	12.33%	12.28%
1-May-29	12.35%	12.45%	0.08%	12.40%	12.31%
15-May-30	12.40%	12.50%	0.05%	12.45%	12.32%
1-Jan-32	12.68%	12.78%	0.28%	12.73%	12.63%
1-Jan-34	12.73%	12.83%	0.05%	12.78%	12.68%
15-Mar-35	12.78%	12.93%	0.08%	12.86%	12.76%
1-Jan-41	12.93%	13.08%	0.15%	13.01%	12.91%
1-Jun-44	13.03%	13.18%	0.10%	13.11%	13.01%
1-Mar-45	13.13%	13.28%	0.10%	13.21%	13.11%

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Market Liquidity	9-May-16	10-May-16	11-May-16	12-May-16	13-May-16
Standing Deposit Facility(Bn)	15.652	18.852	26.445	25.762	17.590
Standing Lending Facility(Bn)	(11.861)	(10.650)	(13.166)	(16.832)	(10.095)
Repo/Reverse Repo Auction (Bn)	-	-	-	-	-
Market Liquidity (Bn)	3.791	8.202	13.279	8.930	7.495
CBSL Holdings: (Bn)	230.080	228.924	231.495	235.211	226.058

Overnight Money Market	9-May-16	10-May-16	11-May-16	12-May-16	13-May-16
Repo					
W. A. Repo Rate:	8.00%	8.02%	8.01%	7.99%	8.01%
Gross Amount:(LKR Bn)	34.69	36.32	43.32	38.35	31.70
Call Money					
W. A. Money Rate:	8.15%	8.15%	8.15%	8.15%	8.15%
Gross Amount:(LKR Bn)	17.88	18.55	18.40	22.98	23.45



U.S. \$ Yield	9-May-16	10-May-16	11-May-16	12-May-16	13-May-16
U.S. 10 Year Yield	1.772%	1.760%	1.758%	1.750%	1.729%
Sri Lanka Int Sovereign Yield 2025	7.432%	7.350%	7.332%	7.340%	7.382%

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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 146.40/48

Forex Volumes (12-May-2016)

USD (Mn)

Average

Colombo Stock Exchange

Cash	3.50	145.6586		ASPI	S & P SL 20
TOM	-	-	Index	6,679.84	3,509.85
Spot	-	-	Weekly Return %	1.33%	1.11%
Forwards	43.50				
Total	47.00				

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