

**Report Date: 24<sup>th</sup> May 2016 (SL Time 06.00pm)**

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### **Market Report**

The bond market activities remained stagnant as local investors were on the sideline ahead of the bond auction which will be held on the 26<sup>th</sup> May 2016. At the close of trading the liquid 10year maturity 01<sup>st</sup> June 2026 was quoted as 12.85/95, while the 15<sup>th</sup> May 2030 was quoted as 12.90/13.00. On the short end of the yield curve the 2year maturity 15<sup>th</sup> November 2018 was sold up to 11.80%.

In the overnight money market repo and call money were exchanged at an average of 8.00% & 8.15% respectively. The overall market liquidity recorded a surplus figure of Rs 6.327bn.

The Colombo All Share Price Index declined by 0.95% to close at 6570.58 points as losses in the Telecoms, Information Technology and Healthcare sectors led shares lower. Foreign investors remained net buyers with a net inflow of Rs 44.85mn

### **Economic News**

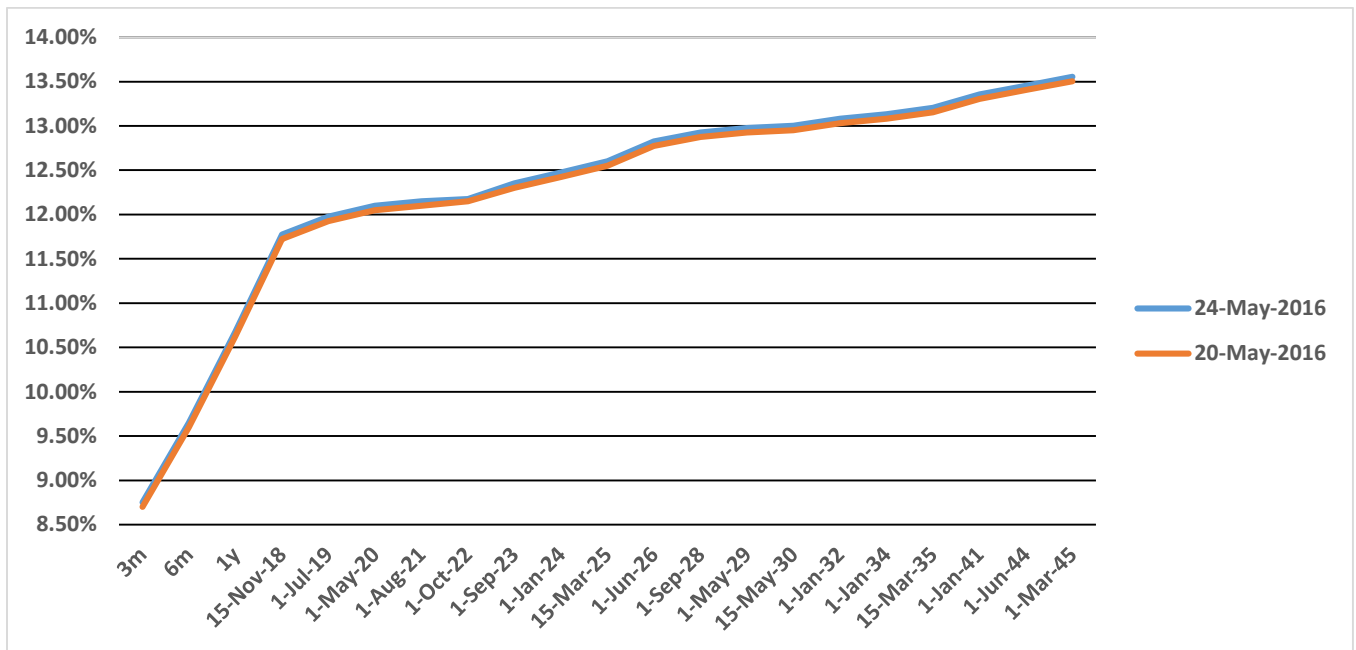
- South Korea's government said Tuesday that it plans to sign an initial deal with Sri Lanka on the development of the Sri Lankan capital of Colombo and adjacent areas. The move is part of Sri Lanka's projects worth US\$63.2 billion to develop nine new zones in Colombo and its adjacent areas by 2030.
- Sri Lanka's consumer prices as measured by National Consumer Price Index rose 4.3 percent in April from the 2.2 percent inflation reported a month earlier on year-on-year basis, data from the state statistics office showed.
- Fund managers and foreign investors raised their purchases of U.S. Treasury supply auctioned in early May to their highest levels so far this year in some cases, according to U.S. Treasury Department data released on Monday.

### **Market Calendar**

- Treasury Bill Auction (CBSL)- **25<sup>th</sup> May 2016** (3months – 11bn, 6months – 11bn, 12months – 8bn)
- Treasury Bond Auction (CBSL)- **26<sup>th</sup> May 2016** (Total Rs 45bn)  
(15<sup>th</sup> October 2018- 10bn, 15<sup>th</sup> October 2021- 15bn, 01<sup>st</sup> January 2024- 12bn, 01<sup>st</sup> June 2026- 8bn)

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## Sri Lanka Yield Curve

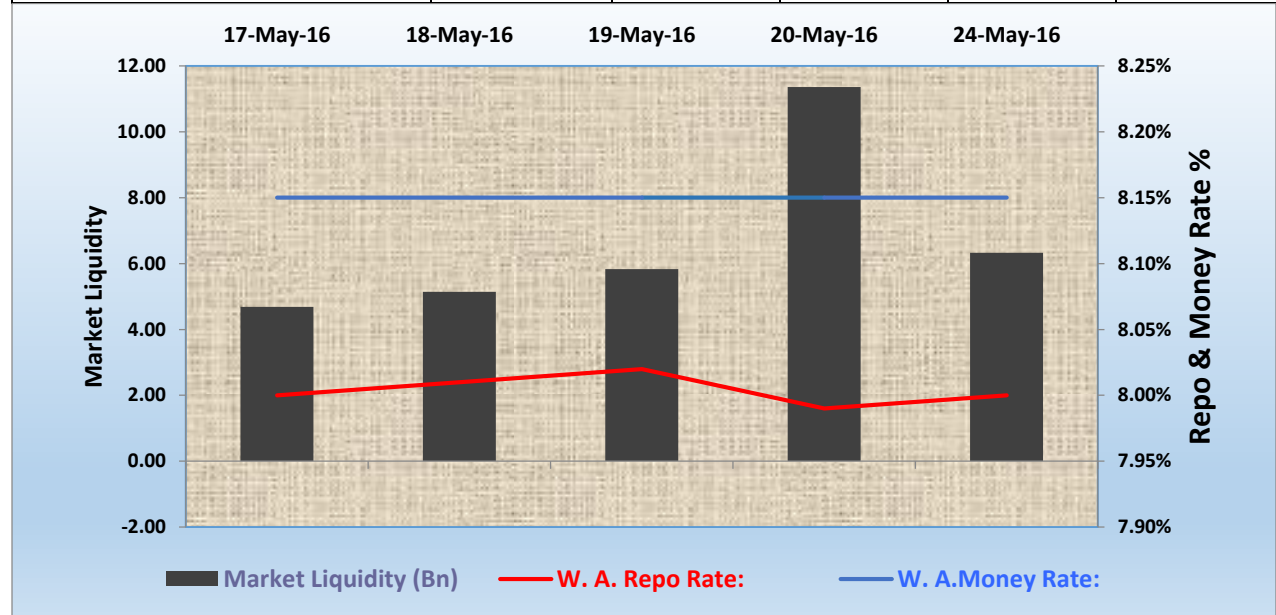


<u>Maturity</u>	Offer %	Bid %	GAP	24-May-2016	20-May-2016
3m	8.65%	8.85%		8.75%	8.70%
6m	9.55%	9.75%	0.90%	9.65%	9.60%
1y	10.55%	10.80%	1.03%	10.68%	10.63%
15-Nov-18	11.75%	11.80%	1.10%	11.78%	11.73%
1-Jul-19	11.90%	12.05%	0.20%	11.98%	11.93%
1-May-20	12.05%	12.15%	0.13%	12.10%	12.05%
1-Aug-21	12.10%	12.20%	0.05%	12.15%	12.10%
1-Oct-22	12.10%	12.25%	0.03%	12.18%	12.15%
1-Sep-23	12.30%	12.40%	0.18%	12.35%	12.30%
1-Jan-24	12.40%	12.55%	0.13%	12.48%	12.43%
15-Mar-25	12.55%	12.65%	0.13%	12.60%	12.55%
1-Jun-26	12.80%	12.85%	0.23%	12.83%	12.78%
1-Sep-28	12.90%	12.95%	0.10%	12.93%	12.88%
1-May-29	12.95%	13.00%	0.05%	12.98%	12.93%
15-May-30	12.95%	13.05%	0.03%	13.00%	12.95%
1-Jan-32	13.03%	13.13%	0.08%	13.08%	13.03%
1-Jan-34	13.08%	13.18%	0.05%	13.13%	13.08%
15-Mar-35	13.13%	13.28%	0.08%	13.21%	13.16%
1-Jan-41	13.28%	13.43%	0.15%	13.36%	13.31%
1-Jun-44	13.38%	13.53%	0.10%	13.46%	13.41%
1-Mar-45	13.48%	13.63%	0.10%	13.56%	13.51%

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<b>Market Liquidity</b>	<b>17-May-16</b>	<b>18-May-16</b>	<b>19-May-16</b>	<b>20-May-16</b>	<b>24-May-16</b>
Standing Deposit Facility(Bn)	9.826	9.813	9.230	14.520	15.768
Standing Lending Facility(Bn)	(5.143)	(4.676)	(3.397)	(3.165)	(9.441)
Repo/Reverse Repo Auction (Bn)	-	-	-	-	-
Market Liquidity (Bn)	4.683	5.137	5.833	11.355	6.327
<b>CBSL Holdings: (Bn)</b>	<b>221.322</b>	<b>220.911</b>	<b>219.693</b>	<b>219.515</b>	<b>226.043</b>

<b>Overnight Money Market</b>	<b>17-May-16</b>	<b>18-May-16</b>	<b>19-May-16</b>	<b>20-May-16</b>	<b>24-May-16</b>
<b>Repo</b>					
W. A. Repo Rate:	8.00%	8.01%	8.02%	7.99%	8.00%
Gross Amount:( LKR Bn)	39.45	34.38	33.50	54.37	46.21
<b>Call Money</b>					
W. A. Money Rate:	8.15%	8.15%	8.15%	8.15%	8.15%
Gross Amount:( LKR Bn)	19.36	22.68	18.97	21.05	19.28



<b>U.S. \$ Yield</b>	<b>17-May-16</b>	<b>18-May-16</b>	<b>19-May-16</b>	<b>20-May-16</b>	<b>24-May-16</b>
U.S. 10 Year Yield	1.757%	1.786%	1.873%	1.858%	1.842%
Sri Lanka Int Sovereign Yield 2025	7.382%	7.392%	7.597%	7.535%	7.532%

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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 146.95/00

Forex Volumes (20-May-2016) USD (Mn) Average Colombo Stock Exchange

Cash	-	-		ASPI	S & P SL 20
TOM	2.00	145.7000	Index	6,570.58	3,443.34
Spot	-	-	Daily return %	-0.95%	-0.33%
Forwards	15.82				
Total	17.82				

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