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

Market Report

The bond prices rose for the 2nd straight session on Tuesday pushing the yields to the lowest level since 27th March 2016. The market activities were dominated again by foreign participation mainly on the 2026, 2028 & 2030 maturities. At the close of trading the liquid 10year maturity 01st June 2026 was quoted as 11.85/90 while the 14 year bond 15th May 2030 was traded between 12.20% -12.25% levels.

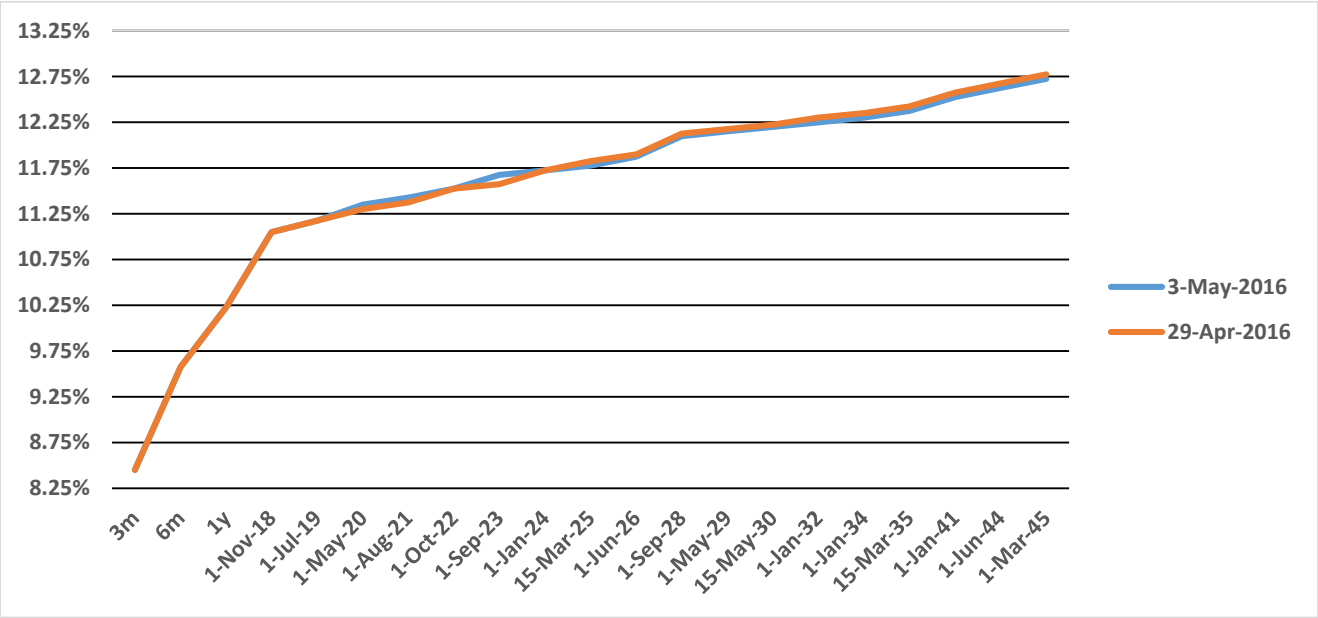
In the overnight money market the repo & call money were exchanged at an average of 7.99% & 8.15% respectively. The market liquidity recorded a deficit figure of Rs 9.71bn as CBSL infused Rs10bn worth of money through a Reverse Repo auction at the rate of 7.92%.

The Colombo Stock Exchange continued with its positive momentum starting the new trading month with ASPI gaining more than 1.03% to close at 6583.10 points while the S&P SL20 gained 57.91 points to close at 3493.46.

Local Market News

- Sri Lanka's tourist arrivals rose 11.58 percent in April 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 four months of this year 721,185 tourists visited the island, an increase of 20 percent compared to the same period in 2015. (www.sltda.lk)
- Sri Lanka is seeking to raise 100 billion rupees in revenue in 2016 by increasing the value added tax (VAT) and new taxes effective from Monday, Finance Minister Ravi Karunanayake said. (Reuters)
- Despite its high levels of debt, ADB is confident of Sri Lanka's growth prospects, which it believes will be enhanced with $1.5 billion assistance from the IMF, though it will remain slightly below the regional average of 5.7%. (http://www.ft.lk/article/539456/ADB-upbeat-on-SL)
- Sri Lanka's workers' remittance inflows recorded $ 1.81bn for the first three months an increase of 8.1% compared to the same period last year. (CBSL)

Sri Lanka Yield Curve



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Maturity	Offer %	Bid %	GAP	3-May-2016	29-Apr-2016
3m	8.40%	8.50%		8.45%	8.45%
6m	9.50%	9.65%	1.13%	9.58%	9.58%
1y	10.15%	10.30%	0.65%	10.23%	10.23%
1-Nov-18	11.00%	11.10%	0.82%	11.05%	11.05%
1-Jul-19	11.10%	11.25%	0.13%	11.18%	11.18%
1-May-20	11.30%	11.40%	0.18%	11.35%	11.30%
1-Aug-21	11.40%	11.45%	0.08%	11.43%	11.38%
1-Oct-22	11.45%	11.60%	0.10%	11.53%	11.53%
1-Sep-23	11.60%	11.75%	0.15%	11.68%	11.58%
1-Jan-24	11.65%	11.80%	0.05%	11.73%	11.73%
15-Mar-25	11.70%	11.85%	0.05%	11.78%	11.83%
1-Jun-26	11.85%	11.90%	0.10%	11.88%	11.90%
1-Sep-28	12.05%	12.15%	0.23%	12.10%	12.13%
1-May-29	12.10%	12.20%	0.05%	12.15%	12.18%
15-May-30	12.18%	12.22%	0.05%	12.20%	12.23%
1-Jan-32	12.20%	12.30%	0.05%	12.25%	12.30%
1-Jan-34	12.25%	12.35%	0.05%	12.30%	12.35%
15-Mar-35	12.30%	12.45%	0.08%	12.38%	12.43%
1-Jan-41	12.45%	12.60%	0.15%	12.53%	12.58%
1-Jun-44	12.55%	12.70%	0.10%	12.63%	12.68%
1-Mar-45	12.65%	12.80%	0.10%	12.73%	12.78%

Market Liquidity	26th April	27th April	28th April	29th April	3rd May
Standing Deposit Facility(Bn)	5.947	14.552	15.801	29.098	10.235
Standing Lending Facility(Bn)	(7.089)	(8.502)	(7.786)	(31.556)	(9.948)
Repo/Reverse Repo Auction (Bn)	-	-	-	-	(10.000)
Market Liquidity (Bn)	(1.142)	6.050	8.015	(2.458)	(9.713)
CBSL Holdings: (Bn)	229.771	231.241	230.574	239.314	227.936

Overnight Money Market	26th April	27th April	28th April	29th April	3rd May
Repo					
W. A. Repo Rate:	8.03%	8.02%	8.00%	8.04%	7.99%
Gross Amount :(LKR Bn)	33.08	32.61	31.50	17.71	29.76
Call Money					
W. A.Money Rate:	8.15%	8.15%	8.13%	8.14%	8.15%
Gross Amount :(LKR Bn)	20.09	15.36	23.17	10.12	16.15

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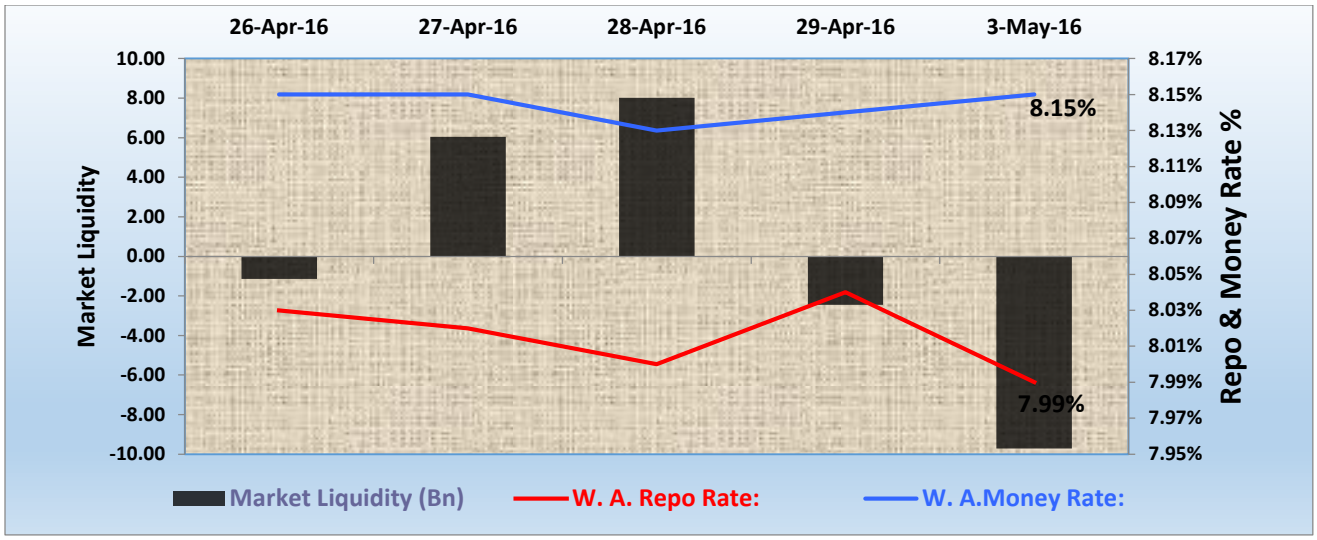

U.S. $ Yield	26-Apr-16	27-Apr-16	28-Apr-16	29-Apr-16	3-May-16
U.S. 10 Year Yield	1.915%	1.906%	1.831%	1.844%	1.809%
Sri Lanka Int Sovereign Yield 2025	7.066%	7.096%	7.089%	7.087%	7.313%
Spot Opening :	143.90/50	143.90/50	143.90/50	143.90/50	143.90/50
Spot Closing :	143.90/50	143.90/50	143.90/50	143.90/50	143.90/50

Spot Next 146.00/10

Forex Volumes (29-Aprl-2016)	USD (Mn)	Average	Colombo Stock Exchange		
Cash	16.00	143.7719		ASPI	S & P SL 20
TOM	7.00	143.8943	Index	6,583.10	3,493.46
Spot	9.35	143.9000	Day Return %	1.03%	1.69%
Forwards	40.40				
Total	72.75				

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

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Contact : ***112206123***

Email : info@perpetualtreasuries.com