

**Report Date: 22<sup>nd</sup> November 2016 (SL Time 06.00pm)**

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### **Market Report**

The secondary bond market yields on long tenors remained stable with benchmark 5 year being exchanged between 12.10% and 12.25% while the 8year maturity was traded between 12.70 and 12.80 levels. The total transaction volume for the day was around Rs 6.85bn.

In the overnight money market repo & call money were exchanged at an average of 8.63% & 8.44% respectively. The CBSL continued with its OMO activities by infusing 10bn overnight money at an average of 8.50%, while buying back Rs 2.2bn worth of short term bills at an average rate of 8.65% to 9.05%.

The Colombo All Share Price Index lost 0.31% for the day to close at 6255.98 points as losses in the Footwear & Textile, Healthcare and Trading sectors led shares lower. The total turnover for the day was around Rs 649mn.

### **Economic News**

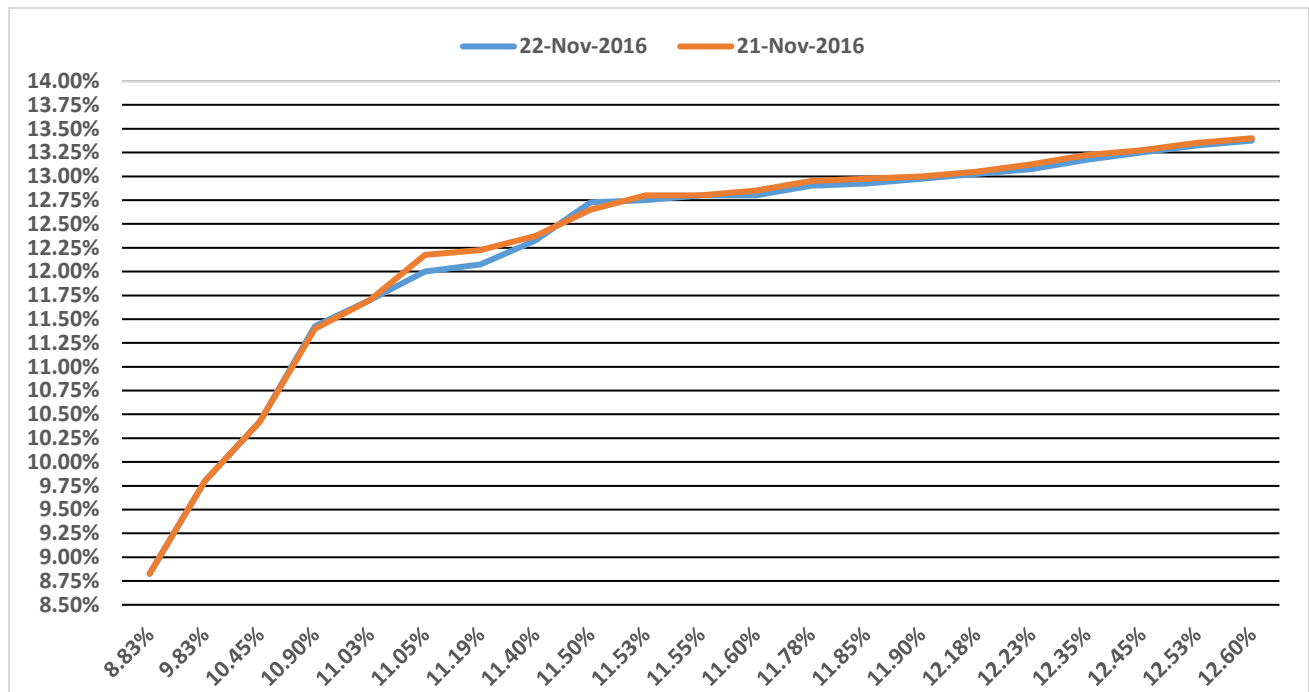
- Sri Lanka's consumer prices as measured by National Consumer Price Index rose to 5.0 percent in October from the 4.7 percent reported a month ago, data from the state statistics office showed.
- The Asian Development Bank (ADB) in the past ten years has made a substantial contribution to expanding infrastructure services in the country but not on financial reforms and in the future the lender will focus on business development and increasing revenue to the government. The Manila-based lender has released an independent evaluation report that assesses its \$5.5 billion program for Sri Lanka in the 10 years to the end of 2015.
- The dollar took a breather on Tuesday as investors consolidated the gains built on expectations of increased fiscal spending and higher inflation under a Trump administration. An earthquake of magnitude 7.4 and the subsequent tsunami warning in northern Japan prompted knee-jerk selling of the dollar for safe-haven yen in early trade.
- Oil prices rose to their highest level since October on Tuesday as the market priced in a potential output cut led by producer cartel OPEC, although analysts warned that a failure to agree a cut could lead to a ballooning supply overhang by early 2017.

### **Market Calendar**

- T-Bill auction (CBSL)- **23<sup>rd</sup> Nov 2016** (Total offered Rs 31.5bn)  
(91days- 9.5bn, 182days- 13bn, 364days- 10bn)
- Germany 3<sup>rd</sup> Quarter GDP data – **24<sup>th</sup> Nov 2016**

**Next Page =>**

## Sri Lanka Yield Curve

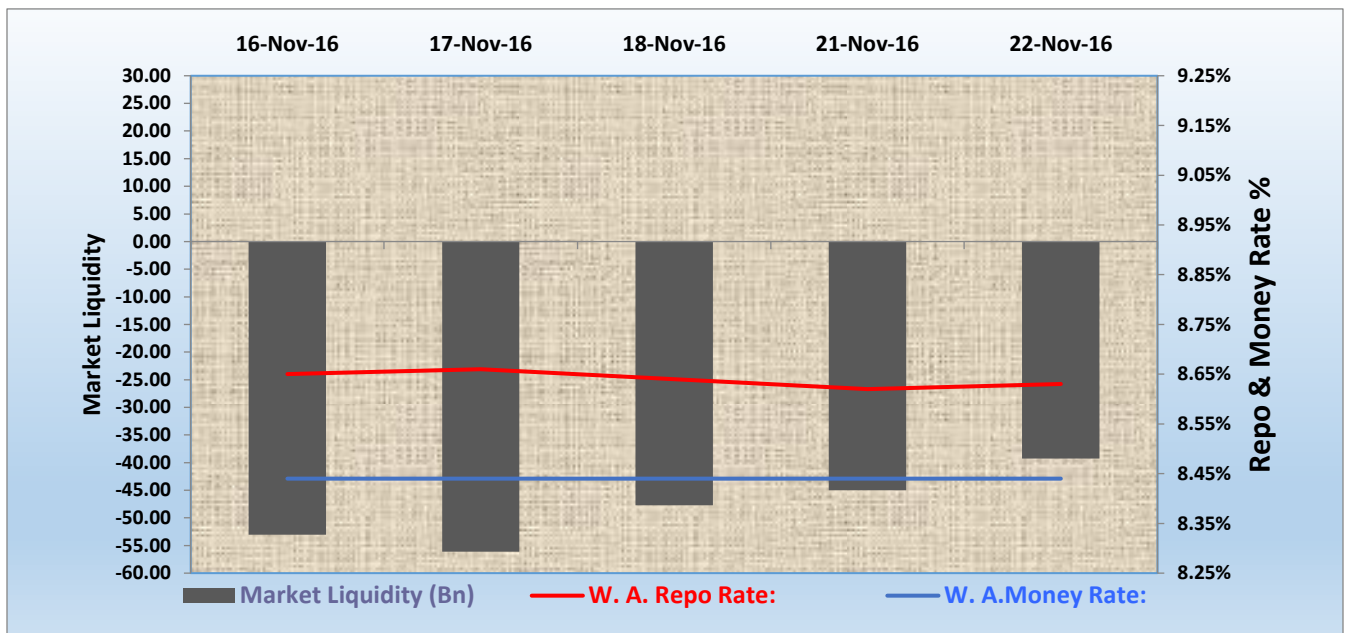


Maturity	Offer %	Bid %	GAP	22-Nov-2016	21-Nov-2016
3m	8.65%	9.00%		8.83%	8.83%
6m	9.70%	9.90%	0.98%	9.80%	9.80%
1y	10.35%	10.50%	0.62%	10.43%	10.43%
15-Oct-18	11.35%	11.50%	1.00%	11.43%	11.40%
15-Sep-19	11.60%	11.80%	0.27%	11.70%	11.70%
1-May-20	11.95%	12.05%	0.30%	12.00%	12.18%
1-Mar-21	12.00%	12.15%	0.08%	12.08%	12.23%
1-Oct-22	12.20%	12.45%	0.25%	12.33%	12.38%
1-Sep-23	12.65%	12.80%	0.40%	12.73%	12.65%
1-Aug-24	12.70%	12.80%	0.03%	12.75%	12.80%
15-Mar-25	12.70%	12.90%	0.05%	12.80%	12.80%
1-Aug-26	12.75%	12.85%	0.00%	12.80%	12.85%
1-Sep-28	12.85%	12.95%	0.10%	12.90%	12.95%
1-May-29	12.85%	13.00%	0.03%	12.93%	12.98%
15-May-30	12.90%	13.05%	0.05%	12.98%	13.00%
1-Jan-32	12.95%	13.10%	0.05%	13.03%	13.05%
1-Jan-34	13.00%	13.15%	0.05%	13.08%	13.13%
15-Mar-35	13.05%	13.30%	0.10%	13.18%	13.23%
1-Jan-41	13.10%	13.40%	0.08%	13.25%	13.28%
1-Jun-44	13.15%	13.50%	0.08%	13.33%	13.35%
1-Mar-45	13.25%	13.50%	0.05%	13.38%	13.40%

Next Page =>

<b>Market Liquidity</b>	<b>16-Nov-16</b>	<b>17-Nov-16</b>	<b>18-Nov-16</b>	<b>21-Nov-16</b>	<b>22-Nov-16</b>
Standing Deposit Facility(Bn)	5.587	5.714	5.486	3.148	3.629
Standing Lending Facility(Bn)	(26.596)	(11.964)	(16.752)	(28.169)	(32.879)
Repo/Reverse Repo Auction (Bn)	(32.022)	(49.866)	(36.448)	(20.000)	(10.000)
Market Liquidity (Bn)	(53.031)	(56.116)	(47.714)	(45.021)	(39.250)
<b>CBSL Holdings: (Bn)</b>	<b>239.983</b>	<b>243.239</b>	<b>240.483</b>	<b>235.595</b>	<b>234.310</b>

<b>Overnight Money Market</b>	<b>16-Nov-16</b>	<b>17-Nov-16</b>	<b>18-Nov-16</b>	<b>21-Nov-16</b>	<b>22-Nov-16</b>
<b>Repo</b>					
W. A. Repo Rate:	8.65%	8.66%	8.64%	8.62%	8.63%
Gross Amount:( LKR Bn)	31.18	29.01	29.83	32.20	37.02
<b>Call Money</b>					
W. A. Money Rate:	8.44%	8.44%	8.44%	8.44%	8.44%
Gross Amount:( LKR Bn)	8.43	9.61	7.63	10.28	10.68



<b>U.S. \$ Yield</b>	<b>16-Nov-16</b>	<b>17-Nov-16</b>	<b>18-Nov-16</b>	<b>21-Nov-16</b>	<b>22-Nov-16</b>
U.S. 10 Year Yield	2.272%	2.216%	2.315%	2.316%	2.298%
Sri Lanka Int Sovereign Yield 2026	6.887%	6.656%	6.729%	6.780%	6.728%

Spot Next closing :	148.60/75	148.60/70	148.75/85	148.55/65	148.55/65
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Next Page =>

Forex Volumes (21-Nov-2016)	USD (Mn)	Average	Colombo Stock Exchange (22-Nov-2016)		
Cash	3.00	147.9000		ASPI	S & P SL 20
TOM	3.00	147.9200	Index	6,255.98	3,473.65
Spot	1.00	147.9500	Day Return %	-0.31%	-0.36%
Forwards	37.13				
<b>Total</b>	<b>44.13</b>				

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