

Weekly Treasury Market Report

01st May, 2018

23rd Apr – 27th Apr 2018

LOCAL MARKET

The Rupee continue to weaken against the US dollar to close at 157.90, an all-time high with no sign of reversal in sight. The market volatility is high with exporter and foreign currency inflows seen limited, while importers continued to cover their positions due to uncertainty. Central bank governor in a statement said that the Lkr is “a little undervalued” and may intervene in the market to stabilize the currency if necessary. Sri Lanka holds Usd10.bln in reserves as per CBSL statement. The dealers will watch for any CBSL move in the market and see a range of 157.00-158.20 this week.

Usd/Lkr premiums inched up on demand for the US currency in forward market to close at 0.75, 2.25, 4.55, and 8.90 for 1, 3, 6 and 12 months respectively.

Overnight call rates closed at 7.80%-7.85% levels.

INTERNATIONAL MARKET



U.S. dollar on Monday traded higher against other major rivals in late trading as inflation neared the U.S. Federal Reserve's target, potentially signaling a faster increase in U.S. interest rates. The U.S. personal consumption expenditures (PCE) price index, excluding food and energy, a key inflation gauge preferred by the Federal Reserve, rose 1.9 percent in the 12 months through March, according to data released by the U.S. Department of Commerce on Monday. The figure nearly matched the Fed's 2 percent target. Meanwhile, the U.S. personal income and spending rose 0.3 percent and 0.4 percent respectively in March, the same filing said. The uptick in inflation came a day before the Federal Reserve two-day policy meeting that begins on Tuesday. Analysts expected the Fed to keep rates on hold when they conclude their meeting on Wednesday, but the rate setters could signal they are ready to hike in June.

The dollar index, which measures the greenback against six major peers, increased 0.31 percent at 91.828 in late trading. In late New York trading, the euro was down to 1.2081 dollars from 1.2123 dollars in the previous session, and the British pound decreased to 1.3749 dollars from 1.3784 U.S. dollars in the previous session. The Australian dollar decreased to 0.7529 dollar from 0.7581 dollar. The U.S. dollar bought 109.29 Japanese yen, higher than 109.03 Japanese yen of the previous session. (Source- Reuters)

For any queries, please contact NDB Treasury on 2446994

Corporate Sales

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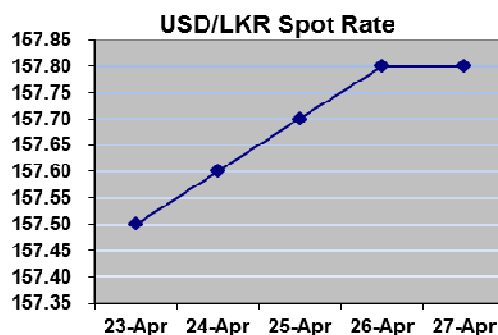
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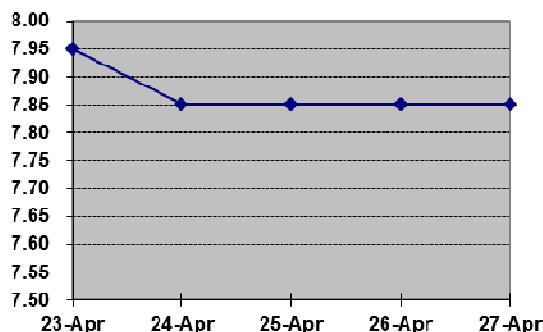
Primary Market Treasury Bills

Week Ending 27th Apr, 2018

	W/avg.	Previous	Change
3 m	8.10%	8.15%	-0.05%
6 m	-	-	-
12m	9.59%	9.65%	-0.06%



Interbank Lkr O/N rates %



As at 30th Apr, 2018

USD LIBOR

1 mth	1.91%
3 mths	2.36%
6 mths	2.51%
12mths	2.77%

LKR AWPL Rates

Weekly	11.21%
Monthly	11.27%
Semi Annual	11.27%

Foreign Exchange Rates

	Monday Closing New York
EUR/USD	1.2078
USD/JPY	109.34
AUD/USD	0.7530
GBP/USD	1.3763

