

# Weekly Treasury Market Report

14<sup>th</sup> May, 2018

**07<sup>th</sup> May – 11<sup>th</sup> May 2018**

## LOCAL MARKET

The Usd/Lkr rate was range bound at an all-time high of 158.10 as Central Bank intermittently sold Usd in the market to curb excess depreciation of the rupee and volatility. The Usd was trading in a range of 157.80-158.10 throughout the week as importer demand remained unabated while exporter and investor sales were limited. Central bank governor in a statement said that the Lkr will be on a gradual depreciation this year and expect it to be orderly without excessive volatility. So far the rupee has depreciated 2.9% against the Usd this year, vis~vis 2.5% in 2017.

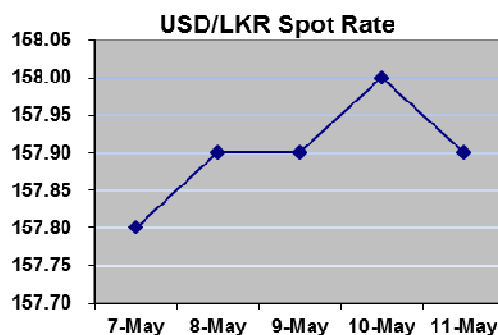
Central Bank so far sold Usd 136 mln last week and purchased Usd 30 mln. Usd/Lkr premiums remained unchanged at 0.75, 2.25, 4.55, and 8.90 for 1, 3, 6 and 12 months respectively.

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

## Primary Market Treasury Bills

Week Ending 11<sup>th</sup> May, 2018

	W/avg.	Previous	Change
3 m	8.11%	8.10%	+0.01%
6 m	-	-	-
12m	9.65%	9.61%	+0.04%



## INTERNATIONAL MARKET



The U.S. dollar eased on Friday while an index of global stock performance gained and was poised for its best week since early March, as moderate inflation eased worries about a faster pace of U.S. interest rate hikes and boosted risk appetite.

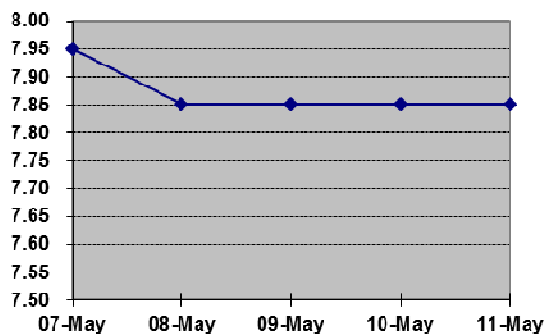
The dollar fell for a third day against a basket of major currencies as traders booked recent gains, which were tied to widening interest rate gaps in favor of the United States and signs of slower growth elsewhere in the world. Gold posted its first weekly gain in four weeks after soft U.S. inflation data on Thursday suggested the Federal Reserve would show caution as it tightens monetary policy by raising rates.

Oil prices slipped but remained near 3-1/2 year highs as the prospect of new U.S. sanctions against Iran might reduce Middle East supply at a time when global crude production is just keeping pace with rising demand.

The dollar index fell 0.11 percent, with the euro up 0.23 percent to \$1.194. The Japanese yen firmed 0.06 percent versus the greenback at 109.32 per dollar. Central bankers around the world have turned more cautious as inflation and world trade concerns cloud the global economy.

On Thursday, the Bank of England held rates steady and New Zealand's Reserve Bank said the official cash rate will remain at 1.75 percent for "some time." (Source- Reuters)

## Interbank Lkr O/N rates %



As at 11<sup>th</sup> May, 2018

### USD LIBOR

1 mth	1.92%
3 mths	2.34%
6 mths	2.51%
12mths	2.76%

### LKR AWPL Rates

Weekly	11.27%
Monthly	11.27%
Semi Annual	11.27%

### Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1943
USD/JPY	109.39
AUD/USD	0.7543
GBP/USD	1.3542

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