

Weekly Treasury Market Report

28th May, 2018

21st May – 25th May 2018

LOCAL MARKET

The Usd/Lkr rate was stable last week and traded in a narrow range of 157.90-158.20 to close trading at 158.10, marginally higher than the previous week.

The market volume was moderate compared to previous week as importer demand was lower, while exporters were seen staying in the sidelines.

Expect the currency to remain under pressure and see a range of 157.80-158.20 this week.

Usd/Lkr premiums closed unchanged across on all tenors to close at 0.85, 2.45, 4.70, and 9.30 for 1, 3, 6 and 12 months respectively.

The rupee hit an all-time high of 158.50, two weeks ago and has declined 2.9% for 2018. Central Bank in a statement, the pressure on the currency is unwarranted and as gross external reserve are at Usd 9.1 bln and the real effective exchange rate is competitive.

Overnight call rates closed unchanged at 7.90%-7.95% levels.

INTERNATIONAL MARKET



The U.S. dollar climbed on Friday as investors were sifting through the latest economic data from the country.

The dollar index, which measures the greenback against six major peers, increased 0.40 percent to 94.152 in late trading.

The U.S. Commerce Department said on Friday that orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, added 1.0 percent in April, beating market expectations.

Meanwhile, the greenback gained against commodity-linked currencies, as oil prices decreased after Saudi Arabia and Russia said they were ready to ease supply curbs that have been supporting crude prices, according to Reuters.

The Canadian dollar, a major commodity-linked currency, dropped over 0.74 percent against the U.S. dollar in late trading to its lowest level in more than two weeks.

In late New York trading, the euro was down to 1.1666 dollars from 1.1727 dollars in the previous session, and the British pound was down to 1.3319 dollars from 1.3385 U.S. dollars in the previous session. The Australian dollar fell to 0.7546 dollar from 0.7577 dollar.

The U.S. dollar bought 109.38 Japanese yen, higher than 109.30 Japanese yen of the previous session. The U.S. dollar was up to 0.9919 Swiss franc from 0.9915 Swiss franc, and it rose to 1.2977 Canadian dollars from 1.2889 Canadian dollars. (Source- Reuters)

For any queries, please contact NDB Treasury on 2446994

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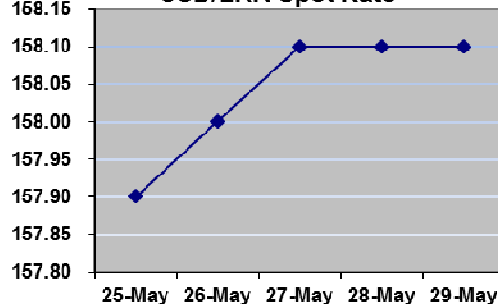
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Primary Market Treasury Bills

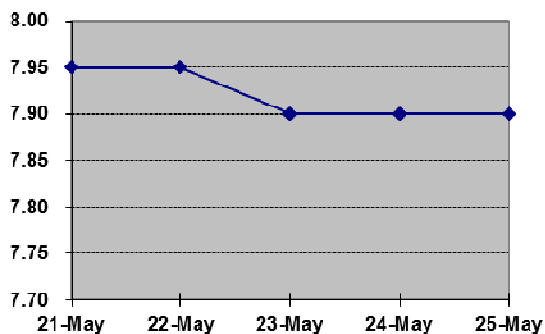
Week Ending 18th May, 2018

	W/avg.	Previous	Change
3 m	8.37%	8.33%	+0.04%
6 m	8.94%	8.90%	+0.04%
12m	9.73%	9.70%	+0.03%

USD/LKR Spot Rate



Interbank Lkr O/N rates %



As at 25th May, 2018

USD LIBOR

1 mth	1.98%
3 mths	2.32%
6 mths	2.48%
12mths	2.73%

LKR AWPL Rates

Weekly	11.19%
Monthly	11.27%
Semi Annual	11.27%

Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1651
USD/JPY	109.41
AUD/USD	0.7548
GBP/USD	1.3309

