

Weekly Treasury Market Report

11th June, 2018

04th Jun – 08th Jun 2018

LOCAL MARKET

The rupee continued to weaken against the US currency to touch 159.00 on Friday. The local currency dipped more than 1 rupee during a fortnight, thus marks an all-time low for the local currency which has been depreciated by 3.6% from the beginning of 2018. Importer and investor demand continued to excrete pressure on the rupee while exporter selling was moderate. Sri Lanka gross forex reserves fell to USD 8.769 bln in May, down from Usd 9.935 mln from April. Expect the Rupee to remain under pressure and see a range of 158.80-159.20 this week.

Usd/Lkr premiums virtually unchanged across on all tenors to close at 0.80, 2.40, 4.70, and 9.30 for 1, 3, 6 and 12 months respectively.

Overnight call rates traded higher on the back of drying liquidity in the money markets as market shortfall was around Lkr 11.0 bln – 17 bln during last week.

Overnight call rates closed 8.10%-8.15%, up from 7.95% levels.

INTERNATIONAL MARKET



The U.S. dollar climbed on Friday after a four-day losing streak as investors became cautious amid what is expected to be a contentious G7 summit.

Investors concerned over the tensions between the United States and its key trading partners. The G7 summit is set to be held in Canada from Friday to Saturday, during which trade is expected to top the agenda.

Safe-haven currency Japanese yen increased 0.2 percent against the U.S. dollar in late trading on Friday. The dollar index, which measures the greenback against six major peers, increased 0.14 percent at 93.567 in late trading.

The greenback had been under pressure in the previous four sessions, as the euro rallied following news that the European Central bank may unwind its bond-purchasing program in the upcoming June 14 meeting.

The shared currency jumped over 1 percent for the week and was set to post its biggest weekly gain since mid-February.

In late New York trading, the euro decreased to 1.1768 dollars from 1.1808 dollars in the previous session, and the British pound was down to 1.3416 dollars from 1.3426 U.S. dollars in the previous session. The Australian dollar fell to 0.7600 dollar from 0.7620 dollar.

(Source- Reuters)

For any queries, please contact NDB Treasury on 2446994

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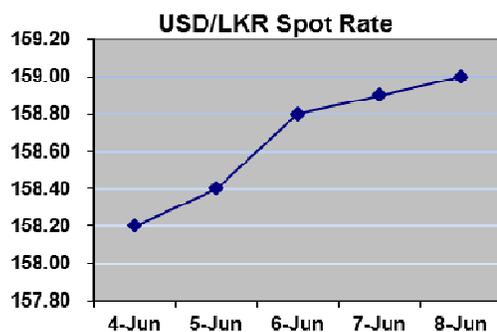
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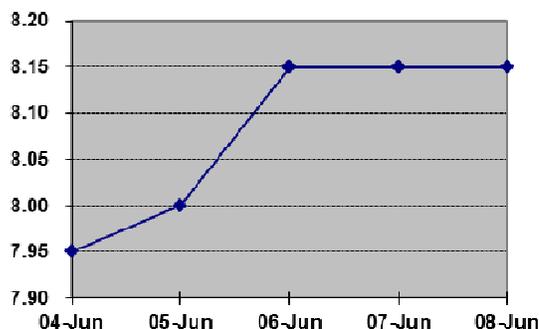
Primary Market Treasury Bills

Week Ending 08th Jun, 2018

	W/avg.	Previous	Change
3 m	8.34%	8.34%	-
6 m	8.87%	8.93%	- 0.06%
12m	9.49%	9.62%	- 0.13%



Interbank Lkr O/N rates %



As at 08th June, 2018

USD LIBOR

1 mth	2.05%
3 mths	2.32%
6 mths	2.48%
12mths	2.74%

LKR AWPL Rates

Weekly	11.22%
Monthly	11.34%
Semi Annual	11.27%

Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1775
USD/JPY	109.32
AUD/USD	0.7592
GBP/USD	1.3415

