

# Weekly Treasury Market Report

02<sup>nd</sup> July, 2018

**25<sup>th</sup> Jun – 29<sup>th</sup> June 2018**

## LOCAL MARKET

The Sri Lankan rupee continued to strengthen against the Usd during the last week trading as thin dollar demand from importers and banks matched the selling of the U.S. currency by exporters and inward remittances. The Usd/Lkr traded in a range of 157.90-158.60 throughout the week and closed at 158.40, up from 159.00 previous week. The spot rupee hit an all-time low of 160.20 per dollar on June 20 and is down 3.1 percent so far this year. Usd/Lkr premiums unchanged across on all tenors to close at 0.80, 2.40, 4.70, and 9.40 for 1, 3, 6 and 12 months respectively. Expect the dollar to trade in a range of 158.20-158.70 this week.

Sri Lanka's April trade deficit widened by 23.4% to Usd 999 mln, up from Usd 809.0 mln a year earlier. Export earnings remained flat at Usd 795 mln in April, while imports accelerated to Usd 1.794 bln on increased fuel and vehical imports.

Overnight call rates traded marginally higher at 8.40%-8.50%

## INTERNATIONAL MARKET



The U.S. dollar index decreased against most other major currencies in late trading on Friday, as the euro was boosted by the news that European leaders eventually reached a deal on migration. Following a white-night, marathon talk at a summit, European leaders eventually reached a compromise on migration in the early hours of Friday.

The euro traded sharply higher against the U.S. dollar as traders believed the migration deal will remove some political risk that had been hanging over the euro.

On the economic front, U.S. personal income increased 60 billion U.S. dollars, or 0.4 percent in May, in line with market consensus, according to estimates released by the Commerce Department on Friday.

Meanwhile, disposable personal income increased 63.2 billion dollars, or 0.4 percent, in May, while personal consumption expenditures increased 27.8 billion dollars, or 0.2 percent. The dollar index, which measures the greenback against six major peers, decreased 0.68 percent at 94.662 in late trading. In late New York trading, the euro was up to 1.1666 dollars from 1.1555 dollars in the previous session, and the British pound increased to 1.3190 dollars from 1.3071. The Australian dollar rose to 0.7396 dollar from 0.7347 dollar. The U.S. dollar bought 110.89 Japanese yen, higher than 110.62 Japanese yen of the previous session (*Reuters - Xinhua News Agency*)

For any queries, please contact NDB Treasury on 2446994

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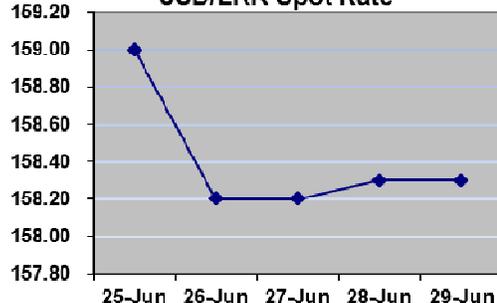
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## Primary Market Treasury Bills

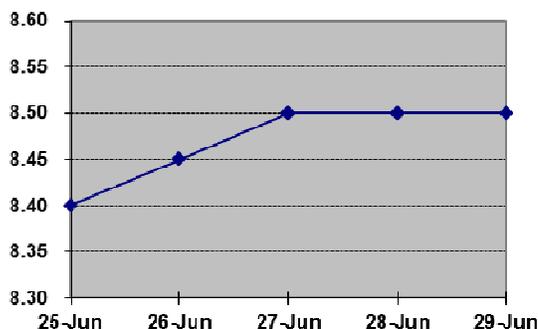
Week Ending 29<sup>th</sup> Jun, 2018

	W/avg.	Previous	Change
3 m	-	8.32%	-
6 m	-	8.85%	-
12m	9.39%	9.37%	+0.02%

**USD/LKR Spot Rate**



**Interbank Lkr O/N rates %**



As at 29<sup>th</sup> June, 2018

### USD LIBOR

1 mth	2.09%
3 mths	2.34%
6 mths	2.50%
12mths	2.76%

### LKR AWPL Rates

Weekly	11.33%
Monthly	11.20%
Semi Annual	11.24%

### Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1684
USD/JPY	110.76
AUD/USD	0.7405
GBP/USD	1.3207

