

Weekly Treasury Market Report

03rd December, 2018

26th Nov – 30th Nov 2018

LOCAL MARKET

The Sri Lankan rupee closed firmer by end of last week on interbank selling and inflow of foreign remittances ahead of the holiday season. The rupee closed at 179.20 up from 180.50 against the dollar at the beginning of the week as market took a cautiously positive view on a possible resolution of the political impasse, which triggered a 3.2% depreciation in November increasing volatility in the market. Central Bank was also seen intervening intermittently throughout the week. However, the demand for the US currency is still intact mainly from the foreign investors while demand from the importers is gradually subsiding with the year end. The forward premiums closed up by 0.15-0.20 cents across the board at 1.10, 3.00, 6.10, 1.20 for 3, 6, and 12 months respectively.

Overnight call money rates continue to trade in a range of 8.80%-9.0% with market liquidity of approx. Lkr 134.0 bln in the negative while T Bond yields dipped by 20-25 basis points last week.

INTERNATIONAL MARKET



The U.S. dollar rose against other major currencies in late trading on Friday, as the sterling and euro bore downward pressure due to lingering uncertainty over a potential UK-EU Brexit deal. Investors grew more cautious after British Prime Minister Theresa May said on Thursday that she would continue to win over a deeply divided UK parliament in a general vote on Dec. 11 for her Brexit plan agreed by Brussels on Sunday.

The plan aims to secure trade ties between Britain and the bloc after their divorce scheduled for March next year. Yet May did not devise an alternative backup solution if the planned deal fails to get through the vote, which analysts warned would cause a slump in the sterling. In late New York trading, the euro was down to 1.1308 dollars from 1.1388 dollars in the previous session, and the British pound was down to 1.2742 dollars from 1.2782 U.S. dollars in the previous session. The Australian dollar decreased to 0.7302 dollar from 0.7319 dollar.

The U.S. dollar bought 113.60 Japanese yen, higher than 113.43 Japanese yen of the previous session. The U.S. dollar was up to 0.9996 Swiss franc from 0.9963 Swiss franc, and it increased to 1.3288 Canadian dollars from 1.3274 Canadian dollars. (Source Reuters)

For any queries, please contact NDB Treasury on 2446994

Corporate Sales

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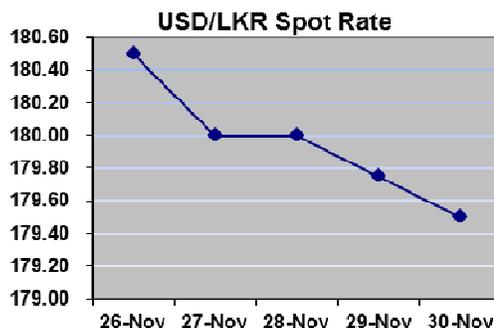
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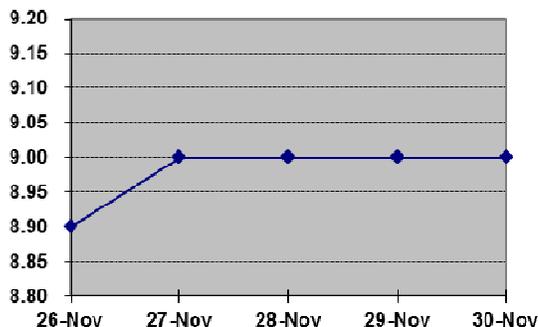
Primary Market Treasury Bills

Week Ending 30th Nov 2018

	W/avg.	Previous	Change
3 m	-	10.01%	-
6 m	-	-	-
12m	11.20 %	11.20%	0.00%



Interbank Lkr O/N rates %



As at 30th Nov, 2018

USD LIBOR

1 mth	2.34%
3 mths	2.736%
6 m	2.89%
12mths	3.12%

LKR AWPL Rates

Weekly	12.03%
Monthly	12.12%
Semiannual	11.74%

Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1317
USD/JPY	113.57
AUD/USD	0.7306
GBP/USD	1.2749

