

# Weekly Treasury Market Report

17<sup>th</sup> December, 2018

10<sup>th</sup> Dec – 14<sup>th</sup> Nov 2018

## LOCAL MARKET

The Sri Lankan rupee closed weaker by end of the week at 180.00 against the dollar after opening at 178.80 on Monday. Continued heavy demand from foreign investors pushed the local currency lower as demand outpaced the supply. This year, there have been 20 billion rupees of outflows from stocks and 148.2 billion rupees from government securities, the latest data from the bourse and central bank showed.

The rupee hit a record low of 180.85 to the dollar on Nov. 28. It has weakened about 3.8 percent since the political crisis began. The currency fell 1.8 percent in November. It has lost 17.1 percent in 2018

The forward premiums closed lower by 0.20-0.30 cents across the board at 1.05, 3.00, 6.00, 12.00 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 169.0 bln in the negative.

## INTERNATIONAL MARKET



The U.S. dollar rallied to a 19-month high in late trading on Friday, as the greenback's safe-haven demand surged due to a bearish sterling. The British pound took a dive on Friday, as British Prime Minister Teresa May failed to win over Brussels to make adjustment to her planned Brexit deal previously agreed by the EU but strongly objected by domestic opponents.

The move dimmed hopes of May's bids to salvage her planned deal and later get it passed in a divided British parliament, as the embattled leader had just survived a no-confidence vote only one day after she postponed a parliamentary vote on the draft deal.

With the deadline of UK's exit from the EU set only about three months away on March 29 next year, analysts cautioned that a no-deal Brexit would possibly thrust the British economy into greater volatility.

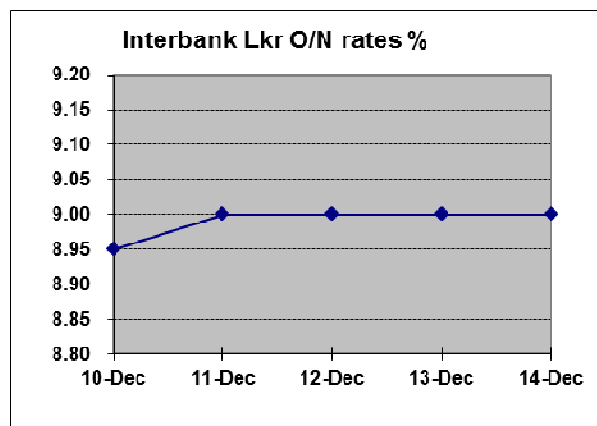
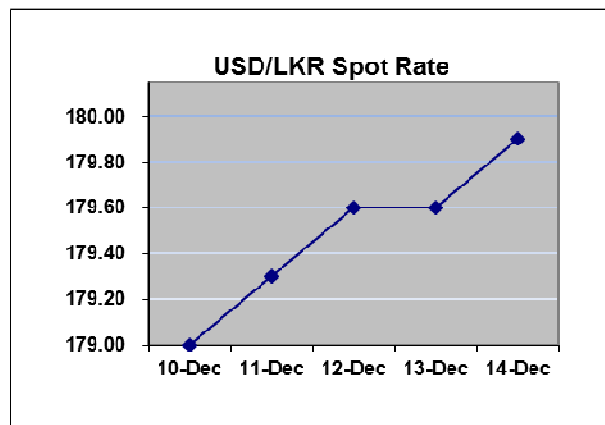
The U.S. dollar bought 113.29 Japanese yen, lower than 113.60 Japanese yen of the previous session. The U.S. dollar increased to 0.9977 Swiss franc from 0.9933 Swiss franc, and it was up to 1.3374 Canadian dollars from 1.3355 Canadian dollars. Euro and Aud also closed lower at 1.1306 and 0.7172 against the dollar.

(Source : Reuters)

## Primary Market Treasury Bills

Week Ending 14<sup>th</sup> Nov 2018

	W/avg.	Previous	Change
3 m	-	-	-
6 m	10.03%	10.01%	+0.02%
12m	11.24 %	11.20%	+0.04%



As at 14<sup>th</sup> Dec, 2018

### USD LIBOR

1 mth	2.46%
3 mths	2.80%
6 m	2.90%
12mths	3.10%

### LKR AWPL Rates

Weekly	11.93%
Monthly	12.12%
Semiannual	11.74%

### Foreign Exchange Rates

	Friday Closing
	<b>New York</b>
EUR/USD	1.1306
USD/JPY	113.39
AUD/USD	0.7172
GBP/USD	1.2583

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