

Weekly Treasury Market Report

11th February, 2019

05th Feb – 08th Feb 2019

LOCAL MARKET

The rupee ended weaker against the dollar by end of the week to close at 178.80 after opening at 177.90. Increased importer demand coupled with continuous buying of dollars by a state bank helped the dollar trade higher throughout the week. According to market sources, Central Bank also had been buying dollars in the interbank market stalling the appreciation of the rupee to a greater extent in the short term. The rupee had been appreciated by 2.4% against the dollar so far this year.

Foreign buying of Lkr denominated G Sec increased marginally compared to previous week as they bought Usd 16.8 mln worth of bonds vs Usd 61.0 mln a week ago.

Forward premiums closed virtually unchanged last week to close at 0.80, 2.70, 5.60, and 11.55 for 3, 6, and 12 months respectively.

Overnight call rates remained in a range of 8.95%-9.00% throughout last week. Market liquidity shortfall increased to Lkr 106.17 bln last week.

INTERNATIONAL MARKET



U.S. dollar declined on Friday as market participants digested a slew of downbeat data. U.S. industrial production dipped 0.6 percent in January, the first drop in eight months, the Federal Reserve reported Friday. The reading missed market consensus.

U.S. import prices slid 0.5 percent in January, said the Department of Labor, following a 1.0-percent drop in December and a 1.7-percent decrease in November. The gloomy data came after the Commerce Department reported Thursday that U.S. retail sales in December sank 1.2 percent from the prior month, the worst drop in nine years. The dollar index, which measures the greenback against six major peers, fell 0.08 percent at 96.9037 in late trading.

Speculators reduced their bullish bets on the U.S. dollar in the week ended Jan. 22 to the smallest position since September, according to calculations by Reuters and Commodity Futures Trading Commission data released on Friday. The value of the dollar's net long position - derived from net positions of International Monetary Market speculators in the yen, euro, British pound, Swiss franc and Canadian and Australian dollars - was \$23.40 billion, in the week ended Jan.22. That compared with a net long position of \$24.02 billion the previous week.

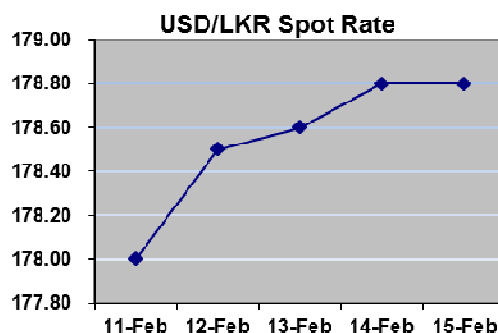
In late New York trading, the euro fell to 1.1295 dollars from 1.1299 dollars in the previous session, and the British pound was up to 1.2886 dollars from 1.2801 U.S. dollars in the previous session. The Australian dollar was up to 0.7139 dollar from 0.7105 dollar. The U.S. dollar bought 110.44 Japanese yen, lower than 110.47 Japanese yen of the previous session. The U.S. dollar increased to 1.0049 Swiss franc from 1.0047 Swiss franc, and it decreased to 1.3250 Canadian dollars from 1.3281. (Source Reuters)

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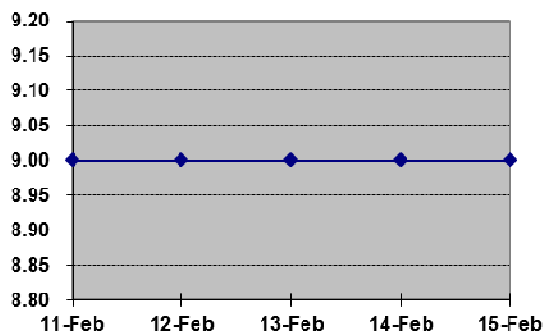
Primary Market Treasury Bills

Week Ending 08th FEB 2019

	W/avg.	Previous	Change
3 m	-	9.57%	-
6 m	-	9.87%	-
12m	10.72%	10.69%	+ 0.03 %



Interbank Lkr O/N rates %



As at 15th Feb, 2019

USD LIBOR		LKR AWPL Rates	
1 mth	2.48%	Weekly	12.08%
3 mths	2.68%	Monthly	12.05%
6 mths	2.75%	Semiannual	11.92%
12mths	2.91%		

Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1296
USD/JPY	110.47
AUD/USD	0.7141
GBP/USD	1.2889

