

# Weekly Treasury Market Report

01<sup>st</sup> April, 2019

**25<sup>th</sup> Mar – 29<sup>th</sup> Mar 2019**

## LOCAL MARKET

The Sri Lankan rupee closed 1.5 percent higher against the dollar for the week as dollar inflows from inward remittances ahead of the traditional new year celebrations helped bolster the local currency. The currency extended gains into a fourth session to end firmer at 175.30 against the dollar, up from last Thursday's close of 176.00. The rupee has gained 4.0 percent this year as exporters converted dollars and foreign investors purchased government securities amid stabilizing investor confidence after the country repaid a \$1 billion sovereign bond in mid-January. Foreign investors bought a net 1.6 billion rupees worth of government securities in the week ended March 29, the third net inflow in five weeks, turning year-to-date net foreign buying to 1.8 billion rupees.

Forward premiums closed almost unchanged at 0.90, 2.55, 5.30 and 10.70 for 1, 3, 6 and 12 months

Overnight call rates remained unchanged at 8.80%-8.90% with market liquidity

## INTERNATIONAL MARKET



The U.S. dollar gained modestly against its major rivals in late trading on Friday amid the decline of sterling following Brexit deal rejection. The pound slipped after British lawmakers rejected Prime Minister Theresa May's Brexit deal for a third time.

Market participants also digested a slew of economic data.

U.S. real consumer spending, spending adjusted for price changes, increased 0.1 percent in January after decreasing 0.6 percent in December, the Department of Commerce reported on Friday.

Meanwhile, U.S. personal income increased 0.2 percent in February after decreasing 0.1 percent in January, said the department.

The dollar index, which measures the greenback against six major peers, rose 0.09 percent at 97.2936 in late trading.

Trade talks between the U.S. and China continue this week and the market will closely monitor comments from both sides. Despite the positive comments on Friday, there was little in the way of details and it is uncertain whether the gaps will be closed enough to result in a deal during the second quarter. The RBA meets on Tuesday and while they are expected to remain on hold at 1.50 percent, there is some debate on whether they will shift to a dovish bias, as the RBNZ did last week

In late New York trading, the euro fell to 1.1214 dollars from 1.1227 dollars in the previous session, and the British pound fell to 1.3003 dollars from 1.3058 U.S. dollars in the previous session. The Australian dollar rose to 0.7097 dollar from 0.7077 dollar.

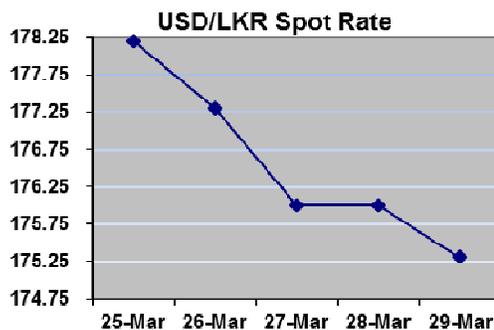
The U.S. dollar bought 110.82 Japanese yen, higher than 110.58 Japanese yen of the previous session. The U.S. dollar increased to 0.9960 Swiss franc from 0.9954 Swiss franc, and it decreased to 1.3355 Canadian dollars from 1.3440 Canadian dollars.

(Source – Reuters)

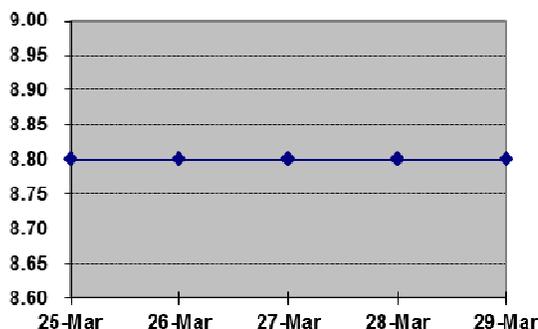
## Primary Market Treasury Bills

Week Ending 29<sup>th</sup> MAR 2019

	W/avg.	Previous	Change
3 m	9.39%	9.49%	-0.10%
6 m	9.67%	9.79%	-0.12%
12m	10.40%	10.52%	-0.12%



## Interbank Lkr O/N rates %



As at 29<sup>th</sup> Mar, 2019

### USD LIBOR

1 mth	2.49%
3 mths	2.56%
6 mths	2.66%
12mths	2.71%

### LKR AWPL Rates

Weekly	12.23%
Monthly	12.23%
Semiannual	12.16%

### Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.1218
USD/JPY	110.86
AUD/USD	0.7096
GBP/USD	1.3035

For any queries, please contact NDB Treasury on 2446994  
 Sunil Karunaratne -sunil.karunaratne@ndbbank.com  
 Eranga Weerasekera -eranga.weerasekera@ndbbank.com  
 Vinoth Fernando -vinoth.fernando@ndbbank.com

