

# Weekly Treasury Market Report

21<sup>st</sup> October, 2019

14<sup>th</sup> Oct – 18<sup>th</sup> Oct 2019

## LOCAL MARKET

Usd/Lkr rate closed down at 182.05 to the Us dollar on Friday despite the drop in foreign investor sales. The Rupee traded in a wide range of 180.50-182.05 week ending 20<sup>th</sup> October backed by fresh importer buying.

Sri Lanka's central bank bought more than 20 billion rupees in bonds to inject new cash to call money market. as per central bank officials. T bill/bond yields stabilized at the current levels.

Forward premiums increased across all tenors at 0.75, 2.00, 3.75 and 7.20 for 1, 3, 6 and 12 months respectively.

Weekly AWPR for the week ending 18<sup>th</sup> October 2019 decreased by 6 bps to 10.42 per cent compared to the previous week.

Overnight call rates remained at 7.55% and Market liquidity was a deficit of 2.048 billion end of the week.

## INTERNATIONAL MARKET



**GBPUSD-** Asian stocks were steady in a cautious start to the week on Monday, while the British pound fell following a delay to a crucial vote on Britain's divorce from the European Union.

GbpUsd-chopped around 1.2900 until news hit late Friday that Melanie Onn, a key 'Labor for a Deal' influence, and David Guake, an expelled Tory, would back PM Johnson's deal. GBPUSD rallied to nearly 1.2985

**EURUSD** - rallied amid broader developments, settling near 1.11760. Like most days recently, the move did not excite the market, as the EUR is facing its own unknowns from the economy to monetary policy to trade.

**JPY**- is not far from easing prospects when talking of its October meeting – a point made by BoJ Kurdoa before the London close. He said such action was "possible." Spot showed no reaction to this, easing down to 108.40 on broad USD sentiment, but we stress these comments given our own October outlook.

**AUD**-AUD/USD longs show little fear as they buoy the pair above the 76.4% Fib of 0.6895-0.6670 ahead of the Brexit vote. The RBA's Lowe eroded market expectations for additional rate cuts by saying it was extraordinarily unlikely negative rates would be needed and that low rates along may not stimulate investment. The next major domestic data prior to the November RBA meeting will be CPI for Q3 on October 30.

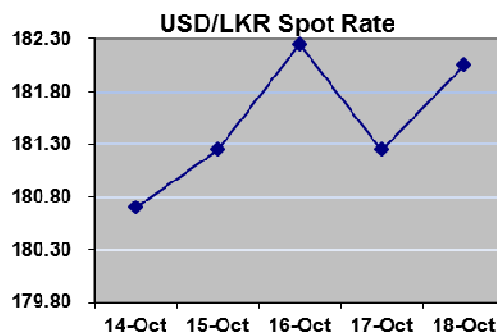
For any queries, please contact NDB Treasury on 2446994  
Sunil Karunaratne -sunil.karunaratne@ndbbank.com  
Eranga Weerasekera -eranga.weerasekera@ndbbank.com  
Vinoth Fernando -vinoth.fernando@ndbbank.com

## Primary Market Treasury Bills

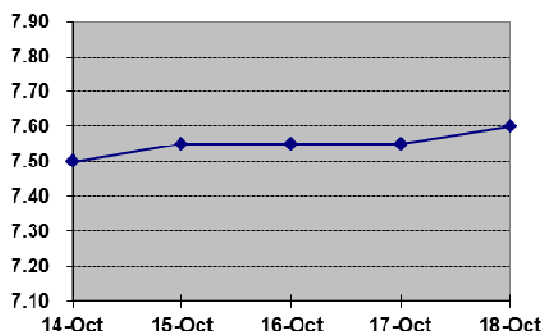
Week Ending 18<sup>th</sup> Oct 2019

	W/avg.	Previous	Change
3 m	7.56%	7.58%	-0.02%
6 m	7.69%	7.73%	-0.04%
12m	8.35%	8.41%	-0.06%

\*Rejected



## Interbank Lkr O/N rates %



## As at 21<sup>st</sup> October, 2019

### USD LIBOR

1 mth	1.85%
3 mths	1.95%
6 mths	1.95%
12mths	1.98%

### LKR AWPL Rates

Weekly	10.42%
Monthly	10.57%
Semiannual	11.29%

### Foreign Exchange Rates

	Friday Closing
EUR/USD	1.1169
USD/JPY	108.42
AUD/USD	0.6855
GBP/USD	1.2971

