

# Weekly Treasury Market Report

08<sup>th</sup> February, 2021

01<sup>st</sup> Feb – 05<sup>th</sup> Feb 2021

## LOCAL MARKET

The Usd/Lkr rate was stable throughout last week as regular demand from importers and investors in the forward market were absent due to temporary restrictions imposed by the Central Bank. The dollar closed trading at 193.75 marginally higher from 192.70 from last Monday, after trading in a wide range of 192-197.0 last week. Exporter and investor selling were limited despite dollar reversing its gains during the last two weeks as the rupee strengthened more than 2%.

Usd/Lkr premiums remained flat at -0.20,0.30,-0.50, and 0.7 for 1,3,6 and 12 months respectively.

Sri Lanka has repaid the equivalent of 352 billion rupees (about 1.9 billion US dollars) in foreign borrowings up to October 2020, according provisional data and domestic financing exceeded to overall deficit, official data showed. Sri Lanka overall budget deficit grew 59 percent to 1,317 billion rupees up from 829 billion rupees a year earlier, data shows.

Market liquidity continue to drop steadily in January 2021 to Lkr 116.04 billion from Lkr 121.40 billion while interbank call money rates remained steady in a range of 4.53%.4.55%

## INTERNATIONAL MARKET



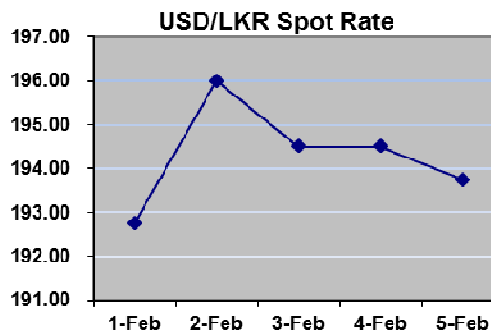
The dollar nursed losses against most currencies on Monday as disappointing U.S. jobs data caused some investors to scale back bets on a rebound in the greenback. The euro held gains versus the dollar but faces a test later on Monday with data that is expected to show German industrial output growth slowed at the end of last year. Speculators have been reducing short positions in the dollar, but some analysts say better U.S. economic data and continued progress in fighting the coronavirus pandemic will be needed for further dollar gains. The U.S. economy created fewer jobs than expected in January while job losses the previous month were deeper than initially reported, data at the end of last week showed. The release of U.S. consumer prices and consumer sentiment later this week will help determine whether a recent rise in inflation expectations and Treasury yields was justified. Any disappointing numbers from either report could knock the dollar lower, some analysts warn. Against the euro, the dollar traded at \$1.2048 after a 0.7% slump on Friday. The British pound bought \$1.3736, close to an almost three-year high. The dollar was quoted at 105.38 yen, having pulled back from a three-month high reached on Friday. The dollar index against a basket of six major currencies stood at 91.084, nursing a 0.6% loss from Friday.

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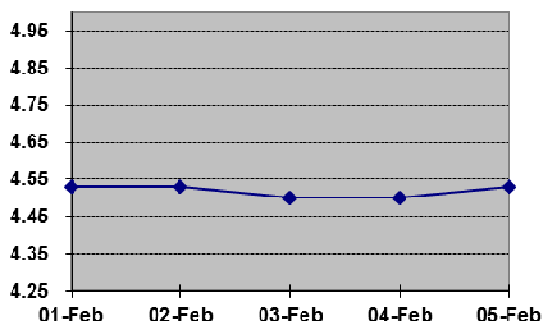
## Primary Market Treasury Bills

Week Ending 05<sup>th</sup> Feb 2021

	W/avg.	Previous	Change	
3 m	4.70%	4.69%	+ 0.01%	
6 m	4.78%	4.75%	+ 0.03%	
12m	5.02%	4.98%	+ 0.04%	*R -
Rejected				



## Interbank Lkr O/N rates %



As at 05<sup>th</sup> Feb, 2021

USD LIBOR	LKR AWPL Rates
1 mth 0.12%	Weekly - 5.59%
3 mths 0.19%	
6 mths 0.20%	
12mths 0.30%	

## Foreign Exchange Rates

	Friday Closing New York
EUR/USD	1.2042
USD/JPY	105.36
AUD/USD	0.7677
GBP/USD	1.3733

