



HNB TREASURY COMMENTARY

FOREIGN EXCHANGE MARKET

USD/LKR

USD/LKR (spot) quoted within a range of 153.50.-154.10 on Thursday.

FOREX MARKET

The dollar wobbled in thin trading today, on track for losses against most rivals in a holiday-shortened week as it remained under pressure on the Federal Reserve's cautious view on low U.S. inflation. The dollar index, which tracks the U.S. unit against a basket of six major rival currencies, was down 0.1 percent at 93.156 and 0.5 percent lower for the week. The dollar edged up 0.1 percent against the yen to 111.33, pulling away from Thursday's two-month low of 111.07 yen, though it was still down 0.6 percent for the week. The euro was steady at \$1.1849, not far from last week's one-month high of \$1.1862. For the week, it was up 0.5 percent. Sterling edged down from a six-week high on Thursday, with traders largely brushing off cuts to Britain's economic growth forecasts announced in the previous day's budget statement and refocusing on Brexit negotiations. The pound had reached as high as \$1.3337 in Asian trading on Thursday, its strongest since Oct. 13, as the dollar extended falls after a dovish set of minutes from the U.S. Federal Reserve handed the greenback its worst day since June. The Australian dollar paused after three days of gains and its New Zealand cousin hovered near 1-1/2-week highs as the greenback suffered losses on speculation the U.S. Federal Reserve will go slower on monetary tightening than previously thought. The Australian dollar held at \$0.7624 from Thursday's high of \$0.7638, the highest since Nov.14. The New Zealand dollar held at \$0.6890, not far from Thursday's high of \$0.6905, a level not seen since Nov.15.

COMMODITY MARKETS

Gold prices inched up today as the dollar remained under pressure after minutes of the U.S. Federal Reserve's meeting revealed that some policymakers were concerned over lower inflation. Spot gold was up 0.1 percent at \$1,292.18 per ounce. Bullion was down about 0.2 percent for the week. The discount on Canadian heavy crude deepened in thin trade on Thursday as TransCanada Corp's 590,000 barrel per day Keystone pipeline remained shut down after an oil leak in South Dakota last week.

EXPECTED INTRA-DAY RANGES FOR TODAY

EUR/USD	- A range of	1.1825-1.1875
GBP/USD	- A range of	1.3270-1.3350
AUD/USD	- A range of	0.7600-0.7650
USD/JPY	- A range of	111.00-111.50

MARKET WATCH

* Germany Ifo business climate

MONEY MARKET

LOCAL MARKET

Overnight call-money traded between 8.10-8.20% on Thursday. Net market liquidity with the Central Bank was a Surplus of Rs 24.95 Bn on Thursday from a surplus of Rs 28.34 Bn on Wednesday.

U.S. TREASURIES

U.S. Treasury prices gained slightly after the minutes from the Federal Reserve's latest meeting on Wednesday affirmed market expectations that it will hike rates in December, with trading volumes subdued before Today's Thanksgiving holiday. Benchmark 10-year notes gained 10/32 in price to yield 2.32 percent, down from 2.36 percent on Tuesday.

SPOT RATES

USD/LKR	153.35-153.95
EUR/USD	1.1851-1.1855
GBP/USD	1.3302-1.3303
USD/JPY	111.32-111.34
USD/CAD	1.2717-1.2722
AUD/USD	0.7623-0.7624
USD/SGD	1.3453-1.3458
USD/INR	64.55- 64.60
GOLD	1,292.00-, 1292.20
CRUDE	58.50-58.60

LIBOR %

	USD	EUR	JPY	GBP
1M	1.33	(0.40)	(0.03)	0.49
3M	1.45	(0.38)	(0.03)	0.53
6M	1.65	(0.32)	0.00	0.58
1Y	1.93	(0.24)	0.12	0.77

T/BILL RATES % (W. Av. Last Auction)

3Months	8.40
6Months	8.90
12Months	9.46

T/BOND RATES % (W. Av. Market rates)

2 Year	9.60
3Year	9.80
4 Year	10.00
5 Year	10.05
6 Year	10.10
7 Year	10.15
8Year	10.20

CLIBOR %(23/11/17) 8.14

SLIBOR % (23/11/17)

Overnight	8.10-8.20
1 Week	8.34
1 Month	9.09
3Months	10.04
6Months	11.76

MONEY MARKET RATES

Overnight	8.10 - 8.20
1 Week	8.25 - 8.35
2 Weeks	8.40- 8.60
3 Weeks	8.60- 8.75
1 Month	8.75 - 9.00

AWPLR %

Week ending 17/11	11.29
Week ago	11.38
Year ago	11.95

AWDR %

Sept 2017	9.25
Oct 2017	9.22
Year ago	7.56

INFLATION (%)

	YoY	12M W. Av
Oct 17 (NCPI)	8.8	
Sep 17 (NCPI)	8.6	
Oct (CCPI)	7.8	6.1
Sep (CCPI)	7.1	5.8
Year ago (CCPI)	4.1	4.0