

**TREASURY COMMENTARY – 17 JANUARY 2020**LOCAL MARKET**MONEY**

Overnight call-money traded at 7.40% - 7.50% on Thursday. Net market liquidity with the Central Bank was a Surplus of Rs.17.25 Bn on Thursday from a Surplus of Rs.31.99 Bn on Tuesday.

**USD/LKR MARKET VOLUMES**

VOLUME (USD Mn)

AS AT 16.01.2020

Cash	38.40
Tom	26.30
Spot	18.50
Forwards	13.50

**MARKET LEVELS**

Cash 181.05/182.05

Spot 181.10/182.10

INTERNATIONAL MARKET**FOREX**

The dollar traded higher against the major currencies on Friday as U.S. data suggested the world's largest economy maintained a moderate growth pace at the end of 2019, reaching an eight-month peak against the safe-haven yen.

The dollar rose higher to 110.24 yen versus the Japanese currency, its highest level since late May in 2019.

The dollar index, which tracks the greenback's strength against a basket of six major currencies, last stood at 97.308, up 0.1% on the day. The euro barely moved at \$1.1137.

The Australian dollar gained to as high as \$0.69335, its 1-1/2-week high of \$0.6897 overnight and was last traded at \$0.6897.

Investors are now awaiting Chinese economic data, where China is expected to post that economic growth slowed to its weakest in nearly three decades in 2019 amid a bruising trade war with the United States.

**COMMODITIES**

Gold edged lower on Friday, its worst week in two months, as positive U.S. economic data and optimism over an interim U.S.-China trade deal boosted appetite for riskier assets. Oil prices were steady on Friday as investors braced for data expected to show China's economic growth last year slid to its slowest pace in 29 years, holding on to gains for now after Washington and Beijing's long-awaited trade deal.

# ECONOMIC INDICATORS

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

<b>3 Months</b>	Rejected
<b>6 Months</b>	8.13
<b>12 Months</b>	8.58

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

<b>2 Year</b>	8.70
<b>3Year</b>	9.15
<b>4 Year</b>	9.48
<b>5 Year</b>	9.60
<b>6 Year</b>	9.65
<b>7 Year</b>	9.72
<b>8 Year</b>	9.85

## LIBOR

	USD	EUR	JPY	GBP
<b>1 Month</b>	1.66	(0.50)	(0.09)	0.65
<b>3 Months</b>	1.83	(0.42)	(0.06)	0.72
<b>6 Months</b>	1.86	(0.36)	0.01	0.76
<b>12 Months</b>	1.95	(0.27)	0.11	0.82

## SLIBOR (16/01/2020)

<b>Overnight</b>	7.45%
<b>1 Week</b>	7.59%
<b>1 Month</b>	7.90%
<b>3 Months</b>	8.42%
<b>6 Months</b>	9.50%

## AWPLR %

<b>Week ending 09/01</b>	9.76
<b>Week ago</b>	9.74
<b>Year ago</b>	11.92

## AWDR %

<b>Dec 2019</b>	8.20
<b>Nov 2019</b>	8.27
<b>Year ago</b>	8.81

## INFLATION (%)

	October 2019	November 2019	December 2019	Year ago
<b>NCPI (YoY)</b>	5.6	4.1	-	1.0
<b>CCPI (YoY)</b>	5.4	4.4	4.8	2.8
<b>(12M W.Av)</b>	4.0	4.1	4.3	4.3

## TREASURY DIVISION

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