

TREASURY COMMENTARY – 26 MARCH 2020LOCAL MARKET**MONEY**

Overnight call-money traded at 6.70% - 6.75% on Tuesday. Net market liquidity with the Central Bank was a Surplus of Rs.67.28 Bn on Tuesday from a Surplus of Rs.69.66 Bn on Friday.

FIXED INCOME SECURITIES

At the Treasury Bill auction held on 25th March 2020, the maturities of 91-day, 182-day and 364-day settled at the weighted averages of 7.00 percent, 7.25 percent and 7.50 percent respectively.

USD/LKR MARKET VOLUMES

VOLUME (USD Mn)
AS AT 24.03.2020

Cash	Not available
Tom	Not available
Spot	Not available
Forwards	Not available

MARKET LEVELS

Cash	188.00/190.50
Spot	188.10/190.60

INTERNATIONAL MARKET**FOREX**

The dollar fell against the yen and the euro in Asian Trade on Thursday before data expected to show a surge in U.S. claims for unemployment benefits as companies lay off workers due to the rapid spread of the coronavirus.

Some analysts say jobless claims could even exceed one million as companies are expected to rapidly shed workers.

The pound extended declines against the euro and the dollar in Asian trade due to worries that Britain is not prepared to deal with an increase in coronavirus cases after the flu-like illness ravaged health care systems in Italy and Spain.

The Australian and New Zealand dollars, both of which are closely linked to the global commodity trade, fell against their U.S. counterpart as traders avoided taking on excessive risk.

The dollar fell 0.47% to 110.69 yen in Asia on Thursday, while against the Swiss franc, the dollar eased slightly to 0.9752.

COMMODITIES

Gold prices fell on Thursday as investors rushed for liquid cash while awaiting the passage of a \$2 trillion dollar U.S. stimulus package to combat the economic impact of the coronavirus epidemic. Oil prices were mixed on Thursday following three days of gains, with the prospect of rapidly dwindling demand due to coronavirus travel bans and lockdowns offsetting hopes a U.S. \$2 trillion emergency stimulus will shore up economic activity.

ECONOMIC INDICATORS

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

3 Months	7.00
6 Months	7.25
12 Months	7.50

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

2 Year	9.05
3Year	9.30
4 Year	9.65
5 Year	9.75
6 Year	9.80
7 Year	9.90
8 Year	10.00

LIBOR

	USD	EUR	JPY	GBP
1 Month	0.95	(0.44)	(0.14)	0.24
3 Months	1.26	(0.30)	(0.07)	0.55
6 Months	1.06	(0.25)	(0.05)	0.69
12 Months	0.98	(0.19)	0.05	0.81

SLIBOR (24/03/2020)

Overnight	6.74%
1 Week	6.85%
1 Month	7.05%
3 Months	7.65%
6 Months	8.38%

AWPLR %

Week ending 20/03	9.37
Week ago	9.47
Year ago	12.17

AWDR %

Feb 2020	8.06
Jan 2020	8.14
Year ago	8.88

INFLATION (%)

	December 2019	January 2020	February 2020	Year ago
NCPI (YoY)	6.2	7.6	8.1	2.4
CCPI(YoY)	4.8	5.7	6.2	4.0
(12MW.Av)	4.3	4.5	4.6	4.1

TREASURY DIVISION

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