

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

Overnight call-money traded at 5.80%-5.90 % on Friday (22.05.2020). Net market liquidity with the Central Bank was a Surplus of Rs 75.39 Bn on Friday from a Surplus of Rs.92.87 Bn on Thursday (21.05.2020).

**USD/LKR MARKET VOLUMES**VOLUME (USD Mn)  
AS AT 22.05.2020

Cash	4.25
Tom	2.50
Spot	17.55
Forwards	16.50

**MARKET LEVELS**

Cash	184.95/186.45
Spot	185.05/186.55

**INTERNATIONAL MARKET****FOREX**

The dollar traded lower in Asian trade on Tuesday as growing optimism about a global recovery from the COVID-19 pandemic supported riskier currencies, though concerns about Sino-U.S. tensions held further moves in check.

Against a basket of currencies, the dollar traded at 99.692, while the Japanese yen fetched 107.79 per dollar.

The Chinese yuan, a barometer of relations between the world's two biggest economies, firmed a bit to 7.1427 in Asian trade, though it remains near a two-month low of 7.1465 hit on Friday.

The Australian and New Zealand dollars rose about 0.3%, but kept below last week's highs even as stock markets forged ahead.

The Australian dollar was steady at \$0.6559, and the kiwi was at \$0.6112 in Asian trade.

Elsewhere, the British pound rose 0.3% to \$1.2215 and the euro tacked on 0.2% to \$1.0908. Both currencies lost between 4% and 5% on the Mexican peso and Brazilian real last week.

**COMMODITIES**

Gold traded little changed on Tuesday as gains in equities on optimism over a reopening global economy offset support from a softer dollar and lingering tensions over Hong Kong and Venezuela. Oil prices rose on Tuesday on clear signs that producers are sticking to commitments to cut crude supply as more cars get back on the road with coronavirus lockdowns easing around the world.

# ECONOMIC INDICATORS

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

<b>3 Months</b>	6.71
<b>6 Months</b>	6.83
<b>12 Months</b>	6.93

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

<b>2 Year</b>	7.50
<b>3Year</b>	7.90
<b>4 Year</b>	8.38
<b>5 Year</b>	8.50
<b>6 Year</b>	8.60
<b>7 Year</b>	8.70
<b>8 Year</b>	8.80

## LIBOR

	USD	EUR	JPY	GBP
<b>1 Month</b>	0.17	(0.45)	(0.07)	0.11
<b>3 Months</b>	0.36	(0.32)	(0.02)	0.25
<b>6 Months</b>	0.57	(0.13)	0.01	0.42
<b>12 Months</b>	0.68	(0.07)	0.12	0.59

## SLIBOR (22/05/2020)

<b>Overnight</b>	5.93%
<b>1 Week</b>	6.14%
<b>1 Month</b>	6.40%
<b>3 Months</b>	7.00%
<b>6 Months</b>	7.70%

## AWPLR %

<b>Week ending 22/05</b>	9.23
<b>Week ago</b>	9.31
<b>Year ago</b>	12.14

## AWDR %

<b>April 2020</b>	7.77
<b>March 2020</b>	7.90
<b>Year ago</b>	8.97

## INFLATION (%)

	February 2020	March 2020	April 2020	Year ago
<b>NCPI (YoY)</b>	8.1	7.0	5.9	3.6
<b>CCPI(YoY)</b>	6.2	5.4	5.2	4.5
<b>(12MW.Av)</b>	4.6	4.7	4.8	4.1

## TREASURY DIVISION

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