

**TREASURY COMMENTARY – 15 APRIL 2021**LOCAL MARKET**MONEY**

Overnight call-money traded in the range of 4.60% - 4.70% on Monday (12.04.2021). Net market liquidity with the Central Bank was a Surplus of Rs 77.39 Bn on Monday from a Surplus of Rs.106.77 Bn on Friday (09.04.2021).

**FIXED INCOME SECURITIES**

At the Treasury Bill auction held on 12th April 2021, maturities of 91-day, 182-day and 364-day settled at the weighted averages of 5.09 percent, 5.12 percent and 5.15 percent respectively.

**USD/LKR MARKET VOLUMES**

VOLUME (USD Mn)  
AS AT 12.04.2021

Cash	-
Tom	12.15
Spot	1.00
Forwards	34.87

**MARKET LEVELS**

Cash	201.00/205.00
Spot	201.02/205.02

INTERNATIONAL MARKET**FOREX**

The dollar nursed losses in Asian trade on Thursday, holding near a three-week low against a basket of currencies as U.S. bond yields pulled back from last month's surge with investors buying the Federal Reserve's arguments that interest rates can stay low.

The dollar index dipped to a four-week low of 91.571 overnight and last stood at 91.601.

The euro traded at \$1.19845, near its highest level in four weeks and having gained 2.2% so far this month.

The dollar changed hands at 108.93, after hitting a three-week low of 108.755 on Wednesday.

Ten-year U.S. bond yields eased to 1.636%, well below a 14-month peak of 1.776% hit late March, reducing the dollar's yield attraction.

A weaker U.S. dollar also saw commodity currencies supported. The Australian dollar stood at \$0.7724 near Wednesday's three-week high, having broken out of its tight trading band over the last few weeks.

The New Zealand dollar likewise hit a three-week high of \$0.7150 and last quoted at \$0.7140.

**COMMODITIES**

Gold prices rose on Thursday as a weaker dollar boosted the safe-haven metal's appeal, while investors awaited the release of weekly jobless claims and March retail sales data in the United States later in the day. Oil prices were lower on Thursday though holding near one-month highs after futures jumped in the previous as the International Energy Agency (IEA) and others upgraded forecasts for oil demand as major economies recover from the pandemic.

## ECONOMIC INDICATORS

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

<b>3 Months</b>	5.09
<b>6 Months</b>	5.12
<b>12 Months</b>	5.15

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

<b>2 Year</b>	6.25
<b>3Year</b>	6.65
<b>4 Year</b>	6.85
<b>5 Year</b>	7.20
<b>6 Year</b>	7.55
<b>7 Year</b>	7.65
<b>8 Year</b>	7.90

### LIBOR

	USD	EUR	JPY	GBP
<b>1 Month</b>	0.11	(0.57)	(0.07)	0.04
<b>3 Months</b>	0.18	(0.54)	(0.07)	0.08
<b>6 Months</b>	0.21	(0.52)	(0.04)	0.10
<b>12 Months</b>	0.28	(0.50)	0.05	0.16

### AWPLR %

<b>Week ending 09/04</b>	5.43
<b>Week ago</b>	5.78
<b>Year ago</b>	9.42

### AWDR %

<b>March 2021</b>	5.20
<b>Feb 2021</b>	5.36
<b>Year ago</b>	7.90

### INFLATION (%)

	January 2021	February 2021	March 2021	Year ago
<b>NCPI (YoY)</b>	3.7	4.2	-	8.1
<b>CCPI(YoY)</b>	3.0	3.3	4.1	5.4
<b>(12MW.Av)</b>	4.3	4.1	4.0	4.7

### TREASURY DIVISION

Level-11

**Tel: FX: 2664843-6 (Priyantha/Chaaminda/Chandika/Ramesha) Fax: 2664854**

**Interest Rates: 2664850-3 (Priyantha / Thayalan/ Sanka)**

**E-mail: [forex@hnb.lk](mailto:forex@hnb.lk) Fitch Rating: AA-(Ika.)**