

TREASURY COMMENTARY – 19 APRIL 2021LOCAL MARKET**MONEY**

Overnight call-money traded in the range of 4.60% - 4.70% on Friday (16.04.2021). Net market liquidity with the Central Bank was a Surplus of Rs 80.79 Bn on Friday from a Surplus of Rs.74.18 Bn on Thursday (15.04.2021).

USD/LKR MARKET VOLUMES

VOLUME (USD Mn)

AS AT 16.04.2021

Cash	2.00
Tom	6.00
Spot	73.75
Forwards	32.68

MARKET LEVELS

Cash	189.00/193.00
Spot	189.02/193.02

INTERNATIONAL MARKET**FOREX**

The dollar traded near one-month low against major peers in Asian trade on Monday, with Treasury yields trading near the lowest in five weeks, after the U.S. Federal Reserve reiterated its view that any spike in inflation was likely to be temporary.

The safe-haven greenback was also held down by improved risk sentiment amid a rally in global stocks to record highs.

The dollar index, which tracks the currency against six rivals, was at 91.684, not far from the low of 91.484 marked last week, a level not seen since March 18.

The greenback bought 108.74 yen, near the lowest since March 24.

The euro traded at \$1.19565 near the highest since March 4.

Bitcoin nursed losses from Sunday, when it plunged by as much as 14% to \$51,541, which a report attributed to news of a power outage in China. It last traded around \$57,020.

COMMODITIES

Gold prices rose on Monday, trading near a seven-week peak hit in the previous session, as a softer dollar and a retreat in U.S. Treasury yields lifted demand for the safe-haven metal. Oil prices fell on Monday amid mounting concerns that surging caseloads of coronavirus infections in India and other countries will lead to stronger measures and hit economic activity, along with demand for commodities such as crude.

ECONOMIC INDICATORS

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

3 Months	5.09
6 Months	5.12
12 Months	5.15

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

2 Year	6.25
3Year	6.65
4 Year	6.85
5 Year	7.20
6 Year	7.55
7 Year	7.65
8 Year	7.90

LIBOR

	USD	EUR	JPY	GBP
1 Month	0.11	(0.57)	(0.07)	0.04
3 Months	0.18	(0.54)	(0.07)	0.08
6 Months	0.22	(0.52)	(0.04)	0.10
12 Months	0.29	(0.49)	0.05	0.15

AWPLR %

Week ending 16/04	5.75
Week ago	5.43
Year ago	9.31

AWDR %

March 2021	5.20
Feb 2021	5.36
Year ago	7.90

INFLATION (%)

	January 2021	February 2021	March 2021	Year ago
NCPI (YoY)	3.7	4.2	-	8.1
CCPI(YoY)	3.0	3.3	4.1	5.4
(12MW.Av)	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 Fitch Rating: AA-(Ika.)