

## TREASURY COMMENTARY – 16<sup>th</sup> April 2024

### DOMESTIC MARKET

#### USD/LKR

The USD/LKR market is active and is trading around the level of 294.00 and 302.00. The rupee has appreciated by approximately 8.05% against the USD from the beginning of the year.

#### USD/LKR Market Volume (USD Mn) on 15.04.2024

Cash	3.40
Tom	7.50
Spot	22.25
Forward	5.50

#### MONEY

Overnight call-money traded at 8.62% on Monday (15.04.2024). Net market liquidity was a surplus of Rs 74.97 Bn on Monday from a surplus of Rs 164.81 Bn on Wednesday.

### GLOBAL MARKETS

#### FOREIGN EXCHANGE

The greenback stood just off its highest in Asian trading since early November against a handful of peer currencies on Tuesday, raising intervention worries as the yen languished at its lowest level since 1990 following hotter-than-expected U.S. retail sales.

The latest data has raised more questions about when the Federal Reserve could begin cutting interest rates, following robust employment gains in March and a pick-up in consumer inflation. The U.S. dollar index touched 106.27, the highest since Nov. 2, after the data. It last hovered around 106.23.

Market focus was also on the Chinese yuan, with a slew of top-tier economic data due out of China later in the Asian morning expected to show the world's second-largest economy slowed in the first quarter. The yen last hovered around 154.29 per dollar, not far from the new resistance level of 155.

Elsewhere, the euro brushed \$1.06018, the weakest since Nov. 3, as it continued to slump after the European Central Bank last week left the door open to a rate cut in June.

The Australian dollar also hit a fresh low against the greenback on Tuesday, dropping to its lowest since Nov. 14 at \$0.6429.

The kiwi fell 0.12% to a new five-month low of \$0.593.

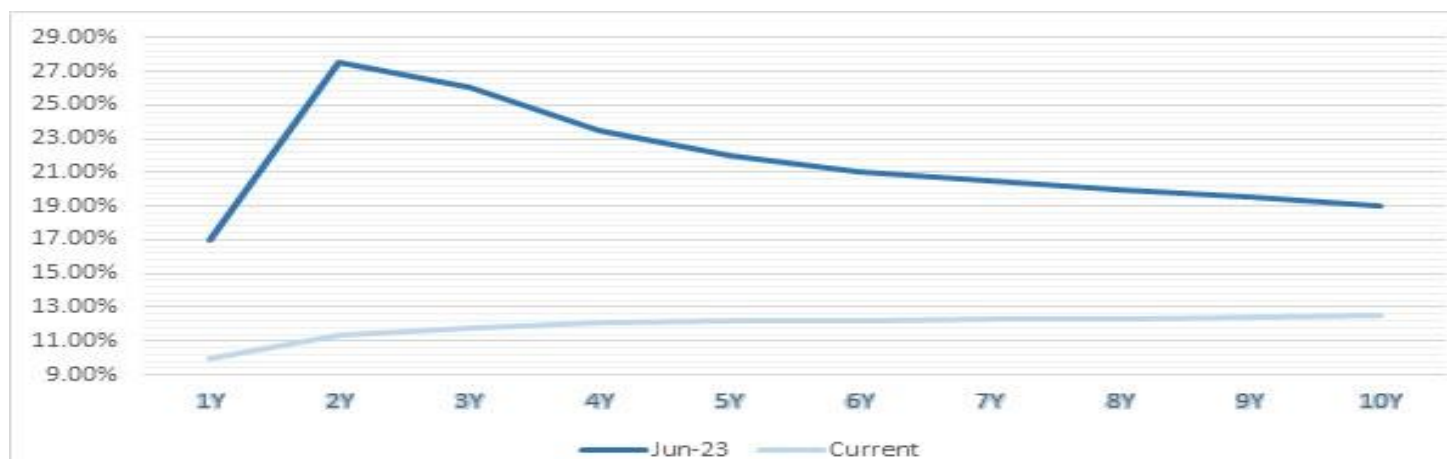
#### COMMODITIES

Gold prices ticked up on Tuesday, hovering near record-high levels, as fears of escalating tensions in the Middle East drove investors towards the safe-haven metal.

Oil prices rose on Tuesday amid heightened tensions in the Middle East after Israel's military chief said his country would respond to Iran's weekend missile and drone attack amid calls for restraint by allies.

# ECONOMIC INDICATORS

## Bond Curve



AWPLR %	
Week ending 10/04	10.63
Week ago	10.56
Year ago	22.09

AWDR %	
Mar 2024	10.30
Feb 2024	10.80
Year ago	15.06

T BILL%	
3M	10.10
6M	10.27
1Y	10.27

INFLATION (%) (Base:2021=100)	Jan 2024	Feb 2024	Mar 2024	Year ago
NCPI (YoY)	6.5	5.1	-	53.6
NCPI (core)	2.2	2.7	-	50.1
CCPI(YoY)	6.4	5.9	0.9	50.3
CCPI (core)	2.2	2.8	3.1	39.1

CBSL reserves (USD) – MAR 24"	4,951 Bn
CBSL T-bill/bond holding	2,675.62 Bn
Market liquidity	74.97 Bn
Foreign holding LKR bills/bonds	85.41 Bn

	O/N	1M	3M	6M	12M
USD SOFR	5.3100	5.3162	5.3171	5.2818	5.1720
EUR ESTR	3.9030	3.9070	3.8350	3.6930	3.4180
GBP SONIA	5.1980	5.1980	5.1790	5.1140	4.9695

## TREASURY DIVISION Level-11

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