

## TREASURY COMMENTARY – 24<sup>th</sup> April 2024

### DOMESTIC MARKET

#### USD/LKR

The USD/LKR market is active and is trading around the level of 296.00 and 304.00. The rupee has appreciated by approximately 7.43% against the USD from the beginning of the year.

#### USD/LKR Market Volume (USD Mn) on 22.04.2024

Cash	11.75
Tom	3.75
Spot	22.25
Forward	16.65

#### MONEY

Overnight call-money traded at 8.61% on Monday (22.04.2024). Net market liquidity was a surplus of Rs 116.84 Bn on Monday from a surplus of Rs 134.03 Bn on Friday.

### GLOBAL MARKETS

#### FOREIGN EXCHANGE

The dollar nursed its wounds in Asian trading on Wednesday following big tumbles against the euro and sterling, but the yen remained mired near 34-year lows even as Japanese officials stepped up intervention warnings.

The Australian dollar made the most of a weakened greenback and rallied in early Asian trade on Tuesday, helped by hotter-than-expected consumer price data. The Aussie AUD climbed 0.45% to \$0.65185, after pushing as high as \$0.6525 for the first time since April 12 in the initial reaction to the data.

The euro rose 0.11% to \$1.071125 following Tuesday's 0.45% rally, after data showed business activity in the euro zone expanded at its fastest pace in nearly a year, primarily due to a recovery in services.

Sterling also benefited from overnight data showing British businesses recorded their fastest growth in activity in nearly a year. Sterling was last up 0.11% at \$1.2461 having jumped 0.79% in the previous session.

Despite the dollar's broader struggles on Tuesday, it still inched up enough at one point to mark a fresh 34-year high to the yen at 154.88.

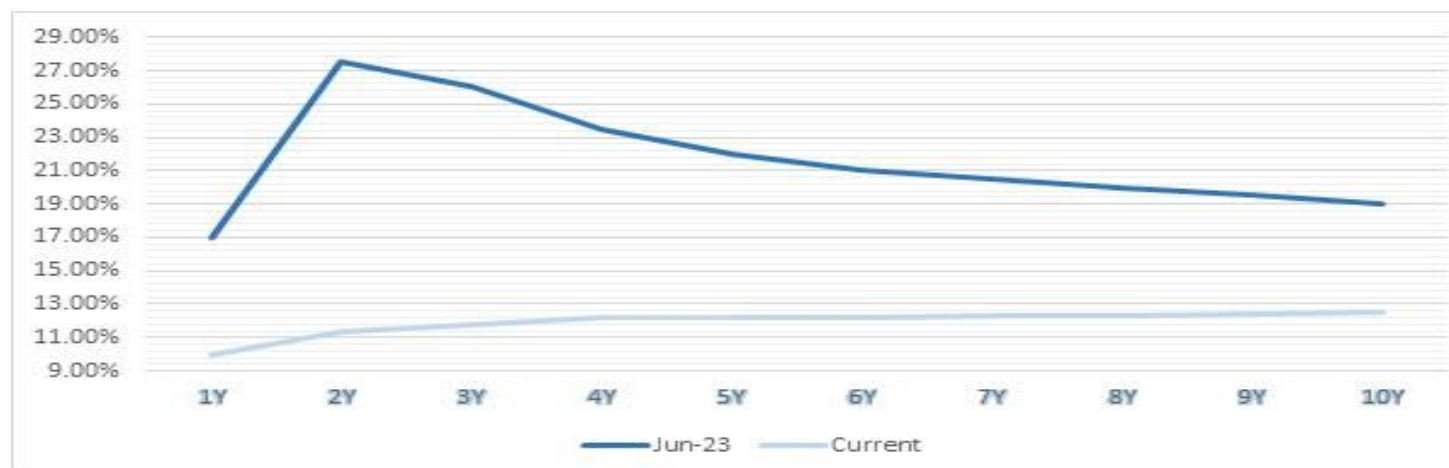
#### COMMODITIES

Gold prices edged lower on Wednesday, as fears of an escalation in the Middle East conflict eased, while investors waited for crucial U.S. economic data that could shed more light on the timing of interest rate cuts.

Oil prices rose in early trade on Wednesday, adding to gains in the previous session, after industry data showed a surprise drop in U.S. crude stocks last week, a positive sign for demand, and attention shifted away from hostilities in the Middle East.

# ECONOMIC INDICATORS

## Bond Curve



AWPLR %		AWDR %		T BILL%	
Week ending 19/04	10.41	Mar 2024	10.30	3M	10.03
Week ago	10.63	Feb 2024	10.80	6M	10.22
Year ago	21.45	Year ago	15.06	1Y	10.23

INFLATION (%) (Base:2021=100)	Jan 2024	Feb 2024	Mar 2024	Year ago
NCPI (YoY)	6.5	5.1	2.5	49.2
NCPI (core)	2.2	2.7	-	44.2
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	116.84 Bn
Foreign holding LKR bills/bonds	89.27 Bn

	O/N	1M	3M	6M	12M
USD SOFR	5.3100	5.3169	5.3236	5.2977	5.2106
EUR ESTR	3.9040	3.9090	3.8220	3.6850	3.4500
GBP SONIA	5.1993	5.1876	5.1523	5.0652	4.9180

### TREASURY DIVISION Level-11

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