

## TREASURY COMMENTARY – 13<sup>th</sup> June 2024

### DOMESTIC MARKET

#### USD/LKR

The USD/LKR market is active and is trading around the level of 299.75 and 307.75. The rupee has appreciated by approximately 6.27% against the USD from the beginning of the year.

#### USD/LKR Market Volume (USD Mn) on 12.06.2024

Cash	2.10
Tom	1.00
Spot	33.25
Forward	19.25

#### MONEY

Overnight call-money traded at 8.69% on Wednesday (12.06.2024). Net market liquidity was a surplus of Rs 154.44 Bn on Wednesday from a surplus of Rs 157.75 Bn on Tuesday.

### GLOBAL MARKETS

#### FOREIGN EXCHANGE

Asian currencies were firm in Asian Trading on Thursday against a dollar knocked by softer-than-expected U.S. inflation, save for the yen which remained squeezed ahead of a Bank of Japan meeting and as U.S. policymakers signalled rates would be kept high for a while yet.

Overnight the euro went up 0.6% and punched above its 200-day moving average, last buying \$1.0811.

The Aussie dollar rose 0.9% to \$0.6662 and the New Zealand dollar leapt to a five-month high above \$0.62 before settling at \$0.6183.

Sterling rose 0.5% overnight to \$1.2798. Morning moves were modest in Asia trade, though beaten down currencies such as Indonesia's rupiah were likely poised for some relief.

China's yuan was steady at 7.2627 in early offshore trade, having gained a little on the dollar overnight.

The yen climbed, but only by about 0.2%. The yen was last wobbly at 156.82 to the dollar and on the back foot on crosses - where it hit a 17-year trough of 97.06 per kiwi overnight and a 16-year low of 200.91 on sterling.

The loonie was trading 0.3% higher at 1.3710 per U.S. dollar, or 72.94 U.S. cents, after trading in a range of 1.3681 to 1.3760.

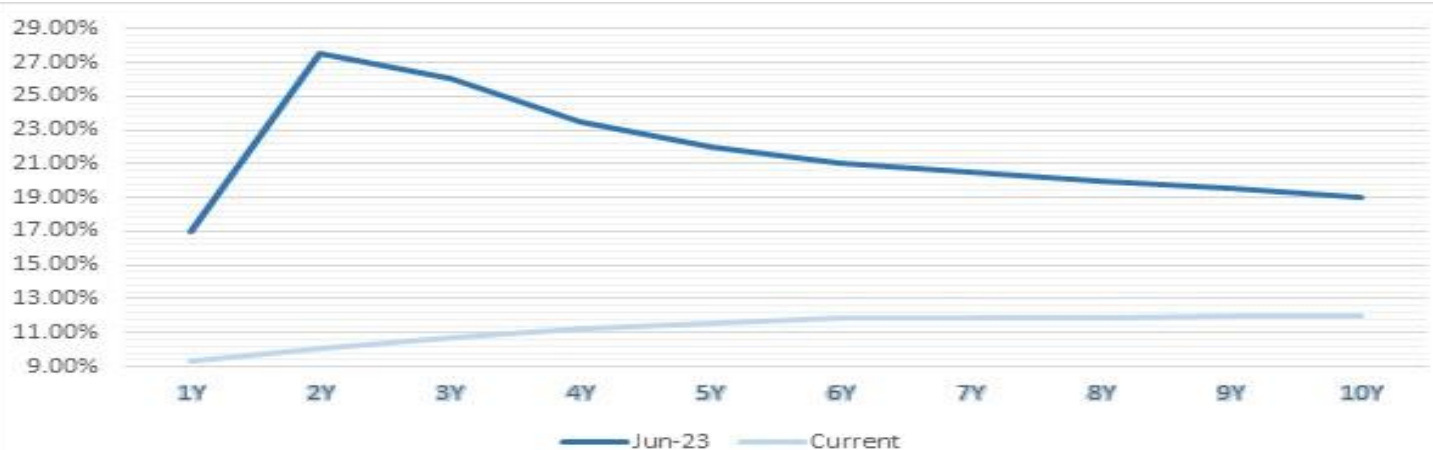
#### COMMODITIES

Gold prices fell on Thursday after traders gauged Federal Reserve officials' updated interest rate projections, which signalled only one U.S. rate cut this year.

Oil prices fell in early trade on Thursday as investors digested news that the U.S. Federal Reserve has opted against cutting interest rates in the near future, while ample U.S. crude and fuel stocks further weighed on the market.

# ECONOMIC INDICATORS

## Bond Curve



**AWPLR %**  
 Week ending 07/06 **9.28**  
 Week ago 9.36  
 Year ago 20.73

**AWDR %**  
 May **2024** 9.05  
 Apr **2024** 9.66  
 Year ago 15.23

**T BILL%**  
 3M 8.89  
 6M 9.30  
 1Y 9.54

INFLATION (%) (Base:2021=100)	Mar 2024	Apr 2024	May 2024	Year ago
NCPI (YoY)	2.5	2.7	-	33.6
NCPI (core)	3.4	3.0	-	31.8
CCPI(YoY)	0.9	1.5	0.9	25.2
CCPI (core)	3.1	3.4	3.5	20.30

CBSL reserves (USD) – May 24"	5.421 Bn
CBSL T-bill/bond holding	2,615.62 Bn
Market liquidity	154.44 Bn
Foreign holding LKR bills/bonds	67.83 Bn

	O/N	1M	3M	6M	12M
USD SOFR	5.3200	5.3305	5.3466	5.3074	5.1454
EUR ESTR	3.6630	3.6660	3.6670	3.6060	3.4580
GBP SONIA	5.2000	5.2012	5.1769	5.1324	5.0160

## TREASURY DIVISION Level-11

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