

## TREASURY COMMENTARY – 15<sup>th</sup> July 2024

### DOMESTIC MARKET

#### USD/LKR

The USD/LKR market is active and is trading around the level of 297.00 and 305.00. The rupee has appreciated by approximately 7.12% against the USD from the beginning of the year.

#### USD/LKR Market Volume (USD Mn) on 12.07.2024

Cash	2.50
Tom	5.00
Spot	18.90
Forward	5.80

#### MONEY

Overnight call-money traded at 8.73% on Friday (12.07.2024). Net market liquidity was a surplus of Rs 130.40 Bn on Friday from a surplus of Rs 122.26 Bn on Thursday.

### GLOBAL MARKETS

#### FOREIGN EXCHANGE

The dollar rose on safety bids in Asian Trading on Monday in the wake of the attempted assassination of former U.S. President Donald Trump, which in turn left the yen struggling to stay afloat despite Tokyo's suspected intervention efforts.

The dollar was broadly on the front foot in early trade, pushing the euro down 0.23% to \$1.0885 and sterling 0.17% lower to \$1.2968.

The risk-sensitive Australian dollar fell 0.18% to \$0.6771, while the New Zealand dollar slid 0.35% to \$0.6097.

Against a basket of currencies, the greenback was little changed at 104.28.

Against the dollar, the yen was last 0.3% lower at 158.36, having strengthened to a roughly one-month high of 157.30 per dollar on Friday.

The loonie was trading 0% higher at C\$1.363 to the greenback, or 73.37 U.S. cents, after trading in a range of 1.3612 to 1.3638.

The Chinese yuan hardly reacted to the data and only slightly extended its losses from earlier in the session to last trade 0.14% lower at 7.2609 per dollar in the onshore market.

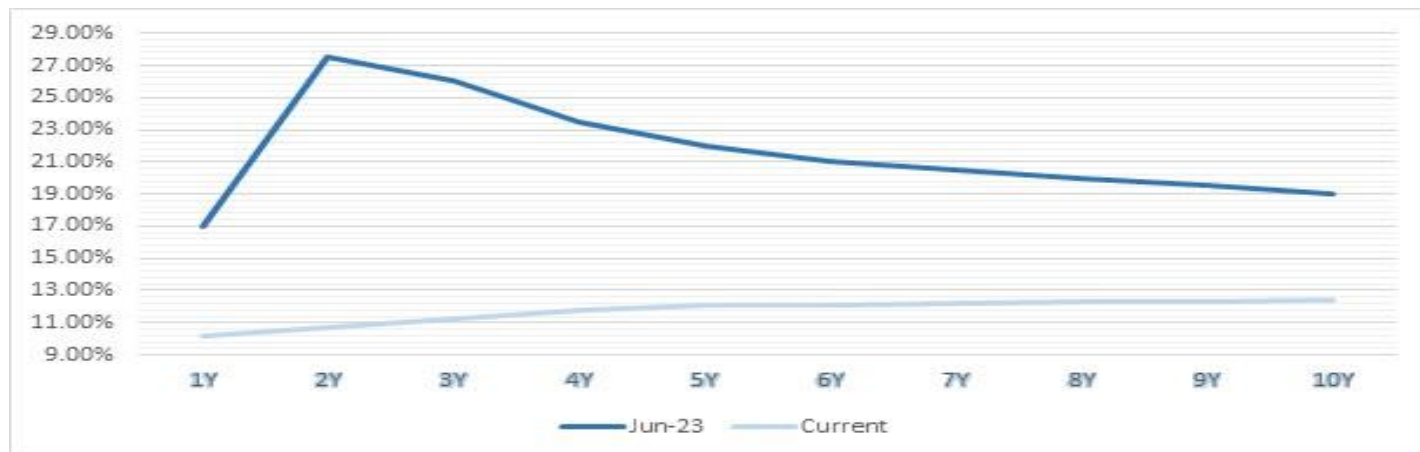
#### COMMODITIES

Gold prices inched down on Monday as the dollar held firm, while investors looked towards comments from Federal Reserve officials and economic data for further cues on U.S. interest rate path.

Oil prices fell for a second day on Monday as the dollar gained ground amid political uncertainty in the U.S. following an attack on U.S. presidential candidate Donald Trump while investors eyed the progress of talks for a Gaza ceasefire.

# ECONOMIC INDICATORS

## Bond Curve



**AWPLR %**  
 Week ending 12/07 **8.85**  
 Week ago 9.04  
 Year ago 18.69

**AWDR %**  
 Jun **2024** 8.38  
 May **2024** 9.05  
 Year ago 15.09

**T BILL%**  
 3M 9.91  
 6M 10.10  
 1Y 10.21

INFLATION (%) (Base:2021=100)	Apr 2024	May 2024	Jun 2024	Year ago
NCPI (YoY)	2.7	1.6	-	22.10
NCPI (core)	3.0	3.1	-	21.60
CCPI(YoY)	1.5	0.9	1.7	12.0
CCPI (core)	3.4	3.5	4.4	9.80

CBSL reserves (USD) – June 24"	5.642 Bn
CBSL T-bill/bond holding	2,595.62 Bn
Market liquidity	130.40 Bn
Foreign holding LKR bills/bonds	53.12 Bn

	O/N	1M	3M	6M	12M
USD SOFR	5.3400	5.3278	5.2861	5.1648	4.8655
EUR ESTR	3.6640	3.6610	3.6160	3.5080	3.3000
GBP SONIA	5.2000	5.1601	5.0975	5.0106	4.8185

## TREASURY DIVISION Level-11

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