

TREASURY COMMENTARY – 12 November 2024

DOMESTIC MARKET

USD/LKR

The USD/LKR market is active and is trading around the level of 288.75 and 295.75. The rupee has appreciated by approximately 9.82% against the USD from the beginning of the year.

USD/LKR Market Volume (USD Mn) on 11.11.2024

Cash	-
Tom	05.15
Spot	26.00
Forward	10.00

MONEY

Overnight call-money traded at 8.54% on Monday (11.11.2024). Net market liquidity was a surplus of Rs 162.93 Bn on Monday from a surplus of Rs 173.37 Bn on Friday.

GLOBAL MARKETS

FOREIGN EXCHANGE

The U.S. dollar traded close to a four-month peak versus major peers on Tuesday, The euro languished near an almost seven-month trough reached overnight, while the yuan wallowed close to a more than three-month low with Europe and China both particular targets of potential Trump tariffs. Trump's Republican Party may control both houses of Congress when he takes office in January. That would enable him to push an agenda of slashing taxes and shrinking the federal government.

Trump has warned the euro bloc it will "pay a big price" for not buying enough American exports, with cars a particular target of the incoming U.S. President. He has threatened China with blanket 60% tariffs.

The U.S. dollar index, which measures the currency against six peers including the euro, rose 0.07% to 105.49, after reaching 105.70 on Monday for the first time since July 3.

The euro sank to \$1.0629 overnight for the first time since April 22, and changed hands at \$1.0658. While Sterling was little changed at \$1.28645.

The offshore yuan dipped as low as 7.2337 per dollar on Monday, the weakest since Aug. 2, before trading at 7.2241

The yen edged towards last week's three-month low of 154.715 per dollar, losing about 0.1% to 153.865, following a 0.7% slide overnight

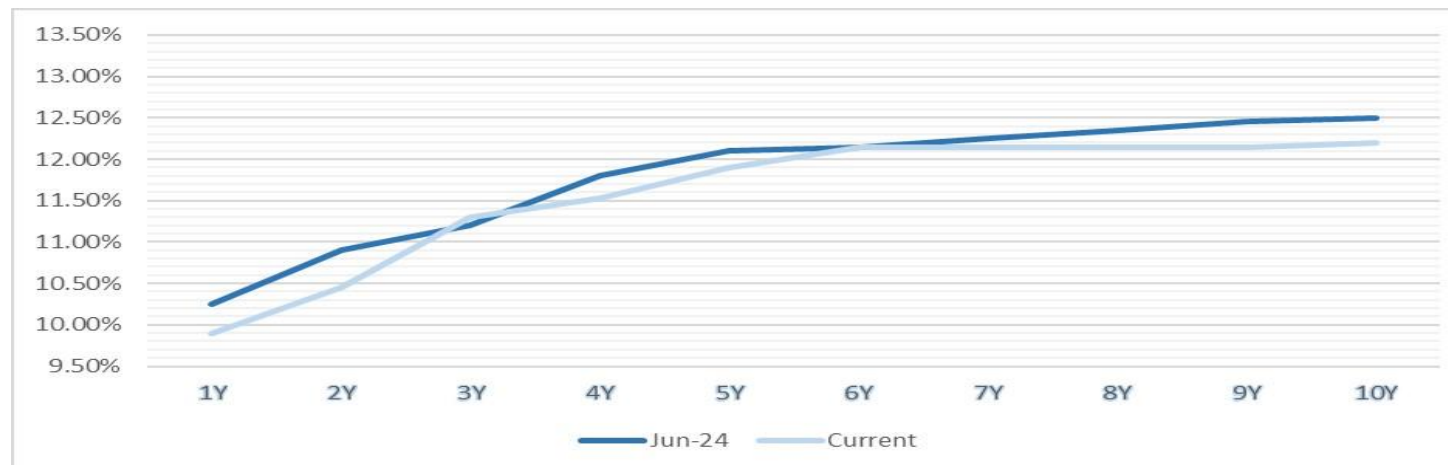
COMMODITIES

Gold hovered near a one-month low on Tuesday as investors looked forward to U.S. economic data and comments from Federal Reserve officials for further clarity on the interest rate trajectory.

Oil prices were little changed in early trading on Tuesday, awaiting further price direction from OPEC's monthly report after China's stimulus plan and oversupply concerns took the wind out of markets in prior sessions.

ECONOMIC INDICATORS

Bond Curve



AWPLR %
 Week ending 11/08 **9.16**
 Week ago 9.05
 Year ago 13.88

AWDR %
 October **2024** 7.61
 September **2024** 7.70
 Year ago 12.75

T BILL%
3M 09.37
6M 09.70
1Y 09.95

INFLATION (%) (Base:2021=100)	August 2024	September 2024	October 2024	Year ago
NCPI (YoY)	1.1	-0.2	-	1.0
NCPI (core)	2.3	1.9	-	0.6
CCPI(YoY)	0.5	- 0.5	- 0.8	1.5
CCPI (core)	3.6	3.3	3.0	1.2

CBSL reserves (USD) – Oct. 24"	6.467 Bn
CBSL T-bill/bond holding	2,515.62 Bn
Market liquidity	162.93 Bn
Foreign holding LKR bills/bonds	54.81 Bn

	O/N	1M	3M	6M	12M
USD SOFR	4.8200	4.6164	4.5161	4.4010	4.2187
EUR ESTR	3.1630	3.1650	2.9750	2.6680	2.3090
GBP SONIA	4.7000	4.7085	4.6864	4.5859	4.4273

TREASURY DIVISION Level-11

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