



NatWealth Securities Limited
(Primary Dealer appointed by Central Bank of Sri Lanka)
A wholly owned company of the National Wealth Corporation Limited

Weekly Financial Broadcast

15th Mar 2018 – 21st Mar 2018

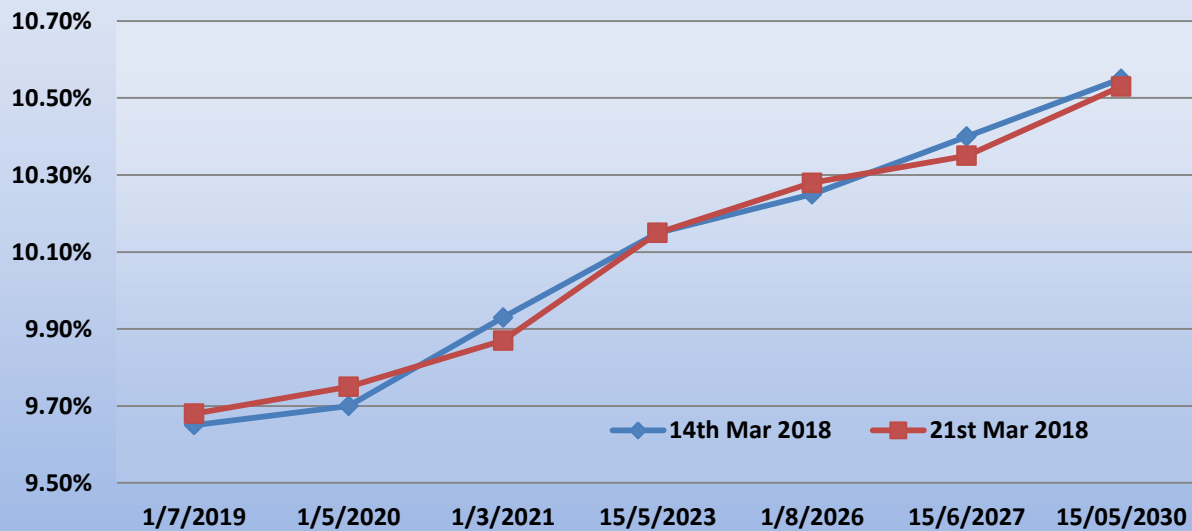
Date	Market Liquidity Rs. (Bn.)
21 st Mar 2018	22.1
20 th Mar 2018	30.5
19 th Mar 2018	30.7
16 th Mar 2018	25.6
15 th Mar 2018	35.8

Description	Rate
Inflation Y O Y Feb (NCPI)	3.2%
Inflation Annual Avg. Feb (NCPI)	7.2%
AWPLR	10.82%

Forthcoming Maturities of Government Debt	
Month	Maturity Amount Rs. (Bn.)
Apr-18	235.9
May-18	147.1
Jun-18	215.0
Jul-18	396.2
Aug-18	204.4
Sep-18	70.9

Secondary Market Rates		
T-Bills	Offer	Bid
03 Months	8.10%	8.20%
06 Months	8.60%	8.70%
12 Months	9.55%	9.65%
T-Bond	Offer	Bid
01/07/2019	9.60%	9.70%
01/05/2020	9.65%	9.75%
01/03/2021	9.85%	9.88%
15/05/2023	10.00%	10.15%
01/08/2026	10.18%	10.28%
15/06/2027	10.25%	10.35%
15/05/2030	10.43%	10.53%

T-Bond Yield Curve Comparison



Description	15 th Mar 18 Thu	16 th Mar 18 Fri	19 th Mar 18 Mon	20 th Mar 18 Tue	21 st Mar 18 Wed
ASPI (CSE)	6500.99	6509.46	6493.63	6462.5	6445.97
Gold Price USD	1316.10	1314.24	1316.85	1311.31	1332.24
Crude Oil Price USD	64.52	65.48	65.49	66.89	69.24
US Dollars (LKR)	156.05	156.02	156.10	156.10	156.05
Euro (LKR)	192.02	191.74	192.55	191.08	192.54
Japanese Yen (LKR)	1.4673	1.4718	1.4714	1.4652	1.4715
AU Dollars (LKR)	121.69	120.32	120.48	119.93	121.18
Sterling Pounds (LKR)	217.48	217.56	218.92	218.50	220.68
10 year US bond rate	2.812	2.827	2.834	2.874	2.859

- At the weekly Treasury bill auction held on 21st March 2018, 91 day & 364 day bill rate declined by 15 & 04 basis points to 8.17% & 9.66% p.a respectively while 182 day bids were rejected by the Central Bank of Sri Lanka.
- The island nation's gross domestic product (GDP) grew by 3.1 percent in 2017, down from 4.5 percent in 2016, the Department of Census and Statistics said.
- Central Bank Governor Dr. Indrajit Coomaraswamy said that they had drafted a detailed work plan in formulating the first National Financial Inclusion Strategy (NIFS) in consultation with the International Finance Corporation (IFC), which is expected to be operational from the middle of next year.
- Sri Lanka is planning to borrow 300 million dollars from state banks to settle maturing dollar bonds in 2018 which have high interest rates, the government has said.

Foreign Insight

- The Fed lifted the federal funds rate, which helps determine rates for mortgages, credit cards and other borrowing, to a range of 1.5% to 1.75%. That was an increase of a quarter of a percentage point.
- Trump's \$50 billion tariff package would be a declaration of trade war. Beijing has renewed a warning that it will retaliate if President Donald Trump goes through with plans to slap new tariffs on Chinese goods worth billions of dollars.
- China's central bank increased the interest rates it charges on 7-day reverse-repurchase agreements by five basis points in line with market expectations and a normal reaction to the Fed's rate hike.
- The Central Bank of Kuwait and The Central Bank of the United Arab Emirates raised their key rates by 25bps to 3% and 2.5% respectively following the Fed's decision to increase the funds rate by 25 bps.

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