



# MARKET REVIEW

## TREASURY

21<sup>ST</sup> FEBRUARY 2025

### LOCAL MARKET

USD/LKR spot closed at 296.20/296.40 on Thursday.

#### Money Market

The Overnight Policy Rate (OPR) is 8.00% and the Statutory Reserve Ratio is 2.00%. The interbank call money weighted average on Thursday was at 7.98 percent. Market surplus was Rs 153.19 billion.

#### Equity Market

The CSE All-Share index settled 1.26% lower at 16,858.97.

The equity market's turnover fell to 2.91 billion Sri Lankan rupees (\$9.83 million) from 3.70 billion rupees in the previous session.

#### Market Levels

| Currency | Cross Rates | TT Buying | TT Selling |
|----------|-------------|-----------|------------|
| AUD      | 0.6388      | 185.29    | 192.86     |
| CAD      | 1.4167      | 205.25    | 211.92     |
| CHF      | 0.8977      | 324.24    | 333.78     |
| CNY      | 7.2522      | 39.96     | 41.59      |
| EUR      | 1.0482      | 304.59    | 315.45     |
| GBP      | 1.2650      | 368.49    | 379.91     |
| INR      | 86.5210     | 3.33      | 3.46       |
| JPY      | 150.13      | 1.9388    | 2.0047     |
| NZD      | 0.5755      | 167.53    | 173.50     |
| SGD      | 1.3335      | 218.92    | 225.34     |
| USD      | -           | 292.17    | 299.19     |

#### Inter-Bank Offered Rate

|           | USD     | GBP    | EUR   |
|-----------|---------|--------|-------|
| O/N       | 4.35    | 4.4543 | 2.665 |
| 1 month   | 4.32232 | 4.464  | 2.59  |
| 3 months  | 4.32859 | 4.4402 | 2.438 |
| 6 months  | 4.30501 | 4.3441 | 2.296 |
| 12 months | 4.24442 | 4.2279 | 2.15  |

### FOREIGN EXCHANGE MARKET

#### USD

The dollar nursed broad losses as bulls who had built up big, long positions in anticipation of a trade war have backed off while Trump equivocates about tariffs.

Trump has imposed an additional 10% tariff on Chinese goods and announced plans to reimpose steel and aluminum levies from his first term, but suspended threatened tariffs on Canada and Mexico while numerous others remain - as of yet - only threats.

The dollar index on Thursday touched its lowest for 2025 at 106.29 and was last at 106.45.

#### EUR

The euro was up 0.8% overnight and was steady in Asia at \$1.0498 with traders awaiting an election in Germany on the weekend.

#### GBP

Sterling touched its highest since mid-December at \$1.2674.

#### JPY

The yen broke through chart resistance at 150 per dollar overnight and it strengthened as far as 149.285 per dollar in the Asia morning after Japan recorded core inflation running at its fastest pace for 19 months in January.

#### AUD & NZD

The Aussie and NZD are trading at their highest levels this year despite rate cuts on both sides of the Tasman this week, and New Zealand's central bank flagging more to come. Australia is in a position where there could be some more decreases in interest rates but policymakers have to be cautious, the country's top central banker said on Friday. The NZD touched \$0.5772 on Friday morning, while the AUD has broken above 64 cents for the first time this year and touched \$0.6404.

#### CHF

The dollar was traded at 0.8984 CHF.

#### Economic Calendar

| Date       | Event                             |
|------------|-----------------------------------|
| 04.03.2025 | AUD_ Monetary Policy Meeting      |
| 19.03.2025 | USD_ Monetary Policy Announcement |
| 20.03.2025 | GBP_ Monetary Policy Announcement |

Government Securities

Treasury Bills

| Tenure    | This week | Last Week |
|-----------|-----------|-----------|
| 3 Months  | 7.61      | 7.69      |
| 6 Months  | 7.90      | 7.94      |
| 12 Months | 8.36      | 8.42      |

Treasury Bonds

| Tenure | Offer | Bid   |
|--------|-------|-------|
| 2 Year | 8.75  | 9.85  |
| 3 Year | 9.98  | 10.00 |
| 4 Year | 10.72 | 10.75 |
| 5 Year | 11.00 | 11.07 |

People’s Money Market Savings Account Rate

|                                |        |
|--------------------------------|--------|
| 21 <sup>st</sup> February 2025 | 5.50 % |
|--------------------------------|--------|

Economic Indicators

|                                       |               |
|---------------------------------------|---------------|
| Inflation (Y o Y – JANUARY 25- CCPI)  | -4.00%        |
| Inflation (Y o Y – DECEMBER 24- NCPI) | -2.00%        |
| CBSL Reserves as at 31.01.2025        | USD 6.065 Bn  |
| Trade Balance Jan-Dec 2024            | USD -6.069 Bn |
| AWPLR AS AT 14.02.2025                | 8.42 %        |
| Workers’ Remittances Jan 2025         | USD 0.573 Bn  |

Source: CBSL

COMMODITY MARKET

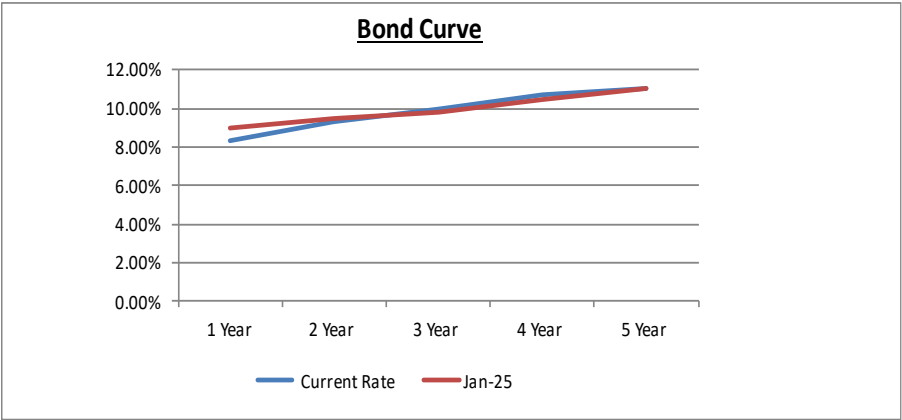
Crude

U.S. crude settled at \$72.57 per barrel, while Brent at \$76.40 per barrel on the day.

Gold

Gold prices were little changed on Friday but remained on track for an eighth successive weekly gain, driven by concerns over U.S. President Donald Trump's tariff plans, which could spark trade wars and stoke inflation.

Spot gold was up 0.1% to \$2,941.25 an ounce.



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