

WEEKLY GOVERNMENT SECURITIES MARKET

For the week: 10-Oct-24 to 15-Oct-24

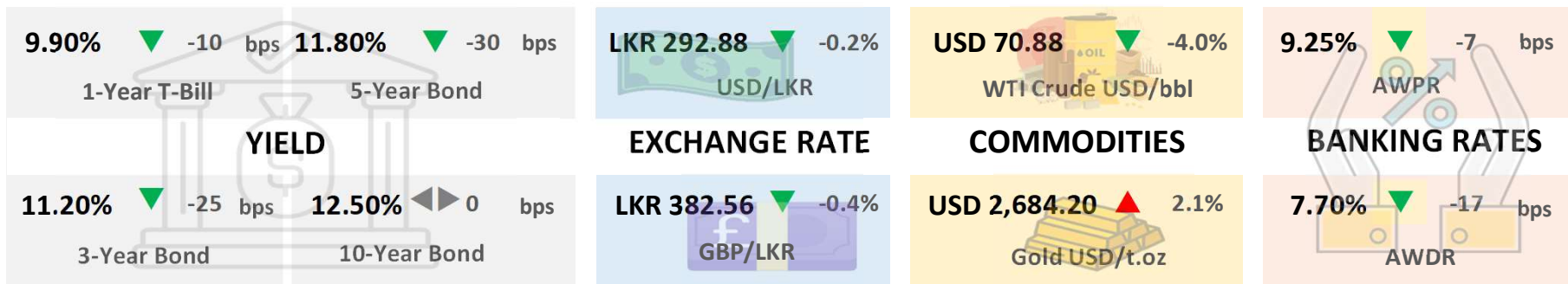


First Capital
A Janashakthi Group Company

15-Oct-2024

FIRST CAPITAL RESEARCH

AT A GLANCE (WoW change)



“Yield curve edges down; mid tenors attract interest”

Weekly Yield Movement & Volume

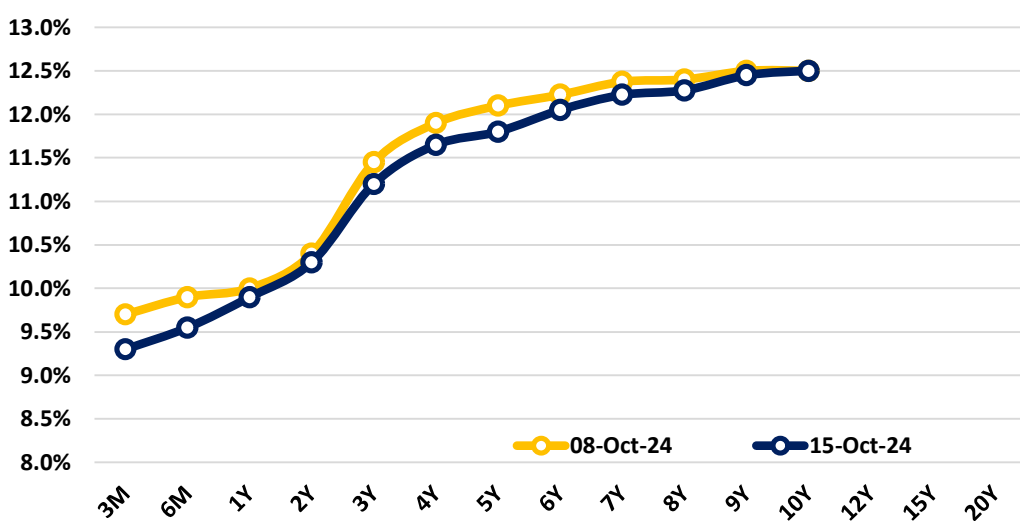
The secondary market yield curve edged down across the board while market participants exhibited a mixed sentiment during the week. Meanwhile, auction yields fell below 10% mark at the weekly T-bill auction amidst higher investor participation.

At the beginning of the week, secondary market yield curve remained broadly unchanged as the market participants opted to lay low ahead of the bond auction which was held on 11th Oct-24. Towards mid-week, following the T-bond auction, strong bullish interest emerged in the secondary market resulting in a downward shift in the yield curve. Mid tenors continued to attract larger interest while long tenors did not trade mostly. Towards the end of the week, the secondary market displayed mixed sentiment majorly on the mid-tenor bonds resulting yield curve to come further down following the T-bill auction.

Meanwhile, at the LKR 95.0Bn worth bond auction which was held on 11th Oct-24, the total offered was fully accepted from each maturity with 15.03.2028 bond closing at a weighted average yield rate of 11.79% amidst higher reception and 01.10.2032 bond closed at 12.36% at the end of the auction. At the weekly T-bill auction held on 15th Oct-24, CBSL fully subscribed the total offered amount of LKR 97.0Bn, with auction yields experiencing a decline of up to 37bps across the board, continuing the downward trend for the 4th consecutive week. CBSL accepted the total offered for the 3M, 6M, and 1Yr maturities, at Weighted Average Yield Rates (WAYRs) of 9.32% (-37bps), 9.65% (-30bps), and 9.95% (-5bps), respectively.

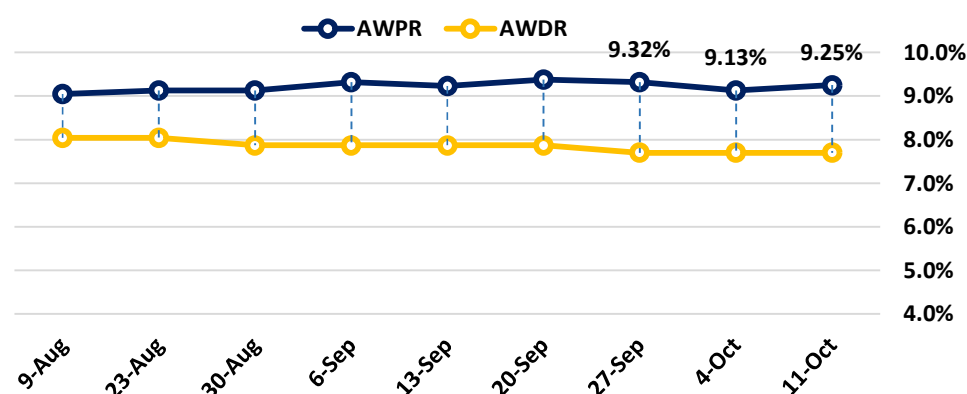
In the forex market, the LKR strengthened, slightly appreciating against the greenback, recording LKR 292.9 on the 15th Oct-24, compared to LKR 293.5 at the beginning of the week.

SECONDARY MARKET BILLS AND BONDS YIELDS



Tenure	15-Oct-24	8-Oct-24	Change (bps)
< 3M	9.30%	9.70%	-40
< 6M	9.55%	9.90%	-35
< 1Y	9.90%	10.00%	-10
< 2Y	10.30%	10.40%	-10
< 3Y	11.20%	11.45%	-25
< 4Y	11.65%	11.90%	-25
< 5Y	11.80%	12.10%	-30
< 6Y	12.05%	12.23%	-18
< 7Y	12.23%	12.38%	-15
< 8Y	12.28%	12.40%	-13
< 9Y	12.45%	12.50%	-5
< 10Y	12.50%	12.50%	0
< 12Y	N/A	N/A	N/A
< 15Y	N/A	N/A	N/A
< 20Y	N/A	N/A	N/A

AVERAGE LENDING & DEPOSIT RATES



CBSL POLICY RATES

	Sep-2024	Jul-2024
SDFR	8.25%	8.25%
SLFR	9.25%	9.25%
SRR	2.00%	2.00%

*Upcoming Monetary Policy Announcement:
27th Nov 2024

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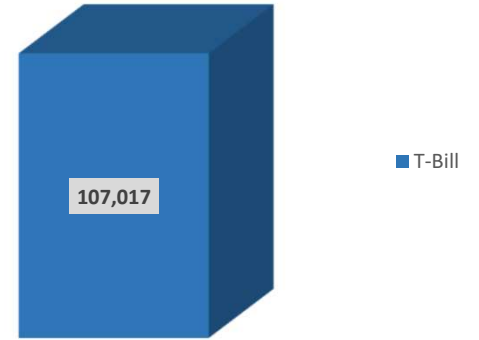
T-BILL AUCTION (LKR MN)

Auction Date 15-Oct-24

Tenor	Current	Previous	Change (bps)	Offered	Bids	Accepted
91 days	9.32%	9.69%	-37	37,000	112,142	37,000
182 Days	9.65%	9.95%	-30	40,000	102,701	40,000
364 Days	9.95%	10.00%	-5	20,000	38,832	20,000
Settlement Date	18-Oct-24			97,000	253,675	97,000

MATURITIES (LKR MN)

Week Ending 25-Oct-24

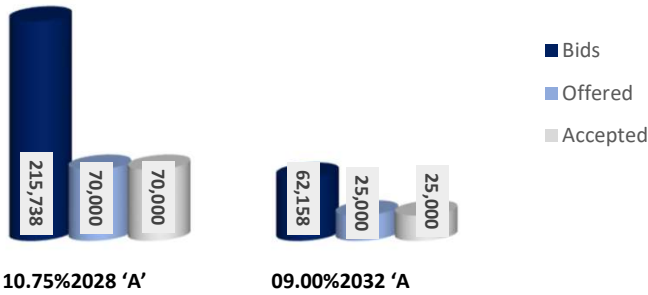


T-BOND AUCTION (LKR MN)

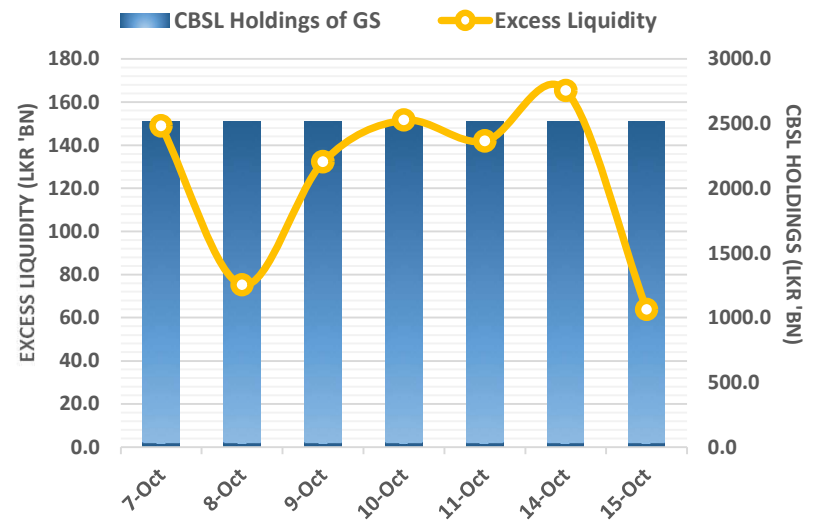
Auction Date 11-Oct-24

W.Avg 11.79%

W.Avg 12.36%



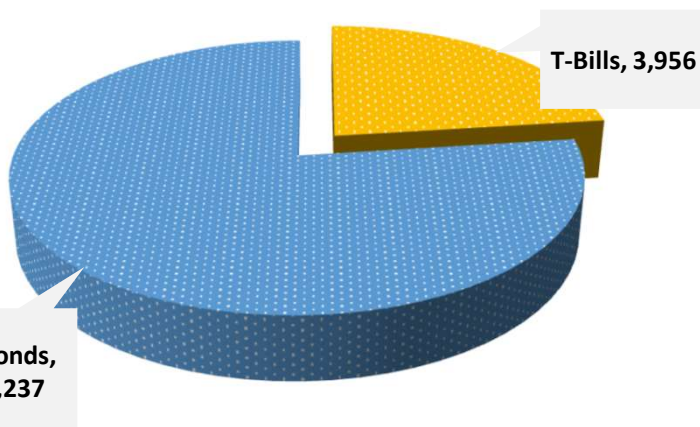
EXCESS HOLDINGS AND CBSL HOLDINGS



OUTSTANDING STOCK [GSEC] (LKR MN)

TOTAL (LKR Mn) 17,193.2

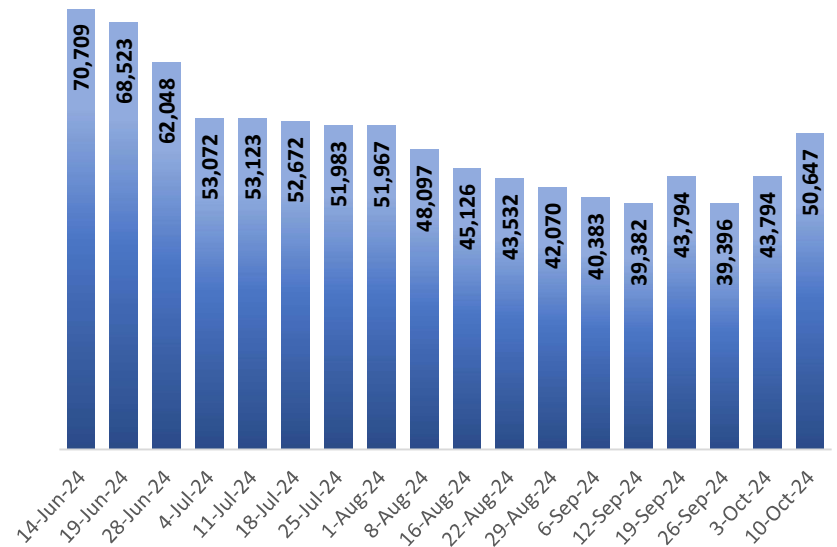
WoW change 0.12%



FOREIGN HOLDING IN GSEC (LKR MN)

Foreign Holding (%) 0.29%

WoW change 15.65%



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