



April 10, 2025

"US tariff pause shifts market mood, yields retreat across the board"

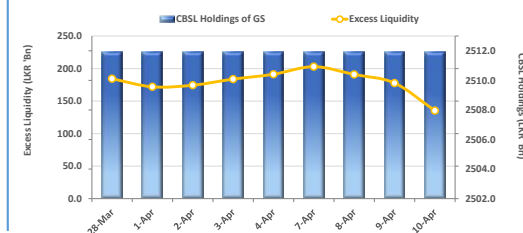
Today marked a decisive shift from the sustained selling sentiment that had weighed on the secondary market, a trend largely precipitated by the tariff measures recently unveiled by the United States. The market's mood turned on the back of the US's announcement of a 90-day suspension of reciprocal tariffs for most countries, including Sri Lanka. Investors, buoyed by this favorable turn of events, pivoted to a buying sentiment. This wave of optimism pushed the yield curve lower across the board, with yields dropping by approximately 30bps. Consequently, the 15.02.2028 and 15.03.2028 maturities traded at 10.00% while the 01.05.2028 maturity traded at 10.10%. Moreover, the 01.07.2028 maturity transacted at 10.15% and the 15.10.2028 maturity traded at 10.20%. Finally, the 15.09.2029 maturity and the 15.12.2029 maturity traded at a rate of 10.60%. The upbeat sentiment in the secondary market was mirrored in the T-Bond auction held today. A total of LKR 75.08n was raised through the 15.12.2029 maturity, with the weighted average yield coming in at 10.64%. Additionally, LKR 25.08n was secured through the 15.09.2034 maturity, which saw a weighted average yield of 11.21%. Notably, the auction was fully subscribed, reflecting improved investor confidence. In the forex market, the LKR weakened against the greenback, closing at LKR 301.20/USD, compared to the previous day's rate of 298.61/USD. Meanwhile, overnight liquidity in the banking system decreased to LKR 135.38n, down from LKR 177.78n in the prior session.

UNIT TRUSTS

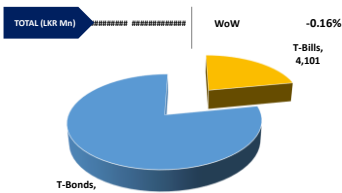
09-Apr-25

First Capital Unit Trust Funds			Sell Price	Buy Price	Avg. Yield
			LKR	LKR	
First Capital Money Market Fund	FCMMF		3,360.89	3,360.89	8.11%
First Capital Gilt Edge Fund	FCGEF		2,526.33	2,526.33	7.15%
First Capital Wealth Fund	FCWF		2,108.87	2,108.82	9.57%
First Capital Equity Fund	FCEF		3,093.40	3,047.00	-4.19%
First Capital Money Plus Fund	FCMPF		1,086.61	1,086.61	7.54%

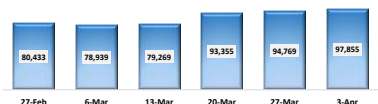
EXCESS LIQUIDITY AND CBSL HOLDINGS



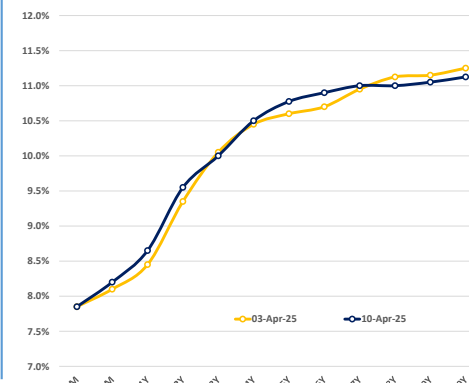
OUTSTANDING STOCK [GSEC]



FOREIGN HOLDING (LKR MN) WoW 3.26%

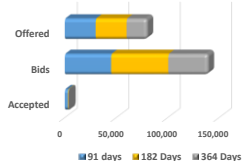


BILLS AND BONDS YIELDS



Tenure		Bid	Offer	Today	Last Week	Change (bps)
< 91 Days	< 3M	8.00%	7.70%	7.85%	7.85%	0
< 182 Days	< 6M	8.30%	8.10%	8.20%	8.10%	+10
< 364 Days	< 1Y	8.70%	8.60%	8.65%	8.45%	+20
01-May-27	< 2Y	9.60%	9.50%	9.55%	9.35%	+20
15-Mar-28	< 3Y	10.05%	9.95%	10.00%	10.05%	-5
15-Jun-29	< 4Y	10.55%	10.45%	10.50%	10.45%	+5
15-May-30	< 5Y	10.90%	10.65%	10.78%	10.60%	+18
15-Mar-31	< 6Y	11.00%	10.80%	10.90%	10.70%	+20
07-Dec-32	< 7Y	11.10%	10.90%	11.00%	10.95%	+5
01-Jun-33	< 8Y	11.10%	10.90%	11.00%	11.13%	-13
01-Jan-34	< 9Y	11.20%	10.90%	11.05%	11.15%	-10
15-Mar-35	< 10Y	11.25%	11.00%	11.13%	11.25%	-13
15-Jan-37	< 12Y	N/A	N/A	N/A	N/A	N/A
15-Aug-39	< 15Y	N/A	N/A	N/A	N/A	N/A
01-Jan-41	< 20Y	N/A	N/A	N/A	N/A	N/A

T-BILL AUCTION (LKR MN)



Auction Date	9-Apr-25
Settlement Date	11-Apr-25

91 days	7.59%	0	bps
184 days	7.91%	0	bps
364 days	8.31%	0	bps

T-BOND AUCTION (LKR MN)



MATURITY TABLE (LKR MN)

Week ending	18-Apr-25
Bond interest	87,643
T-Bill	61,840