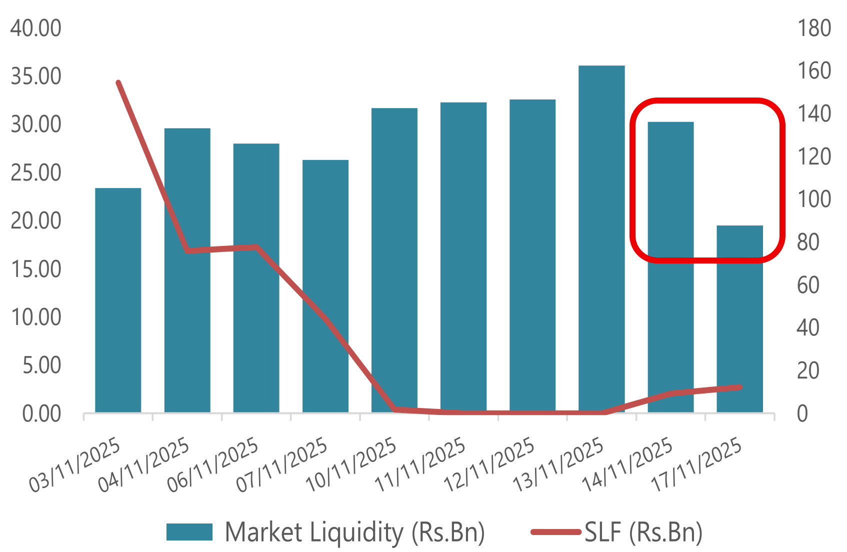
NSB Fund Management

# MARKET SUMMARY REPORT

**Date: 18.11.2025**

## 1. Liquidity & Central Bank Activity

Market Liquidity drop by Rs. 48.5bn



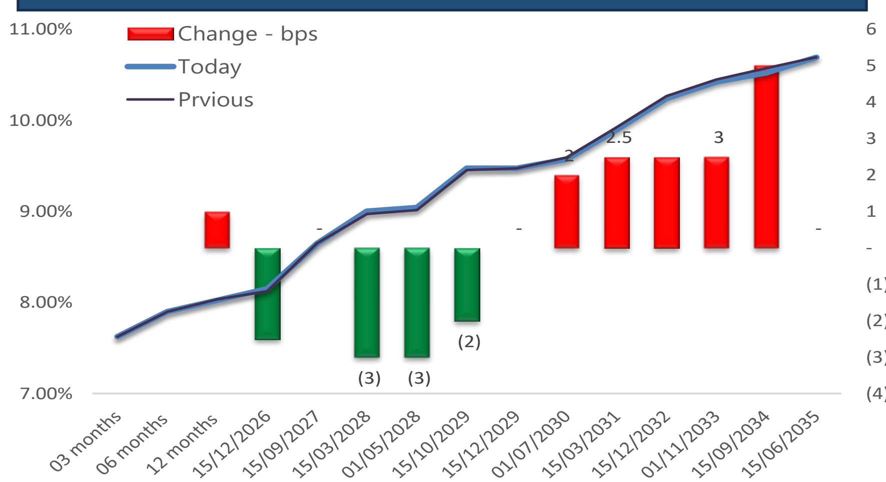

- **Overnight Liquidity:** Tightened considerably to LKR 87.6Bn, down LKR 48.5Bn from the previous day. This indicates a short-term squeeze in the money market.
- **Overall Market Liquidity (WoW):** Improved to LKR 136.1Bn, up LKR 17.9Bn from the previous week, suggesting a healthier system-wide liquidity position.
- **CBSL Holdings:** The Central Bank's holdings of Government Securities remained unchanged at LKR 2,508.9Bn.

## 2. Interest Rates

- **Short-term Rates:** The Weighted Average Call Money rate edged up slightly by 4 bps to 7.94%, reflecting the tighter overnight liquidity. The Repo Rate held steady at 7.96%.
- **Bank Lending Rate:** The Average Weighted Prime Lending Rate (AWPR) decreased by 8 bps to 8.34%, signaling a marginal easing in commercial lending rates.

## 3. Government Securities (Secondary Market)

Yield Curve – Average of closing two-way quotes




The yield curve showed minor, mixed movements, remaining relatively steeper.

- **Short-end (1 year and under):** Yields were stable, with the 3-month and 6-month bills unchanged.
- **Mid to Long-end:** Yields saw slight fluctuations. Notable changes include:

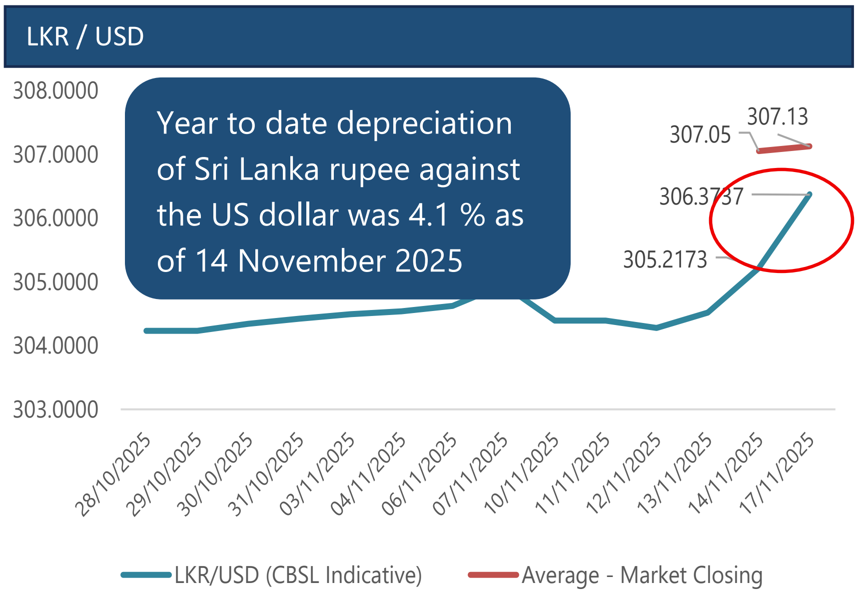
- The 2028 bond yields decreased by 2-3 bps.
- The 2034 bond yield increased by 5 bps.

## 4. Government Securities Outstanding

- **Treasury Bills:** Outstanding stock decreased by LKR 39.3Bn for the week.
- **Treasury Bonds:** Outstanding stock remained unchanged for the week but has increased by LKR 1,430.7Bn since the beginning of the year.
- **Foreign Holdings:** Declined slightly by LKR 0.9Bn to LKR 140.4Bn. However, foreign holdings have seen a net increase of LKR 71.1Bn year-to-date.

- The rupee value of T-Bills and T-Bonds held by foreign investors **decreased by 1%** compared to the previous week

## 5. Foreign Exchange & Inflation




- **LKR/USD Exchange Rate:** The Sri Lankan Rupee was stable against the US Dollar.
  - The CBSL indicative rate was 303.15/310.86.
  - The interbank market closed flat at LKR 307.00/307.25.
- **Inflation (YoY):** Both the NCPI and CCPI ticked up to 2.1% from 1.5%, remaining well within the Central Bank's target range, indicating a low inflationary environment.

## 6. Equity & Commodity Markets

- **Share Market:** Experienced a broad sell-off.
  - The ASPI fell 1.01% to close at 23,223.68.
  - The S&P SL 20 index declined 0.40% to 6,410.00.
- **Commodities:**
  - **Gold (LKR):** The price of 1 XAU fell significantly to LKR 1,252,144.72.
  - **Crude Oil:** Prices edged lower to $63.88 per barrel.
  - **World Index (S&P 500 Futures):** Declined to 4,022.31.

## *Supplementary News*

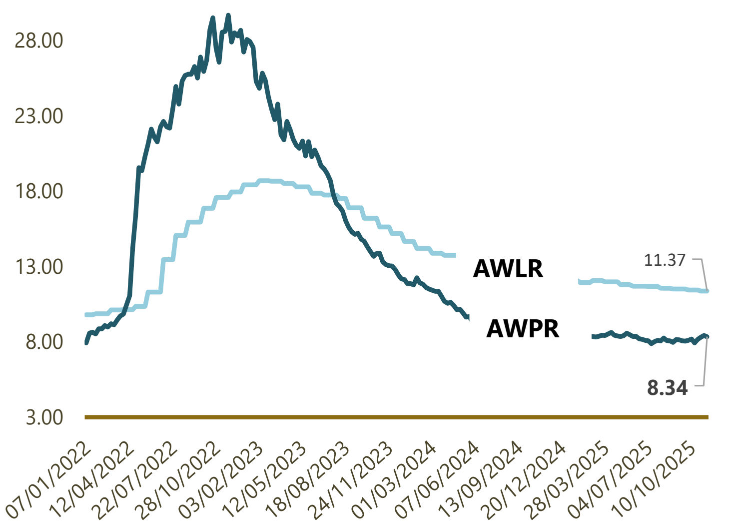
### Sri Lanka's CEB profits plunge 85-pct in September quarter

Profits of Sri Lanka's state-run Ceylon Electricity Board fell 85 percent to 3.5 billion rupees, with revenues down 2 percent, interim accounts show. Quarter on quarter profits were down from 5.3 billion rupees in June.

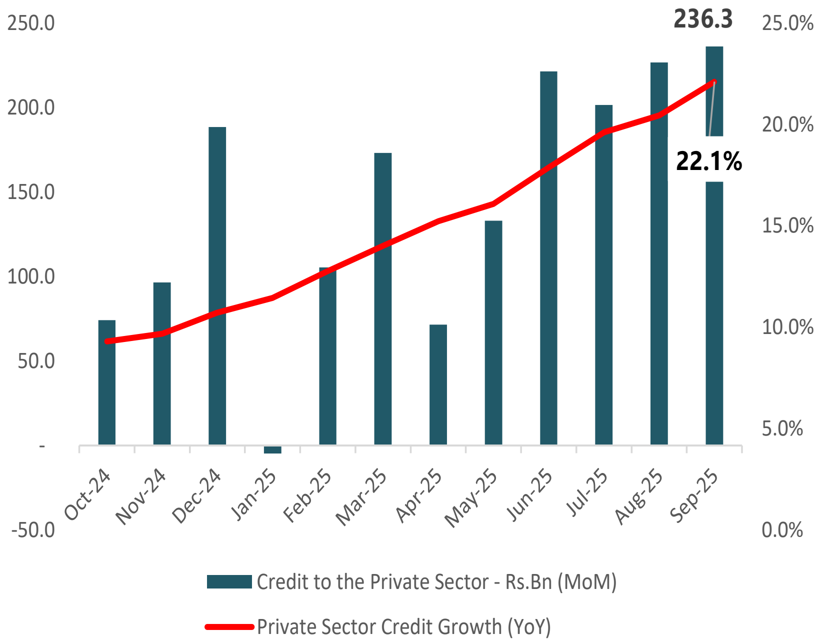
### Sri Lanka signs US$300mn in mostly budget support loans from ADB

Sri Lanka's Finance Ministry has inked agreements to borrow 300 million US dollars from the Asian Development Bank, were approved by its board in recent weeks of which 270 million dollars are policy-based or 'budget support' credits.

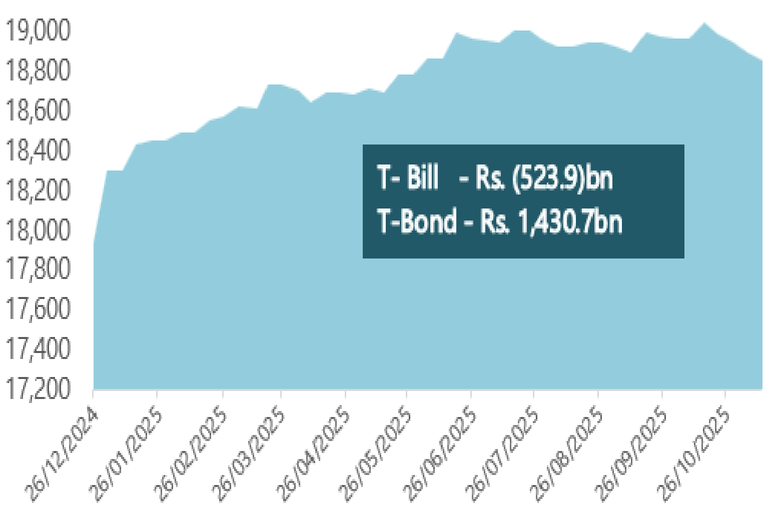
## Credit Quality Spread Normalizing




## Credit to Private Sector




## Total Increased of Govt Securities YTD – Rs 907Bn




## Foreign Holding of Government Securities