

MARKET SUMMARY REPORT

Date: 27.01.2026

Liquidity and Money Market Conditions

Overnight market liquidity improved modestly to **Rs. 169.7 billion**, compared to **Rs. 166.1 billion** previously, indicating continued surplus liquidity in the banking system. The Central Bank of Sri Lanka's (CBSL) holding of government securities remained unchanged at **Rs. 2,508.9 billion**, reflecting no active liquidity absorption or injection through outright operations.

Interest Rate Environment

Short-term money market rates remained broadly stable. The weighted average call money rate edged down to **7.74%**, while the weighted average repo rate remained unchanged at **7.77%**. The weekly AWPR declined by **8 basis points** to **8.90%**, signaling a marginal easing in lending rates and continued accommodative financial conditions.

Secondary Market – Government Securities

Treasury yields were largely stable across the curve, with slight downward adjustments at the short end. Three-month yields were unchanged at **7.85%**, while six-month yields eased to **8.25%**. Medium- to long-term maturities showed marginal increases, reflecting selective profit-taking and cautious positioning by

Overnight Market Liquidity



Current

169.7

Rs.bn



Last

166.1

Rs.bn

Interest Rate Changes



WA Call Money Rate

The WA Call Money Rate decreased by 0.02%.



WA Repo Rate

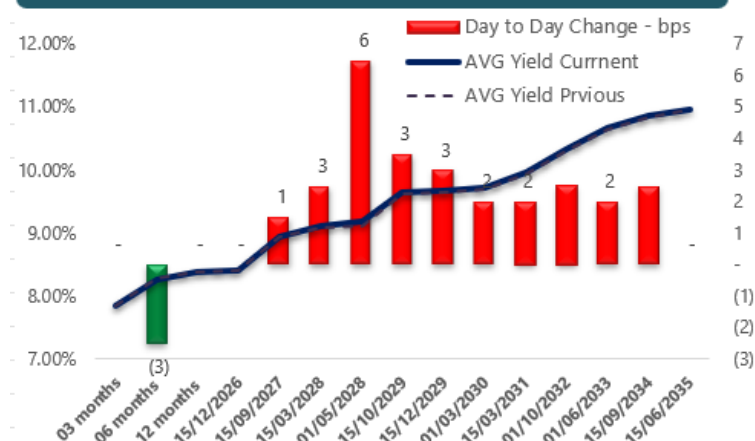
The WA Repo Rate remained unchanged at 7.77%.



WA Prime Lending Rate

The WA Prime Lending Rate decreased by 0.08%.

Secondary Market Yield Curve & Yield Changes

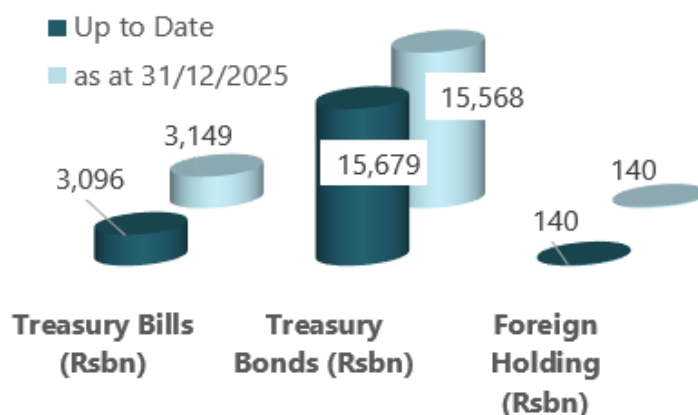


investors. Overall, the yield curve remains upward sloping, indicating stable inflation expectations over the medium to long term.

Government Securities Outstanding

Outstanding Treasury Bills increased by **Rs. 5.3 billion** on a weekly basis, while Treasury Bonds rose by **Rs. 65.7 billion**, reflecting ongoing financing requirements. Foreign holdings declined marginally by **Rs. 0.5 billion**, indicating subdued foreign investor participation in the government securities market.

Govt Securities Holding



Foreign Exchange Market

The LKR traded broadly stable against the USD. The market closing rate stood at **LKR 309.50 / 309.60**, showing a slight appreciation compared to the previous close. CBSL indicative rates were quoted at **LKR 306.03 / 313.57**, with no signs of excessive volatility in the domestic FX market.

Inflation Developments

Headline inflation, measured by NCPI, increased to **2.9%** from **2.4%**, while CCPI remained unchanged at **2.1%**. Inflation continues to remain well within manageable levels, supporting the current low-interest-rate environment.

Equity Market Performance

The Colombo Stock Exchange recorded mixed performance. The All Share Price Index (ASPI) declined marginally by **0.01%** to **23,953.09**, while the S&P SL20 Index gained **0.20%**, indicating selective buying interest in blue-chip counters.

Stock Market Indices



All Share

The All Share index decreased slightly from 23,956.51 to 23,953.09.



S&P SL 20

The S&P SL 20 index increased from 6,649.50 to 6,663.12.

Commodity Markets

Gold prices continued to strengthen during the period. International gold forward prices increased to **USD 5,108.41** from **USD 5,076.85**, reflecting sustained safe-haven demand amid global uncertainty. In the domestic market, Sri Lankan gold prices (CBSL reference) rose notably to **LKR 1,576,418.60**, compared to **LKR 1,534,379.56** previously.

The increase in local gold prices was driven by both the upward movement in global gold prices and prevailing exchange rate levels.

Meanwhile, crude oil futures edged down marginally to **USD 64.41** from **USD 64.77**, indicating relatively stable global energy market conditions with no significant supply-side pressures.

Commodity Prices Fluctuate

Recent Prices

Current commodity values



Oil Price

Brent oil slightly down from US\$ 64.77 to US\$ 64.41

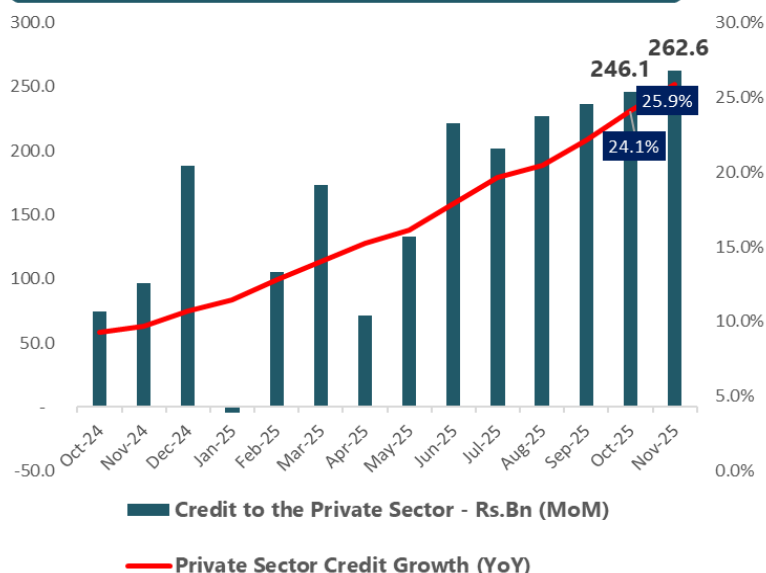
Gold Price

Forward gold price up from US\$ 5,077 to US\$ 5,108

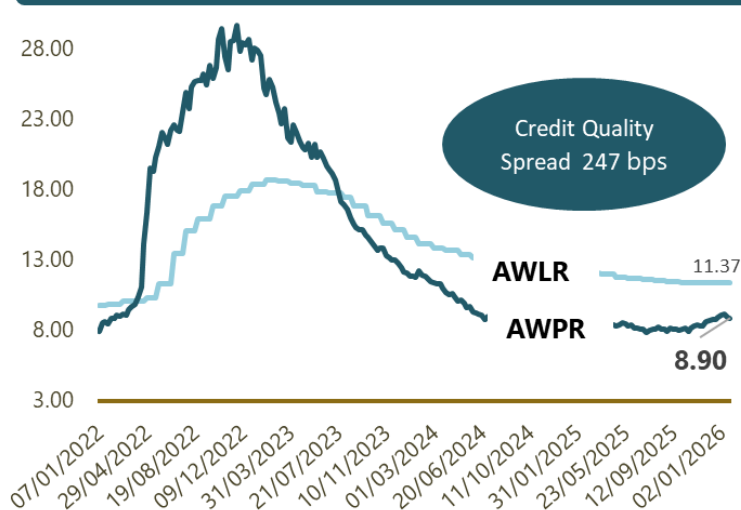
LKR Gold

LKR gold price up from 1,534,380 to 1,576,419

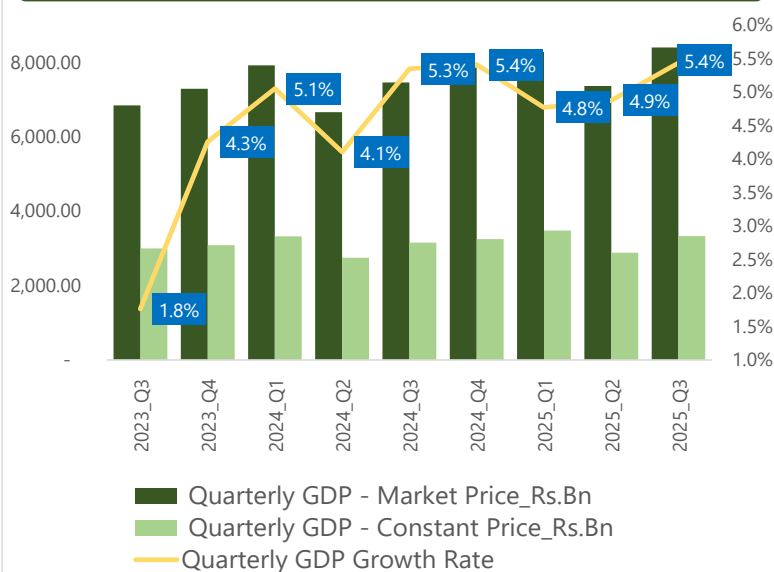
Credit to Private Sector



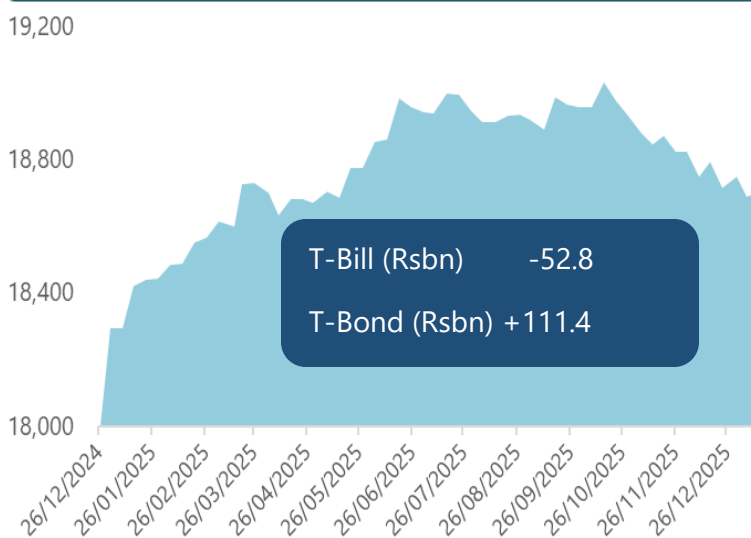
Credit Quality Spread Narrowing with AWPR



Gross Domestic Product (GDP) - Quarterly Growth Rates



G. Sec increased by Rs. 58.6 bn so far in the year - 2026



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