

## 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



Last

166.1

Rs.bn

Rs.bn

## Interest Rate Changes



## WA Call Money Rate

The WA Call Money Rate decreased by 0.02%.



## WA Repo Rate

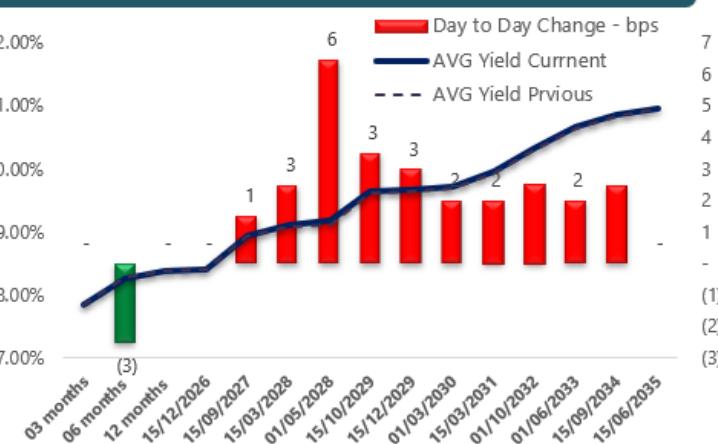
The WA Repo Rate remained unchanged at 7.77%.



## WA Prime Lending Rate

The WA Prime Lending Rate decreased by 0.08%.

## Secondary Market Yield Curve &amp; Yield Changes

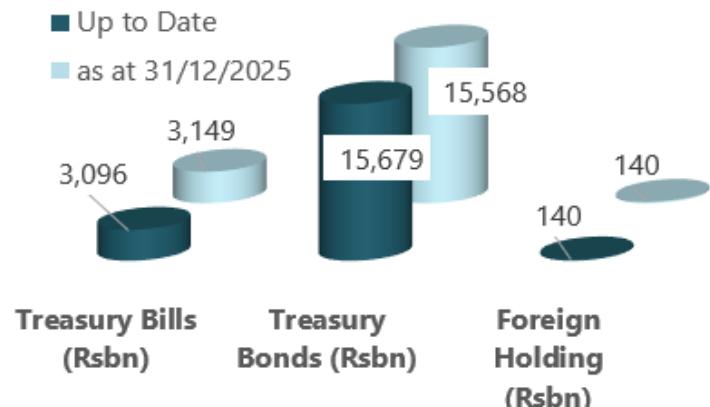


investors. Overall, the yield curve remains upward sloping, indicating stable inflation expectations over the medium to long term.

## 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.

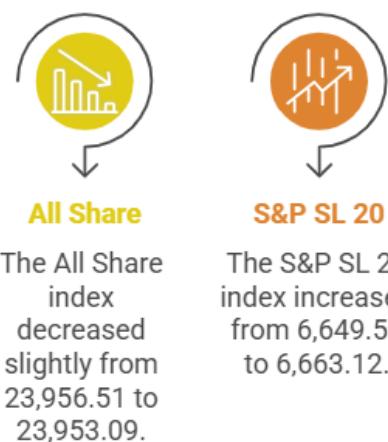
## Inflation Developments

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



## 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

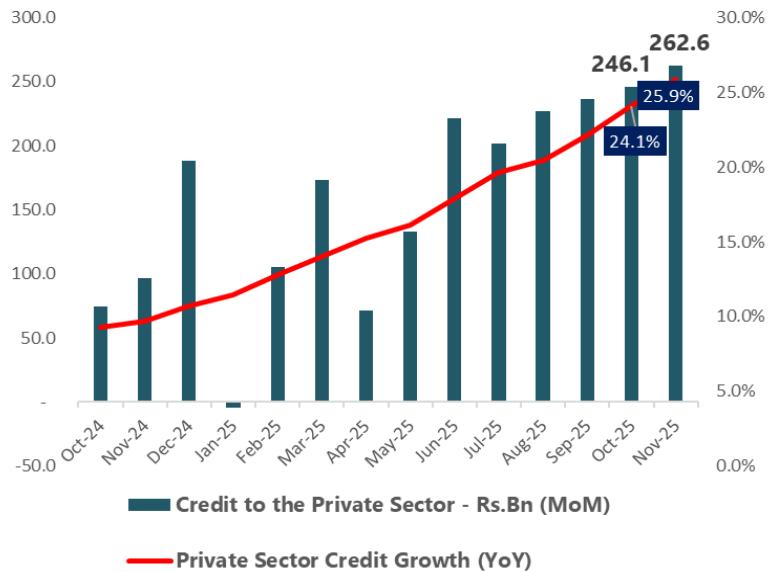
### Gold Price

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

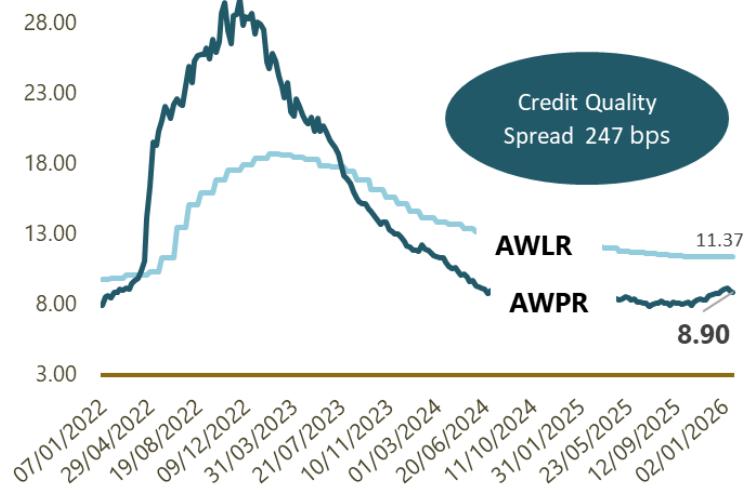
### LKR Gold

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

### Credit to Private Sector



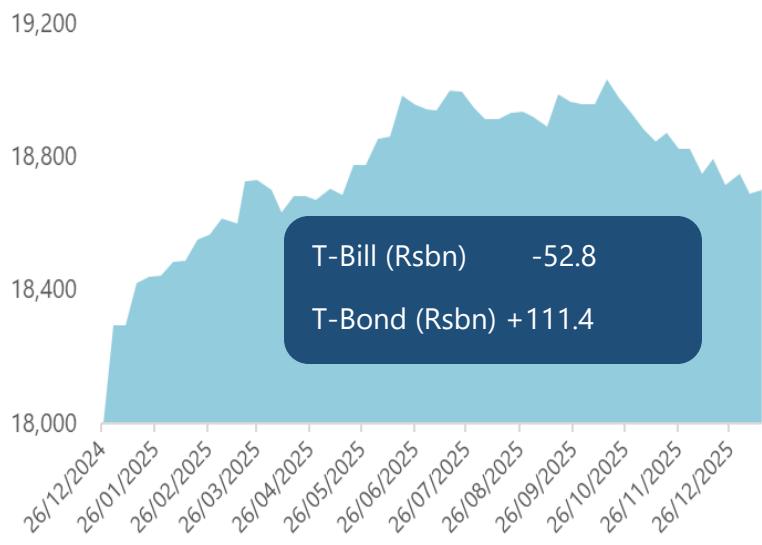
### Credit Quality Spread Narrowing with AWPR



### Gross Domestic Product (GDP) - Quarterly Growth Rates



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



Disclaimer: This report is based on data from CBSL, Bloomberg, Daily FT, and [Investing.com](https://www.investing.com). It is for informational purposes only and should not be construed as investment advice.