

# Money, Credit and Interest Rate Developments

June 2023

Economic Research Department

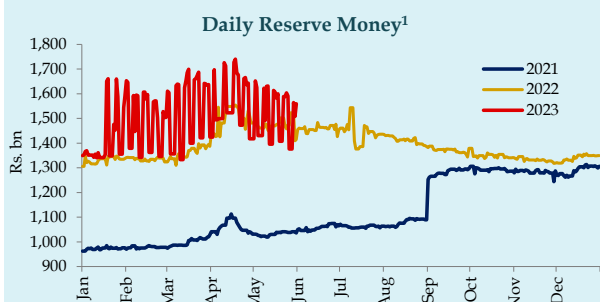
Central Bank of Sri Lanka

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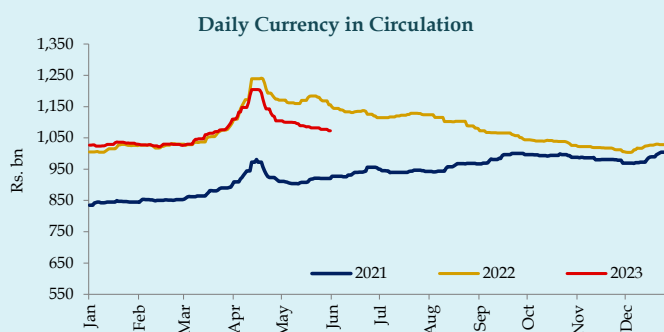
## Money and Credit Aggregates\*

### Reserve Money \*\*



<sup>1</sup> Increased volatility in daily Reserve Money since Jan 2023 reflects the impact of measures implemented to restrict access to standing facilities of the Central Bank by LCBs

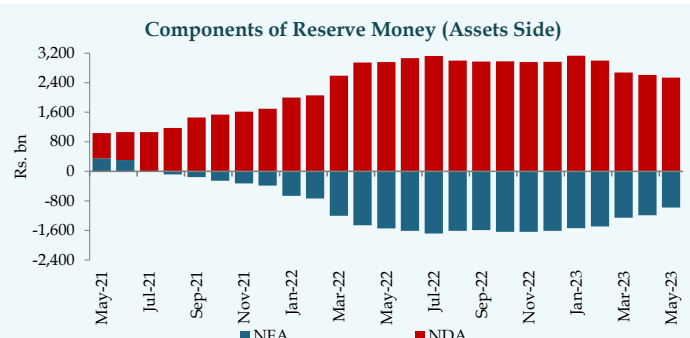
Reserve Money	May-23	Apr-23
Year-on-Year growth (%):	10.2	(4.4)
Monthly Change (Rs. bn):	142.1	(7.1)



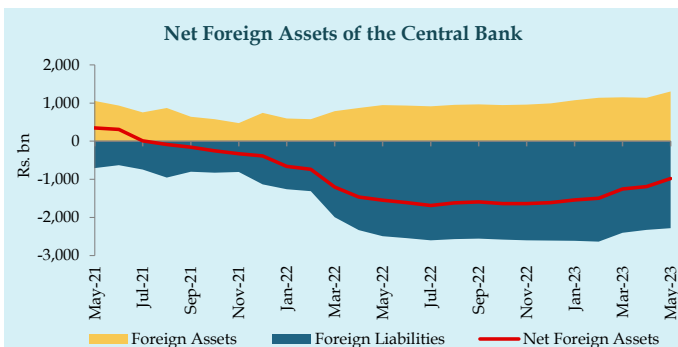
Currency in Circulation	May-23	Apr-23
Year-on-Year growth (%):	(7.2)	(5.7)
Monthly Change (Rs. bn):	(32.1)	(5.7)



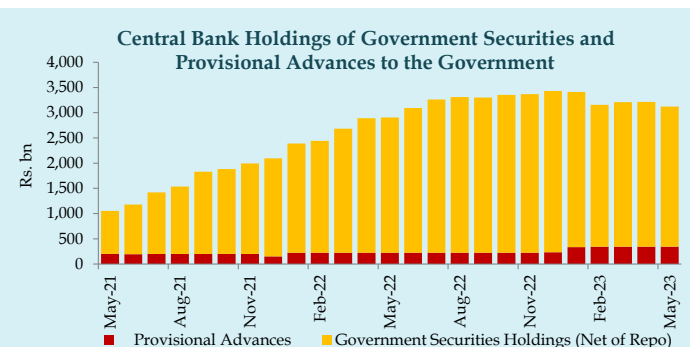
Commercial Bank Deposits	May-23	Apr-23
Year-on-Year growth (%):	87.9	0.5
Monthly Change (Rs. bn):	174.1	(1.4)



Net Domestic Assets (NDA)	May-23	Apr-23
Year-on-Year growth (%):	(14.3)	(11.4)
Monthly Change (Rs. bn):	(71.4)	(70.2)

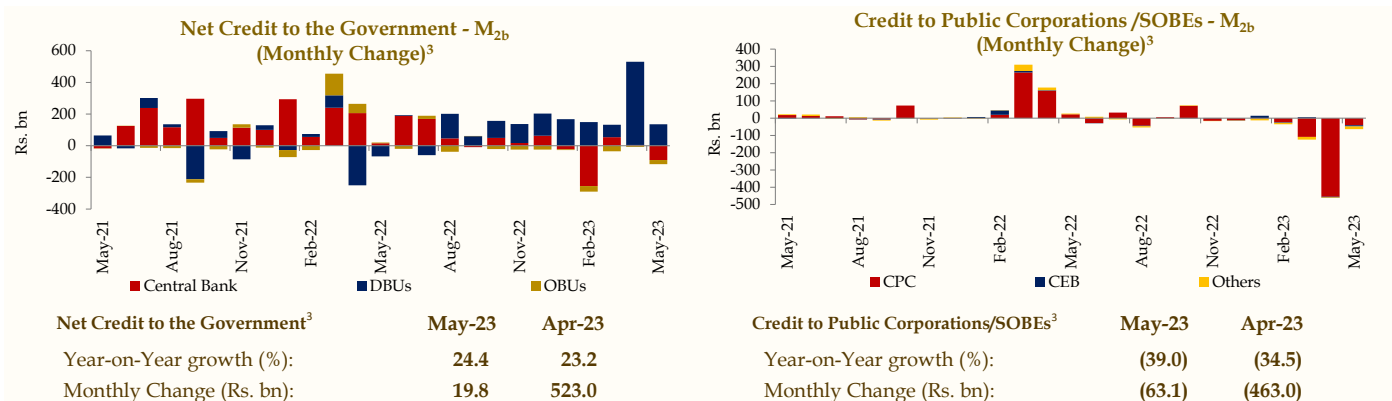
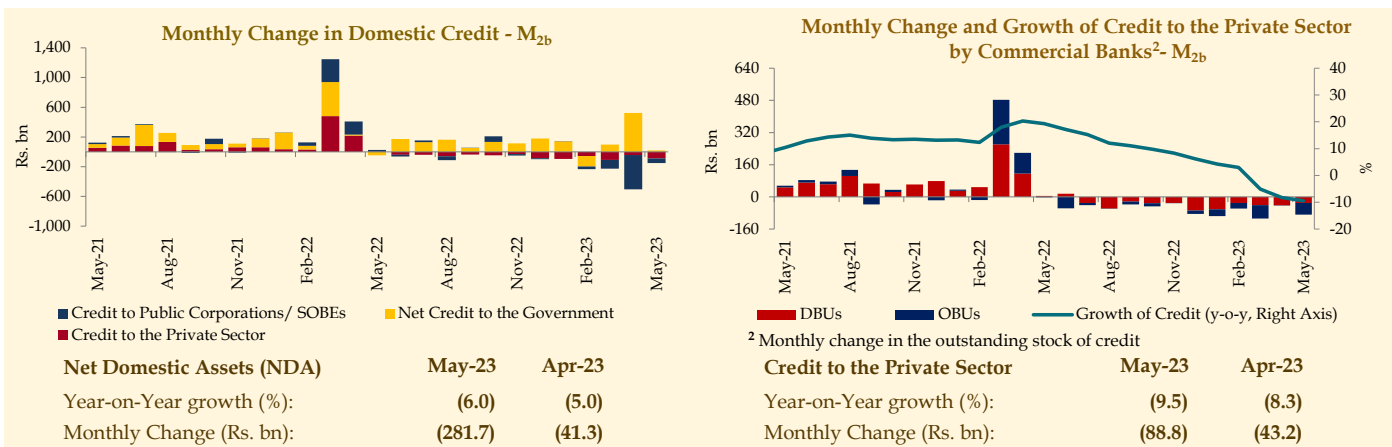
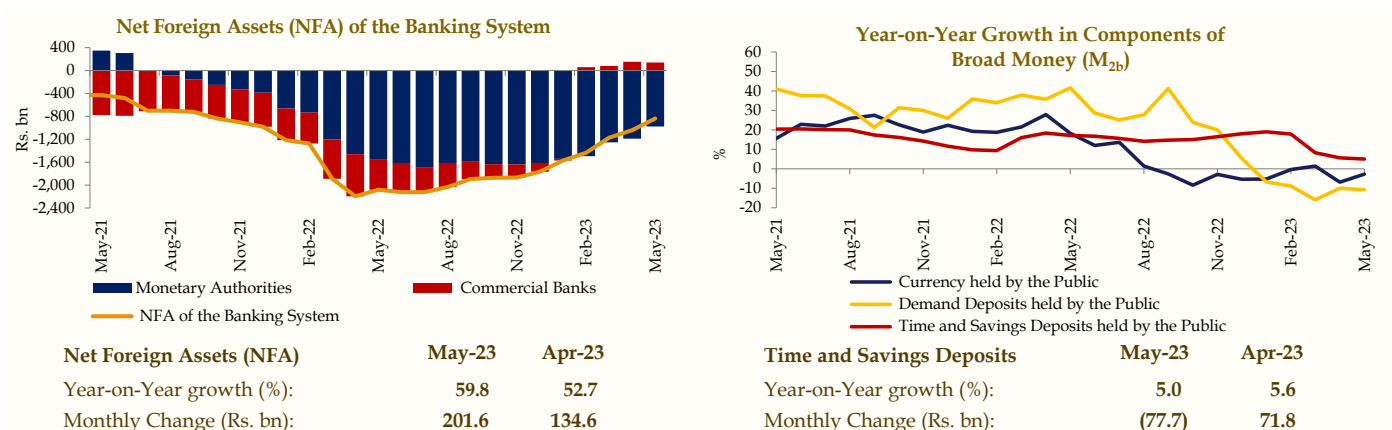
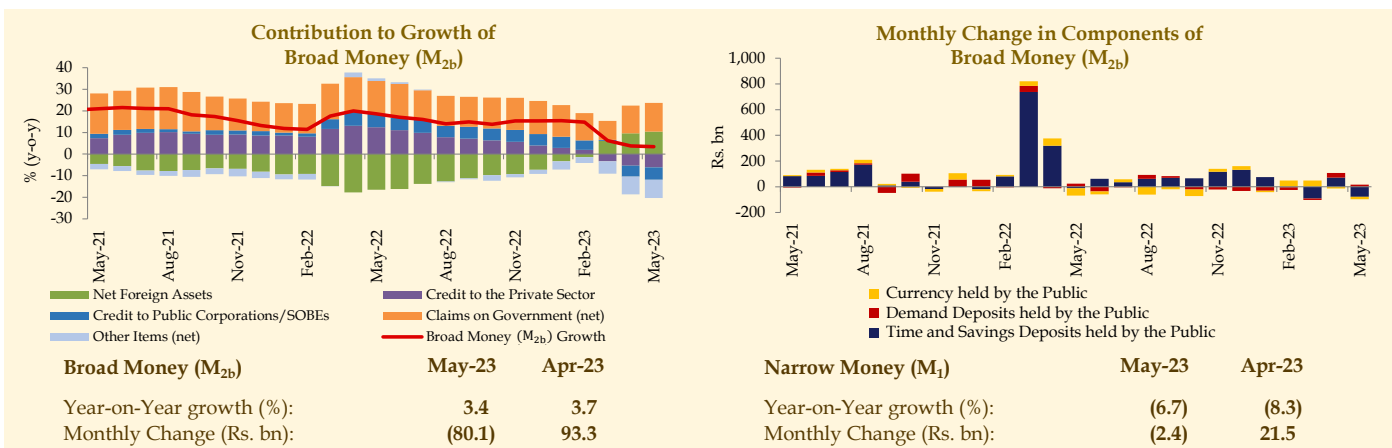


Net Foreign Assets (NFA)	May-23	Apr-23
Year-on-Year growth (%):	36.8	18.6
Monthly Change (Rs. bn):	213.5	63.1



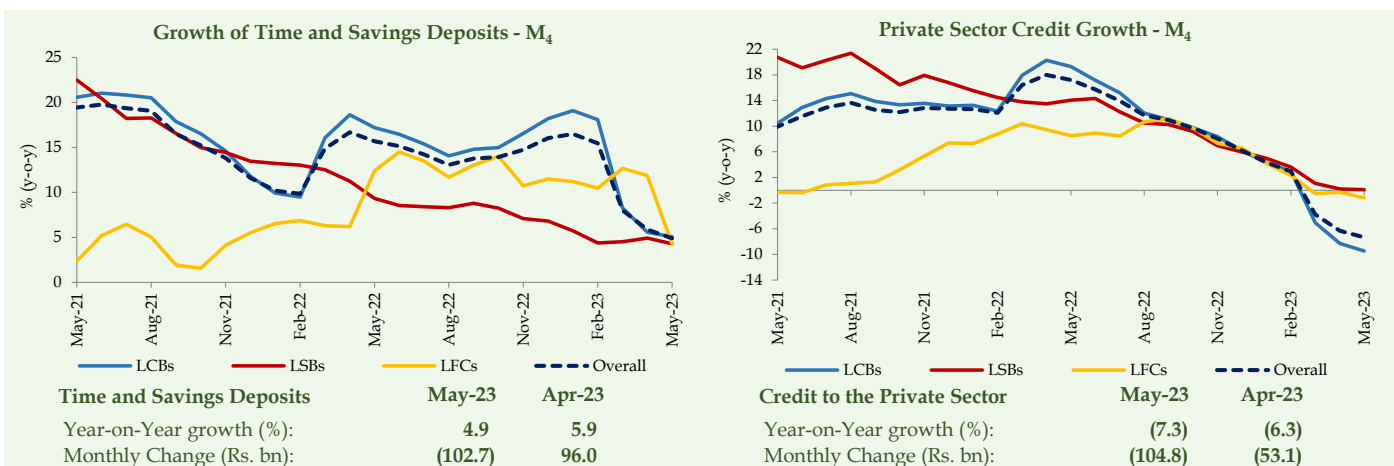
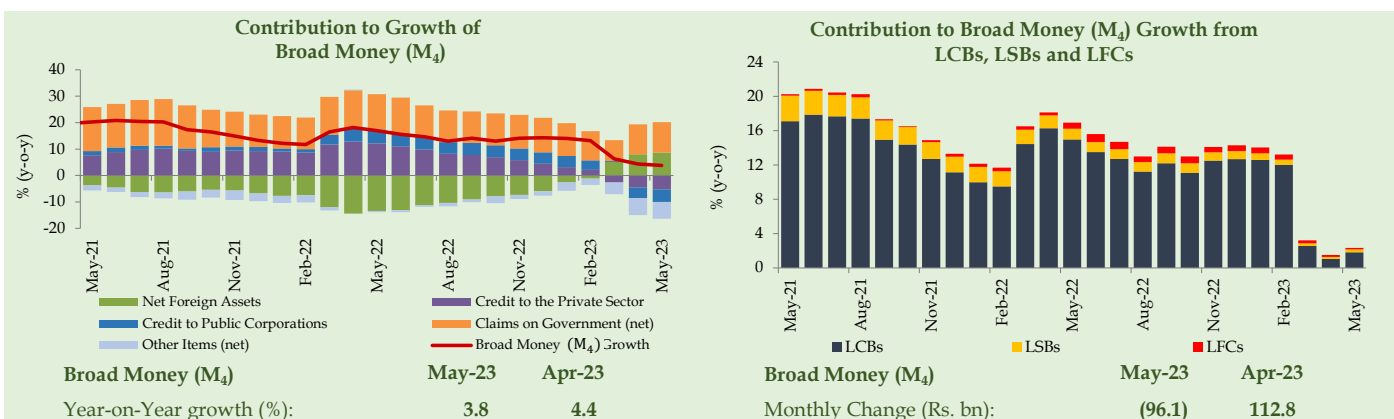
Net Claims on Government	May-23	Apr-23
Year-on-Year growth (%):	7.5	11.2
Monthly Change (Rs. bn):	(90.5)	5.1

## Broad Money $M_{2b}$ - (Monetary Survey)\*\*



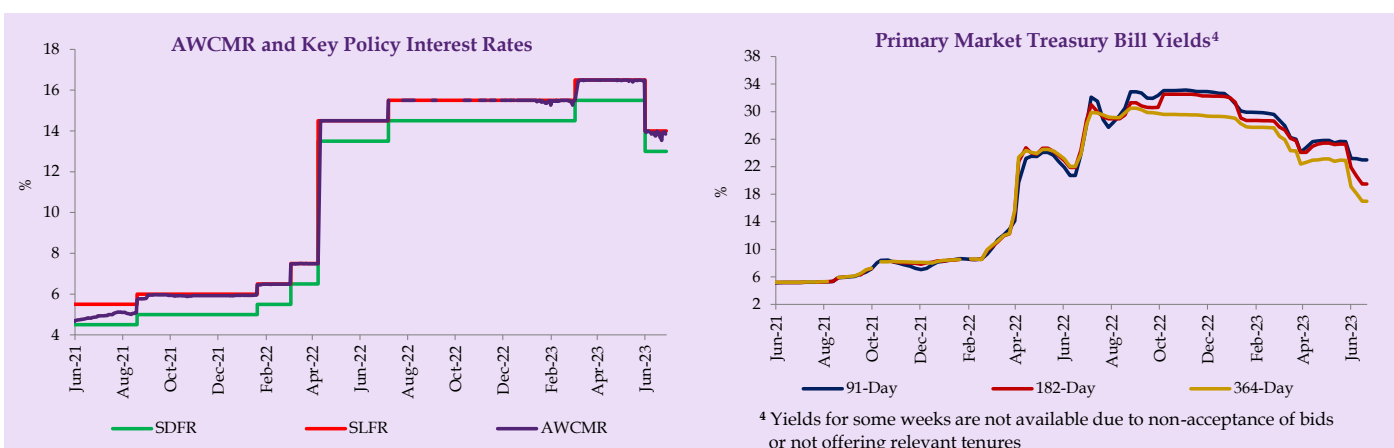
<sup>3</sup> With the approval of the Cabinet of Ministers at its meeting held on 30 January 2023, the outstanding foreign currency guaranteed debt of the Ceylon Petroleum Corporation (CPC) was absorbed into central government debt with effect from December 2022, in line with the actions agreed under the IMF-EFF arrangement to restructure the balance sheets of selected State Owned Business Enterprises (SOBEs). Accordingly, a part of this adjustment was effected in April 2023, hence, was reflected in the balance sheet of the particular state-owned commercial bank, which caused a reduction in credit to public corporations/ SOBEs and an expansion in net credit to the government (NCG).

## Broad Money M<sub>4</sub> - (Financial Survey)\*\*



## Interest Rates

### Money Market Rates\*\*\*



**End June 2023**

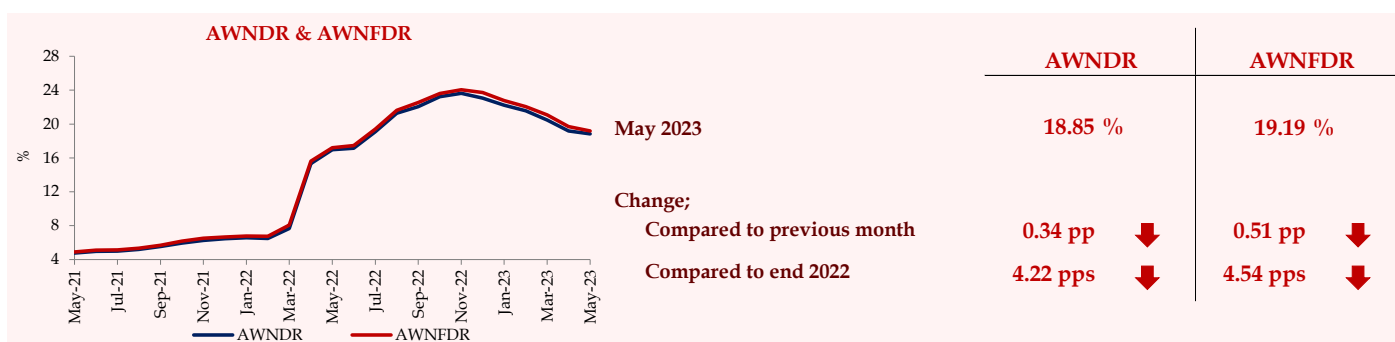
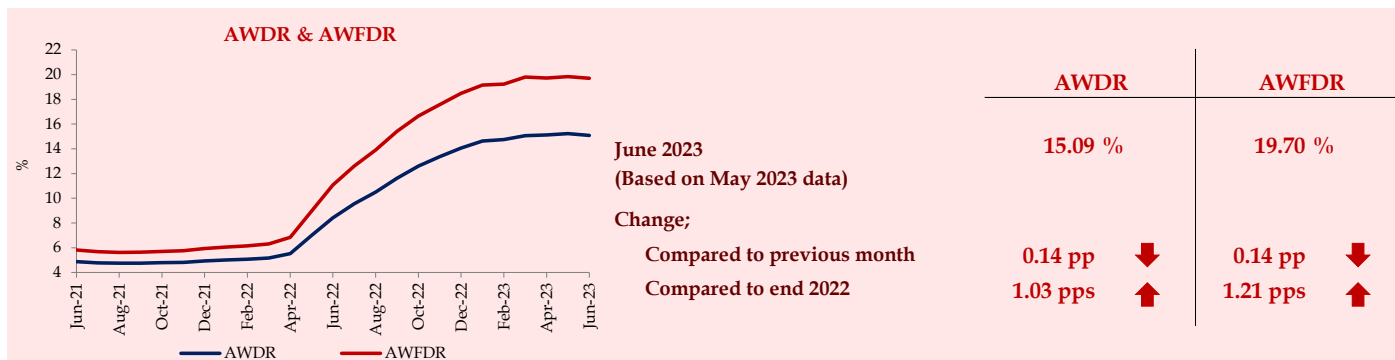
**AWCMR 13.85 %**

**Change compared to end of the previous month**  
2.65 pps

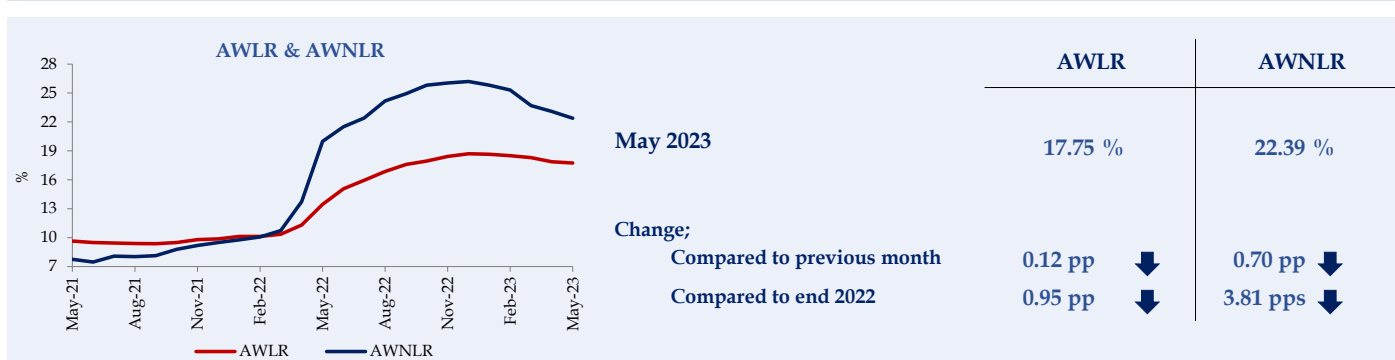
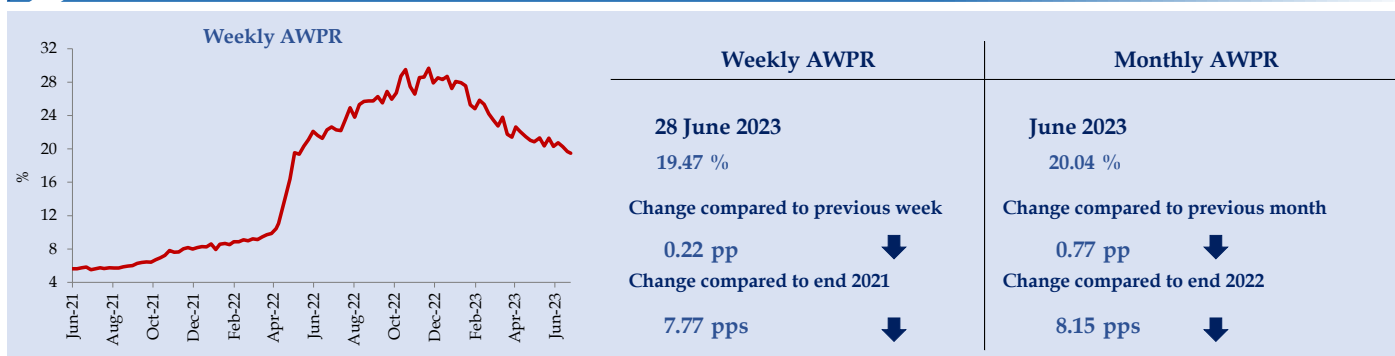
**Change compared to end 2022**  
1.65 pps

	27 Jun 2023 (%)	Change (Compared to previous month) in pps	Change (Compared to end 2022) in pps
91-Day	23.00	-2.65	-9.64
182-Day	19.49	-5.80	-12.71
364-Day	16.99	-5.92	-12.28

## Deposit Rates\*\*\*



## Lending Rates\*\*\*



\* Provisional

\*\* The significant depreciation of the Sri Lanka rupee against the US dollar during March-May 2022 mainly contributed to the notable expansion of monetary and credit aggregates during that period, while the appreciation of the Sri Lanka rupee against the US dollar during March & May 2023 mainly contributed to the moderation of monetary and credit aggregates during this period.

\*\*\* Acronyms

SDFR	Standing Deposit Facility Rate	AWNDR	Average Weighted New Deposit Rate
SLFR	Standing Lending Facility Rate	AWNFDR	Average Weighted New Fixed Deposit Rate
AWCMR	Average Weighted Call Money Rate	AWPR	Average Weighted Prime Lending Rate
AWDR	Average Weighted Deposit Rate	AWLR	Average Weighted Lending Rate
AWFDR	Average Weighted Fixed Deposit Rate	AWNLR	Average Weighted New Lending Rate
		pps	Percentage points