

Money, Credit and Interest Rate Developments

March 2023

Economic Research Department

Central Bank of Sri Lanka

Volume 04 Issue 03



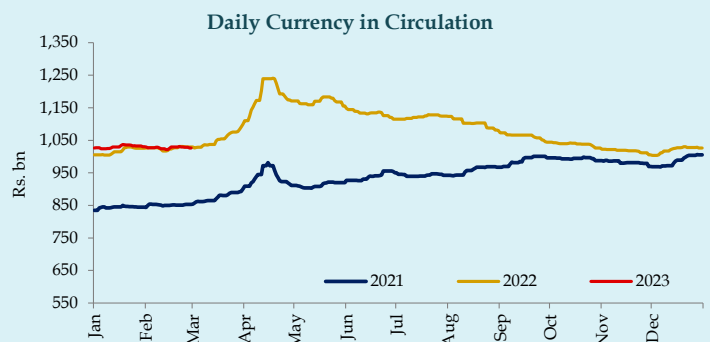
Money and Credit Aggregates*

Reserve Money**

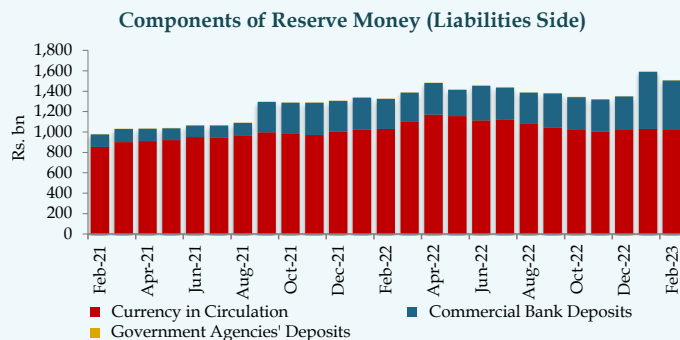


¹ Increased volatility in daily Reserve Money since Jan 2023 reflects the impact of measures implemented to restrict access to standing facilities of the Central Bank by LCBs

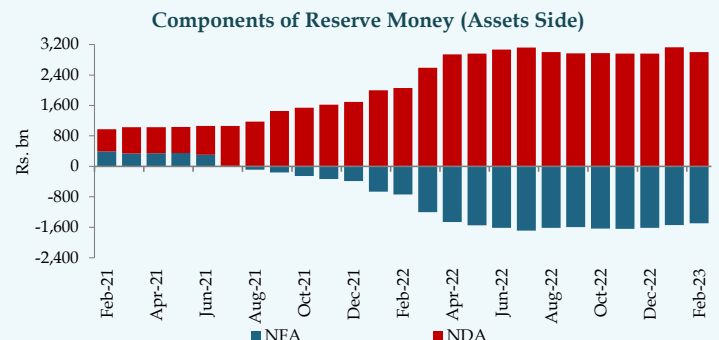
Reserve Money	Feb-23	Jan-23
Year-on-Year growth (%):	13.6	18.9
Monthly Change (Rs. bn):	(85.0)	240.3



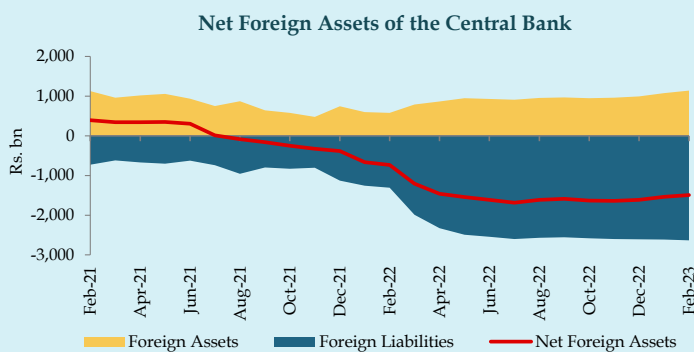
Currency in Circulation	Feb-23	Jan-23
Year-on-Year growth (%):	(0.3)	0.5
Monthly Change (Rs. bn):	(3.9)	3.6



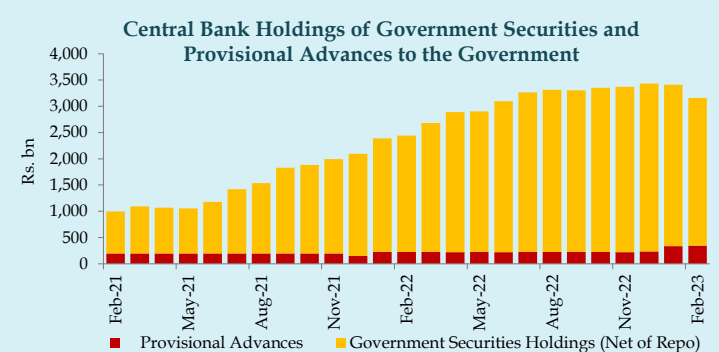
Commercial Bank Deposits	Feb-23	Jan-23
Year-on-Year growth (%):	62.4	79.2
Monthly Change (Rs. bn):	(81.1)	236.7



Net Domestic Assets (NDA)	Feb-23	Jan-23
Year-on-Year growth (%):	45.8	56.5
Monthly Change (Rs. bn):	(128.7)	166.1

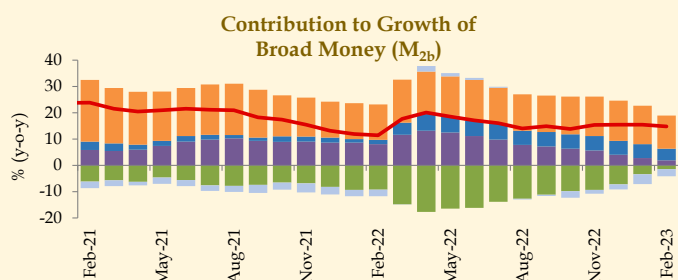


Net Foreign Assets (NFA)	Feb-23	Jan-23
Year-on-Year growth (%):	(103.7)	(132.3)
Monthly Change (Rs. bn):	43.7	74.2



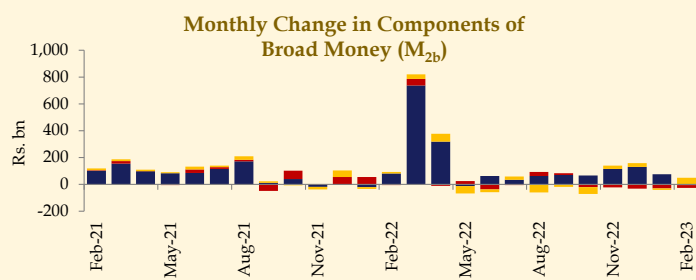
Net Claims on Government	Feb-23	Jan-23
Year-on-Year growth (%):	29.2	42.8
Monthly Change (Rs. bn):	(254.4)	(23.1)

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



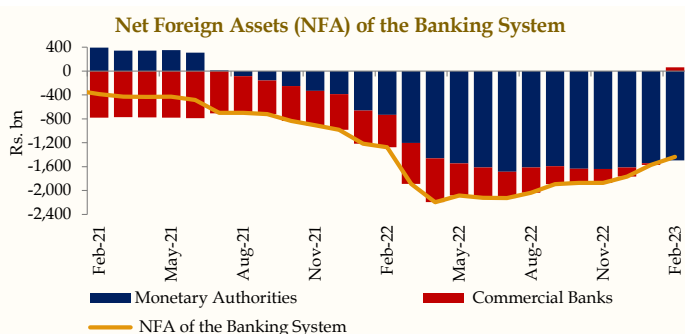
Legend: Other Items (net), Credit to Public Corporations/ SOBEs, Net Foreign Assets, Claims on Government (net), Credit to the Private Sector, Broad Money (M_{2b}) Growth

Broad Money (M _{2b})	Feb-23	Jan-23
Year-on-Year growth (%):	14.8	15.5
Monthly Change (Rs. bn):	23.3	32.8



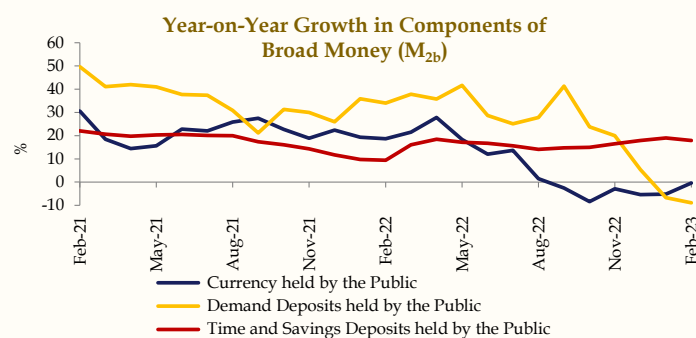
Legend: Currency held by the Public, Demand Deposits held by the Public, Time and Savings Deposits held by the Public

Narrow Money (M ₁)	Feb-23	Jan-23
Year-on-Year growth (%):	(4.5)	(5.9)
Monthly Change (Rs. bn):	28.0	(42.2)



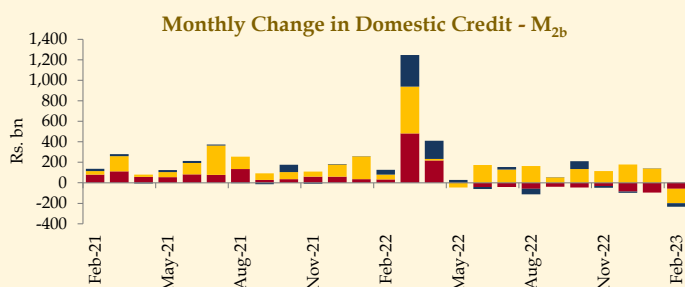
Legend: Monetary Authorities, Commercial Banks, NFA of the Banking System

Net Foreign Assets (NFA)	Feb-23	Jan-23
Year-on-Year growth (%):	(12.5)	(29.4)
Monthly Change (Rs. bn):	138.3	194.1



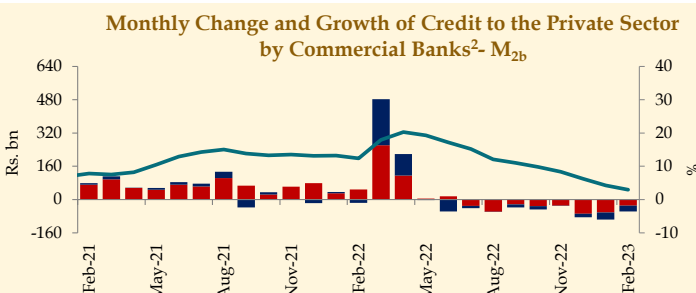
Legend: Currency held by the Public, Demand Deposits held by the Public, Time and Savings Deposits held by the Public

Time and Savings Deposits	Feb-23	Jan-23
Year-on-Year growth (%):	17.9	19.0
Monthly Change (Rs. bn):	(4.6)	75.1



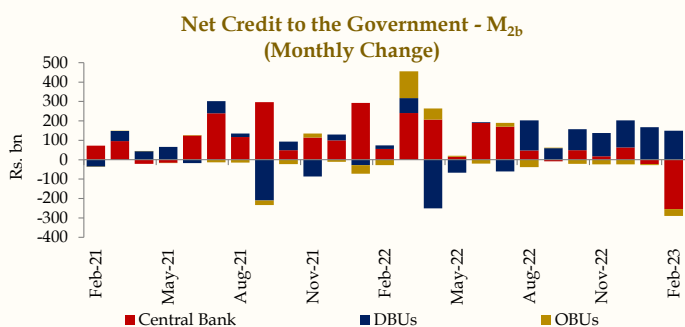
Legend: Credit to Public Corporations/ SOBEs, Credit to the Private Sector, Net Credit to the Government

Net Domestic Assets (NDA)	Feb-23	Jan-23
Year-on-Year growth (%):	14.5	16.9
Monthly Change (Rs. bn):	(114.9)	(161.3)



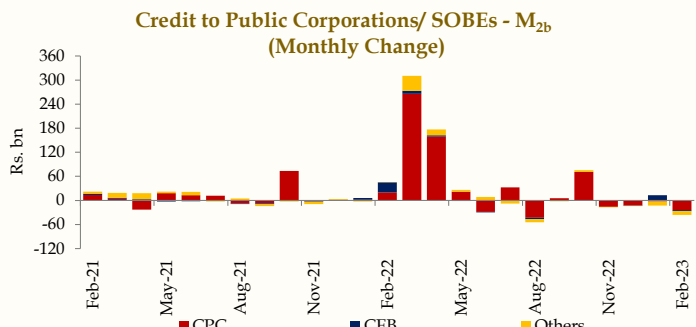
Legend: DBUs, OBU, Growth of Credit (y-o-y, Right Axis)

Credit to the Private Sector	Feb-23	Jan-23
Year-on-Year growth (%):	3.0	4.3
Monthly Change (Rs. bn):	(57.6)	(96.1)



Legend: Central Bank, DBUs, OBU

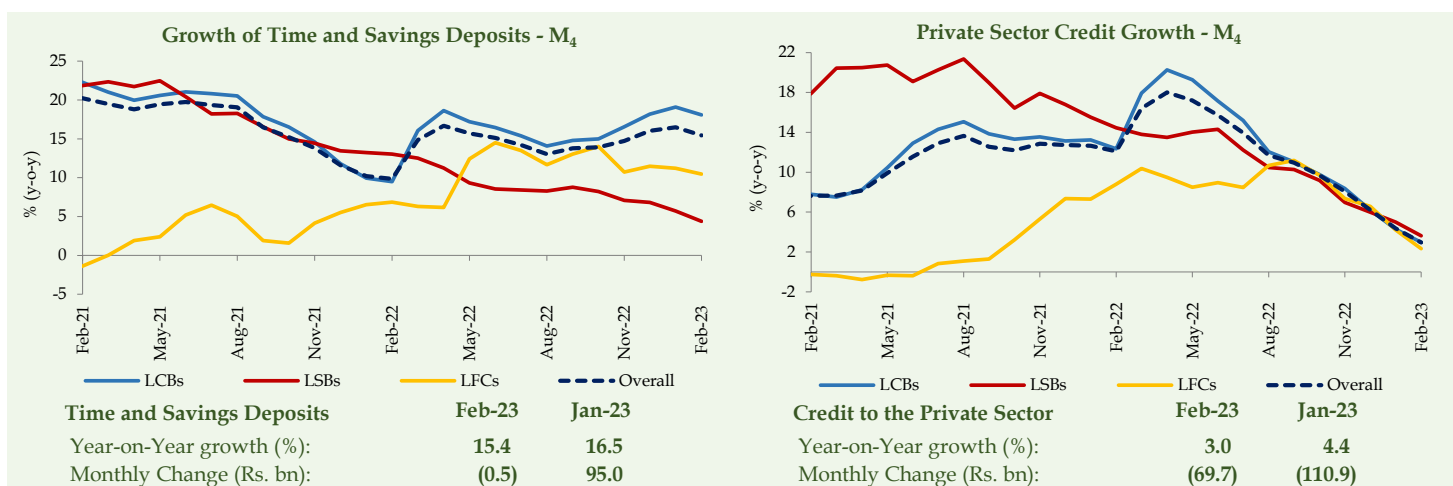
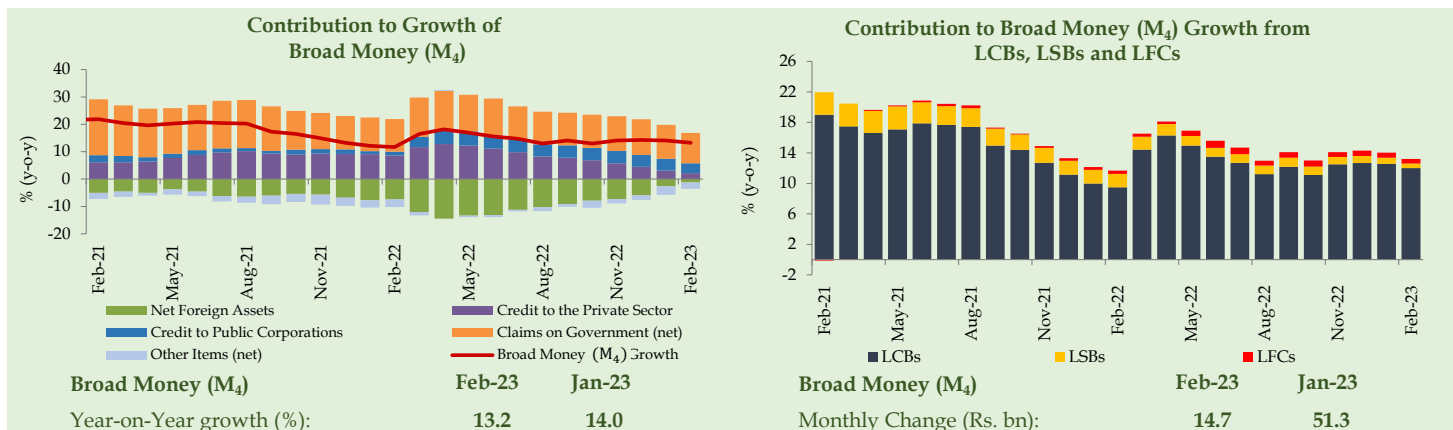
Net Credit to the Government	Feb-23	Jan-23
Year-on-Year growth (%):	22.5	25.7
Monthly Change (Rs. bn):	(140.7)	140.5



Legend: CPC, CEB, Others

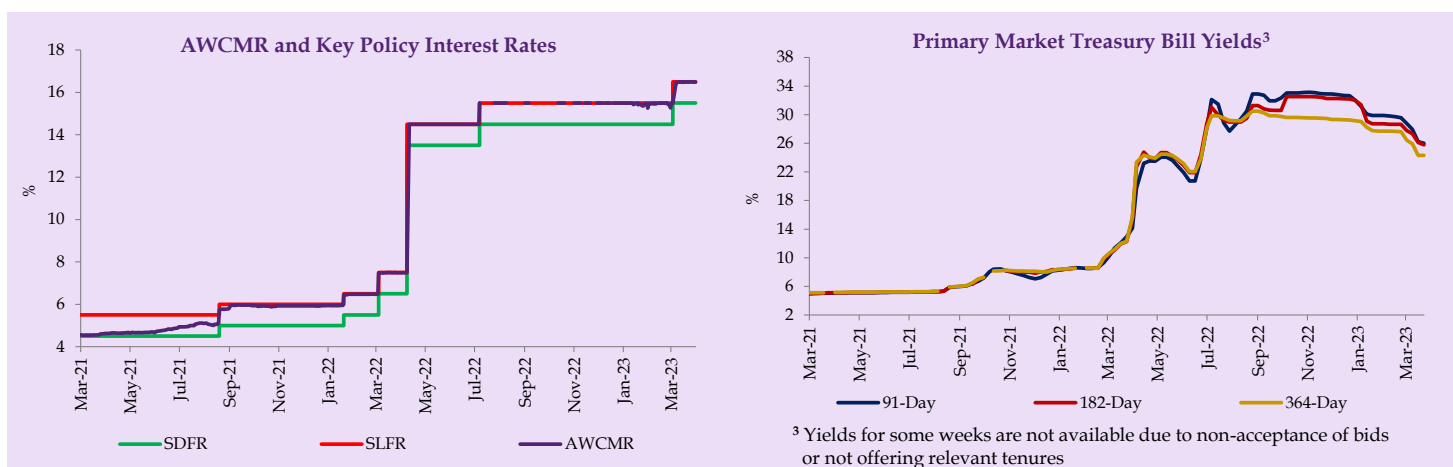
Credit to Public Corporations/ SOBEs	Feb-23	Jan-23
Year-on-Year growth (%):	38.3	46.7
Monthly Change (Rs. bn):	(35.9)	0.8

Broad Money M₄ - (Financial Survey)**



Interest Rates

Money Market Rates***



End March 2023

AWCMR 16.49 %

Change compared to end of the previous month

1.22 pps



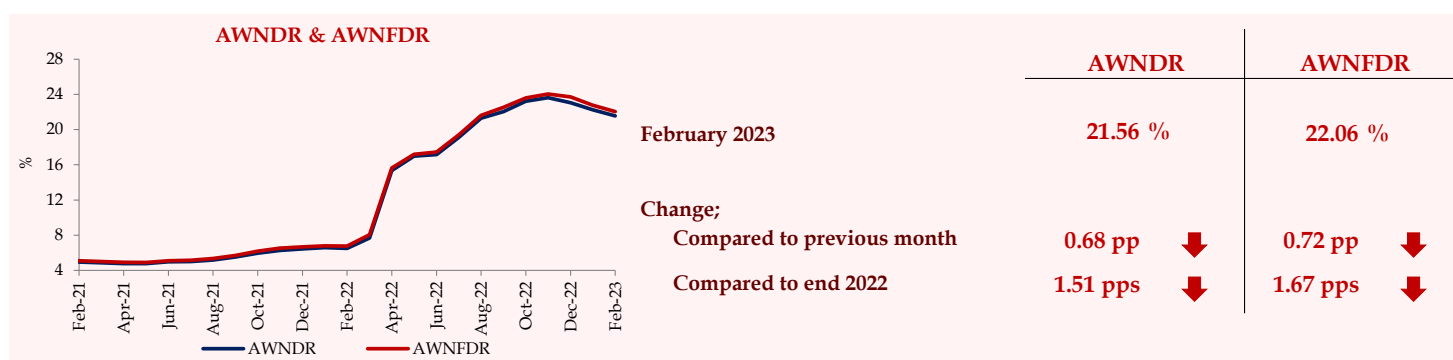
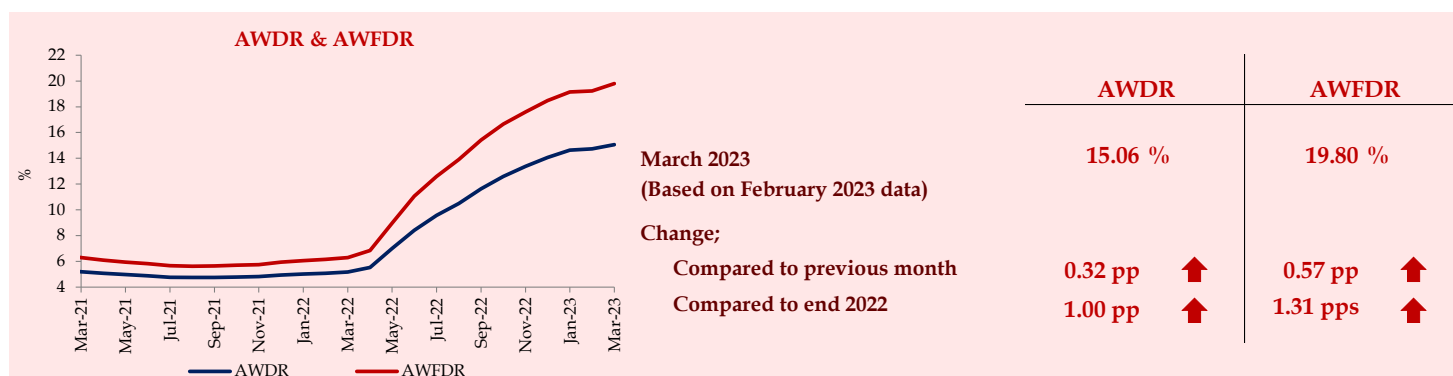
Change compared to end 2022

0.99 pp

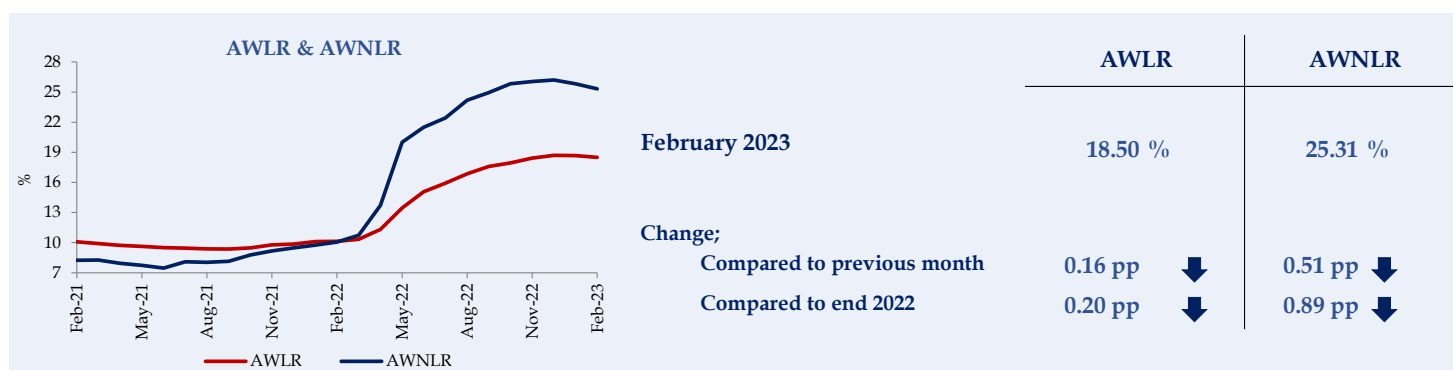
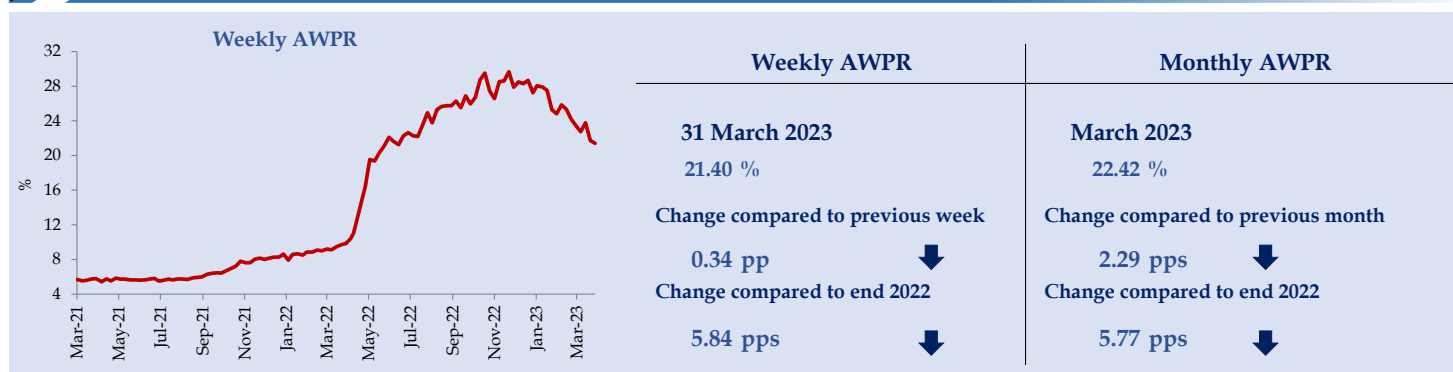


	29 Mar 2023 (%)	Change (Compared to previous month) in pps	Change (Compared to end 2022) in pps
91-Day	25.99	-3.73	-6.65
182-Day	25.79	-2.88	-6.41
364-Day	24.31	-3.36	-4.96

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.

*** 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