

Money, Credit and Interest Rate Developments

May 2023

Economic Research Department

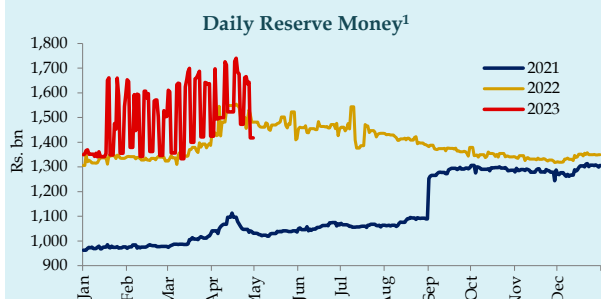
Central Bank of Sri Lanka

Volume 04 Issue 05



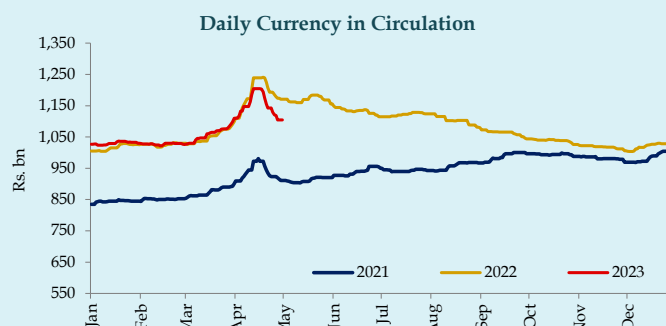
Money and Credit Aggregates*

Reserve Money **

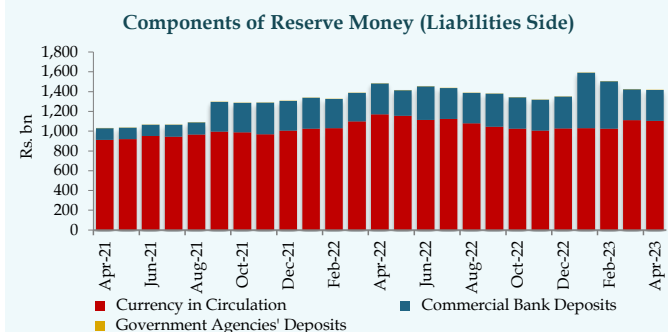


¹ Increased volatility in daily Reserve Money since Jan 2023 reflects the impact of measures implemented to restrict access to standing facilities of the Central Bank by LCBs

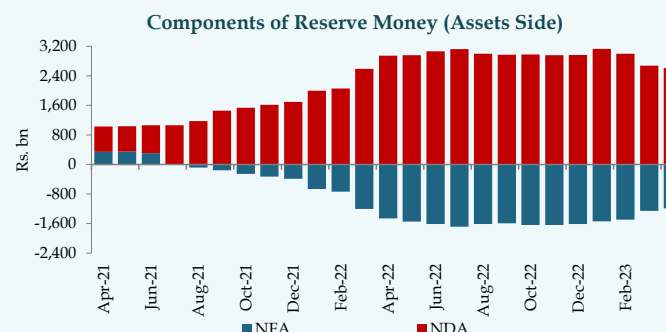
Reserve Money	Apr-23	Mar-23
Year-on-Year growth (%):	(4.4)	2.7
Monthly Change (Rs. bn):	(7.1)	(80.5)



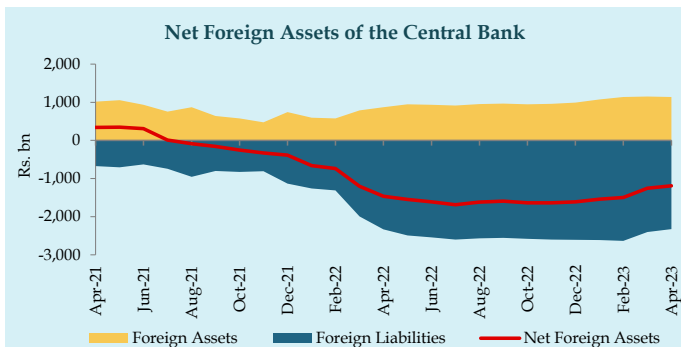
Currency in Circulation	Apr-23	Mar-23
Year-on-Year growth (%):	(5.7)	1.0
Monthly Change (Rs. bn):	(5.7)	83.8



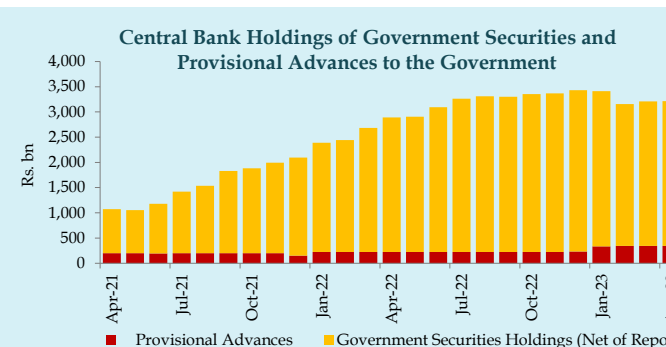
Commercial Bank Deposits	Apr-23	Mar-23
Year-on-Year growth (%):	0.5	9.3
Monthly Change (Rs. bn):	(1.4)	(164.3)



Net Domestic Assets (NDA)	Apr-23	Mar-23
Year-on-Year growth (%):	(11.4)	3.4
Monthly Change (Rs. bn):	(70.2)	(322.5)

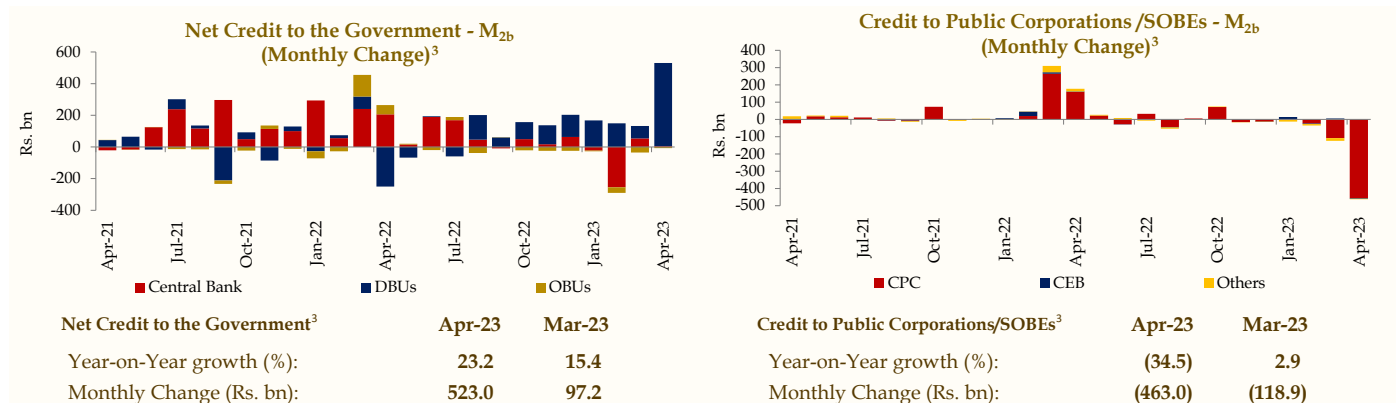
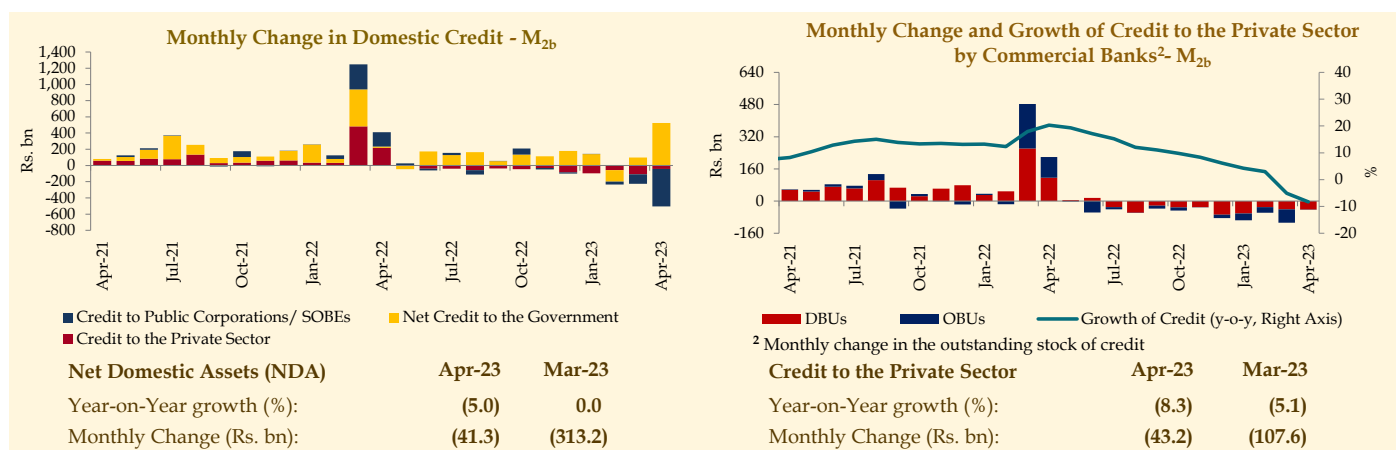
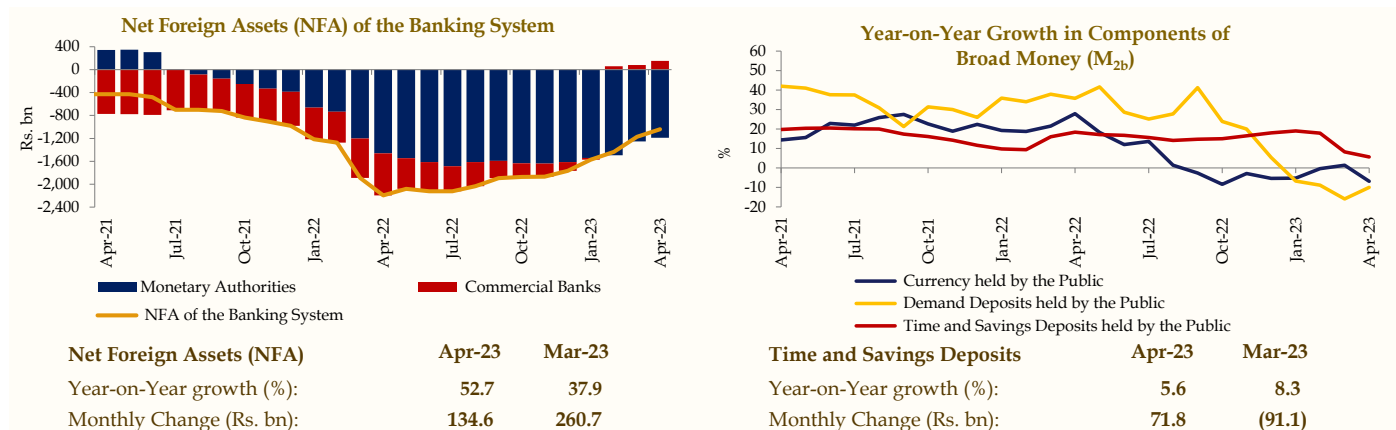
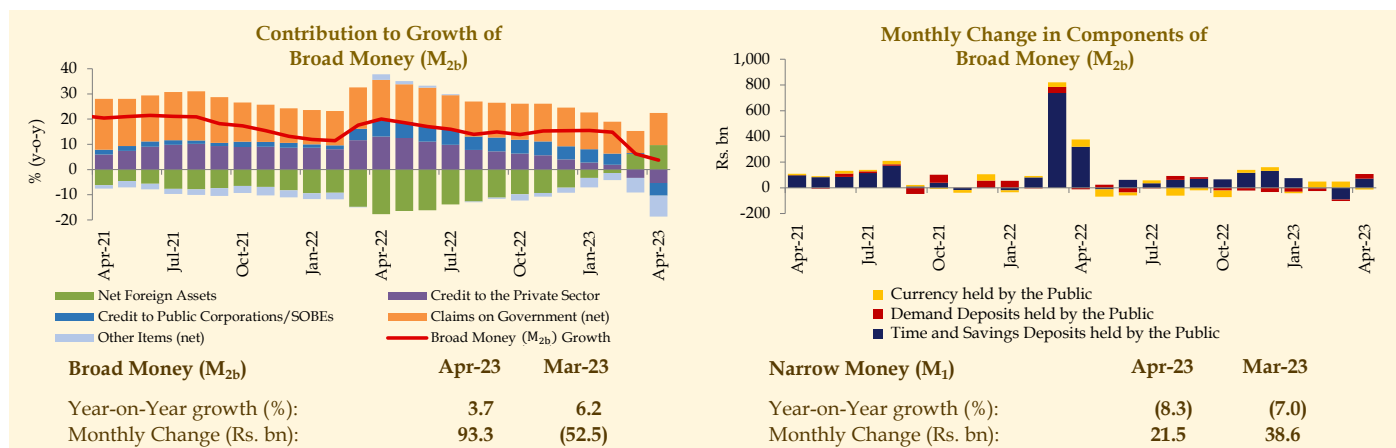


Net Foreign Assets (NFA)	Apr-23	Mar-23
Year-on-Year growth (%):	18.6	(4.2)
Monthly Change (Rs. bn):	63.1	242.0



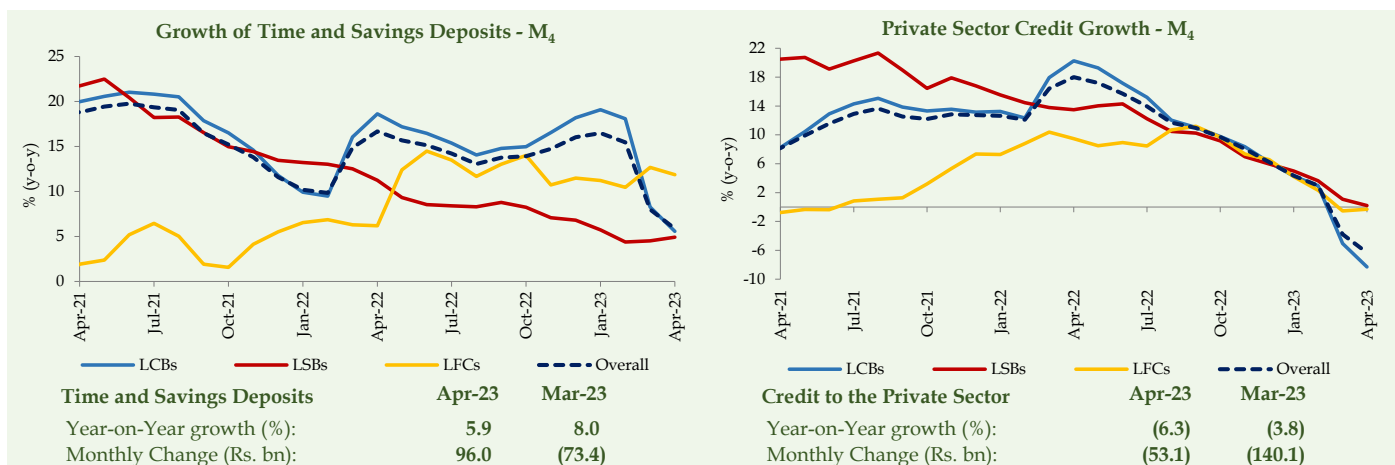
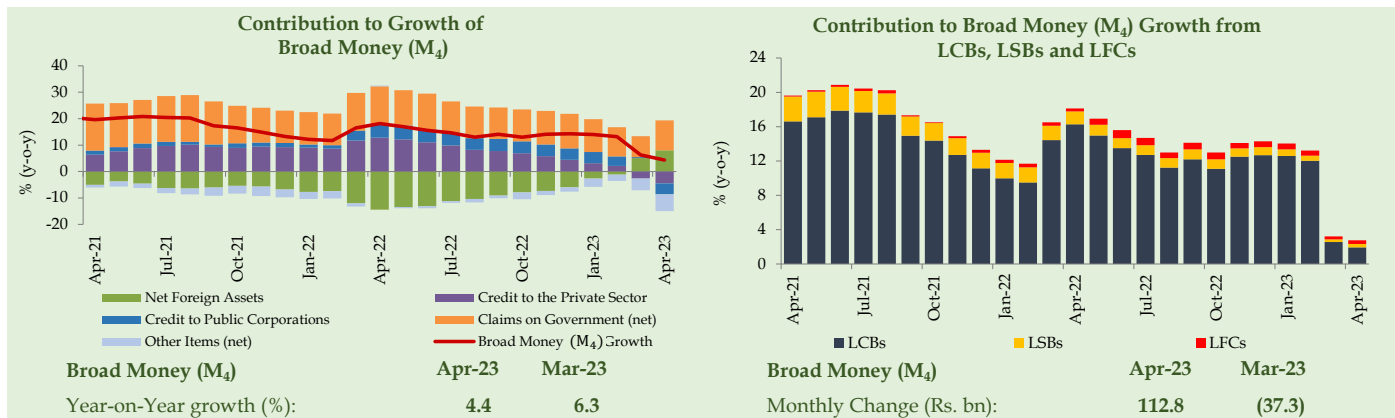
Net Claims on Government	Apr-23	Mar-23
Year-on-Year growth (%):	11.2	19.6
Monthly Change (Rs. bn):	5.1	54.2

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



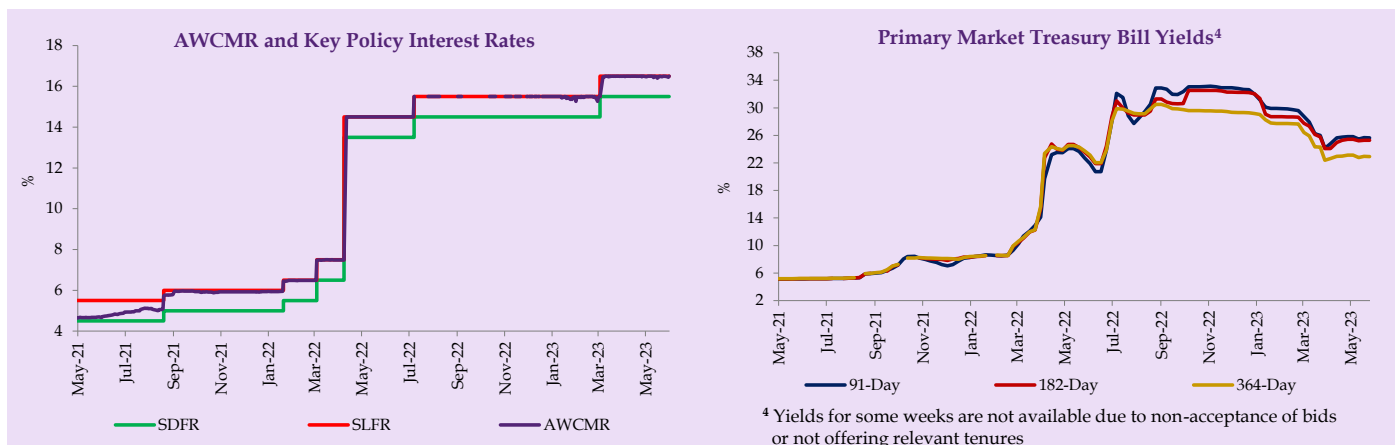
³ With the approval of the Cabinet of Ministers at its meeting held on 30 January 2023, the outstanding foreign currency guaranteed debt of the Ceylon Petroleum Corporation (CPC) was absorbed into central government debt with effect from December 2022, in line with the actions agreed under the IMF-EFF 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 M₄ - (Financial Survey)**



Interest Rates

Money Market Rates***



End May 2023

AWCMR 16.50 %

Change compared to end of the previous month

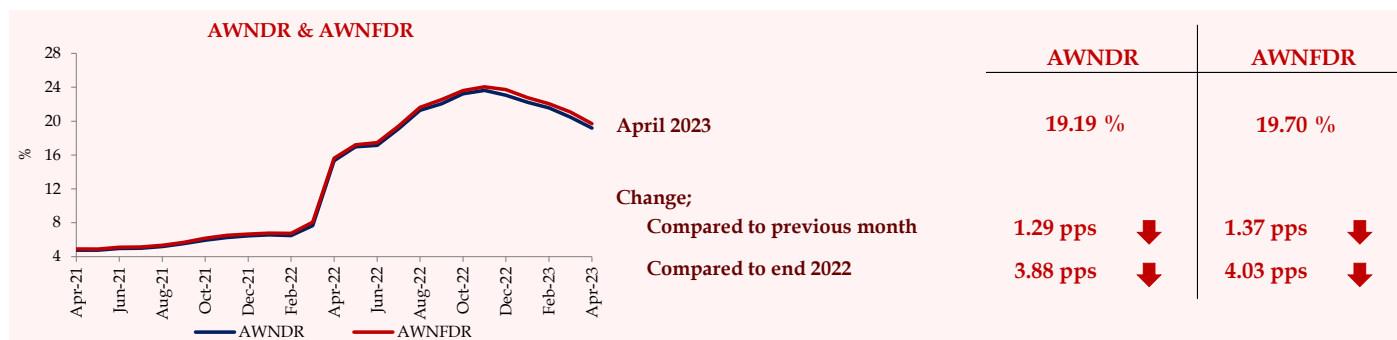
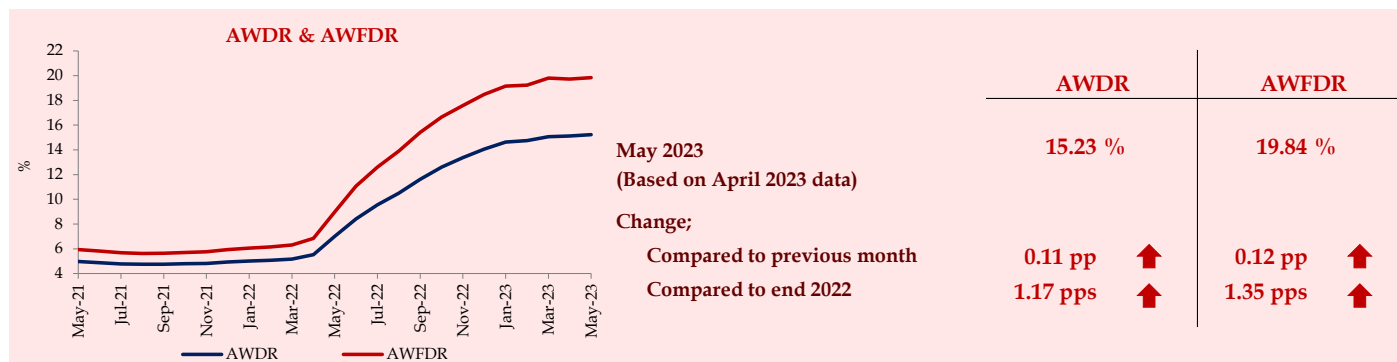
0.00 pp

Change compared to end 2022

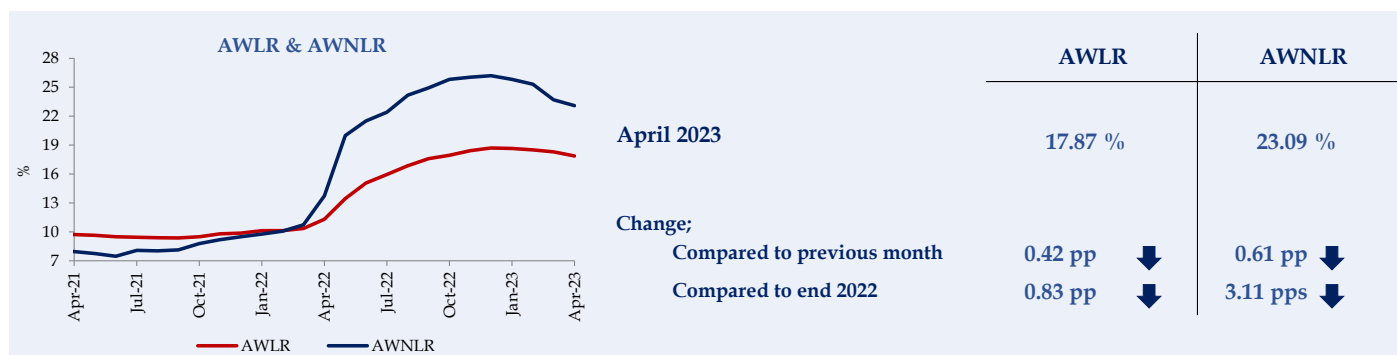
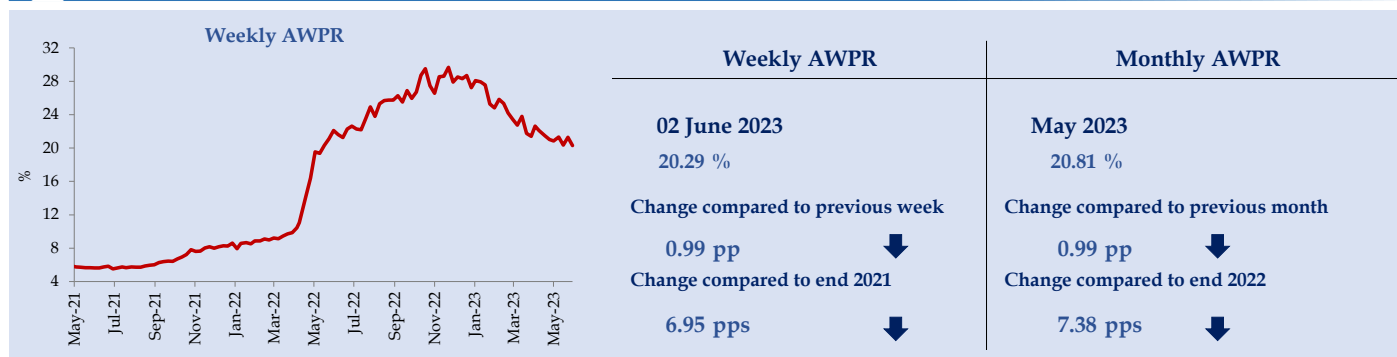
1.00 pp ↑

	31 May 2023 (%)	Change (Compared to previous month) in pps	Change (Compared to end 2022) in pps
91-Day	25.65	-0.09	-6.99
182-Day	25.29	0.02	-6.91
364-Day	22.91	-0.09	-6.36

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 & April 2023 mainly contributed to the moderation of monetary and credit aggregates during this period.

*** Acronyms

SDFR	Standing Deposit Facility Rate
SLFR	Standing Lending Facility Rate
AWCMR	Average Weighted Call Money Rate
AWDR	Average Weighted Deposit Rate
AWFDR	Average Weighted Fixed Deposit Rate

AWNDR	Average Weighted New Deposit Rate
AWNFDR	Average Weighted New Fixed Deposit Rate
AWPR	Average Weighted Prime Lending Rate
AWLR	Average Weighted Lending Rate
Awnlr	Average Weighted New Lending Rate
pps	Percentage points