

Money, Credit and Interest Rates Developments

October 2020

Economic Research Department

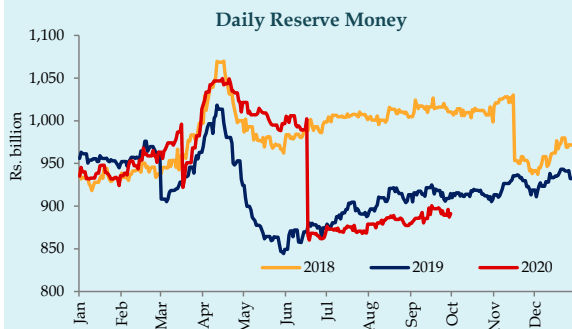
Central Bank of Sri Lanka

Volume 01 Issue 04

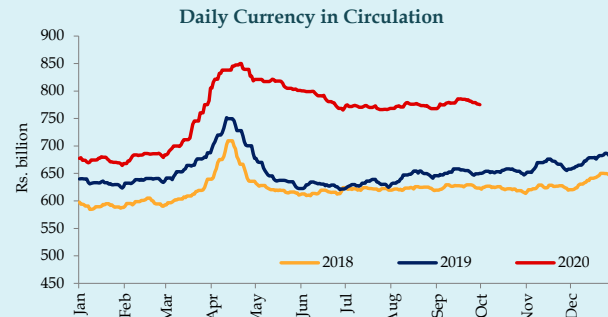


Money and Credit Aggregates*

Reserve Money

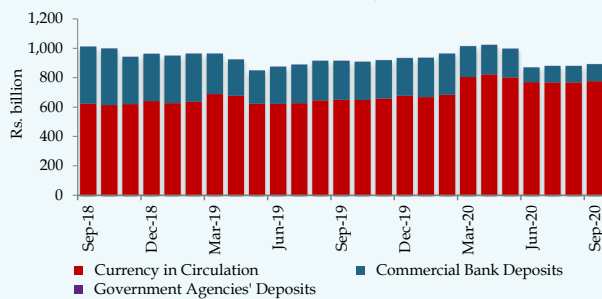


| Reserve Money | Sep-20 | Aug-20 |
|--------------------------|--------|--------|
| Year-on-Year growth (%): | (2.5) | (3.7) |
| Monthly Change (Rs. Bn): | 11.6 | 1.0 |



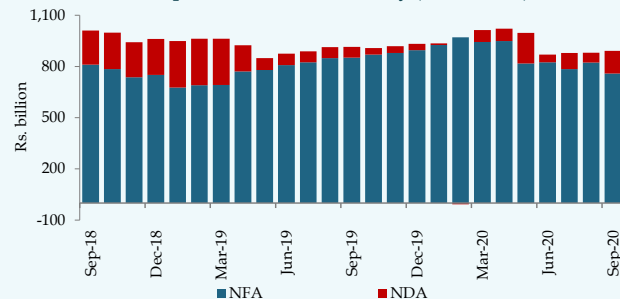
| Currency in Circulation | Sep-20 | Aug-20 |
|--------------------------|--------|--------|
| Year-on-Year growth (%): | 19.3 | 18.9 |
| Monthly Change (Rs. Bn): | 7.3 | (0.4) |

Components of Reserve Money (Liabilities Side)



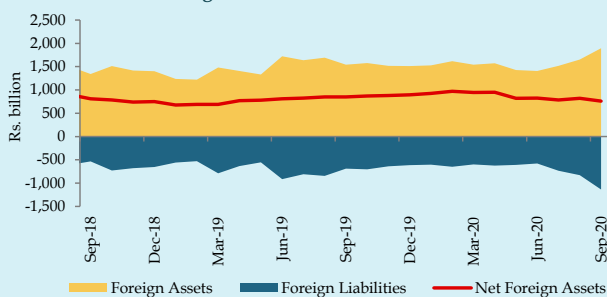
| Commercial Bank Deposits | Sep-20 | Aug-20 |
|--------------------------|--------|--------|
| Year-on-Year growth (%): | (56.1) | (58.2) |
| Monthly Change (Rs. Bn): | 4.3 | 1.4 |

Components of Reserve Money (Assets Side)



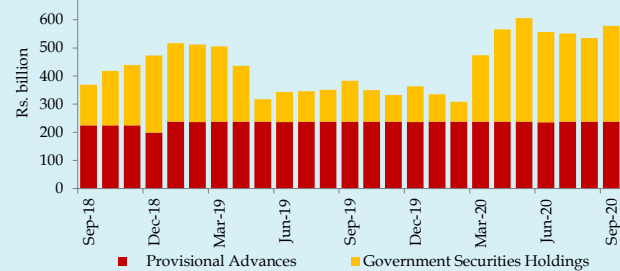
| Net Domestic Assets (NDA) | Sep-20 | Aug-20 |
|---------------------------|--------|--------|
| Year-on-Year growth (%): | 110.9 | (11.7) |
| Monthly Change (Rs. Bn): | 75.4 | (36.2) |

Net Foreign Assets of the Central Bank



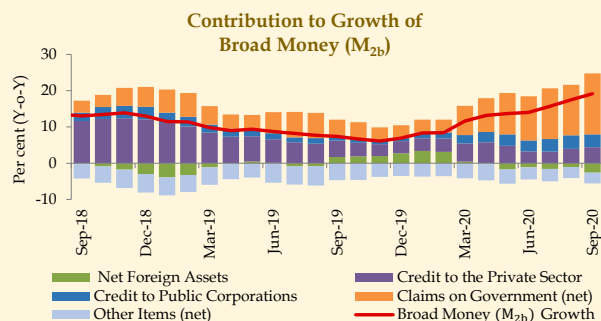
| Net Foreign Assets (NFA) | Sep-20 | Aug-20 |
|--------------------------|--------|--------|
| Year-on-Year growth (%): | (10.9) | (3.1) |
| Monthly Change (Rs. Bn): | (63.9) | 37.2 |

Central Bank Holdings of Government Securities and Provisional Advances to the Government

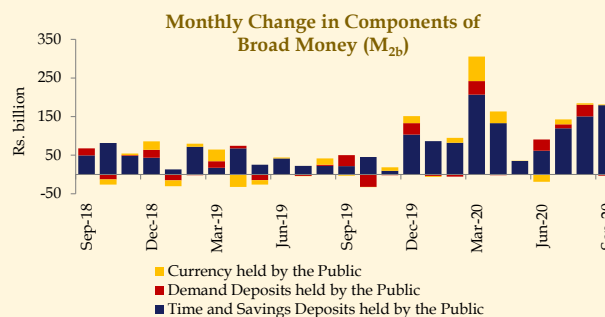


| Net Claims on Government | Sep-20 | Aug-20 |
|--------------------------|--------|--------|
| Year-on-Year growth (%): | 50.8 | 52.5 |
| Monthly Change (Rs. Bn): | 43.2 | (15.5) |

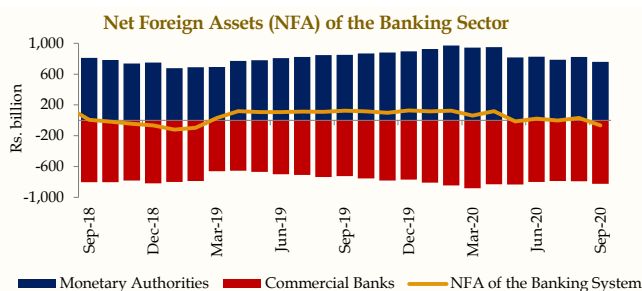
Broad Money M_{2b} - (Monetary Survey)



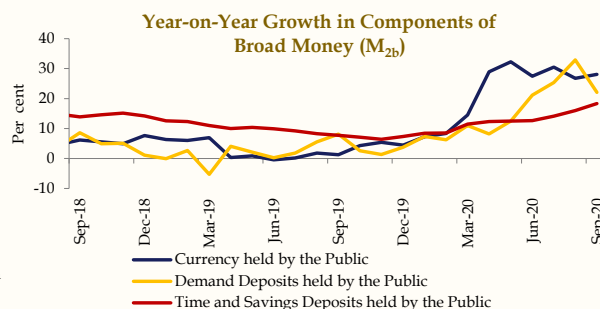
| Broad Money (M _{2b}) | Sep-20 | Aug-20 |
|--------------------------------|--------|--------|
| Year-on-Year growth (%): | 19.2 | 17.5 |
| Monthly Change (Rs. Bn): | 178.4 | 184.6 |



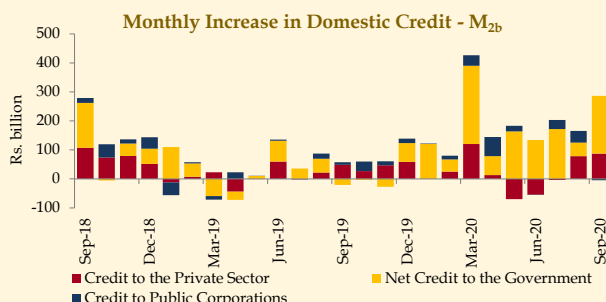
| Narrow Money (M ₁) | Sep-20 | Aug-20 |
|--------------------------------|--------|--------|
| Year-on-Year growth (%): | 25.4 | 29.4 |
| Monthly Change (Rs. Bn): | (1.1) | 33.9 |



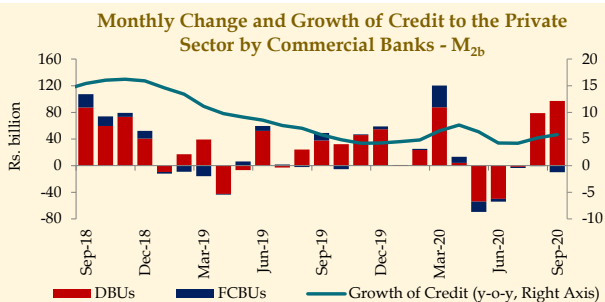
| Net Foreign Assets (NFA) | Sep-20 | Aug-20 |
|--------------------------|---------|--------|
| Year-on-Year growth (%): | (151.9) | (71.6) |
| Monthly Change (Rs. Bn): | (97.5) | 33.5 |



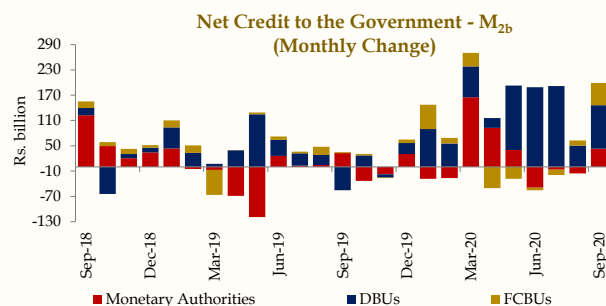
| Time and Savings Deposits | Sep-20 | Aug-20 |
|---------------------------|--------|--------|
| Year-on-Year growth (%): | 18.4 | 16.0 |
| Monthly Change (Rs. Bn): | 179.5 | 150.8 |



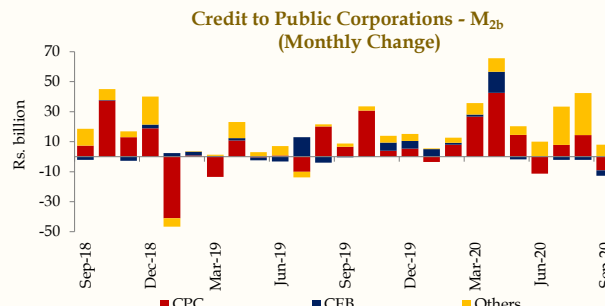
| Net Domestic Assets (NDA) | Sep-20 | Aug-20 |
|---------------------------|--------|--------|
| Year-on-Year growth (%): | 22.1 | 18.9 |
| Monthly Change (Rs. Bn): | 276.0 | 151.2 |



| Credit to the Private Sector | Sep-20 | Aug-20 |
|------------------------------|--------|--------|
| Year-on-Year growth (%): | 5.8 | 5.2 |
| Monthly Change (Rs. Bn): | 87.4 | 78.3 |

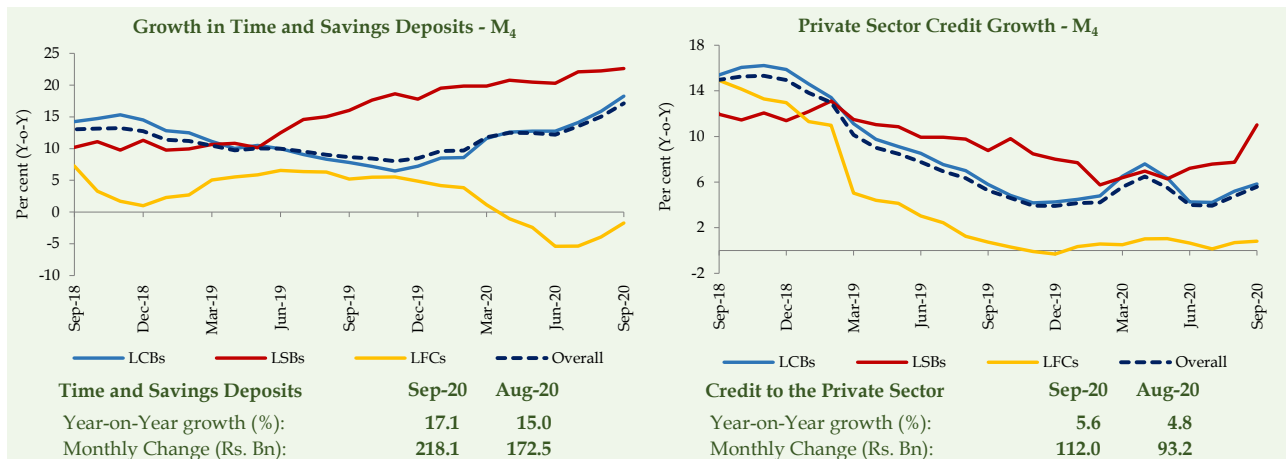
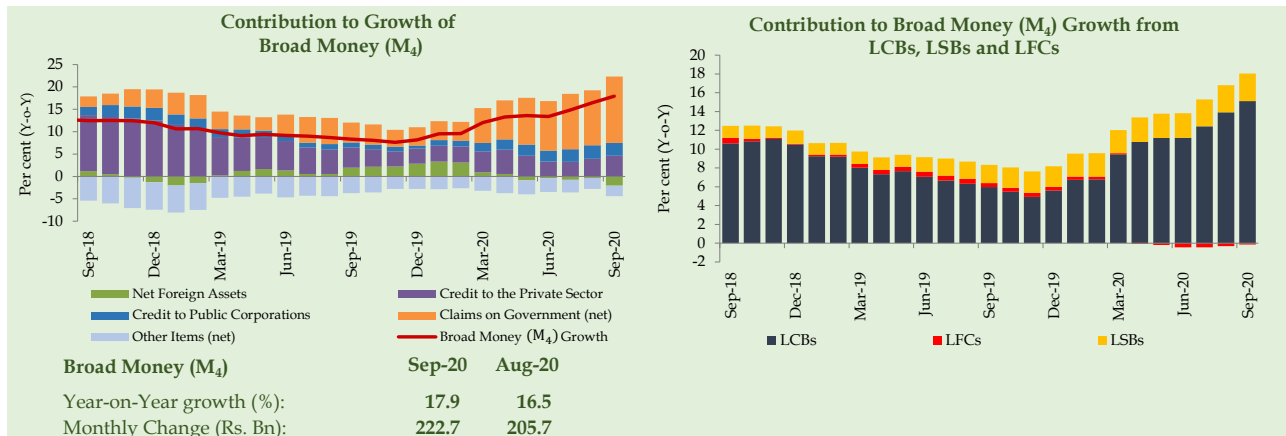


| Net Credit to the Government | Sep-20 | Aug-20 |
|------------------------------|--------|--------|
| Year-on-Year growth (%): | 45.7 | 37.4 |
| Monthly Change (Rs. Bn): | 199.1 | 47.2 |



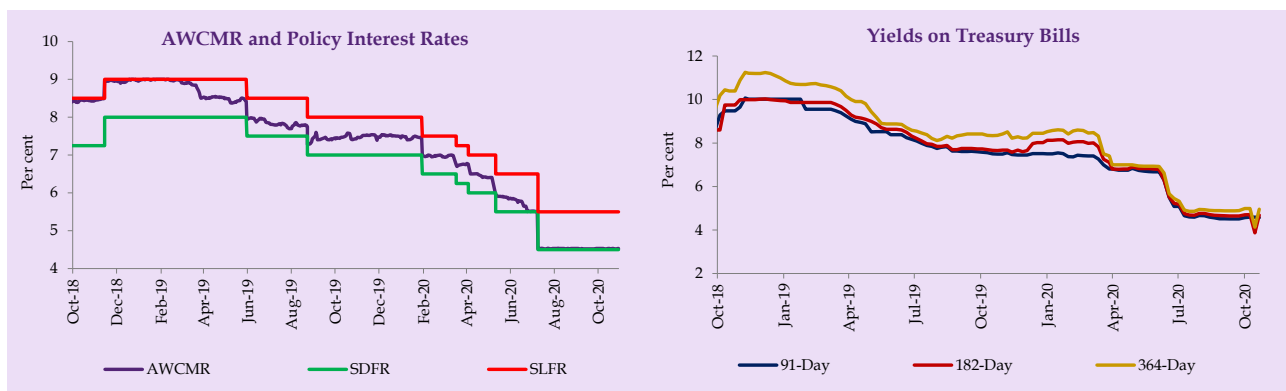
| Credit to Public Corporations | Sep-20 | Aug-20 |
|-------------------------------|--------|--------|
| Year-on-Year growth (%): | 34.8 | 37.0 |
| Monthly Change (Rs. Bn): | (4.7) | 40.3 |

Broad Money M₄ - (Financial Survey)



Interest Rates

Money Market Rates**



End October-2020

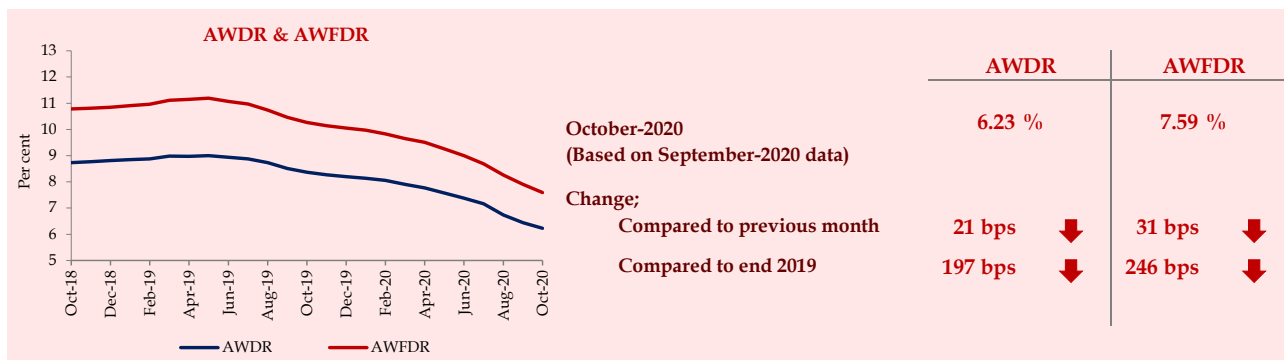
AWCMR 4.53 %

Change compared to end of the previous month
0 bps

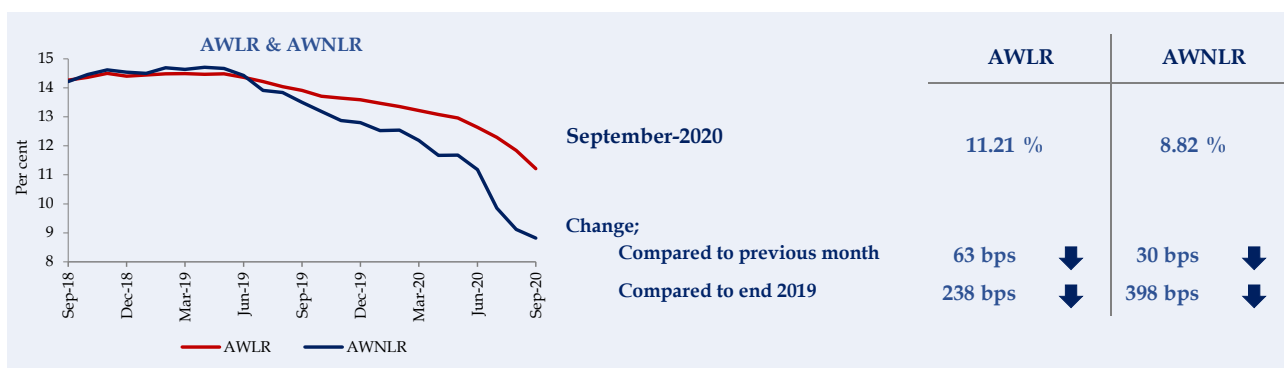
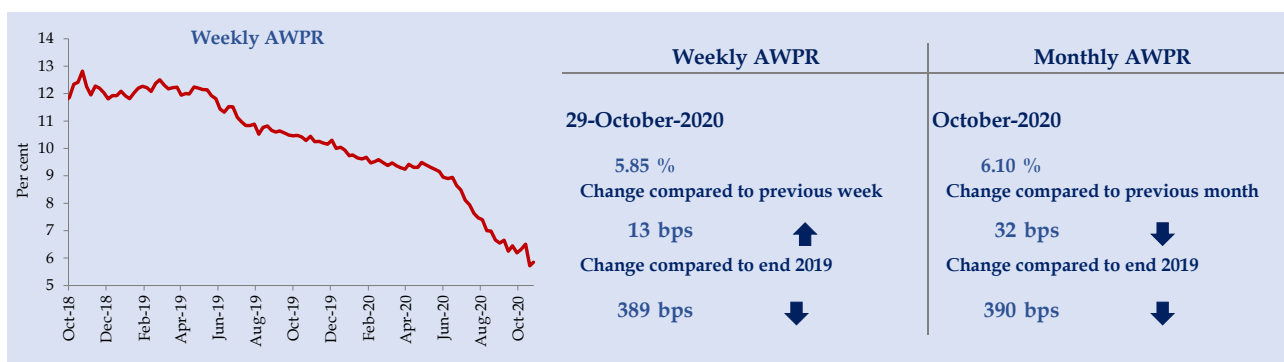
Change compared to end 2019
292 bps ↓

| | 27-Oct 2020 (%) | Change (Compared to previous month) in bps | Change (so far in 2020 from end Dec 19) in bps |
|---------|-----------------|--|--|
| 91-Day | 4.57 | 6 | -294 |
| 182-Day | 4.69 | 5 | -333 |
| 364-Day | 4.96 | 7 | -349 |

Deposit Rates**



Lending Rates**



* Provisional

**Acronyms

AWCMR Average Weighted Call Money Rate
 AWDR Average Weighted Deposit Rate
 AWFDR Average Weighted Fixed Deposit Rate
 AWNDR Average Weighted New Deposit Rate

AWNFR Average Weighted New Fixed Deposit Rate
 AWPR Average Weighted Prime Lending Rate
 AWLR Average Weighted Lending Rate
 AWNLR Average Weighted New Lending Rate