

# Weekly Economic Indicators

12 September 2014



Statistics Department

# Real Sector & Inflation

Annual average inflation decelerated further to 4.5 per cent in August 2014 from 4.7 per cent in the previous month, continuing its decelerating trend for the fifteenth consecutive month. Year-on-year inflation also decreased to 3.5 percent, as a result of price decrease in the food category especially of vegetables. However the prices of items in the Non-food category increased marginally. Core inflation, which measures the underlying inflation in the economy, increased slightly in August 2014 compared to the previous month.

The economy continued its growth momentum by recording a 7.6 per cent growth in real terms during the first quarter of 2014, largely supported by the 12.6 per cent growth of the Industry Sector and the 6.5 per cent growth of the Services sector; albeit the Agriculture Sector slowed down to 0.2 per cent.

Despite the Coconut production recorded an increase of 12 per cent during the first five months of 2014, the Rubber production showed a decline of 2.6 per cent. Meanwhile, it is noted that the Tea production recorded a decline of 1.1 per cent during the first half of 2014.

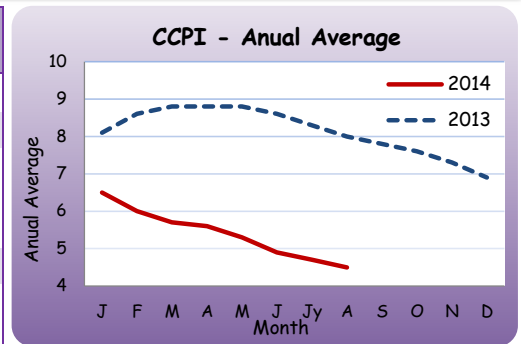
The FIPI showed a mixed performance in May 2014. This was mainly attributed to significant output drop recorded in the tobacco sector as well as wearing apparel sector during this month. Increased excise taxes on cigarettes as well as public health concerns relating to tobacco consumption affected the demand for tobacco products negatively. Similarly, Unfavourable weather conditions such as extended winter climate in USA affected the apparel orders and reduced the output in May 2014. However, chemical and chemical products sector recorded a significant year-on-year growth of 28.6 per cent supporting the factory industry output in May 2014.

During the week crude oil spot prices showed largely a declining trend. Crude oil prices fell on weak Chinese and U.S. economic data, lower OPEC demand forecasts, increase in U.S. refined product stocks and ample supplies. Fears over supply cuts due to violence in the Middle East eased and production resumed at Britain's North Sea Buzzard oilfield. The price declines were also supported by the news that Libya's oil production is expected to rise to 1 million barrels per day (bpd) in October. Further, the International Energy Agency (IEA) reported that growth in global oil demand is softening due to weaker European and Chinese economies and cut demand growth by 150,000 bpd for 2014 and 100,000 bpd for 2015. However, towards the end of the week crude oil prices rose on concerns that Western air strikes in Syria could lead to further confrontation with Russia as Russia warned U.S. air strikes against Islamist militants in Syria without a U.N. Security Council mandate would be an act of aggression.

# REAL SECTOR & INFLATION

## 1.1 Price Indices

Item	August 2014	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	182.3	183.2	176.2
Annual Average Change %	4.5	4.7	8.0
Year - on - Year Change %	3.5	3.6	6.3
Core Inflation - (CCPI)	173.2	172.9	166.7
Annual Average Change %	3.2	3.1	5.9
Year - on - Year Change %	3.9	3.7	3.1

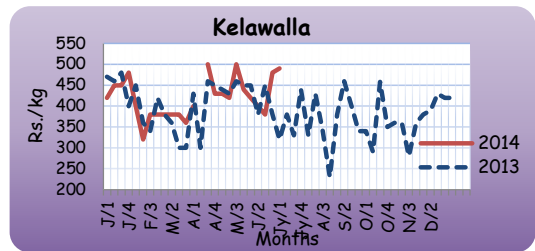
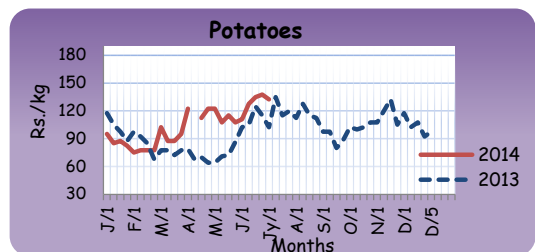
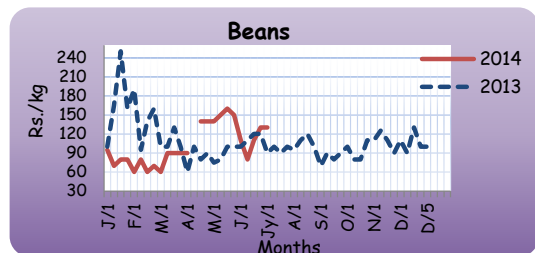
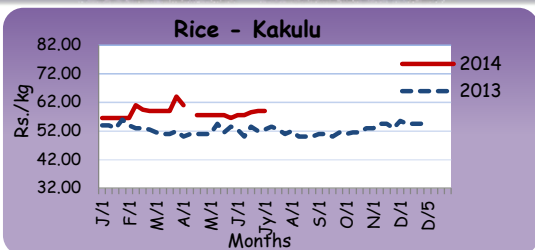


## 1.2 Pettah Market

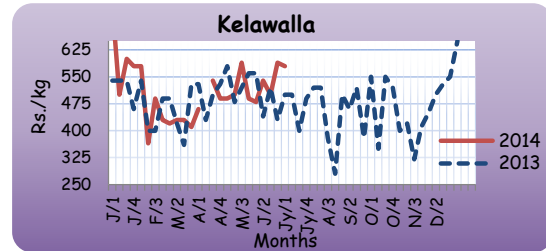
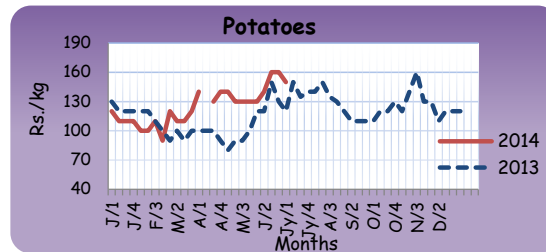
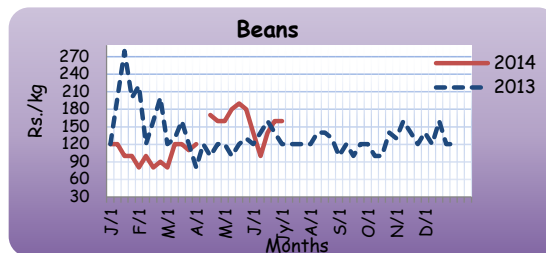
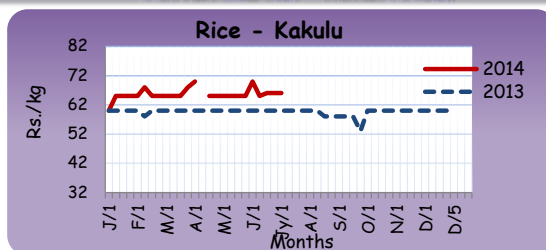
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 11 <sup>th</sup> Sep	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 11 <sup>th</sup> Sep	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
<b>Rice</b>								
Samba	82.50	82.50	78.13	66.57	90.00	90.00	84.25	70.46
Kekulu (Red)	79.00	66.50	71.75	52.39	85.00	85.00	79.25	59.60
<b>Vegetables</b>								
Beans	70.00	80.00	80.00	107.69	100.00	110.00	102.50	134.42
Cabbage	60.00	60.00	80.00	64.76	90.00	90.00	110.00	92.88
Carrots	60.00	65.00	65.00	108.94	80.00	90.00	90.00	133.46
Tomatoes	30.00	30.00	50.00	67.84	60.00	60.00	82.50	99.81
Pumpkins	25.00	25.00	27.50	37.12	40.00	40.00	45.00	57.60
Snake Gourd	30.00	40.00	41.25	55.69	60.00	70.00	65.00	80.77
Brinjals	50.00	50.00	52.50	61.42	80.00	90.00	82.50	85.58
Ash-Plantains	80.00	70.00	77.50	63.27	100.00	90.00	97.50	84.23
<b>Other Foods</b>								
Red-Onions (Local)	75.00	62.50	61.88	148.68	100.00	100.00	90.00	182.38
Big-Onions (Local)	72.50	70.00	82.50	97.21	100.00	100.00	107.50	127.22
Potatoes (N'Eliya)	81.00	74.00	99.13	96.95	100.00	100.00	125.00	117.31
Dried Chilies (Imported)	203.00	200.00	193.50	176.50	230.00	230.00	225.00	219.71
Dhal (Indian)	142.00	142.00	146.25	131.39	150.00	160.00	160.00	148.85
Eggs (Red)	11.00	9.00	11.75	13.39	11.50	9.50	12.25	13.89
Coconut (Each)	34.50	34.50	34.50	37.62	45.00	50.00	45.00	43.98
<b>Fish*</b>								
Kelawalla	480.00	580.00	457.50	387.27	600.00	610.00	580.00	477.31
Balaya	350.00	350.00	315.00	280.00	400.00	400.00	362.50	341.76
Salaya	140.00	120.00	150.00	134.71	200.00	160.00	197.50	179.04
Paraw (Small)	380.00	500.00	465.00	442.60	450.00	550.00	505.00	505.60

\* Prices collected from the Fisheries Trade Centre, Peliyagoda.

### Pettah Market - Wholesale Prices



### Pettah Market - Retail Prices



### 1.3 Dambulla Market

Item (Rs / Kg)	Week Ending 11 <sup>th</sup> Sep	
	Wholesale (Average)	Retail (Average)
<b>Rice</b>		
Samba	85.50	88.50
Kekulu (Red)	80.00	83.50
<b>Vegetables</b>		
Beans	79.38	105.00
Carrot	58.13	90.00
Tomatoes	19.75	52.50
Pumpkins	15.63	31.88
Snake Gourd	20.38	45.63
Ash-Plantains	53.75	74.38
<b>Other Foods</b>		
Red-Onions (Local)	73.13	91.25
Big-Onions (Local)	66.88	90.63
Potatoes (N'Eliya)	80.25	96.25
Dried Chilies(Imported)	202.50	225.00
Coconut (Each)	33.50	42.50

### 1.5 Maradagamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 12 <sup>th</sup> Sep	Week Ago	Month Ago	Year Ago
Samba	82.50	78.70	76.30	62.64
Sudu Kekulu	79.75	78.60	72.65	52.03
Raw Red	79.63	76.70	68.57	49.55
Nadu	81.13	79.02	73.99	53.71

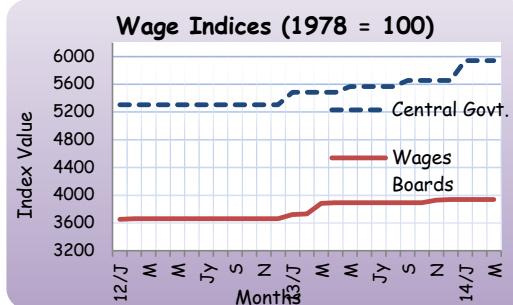
### 1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	10 <sup>th</sup> Sep	Week Ago
<b>Rice</b>		
Samba	85.33	86.67
Kekulu (Red)	87.00	83.67
<b>Vegetables</b>		
Beans	120.00	113.33
Cabbage	93.33	100.00
Carrots	100.00	86.67
Tomatoes	80.00	60.00
Pumpkins	53.33	73.33
Snake Gourd	86.67	83.33
Brinjals	93.33	80.00
Ash-Plantains	113.33	120.00
<b>Other Foods</b>		
Red-Onions (Imported)	n.a	80.00
Big-Onions (Imported)	n.a	86.67
Potatoes (Imported)	80.00	86.67
Dried Chilies (Imported)	226.67	220.00
Dhal (Indian)	152.67	160.00
Eggs (Red)(Each)	10.00	10.00
Coconut (Each)	48.33	50.00
<b>Fish</b>		
Kelawalla	853.33	940.00
Balaya	n.a	n.a
Salaya	143.33	220.00
Paraw (Small)	566.67	646.67

## 1.6 Wage rate Indices

Item	2014(a) July	2013 July	% Change
(1978 = 100)			
Central Government Employees (b)	5,939.0	5,568.3	6.7
Workers in Wages Boards Trades	3,938.3	3,890.0	1.2
Agriculture	4,449.3	4,435.0	0.3
Industry & Commerce	3,459.1	3,248.1	6.5
Services	2,313.2	2,313.2	0.0

(a) Provisional

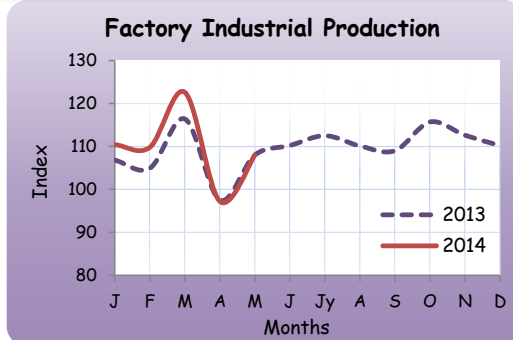


## 1.7 Factory Industry-Production (FIPI) ( 2010 = 100 ) (a)

Item	2014 (b) May	2013 May	% Change
<b>Factory Industry- Production Index</b>	<b>108.0</b>	<b>108.0</b>	<b>0.1</b>
Food products	103.3	104.8	-1.4
Beverages	106.3	106.8	-0.4
Tobacco products	82.3	94.0	-12.4
Wearing apparel	122.0	128.9	-5.4
Chemicals and chemical products	85.4	66.4	28.6
Rubber and plastic products	134.0	116.9	14.6
Other non-metallic mineral products	83.0	95.9	-13.5

(a) Major 7 sub divisions of FIPI out of 17 sub divisions.

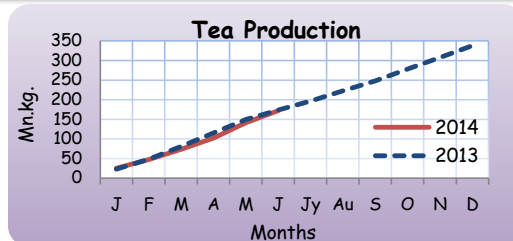
(b) Provisional



## 1.8 Agriculture Production

Item	Unit	2014*	2013	% Change
		Jan - June	Jan - June	
Tea	(Mn Kg)	172.2	174.1	-1.1
Rubber	(Mn Kg)	53.1	54.5	-2.6
Coconuts	(Mn Nuts)	1,183.4	1,055.3	12.1

\* Provisional

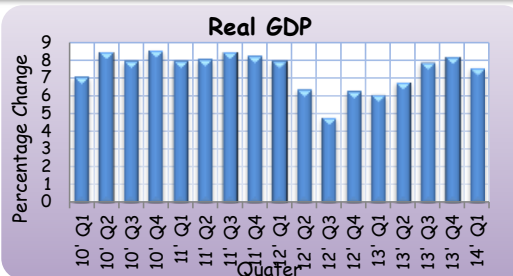


## 1.9 GDP by Industrial Origin at Constant (2002) Prices - Growth Rates

Item	2014* 1 <sup>st</sup> Quarter	2013 1 <sup>st</sup> Quarter	2013 Annual
Agriculture	0.2	3.4	4.7
Industry	12.6	10.7	9.9
Services	6.5	4.3	6.4
<b>GDP</b>	<b>7.6</b>	<b>6.1</b>	<b>7.3</b>

\* Provisional

Source: Department of Census and Statistics



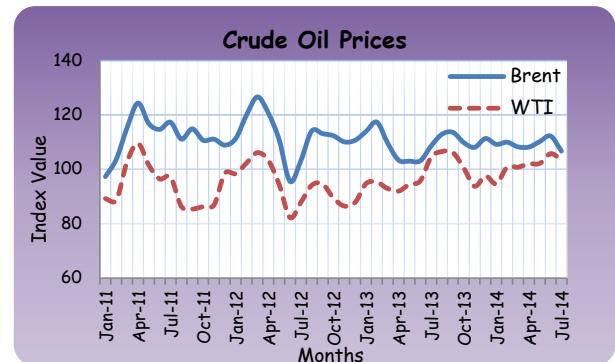
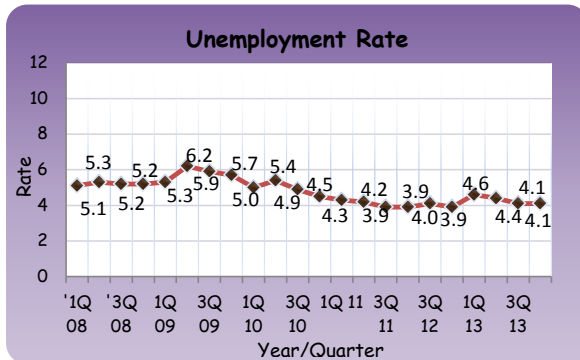
## 1.10 Employment (a)

Item	2014 1 <sup>st</sup> Quarter	2013 1 <sup>st</sup> Quarter	2013 Annual
Labour Force Participation rate	53.4	54.2	53.8
Unemployment rate	4.1	4.6	4.4
<b>Employed Persons by Sectors % (b)</b>			
Agriculture	26.4	28.2	29.7
Industry	27.8	26.9	26.2
Services	45.7	44.9	44.1

(a) The working age population aged 15 and above

Source: Department of Census and Statistics

(b) Based on the International Standard Industrial Classification (ISIC) - Revision 4



## 1.11 Average Crude Oil Prices

Month	2013			2014		
	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)
	Brent (Benchmark price)	WTI (Benchmark price)		Brent (Benchmark price)	WTI (Benchmark price)	
January	113.95	94.76	111.22	109.21	94.71	113.84
February	117.39	95.32	111.16	110.01	100.82	110.62
March	109.63	92.94	106.57	108.28	100.82	111.17
April	103.40	92.02	111.17	108.22	102.07	110.25
May	103.04	94.51	108.91	110.22	102.18	109.80
June	103.16	95.77	105.29	112.27	105.79	113.42
July	108.62	104.51	-	106.73	103.54	110.30
August	112.94	106.58	113.48	101.51	96.54	
September	113.63	106.19	111.01			
October	109.88	100.54	-			
November	108.10	93.77	110.39			
December	111.37	97.62	112.13			
	2013			2014		
05 September	117.76	108.50		99.36	93.32	
08 September	-	-		98.45	92.64	
09 September	117.15	109.62		98.13	92.73	
10 September	114.05	107.48		96.21	91.71	
11 September	114.32	107.65		96.37	92.89	

Sources: Reuters

Energy Information Administration

Ceylon Petroleum Corporation

(\*) CPC import prices are not directly comparable with spot prices of WTI and Brent as CPC import prices include freight charges and the price is weighted for average prices of different types of crude oil. Also Part of the imports of CPC are on a term contract basis.

# Monetary Sector

Short term interest rates continued to adjust downwards compared to the previous week.

Weekly AWPR for the week ending 12 September 2014 declined by 7 bps to 7.17 per cent compared to the previous week.

Broad money (M2b) expanded by 13.3 per cent in June 2014. NFA of the banking system increased by Rs. 4.5 billion in June 2014 compared to May 2014. NCG from the banking system increased by Rs. 2.5 billion in June 2014 compared to May 2014, while credit to public corporations showed a rapid increase of Rs. 18.9 billion. Credit extended to the private sector showed an increase of Rs. 8.0 billion in June 2014, compared to May 2014 despite the decline in pawning advances and repayment of short term advances by the corporate sector.

The reserve money increased compared to the previous week mainly due to increase in currency in circulation.

The total outstanding market liquidity decreased from Rs. 371.23 bn that prevailed at the beginning of the week, to Rs. 364.72 bn by the end of the week. Majority of the liquidity has been absorbed through the Term Repo and Short-term Repo auctions.

By 12 September 2014, the All Share Price Index (ASPI) increased by 1.85 per cent to 7,219 points while the S&P SL 20 Index increased by 2.11 per cent to 4,016 points compared to the previous week. Market capitalisation of CSE crossed Rs. 3 trillion on 10 Sep 2014, for the first time in exchange's history.

# MONETARY SECTOR

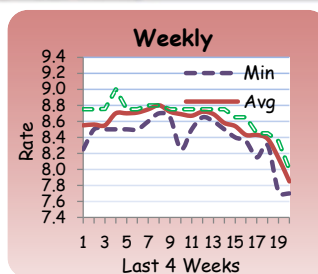
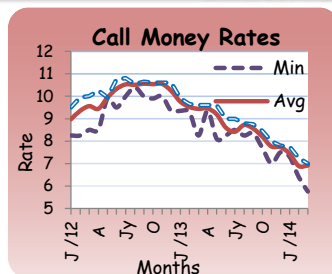
## 2.1 Interest Rates

Item	Week Ending Sep 12	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	7.17	7.24	13.82
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	6.18	-	8.61
- 182 days	6.27	6.28	9.64
- 364 days	6.29	6.30	10.57
Standing Deposit Facility	6.50	6.50	7.00
Standing Lending Facility	8.00	8.00	9.00
Call Money Weekly Average (CMR)	6.70	6.70	8.56
Sri Lanka Inter Bank Offer Rate ( SLIBOR )			
1 day	6.74	6.74	8.66
7 days	7.18	7.18	9.14
1 Month	7.43	7.43	9.95
3 Months	7.77	7.77	10.61
6 Months	7.93	7.94	11.35
12 Months	8.14	8.15	12.30
Commercial Banks	March 2014	Month Ago	Year Ago
Saving Deposits -	0.75-9.00	0.75-9.00	0.75-10.50
One Year Fixed Deposits -	5.50-14.75	5.60-15.50	5.00-16.25
	August 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	7.02	7.16	10.10
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	8.44	8.64	12.82
	July 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Lending Rate (AWLR)	13.53	13.83	15.93
NSB	March 2014	Month Ago	Year Ago
Saving Deposits -	5.00	5.00	5.00
One Year Fixed Deposits -	7.50	8.00	12.50
<b>Treasury Bonds Auction</b>	(09 Y & 06 Months) 10/07/2014	(14 Y & 10 Months) 10/07/2014	(30 Months) 27/05/2014
Coupon rate	11.40	13.00	13.50
Weighted Average Yield (Excluding 10% withholding tax)	9.23	10.58	11.75

Bankwise- AWPR	Week ending Sep 12	Week Ago
Bank of Ceylon	8.69	8.67
People's Bank	7.25	7.21
Hatton National Bank	7.03	6.99
Commercial Bank of Ceylon	6.74	6.89
Sampath Bank	6.95	7.42
Seylan Bank	8.14	7.33
Union Bank of Colombo	8.35	7.53
Pan Asia Banking Corporation	9.00	9.00
Nations Trust Bank	6.90	6.81
DFCC Vardhana Bank	8.93	8.93
NDB Bank	6.97	7.02
Amana Bank	9.08	9.07
Cargills Bank	8.11	7.71

Bankwise- AWPR	Week ending Sep 12	Week Ago
HSBC	7.40	7.22
Standard Chartered Bank	6.78	6.86
Citi Bank	7.16	7.58
Deutsche Bank	6.89	8.96
Habib Bank	6.28	6.28
Indian Bank	8.78	8.78
Indian Overseas Bank	9.28	9.28
MCB Bank	7.72	8.97
State Bank of India	9.59	9.59
Public Bank	8.30	8.30
ICICI Bank	9.77	9.77
Axis Bank	-	-

### Interest Rates - Call Money

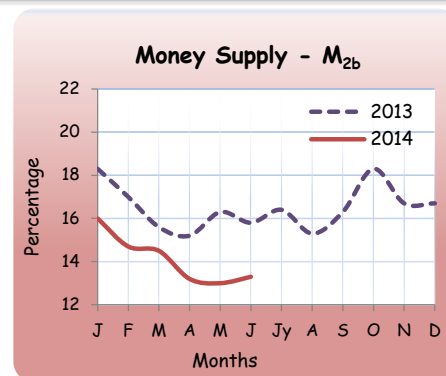
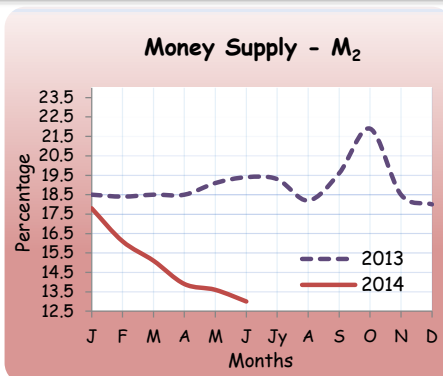
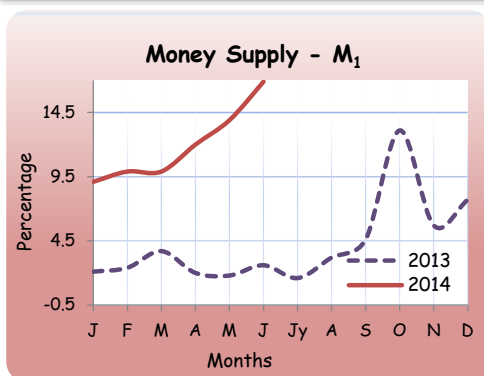




## 2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2014 (a)	Month	Year	2014 (a)	Month	Year
	June	Agg	Agg	June	Agg	Agg
M1	519.2	503.9	444.0	16.9	13.9	2.6
M2	3,214.3	3,178.8	2,843.8	13.0	13.6	19.4
M2b	3,592.8	3,555.5	3,169.8	13.3	13.0	15.8
Net Foreign Assets of the Banking System (b)	163.6	159.1	-169.0	196.8	241.9	-142.1
Monetary Authorities	706.9	667.7	366.0	93.2	70.1	10.4
Domestic Banking Units (DBUs)	-212.7	-203.8	-172.4	-23.4	-35.1	-44.7
Foreign currency Banking Units (FCBUs)	-330.6	-304.9	-362.6	8.8	13.8	-28.6
Net Domestic Assets of the Banking System (b)	3,429.3	3,396.5	3,338.8	2.7	4.2	19.0
DBUs	2,967.6	2,963.6	2,875.5	3.2	6.2	18.7
FCBUs	461.7	432.8	463.3	-0.4	-7.9	20.4
Net Credit to Government	1,377.4	1,374.9	1,263.6	9.0	12.1	25.1
Monetary Authorities	142.8	146.3	233.2	-38.8	-38.7	-28.1
DBUs	1,031.5	1,032.8	883.3	16.8	22.1	57.6
FCBUs	203.1	195.8	147.2	38.0	37.3	17.1
Credit to Corporations	349.2	330.3	334.3	4.5	0.5	21.3
DBUs	151.6	145.5	109.4	38.6	31.1	35.9
FCBUs	197.6	184.8	224.9	-12.2	-15.1	15.3
Credit to the Private Sector	2,481.7	2,473.7	2,433.0	2.0	2.2	8.9
DBUs	2,266.0	2,271.3	2,242.3	1.1	2.1	9.8
FCBUs	215.8	202.4	190.7	13.2	2.8	-1.4
Reserve Money	507.7	499.5	500.3	1.5	-1.5	9.3

(a) Provisional (b) In relation to M2b

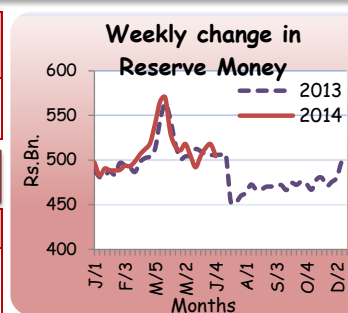


## 2.3 Weekly change in Reserve Money

Item	11 Sep 2014	Week Ago	Change
Reserve Money (Rs.Mn.)	541,094	535,031	6,063

## 2.4 Money Market Activity (Overnight)

Item	08.09.2014	09.09.2014	10.09.2014	11.09.2014	12.09.2014
<b>Call Money Market</b>					
Weighted Average Rate (% p.a.)	0.00	6.70	6.70	6.70	6.70
Gross Volume (Rs. Mn)	0	7,440	10,460	12,380	9,582
<b>Repo Market</b>					
Weighted Average Rate (% p.a.)	0.00	6.51	6.52	6.52	6.52
Gross Volume (Rs. Mn)	0	8,800	8,095	8,068	11,287



## 2.5 CBSL Security Portfolio

Item	08.09.2014	09.09.2014	10.09.2014	11.09.2014	12.09.2014
CBSL T-Bill Holding (Rs. Mn)	0	4,741	4,742	758	2,473

## 2.6 Open Market Operations

Item	08.09.2014	09.09.2014	10.09.2014	11.09.2014	12.09.2014
<b>Short-Term Auction</b>					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	30.00	20.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	0	0	0	1	7
Bids Received (Rs. bn)	0.00	0.00	0.00	11.00	22.55
Amount Accepted (Rs. bn)	0.00	0.00	0.00	4.00	20.00
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	6.50	6.50
<b>Term Auction</b>					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	46.30
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Standing Facility</b>					
Standing Deposit Facility (Rs. bn)	0.00	36.75	32.79	28.65	38.99
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
<b>Total Outstanding Market Liquidity (Rs. bn)</b>	0.00	371.23	367.27	367.12	364.72

## 2.7 Credit Cards \*

Item	2014 (a) End Apr	2014 End Mar	2013 End Dec
<b>Total Number of Active Cards</b>	962,702	961,868	951,625
Local (accepted only locally)	35,033	35,288	35,990
Global (accepted globally)	927,669	926,580	915,635
<b>Outstanding balance (Rs. Mn.)</b>	52,906	51,825	51,172
Local (accepted only locally)	1,249	1,244	1,260
Global (accepted globally)	51,657	50,581	49,913

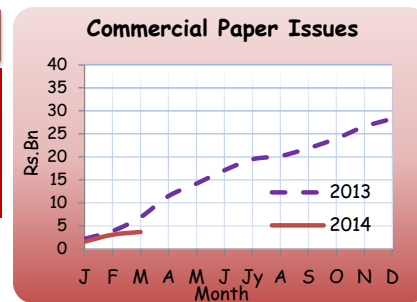
(a) Provisional \* Issued by Licensed Commercial Banks

## 2.8 Commercial Paper Issues (1)

Item (Rs. bn.)	2014 End Mar(a)	2014 End Feb	2013 End Dec
Total Issues - Cumulative	3.7	3.1	28.3
Outstanding (as at end of the period)	7.1	7.1	7.4

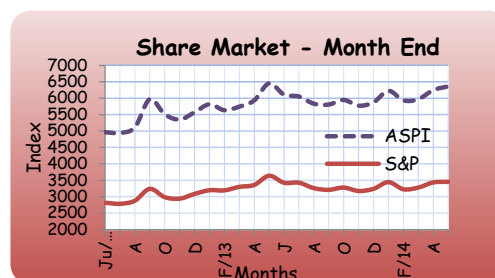
(a) provisional

(1) Based on the information provided by Licensed Commercial Banks and Licensed Specialised Banks



## 2.9 Share Market

Item	Week Ending 12 Sep 2014	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,219	7,087	5,745
S & P Sri Lanka 20 Index (S&P SL20)	4,016	3,933	3,185
Average Daily Turnover (Rs. Mn)	2,850	1,240	551
Market Capitalisation (Rs.Bn.)	3,052	2,975	2,366



## Fiscal Sector

Government revenue as a percentage of GDP declined during the first quarter of 2014 compared to the same period in the previous year. However, it increased in nominal terms due to the favourable performance in both tax and non tax revenue. Tax revenue increased during the first quarter of 2014 compared to the corresponding period in 2013 mainly due to an increase in revenue from import related taxes, excise duties on motor vehicles and Value Added Tax (VAT). Meanwhile, non tax revenue increased during the period under consideration mainly due an increase in revenue from rent income and fees and charges.

Total expenditure and net lending as a percentage of GDP declined during the first quarter of 2014 reflecting measures taken by the government to rationalise recurrent expenditure, while maintaining public investment to continue strategically important infrastructure development projects.

Total outstanding debt increased during the first quarter of 2014 due to an increase in both foreign and domestic debt. The issuance of a US dollars 1,000 million 5-year international sovereign bond in January 2014 at a yield of 6 per cent mainly contributed to the increase in foreign debt.

Aonother 5-year international sovereign bond amounting to US dollars 500 million, the balance of the US dollars 1,500 million approved for 2014, was issued in April 2014 at a yield of 5.125 per cent.

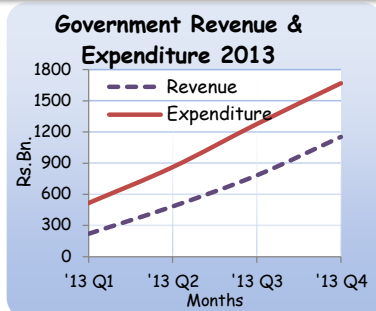
The government made several changes to the Special Commodity Levy (SCL) during the first half of the year with a view of maintaining stable prices in the domestic market considering the local supply and protecting local farmers.

# FISCAL SECTOR

## 3.1 Government Finance (Rs.bn)

Item	2014 *	2013
	Jan-Mar	Jan-Mar
<b>Revenue and Grants</b>	<b>245.8</b>	<b>220.7</b>
<b>Revenue</b>	<b>245.2</b>	<b>220.1</b>
Tax	227.7	206.8
Non tax	17.5	13.2
<b>Grants</b>	<b>0.6</b>	<b>0.7</b>
<b>Expenditure &amp; Lending Minus Repayments</b>	<b>553.9</b>	<b>516.4</b>
Current	399.4	376.6
Capital & Lending Minus Repayments	154.5	139.8

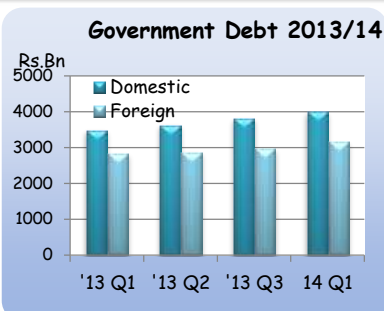
\* Provisional \*\*Revised



## 3.2 Government Debt (Rs.bn)

Item	2014*	2013
	End Mar	End Dec
<b>Total domestic debt</b>	<b>4,013.3</b>	<b>3,832.8</b>
of which		
Treasury bills	733.3	700.1
Treasury bonds	2,554.8	2,452.4
Rupee loans	55.5	55.5
<b>Total foreign debt</b>	<b>3,171.3</b>	<b>2,960.4</b>
<b>Total outstanding govt. debt</b>	<b>7,184.6</b>	<b>6,793.2</b>

\* Provisional

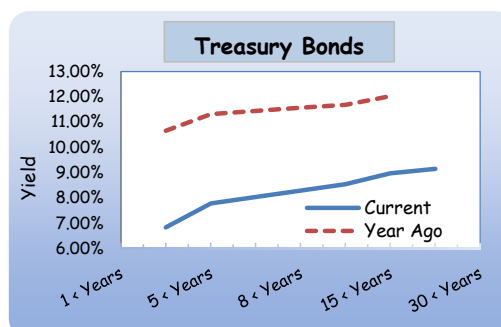
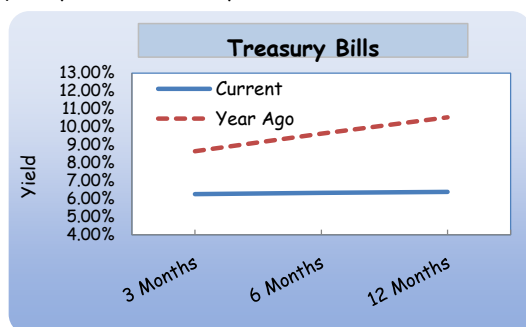


## 3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 10<sup>th</sup> September 2014

Security	Maturity	Primary Market*		Secondary Market			Last Week Average
		This Week	Last Week	This Week			
				Buying	Selling	Average	
Treasury Bills	3 Months	6.18%	-	6.30%	6.22%	6.26%	6.26%
	6 Months	6.27%	6.28%	6.36%	6.28%	6.32%	6.33%
	12 Months	6.29%	6.30%	6.42%	6.33%	6.38%	6.39%
Treasury Bonds	2 < Years	-	6.90%	6.89%	6.79%	6.84%	6.94%
	5 < Years	-	-	7.86%	7.71%	7.79%	7.80%
	6 < Years	-	-	8.10%	7.99%	8.04%	8.15%
	8 < Years	-	-	8.36%	8.23%	8.30%	8.37%
	10 < Years	-	-	8.63%	8.47%	8.55%	8.60%
	15 < Years	-	-	9.07%	8.90%	8.98%	9.05%
	20 < Years	-	-	9.23%	9.09%	9.16%	9.27%
30 < Years	-	-	10.01%	9.93%	9.97%	9.97%	

\* Primary market transactions during the week ending 10/09/2014

The primary market yield rates of T-bills, Secondary market yield rates of T-bills and T-bonds have decreased due to excess market liquidity and market expectations.



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 10<sup>th</sup> September 2014 )

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	735,631.84	740,071.78
Treasury Bonds (a)	3,162,761.43	3,162,761.43
<b>Total</b>	<b>3,898,393.27</b>	<b>3,902,833.21</b>
Government Securities held by Foreigners	501,166.16	497,966.62
Sri Lanka Development Bonds (SLDB)	376,840.47	376,847.12

Both investments in T-Bills and T-Bonds have remain stable, while foreign holdings of T-bills and T-bonds has increased marginally.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Amount Offered	5,000.00	8,000.00
Total Bids Received	13,243.00	15,706.00
Total Bids Accepted	6,518.00	6,256.00
<b>Treasury Bonds</b>		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The primary market has shown a continuous interest in auction participation.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
<b>Treasury Bills</b>		
Outright Transaction (Sales / Purchases)	18,228.59	26,939.67
Repo Transaction (Sales / Purchases)	191,608.37	240,524.56
<b>Treasury Bonds</b>		
Outright Transaction (Sales / Purchases)	64,749.61	84,354.33
Repo Transaction (Sales / Purchases)	347,419.06	447,552.71

Secondary market transactions has been stabilized due to primary market rates becoming more steady.

a) Excludes Treasury bonds amounting to Rs.4,397 million issued to CWE in November 2003, Rs. 78,441 million issued to settle dues to CPC in January 2012, Rs. 13,125 million issued to capitalize Sri Lankan Airlines in March 2013.

### 3.5 Two way Quotes (Treasury Bills) - 12/09/2014

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.88	6.16	99.88	6.03	0.00
1 Month	99.49	6.23	99.50	6.14	0.01
2 Month	98.97	6.27	98.98	6.18	0.02
3 Month	98.45	6.29	98.47	6.20	0.02
4 Month	97.92	6.32	97.95	6.23	0.03
5 Month	97.40	6.34	97.43	6.25	0.04
6 Month	96.87	6.35	96.91	6.27	0.04
7 Month	96.33	6.37	96.38	6.29	0.05
8 Month	95.81	6.38	95.86	6.30	0.05
9 Month	95.27	6.39	95.33	6.31	0.06
10 Month	94.74	6.40	94.81	6.31	0.07
11 Month	94.20	6.41	94.28	6.32	0.08
12 Month	93.68	6.41	93.76	6.32	0.09

### 3.5 Two way Quotes (Treasury Bonds)- 12/09/2014

Treasury Bond By Series	Maturity Period (Years)	Maturity Date (DD/MM/YY)	Days to Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
09.00%2014A	2	1-Oct-14	19	100.13	6.25	100.13	6.17	0.00
06.20%2015A	4	15-Jan-15	125	99.95	6.27	99.98	6.19	0.03
11.75%2015A	6	15-Mar-15	184	102.66	6.35	102.70	6.27	0.04
06.20%2015B	4	15-Jun-15	276	99.92	6.30	99.98	6.22	0.06
06.50%2015A	5	15-Jul-15	306	100.01	6.47	100.13	6.33	0.12
11.00%2015A	6	1-Aug-15	323	103.80	6.50	103.91	6.38	0.11
11.00%2015B	6	1-Sep-15	354	104.13	6.53	104.23	6.42	0.11
12.50%2015A	2	20-Sep-15	373	105.80	6.53	105.92	6.42	0.12
08.50%2015A	3	1-Nov-15	415	102.08	6.56	102.22	6.43	0.14
07.25%2016A	6	1-Apr-16	567	100.73	6.74	100.91	6.62	0.18
08.00%2016B	4	1-Jun-16	628	101.94	6.77	102.10	6.67	0.16
06.40%2016A	6	1-Aug-16	689	99.32	6.79	99.52	6.67	0.20
08.00%2016A	5	1-Sep-16	720	102.10	6.84	102.33	6.71	0.24
06.40%2016B	6	1-Oct-16	750	99.00	6.93	99.18	6.83	0.17
08.00%2017A	5	1-Jan-17	842	102.19	6.94	102.48	6.81	0.29
05.80%2017A	6	15-Jan-17	856	97.51	6.97	97.73	6.86	0.22
08.25%2017A	3	1-Mar-17	901	102.77	7.01	103.13	6.85	0.36
08.75%2017A	4	15-May-17	976	104.12	7.03	104.42	6.91	0.30
08.00%2017B	5	15-Jun-17	1,007	102.28	7.07	102.65	6.92	0.38
05.80%2017B	6	15-Jul-17	1,037	96.72	7.09	97.13	6.93	0.41
08.50%2018A	15	1-Feb-18	1,238	103.64	7.26	104.02	7.14	0.38
08.50%2018C	5	1-Apr-18	1,297	103.79	7.27	104.09	7.17	0.30
08.50%2018D	5	1-Jun-18	1,358	103.77	7.32	104.12	7.21	0.35
08.50%2018B	15	15-Jul-18	1,402	103.78	7.35	104.18	7.23	0.39
07.50%2018A	15	15-Aug-18	1,433	100.51	7.35	100.80	7.26	0.29
08.00%2018A	6	15-Nov-18	1,525	102.14	7.39	102.46	7.30	0.32
05.65%2019A	8	15-Jan-19	1,586	93.38	7.46	93.80	7.34	0.42
08.50%2019A	10	1-May-19	1,692	104.14	7.43	104.56	7.32	0.43
10.60%2019A	6	1-Jul-19	1,753	112.14	7.54	112.56	7.44	0.43
10.60%2019B	5	15-Sep-19	1,829	112.18	7.63	112.68	7.51	0.50
08.00%2019A	8	1-Nov-19	1,876	101.19	7.71	101.66	7.60	0.47
08.00%2020A	8	1-Jun-20	2,089	100.89	7.80	101.50	7.67	0.61
06.20%2020A	10	1-Aug-20	2,150	92.22	7.88	92.88	7.73	0.67
09.00%2021A	8	1-May-21	2,423	104.85	8.04	105.48	7.92	0.63
11.00%2021A	7	1-Aug-21	2,515	115.35	8.05	116.17	7.91	0.82
08.00%2022A	10	1-Jan-22	2,668	99.37	8.11	99.98	8.00	0.61
11.20%2022A	9	1-Jul-22	2,849	117.22	8.17	117.91	8.06	0.70
09.00%2023A	10	1-Sep-23	3,276	105.01	8.20	105.66	8.10	0.65
11.20%2023A	9	1-Sep-23	3,276	118.44	8.25	119.31	8.13	0.88
07.00%2023A	20	1-Oct-23	3,306	92.03	8.27	92.63	8.17	0.60
11.40%2024A	10	1-Jan-24	3,398	119.79	8.30	120.49	8.20	0.70
09.00%2025A	12	1-May-25	3,884	103.54	8.49	104.51	8.35	0.96
09.00%2026A	13	1-Feb-26	4,160	102.66	8.63	103.83	8.47	1.18
05.35%2026A	15	1-Mar-26	4,188	74.94	8.88	76.09	8.68	1.15
09.00%2028B	15	1-May-28	4,980	100.96	8.88	102.15	8.73	1.19
09.00%2028A	15	1-Jul-28	5,041	99.46	9.07	100.76	8.90	1.31
13.00%2029A	15	1-Jan-29	5,225	129.25	9.26	130.89	9.09	1.64
13.00%2029B	15	1-May-29	5,345	130.11	9.21	131.25	9.09	1.14
08.00%2032A	20	1-Jan-32	6,320	85.61	9.73	87.23	9.52	1.62
09.00%2032A	20	1-Oct-32	6,594	93.20	9.81	94.48	9.65	1.28
09.00%2033A	20	1-Jun-33	6,837	91.88	9.96	94.80	9.60	2.93
13.25%2033A	20	1-Jul-33	6,867	127.27	10.00	128.56	9.88	1.29
09.00%2033B	20	1-Nov-33	6,990	91.44	10.01	92.12	9.93	0.67
13.25%2034A	20	1-Jan-34	7,051	127.18	10.03	129.44	9.82	2.26
09.00%2043A	30	1-Jun-43	10,489	90.01	10.07	91.45	9.9	1.44
13.50%2044A	30	1-Jan-44	10,703	133.39	9.96	136.77	9.69	3.38
13.50%2044B	30	1-Jun-44	10,855	133.03	10.00	134.27	9.90	1.23

## External Sector

During the year so far (up to 12 September 2014) the rupee appreciated against the US dollar (0.37 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (7.20 per cent), pound sterling (1.92 per cent) and the Japanese yen (2.59 per cent) and depreciated against the Indian rupee (1.24 per cent) during this period.

Expansion in all major export categories contributed to the growth in exports in June 2014. Industrial exports, which was the major contributor to export earnings led the growth in overall exports, followed by agricultural exports. Expenditure on imports declined in June 2014, mainly due to a decline in expenditure on intermediate goods imports.

The cumulative trade deficit contracted by 20.1 per cent, as a result of a 16.8 per cent growth in export earnings and a 1.2 per cent decline in import expenditure during the first half of 2014.

The increase in export prices at a higher level than import prices resulted in an improvement in the terms of trade in May 2014. The import price index decreased marginally by 1.0 per cent, year-on-year, to 114.9 index points mainly due to the decrease in the average price level of intermediate goods. Meanwhile, the average price levels of many exported items, including tea, coconut, vegetables and minor agricultural products categorised under agricultural exports and all the products except transport equipment categorised under industrial exports increased in May 2014, leading to an overall increase in the export price index by 0.2 per cent to 103.8 index points.

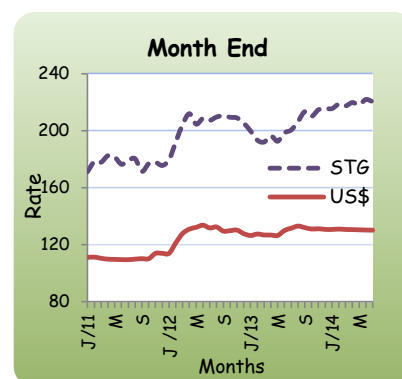
The average price of tea in the Colombo auction increased in June 2014 compared to the corresponding month of 2013, but slightly declined compared to the previous month.

India, UK, China, Germany and France were the top five sources of tourist arrivals upto August 2014, accounting for 46 per cent of total tourist arrivals during the year upto August 2014.

# EXTERNAL SECTOR

## 4.1 Exchange Rates

Item (Rs Per Unit)*	Week Ending - Sep 12			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	128.81	131.68	130.25	130.19	132.42
STG	208.44	214.42	211.43	212.35	209.55
Yen	1.20	1.23	1.22	1.24	1.33
Euro	165.47	170.92	168.20	168.33	176.16
INR(1)			2.14	2.16	2.09
SDR (As at 11 Sep 2014)			195.28	195.82	201.25
<b>Central Bank purchases and sales** (US\$ Mn. )</b>			<b>August 2014</b>	<b>Month Ago</b>	<b>Year Ago</b>
Purchases			315.20	250.00	12.00
Sales			44.50	10.00	328.87



	Week Ending Sep 12	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	59.26	52.77	35.89
<b>Forward Transactions</b>			
Forward Rates (US\$) <sup>(2)</sup>			
1 Month	130.66	130.61	133.70
3 Months	131.31	131.27	135.60
Average Daily Interbank Forward Volume (US\$ mn)	24.14	20.75	14.98
Outstanding Forward Volume (US\$ mn) (As at 11 Sep 2014)	1,177.20	1,209.66	955.93

\*Commercial Bank Avg. Middle Rate (prevailing at 9.30a.m.)

\*\*Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

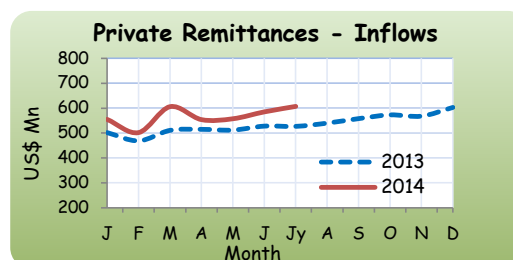
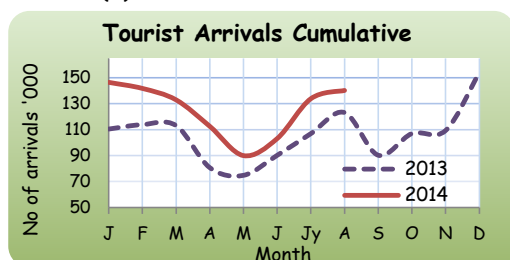
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

## 4.2 Tourism & Workers' Remittances

Item(a)		2013 Aug (b)	2014 Aug	2013 Jan-Aug (b)	2014 Jan - Aug	% Change
Tourist Arrivals	Number	123,269	140,319	813,858	1,001,643	23.1
Earnings from Tourism	US\$ Mn.	165.9	202.7	1,095.4	1,447.20	32.1
	Rs.bn.	21.9	26.4	140.3	188.9	34.6
Workers' Remittances (Inflows)		2013 July (b)	2014 July	2013 Jan-Jul (b)	2014 Jan-Jul	% Change
	US\$ Mn.	526.6	606.7	3,565.6	3,966.60	11.2
	Rs. bn.	69.0	79	454.2	517.8	14.0

(a) Provisional

(b) Revised





### 4.3 International Reserves & Foreign Currency Liquidity as at 30 June 2014<sup>(a)</sup>

Official Reserve Assets (USD mn)				
<b>Official Reserve Assets<sup>(b)</sup></b>				<b>9,164.00</b>
(1) Foreign currency reserves				8,139.86
(a) Securities				3,964.66
(b) Total currency and deposits with				4,175.21
(i) other national central banks				1,811.59
(ii) banks headquartered inside the reporting country of which located abroad				0.84
(iii) banks headquartered outside the reporting country of which located in the reporting country				2,362.77
(2) Reserve position in the IMF				73.98
(3) SDRs				8.90
(4) Gold				940.28
(5) Other reserve assets				0.99
Predetermined Short-Term Net Drains on Foreign Currency Assets <sup>(c)</sup>				
Item	Total	Maturity breakdown (residual maturity)		
		Up to 1 month	More than 1 and up to 3 months	More than 3 months and up to 1 year
1. Foreign currency loans, securities, and deposits				
outflows (-) Principal	-3,459.53	-332.98	-501.86	-2,624.69
Interest	-1,052.00	-286.26	-101.72	-664.02
inflows (+) Principal				
Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)				
(a) Short positions (-) <sup>(d)</sup>	-1,988.42	-167.74	-458.43	-1,362.25
(b) Long positions (+)				
3. Other (specify)	-93.62	-93.62		
inflows related to reverse repos (+)				
other accounts payable (-)	-93.62	-93.62		

(a) Provisional

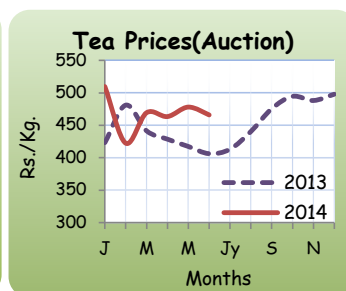
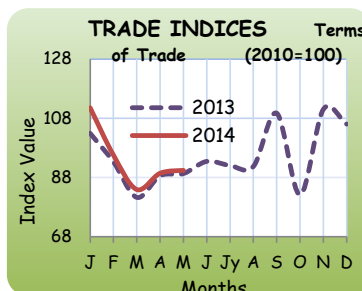
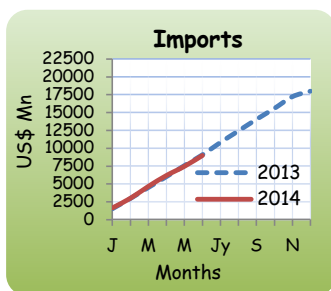
(b) By end June 2014, the total foreign assets were equivalent to 7.2 months of imports and gross official reserves were equivalent to 6.1 months of imports

(c) This mainly includes only the predetermined outflows

(d) A major share of SWAP outstanding will be rolled over. This mainly includes SWAP arrangements with state banks which mobilised long-term foreign finance from international bond issuances

## 4.4 External Trade

Item	US\$ Bn			Rs Bn		
	Jan-June 2014	Jan-June 2013	% Change	Jan-June 2014	Jan-June 2013	% Change
<b>Exports</b>	<b>5.44</b>	<b>4.66</b>	<b>16.8</b>	<b>710.23</b>	<b>590.29</b>	<b>20.3</b>
Agricultural	1.36	1.12	21.4	177.16	141.63	25.1
Industrial	4.03	3.52	14.4	526.27	446.48	17.9
Food, Beverages and Tobacco	0.14	0.10	39.1	18.80	13.12	43.3
Textiles and Apparel	2.41	2.00	20.6	315.09	253.68	24.2
Petroleum Products	0.18	0.23	-19.5	24.07	28.98	-17.0
Leather, Rubber etc	0.50	0.43	17.7	65.59	54.12	21.2
Other	0.79	0.76	3.2	102.72	96.59	6.3
Mineral	0.05	0.01	294.1	5.90	1.45	305.8
Other	0.01	0.01	20.5	0.90	0.72	24.1
<b>Imports</b>	<b>8.99</b>	<b>9.09</b>	<b>-1.2</b>	<b>1,173.40</b>	<b>1,152.67</b>	<b>1.8</b>
Consumer Goods	1.60	1.52	4.9	208.84	193.24	8.1
Intermediate Goods	5.56	5.40	3.0	725.97	684.46	6.1
Investment Goods	1.82	2.16	-15.8	237.78	274.11	-13.3
Other	0.01	0.01	-8.3	0.81	0.86	-5.5
<b>Trade Balance</b>	<b>-3.55</b>	<b>-4.44</b>	<b>-20.1</b>	<b>-463.17</b>	<b>-562.38</b>	<b>-17.6</b>

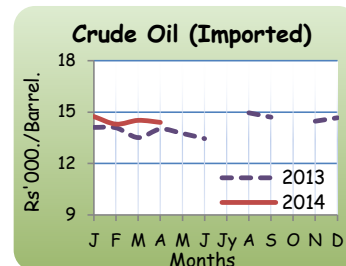
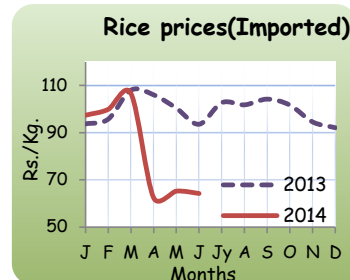


## 4.5 Trade Indices (2010= 100 )

Item	2014** May	Month Ago	Year Ago
<b>Total Exports</b>			
Value	122.77	106.07	110.49
Quantity	118.25	103.36	106.59
Unit Value	103.82	102.62	103.66
<b>Total Imports</b>			
Value	121.11	129.27	138.61
Quantity	105.40	112.62	119.39
Unit Value	114.90	114.79	116.10
<b>Terms of Trade</b>	90.36	89.40	89.29

\* In US\$ Terms

\*\* Provisional



## 4.6 International Commodity Prices

Item	June 2014	June 2013	% Change	June 2014	June 2013	% Change
<b>Colombo Auction Price</b>	US\$ / Kg			Rs / Kg		
Tea Prices	3.58	3.18	12.50	466.00	406.34	14.70
<b>Imports (C I F)</b>	US\$ / MT			Rs / MT		
Rice	492.89	732.22	-32.70	64,217.62	93,582.31	-31.40
White Sugar	510.38	531.97	-4.10	66,496.68	67,989.17	-2.20
Wheat	314.90	378.22	-16.70	41,027.47	48,338.70	-15.10
	US\$ / Barrel			Rs / Barrel		
Crude Oil	113.42	105.25	7.80	14,777.37	13,451.80	9.90