

Weekly Economic Indicators

19 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.

Coconut production grew by 11.8 per cent while Rubber production declined by 2.3 per cent during the first half of 2014. Meanwhile, tea production grew by 2.3 per cent during the first seven months of 2014 mainly due to increase in tea production during the period, May to July 2014 by 21.4 per cent.

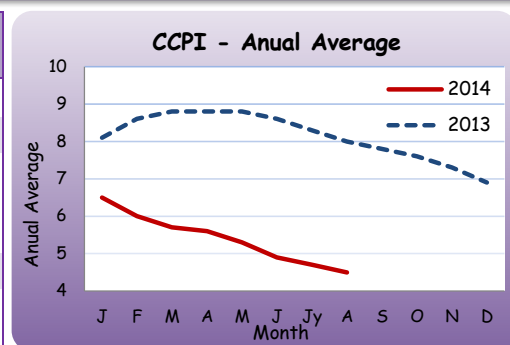
The FIPI showed a mixed performance in May 2014. This was mainly attributed to significant output drop recorded in the tobacco sector as well as wearing apparel sector during this month. Increased excise taxes on cigarettes as well as public health concerns relating to tobacco consumption affected the 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 mixed performance. Price declines were supported by concerns that new sanctions against Russia will weaken oil demand amid ample supplies, a strong dollar and demand concerns in U.S. and China. U.S. imposed sanctions on five Russian firms, banning Western firms supporting their activities in oil exploration or production. Libya's state-run National Oil Corporation reported oil output has reached 810,000 barrels per day last week. On demand side, U.S. manufacturing output fell to seven-month low and China's factory output grew at the weakest pace in nearly six years. However, prices rose after the head of Organization of the Petroleum Exporting Countries (OPEC) indicated that the crude producers' could cut its production target for 2015 and Libya's oil output fell by 200,000 barrels per day. Prices again fell after U.S. Energy Information Administration reported U.S. crude stocks rose by 3.7 million barrels against expectations for a drop while U.S. dollar index rose to a more than four year high as Federal Reserve increased interest rate forecasts.

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

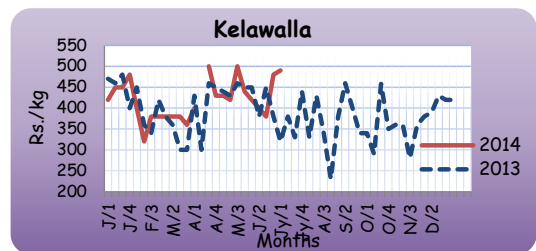
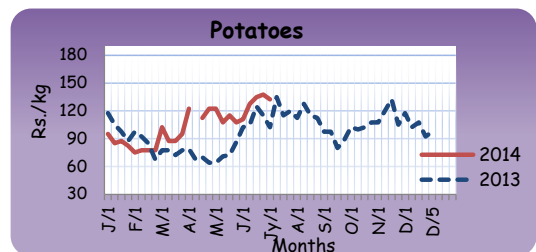
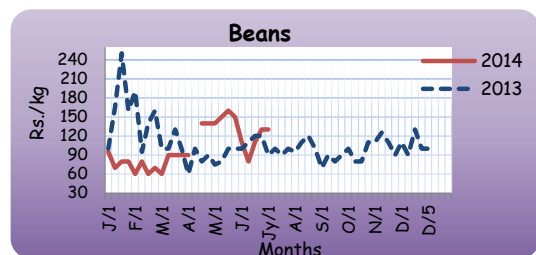
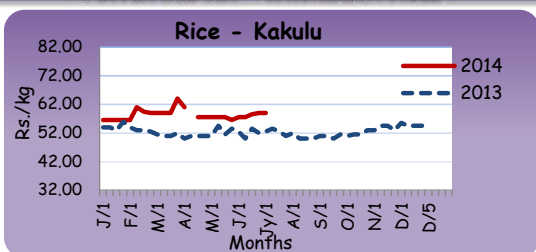


1.2 Pettah Market

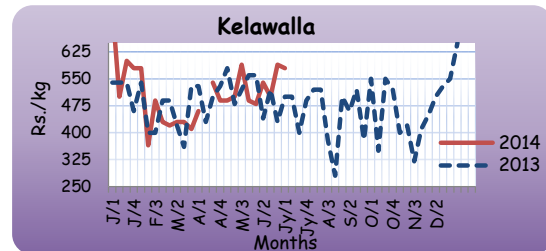
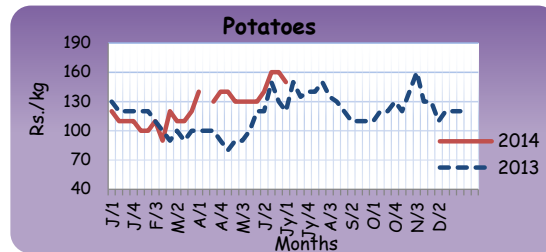
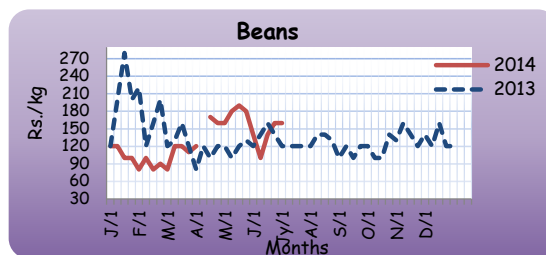
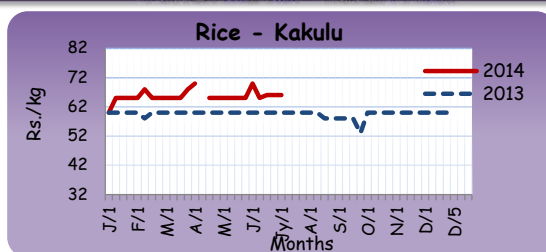
Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 18 th Sep	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 18 th Sep	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	77.50	82.50	78.13	66.57	92.00	90.00	84.25	70.46
Kekulu (Red)	75.50	79.00	71.75	52.39	80.00	85.00	79.25	59.60
Vegetables								
Beans	100.00	70.00	80.00	107.69	120.00	100.00	102.50	134.42
Cabbage	50.00	60.00	80.00	64.76	80.00	90.00	110.00	92.88
Carrots	70.00	60.00	65.00	108.94	90.00	80.00	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	40.00	30.00	41.25	55.69	70.00	60.00	65.00	80.77
Brinjals	70.00	50.00	52.50	61.42	100.00	80.00	82.50	85.58
Ash-Plantains	70.00	80.00	77.50	63.27	100.00	100.00	97.50	84.23
Other Foods								
Red-Onions (Local)	77.50	75.00	61.88	148.68	110.00	100.00	90.00	182.38
Big-Onions (Local)	61.00	72.50	82.50	97.21	90.00	100.00	107.50	127.22
Potatoes (N'Eliya)	71.50	81.00	99.13	96.95	100.00	100.00	125.00	117.31
Dried Chilies (Imported)	200.00	203.00	193.50	176.50	240.00	230.00	225.00	219.71
Dhal (Indian)	148.00	142.00	146.25	131.39	160.00	150.00	160.00	148.85
Eggs (Red)	11.50	11.00	11.75	13.39	12.00	11.50	12.25	13.89
Coconut (Each)	35.50	34.50	34.50	37.62	45.00	45.00	45.00	43.98
Fish*								
Kelawalla	570.00	480.00	457.50	387.27	640.00	600.00	580.00	477.31
Balaya	220.00	350.00	315.00	280.00	270.00	400.00	362.50	341.76
Salaya	120.00	140.00	150.00	134.71	160.00	200.00	197.50	179.04
Paraw (Small)	480.00	380.00	465.00	442.60	540.00	450.00	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 18 th Sep	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	85.50	88.50
Kekulu (Red)	80.50	83.80
Vegetables		
Beans	84.00	113.00
Carrot	57.50	90.00
Tomatoes	22.50	50.00
Pumpkins	17.00	32.00
Snake Gourd	27.10	52.50
Ash-Plantains	51.00	73.00
Other Foods		
Red-Onions (Local)	71.50	92.00
Big-Onions (Local)	51.50	77.50
Potatoes (N'Eliya)	71.80	91.50
Dried Chilies(Imported)	202.80	225.00
Coconut (Each)	32.40	42.50

1.5 Maradaghamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 19 th Sep	Week Ago	Month Ago	Year Ago
Samba	82.80	82.50	76.30	62.64
Sudu Kekulu	79.80	79.75	72.65	52.03
Raw Red	79.50	79.63	68.57	49.55
Nadu	80.20	81.13	73.99	53.71

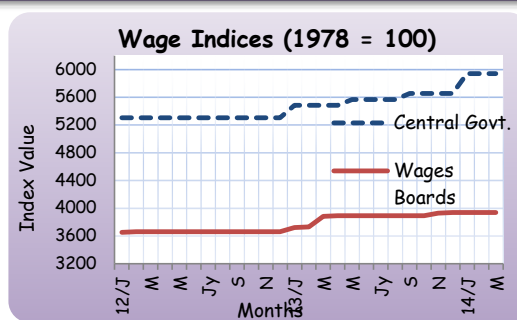
1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	18 th Sep	Week Ago
Rice		
Samba	90.00	85.33
Kekulu (Red)	85.00	87.00
Vegetables		
Beans	120.00	120.00
Cabbage	100.00	93.33
Carrots	100.00	100.00
Tomatoes	80.00	80.00
Pumpkins	60.00	53.33
Snake Gourd	80.00	86.67
Brinjals	106.67	93.33
Ash-Plantains	120.00	113.33
Other Foods		
Red-Onions (Imported)	n.a	n.a
Big-Onions (Imported)	n.a	n.a
Potatoes (Imported)	80.00	80.00
Dried Chilies (Imported)	230.00	226.67
Dhal (Indian)	160.00	152.67
Eggs (Red)(Each)	12.00	10.00
Coconut (Each)	45.00	48.33
Fish		
Kelawalla	860.00	853.33
Balaya	200.00	n.a
Salaya	220.00	143.33
Paraw (Small)	760.00	566.67

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

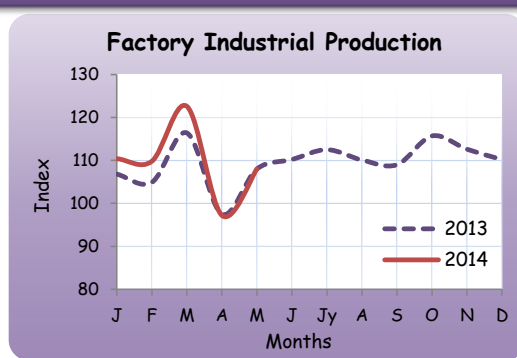


1.7 Factory Industry-Production (FIPI) (2010 = 100) (a)

Item	2014 (b) May	2013 May	% Change
Factory Industry- Production Index	108.0	108.0	0.1
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.

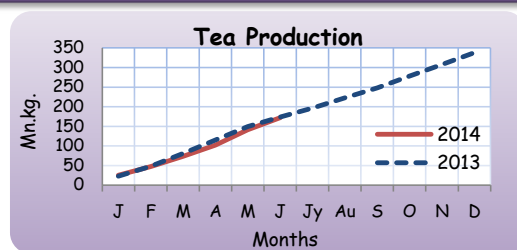
(b) Provisional



1.8 Agriculture Production

Item	Unit	2014*	2013	% Change
		Jan - July	Jan - July	
Tea	(Mn Kg)	201.3	196.7	2.3
Rubber	(Mn Kg)	61.0	62.5	-2.3
Coconuts	(Mn Nuts)	1,425.7	1,274.9	11.8

* Provisional

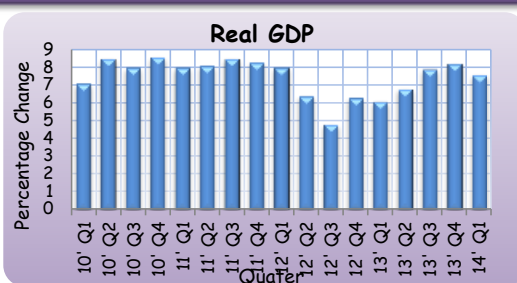


1.9 GDP by Industrial Origin at Constant (2002) Prices - Growth Rates

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

* Provisional

Source: Department of Census and Statistics



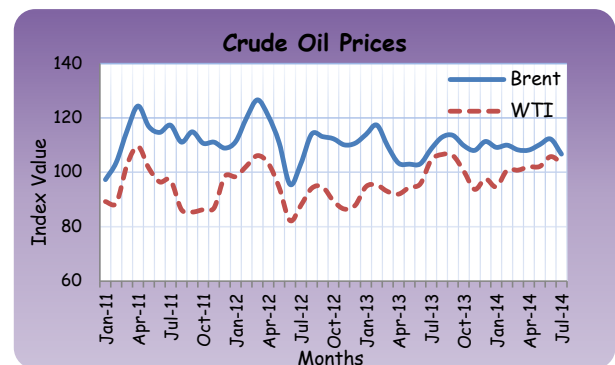
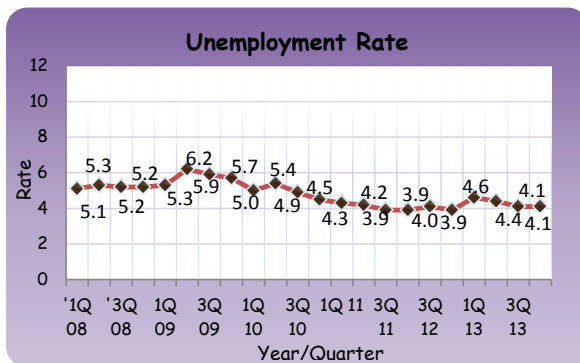
1.10 Employment (a)

Item	2014 1 st Quarter	2013 1 st Quarter	2013 Annual
Labour Force Participation rate	53.4	54.2	53.8
Unemployment rate	4.1	4.6	4.4
Employed Persons by Sectors % (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		
12 September	115.06	108.72		96.31	92.18	
15 September	-	-		96.25	92.86	
16 September	112.81	106.54		96.99	94.91	
17 September	111.00	105.36		97.3	94.33	
18 September	111.04	-		96.42	93.07	

Sources: Reuters
Energy Information Administration
Ceylon Petroleum Corporation

(*) CPC import prices are not directly comparable with spot prices of WTI and Brent as CPC is 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 19 September 2014 declined by 2 bps to 7.15 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 decreased compared to the previous week mainly due to decrease in currency in circulation and deposits by the commercial banks with the Central Bank.

The total outstanding market liquidity decreased from Rs. 373.19 bn that prevailed at the beginning of the week, to Rs. 337.13 bn by the end of the week. Majority of the liquidity has been absorbed through the Term Repo and Short-term Repo auctions.

By 19 September 2014, the All Share Price Index (ASPI) decreased by 0.16 per cent to 7,207 points while the S&P SL 20 Index decreased by 0.65 per cent to 3,990 points compared to the previous week.

MONETARY SECTOR

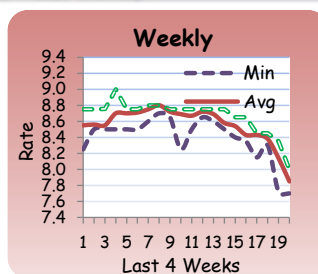
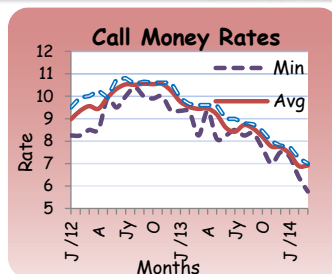
2.1 Interest Rates

Item	Week Ending Sep 19	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	7.15	7.17	11.87
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	6.15	6.18	8.61
- 182 days	6.23	6.27	9.64
- 364 days	6.26	6.29	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)	6.57	6.70	8.51
Sri Lanka Inter Bank Offer Rate (SLIBOR)			
1 day	6.74	6.74	8.64
7 days	7.18	7.18	9.14
1 Month	7.42	7.43	10.02
3 Months	7.74	7.77	10.82
6 Months	7.90	7.93	11.60
12 Months	8.12	8.14	12.44
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
Treasury Bonds Auction	(09 Y & 06 Months)	(14 Y & 10 Months)	(30 Months)
	10/07/2014	10/07/2014	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 19	Week Ago
Bank of Ceylon	8.95	8.69
People's Bank	7.29	7.25
Hatton National Bank	7.03	7.03
Commercial Bank of Ceylon	6.68	6.74
Sampath Bank	7.13	6.95
Seylan Bank	8.21	8.14
Union Bank of Colombo	7.37	8.35
Pan Asia Banking Corporation	9.00	9.00
Nations Trust Bank	6.78	6.90
DFCC Vardhana Bank	8.93	8.93
NDB Bank	6.82	6.97
Amana Bank	9.08	9.08
Cargills Bank	8.51	8.11

Bankwise- AWPR	Week ending Sep 19	Week Ago
HSBC	7.20	7.40
Standard Chartered Bank	6.58	6.78
Citi Bank	8.25	7.16
Deutsche Bank	7.63	6.89
Habib Bank	6.28	6.28
Indian Bank	8.78	8.78
Indian Overseas Bank	9.28	9.28
MCB Bank	7.76	7.72
State Bank of India	9.59	9.59
Public Bank	8.30	8.30
ICICI Bank	9.76	9.77
Axis Bank	-	-

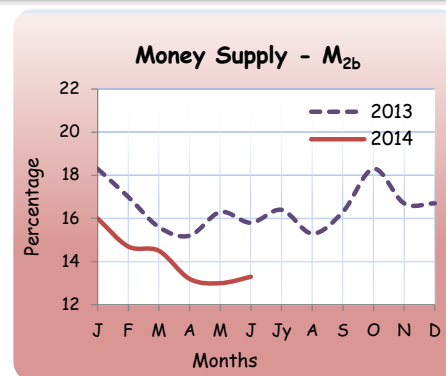
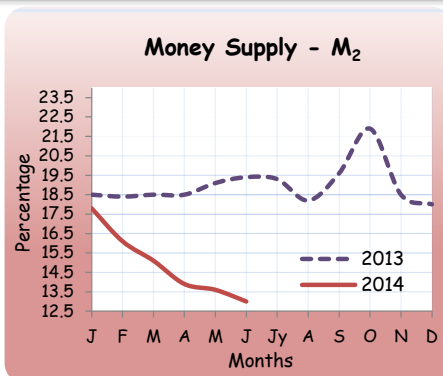
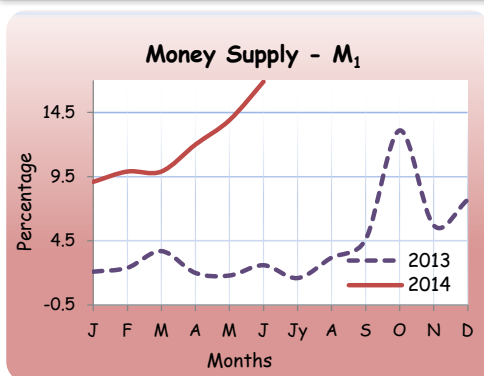
Interest Rates - Call Money



2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2014 (a)	Month	Year	2014 (a)	Month	Year
	June	Ago	Ago	June	Ago	Ago
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

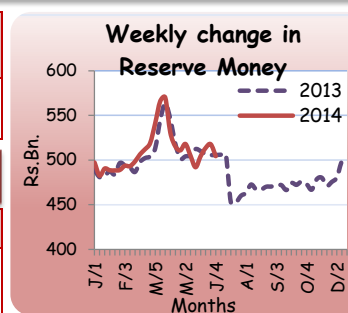


2.3 Weekly change in Reserve Money

Item	18 Sep 2014	Week Ago	Change
Reserve Money (Rs.Mn.)	538,150	541,094	-2,944

2.4 Money Market Activity (Overnight)

Item	15.09.2014	16.09.2014	17.09.2014	18.09.2014	19.09.2014
Call Money Market					
Weighted Average Rate (% p.a.)	6.70	6.70	6.70	6.70	6.57
Gross Volume (Rs. Mn)	13,550	10,220	8,910	9,240	13,585
Repo Market					
Weighted Average Rate (% p.a.)	6.52	6.51	6.52	6.51	6.52
Gross Volume (Rs. Mn)	9,885	18,920	21,209	17,554	14,815



2.5 CBSL Security Portfolio

Item	15.09.2014	16.09.2014	17.09.2014	18.09.2014	19.09.2014
CBSL T-Bill Holding (Rs. Mn)	2,475	2,476	2,476	2,477	0

2.6 Open Market Operations

Item	15.09.2014	16.09.2014	17.09.2014	18.09.2014	19.09.2014
Short-Term Auction					
Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Tenure (No. of Days)	0	0	0	0	0
Bids Received (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	0.00	0.00
Term Auction					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Standing Facility					
Standing Deposit Facility (Rs. bn)	47.46	26.69	25.96	27.27	42.41
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	0.00	0.00
Total Outstanding Market Liquidity (Rs. bn)	373.19	352.42	351.68	353.00	337.13

2.7 Credit Cards *

Item	2014 (a) End Apr	2014 End Mar	2013 End Dec
Total Number of Active Cards	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
Outstanding balance (Rs. Mn.)	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

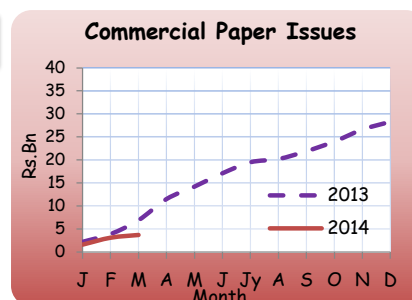
(a) Provisional * Issued by Licensed Commercial Banks

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

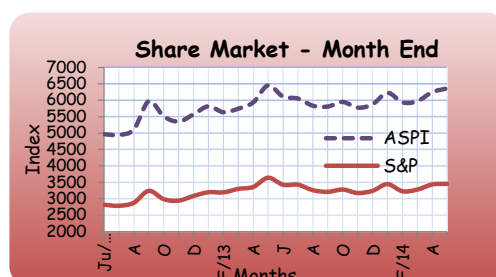
(a) provisional

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



2.9 Share Market

Item	Week Ending 19 Sep 2014	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,207	7,219	5,814
S & P Sri Lanka 20 Index (S&P SL20)	3,990	4,016	3,218
Average Daily Turnover (Rs. Mn)	2,177	2,850	787
Market Capitalisation (Rs.Bn.)	3,048	3,052	2,395



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.

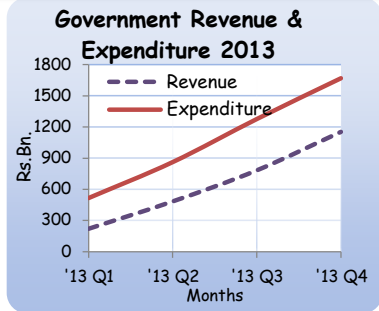
Aonother 5-year international sovereign bond amounting to US dollars 500 million, the balance of the US dollars 1,500 million approved for 2014, was issued in April 2014 at a yield of 5.125 per cent.

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)

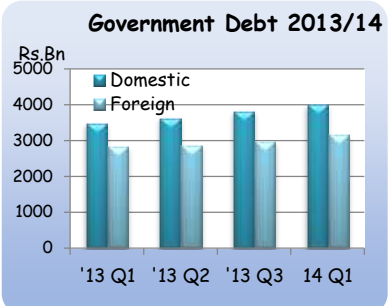
Item	2014 *	2013
	Jan-Mar	Jan-Mar
Revenue and Grants	245.8	220.7
Revenue	245.2	220.1
Tax	227.7	206.8
Non tax	17.5	13.2
Grants	0.6	0.7
Expenditure & Lending Minus Repayments	553.9	516.4
Current	399.4	376.6
Capital & Lending Minus Repayments	154.5	139.8



* Provisional **Revised

3.2 Government Debt (Rs.bn)

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



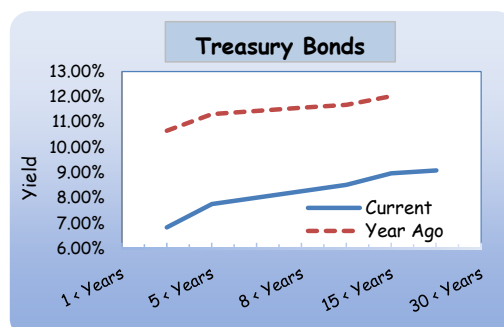
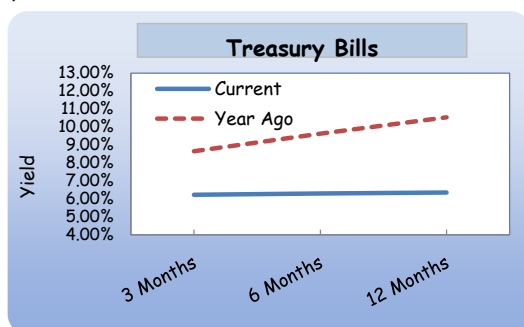
* Provisional

3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 17th September 2014

Security	Maturity	Primary Market*		Secondary Market			
		This Week	Last Week	This Week			Last Week
				Buying	Selling	Average	
Treasury Bills	3 Months	6.15%	6.18%	6.28%	6.19%	6.23%	6.26%
	6 Months	6.23%	6.27%	6.34%	6.26%	6.30%	6.32%
	12 Months	6.26%	6.29%	6.40%	6.31%	6.35%	6.38%
Treasury Bonds	2 < Years	-	-	6.90%	6.80%	6.85%	6.84%
	5 < Years	7.01%	-	7.84%	7.70%	7.77%	7.79%
	6 < Years	-	-	8.08%	7.96%	8.02%	8.04%
	8 < Years	-	-	8.33%	8.21%	8.27%	8.30%
	10 < Years	-	-	8.59%	8.47%	8.53%	8.55%
	15 < Years	-	-	9.07%	8.90%	8.98%	8.98%
	20 < Years	-	-	9.16%	9.04%	9.10%	9.16%
30 < Years	-	-	10.01%	9.93%	9.97%	9.97%	

* Primary market transactions during the week ending 17/09/2014

The primary market and 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 - 17th September 2014)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	734,229.84	735,631.84
Treasury Bonds (a)	3,214,093.15	3,162,761.43
Total	3,948,322.99	3,898,393.27
Government Securities held by Foreigners	498,448.16	501,166.16
Sri Lanka Development Bonds (SLDB)	377,052.33	376,840.47

The investments in T-bonds have been increased while short term investments in T-bills decreased indicating high investor preference for long term government securities.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	5,000.00	5,000.00
Total Bids Received	16,864.00	13,243.00
Total Bids Accepted	10,222.00	6,518.00
Treasury Bonds		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

Participation to the auction has increased illustrating the improved investor preference for the government securities.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	28,605.99	18,228.59
Repo Transaction (Sales / Purchases)	253,779.18	191,608.37
Treasury Bonds		
Outright Transaction (Sales / Purchases)	82,695.97	64,749.61
Repo Transaction (Sales / Purchases)	478,905.16	347,419.06

Increased activities are observed in the secondary market during the week, due to investor participation with improved market conditions.

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) - 19/09/2014

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.88	6.13	99.88	6.00	0.00
1 Month	99.49	6.20	99.50	6.11	0.01
2 Month	98.97	6.24	98.99	6.15	0.01
3 Month	98.46	6.25	98.48	6.17	0.02
4 Month	97.93	6.29	97.96	6.21	0.03
5 Month	97.41	6.30	97.44	6.22	0.03
6 Month	96.88	6.32	96.92	6.24	0.04
7 Month	96.35	6.34	96.40	6.26	0.04
8 Month	95.83	6.35	95.88	6.27	0.05
9 Month	95.29	6.36	95.35	6.28	0.06
10 Month	94.76	6.38	94.83	6.29	0.07
11 Month	94.23	6.39	94.30	6.30	0.08
12 Month	93.70	6.39	93.79	6.31	0.09

3.5 Two way Quotes (Treasury Bonds)- 19/09/2014

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	12	100.08	6.16	100.09	6.09	0.00
06.20%2015A	4	15-Jan-15	118	100.00	6.14	100.02	6.08	0.02
11.75%2015A	6	15-Mar-15	177	102.60	6.25	102.65	6.16	0.05
06.20%2015B	4	15-Jun-15	269	99.99	6.20	100.05	6.12	0.06
06.50%2015A	5	15-Jul-15	299	100.12	6.34	100.21	6.23	0.09
11.00%2015A	6	1-Aug-15	316	103.82	6.38	103.92	6.26	0.10
11.00%2015B	6	1-Sep-15	347	104.17	6.40	104.25	6.31	0.08
12.50%2015A	2	20-Sep-15	366	105.85	6.38	105.95	6.28	0.10
08.50%2015A	3	1-Nov-15	408	102.16	6.45	102.28	6.34	0.12
07.25%2016A	6	1-Apr-16	560	101.05	6.52	101.22	6.40	0.17
08.00%2016B	4	1-Jun-16	621	102.39	6.48	102.55	6.38	0.16
06.40%2016A	6	1-Aug-16	682	99.67	6.59	99.87	6.47	0.20
08.00%2016A	5	1-Sep-16	713	102.53	6.59	102.73	6.49	0.20
06.40%2016B	6	1-Oct-16	743	99.65	6.58	99.87	6.47	0.22
08.00%2017A	5	1-Jan-17	835	102.80	6.65	103.03	6.54	0.23
05.80%2017A	6	15-Jan-17	849	98.13	6.68	98.32	6.59	0.20
08.25%2017A	3	1-Mar-17	894	103.41	6.72	103.65	6.61	0.25
08.75%2017A	4	15-May-17	969	104.76	6.75	105.03	6.64	0.27
08.00%2017B	5	15-Jun-17	1,000	102.89	6.82	103.20	6.70	0.31
05.80%2017B	6	15-Jul-17	1,030	97.34	6.85	97.65	6.73	0.31
08.50%2018A	15	1-Feb-18	1,231	104.49	6.98	104.78	6.88	0.29
08.50%2018C	5	1-Apr-18	1,290	104.62	7.00	104.88	6.92	0.26
08.50%2018D	5	1-Jun-18	1,351	104.88	6.98	105.08	6.91	0.21
08.50%2018B	15	15-Jul-18	1,395	104.58	7.11	104.82	7.03	0.24
07.50%2018A	15	15-Aug-18	1,426	101.35	7.10	101.63	7.01	0.28
08.00%2018A	6	15-Nov-18	1,518	103.32	7.06	103.51	7.01	0.19
05.65%2019A	8	15-Jan-19	1,579	94.55	7.14	94.78	7.07	0.23
08.50%2019A	10	1-May-19	1,685	105.10	7.18	105.29	7.13	0.19
10.60%2019A	6	1-Jul-19	1,746	113.49	7.21	113.83	7.13	0.34
10.60%2019B	5	15-Sep-19	1,822	113.24	7.38	113.75	7.26	0.51
08.00%2019A	8	1-Nov-19	1,869	102.32	7.44	102.72	7.35	0.39
08.00%2020A	8	1-Jun-20	2,082	102.24	7.51	102.73	7.40	0.50
06.20%2020A	10	1-Aug-20	2,143	93.25	7.65	93.81	7.52	0.56
09.00%2021A	8	1-May-21	2,416	106.21	7.78	106.75	7.68	0.53
11.00%2021A	7	1-Aug-21	2,508	117.00	7.76	117.48	7.67	0.49
08.00%2022A	10	1-Jan-22	2,661	100.57	7.89	100.98	7.82	0.41
11.20%2022A	9	1-Jul-22	2,842	118.71	7.93	119.23	7.85	0.52
09.00%2023A	10	1-Sep-23	3,269	106.63	7.95	107.12	7.88	0.50
11.20%2023A	9	1-Sep-23	3,269	120.35	7.98	120.88	7.90	0.54
07.00%2023A	20	1-Oct-23	3,299	92.94	8.12	93.55	8.02	0.61
11.40%2024A	10	1-Jan-24	3,391	120.82	8.16	121.47	8.07	0.65
09.00%2025A	12	1-May-25	3,877	104.68	8.33	105.77	8.18	1.08
09.00%2026A	13	1-Feb-26	4,153	103.70	8.48	104.69	8.35	0.99
05.35%2026A	15	1-Mar-26	4,181	75.51	8.78	76.82	8.57	1.30
09.00%2028B	15	1-May-28	4,973	101.55	8.80	103.16	8.60	1.60
09.00%2028A	15	1-Jul-28	5,034	99.46	9.07	100.76	8.90	1.30
13.00%2029A	15	1-Jan-29	5,218	130.51	9.13	131.80	9.00	1.29
13.00%2029B	15	1-May-29	5,338	130.46	9.17	131.79	9.04	1.33
08.00%2032A	20	1-Jan-32	6,313	86.61	9.60	88.39	9.37	1.78
09.00%2032A	20	1-Oct-32	6,587	94.41	9.66	95.31	9.55	0.90
09.00%2033A	20	1-Jun-33	6,830	93.28	9.79	95.74	9.49	2.47
13.25%2033A	20	1-Jul-33	6,860	129.33	9.80	130.38	9.70	1.05
09.00%2033B	20	1-Nov-33	6,983	92.64	9.86	93.33	9.78	0.69
13.25%2034A	20	1-Jan-34	7,044	128.72	9.88	130.85	9.68	2.12
09.00%2043A	30	1-Jun-43	10,482	90.58	10	91.45	9.9	0.87
13.50%2044A	30	1-Jan-44	10,696	134.37	9.88	137.28	9.65	2.91
13.50%2044B	30	1-Jun-44	10,848	134.26	9.90	135.51	9.80	1.25

External Sector

During the year so far (up to 19 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 (7.25 per cent), pound sterling (0.30 per cent) and the Japanese yen (4.47 per cent) and depreciated against the Indian rupee (1.55 per cent) during this period.

In July 2014, all major export categories contributed to the growth in exports, while the largest contribution came from industrial exports. Expenditure on imports in July 2014 reflecting an increase in all major import categories, but were particularly in fuel.

As the growth of exports earnings were outweighed by the growth of import expenditure in July 2014, trade deficit widened to US dollar 891 million, compared to US dollars 574 million in July 2013. However, on a cumulative basis, trade deficit in first seven months of 2014 is lower by 11.5 per cent compared to the corresponding period in 2013.

The increase in export prices at a higher rate than import prices resulted in an improvement in the terms of trade in June 2014.

The import price index increased marginally by 1.5 per cent, year-on-year, to 108.5 index points mainly due to the increase in the average price level of intermediate goods.

Meanwhile, the average price levels of many exported items, increased in June 2014, leading to an overall increase in the export price index by 5.4 per cent to 108.3 index points. Accordingly, the terms of trade index improved by 3.9 per cent to 99.9 index points in June 2014 from to 96.2 index points in June 2013.

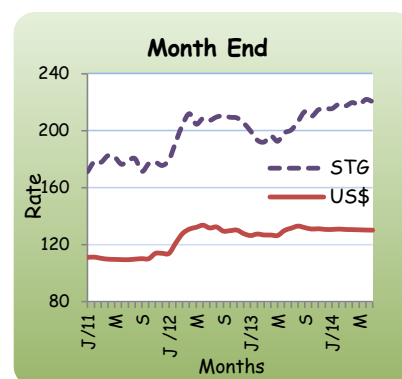
The average price of tea in the Colombo auction increase in July 2014 compared to the corresponding month of 2013, but slightly declined compared to the previous month.

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 19			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	128.81	131.68	130.25	130.25	132.25
STG	211.77	217.85	214.81	211.43	210.29
Yen	1.17	1.21	1.19	1.22	1.33
Euro	165.35	170.79	168.07	168.20	176.42
INR(1)			2.14	2.14	2.09
SDR (As at 18 Sep 2014)			195.08	195.41	201.59
Central Bank purchases and sales** (US\$ Mn.)			August 2014	Month Ago	Year Ago
Purchases			315.20	250.00	12.00
Sales			44.50	10.00	328.87



	Week Ending Sep 19	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	59.73	59.26	25.25
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	130.80	130.66	133.20
3 Months	131.65	131.31	-
Average Daily Interbank Forward Volume (US\$ mn)	23.25	24.14	8.45
Outstanding Forward Volume (US\$ mn) (As at 18 Sep 2014)	1,181.78	1,177.20	931.85

*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

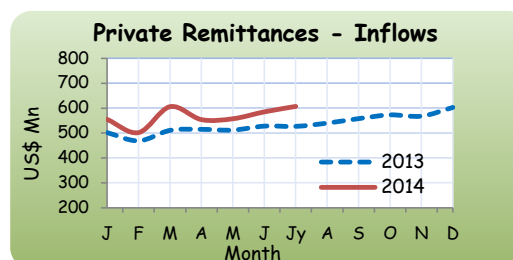
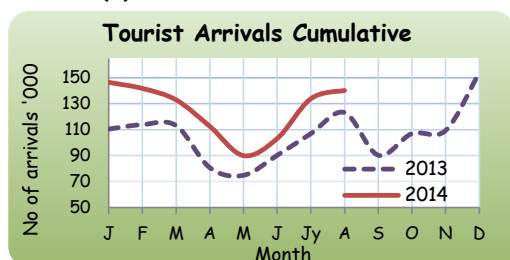
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

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
		2013 July (b)	2014 July	2013 Jan-Jul (b)	2014 Jan-Jul	% Change
Workers' Remittances (Inflows)	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^(a)

Official Reserve Assets (USD mn)				
Official Reserve Assets^(b)				9,164.00
(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 ^(c)				
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 (-) ^(d)	-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

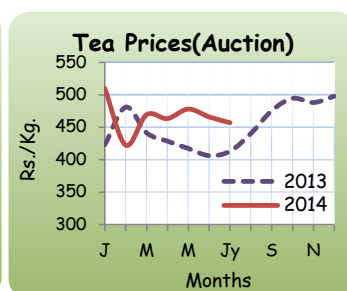
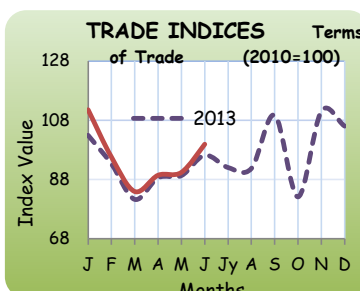
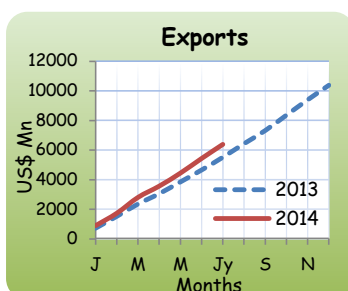
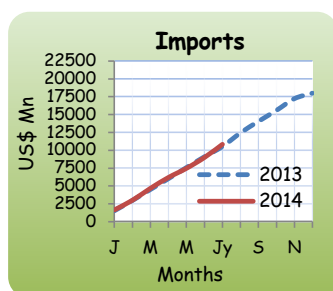
(b) By end June 2014, the total foreign assets were equivalent to 7.2 months of imports and gross official reserves were equivalent to 6.1 months of imports

(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-July 2014	Jan-July 2013	% Change	Jan-July 2014	Jan-July 2013	% Change
Exports	6.39	5.52	15.9	834.58	702.87	18.7
Agricultural	1.61	1.35	19.1	210.00	172.28	21.9
Industrial	4.73	4.14	14.1	617.31	527.98	16.9
Food, Beverages and Tobacco	0.17	0.12	37.2	21.74	15.46	40.6
Textiles and Apparel	2.83	2.37	19.1	369.07	302.47	22.0
Petroleum Products	0.21	0.26	-18.0	27.74	32.93	-15.8
Leather, Rubber etc	0.60	0.50	18.7	77.73	63.90	21.6
Other	0.93	0.89	4.3	121.03	113.21	6.9
Mineral	0.05	0.01	248.0	6.23	1.75	256.4
Other	0.01	0.01	15.4	1.03	0.87	18.2
Imports	10.83	10.53	2.9	1,413.74	1,340.41	5.5
Consumer Goods	1.96	1.83	6.9	255.88	233.69	9.5
Intermediate Goods	6.68	6.17	8.1	871.66	786.04	10.9
Investment Goods	2.18	2.51	-13.0	285.23	319.68	-10.8
Other	0.01	0.01	-5.6	0.97	1.00	-3.2
Trade Balance	-4.44	-5.01	-11.5	-579.16	-637.54	-9.2

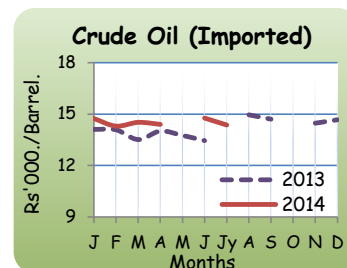
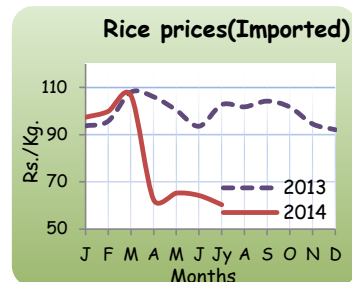


4.5 Trade Indices (2010= 100)

Item	2014** June	Month Ago	Year Ago
Total Exports			
Value	137.18	122.77	112.40
Quantity	126.62	118.25	109.35
Unit Value	108.34	103.82	102.79
Total Imports			
Value	128.82	121.11	135.09
Quantity	118.76	105.40	126.37
Unit Value	108.47	114.90	106.90
Terms of Trade	99.88	90.36	96.15

* In US\$ Terms

** Provisional



4.6 International Commodity Prices

Item	July 2014	July 2013	% Change	July 2014	July 2013	% Change
Colombo Auction Price	US\$ / Kg			Rs / Kg		
Tea Prices	3.51	3.15	11.30	457.13	413.21	10.60
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	463.05	784.09	-40.90	60,308.39	102,724.13	-41.30
White Sugar	508.81	529.65	-3.90	66,267.87	69,390.05	-4.50
Wheat	322.96	374.69	-13.80	42,063.02	49,087.50	-14.30
	US\$ / Barrel			Rs / Barrel		
Crude Oil	110.30	-	-	14,365.34	-	-