

Weekly Economic Indicators

26 December 2014



Statistics Department

Real Sector & Inflation

Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI)(2006/07=100), which is computed by the Department of Census and Statistics, decreased from 1.6 per cent in October 2014 to 1.5 per cent in November 2014, on a YoY basis, which is the lowest recorded since November 2009. Annual average inflation also declined to 3.5 per cent in November 2014 from 3.8 per cent recorded in the previous month. Downward revision of administered prices in the Non-Food Category, contributed mainly to the decline in inflation. Core inflation, which reflects the underlying inflation in the economy, remained unchanged in November 2014 at 3.6 per cent on a year on year basis as recorded in the previous month. Annual average core inflation during November 2014 was 3.4 per cent, compared to 3.3 per cent recorded in October 2014.

The economy continued its growth momentum by recording a 7.7 per cent growth in real terms during the third quarter of 2014, supported by the 12.6 per cent growth of the Industry sector and 7.0 per cent growth of the Services sector, albeit the Agriculture Sector contracted by 2.0 percent.

While the production of tea recorded an increase of 1.4 per cent during the first ten months of 2014, the rubber production showed a decline of 15.6 per cent during the same period. Meanwhile, it is noted that the coconut production during the first nine months of the year recorded an increase of 12 per cent.

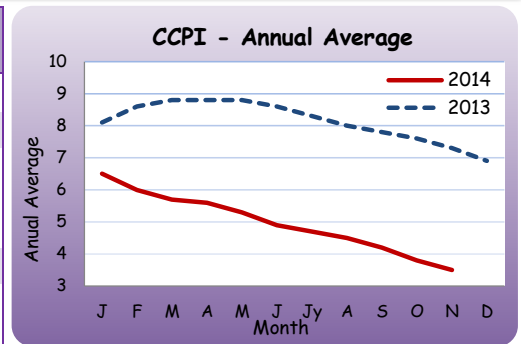
The FIPI increased significantly by 12.4 per cent on year-on-year basis in September 2014. This growth was mainly facilitated by increased production of beverages, wearing apparel as well as chemical and chemical products sectors. They have recorded a significant growth of 18.2, 23.6 and 23.5 per cent due to increased domestic and international demand during this period.

During the week crude oil spot prices showed mixed performance. At the beginning of the week the crude oil prices rose in early trading as Asian markets opened strongly into a holiday-shortened week. Crude oil prices resumed their downward march again after Saudi Arabia's powerful oil minister said OPEC would not cut production at any price. However, crude oil prices again rose, amid signs of stronger demand in both the U.S. and China, the world's largest oil consumers. Data showing the fastest rate of U.S. economic growth in 11 years bolstered expectations for crude demand. Further, the consumption of crude oil in China rose 717,000 barrels a day from a year ago, according to analysts. At the end of the week crude oil prices fell again in holiday-thin trade, extending more than a week of see-saw volatility as traders jostled over whether a growing supply glut had been fully priced in.

REAL SECTOR & INFLATION

1.1 Price Indices

Item	Nov 2014	Month Ago	Year Ago
(2006 / 07 = 100)			
Colombo Consumers' Price Index (CCPI)	179.2	179.0	176.5
Annual Average Change %	3.5	3.8	7.3
Year - on - Year Change %	1.5	1.6	5.6
Core Inflation - (CCPI)	173.2	172.9	167.2
Annual Average Change %	3.4	3.3	4.9
Year - on - Year Change %	3.6	3.6	2.4



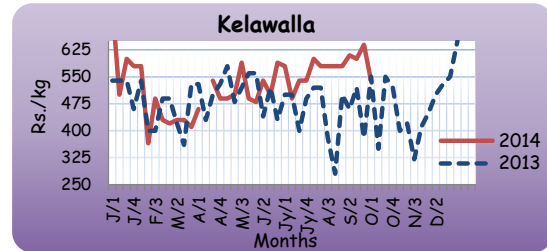
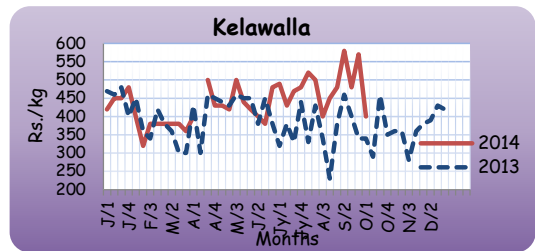
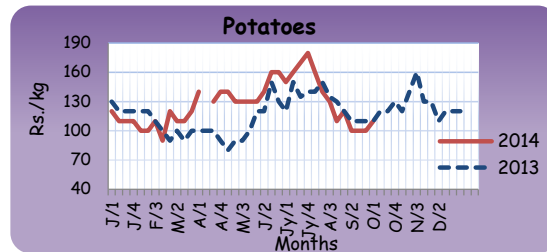
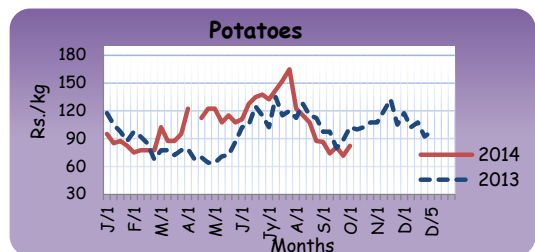
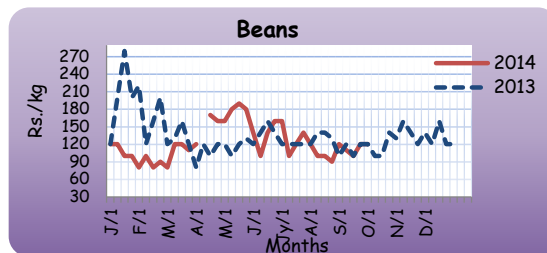
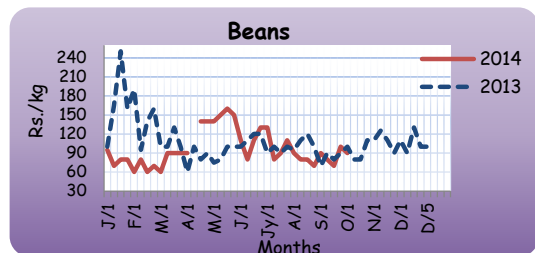
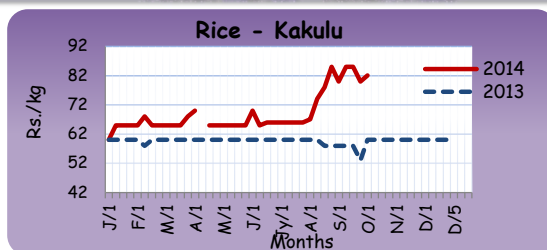
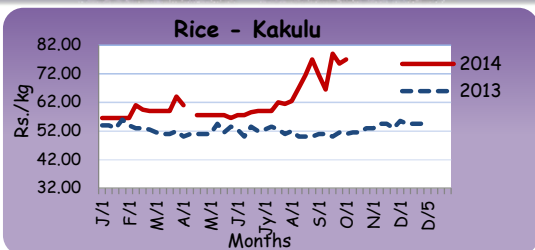
1.2 Pettah Market

Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 24 th Dec	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 24 th Dec	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	89.00	90.00	90.38	66.57	92.00	95.00	94.25	70.46
Kekulu (Red)	88.00	86.50	82.50	52.39	95.00	92.00	92.00	59.60
Vegetables								
Beans	210.00	130.00	112.50	107.69	260.00	160.00	150.00	134.42
Cabbage	90.00	110.00	70.00	64.76	150.00	140.00	102.50	92.88
Carrots	200.00	170.00	182.50	108.94	240.00	200.00	220.00	133.46
Tomatoes	180.00	200.00	142.50	67.84	200.00	240.00	180.00	99.81
Pumpkins	35.00	25.00	32.50	37.12	60.00	40.00	57.50	57.60
Snake Gourd	80.00	80.00	80.00	55.69	120.00	100.00	105.00	80.77
Brinjals	160.00	110.00	57.50	61.42	200.00	140.00	85.00	85.58
Ash-Plantains	110.00	110.00	97.50	63.27	140.00	140.00	125.00	84.23
Other Foods								
Red-Onions (Local)	110.00	100.00	106.25	148.68	130.00	140.00	132.50	182.38
Big-Onions (Local)	105.00	95.00	76.88	97.21	130.00	130.00	102.50	127.22
Potatoes (N'Eliya)	132.50	120.00	117.50	96.95	160.00	130.00	137.50	117.31
Dried Chilies (Imported)	225.00	225.00	223.25	176.50	250.00	240.00	265.00	219.71
Dhal (Indian)	142.00	142.00	146.50	131.39	160.00	160.00	161.25	148.85
Eggs (Red)	12.50	12.00	11.38	13.39	13.00	13.00	11.88	13.89
Coconut (Each)	45.50	46.00	43.50	37.62	60.00	60.00	55.00	43.98
Fish*								
Kelawalla	350.00	400.00	492.50	387.27	500.00	480.00	570.00	477.31
Balaya	350.00	220.00	265.00	280.00	400.00	270.00	317.50	341.76
Salaya	140.00	100.00	110.00	134.71	160.00	140.00	142.50	179.04
Paraw (Small)	500.00	380.00	445.00	442.60	540.00	430.00	515.00	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 25 th Dec	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	85.50	88.50
Kekulu (Red)	86.50	90.10
Vegetables		
Beans	128.50	167.00
Carrot	160.00	204.00
Tomatoes	137.00	174.00
Pumpkins	27.00	50.00
Snake Gourd	66.00	108.00
Ash-Plantains	75.50	110.00
Other Foods		
Red-Onions (Local)	91.00	122.00
Big-Onions (Local)	98.50	120.00
Potatoes (N'Eliya)	115.00	140.00
Dried Chilies(Imported)	226.00	265.00
Coconut (Each)	41.70	52.50

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	24 th Dec	Week Ago
Rice		
Samba	90.67	90.67
Kekulu (Red)	86.67	83.33
Vegetables		
Beans	240.00	240.00
Cabbage	160.00	160.00
Carrots	240.00	240.00
Tomatoes	240.00	236.67
Pumpkins	93.33	76.67
Snake Gourd	136.67	146.67
Brinjals	186.67	153.33
Ash-Plantains	153.33	160.00
Other Foods		
Red-Onions (Imported)	n.a	n.a
Big-Onions (Imported)	n.a	n.a
Potatoes (Imported)	140.00	140.00
Dried Chilies (Imported)	233.33	236.67
Dhal (Indian)	163.33	166.67
Eggs (Red)(Each)	13.00	13.00
Coconut (Each)	50.00	48.33
Fish		
Kelawalla	836.67	820.00
Balaya	400.00	380.00
Salaya	193.33	186.67
Paraw (Small)	550.00	540.00

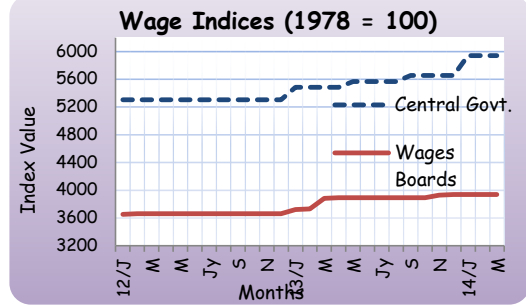
1.5 Maradagamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 26 th Dec	Week Ago	Month Ago	Year Ago
Samba	84.38	83.90	84.31	62.64
Sudu Kekulu	76.50	75.70	77.26	52.03
Raw Red	84.75	84.90	82.03	49.55
Nadu	76.00	76.90	77.07	53.71

1.6 Wage rate Indices

Item	2014(a) Sep	2013 Sep	% Change
(1978 = 100)			
Central Government Employees (b)	5,939.0	5,653.3	5.1
Workers in Wages Boards Trades	4,099.2	3,890.0	5.4
Agriculture	4,692.3	4,434.9	5.8
Industry & Commerce	3,459.1	3,248.1	6.5
Services	2,313.2	2,313.2	0.0

(a) Provisional

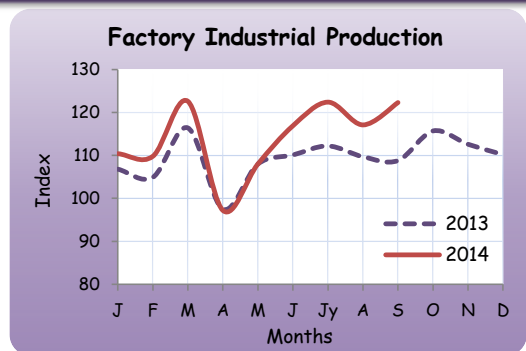


1.7 Factory Industry-Production (FIPI) (2010 = 100) (a)

Item	2014 (b) Sep	2013 Sep	% Change
Factory Industry- Production Index	122.3	108.8	12.4
Food products	101.7	101.0	0.7
Beverages	109.9	93.0	18.2
Tobacco products	96.6	94.2	2.5
Wearing apparel	156.8	126.9	23.6
Chemicals and chemical products	89.6	72.6	23.5
Rubber and plastic products	142.1	123.5	15.1
Other non-metallic mineral products	118.9	108.6	9.5

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

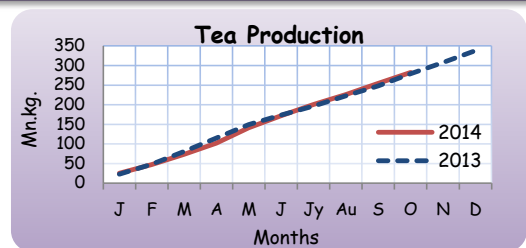
(b) Provisional



1.8 Agriculture Production

Item	Unit	2014*	2013	% Change
		Jan - Oct	Jan - Oct	
Tea	(Mn Kg)	282.9	279.0	1.4
Rubber	(Mn Kg)	87.3	103.4	-15.6
		Jan - Sep	Jan - Sep	
Coconuts	(Mn Nuts)	2,151.6	1,921.6	12.0

* Provisional



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

Item	2014* 3 rd Quarter	2013 3 rd Quarter	2013 Annual
Agriculture	-2.0	7.2	4.7
Industry	12.6	8.1	9.9
Services	7.0	7.9	6.4
GDP	7.7	7.9	7.3

* Provisional

Source: Department of Census and Statistics



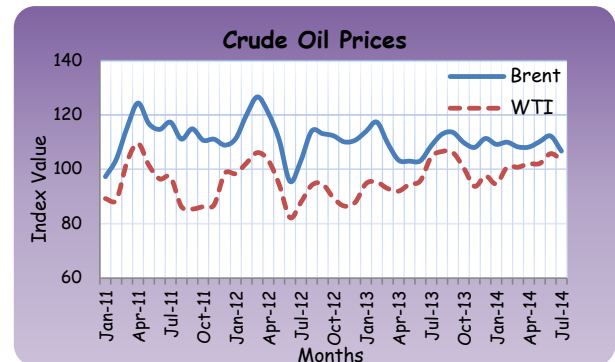
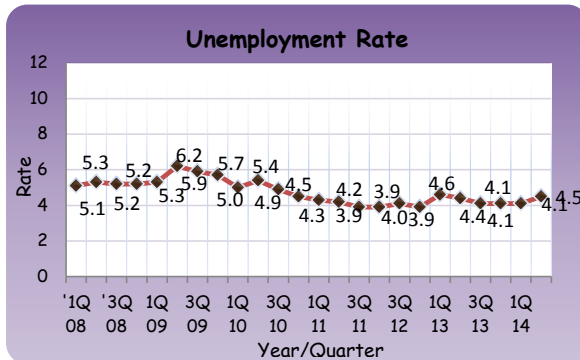
1.10 Employment (a)

Item	2014 2 nd Quarter	2013 2 nd Quarter	2013 Annual
Labour Force Participation rate	53.6	54.2	53.8
Unemployment rate	4.5	4.4	4.4
Employed Persons by Sectors % (b)			
Agriculture	28.2	31.5	29.7
Industry	26.0	26.2	26.2
Services	45.8	42.4	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	111.21
September	113.63	106.19	111.01	97.02	93.19	100.08
October	109.88	100.54	-	87.51	84.40	99.39
November	108.10	93.77	110.39	79.28	75.79	-
December	111.37	97.62	112.13	-	-	-
	2013			2014		
19 December	111.38	98.40	-	59.07	56.91	-
22 December	-	-	-	58.51	55.25	-
23 December	112.18	98.62	-	59.27	56.78	-
24 December	112.19	98.84	-	58.87	55.70	-
25 December	-	-	-	-	-	-

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

Weekly AWPR for the week ending 26 December 2014 declined by 15 bps to 6.33 per cent compared to the previous week.

Broad money (M2b) expanded by 11.5 per cent in October 2014. NFA of the banking system declined by Rs. 56.2 billion in October 2014 compared to September 2014. NCG from the banking system showed a significant increment of Rs. 12.7 billion in October 2014 compared to September 2014, where credit to public corporations also showed a rapid increase of Rs. 40.2 billion during the month. Credit extended to the private sector increased by Rs. 42.0 in October 2014, compared to September 2014 .

The reserve money decreased compared to the previous week mainly due to decrease in deposits held by the commercial banks with the Central Bank.

The total outstanding market liquidity decreased to Rs. 343.64 bn by end of the week, compared to Rs. 347.27 bn by the end of last week. Majority of the liquidity has been absorbed through the Term Repo auctions and Short-term Repo auctions.

By 26 December 2014, the All Share Price Index (ASPI) increased by 0.78 per cent to 7,309 points while the S&P SL 20 Index increased by 0.53 per cent to 4,084 points compared to the previous week.

MONETARY SECTOR

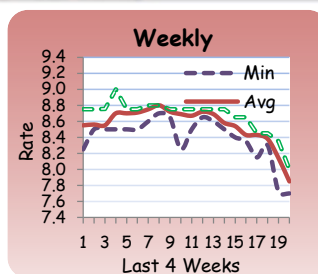
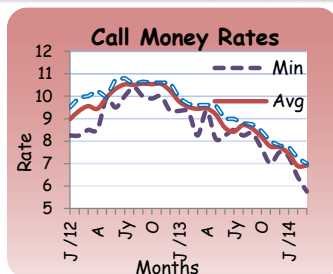
2.1 Interest Rates

Item	Week Ending Dec 26	Week Ago	Year Ago
Commercial Bank Average Weighted Prime Lending Rate (AWPR)	6.33	6.48	9.68
Treasury Bill Yield (Excluding 10% withholding tax)			
- 91 days	5.74	-	7.54
- 182 days	5.84	5.83	7.85
- 364 days	6.00	5.99	8.29
Standing Deposit Facility	6.50	6.50	6.50
Standing Lending Facility	8.00	8.00	8.50
Call Money Weekly Average (CMR)	6.00	6.00	7.73
Sri Lanka Inter Bank Offer Rate (SLIBOR)			
1 day	6.01	6.03	7.79
7 days	6.21	6.21	8.39
1 Month	6.43	6.44	8.99
3 Months	6.63	6.65	9.47
6 Months	6.87	6.90	10.43
12 Months	7.09	7.11	11.26
Commercial Banks	August 2014	Month Ago	Year Ago
Saving Deposits -	0.75-9.50	0.75-8.00	0.75-9.00
One Year Fixed Deposits -	4.15-12.00	4.55-13.00	6.00-16.00
	Nov 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Deposit Rate (AWDR)	6.42	6.72	9.52
Commercial Bank Average Weighted Fixed Deposit Rate (AWFDR)	7.63	8.09	11.96
	Oct 2014	Month Ago	Year Ago
Commercial Bank Average Weighted Lending Rate (AWLR)	12.57	12.98	15.52
NSB	August 2014	Month Ago	Year Ago
Saving Deposits -	5.00	5.00	5.00
One Year Fixed Deposits -	7.50	7.50	10.50
Treasury Bonds Auction	(08 Years) 29/09/2014	(14 Y & 07 Months) 29/09/2014	(14 Y & 10 Months) 10/07/2014
Coupon rate	10.00	13.00	13.00
Weighted Average Yield (Excluding 10% withholding tax)	7.15	8.63	10.58

Bankwise- AWPR	Week ending Dec 26	Week Ago
Bank of Ceylon	7.43	7.58
People's Bank	8.74	8.74
Hatton National Bank	6.44	6.22
Commercial Bank of Ceylon	6.20	6.14
Sampath Bank	6.00	5.93
Seylan Bank	6.30	7.12
Union Bank of Colombo	6.14	7.95
Pan Asia Banking Corporation	7.00	7.00
Nations Trust Bank	6.04	6.07
DFCC Vardhana Bank	7.85	6.85
NDB Bank	6.15	6.58
Amana Bank	7.96	7.95
Cargills Bank	7.16	7.50

Bankwise- AWPR	Week ending Dec 26	Week Ago
HSBC	6.37	6.28
Standard Chartered Bank	6.16	5.95
Citi Bank	6.40	7.36
Deutsche Bank	7.72	6.42
Habib Bank	5.49	5.49
Indian Bank	7.99	7.99
Indian Overseas Bank	8.49	8.49
MCB Bank	7.22	7.89
State Bank of India	8.98	8.98
Public Bank	8.00	8.00
ICICI Bank	8.67	8.67
Axis Bank	-	-

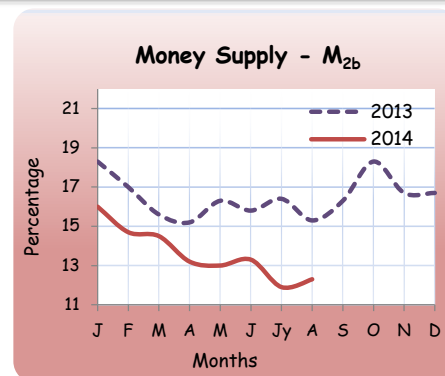
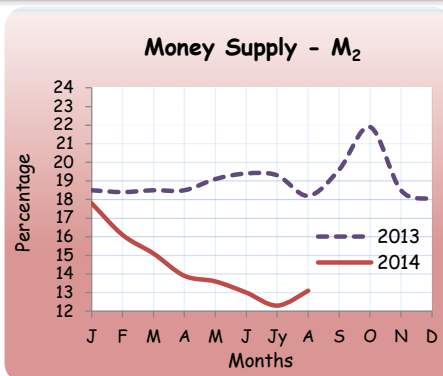
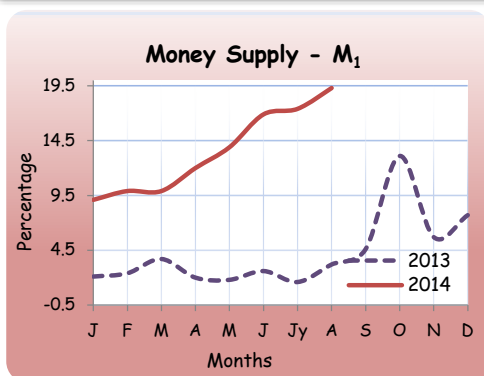
Interest Rates - Call Money



2.2 Money Supply

Item	Rs. Bn.			Annual Change (%)		
	2014 (a) October	Month Ago	Year Ago	2014 (a) October	Month Ago	Year Ago
M1	546.5	540.0	481.3	13.5	17.4	13.1
M2	3,351.3	3,316.8	3,002.4	11.6	12.9	21.9
M2b	3,747.6	3,709.6	3,362.5	11.5	12.8	18.3
Net Foreign Assets of the Banking System (b)	93.4	149.5	-51.2	282.4	270.1	-112.2
Monetary Authorities	742.1	768.9	498.4	48.9	60.4	39.9
Domestic Banking Units (DBUs)	-245.3	-248.9	-195.1	-25.7	-31.6	-53.1
Foreign currency Banking Units (FCBUs)	-403.5	-370.5	-354.5	-13.8	2.1	-40.2
Net Domestic Assets of the Banking System (b)	3,654.3	3,560.1	3,413.7	7.0	5.4	19.1
DBUs	3,107.7	3,054.4	2,930.5	6.0	6.0	17.5
FCBUs	546.5	505.7	483.2	13.1	2.0	29.8
Net Credit to Government	1,401.4	1,388.7	1,329.0	5.4	7.5	27.5
Monetary Authorities	147.5	138.5	128.1	15.2	3.2	-60.0
DBUs	1,046.3	1,052.4	1,012.2	3.4	8.7	71.8
FCBUs	207.6	197.8	188.8	10.0	4.0	41.2
Credit to Corporations	404.1	363.9	326.8	23.6	7.2	28.4
DBUs	184.9	176.6	123.2	50.1	42.7	76.0
FCBUs	219.2	187.3	203.6	7.6	-13.1	10.3
Credit to the Private Sector	2,623.9	2,581.9	2,496.7	5.1	4.6	7.4
DBUs	2,375.4	2,339.5	2,291.2	3.7	3.0	7.5
FCBUs	248.5	242.4	205.6	20.9	22.2	6.8
Reserve Money	547.7	536.9	466.9	17.3	15.3	-0.9

(a) Provisional (b) In relation to M2b

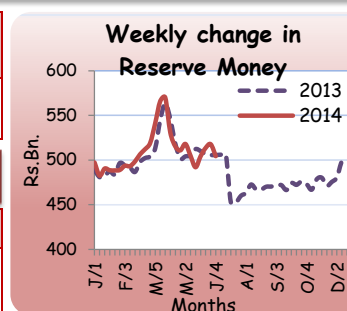


2.3 Weekly change in Reserve Money

Item	24 Dec 2014	Week Ago	Change
Reserve Money (Rs.Mn.)	582,133	583,634	-1,501

2.4 Money Market Activity (Overnight)

Item	22.12.2014	23.12.2014	24.12.2014	25.12.2014	26.12.2014
Call Money Market					
Weighted Average Rate (% p.a.)	6.00	6.00	6.01	-	6.00
Gross Volume (Rs. Mn)	21,360	20,676	14,851	-	12,226
Repo Market					
Weighted Average Rate (% p.a.)	5.49	5.53	5.52	-	5.51
Gross Volume (Rs. Mn)	8,600	7,155	9,803	-	7,284



2.5 CBSL Security Portfolio

Item	22.12.2014	23.12.2014	24.12.2014	25.12.2014	26.12.2014
CBSL T-Bill Holding (Rs. Mn)	1,297	1,297	145	-	2,544

2.6 Open Market Operations

Item	22.12.2014	23.12.2014	24.12.2014	25.12.2014	26.12.2014
Short-Term Auction					
Repo Amount Offered (Rs. bn)	22.00	0.00	10.00	-	40.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	-	0.00
Tenure (No. of Days)	4	0	2	-	1
Bids Received (Rs. bn)	18.96	0.00	12.26	-	14.00
Amount Accepted (Rs. bn)	18.96	0.00	10.00	-	14.00
Weighted Average Yield Rate (% p.a.)	6.01	0.00	5.92	-	5.91
Term Auction					
Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	-	0.00
Reverse Repo Amount Accepted (Rs. bn)	0.00	0.00	0.00	-	0.00
Standing Facility					
Standing Deposit Facility (Rs. bn)	11.96	10.66	7.99	-	-
Standing Lending Facility (Rs. bn)	0.00	0.00	0.00	-	-
Total Outstanding Market Liquidity (Rs. bn)	344.01	342.71	350.02	-	343.64

2.7 Credit Cards *

Item	2014 (a) End July	2014 End June	2013 End Dec
Total Number of Active Cards	983,296	974,144	951,625
Local (accepted only locally)	34,013	34,397	35,990
Global (accepted globally)	949,283	939,747	915,635
Outstanding balance (Rs. Mn.)	53,643	53,613	51,172
Local (accepted only locally)	1,246	1,244	1,260
Global (accepted globally)	52,396	52,369	49,913

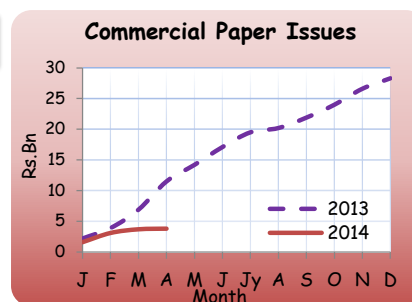
(a) Provisional

2.8 Commercial Paper Issues (1)

Item (Rs. bn.)	2014 End July*	2014 End June	2013 End Dec
Total Issues - Cumulative	5.6	5.4	28.3
Outstanding (as at end of the period)	4.7	4.8	7.4

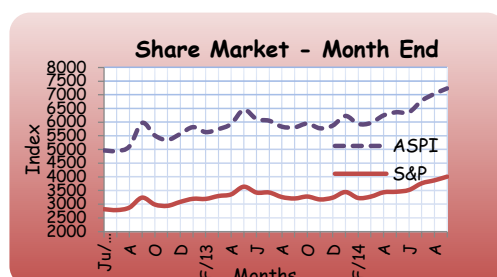
* provisional

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



2.9 Share Market

Item	Week Ending 26 Dec 2014	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	7,309	7,253	5,848
S & P Sri Lanka 20 Index (S&P SL20)	4,084	4,063	3,223
Average Daily Turnover (Rs. Mn)	2,132	843	422
Market Capitalisation (Rs.Bn.)	3,107	3,083	2,433



Fiscal Sector

During the first nine months of 2014, total revenue as a percentage of estimated GDP marginally declined to 8.4 per cent from 9.1 per cent in the corresponding period of 2013. However, in nominal terms, total revenue increased by 5.6 per cent to Rs. 828.2 billion during the first nine months of the year from Rs. 784.2 billion recorded during the same period in 2013 reflecting increases in both tax revenue (by Rs. 41.5 billion) and non tax revenue (by Rs. 2.5 billion). However, average monthly revenue during this period was around Rs. 92 billion.

Total expenditure and net lending as a percentage of estimated GDP declined to 13.4 per cent during the first nine months of 2014 compared to 14.7 per cent recorded in the corresponding period in 2013 mainly due to decline in both recurrent expenditure and capital expenditure and net lending. In nominal terms, total expenditure and net lending increased by 3.7 per cent to Rs.1,326.7 billion during the first nine months of 2014 from Rs. 1,279.1 billion in the corresponding period of 2013.

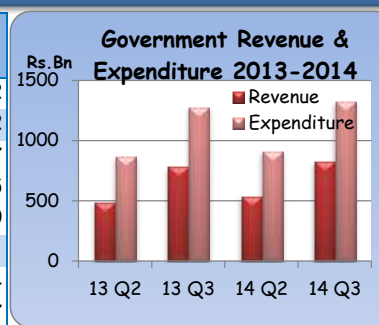
Total outstanding debt increased by Rs. 575.7 billion to Rs. 7,368.9 billion as at end September 2014 from Rs. 6,793.2 billion at end 2013. Foreign debt increased by Rs. 222.5 billion to Rs. 3,182.9 billion mainly due the issuance of International Sovereign Bond amounting to US dollars 1,000 million and US dollars 500 million in January and April 2014. Meanwhile, domestic debt increased by Rs. 353.2 billion to Rs. 4,186 billion.

The government made several changes to the Special Commodity Levy (SCL) during the month of September with a view to maintaining stable prices in the domestic market. Accordingly, SCL on the importation of rice was decreased from Rs. 5 per kg to Rs. 1 per kg for a period of three months while SCL on the importation of sugar was increased from Rs. 28 per kg to Rs. 33 per kg for a period of three months with effect from 05 September 2014. In addition, importation of fresh or chilled potatoes was suspended with effect from 06 September 2014.

FISCAL SECTOR

3.1 Government Finance (Rs.bn)

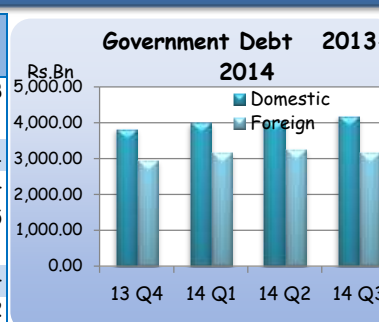
Item	2014 *	2013
	Jan-Sep	Jan-Sep
Revenue and Grants	836.9	787.2
Revenue	828.2	784.2
Tax	752.2	710.7
Non tax	76.0	73.5
Grants	8.7	3.0
Expenditure & Lending Minus Repayments	1,326.7	1,279.1
Current	962.1	920.4
Capital & Lending Minus Repayments	364.6	358.7



* Provisional **Revised

3.2 Government Debt (Rs.bn)

Item	2014*	2013
	End Sep	End Dec
Total domestic debt	4,186.0	3,832.8
of which		
Treasury bills	620.1	700.1
Treasury bonds	2,821.0	2,452.4
Rupee loans	55.5	55.5
Total foreign debt	3,182.9	2,960.4
Total outstanding govt. debt	7,368.9	6,793.2



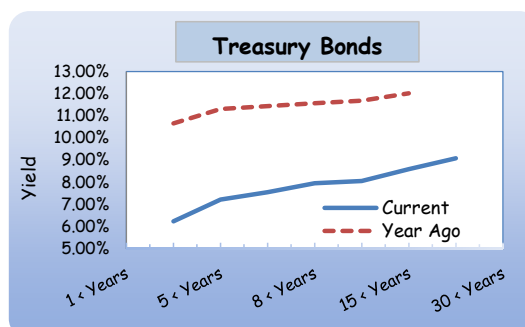
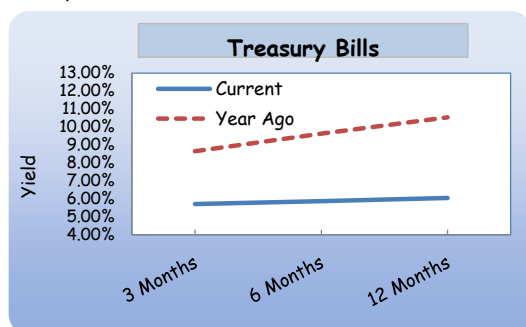
* Provisional

3.3 Government Securities - Primary and Secondary Market Yield Rates as for the week ending - 24th December 2014

Security	Maturity	Primary Market*		Secondary Market			Last Week Average
		This Week	Last Week	This Week			
				Buying	Selling	Average	
Treasury Bills	3 Months	5.74%	-	5.76%	5.65%	5.71%	5.65%
	6 Months	5.84%	5.83%	5.91%	5.80%	5.86%	5.83%
	12 Months	6.00%	5.99%	6.09%	5.99%	6.04%	6.05%
Treasury Bonds	2 < Years	-	6.38%	6.29%	6.19%	6.24%	6.36%
	5 < Years	-	-	7.29%	7.17%	7.23%	7.38%
	6 < Years	-	-	7.63%	7.48%	7.56%	7.78%
	8 < Years	-	7.43%	8.01%	7.91%	7.96%	8.16%
	10 < Years	-	7.89%	8.11%	8.00%	8.06%	8.25%
	15 < Years	-	-	8.66%	8.52%	8.59%	8.85%
	20 < Years	-	-	9.16%	9.01%	9.09%	9.55%
30 < Years	-	-	9.34%	9.21%	9.27%	9.71%	

* Primary market transactions during the week ending 24/12/2014

The secondary market rates of short term T-bills marginally increased during the week while rates of T-bonds decreased compared with yield rates of last week.



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 24th December 2014)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	744,817.80	742,633.75
Treasury Bonds (a)	3,243,763.68	3,243,763.68
Total	3,988,581.48	3,986,397.43
Government Securities held by Foreigners	453,250.88	454,149.98
Sri Lanka Development Bonds (SLDB)	390,931.49	391,067.58

The outstanding stock of T-bills increased with new issuances during the week .

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	12,000.00	12,000.00
Total Bids Received	34,516.00	22,462.00
Total Bids Accepted	21,080.00	5,461.00
Treasury Bonds		
Amount Offered		
Total Bids Received	No auction held	No auction held
Total Bids Accepted		

The primary market offers remained substantially oversubscribed continuing the market interest for government securities.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	28,104.45	28,253.13
Repo Transaction (Sales / Purchases)	213,228.29	161,553.62
Treasury Bonds		
Outright Transaction (Sales / Purchases)	26,195.00	29,479.07
Repo Transaction (Sales / Purchases)	556,861.34	771,221.27

Increased activities are observed in secondary market T-bills repo transactions during the week.

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) - 26/12/2014

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.89	5.60	99.90	5.13	0.01
1 Month	99.53	5.66	99.55	5.53	0.01
2 Month	99.06	5.73	99.08	5.60	0.02
3 Month	98.58	5.75	98.61	5.64	0.03
4 Month	98.09	5.82	98.12	5.71	0.03
5 Month	97.59	5.86	97.64	5.75	0.05
6 Month	97.08	5.92	97.14	5.80	0.06
7 Month	96.57	5.96	96.64	5.84	0.07
8 Month	96.07	5.97	96.14	5.87	0.07
9 Month	95.56	6.00	95.64	5.89	0.08
10 Month	95.03	6.04	95.11	5.95	0.08
11 Month	94.50	6.08	94.59	5.99	0.09
12 Month	93.99	6.09	94.09	6.00	0.09

3.6 Two way Quotes (Treasury Bonds)- 26/12/2014

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
06.20%2015A	4	15-Jan-15	20	100.03	5.49	100.03	5.41	0.00
11.75%2015A	6	15-Mar-15	79	101.26	5.71	101.29	5.58	0.03
06.20%2015B	4	15-Jun-15	171	100.19	5.78	100.23	5.69	0.04
06.50%2015A	5	15-Jul-15	201	100.32	5.90	100.38	5.79	0.06
11.00%2015A	6	1-Aug-15	218	102.93	5.94	103.00	5.82	0.07
11.00%2015B	6	1-Sep-15	249	103.29	5.96	103.37	5.84	0.08
12.50%2015A	2	20-Sep-15	268	104.58	5.97	104.61	5.93	0.03
08.50%2015A	3	1-Nov-15	310	101.92	6.13	102.01	6.02	0.09
07.25%2016A	6	1-Apr-16	462	101.03	6.38	101.18	6.25	0.15
08.00%2016B	4	1-Jun-16	523	102.13	6.41	102.24	6.33	0.10
06.40%2016A	6	1-Aug-16	584	99.82	6.51	100.01	6.39	0.19
08.00%2016A	5	1-Sep-16	615	102.22	6.58	102.39	6.47	0.17
06.40%2016B	6	1-Oct-16	645	99.59	6.64	99.71	6.57	0.12
08.00%2017A	5	1-Jan-17	737	102.26	6.78	102.46	6.68	0.20
05.80%2017A	6	15-Jan-17	751	98.22	6.74	98.41	6.64	0.19
08.25%2017A	3	1-Mar-17	796	102.73	6.87	102.96	6.76	0.22
08.75%2017A	4	15-May-17	871	103.89	6.95	104.22	6.80	0.33
08.00%2017B	5	15-Jun-17	902	102.46	6.90	102.70	6.79	0.25
05.80%2017B	6	15-Jul-17	932	97.16	7.03	97.57	6.85	0.42
08.50%2018A	15	1-Feb-18	1,133	103.99	7.04	104.19	6.97	0.20
08.50%2018C	5	1-Apr-18	1,192	103.97	7.11	104.33	6.99	0.36
08.50%2018D	5	1-Jun-18	1,253	104.25	7.08	104.40	7.03	0.15
08.50%2018B	15	15-Jul-18	1,297	104.16	7.15	104.47	7.05	0.30
07.50%2018A	15	15-Aug-18	1,328	100.91	7.21	101.32	7.08	0.41
08.00%2018A	6	15-Nov-18	1,420	102.74	7.18	102.98	7.11	0.24
05.65%2019A	8	15-Jan-19	1,481	94.67	7.19	94.90	7.12	0.24
08.50%2019A	10	1-May-19	1,587	104.48	7.27	104.92	7.16	0.44
10.60%2019A	6	1-Jul-19	1,648	112.68	7.26	113.24	7.12	0.57
10.60%2019B	5	15-Sep-19	1,724	113.09	7.27	113.52	7.17	0.43
08.00%2019A	8	1-Nov-19	1,771	102.57	7.36	103.15	7.21	0.58
08.00%2020A	8	1-Jun-20	1,984	102.19	7.50	102.78	7.37	0.60
06.20%2020A	10	1-Aug-20	2,045	93.57	7.63	94.18	7.49	0.61
09.00%2021A	8	1-May-21	2,318	106.11	7.76	106.94	7.60	0.84
11.00%2021A	7	1-Aug-21	2,410	116.53	7.75	117.14	7.64	0.61
08.00%2022A	10	1-Jan-22	2,563	100.67	7.87	101.26	7.76	0.59
11.20%2022A	9	1-Jul-22	2,744	118.18	7.94	118.96	7.82	0.78
10.00%2022A	8	1-Oct-22	2,836	111.64	7.96	111.85	7.92	0.20
09.00%2023A	10	1-Sep-23	3,171	106.05	8.02	106.47	7.95	0.43
11.20%2023A	9	1-Sep-23	3,171	119.59	8.02	120.34	7.91	0.75
07.00%2023A	20	1-Oct-23	3,201	92.94	8.14	93.63	8.02	0.69
11.40%2024A	10	1-Jan-24	3,293	120.56	8.14	121.82	7.96	1.26
06.00%2024A	10	1-Dec-24	3,628	85.33	8.19	85.91	8.09	0.58
09.00%2025A	12	1-May-25	3,779	104.78	8.30	105.20	8.24	0.43
09.00%2026A	13	1-Feb-26	4,055	103.90	8.45	104.81	8.33	0.92
05.35%2026A	15	1-Mar-26	4,083	76.74	8.63	77.95	8.43	1.21
09.00%2028B	15	1-May-28	4,875	101.40	8.82	102.99	8.62	1.58
09.00%2028A	15	1-Jul-28	4,936	101.04	8.87	102.49	8.68	1.45
13.00%2029A	15	1-Jan-29	5,120	132.18	8.93	133.74	8.77	1.57
13.00%2029B	15	1-May-29	5,240	132.41	8.94	133.97	8.79	1.56
08.00%2032A	20	1-Jan-32	6,215	87.46	9.50	88.90	9.31	1.44
09.00%2032A	20	1-Oct-32	6,489	98.67	9.15	99.80	9.02	1.13
09.00%2033A	20	1-Jun-33	6,732	97.48	9.29	99.10	9.10	1.62
13.25%2033A	20	1-Jul-33	6,762	135.52	9.22	137.05	9.08	1.53
09.00%2033B	20	1-Nov-33	6,885	97.77	9.25	98.95	9.12	1.18
13.25%2034A	20	1-Jan-34	6,946	135.10	9.29	136.63	9.15	1.53
09.00%2043A	30	1-Jun-43	10,384	96.81	9.32	98.13	9.19	1.32
13.50%2044A	30	1-Jan-44	10,598	140.58	9.40	142.15	9.28	1.58
13.50%2044B	30	1-Jun-44	10,750	140.41	9.42	141.99	9.30	1.58

External Sector

During the year so far (up to 26 December 2014) the rupee depreciated against the US dollar (0.19 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee appreciated against the euro (12.76 per cent), pound sterling (5.74 per cent), the Japanese yen (14.32 per cent) and the Indian rupee (2.39 per cent) during this period.

Earnings from exports declined by 13.7 per cent, year-on-year, in October 2014 to US dollars 899 million, reversing the increasing trend recorded since June 2013, mainly due to the base effect. Both the highest monthly export earnings and the lowest monthly import expenditure for the year 2013 were recorded during the month of October. The largest contribution to the decline in exports in October 2014 was from the industrial exports followed by agricultural exports. However, on a cumulative basis export earnings increased by 9.7 per cent to US dollars 9,187 million during the first ten months of 2014. Major export destinations during January to October 2014 were USA, UK, Italy, India and Germany accounting for around 50 per cent of total exports.

Expenditure on imports increased by a higher rate of 25.6 per cent to US dollars 1,750 million in October 2014, while on a cumulative basis, imports grew by 7.3 per cent to US dollars 15,972 million during the first ten months of 2014. The increase in import expenditure in October 2014 was driven by the significant increase in imports of all major categories, specially intermediate goods. During the first ten months of 2014, the main import origins were India, China, UAE, Singapore and Japan accounting for about 58 per cent of total imports.

The increase in import prices over the decline in export prices resulted to deteriorate the terms of trade in September 2014. The import price index increased by 1.6 per cent, year-on-year, to 98.4 index points mainly due to the decrease in the average price level of intermediate goods. Meanwhile, export price index declined by 3.6 per cent to 106.0 index points, reflecting the decline in prices of all major categories. Accordingly, the terms of trade index deteriorated by 5.1 per cent to 107.8 index points in September 2014 from to 113.6 index points in September 2013.

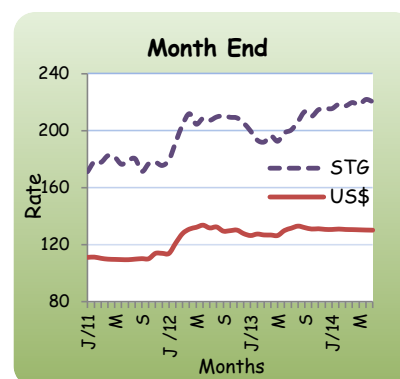
India, UK, China, Germany and Maldives were the top five sources of tourist arrivals upto November 2014, accounting for 46.5 per cent of total tourist arrivals during the year upto November 2014.

The average price of tea in the Colombo auction decrease in October 2014 compared to the corresponding month of 2013, but the prices averaged at Colombo Auction is higher than the prices at other two auctions namely Kolkata and Mombasa, due to higher demand for Ceylon tea.

EXTERNAL SECTOR

4.1 Exchange Rates

Item (Rs Per Unit)*	Week Ending - Dec 26			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	130.38	133.19	131.79	131.88	130.74
STG	202.23	208.01	205.12	206.52	214.23
Yen	1.08	1.11	1.10	1.11	1.25
Euro	158.38	163.58	160.98	161.92	178.62
INR(1)			2.06	2.08	2.12
SDR (As at 25 Dec 2014)			189.82	190.85	200.89
Central Bank purchases and sales** (US\$ Mn.)			November 2014	Month Ago	Year Ago
Purchases			30.00	1.50	20.00
Sales			79.85	200.15	51.38



	Week Ending Dec 26	Week Ago	Year Ago
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	25.69	18.46	44.56
Forward Transactions			
Forward Rates (US\$) ⁽²⁾			
1 Month	132.38	131.90	131.20
3 Months	132.45	132.96	132.04
Average Daily Interbank Forward Volume (US\$ mn)	45.95	23.95	25.84
Outstanding Forward Volume (US\$ mn) (As at 25 Dec 2014)	1,212.21	1,173.71	920.29

*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

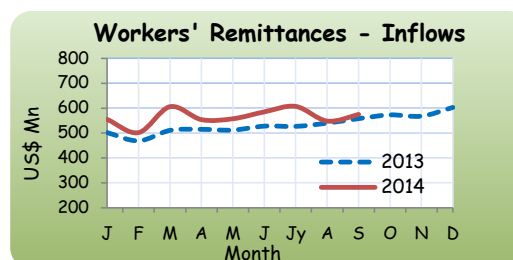
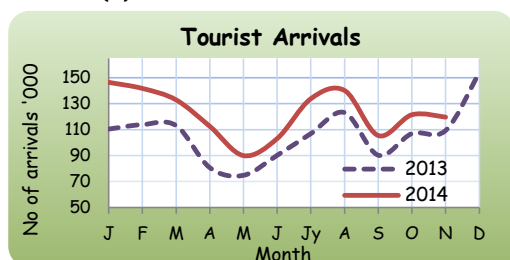
(1) Central Bank indicative rate (2) Weekly average based on actual transactions.

4.2 Tourism & Workers' Remittances

Item(a)		2013 Nov (b)	2014 Nov	2013 Jan-Nov (b)	2014 Jan-Nov	% Change
Tourist Arrivals	Number	109,420	119,727	1,120,675	1,348,481	20.3
Earnings from Tourism	US\$ Mn.	147.3	173.0	1,508.3	1,948.30	29.2
	Rs.bn.	19.3	22.6	194.6	254.3	30.7
		2013 Oct (b)	2014 Oct	2013 Jan-Oct(b)	2014 Jan-Oct	% Change
Workers' Remittances (Inflows)	US\$ Mn.	573.0	600.1	5,236.3	5,689.7	8.7
	Rs. bn.	75.1	78.4	674.4	742.4	10.1

(a) Provisional

(b) Revised



4.3 International Reserves & Foreign Currency Liquidity as at 31 October 2014^(a)

Official Reserve Assets (USD mn)				
Official Reserve Assets^(b)				8,790.92
(1) Foreign currency reserves				7,839.07
(a) Securities				3,557.30
(b) Total currency and deposits with				4,281.77
(i) other national central banks, BIS				1,303.02
(ii) banks headquartered inside the reporting country of which located abroad				1.08
(iii) banks headquartered outside the reporting country of which located in the reporting country				2,977.68
(2) Reserve position in the IMF				70.75
(3) SDRs				13.36
(4) Gold				866.77
(5) Other reserve assets				0.97
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	-3,599.61	-356.46	-1,302.80	-1,940.35
Interest	-1,025.45	-17.79	-313.88	-693.78
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)	-2,267.83	-453.45	-289.70	-1,524.68
(b) Long positions (+)				
3. Other (specify)	-0.08	-0.08		
inflows related to reverse repos (+)				
other accounts payable (-)	-0.08	-0.08		

(a) Provisional

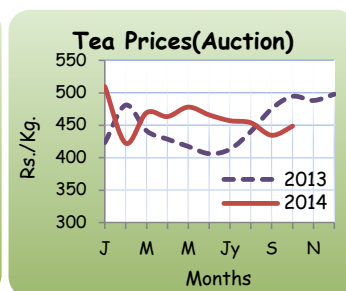
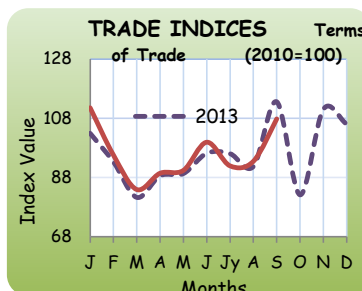
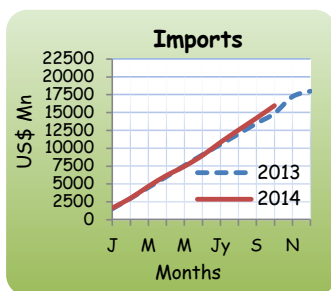
(b) By end October 2014, the total foreign assets were equivalent to 6.4 months of imports and gross official reserves were equivalent to 5.5 months of imports

(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-Oct 2014	Jan-Oct 2013	% Change	Jan-Oct 2014	Jan-Oct 2013	% Change
Exports	9.19	8.37	9.7	1,198.64	1,079.58	11.0
Agricultural	2.31	2.09	10.3	301.56	270.28	11.6
Industrial	6.81	6.23	9.3	888.37	802.93	10.6
Food, Beverages and Tobacco	0.24	0.19	24.5	31.25	24.82	25.9
Textiles and Apparel	4.06	3.56	13.9	529.50	459.24	15.3
Petroleum Products	0.28	0.37	-22.9	37.03	47.30	-21.7
Leather, Rubber etc	0.86	0.77	12.3	112.43	98.91	13.7
Other	1.37	1.34	1.9	178.16	172.67	3.2
Mineral	0.05	0.04	40.6	7.13	5.06	40.8
Other	0.01	0.01	19.2	1.58	1.31	20.7
Imports	15.97	14.88	7.3	2,084.03	1,914.44	8.9
Consumer Goods	3.07	2.62	17.0	399.91	337.22	18.6
Intermediate Goods	9.55	8.72	9.5	1,246.26	1,122.07	11.1
Investment Goods	3.34	3.53	-5.2	436.32	453.65	-3.8
Other	0.01	0.01	1.8	1.54	1.50	3.1
Trade Balance	-6.79	-6.51	4.3	-885.38	-834.86	6.1

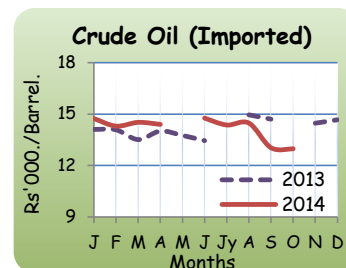
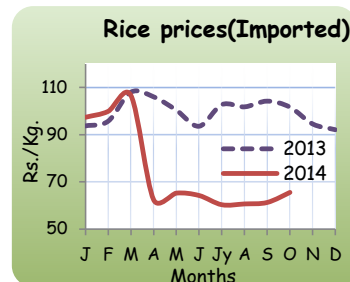


4.5 Trade Indices (2010= 100)

Item	2014** Sep	Month Ago	Year Ago
Total Exports			
Value	125.72	137.96	125.13
Quantity	118.58	130.41	113.82
Unit Value	106.02	105.79	109.93
Total Imports			
Value	149.23	154.34	133.02
Quantity	151.68	136.33	137.42
Unit Value	98.38	113.21	96.80
Terms of Trade	107.76	93.44	113.56

* In US\$ Terms

** Provisional



4.6 International Commodity Prices

Item	Oct 2014	Oct 2013	% Change	Oct 2014	Oct 2013	% Change
Colombo Auction Price	US\$ / Kg			Rs / Kg		
Tea Prices	3.44	3.77	-8.90	448.79	494.66	-9.30
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	463.20	775.54	-40.30	60,494.12	101,670.26	-40.50
White Sugar	480.61	499.86	-3.90	62,767.29	65,530.28	-4.20
Wheat	320.47	322.36	-0.60	41,853.09	42,260.81	-1.00
	US\$ / Barrel			Rs / Barrel		
Crude Oil	99.39	-	-	12,979.97	-	-