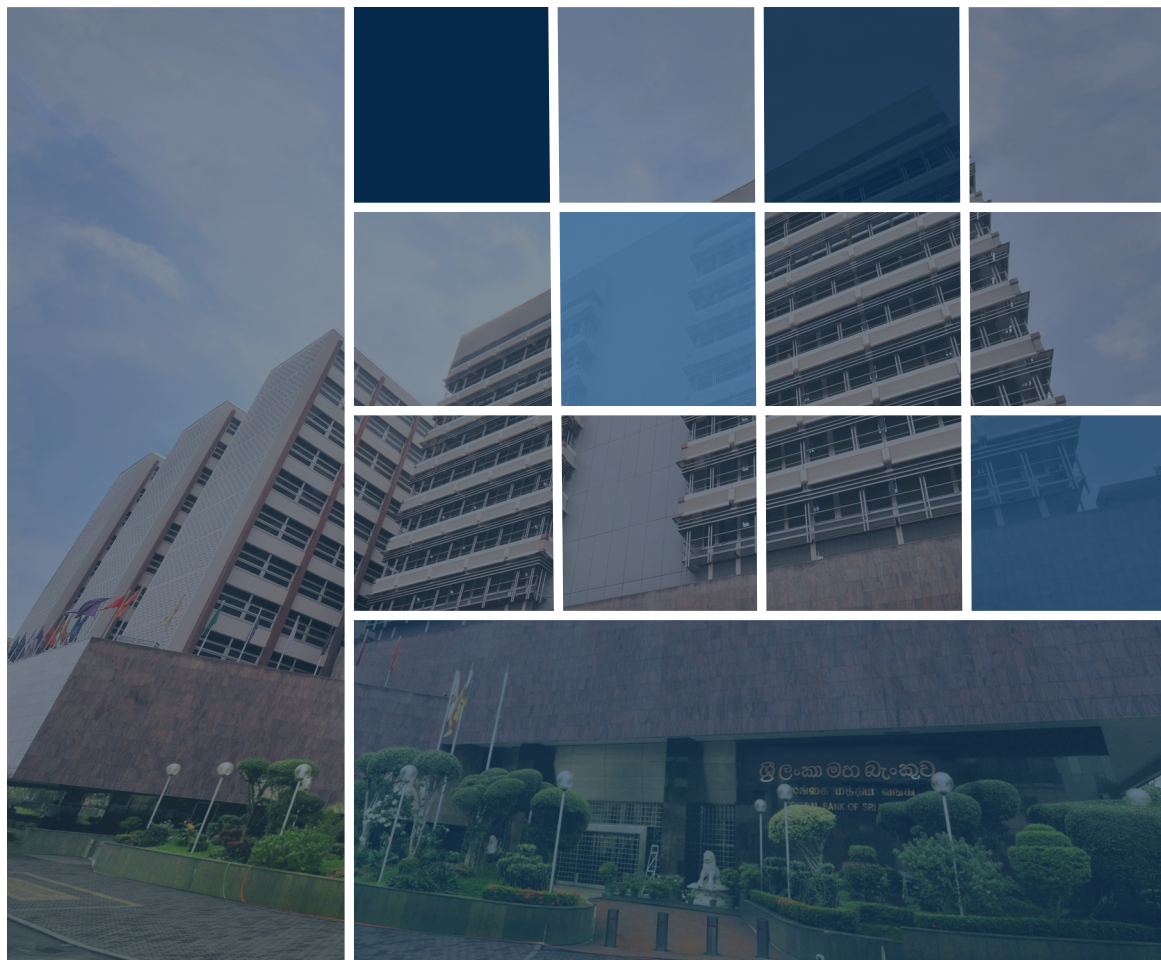


Weekly Economic Indicators

21st July 2017



Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), decelerated in June 2017

Inflation, as measured by the change in the National Consumer Price Index (NCPI) (2013=100), which is compiled by the Department of Census and Statistics (DCS), decelerated to 6.3 per cent in June 2017 from 7.1 per cent in May 2017, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in June 2017. The change in the NCPI measured on an annual average basis remained at 6.1 per cent in June 2017, at same level of the previous month. When the monthly change is considered, the NCPI increased from 121.8 index points in May 2017 to 123.4 index points in June 2017. This monthly increase was mainly due to the increase in prices of the items in the Food The NCPI Core inflation, which reflects the underlying inflation in the economy decreased to 4.1 per cent in June 2017 from 4.7 per cent in May 2017 on a year-on-year basis. This decline is due to relatively low monthly increase of items excluding Volatile food, Energy and Transport categories. Annual average NCPI Core inflation also declined from 6.4 per cent in May 2017 to 6.1 per cent in June 2017.

Inflation, as measured by the change in the Colombo Consumer Price Index (CCPI) (2013=100), which is compiled by the Department of Census and Statistics, increased to 6.1 per cent in June 2017 from 6.0 per cent in May 2017, on year-on-year basis. Annual average inflation increased to 5.5 per cent in June 2017 from 5.4 per cent in May 2017. The monthly increase in CCPI was 1.6 per cent. CCPI Core inflation, which reflects the underlying inflation in the economy decreased to 5.1 per cent in June 2017 from 5.2 per cent in May 2017. Annual average CCPI Core inflation remained unchanged at 5.5 per cent in June 2017.

GDP grew at moderate pace during the first quarter of 2017

The GDP grew by 3.8 per cent in real terms in the first quarter of 2017, mainly attributable to 6.3 per cent growth in Industry activities and 3.5 per cent growth in Services activities while Agriculture activities contracted by 3.2 per cent, in value added terms.

During the first five months of 2017, amidst the increasing trend of tea prices the domestic tea production decreased marginally and production of rubber decreased due to the slowdown of tapping activities. Meanwhile, the coconut production also declined during the similar period.

During the week, crude oil spot prices showed mixed performance.

Both Brent and WTI prices marginally increased by US\$ 0.2 per barrel. Price decline at the beginning of the week was due to ongoing high supplies from the OPEC and the U.S. However, prices rose during the mid of the week due to a decline in Saudi Arabia's crude oil exports and a decline in U.S. crude oil and refined products stocks. Towards the end of the week, Brent price further rose due to the upcoming meeting of key OPEC and non-OPEC producers while WTI price fell on worries over abundant global crude oil supplies.

IIP showed a marginal increase on year-on-year basis in May 2017

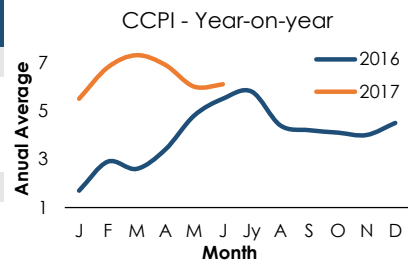
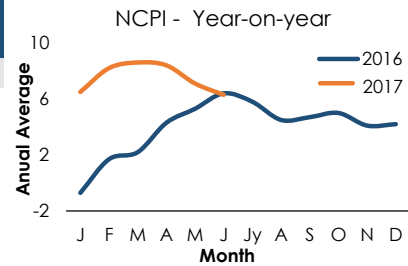
The IIP in May 2017 has increased by 0.1 per cent in comparison with the corresponding month of 2016. Among the major sub divisions of the manufacturing industries; volume of products of 'Coke and refined petroleum products' (12.0%); 'Rubber and plastic products' (10.2%) and 'Other non-metallic mineral products' (6.9%) have shown remarkable increase in production during the month of May, 2017 compared to that of May, 2016 and 'Chemicals & chemical products' and 'Beverages' decreased by 21.1% and 5.7% respectively during this period.

Real Sector

1.1 Prices Indices

Item (2013=100)	June 2017	Month Ago	Year Ago
National Consumer Price Index (NCPI)	123.4	121.8	116.1
Monthly Change %	1.3	0.7	2.1
Annual Average Change %	6.1	6.1	3.1
Year-on-Year Change %	6.3	7.1	6.4
Core Inflation - (NCPI)	123.1	123	118.2
Annual Average Change %	6.1	6.4	5.3
Year-on-Year Change %	4.1	4.7	7.5

Item (2013=100)	June 2017	Month Ago	Year Ago
Colombo Consumer Price Index (CCPI)	120.1	118.2	113.2
Monthly Change %	1.6	0.9	1.5
Annual Average Change %	5.5	5.4	3.0
Year-on-Year Change %	6.1	6.0	5.5
Core Inflation - (CCPI)	122.8	122.5	116.8
Annual Average Change %	5.5	5.5	5.1
Year-on-Year Change %	5.1	5.2	5.4

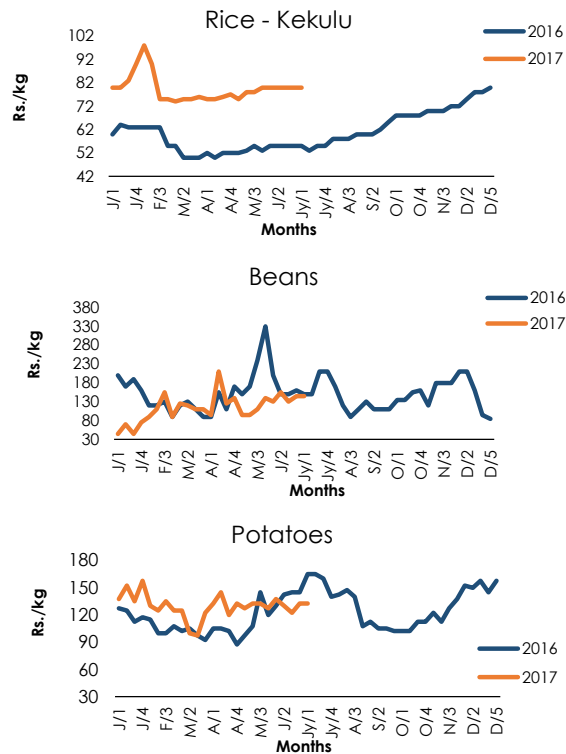


1.2 Pettah Market

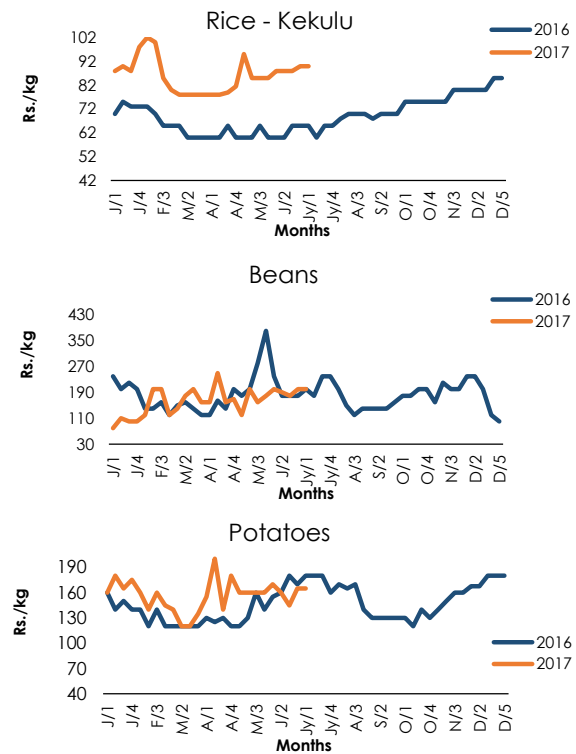
Food Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending	Week	Month	Year Ago	Week Ending	Week	Month	Year Ago
	21 st July 2017	Ago	Ago	Annual Avg	21 st July 2017	Ago	Ago	Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	95.00	95.00	95.00	80.97	100.00	100.00	100.00	90.39
Kekulu (Red)	80.00	80.00	80.00	60.29	88.00	88.00	88.50	68.73
Vegetables								
Beans	108.00	95.00	123.75	147.16	160.00	130.00	185.00	179.12
Cabbage	98.00	110.00	100.00	76.62	154.00	160.00	160.00	115.10
Carrots	173.00	140.00	236.25	121.42	232.00	190.00	275.00	158.24
Tomatoes	104.00	90.00	101.25	75.00	155.00	130.00	135.00	107.06
Pumpkins	120.00	105.00	120.00	60.29	153.00	145.00	150.00	83.33
Snake Gourd	106.00	125.00	126.25	76.18	153.00	145.00	173.75	112.94
Brinjals	96.00	105.00	100.00	66.57	140.00	150.00	135.00	103.92
Ash-Plantains	75.00	75.00	67.50	67.65	120.00	105.00	105.00	95.69
Other Foods								
Red-Onions (Local)	110.00	200.00	372.50	92.66	155.00	240.00	435.00	131.74
Big-Onions (Local)	n.a.	n.a.	n.a.	74.50	n.a.	n.a.	n.a.	96.47
Potatoes (N'Eliya)	145.00	147.50	130.00	122.58	170.00	175.00	155.00	146.23
Dried Chillies (Imported)	165.00	160.00	160.00	293.68	190.00	210.00	210.00	350.78
Dhal (Indian)	130.00	140.00	140.00	160.16	150.00	155.00	156.50	171.41
Eggs	13.00	13.00	11.83	14.30	13.50	13.50	12.33	14.79
Coconut (Each)	51.00	49.00	50.75	34.69	63.00	65.00	63.75	47.60
Fish*								
Kelawalla	420.00	580.00	673.33	508.20	780.00	900.00	1026.67	682.00
Balaya	250.00	360.00	365.00	327.29	350.00	460.00	470.00	424.79
Salaya	100.00	160.00	163.33	141.43	160.00	240.00	226.67	197.14
Paraw (Small)	n.a.	580.00	616.67	540.36	n.a.	680.00	723.33	638.54

* 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 20 th July 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	94.00	98.00
Kekulu (Red)	80.50	85.00
Vegetables		
Beans	104.50	125.00
Carrot	160.50	180.50
Tomatoes	87.50	107.50
Pumpkins	101.50	121.50
Snake Gourd	79.50	100.00
Ash-Plantains	59.50	79.50
Other Foods		
Red-Onions (Local)	126.50	138.50
Big-Onions (Local)	n.a.	n.a.
Potatoes (N'Eliya)	134.50	146.50
Dried Chillies(Imported)	157.00	170.00
Coconut (Each)	52.20	59.90

1.5 Marandagahamula Market

Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 21 st July	Week Ago	Month Ago	Year Ago
Samba	90.60	92.20	90.97	77.58
Sudu Kekulu	82.10	82.50	81.71	62.91
Raw Red	80.20	80.40	77.68	59.59
Nadu	87.70	89.90	87.50	66.62

1.4 Narahenpita Economic Centre

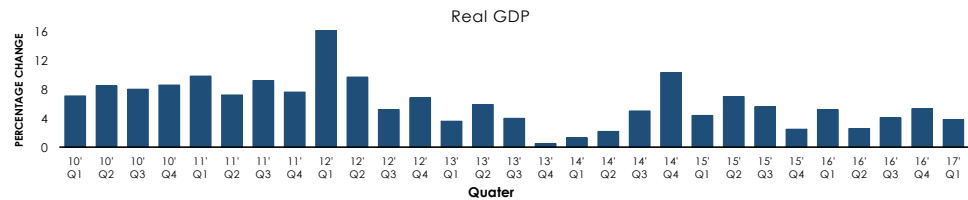
Item (Rs / Kg)	Average Retail Prices	
	20 th July 2017	Week Ago
Rice		
Samba	99.00	98.00
Kekulu (Red)	85.00	85.00
Vegetables		
Beans	157.00	157.00
Cabbage	117.00	117.00
Carrots	237.00	277.00
Tomatoes	153.00	157.00
Pumpkins	157.00	157.00
Snake Gourd	197.00	197.00
Brinjals	137.00	137.00
Ash-Plantains	137.00	117.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	90.00	90.00
Potatoes (Imported)	117.00	120.00
Dried Chillies (Imported)	197.00	183.00
Dhal (Indian)	153.00	153.00
Eggs (Red)(Each)	14.00	14.00
Coconut (Each)	70.00	55.00
Fish		
Kelawalla	997.00	1033.00
Balaya	447.00	433.00
Salaya	197.00	183.00
Paraw (Small)	818.00	825.00

1.6 GDP by Industrial Origin at Constant (2010) Prices - Growth Rates in value added terms

Item	2015 Annual (a)(b)	2016 Annual (a)	2016 1 st Qtr(a)(b)	2017 1 st Qtr (a)
Agriculture	4.8	-4.2	-0.2	-3.2
Industry	2.1	6.7	9.1	6.3
Services	5.7	4.2	3.7	3.5
Taxes less subsidies on products	7.5	6.2	5.9	2.9
GDP	4.8	4.4	5.1	3.8

(a) Provisional (b) Revised

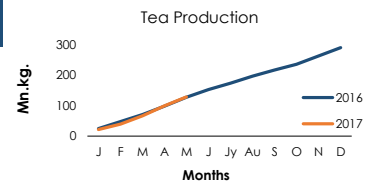
Source: Department of Census and Sta



1.7 Agriculture Production

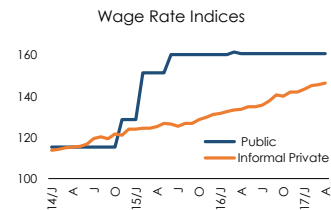
Item	Unit	2017(a) Jan-May	2016 Jan-May	% Change
Tea	(Mn Kg)	128.4	128.6	-0.1
Rubber	(Mn Kg)	38.4	42.5	-9.5
Coconut	(Mn Kg)	1068.9	1224.0	-12.7

(a) Provisional



1.8 Wages rate Indices

Item	2017 April	2016 April	% Change
Public Sector Employees (2012 = 100)	160.8	160.8	0.0
Informal Private Sector Employees (2012 = 100)	146.5	133.7	9.6
Agriculture	147.1	132.6	10.9
Industry	152.3	136.6	11.5
Services	140.7	131.5	7.0



1.9 Employment (a)

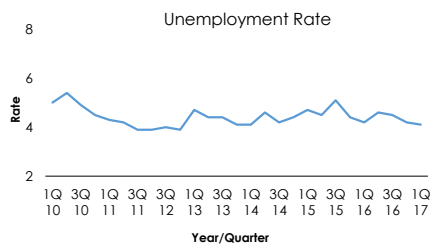
Item	2016 1 st Quarter	2017 (b) 1 st Quarter	2016 (b) Annual
Labour Force Participation rate	54.1	54.7	53.8
Unemployment rate	4.2	4.1	4.4

Employed Persons by Sectors (c) (as a % of total employment)

Agriculture	28.5	27.0	27.1
Industry	26.0	28.0	26.4
Services	45.5	45.0	46.5

(a) The working age population aged 15 and above

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



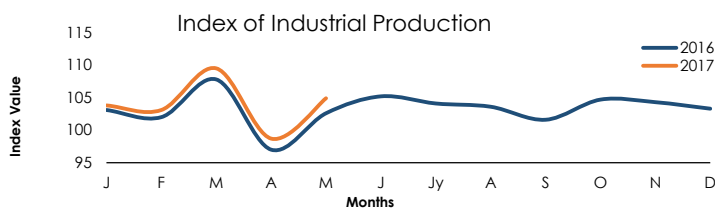
1.10 Index of Industrial Production (IIP) (2015 = 100) (a)

Item	Index of Industrial Production (IIP)			% Change
	May			
	2017 (b)		2016 (b)	
Index of Industrial Production	104.9		102.6	2.3
Food products	102.9		102.8	0.1
Wearing apparel	112.1		109.0	2.8
Other non-metallic mineral prod	109.6		102.5	6.9
Coke and refined petroleum prod	101.5		90.6	12.0
Rubber and plastic products	115.0		104.3	10.2
Chemicals and chemical produ	80.6		101.9	-21.0
Beveragesproducts	88.1		93.4	-5.7

(a) Major 8 sub divisions.

Source: Department of Census and Sta

(b) Provisional (c) Revised



1.11 Average Crude Oil Prices

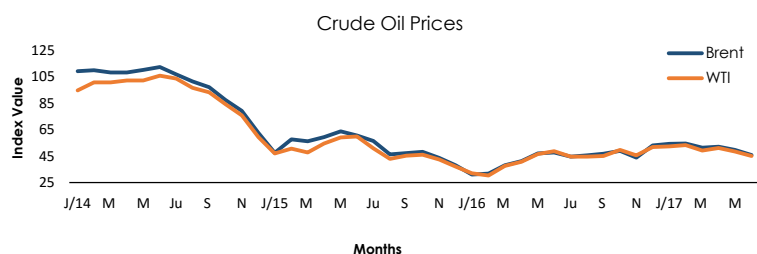
Month	2016			2017		
	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (C&F) (US\$/bbl)(*)
	Brent (Benchmark price)	WTI (Benchmark price)		Brent (Benchmark price)	WTI (Benchmark price)	
January	31.10	31.96	31.87	54.41	52.50	57.39
February	31.93	30.32	35.36	54.50	53.41	58.65
March	38.06	37.55	36.85	51.33	49.33	-
April	41.25	40.75	44.05	52.25	51.17	56.48
May	47.00	46.69	48.84	49.81	48.48	51.66
June	47.82	48.76	50.95	45.87	45.18	
July	44.54	44.65	46.10			
August	45.50	44.72	46.71			
September	46.80	45.20	46.99			
October	49.01	49.70	52.70			
November	44.01	45.66	47.66			
December	53.07	51.96	55.69			

	2016		2017	
14 July	45.61	45.64	47.99	46.53
17 July	-	-	47.71	46.02
18 July	45.30	45.23	47.87	46.40
19 July	45.65	44.64	47.94	47.10
20 July	45.52	44.96	48.14	46.73

Sources: Ret

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

Highlights

Weekly AWPR for the week ending 21 July 2017 increased by 16 bp to 12.00% compared to the previous week.

Broad money (M2b) expanded by 20.1%, on a year-on-year basis, in April 2017.

Net Credit to the Government from the banking system showed a decline of Rs. 8.3 bn in April 2017.

Credit to public corporations recorded an increase of Rs. 3.9 bn in April 2017.

Credit extended to the private sector increased by Rs. 18.9 bn in April 2017.

The reserve money increased compared to the previous week mainly due to increase in deposits held by the commercial banks.

The total outstanding market liquidity increased to a surplus of Rs. 17.71 bn by end of the week, compared to a deficit of Rs. 13.92 bn by the end of last week.

By 21 July 2017, the All Share Price Index (ASPI) declined by 1.43% to 6,670 points and the S&P SL20 Index declined by 2.31% to 3,819 points, compared to the previous week.

Monetary Sector

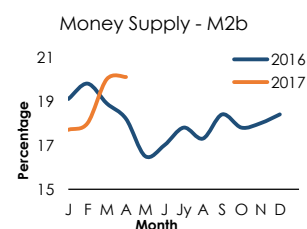
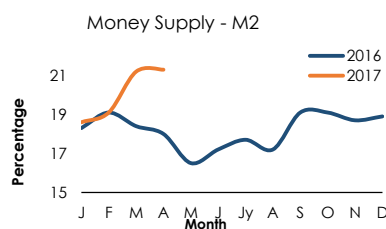
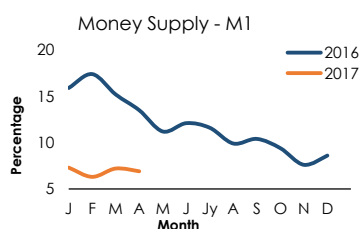
2.1 Interest Rates

Item	Week Ending 21 July 2017	Week Ago	Year Ago		
Policy Interest Rates					
Standing Deposit Facility Rate	7.25	7.25	6.50		
Standing Lending Facility Rate	8.75	8.75	8.00		
Average Weighted Call Money Rate (AWCMR) (Weekly Average)	8.72	8.75	8.22		
Sri Lanka Inter Bank Offered Rate (SLIBOR)					
1-day	8.75	8.75	8.25		
7-day	9.44	9.43	8.70		
1-Month	10.43	10.44	9.61		
3-Month	11.19	11.26	10.08		
6-Month	11.98	11.98	10.68		
12-Month	12.43	12.43	11.05		
Treasury Bill Yields (Excluding 10% withholding tax)					
91-day	9.56	9.60	8.80		
182-day	10.01	10.23	9.75		
364-day	10.18	10.39	10.49		
Licensed Commercial Banks					
Average Weighted Prime Lending Rate (AWPR)	12.00	11.84	10.89		
	May-17	Month Ago	Year Ago		
Savings Deposits	0.50-09.00 (a)	0.50-9.00	0.50-8.50		
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.50-15.00		
	Jun-17	Month Ago	Year Ago		
Average Weighted Deposit Rate (AWDR)	9.13	8.99	6.87		
Average Weighted Fixed Deposit Rate (AWFDR)	11.66	11.52	8.64		
	May-17	Month Ago	Year Ago		
Average Weighted Lending Rate (AWLR)	13.57	13.52	11.89		
National Savings Bank (NSB)					
	May-17	Month Ago	Year Ago		
Savings Deposits	4.25	4.25	4.50		
One Year Fixed Deposits	11.00	11.00	8.50		
Treasury Bond Auction					
	04 Y & 05 Months	05 Y & 10 Months	07 Y & 08 Months	09 Y & 11 Months	
	11/7/2017	11/7/2017	11/7/2017	11/7/2017	
Coupon rate	11.50	11.50	10.25	11.75	
Weighted Average Yield (Excluding 10% withholding tax)	11.14	11.21	11.30	11.37	
Bankwise- AWPR					
	Week ending	Week Ago		Week ending	Week Ago
	21 July 2017			21 July 2017	
Bank of Ceylon	12.36	12.23	HSBC	9.68	9.67
People's Bank	12.24	12.05	Standard Chartered Bank	11.74	11.39
Hatton National Bank	12.49	12.29	Citi Bank	9.70	9.70
Commercial Bank of Ceylon	11.84	12.28	Deutsche Bank	10.47	9.88
Sampath Bank	13.22	13.21	Habib Bank	10.76	10.76
Seylan Bank	12.97	12.93	Indian Bank	13.34	13.34
Union Bank of Colombo	14.89	15.14	Indian Overseas Bank	13.84	13.84
Pan Asia Banking Corporation	14.00	14.05	MCB Bank	12.63	12.34
Nations Trust Bank	12.70	12.04	State Bank of India	12.54	12.54
DFCC Bank	12.72	13.50	Public Bank	13.12	13.00
NDB Bank	14.12	15.00	ICICI Bank	10.26	10.26
Amana Bank	14.15	13.83	Axis Bank	13.84	12.50
Cargills Bank	13.76	14.24			

2.2 Money Supply

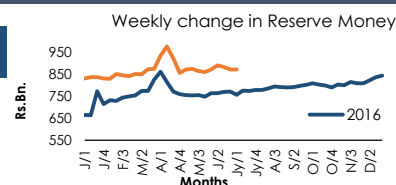
Item	Rs. bn			Annual Change (%)		
	2017 Apr (a)	Month Ago	Year Ago	2017 Apr (a)	Month Ago	Year Ago
Reserve Money	885.6	892.2	763.1	16	12.7	24.6
M1	765.2	782	715.5	6.9	7.2	13.5
M2	5146.8	5096.2	4242.1	21.3	21.2	18.1
M2b	5730.8	5677.4	4772.1	20.1	20	18.2
Net Foreign Assets of the Banking System (b)	-340.9	-371.5	-464.2	26.6	15.6	-170.9
Monetary Authorities	511.2	536.7	437.6	16.8	13.2	-23.7
Commercial Banks	-852.1	-908.2	-901.8	5.5	0.6	-21.1
Domestic Banking Units (DBUs)	-321.4	-320.4	-312.7	-2.8	1.2	-33.5
Offshore Banking Units (OBUs)	-530.7	-587.8	-589.1	9.9	0.3	-15.4
Net Domestic Assets of the Banking System (b)	6071.6	6048.9	5236.4	16	17	24.4
Net Credit to the Government	2206.3	2214.5	1959.5	12.6	13.3	20.5
Monetary Authorities	477.1	466.8	424.2	12.5	14.8	87.6
Commercial Banks	1729.2	1747.8	1535.3	12.6	12.9	9.6
DBUs	1348.3	1353	1142.4	18	18.6	0.9
OBUs	380.8	394.8	392.9	-3.1	-2.8	46.6
Credit to Public Corporations	557.4	553.4	511.5	9	7.5	2.8
DBUs	302.6	304.4	259	16.9	20	29.3
OBUs	254.7	249	252.6	0.8	-4.6	-15.1
Credit to the Private Sector	4394.1	4375.2	3662	20	20.4	28.1
DBUs	4085.9	4065.8	3396.7	20.3	20.7	29.7
OBUs	308.3	309.4	265.3	16.2	16.4	10.3
Other Items (Net)	-1086.1	-1094.3	-896.7	-21.1	-17.4	-15.8

(a) Provisional (b) In relation to M2b



2.3 Weekly change in Reserve Money

Item	20 July 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	890,334	885,979	-7,157



2.4 Money Market Activity(OverNight)

Item	17.07.2017	18.07.2017	19.07.2017	20.07.2017	21.07.2017
Call Money Market					
Weighted Average Rate (% p.a.)	8.75	8.75	8.73	8.68	8.71
Gross Volume (Rs. Mn)	19,802	21,750	18,750	16,600	29,630
Repo Market					
Weighted Average Rate (% p.a.)	8.81	8.82	8.78	8.78	8.71
Gross Volume (Rs. Mn)	9,002	7,487	9,915	8,871	19,436

2.4 CBSL Securites Portfolio

Item	17.07.2017	18.07.2017	19.07.2017	20.07.2017	21.07.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	160,573.54	160,573.54	160,573.54	160,573.54	142,512.06
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	151,884.91	151,961.45	152,034.72	152,067.16	140,641.04

2.6 Open Market Operations

Item	17.07.2017	18.07.2017	19.07.2017	20.07.2017	21.07.2017
Short-Term Auction					
Repo Amount Offered (Rs. bn)	19	27	34	31	19
Reverse Repo Amount Offered (Rs. bn)	0	0	0	0	0
Tenure (No. of Days)	1	1	1	1	1
Bids Received (Rs. bn)	10	18.687	27.777	22.94	6.425
Amount Accepted (Rs. bn)	10	18.687	27.777	22.94	6.425
Weighted Average Yield Rate (% p.a.)	7.34	7.32	7.32	7.31	7.32
Term Auction					
Repo Amount Accepted (Rs. bn)	0	0	0	0	0
Reverse Repo Amount Accepted (Rs. bn)	0	0	0	0	0
Standing Facility					
Standing Deposit Facility (Rs. bn)	21.68	10.876	11.486	18.764	15.029
Standing Lending Facility (Rs. bn)	14.87	7.628	7.512	10.384	3.745
Total Outstanding Market Liquidity (Rs. bn)	16.81	21.935	31.751	31.32	17.71

2.7 Credit Cards (a)

Item	2017	2017	2016
	End Jun (b)	End May	End Dec
Total Number of Active Cards	1,374,538	1,368,764	1,309,248
Local (accepted only locally)	28,293	28,442	29,109
Global (accepted globally)	1,346,245	1,340,322	1,280,139
Outstanding balance (Rs.mn)	79,406	78,882	74,892
Local (accepted only locally)	722	742	839
Global (accepted globally)	78,684	78,140	74,053

(a) Issued by Licensed Commercial Banks (LCBs) (b) Provisional

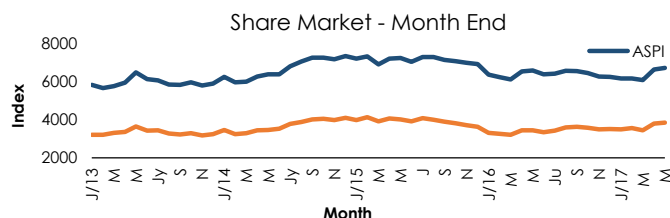
2.7 Commercial Paper Issues (a)

Item (Rs. bn.)	2017	2017	2016
	End Jun (b)	End May	End Dec
Total Issues - Cumulative (c)	3.6	3.2	7.0
Outstanding (as at end of the period)	2.3	2.6	2.2



2.8 Share Market

Item	Week	Week	Year
	Ending	Ago	Ago
	21 July 2017		
All Share Price Index (1985 = 100) (ASPI)	6,670	6,766	6,417
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,819	3,910	3,427
Average Daily Turnover (Rs. mn)	858	733	519
Market Capitalisation (Rs.bn)	3,025	3,068	2,735



Government revenue increased in the first quarter of 2017.

Government revenue increased to 3.4 per cent of GDP in the first quarter of 2017 from 2.8 per cent in the first quarter of 2016 as a result of continued efforts taken by the government to enhance revenue collection. Tax revenue as a per cent of GDP in the first quarter of 2017 increased to 3.2 per cent as recorded in the first quarter of 2016. Non tax revenue as a per cent of GDP remained unchanged. During the first quarter of 2017 total revenue in nominal terms increased by 26.2 per cent to Rs. 436.0 billion from Rs. 345.6 billion in the first quarter of 2016, reflecting increases in tax revenue.

Total expenditure & net lending also increased in the first quarter of 2017.

Total expenditure and net lending as a percentage of GDP also increased to 4.9 per cent in the first quarter 2017 from 4.3 per cent in the first quarter of 2016 due to the increase in both recurrent expenditure, and capital expenditure and net lending. Accordingly, in nominal terms, total expenditure and net lending increased by 20.9 per cent to Rs. 636.3 billion in the first quarter of 2017 from Rs. 526.3 billion in the first quarter of 2016. Public investment, which amounted to 1.2 per cent of GDP in the first quarter of 2017, was significantly higher than 0.8 per cent of GDP recorded in the first quarter of 2016.

Budget deficit mainly financed through domestic sources.

In the first quarter of 2017, the overall budget deficit of Rs. 199.7 billion was mainly financed through domestic sources. Accordingly, foreign financing was a net repayment of Rs. 50.7 billion compared to the net repayment of Rs. 85.7 in the corresponding period of previous year, while the overall deficit was financed through domestic sources. Consequently, net domestic financing in the first quarter of 2017 amounted to Rs. 250.3 billion compared to Rs. 266.5 billion in the the first quarter of previous year.

Outstanding central government debt increased.

As at end March 2017, government debt increased by 3.4 per cent to Rs. 9,702.5 billion from Rs. 9,387.3 billion recorded at the end of 2016. The domestic debt increased by Rs. 284.3 billion to Rs. 5,625.8 billion as at end March 2017 from Rs. 5,341.5 billion recorded as at end March 2016, while the foreign debt increased to Rs. 4,076.6 billion by end March 2017 from Rs. 4,045.8 billion in end March 2016.

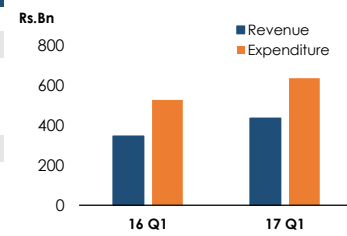
Fiscal Sector

3.1 Government Finance (Rs.bn)

Item	2016 Q1	2017 Q1 (a)
Revenue and Grants	345.6	436.7
Revenue	345.6	436.0
Tax	325.4	415.1
Non tax	20.2	20.9
Grants	0.0	0.7
Expenditure & Lending Minus Repayments	526.3	636.3
Recurrent	426.5	484.2
Capital & Lending Minus Repayments	99.8	152.1

(a) Provisional

Government Revenue & Expenditure 2016Q1-2017Q1

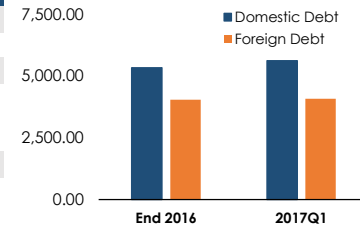


3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2016	2017 Q1 (a)
Total domestic debt	5,341.5	5,625.8
of which		
Treasury bills	779.6	781.2
Treasury bonds	3,714.8	3,802.2
Rupee loans	24.1	24.1
Total foreign debt	4,045.8	4,076.6
Total outstanding govt. debt	9,387.3	9,702.5

(a) Provisional

Government Debt 2016 - 2017Q1



3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 19th July 2017

Security	Maturity	Primary Market(a)	
		This Week	Last Week
Treasury Bills	3 Months	9.56%	9.60%
	6 Months	10.01%	10.23%
	12 Months	10.18%	10.39%
Treasury Bonds(b)	< 2 Years	-	-
	< 5 Years	-	11.14%
	< 6Years	-	11.21%
	< 8Years	-	11.30%
	< 10Years	-	11.37%
	< 15 Years	-	-
	< 20 Years	-	-
< 30 Years	-	-	

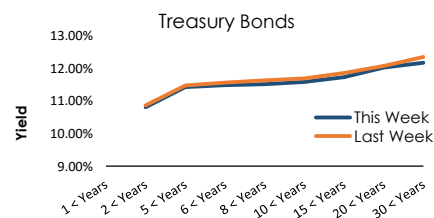
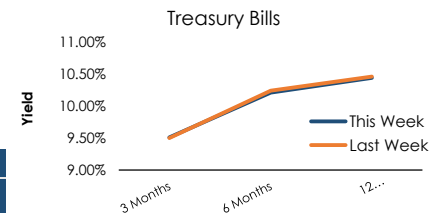
(a) Primary market transactions during the week ending 19/07/2017

(b) Weighted Average Yield Rate is calculated, if there are two or more within same maturity Period

The secondary market yield rates of T-Bills and T-Bonds have decreased during the reporting week compared to the previous week.

Security	Maturity Date	Coupon Rate	Secondary Market	
			This Week	Last Week
International Sovereign Bonds	4-Oct-20	6.250%	4.17%	4.31%
	27-Jul-21	6.250%	4.46%	4.58%
	18-Jan-22	5.750%	4.73%	4.89%
	25-Jul-22	5.875%	4.92%	5.07%
	14-Jan-19	6.000%	3.63%	3.74%
	11-Apr-19	5.125%	3.69%	3.78%
	3-Jun-25	6.125%	5.65%	5.85%
	3-Nov-25	6.850%	5.75%	5.98%
Sovereign Bonds	18-Jul-26	6.825%	5.82%	6.05%
	11-May-27	6.200%	5.87%	6.15%

Security	Secondary Market			
	This Week			Last Week Average
	Buying	Selling	Average	
Treasury Bills	9.59%	9.41%	9.50%	9.50%
	10.14%	9.99%	10.06%	10.20%
	10.34%	10.18%	10.26%	10.41%
Treasury Bonds	10.70%	10.58%	10.64%	10.75%
	11.26%	11.17%	11.21%	11.37%
	11.33%	11.25%	11.29%	11.45%
	11.50%	11.41%	11.45%	11.51%
	11.50%	11.41%	11.46%	11.58%
	11.76%	11.67%	11.71%	11.75%
	12.03%	11.91%	11.97%	12.01%
	12.22%	12.06%	12.14%	12.19%



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 19th July 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	826,964.54	826,439.97
Treasury Bonds (a)	3,993,179.19	4,011,665.33
Total	4,820,143.73	4,838,105.30
T-bills and T-bonds held by Foreigners	252,852.81	237,414.30
Sri Lanka Development Bonds (SLDB)	649,935.52	649,757.93

The outstanding stock of T-bills and T-bonds held by foreigners was increased by 6.50 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	24,500.00	29,500.00
Total Bids Received	156,175.00	88,143.00
Total Bids Accepted	24,500.00	29,429.00
Treasury Bonds		
Amount Offered	-	65,000.00
Total Bids Received	-	193,080.00
Total Bids Accepted	-	63,598.00

The weekly T-bill auction was over subscribed by 6.4 times during the reporting week

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	27,918.72	13,880.39
Repo Transaction (Sales / Purchases)	240,450.89	253,971.94
Treasury Bonds		
Outright Transaction (Sales / Purchases)	133,384.26	67,748.41
Repo Transaction (Sales / Purchases)	727,606.24	724,697.10

The total secondary market transactions of T bills and T bonds increased by 6.51 percent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs. 69,787 million (outstanding amount adjusted on 12.04.2017 due to maturities) issued to settle dues of CPC and to capitalize Sri Lankan Airlines.

3.5 Two way Quotes (Treasury Bills) -21/07/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.83	9.04	99.83	8.84	0.00
1 Month	99.25	9.17	99.26	8.97	0.02
2 Month	98.47	9.32	98.50	9.12	0.03
3 Month	97.65	9.52	97.70	9.31	0.05
4 Month	96.83	9.65	96.90	9.43	0.07
5 Month	95.97	9.81	96.06	9.59	0.09
6 Month	95.16	9.82	95.25	9.64	0.09
7 Month	94.31	9.90	94.42	9.71	0.11
8 Month	93.46	9.95	93.60	9.73	0.14
9 Month	92.62	9.97	92.79	9.74	0.17
10 Month	91.77	10.01	91.97	9.77	0.20
11 Month	90.91	10.05	91.13	9.81	0.21
12 Month	90.09	10.05	90.31	9.82	0.23

3.6 Two way Quotes (Treasury Bonds) -21/07/2017

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
08.50%2018A	15	1-Feb-18	195	99.22	10.03	99.34	9.80	0.11
08.50%2018C	5	1-Apr-18	254	98.95	10.05	99.11	9.81	0.16
08.50%2018D	5	1-Jun-18	315	98.60	10.22	98.87	9.87	0.28
08.50%2018B	15	15-Jul-18	359	98.33	10.32	98.44	10.20	0.11
07.50%2018A	15	15-Aug-18	390	97.25	10.27	97.37	10.14	0.12
08.75%2018A	4	15-Oct-18	451	98.25	10.27	98.39	10.15	0.14
08.00%2018A	6	15-Nov-18	482	97.27	10.25	97.45	10.10	0.18
05.65%2019A	8	15-Jan-19	543	93.55	10.46	93.74	10.30	0.20
10.75%2019A	2	15-Jan-19	543	100.53	10.36	100.71	10.22	0.18
08.50%2019A	10	1-May-19	649	96.87	10.46	97.05	10.34	0.18
10.60%2019A	5	1-Jul-19	710	99.90	10.65	100.26	10.44	0.35
10.60%2019B	5	15-Sep-19	786	100.18	10.49	100.46	10.34	0.28
08.00%2019A	8	1-Nov-19	833	94.97	10.52	95.14	10.44	0.17
09.25%2020A	5	1-May-20	1015	96.69	10.64	97.05	10.49	0.36
08.00%2020A	8	1-Jun-20	1046	93.30	10.77	93.55	10.67	0.25
06.20%2020A	10	1-Aug-20	1107	88.38	10.80	88.49	10.75	0.11
09.50%2020A	5	15-Dec-20	1243	96.33	10.81	96.60	10.71	0.27
10.75%2021A	5	1-Mar-21	1319	99.75	10.83	99.99	10.75	0.23
09.00%2021A	8	1-May-21	1380	94.28	10.88	94.45	10.82	0.17
11.00%2021A	7	1-Aug-21	1472	100.32	10.90	100.64	10.80	0.32
09.45%2021A	7	15-Oct-21	1547	94.88	10.98	95.07	10.93	0.18
11.50%2021A	5	15-Dec-21	1608	102.33	10.81	102.61	10.73	0.29
08.00%2022A	10	1-Jan-22	1625	89.40	11.08	89.64	11.01	0.24
11.20%2022A	9	1-Jul-22	1806	100.28	11.12	100.67	11.02	0.40
10.00%2022A	8	1-Oct-22	1898	96.06	11.01	96.47	10.90	0.41
11.50%2023A	6	15-May-23	2124	102.12	10.99	102.46	10.91	0.34
09.00%2023A	10	1-Sep-23	2233	90.46	11.19	90.76	11.12	0.30
11.20%2023A	9	1-Sep-23	2233	100.29	11.13	100.71	11.03	0.42
07.00%2023A	20	1-Oct-23	2263	81.53	11.21	81.78	11.14	0.26
11.40%2024A	10	1-Jan-24	2355	101.58	11.05	102.00	10.96	0.43
11.00%2024A	8	1-Aug-24	2568	100.02	10.99	100.47	10.90	0.45
06.00%2024A	10	1-Dec-24	2690	74.09	11.27	74.41	11.19	0.31
10.25%2025A	10	15-Mar-25	2794	95.55	11.12	95.96	11.04	0.41
09.00%2025A	12	1-May-25	2841	88.36	11.28	88.69	11.21	0.33
11.00%2025A	10	1-Aug-25	2933	99.20	11.15	99.69	11.06	0.49
09.00%2026A	13	1-Feb-26	3117	87.62	11.30	87.97	11.23	0.35
05.35%2026A	15	1-Mar-26	3145	67.60	11.34	67.94	11.26	0.34
11.00%2026A	11	1-Jun-26	3237	98.58	11.25	99.07	11.16	0.49
11.50%2026A	10	1-Aug-26	3298	102.50	11.05	103.02	10.96	0.52
11.75%2027A	10	15-Jun-27	3616	102.96	11.24	103.53	11.15	0.57
09.00%2028B	15	1-May-28	3937	85.54	11.35	86.01	11.27	0.46
09.00%2028A	15	1-Jul-28	3998	85.44	11.36	86.14	11.23	0.70
11.50%2028A	13	1-Sep-28	4060	101.16	11.31	102.01	11.18	0.85
13.00%2029A	15	1-Jan-29	4182	109.89	11.43	110.37	11.36	0.47
13.00%2029B	15	1-May-29	4302	109.60	11.49	110.12	11.41	0.52
11.00%2030A	15	15-May-30	4681	97.57	11.36	99.03	11.14	1.46
08.00%2032A	20	1-Jan-32	5277	74.15	11.76	74.60	11.68	0.44
09.00%2032A	20	1-Oct-32	5551	80.60	11.77	81.02	11.70	0.42
09.00%2033A	20	1-Jun-33	5794	80.16	11.79	80.64	11.71	0.48
13.25%2033A	20	1-Jul-33	5824	110.14	11.82	110.87	11.73	0.73
09.00%2033B	20	1-Nov-33	5947	79.67	11.84	80.27	11.74	0.60
13.25%2034A	20	1-Jan-34	6008	109.90	11.87	110.72	11.76	0.82
11.50%2035A	20	15-Mar-35	6446	99.46	11.57	101.75	11.27	2.29
12.00%2041A	25	1-Jan-41	8565	100.65	11.92	101.64	11.79	0.99
09.00%2043A	30	1-Jun-43	9446	76.26	11.99	76.89	11.89	0.63
13.50%2044A	30	1-Jan-44	9660	111.21	12.08	112.22	11.97	1.01
13.50%2044B	30	1-Jun-44	9812	110.52	12.16	111.56	12.04	1.04
12.50%2045A	30	1-Mar-45	10085	106.45	11.71	108.99	11.42	2.54

External Sector

Highlights

The rupee depreciated against the US dollar.

During the year up to 21 July 2017 the Sri Lanka rupee depreciated against the US dollar (2.5 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (7.7 per cent), euro (11.7 per cent), Japanese yen (6.3 per cent) and Indian rupee (7.6 per cent) during this period.

Earnings from exports expanded in April 2017

Earnings from exports at US dollars 795 million in April 2017 increased for the second consecutive month, registering a year-on-year growth of 11.9 per cent. On a cumulative basis, exports earnings during the first four months of 2017 at US dollars 3,569 million, grew by 3.5 per cent (year-on-year) with higher earnings from tea, spices, machinery and mechanical appliances, petroleum products and seafood

Expenditure on imports increased (year-on-year) for the seventh consecutive month in April 2017

Expenditure on imports increased by 9.8 per cent (year-on-year) to US dollars 1,604 million in April 2017. On a cumulative basis, import expenditure at US dollars 6,883 million during the first four months of 2017 increased by 13.7 per cent (year-on-year), largely due to increased imports of fuel, gold and rice.

The terms of trade deteriorated marginally in April 2017 due to higher increase in import prices relative to the increase in export prices

The export unit value index increased by 1.2 per cent in April 2017, year-on-year, reflecting price increase in agricultural exports. The import unit value index increased by 1.5 per cent, year-on-year, in April 2017 mainly due to price increases in intermediate goods and consumer goods imports. The terms of trade deteriorated marginally by 0.2 per cent to 108.3 index points in April 2017 compared to the corresponding month of previous year due to higher increase in import prices (1.5%) relative to the increase in export prices (1.2%) during the month.

Average export price of tea increased in April 2017 while rice and wheat prices declined

The average price of tea increased to US dollars 4.28 per kg in April 2017 from US dollars 2.97 per kg (in the Colombo auction) in April 2016.

Further, the import prices of rice and wheat decreased compared to the corresponding month of 2016.

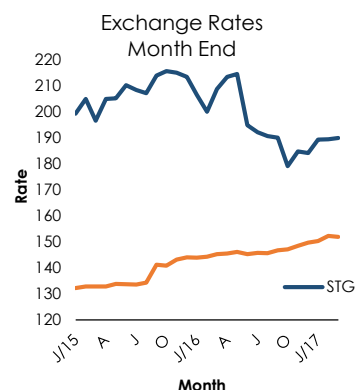
The Gross Official Reserves increased by end June 2017 in comparison to end

The gross official reserves were estimated at US dollars 6,953.6 million as at 30 June

External Sector

4.1 Exchange Rates

Item	Week Ending - 21 July 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	151.66	155.46	153.56	153.54	146.60
STG	195.85	202.49	199.17	198.81	194.02
Yen	1.35	1.40	1.37	1.36	1.37
Euro	175.31	181.90	178.61	175.11	161.58
INR ⁽¹⁾			2.39	2.38	2.16
SDR	(As at 20 July 2017)		214.47	213.55	201.25
Central Bank purchases and sales ^(b) (US\$ Mn.)			June 2017	Month Ago	Year Ago
Purchases			136.00	183.47	178.78
Sales			-	35.00	194.02



Item	Week Ending	Week Ago	Year Ago
	21 July 2017		
Average Daily Interbank Volume (US\$ Mn.) (spot, tom and cash transactions among commercial banks)	45.04	54.85	21.50
Forward Transactions			
Forward Rates (US\$) (2)			
1 Month	154.90	154.80	146.46
3 Months	156.77	156.73	148.29
Average Daily Interbank Forward Volume (US\$ mn)	27.67	32.77	40.37
Outstanding Forward Volume (US\$ mn) (As at 20 July 2017)	1401.56	1395.43	1538.6

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

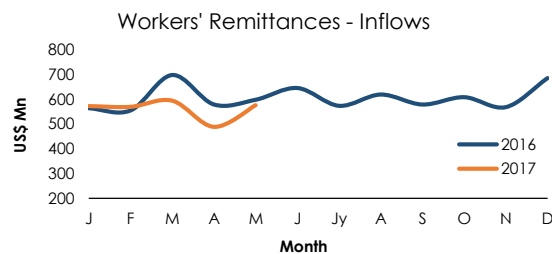
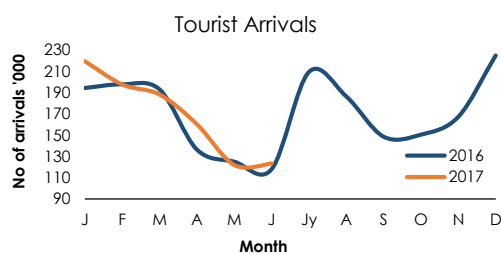
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item	2016 Jun (a)(b)	2017 Jun (c)(d)	2016 Jan-Jun (a)(b)	2017 Jan-Jun (c)(d)	% Change	
						Tourist Arrivals
Earnings from Tourism ^(d)	US\$ Mn.	202.5	211.6	1,654.30	1,733.60	4.8
	Rs.bn.	29.4	32.3	238.8	262.4	9.9
Workers' Remittances (Inflows)	US\$ Mn.	597.2	575.4	2968.6	2797	-5.8
	Rs. bn.	87.0	87.6	428.3	423.1	-1.2

(a) Revised (b) Revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2016 (c) Provisional (d) May be revised based on Sri Lanka Tourism Development Authority survey results on average stay period and average spending per day estimates for 2017



4.3 Official Reserve Assets as at 30th June 2017 ((a))

Official Reserve Assets (USD Mn)	6953.60
(1) Foreign Currency Reserves	5995.78
(2) Reserve position in the IMF	66.59
(3) SDRs	0.20
(4) Gold	890.03
(5) Other Reserve Assets	1.00

(a) Provisional

4.4 International Reserves & foreign Currency Liquidity as at 31st May 2017 (a)

Official Reserve Assets (USD mn)	
Official Reserve Assets	6,759.70
(1) Foreign currency reserves	5,787.15
(a) Securities	2,172.83
(b) Total currency and deposits with	3,614.32
(i) other national central banks, BIS	2,338.78
(ii) banks headquartered inside the reporting country of which located abroad	1.17
(iii) banks headquartered outside the reporting country	1,274.37
(2) Reserve position in the IMF	66.25
(3) SDRs	0.2
(4) Gold	905.1
(5) Other reserve assets	1.00

Predetermined Short-Term Net Drains on Foreign Currency Assets(b) □

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	-3,562.27	-726.92	-539.49	-2,295.86
Interest	-1,194.87	-62.23	-236.19	-896.46
inflows (+) Principal				
Interest				
currency (including the forward leg of currency swaps)				
(i) Short positions (-)(c)	-1,925.74	-185	-424.31	-1,316.43
(ii) Long positions (+)				
3. Other (specify)	-0.08	-0.08		
inflows related to reverse repos (+)				
other accounts payable (-)	-0.08	-0.08		

(a) Provisional

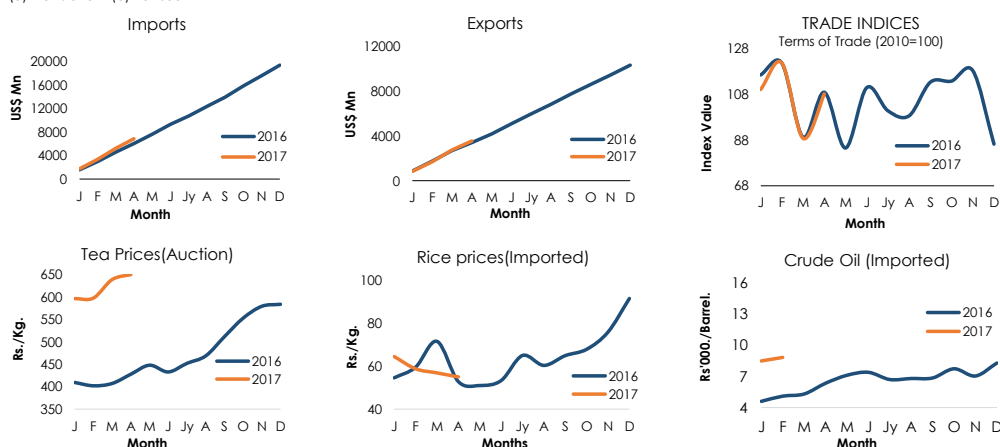
(b) This mainly includes only the predetermined outflows

(c) 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

4.5 External Trade

Item	US\$ Mn			Rs Mn		
	Jan - Apr 2017 (a)	Jan - Apr 2016	% Change	Jan - Apr 2017 (a)	Jan - Apr 2016	% Change
Exports	3,569.00	3,449.6 (b)	3.50	539,027.20	496,514.4 (b)	8.60
Agricultural	851.70	721.80	18.00	128,654.50	103,885.70	23.80
Industrial	2,701.50	2,713.5 (b)	-0.40	407,978.70	390,572.3 (b)	4.50
Food, Beverages and Tobacco	101.40	117.4 (b)	-13.60	15,323.90	16,896.0 (b)	-9.30
Textiles and Apparel	1,626.30	1,709.80	-4.90	245,571.60	246,092.70	-0.20
Petroleum Products	120.10	92.30	30.10	18,142.20	13,290.30	36.50
Leather, Rubber etc	297.70	301.40	-1.30	44,953.20	43,388.90	3.60
Other	556.00	492.60	12.90	83,987.90	70,904.50	18.50
Mineral	9.90	9.20	8.00	1,503.30	1,325.50	13.40
Other	5.90	5.10	16.10	890.70	730.90	21.80
Imports	6,883.30	6,055.40	13.70	1,039,473.80	871,563.90	19.30
Consumer Goods	1,515.60	1,425.50	6.30	228,931.40	205,176.00	11.60
Intermediate Goods	3,692.20	3,019.20	22.30	557,573.10	434,562.00	28.30
Investment Goods	1,614.60	1,607.80	0.40	243,824.50	231,420.50	5.40
Other	60.90	2.80	2,061.40	9,144.70	405.50	2155.40
Trade Balance	-3,314.30	-2,605.8 (b)	27.2	-500,446.50	-375,049.5 (b)	33.4

(a) Provisional (b) Revised



4.6 Trade Indices (2000=100) (a)

Item	2017 Apr (b)	Month Ago (b)	Year Ago
Total Exports			
Value	110.6	145	98.9 (c)
Quantity	111	176.3	100.4 (c)
Unit Value	99.6	82.2	98.4 (c)
Total Imports			
Value	143.5	167.3	130.7
Quantity	156	180.7	144.2
Unit Value	92	92.6	90.7
Terms of Trade	108.3	88.8	108.6 (c)

(a) In US\$ Terms (b) Provisional (c) Revised

4.7 International Commodity Prices

Item	April 2017	April 2016	% Change	April 2017	April 2016	% Change
	US\$ / Kg			Rs / Kg		
Tea Prices	4.28	2.97	44	650.1	428.04	51.9
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	362.67	367.19	-1.2	55,038.95	52,838.83	4.2
White Sugar	570.03	448.08	27.2	86,506.89	64,479.00	34.2
Wheat	225.91	231.81	-2.5	34,283.56	33,357.78	2.8
Crude Oil	US\$ / Barrel			Rs / Barrel		
	56.48	44.05	28.2	8,571.40	6,338.30	35.2