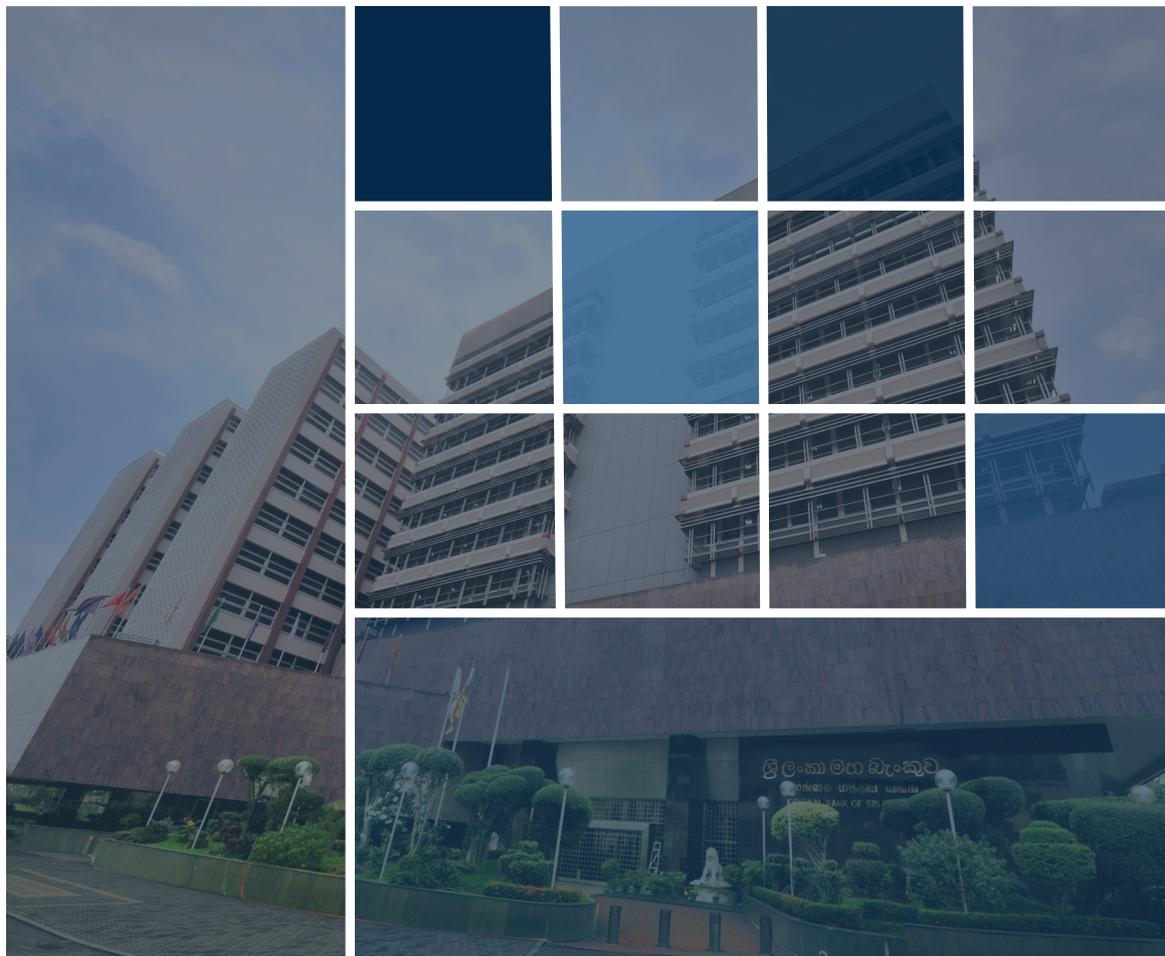


Weekly Economic Indicators

06th October 2017



Highlights

Inflation, as measured by the change in the Colombo Consumer Price Index (CCPI) (2013=100), increased in September 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), increased to 7.9 per cent in August 2017 from 6.3 per cent in July 2017, on year-on-year basis. Both Food and Non-food categories contributed towards the year-on-year inflation in August 2017. The change in the NCPI measured on an annual average basis increased from 6.2 per cent in July 2017 to 6.5 per cent in August 2017. When the monthly change is considered, the NCPI decreased from 122.4 index points in July 2017 to 122.3 index points in August 2017. This monthly decrease was mainly due to the decrease in prices of the items in the Food category. The NCPI Core inflation, which reflects the underlying inflation in the economy increased to 4.8 per cent in August 2017 from 4.2 per cent in July 2017 on year-on-year basis. Annual average NCPI Core inflation declined from 5.9 per cent in July 2017 to 5.8 per cent in August 2017.

Inflation, as measured by the change in the Colombo Consumer Price Index (CCPI) (2013=100), which is compiled by the DCS, increased to 7.1 per cent in September 2017 from 6.0 per cent in August 2017, on year-on-year basis. When monthly change for September 2017 is considered, the CCPI increased by 0.9 index points to 119.7 index points from 118.8 index points in August. This monthly increase was mainly due to the increase in prices of the items in the Food category, along with a monthly increase in Non-food category. CCPI Core inflation, which reflects the underlying inflation in the economy remained unchanged at 6.0 per cent in September 2017 from August 2017. Annual average CCPI Core inflation increased to 5.8 per cent in September 2017 from 5.6 per cent in August 2017.

GDP continue to grow at a moderate pace during the second quarter of 2017.

The GDP grew by 4.0 per cent in real terms in the second quarter of 2017, mainly attributable to 4.5 per cent growth in Services activities and 5.2 per cent growth in Industry activities while Agriculture activities contracted by 2.9 per cent, in value added terms.

During the first eight months of 2017, due to the increasing trend of tea prices the domestic tea production increased marginally and production of rubber decreased due to the slowdown of tapping activities. The coconut production also declined during the same period.

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

At the beginning of the week, crude oil prices fell due to a rise in U.S. oil drilling and higher OPEC output in September due to increased exports from Iraq and higher production from Libya. Meanwhile, U.S. oil production hit 9.55 million barrels per day in late September. Prices further fell over concerns that the price rally, which lasted for most of the third quarter, would not extend through fourth quarter of the year. However, at the end of the week oil prices rose over the prospect of extended oil production cuts by the OPEC and other producers led by Russia. Overall, both Brent and WTI prices fell by US\$ 0.3 and US\$ 0.9 per barrel, respectively, within the week.

IIP showed a increase on year-on-year basis in July 2017.

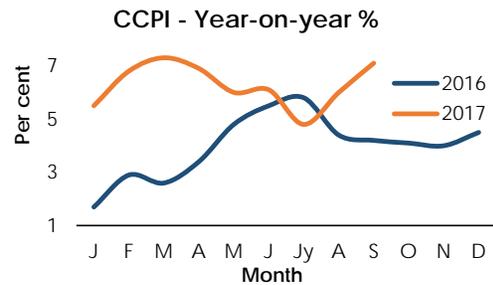
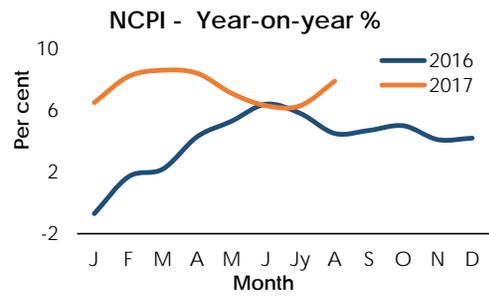
The IIP in July 2017 has increased by 0.8 per cent in comparison with the corresponding month of 2016. Among the major sub divisions of the manufacturing industries; volume of products of 'Other non-metallic mineral products' (6.6%); 'Wearing Apparels' (3.1%) and 'Rubber and plastic products' (2.6%) have contributed to the overall increase in production during the month of July, 2017 compared to that of July, 2016 and 'Coke and refined petroleum products' and 'Beverages' decreased by 22.0% and 10.7% respectively during this period.

Real Sector

1.1 Prices Indices

Item (2013=100)	Aug 2017	Month Ago	Year Ago
National Consumer Price Index (NCPI)	122.3	122.4	113.3
Monthly Change %	-0.1	-0.8	-1.6
Annual Average Change %	6.5	6.2	3.6
Year - on - Year Change %	7.9	6.3	4.5
Core Inflation - (NCPI)	123.0	122.9	117.4
Annual Average Change %	5.8	5.9	5.6
Year - on - Year Change %	4.8	4.2	6.0

Item (2013=100)	Sep 2017	Month Ago	Year Ago
Colombo Consumer Price Index (CCPI)	119.7	118.8	111.8
Monthly Change %	0.8	-0.5	-0.3
Annual Average Change %	5.8	5.5	3.9
Year - on - Year Change %	7.1	6.0	4.2
Core Inflation - (CCPI)	123.3	123	116.3
Annual Average Change %	5.8	5.6	4.8
Year - on - Year Change %	6.0	6.0	3.7

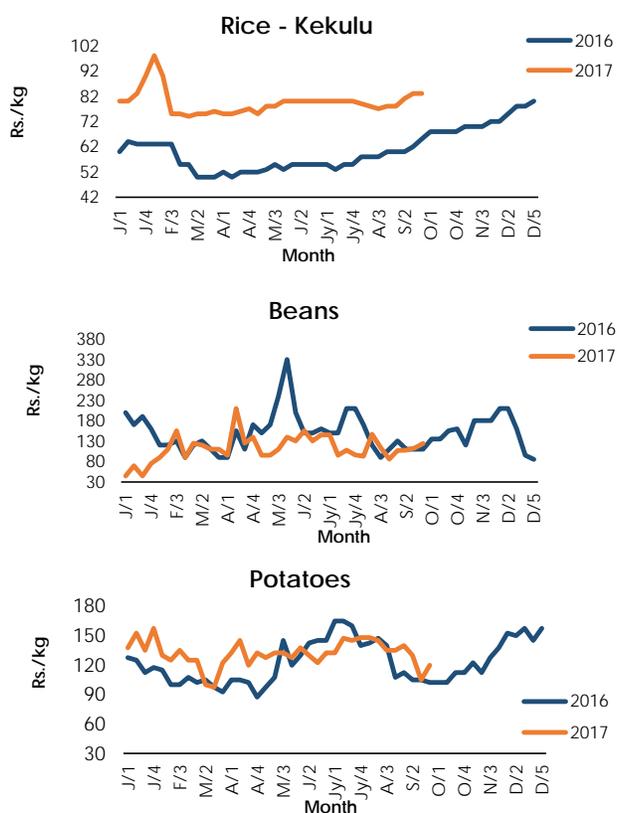


1.2 Pettah Market

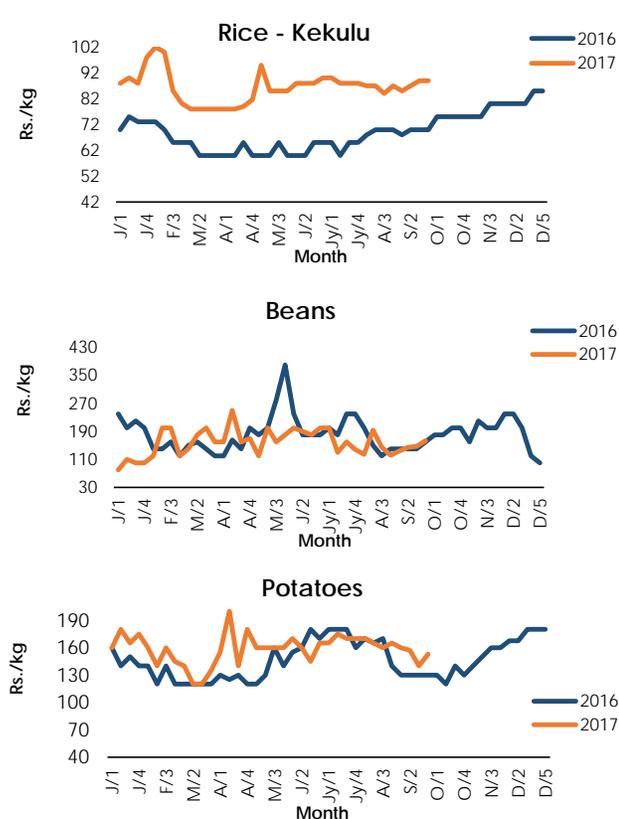
Food Item	Average Wholesale Prices				Average Retail Prices			
	Week Ending 06 th Oct 2017	Week Ago	Month Ago	Year Ago Annual Avg	Week Ending 06 th Oct 2017	Week Ago	Month Ago	Year Ago Annual Avg
	Rs / Kg				Rs / Kg			
Rice								
Samba	102.00	102.00	99.25	80.97	107.00	107.00	104.25	90.39
Kekulu (Red)	83.00	83.00	81.25	60.29	89.00	89.00	87.50	68.73
Vegetables								
Beans	124.00	124.00	113.00	147.16	163.00	163.00	146.75	179.12
Cabbage	78.00	78.00	51.50	76.62	118.00	118.00	85.00	115.10
Carrots	100.00	100.00	86.25	121.42	138.00	138.00	120.50	158.24
Tomatoes	108.00	108.00	121.00	75.00	153.00	153.00	158.75	107.06
Pumpkins	36.00	36.00	36.75	60.29	58.00	58.00	59.50	83.33
Snake Gourd	88.00	88.00	82.75	76.18	138.00	138.00	125.00	112.94
Brinjals	152.00	152.00	136.00	66.57	176.00	176.00	171.00	103.92
Ash-Plantains	88.00	88.00	84.00	67.65	113.00	113.00	113.75	95.69
Other Foods								
Red-Onions (Local)	317.00	317.00	279.25	92.66	385.00	385.00	335.00	131.74
Big-Onions (Local)	73.00	73.00	93.38	74.50	110.00	110.00	121.25	96.47
Potatoes (N'Eliya)	120.00	120.00	123.75	122.58	153.00	153.00	152.50	146.23
Dried Chillies (Imported)	200.00	200.00	192.00	293.68	235.00	235.00	227.50	350.78
Dhal (Indian)	133.00	133.00	133.50	160.16	150.00	150.00	149.50	171.41
Eggs	10.00	10.00		14.30	11.00	11.00		14.79
Coconut (Each)	68.00	68.00	66.38	34.69	82.00	82.00	78.25	47.60
Fish*								
Kelawalla	600.00	600.00	605.00	508.20	880.00	880.00	860.00	682.00
Balaya	240.00	240.00	242.50	327.29	340.00	340.00	342.50	424.79
Salaya	120.00	120.00	122.50	141.43	180.00	180.00	195.00	197.14
Paraw (Small)	550.00	550.00	590.00	540.36	650.00	650.00	693.33	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 04 th Oct 2017	
	Wholesale (Average)	Retail (Average)
Rice		
Samba	102.00	106.00
Kekulu (Red)	83.00	87.00
Vegetables		
Beans	137.50	157.50
Carrot	130.00	150.00
Tomatoes	114.38	135.00
Pumpkins	35.00	55.00
Snake Gourd	73.75	93.75
Ash-Plantains	70.63	91.75
Other Foods		
Red-Onions (Local)	270.00	282.50
Big-Onions (Local)	58.75	72.50
Potatoes (N'Eliya)	99.13	110.63
Dried Chillies(Imported)	185.63	198.75
Coconut (Each)	67.88	80.00

1.4 Narahenpita Economic Centre

Item (Rs / Kg)	Average Retail Prices	
	06 th Oct 2017	Week Ago
Rice		
Samba	105.00	98.00
Kekulu (Red)	90.00	85.00
Vegetables		
Beans	180.00	240.00
Cabbage	160.00	160.00
Carrots	140.00	160.00
Tomatoes	200.00	180.00
Pumpkins	100.00	100.00
Snake Gourd	180.00	180.00
Brinjals	240.00	140.00
Ash-Plantains	140.00	148.00
Other Foods		
Red-Onions (Imported)	n.a.	n.a.
Big-Onions (Imported)	110.00	120.00
Potatoes (Imported)	100.00	110.00
Dried Chillies (Imported)	230.00	220.00
Dhal (Indian)	145.00	158.00
Eggs (Red)(Each)	14.00	14.00
Coconut (Each)	80.00	70.00
Fish		
Kelawalla	780.00	800.00
Balaya	220.00	300.00
Salaya	200.00	200.00
Paraw (Small)	660.00	880.00

1.5 Marandagahamula Market

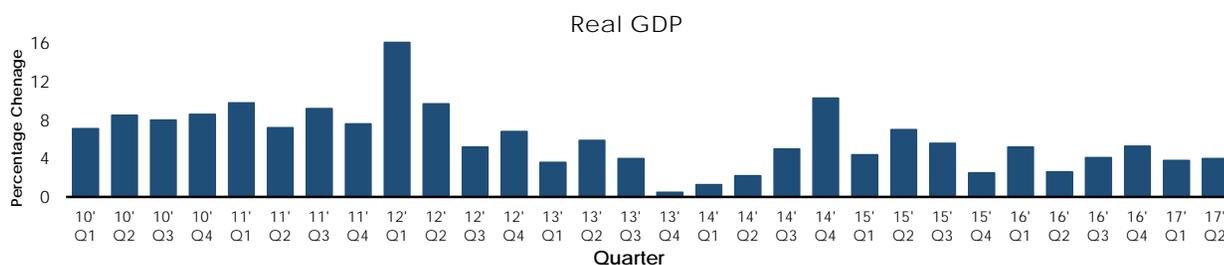
Average wholesale price of Rice				
Item (Rs / Kg)	Week Ending 06 th Oct 2017	Week Ago	Month Ago	Year Ago
Samba	99.83	99.80	96.29	77.58
Sudu Kekulu	86.50	86.30	85.11	62.91
Raw Red	81.50	81.30	81.26	59.59
Nadu	92.50	92.60	91.03	66.62

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 2 nd Qtr (a)(b)	2017 2 nd Qtr (a)
Agriculture	4.8	-4.2	-5.7	-2.9
Industry	2.1	6.7	2.0	5.2
Services	5.7	4.2	3.6	4.5
Taxes less subsidies on products	7.5	6.2	3.1	3.1
GDP	4.8	4.4	2.4	4.0

(a) Provisional (b) Revised

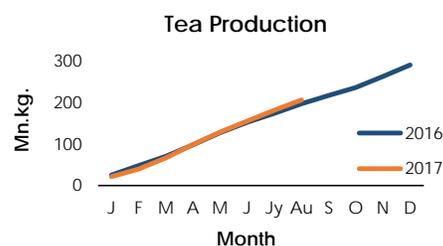
Source: Department of Census and Statistics



1.7 Agriculture Production

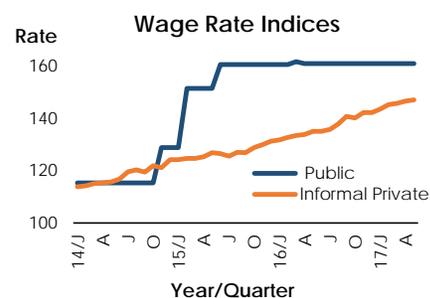
Item	Unit	2017(a) Jan - Aug	2016 Jan - Aug	% Change
Tea	(Mn Kg)	205.78	199.02	3.40
Rubber	(Mn Kg)	58.20	58.55	-0.60
Coconut	(Mn Kg)	1,708.15	1,998.95	-14.55

(a) Provisional



1.8 Wages rate Indices

Item	2017 June	2016 June	% Change
Public Sector Employees (2012 = 100)	160.8	160.8	0.0
Informal Private Sector Employees (2012 = 100)	148.0	134.9	9.7
Agriculture	148.3	134.5	10.3
Industry	152.6	139.3	9.5
Services	143.5	130.8	9.7



1.9 Employment (a)

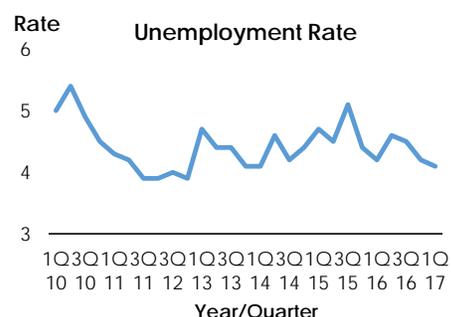
Item	2016 1 st Qtr	2017 (b) 1 st Qtr	2016 (b) Annual
Labour Force Participation rate	54.1	54.7	53.8
Unemployment rate	4.2	4.1	4.4

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

Agriculture	28.5	27	27.1
Industry	26	28	26.4
Services	45.5	45	46.5

(a) The working age population aged 15 and above

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



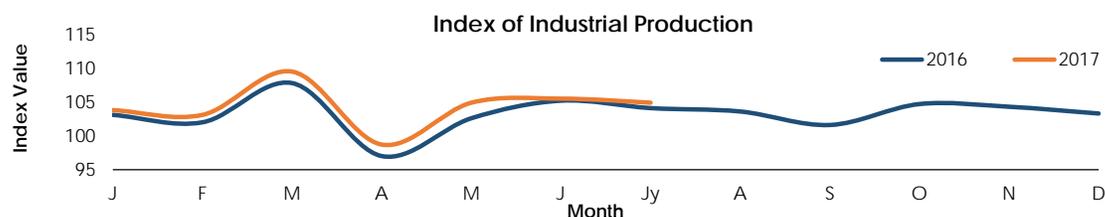
1.10 Index of Industrial Production (IIP) (2015 = 100) (a)

Item	Index of Industrial Production (IIP)		
	2017 July (b)	2016 July (b)	% Change
Index of Industrial Production	104.9	104.1	0.8
Food products	104.2	101.8	2.3
Wearing apparel	109.4	106.1	3.1
Other non-metallic mineral products	109.2	102.5	6.6
Coke and refined petroleum products	83.2	106.7	-22.0
Rubber and plastic products	108.0	105.2	2.6
Chemicals and chemical products	97.4	105.3	-7.5
Beverages	91.8	102.8	-10.7

(a) Major 7 sub divisions.

Source: Department of Census and Statistics

(b) Provisional (c) Revised

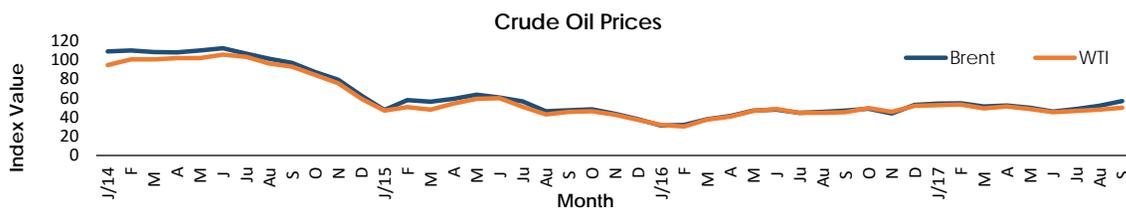


1.11 Average Crude Oil Prices

Month	2016			2017		
	Spot Prices (US \$/bbl)		CPC Import Prices (CIF) (US\$/bbl)(*)	Spot Prices (US \$/bbl)		CPC Import Prices (CIF) (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	48.47
July	44.54	44.65	46.10	48.52	46.63	49.75
August	45.50	44.72	46.71	52.04	48.04	53.07
September	46.80	45.20	46.99	57.00	49.82	-
October	49.01	49.70	52.70	-	-	-
November	44.01	45.66	47.66	-	-	-
December	53.07	51.96	55.69	-	-	-
	2016			2017		
29 September	48.83	47.72	-	57.27	51.67	-
30 September	48.64	48.11	-	-	-	-
01 October	-	-	-	-	-	-
02 October	-	-	-	55.77	50.59	-
03 October	48.76	48.80	-	56.22	50.44	-
04 October	48.80	48.67	-	56.10	50.00	-
05 October	48.97	49.75	-	56.99	50.79	-

Sources: Reuters
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.



Highlights

Weekly AWPR for the week ending 06 October 2017 increased by 08 bps to 11.63% compared to the previous week.

Broad money (M2b) expanded by 21.3 %, on a year-on-year basis, in August 2017.

Net Credit to the Government from the banking system showed a decline of Rs. 16.9 bn in August 2017.

Credit to public corporations recorded a decrease of Rs. 10.5 bn in August 2017.

Credit extended to the private sector increased by Rs. 53.2 bn in August 2017.

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

The total outstanding market liquidity decreased to a surplus of Rs. 15.44 bn by end of the week, compared to Rs. 20.96 bn by the end of last week.

By 06 October 2017, the All Share Price Index (ASPI) increased by 1.41% to 6,529 points and the S&P SL20 Index increased by 2.97% to 3,797 points, compared to the previous week.

Monetary Sector

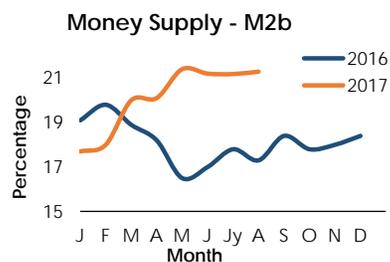
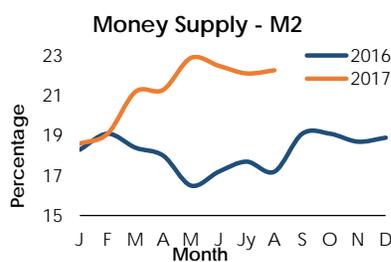
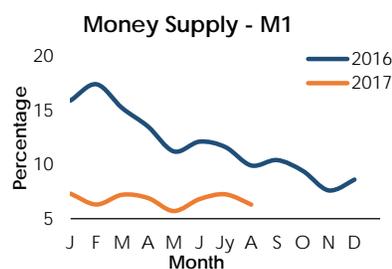
2.1 Interest Rates

Item	Week Ending 06 Oct 2017	Week Ago	Year Ago		
Policy Interest Rates					
Standing Deposit Facility Rate	7.25	7.25	7.00		
Standing Lending Facility Rate	8.75	8.75	8.50		
Average Weighted Call Money Rate (AWCMR) (Weekly Average)	8.12	8.10	8.42		
Sri Lanka Inter Bank Offered Rate (SLIBOR)					
1-day	8.14	8.11	8.44		
7-day	8.44	8.50	9.72		
1-Month	9.23	9.31	10.66		
3-Month	10.13	10.20	11.06		
6-Month	11.56	11.51	11.47		
12-Month	12.03	11.99	11.97		
Treasury Bill Yields (Excluding 10% withholding tax)					
91-day	-	8.71	8.55		
182-day	9.08	9.01	9.39		
364-day	9.32	9.10	10.11		
Licensed Commercial Banks					
Average Weighted Prime Lending Rate (AWPR)	11.63	11.55	12.12		
	Aug-17	Month Ago	Year Ago		
Savings Deposits	0.50-09.50	0.50-09.50	0.50-9.00		
One Year Fixed Deposits	4.89-15.00	4.89-15.00	4.50-15.00		
	Sep-17	Month Ago	Year Ago		
Average Weighted Deposit Rate (AWDR)	9.25	9.21	7.56		
Average Weighted Fixed Deposit Rate (AWFDR)	11.81	11.78	9.67		
	Aug-17	Month Ago	Year Ago		
Average Weighted Lending Rate (AWLR)	13.90	13.83	12.54		
National Savings Bank (NSB)					
	Aug-17	Month Ago	Year Ago		
Savings Deposits	4.00	4.00	4.25		
One Year Fixed Deposits	11.00	11.00	10.00		
Treasury Bond Auction					
	05 Years & 00 Months		09 Years & 08 Months		
	28/9/2017		28/9/2017		
Coupon rate	10.00		11.75		
Weighted Average Yield (Excluding 10% withholding tax)	10.09		10.31		
Bankwise- AWPR	Week ending 06 Oct 2017	Week Ago	Bankwise- AWPR	Week ending 06 Oct 2017	Week Ago
Bank of Ceylon	12.37	12.25	HSBC	9.16	9.10
People's Bank	12.45	12.23	Standard Chartered Bank	10.85	11.35
Hatton National Bank	11.99	12.19	Citi Bank	10.56	9.90
Commercial Bank of Ceylon	12.43	12.18	Deutsche Bank	9.92	10.79
Sampath Bank	12.39	12.49	Habib Bank	11.42	11.67
Seylan Bank	12.57	12.50	Indian Bank	12.92	13.17
Union Bank of Colombo	14.42	14.36	Indian Overseas Bank	13.42	13.67
Pan Asia Banking Corporation	15.62	13.79	MCB Bank	14.31	13.05
Nations Trust Bank	12.35	12.55	State Bank of India	12.53	12.69
DFCC Bank	13.49	13.25	Public Bank	13.00	13.00
NDB Bank	12.77	12.77	ICICI Bank	9.62	9.62
Amana Bank	12.75	12.77	Axis Bank	12.30	11.34
Cargills Bank	13.16	14.24			

2.2 Money Supply

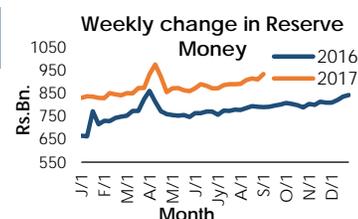
Item	Rs. bn			Annual Change (%)		
	2017 Aug (a)	Month Ago	Year Ago	2017 Aug (a)	Month Ago	Year Ago
Reserve Money	911.39	894.63	785.69	16.00	15.51	23.30
M1	759.14	768.43	714.18	6.29	7.24	9.88
M2	5,423.04	5,367.00	4,434.84	22.28	22.12	17.20
M2b	6,050.58	5,986.62	4,988.56	21.29	21.18	17.31
Net Foreign Assets of the Banking System (b)	-50.10	-125.08	-281.52	82.20	71.42	-0.96
Monetary Authorities	745.77	674.10	499.01	49.45	61.72	10.67
Commercial Banks	-795.86	-799.18	-780.53	-1.96	6.47	-6.96
Domestic Banking Units (DBUs)	-312.95	-288.79	-268.90	-16.38	-0.64	-12.25
Offshore Banking Units (OBUs)	-482.91	-510.39	-511.63	5.61	10.06	-4.38
Net Domestic Assets of the Banking System (b)	6,100.68	6,111.70	5,270.08	15.76	13.64	16.30
Net Credit to the Government	2,237.51	2,254.46	1,937.92	15.46	10.95	11.66
Monetary Authorities	293.54	339.54	396.55	-25.97	-25.55	62.15
Commercial Banks	1,943.97	1,914.91	1,541.37	26.12	21.51	3.37
DBUs	1,578.09	1,548.48	1,208.39	30.59	30.65	2.10
OBUs	365.88	366.43	332.98	9.88	-6.23	8.29
Credit to Public Corporations	502.94	513.43	441.50	13.92	8.76	-8.50
DBUs	304.77	306.66	266.63	14.30	15.09	19.99
OBUs	198.17	206.77	174.87	13.33	0.56	-32.82
Credit to the Private Sector	4,609.05	4,555.81	3,905.88	18.00	18.00	27.28
DBUs	4,281.67	4,230.05	3,616.59	18.39	18.29	27.63
OBUs	327.38	325.75	289.29	13.17	14.37	23.03
Other Items (Net)	-1,248.83	-1,211.99	-1,015.22	-23.01	-22.79	-34.37

(a) Provisional (b) In relation to M2b



2.3 Weekly change in Reserve Money

Item	04 Oct 2017	Week Ago	Change
Reserve Money (Rs.Mn.)	911,742.50	910,775.52	966.97



2.4 Money Market Activity(Overnight)

Item	02.10.2017	03.10.2017	04.10.2017	06.10.2017
Call Money Market				
Weighted Average Rate (% p.a.)	8.10	8.11	8.13	8.14
Gross Volume (Rs. Mn)	14,875	21,085	16,375	17,665
Repo Market				
Weighted Average Rate (% p.a.)	8.00	7.96	7.95	7.99
Gross Volume (Rs. Mn)	23,432	19,631	18,511	14,923

2.5 CBSL Securites Portfolio

Item	02.10.2017	03.10.2017	04.10.2017	06.10.2017
CBSL Treasury Bill Holdings -Face Value (Rs. Mn)	57,109.72	57,109.72	57,109.72	57,362.05
CBSL Treasury Bill Holdings -Book Value (Rs. Mn)	56,336.96	56,338.32	56,351.20	56,375.36

2.6 Open Market Operations

Item	02.10.2017	03.10.2017	04.10.2017	06.10.2017
Short-Term Auction				
Repo Amount Offered (Rs. bn)	22.00	22.00	17.00	15.00
Reverse Repo Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00
Tenure (No. of Days)	1	1	1	1
Bids Received (Rs. bn)	13.96	11.03	6.30	5.33
Amount Accepted (Rs. bn)	13.96	11.03	6.30	5.33
Minimum Accepted Rate (% p.a)	7.25	7.25	7.25	7.25
Maximum Accepted Rate (% p.a)	7.27	7.28	7.26	7.26
Weighted Average Yield Rate (% p.a.)	7.26	7.26	7.26	7.26
Outright Auctions				
Outright Sales Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00
Outright Purchase Amount Offered (Rs. bn)	0.00	0.00	0.00	0.00
Settlement Date	-	-	-	-
Maturity Date	-	-	-	-
Tenure (No. of Days)	0	0	0	0
Bids Received (Rs. bn)	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00
Minimum Accepted Rate (% p.a)	0.00	0.00	0.00	0.00
Maximum Accepted Rate (% p.a)	0.00	0.00	0.00	0.00
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	0.00
Long 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
Settlement Date	-	-	-	-
Maturity Date	-	-	-	-
Tenure (No. of Days)	0	0	0	0
Bids Received (Rs. bn)	0.00	0.00	0.00	0.00
Amount Accepted (Rs. bn)	0.00	0.00	0.00	0.00
Minimum Accepted Rate (% p.a)	0.00	0.00	0.00	0.00
Maximum Accepted Rate (% p.a)	0.00	0.00	0.00	0.00
Weighted Average Yield Rate (% p.a.)	0.00	0.00	0.00	0.00
Standing Facility				
Standing Deposit Facility (Rs. bn)	9.634	11.739	7.864	10.629
Standing Lending Facility (Rs. bn)	0.931	0.000	0.103	0.516
Total Outstanding Market Liquidity (Rs. bn)	22.658	19.765	14.061	15.443

2.7 Credit Cards (a)

Item	2017 End Aug (b)	2017 End Jul	2016 End Dec
Total Number of Active Cards	1,404,264	1,390,819	1,309,248
Local (accepted only locally)	27,950	28,192	29,109
Global (accepted globally)	1,376,314	1,362,627	1,280,139
Outstanding balance (Rs.mn)	81,799	80,415	74,892
Local (accepted only locally)	749	755	839
Global (accepted globally)	81,050	79,660	74,053

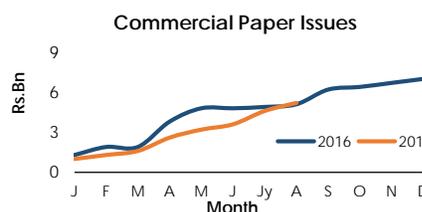
(a) Issued by Licensed Commercial Banks (LCBs) (b) Provisional

2.7 Commerical Paper Issues (a)

Item (Rs. bn.)	2017 End Aug(b)	2017 End Jul	2016 End Dec
Total Issues - Cumulative (c)	5.2	4.6	7.0
Outstanding (as at end of the period)	2.5	2.3	2.2

(a) Based on the information provided by LCBs and Licensed Specialised Banks (LSBs)

(b) Provisional (c) During the year



2.8 Share Market

Item	Week Ending 06 Oct 2017	Week Ago	Year Ago
All Share Price Index (1985 = 100) (ASPI)	6,529.05	6,438.24	6,566.96
S&P Sri Lanka 20 Index (2004 = 1,000) (S&P SL20)	3,797.43	3,687.97	3,646.13
Average Daily Turnover (Rs. mn)	1,315.19	730.00	845.90
Market Capitalisation (Rs.bn)	2,961.04	2,919.70	2,799.41



Government revenue increased in the second quarter of 2017.

Government revenue as a percentage of estimated GDP increased to 6.7 per cent during the first half of 2017 from 6.0 per cent recorded in the corresponding period of 2016. As a result, the average monthly revenue (AMR) increased to Rs. 146.0 billion during the period under review from Rs. 123.6 billion recorded in the corresponding period of 2016.

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

The total expenditure and net lending during the first half of 2017 increased to 9.3 per cent of estimated GDP from 8.7 per cent recorded in the corresponding period of 2016. Accordingly, recurrent expenditure also increased to 7.1 per cent of GDP during the first half of 2017 from 6.8 per cent in the corresponding period of 2016 while capital expenditure and net lending also increased to 2.2 per cent from 1.9 per cent in 2016.

Budget deficit declined in the second quarter of 2017.

The overall budget deficit as a per cent of GDP declined marginally to 2.6 per cent during the first half of 2017 from 2.7 per cent in the corresponding period of 2016.

The primary balance as a per cent of GDP improved to 0.1 per cent during the first half of 2017 from a deficit of 0.3 per cent in the corresponding period of 2016.

Net domestic financing declined while net foreign financing increased in the second quarter of 2017.

Net domestic financing during the first six months of 2017 declined to Rs. 269.5 billion compared to Rs. 367.7 billion in the corresponding period of 2016, whereas net foreign financing increased to Rs. 63.0 billion in comparison to the net repayment of Rs. 39.4 billion recorded in the corresponding period of 2016. Further, net financing from domestic banking sector increased to Rs. 235.5 billion for the period under review of 2017 and Rs. 219.3 billion recorded in the corresponding period of the previous year.

Outstanding central government debt increased.

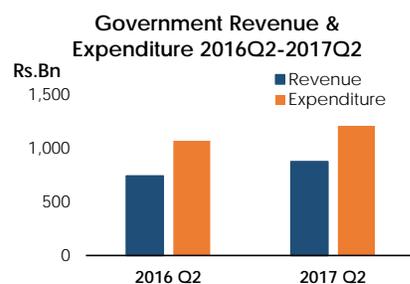
Total outstanding debt increased by Rs. 776.6 billion to Rs. 10,163.9 billion as at end June 2017 from Rs. 9,387.3 billion as at end 2016.

Fiscal Sector

3.1 Government Finance (Rs.bn)

Item	2016 Q2	2017 Q2(a)
Revenue and Grants	742.3	877.6
Revenue	741.8	876.3
Tax	684.9	819.0
Non tax	56.9	57.3
Grants	0.5	1.3
Expenditure & Lending Minus Repayments	1,070.6	1,210.2
Recurrent	835.5	918.2
Capital & Lending Minus Repayments	235.0	292.0

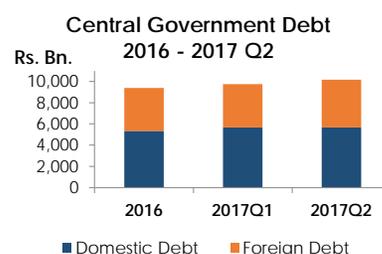
(a) Provisional



3.2 Outstanding Central Government Debt (Rs.bn)

Item	End 2016	2017 Q2(a)
Total domestic debt	5,341.5	5,666.5
of which		
Treasury bills	779.6	768.1
Treasury bonds	3,714.8	3,798.5
Rupee loans	24.1	24.1
Total foreign debt	4,045.8	4,497.4
Total outstanding govt. debt	9,387.3	10,163.9

(a) Provisional



3.3 Government Securities - Primary and Secondary Market Yield Rates for the week ending - 04th October 2017

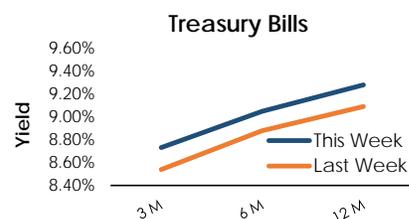
Security	Maturity	Primary Market(a)		Secondary Market			
		This Week	Last Week	This Week			Last Week Average
				Buying	Selling	Average	
Treasury Bills	3 Months	-	8.71%	8.82%	8.64%	8.73%	8.54%
	6 Months	9.08%	9.01%	9.12%	8.98%	9.05%	8.88%
	12 Months	9.32%	9.10%	9.36%	9.20%	9.28%	9.09%
Treasury Bonds(b)	< 2 Years	-	-	9.58%	9.46%	9.52%	9.38%
	< 5 Years	10.09%	-	10.18%	10.07%	10.13%	10.01%
	< 6 Years	-	-	10.20%	10.10%	10.15%	10.03%
	< 8 Years	-	-	10.34%	10.25%	10.30%	10.16%
	< 10 Years	10.31%	-	10.41%	10.31%	10.36%	10.28%
	< 15 Years	-	-	10.58%	10.50%	10.54%	10.50%
	< 20 Years	-	-	10.71%	10.62%	10.66%	10.66%
	< 30 Years	-	-	10.96%	10.80%	10.88%	10.88%

(a) Primary market transactions during the week ending 04/10/2017

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

The secondary market yield rates of T-Bills and T-Bonds have increased 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%	3.83%	3.76%
	27-Jul-21	6.250%	4.01%	3.94%
	18-Jan-22	5.750%	4.22%	4.32%
	25-Jul-22	5.875%	4.33%	4.32%
	14-Jan-19	6.000%	3.26%	3.13%
	11-Apr-19	5.125%	3.45%	3.35%
	3-Jun-25	6.125%	5.15%	5.13%
Sovereign Bonds	3-Nov-25	6.850%	5.27%	5.27%
	18-Jul-26	6.825%	5.36%	5.35%
	11-May-27	6.200%	5.48%	5.47%



3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 04th October 2017)

Item	Volume in Rs Mn	
	This Week	Last Week
Outstanding Stock of Government Securities		
Treasury Bills	782,038.72	783,857.00
Treasury Bonds (a)	4,060,179.19	4,045,179.19
Total	4,842,217.91	4,829,036.19
T-bills and T-bonds held by Foreigners	291,700.73	289,727.17
Sri Lanka Development Bonds (SLDB)	639,377.08	638,594.19

The outstanding stock of T-bills and T-bonds held by foreigners has increased by 0.68 per cent during the reporting week.

Primary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Amount Offered	20,500.00	23,000.00
Total Bids Received	32,497.00	43,887.00
Total Bids Accepted	13,453.00	16,647.00
Treasury Bonds		
Amount Offered	15,000.00	-
Total Bids Received	44,605.00	-
Total Bids Accepted	15,000.00	-

The weekly T-bill and T bond auctions were over subscribed by 1.6 times and 3.0 times respectively during the reporting week.

Secondary Market Activities	Volume in Rs Mn	
	This Week	Last Week
Treasury Bills		
Outright Transaction (Sales / Purchases)	20,740.87	41,255.06
Repo Transaction (Sales / Purchases)	336,465.06	303,629.58
Treasury Bonds		
Outright Transaction (Sales / Purchases)	59,744.82	78,560.41
Repo Transaction (Sales / Purchases)	519,719.36	602,625.00

The total secondary market transactions of T bills and T bonds decreased by 8.71 percent in the reporting week compared to the previous week.

(a) Excludes Treasury bonds amounting to Rs. 69,787 million issued to settle dues of CPC and to capitalize Sri Lankan Airlines.

3.5 Two way Quotes (Treasury Bills) - 06/10/2017

Remaining Maturity	Average Buying Price	Yield %	Average Selling Price	Yield %	Buying & Selling Spread
1-7 Days	99.84	8.49	99.84	8.31	0.00
1 Month	99.29	8.59	99.31	8.41	0.01
2 Month	98.57	8.70	98.59	8.56	0.02
3 Month	97.83	8.82	97.87	8.64	0.04
4 Month	97.07	8.90	97.13	8.74	0.05
5 Month	96.30	9.01	96.38	8.82	0.08
6 Month	95.49	9.15	95.55	9.02	0.07
7 Month	94.71	9.20	94.80	9.04	0.09
8 Month	93.94	9.22	94.04	9.07	0.10
9 Month	93.17	9.23	93.29	9.07	0.12
10 Month	92.37	9.28	92.51	9.12	0.14
11 Month	91.58	9.31	91.73	9.15	0.15
12 Month	90.72	9.40	90.89	9.23	0.17

3.6 Two way Qoutes (Treasury Bonds) - 06/10/2017

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	118	99.72	9.25	99.74	9.19	0.02
08.50%2018C	5	1-Apr-18	177	99.66	9.22	99.70	9.13	0.04
08.50%2018D	5	1-Jun-18	238	99.48	9.31	99.52	9.24	0.05
08.50%2018B	15	15-Jul-18	282	99.37	9.32	99.42	9.26	0.05
07.50%2018A	15	15-Aug-18	313	98.51	9.32	98.60	9.21	0.09
08.75%2018A	4	15-Oct-18	374	99.38	9.40	99.48	9.29	0.10
08.00%2018A	6	15-Nov-18	405	98.50	9.44	98.62	9.33	0.11
05.65%2019A	8	15-Jan-19	466	95.47	9.49	95.63	9.35	0.16
10.75%2019A	2	15-Jan-19	466	101.39	9.54	101.54	9.41	0.16
08.50%2019A	10	1-May-19	572	98.52	9.53	98.67	9.42	0.15
10.60%2019A	5	1-Jul-19	633	101.58	9.57	101.82	9.42	0.23
10.60%2019B	5	15-Sep-19	709	101.66	9.64	101.91	9.49	0.26
08.00%2019A	8	1-Nov-19	756	96.82	9.73	97.03	9.61	0.22
09.25%2020A	5	1-May-20	938	98.44	9.95	98.71	9.82	0.28
08.00%2020A	8	1-Jun-20	969	95.71	9.87	95.99	9.74	0.28
06.20%2020A	10	1-Aug-20	1,030	91.06	9.90	91.31	9.79	0.25
09.50%2020A	5	15-Dec-20	1,166	98.67	9.99	98.98	9.87	0.31
10.75%2021A	5	1-Mar-21	1,242	101.80	10.11	102.10	10.00	0.30
09.00%2021A	8	1-May-21	1,303	96.69	10.12	96.93	10.04	0.24
11.00%2021A	7	1-Aug-21	1,395	102.55	10.17	102.85	10.07	0.31
09.45%2021A	7	15-Oct-21	1,470	97.95	10.08	98.13	10.02	0.18
11.50%2021A	5	15-Dec-21	1,531	104.31	10.20	104.69	10.09	0.38
08.00%2022A	10	1-Jan-22	1,548	92.76	10.14	93.00	10.06	0.24
11.20%2022A	9	1-Jul-22	1,729	103.71	10.18	104.15	10.07	0.44
10.00%2022A	8	1-Oct-22	1,821	98.98	10.26	99.45	10.14	0.46
11.50%2023A	6	15-May-23	2,047	105.31	10.23	105.77	10.12	0.46
09.00%2023A	10	1-Sep-23	2,156	94.88	10.17	95.22	10.09	0.34
11.20%2023A	9	1-Sep-23	2,156	103.94	10.29	104.57	10.15	0.63
07.00%2023A	20	1-Oct-23	2,186	85.95	10.19	86.27	10.11	0.32
11.40%2024A	10	1-Jan-24	2,278	104.94	10.30	105.59	10.16	0.66
11.00%2024A	8	1-Aug-24	2,491	103.09	10.35	103.85	10.20	0.76
06.00%2024A	10	1-Dec-24	2,613	78.78	10.26	79.06	10.19	0.29
10.25%2025A	10	15-Mar-25	2,717	98.97	10.45	99.46	10.35	0.49
09.00%2025A	12	1-May-25	2,764	92.95	10.36	93.22	10.31	0.26
11.00%2025A	10	1-Aug-25	2,856	102.32	10.55	102.84	10.45	0.51
09.00%2026A	13	1-Feb-26	3,040	92.62	10.34	92.91	10.28	0.30
05.35%2026A	15	1-Mar-26	3,068	72.42	10.34	72.66	10.29	0.24
11.00%2026A	11	1-Jun-26	3,160	103.44	10.38	103.97	10.29	0.53
11.50%2026A	10	1-Aug-26	3,221	105.88	10.46	106.54	10.35	0.66
11.75%2027A	10	15-Jun-27	3,539	107.42	10.51	108.11	10.40	0.70
09.00%2028B	15	1-May-28	3,860	90.41	10.52	90.84	10.45	0.43
09.00%2028A	15	1-Jul-28	3,921	90.11	10.56	90.68	10.46	0.58
11.50%2028A	13	1-Sep-28	3,983	105.62	10.61	106.36	10.50	0.74
13.00%2029A	15	1-Jan-29	4,105	115.46	10.61	115.87	10.55	0.41
13.00%2029B	15	1-May-29	4,225	115.65	10.62	116.09	10.56	0.44
11.00%2030A	15	15-May-30	4,604	101.72	10.74	102.61	10.62	0.89
08.00%2032A	20	1-Jan-32	5,200	81.02	10.61	81.24	10.58	0.22
09.00%2032A	20	1-Oct-32	5,474	87.94	10.63	88.18	10.59	0.24
09.00%2033A	20	1-Jun-33	5,717	87.43	10.67	87.88	10.60	0.44
13.25%2033A	20	1-Jul-33	5,747	119.17	10.70	119.69	10.64	0.52
09.00%2033B	20	1-Nov-33	5,870	86.87	10.73	87.28	10.67	0.41
13.25%2034A	20	1-Jan-34	5,931	118.83	10.77	119.40	10.70	0.57
11.50%2035A	20	15-Mar-35	6,369	104.52	10.91	106.19	10.71	1.66
12.00%2041A	25	1-Jan-41	8,488	109.79	10.84	110.11	10.80	0.32
09.00%2043A	30	1-Jun-43	9,369	83.58	10.92	84.50	10.79	0.93
13.50%2044A	30	1-Jan-44	9,583	121.67	10.97	122.70	10.87	1.03
13.50%2044B	30	1-Jun-44	9,735	120.77	11.06	122.30	10.91	1.53
12.50%2045A	30	1-Mar-45	10,008	110.58	11.25	114.15	10.87	3.57

Highlights

During the year up to 06 October 2017 the Sri Lanka rupee depreciated against the US dollar (2.3 per cent). Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the pound sterling (8.4 per cent), euro (12.1 per cent), Japanese yen (5.3 per cent) and Indian rupee (6.3 per cent) during this period.

Earnings from exports grew by 6.5 per cent (year-on-year) to US dollars 6,413 million during the first seven months of 2017 due to increased earnings received from exports of tea, transport equipment, petroleum products, spices and seafood. Import expenditure increased by 9.2 per cent (year-on-year) to US dollars 11,742 million during the first seven months of 2017 largely due to higher imports of fuel, gold and rice. The trade deficit during the first seven months of 2017 widened to US dollars 5,329 million from US dollars 4,732 million in the corresponding period of 2016.

The export unit value index increased by 4.6 per cent (year-on-year) in July 2017 mainly driven by price increases in agricultural exports. The import unit value index in July 2017 decreased marginally by 0.4 per cent (year-on-year) reflecting price decreases in consumer goods and investment goods. The terms of trade improved by 5.0 per cent (year-on-year) to 105.5 index points in July 2017 due to increase in export prices and decrease in import prices.

The average price of tea (in the Colombo auction) increased to US dollars 3.86 per kg in July 2017 from US dollars 3.11 per kg in July 2016.

The import prices of wheat and crude oil increased in July 2017 (year-on-year), while import prices of rice and sugar declined.

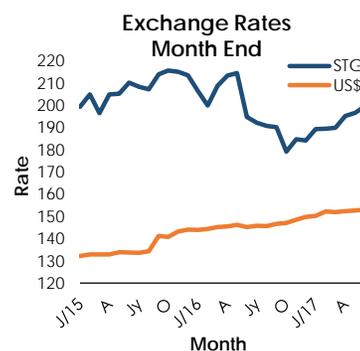
India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 51.7 per cent of total tourist arrivals upto the month of August 2017.

The gross official reserves were estimated at US dollars 7,288.12 million as at 30th September 2017.

External Sector

4.1 Exchange Rates

Item (Rs Per Unit)(a)	Week Ending - 06 Oct 2017			Average Rate	
	Buying Rate	Selling Rate	Average Rate	Week Ago	Year Ago
US\$	151.29	155.09	153.19	153.01	146.43
STG	197.47	204.14	200.81	205.42	186.56
Yen	1.33	1.38	1.36	1.36	1.42
Euro	176.10	182.71	179.41	180.29	164.12
INR(1)			2.35	2.34	2.20
SDR (As at 04 Oct 2017)			216.20	216.14	204.35
Central Bank purchases and sales(b) (US\$ Mn.)			Aug 2017	Month Ago	Year Ago
Purchases			200.00	344.75	190.77
Sales			-	-	57.58



Item	Week Ending	Week Ago	Year Ago
	06 Oct 2017		

Average Daily Interbank Volume (US\$ Mn.) 31.56 32.04 42.69

(spot, tom and cash transactions among commercial banks)

Forward Transactions

Forward Rates (US\$) (2)

1 Month	154.01	153.77	147.49
3 Months	155.80	155.17	149.35

Average Daily Interbank Forward Volume (US\$ mn) 12.48 23.68 22.79

Outstanding Forward Volume (US\$ mn) (As at 04 Oct 2017) 1,534.92 1,577.77 1,241.95

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

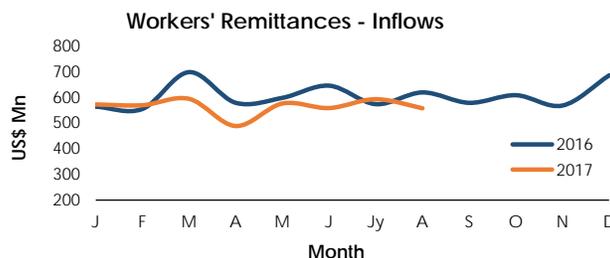
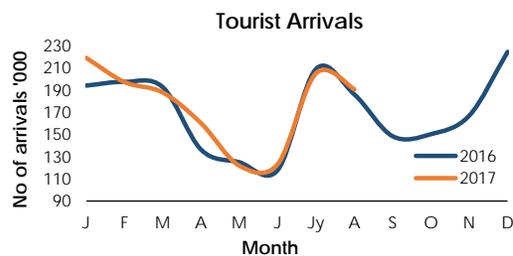
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

4.2 Tourism & Workers' Remittances

Item		2016	2017	2016	2017	% Change
		Aug (a)(b)	Aug (c)(d)	Jan-Aug (a)(b)	Jan-Aug (c)(d)	
Tourist Arrivals	Number	186,288	190,928	1,359,906	1,406,854	3.5
Earnings from Tourism(d)	US\$ Mn.	319.60	327.56	2,333.11	2,413.65	3.45
	Rs.bn.	46.53	50.18	337.52	366.73	8.66
Workers' Remittances (Inflows)	US\$ Mn.	618.29	556.59	4,804.14	4,503.33	-6.26
	Rs. bn.	90.02	85.27	695.25	684.59	-1.53

(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 September 2017 (a)

Official Reserve Assets (USD Mn)	7,288.12
(1) Foreign Currency Reserves	6,295.15
(2) Reserve position in the IMF	67.63
(3) SDRs	2.30
(4) Gold	922.02
(5) Other Reserve Assets	1.02

(a) Provisional

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

Official Reserve Assets (USD mn)	
Official Reserve Assets	7,693.55
(1) Foreign currency reserves	6,688.00
(a) Securities	3,179.91
(b) Total currency and deposits with	3,508.08
(i) other national central banks, BIS	2,059.39
(ii) banks headquartered inside the reporting country of which located abroad	1.18
(iii) banks headquartered outside the reporting country	1,447.51
(2) Reserve position in the IMF	67.64
(3) SDRs	2.30
(4) Gold	934.59
(5) Other reserve assets	1.02

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	-3,789.49	-431.48	-121.3	-3,236.71
Interest	-1,231.19	-110.75	-188.42	-932.03
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)				
(i) Short positions (-)(c)	-1,900.74	-50.00	-910.74	-940.00
(ii) Long positions (+)				
3. Other (specify)				
inflows related to reverse repos (+)	-0.05	-0.05		
other accounts payable (-)	-0.05	-0.05		

(a) Provisional

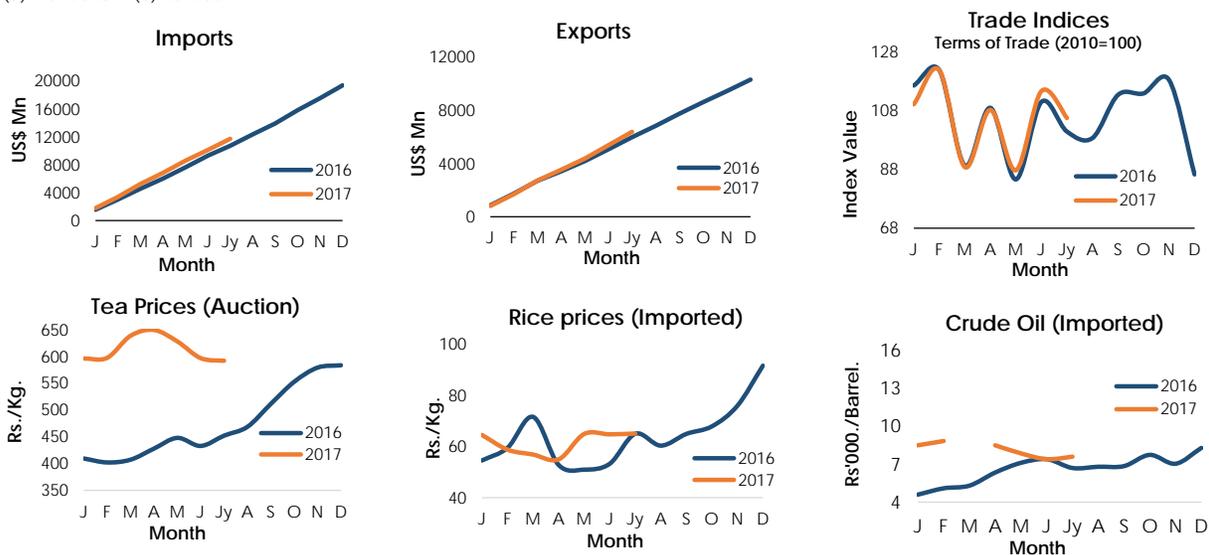
(b) This mainly includes only the predetermined outflows

(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-Jul 2017 (a)	Jan-Jul 2016	% Change	Jan-Jul 2017 (a)	Jan-Jul 2016	% Change
Exports	6,413.42	6021.83 (b)	6.50	974,171.69	870,613.72 (b)	11.89
Agricultural	1,559.69	1,312.60	18.82	236,955.75	189,812.34	24.84
Industrial	4,823.09	4683.30 (b)	2.98	732,558.03	677,052.42 (b)	8.20
Food, Beverages and Tobacco	224.33	196.82 (b)	13.97	34,119.00	28,449.61 (b)	19.93
Textiles and Garments	2,850.22	2,940.23	-3.06	432,837.70	425,049.52	1.83
Petroleum Products	213.53	162.37	31.51	32,435.87	23,475.29	38.17
Leather, Rubber products etc.	557.52	541.38	2.98	84,705.47	78,283.13	8.20
Other	977.49	842.50	16.02	148,459.98	121,794.88	21.89
Mineral	20.75	17.17	20.84	3,155.90	2,483.20	27.09
Other	9.89	8.76	12.99	1,502.01	1,265.76	18.67
Imports	11,742.17	10,753.79	9.19	1,782,529.66	1,554,929.52	14.64
Consumer Goods	2,558.36	2,431.11	5.23	388,383.57	351,437.02	10.51
Intermediate Goods	6,250.87	5,485.08	13.96	948,941.96	793,209.74	19.63
Investment Goods	2,799.02	2,829.85	-1.09	424,920.42	409,160.20	3.85
Other	133.92	7.75	1628.44	20,283.72	1,122.56	1,706.92
Trade Balance	-5,328.76	-4,731.97(b)		-808,357.98	-684,315.80(b)	18.90

(a) Provisional (b) Revised



4.6 Trade Indices (2000=100) (a)

Item	2017 July (b)	Month Ago (b)	Year Ago
Total Exports			
Value	141.39	137.41	124.08(c)
Quantity	143.78	131.62	131.95(c)
Unit Value	98.33	104.40	94.04(c)
Total Imports			
Value	142.40	137.91	128.23
Quantity	152.80	151.56	137.01
Unit Value	93.19	90.99	93.59
Terms of Trade	105.52	114.73	100.48(c)

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

4.7 Commodity Prices

Item	July 2017 (a)	July 2016	% Change	July 2017 (a)	July 2016	% Change
	US\$ / Kg			Rs / Kg		
Colombo Tea Auction	3.86	3.11	23.95	592.46	452.28	30.99
Imports (C I F)	US\$ / MT			Rs / MT		
Rice	423.85	447.38	-5.26	65,131.14	65,052.61	0.12
Sugar	491.96	537.45	-8.46	75,598.08	78,148.80	-3.26
Wheat	254.68	250.06	1.85	39,135.65	36,360.49	7.63
	US\$ / Barrel			Rs / Barrel		
Crude Oil	49.75	46.10	7.91	7,644.98	6,703.93	14.04

(a) Provisional