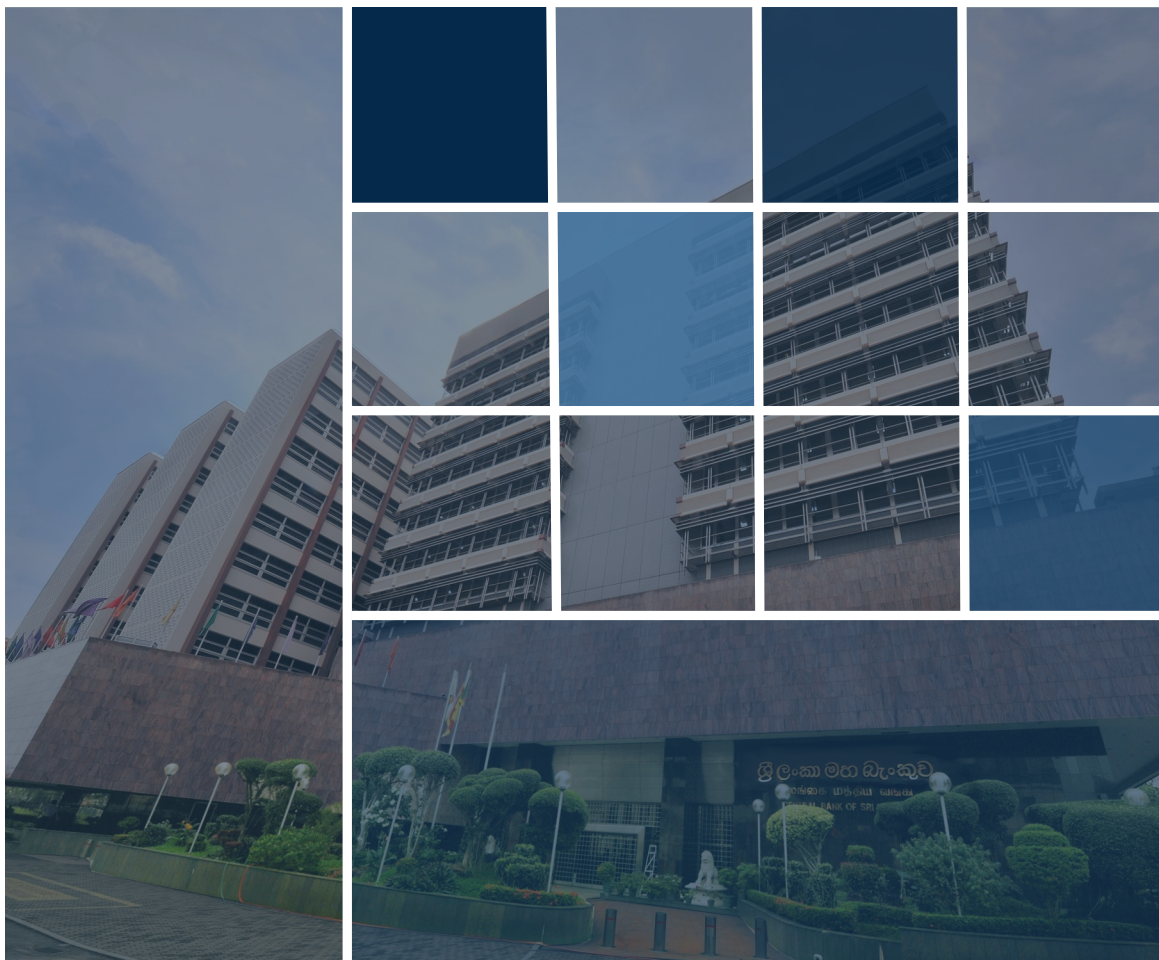


# Weekly Economic Indicators

13<sup>th</sup> October 2017



Statistics Department  
Central Bank of Sri Lanka

## 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 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 increased buoyed by comments from the OPEC that the market is rebalancing after years of oversupply. In line with the pledge to cut supply, Saudi Arabia has cut November crude oil allocations by 560,000 barrels per day (bpd). Restarting of the US refineries after hurricane Nate also supported the price increase. Conversely, by the end of the week crude oil prices fell after the International Energy Agency (IEA) reported the demand for OPEC oil would be 32.5 million bpd for 2018, around 150,000 bpd lower than September production. Overall, both Brent and WTI prices rose by US\$ 0.3 and US\$ 1.3 per barrel, respectively, within the week.

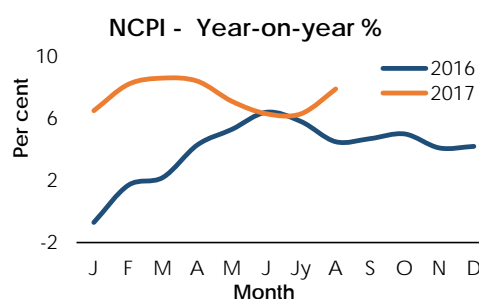
**IIP showed a higher increase on year-on-year basis in August 2017.**

The IIP in August 2017 has increased by 4.8 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' (10.4%); 'Wearing Apparels' (8.1%) and 'Food Products' (5.1%) have contributed to the overall increase in production during the month of August, 2017 compared to that of August, 2016 and 'Beverages' and 'Chemicals and Chemical Products' decreased by 16.4% and 2.5% respectively during this period.

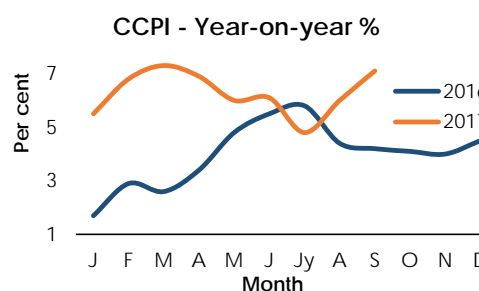
# Real Sector

## 1.1 Prices Indices

| Item<br>(2013=100)                   | Aug<br>2017 | Month<br>Ago | Year<br>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<br>(2013=100)                  | Sep<br>2017 | Month<br>Ago | Year<br>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         |

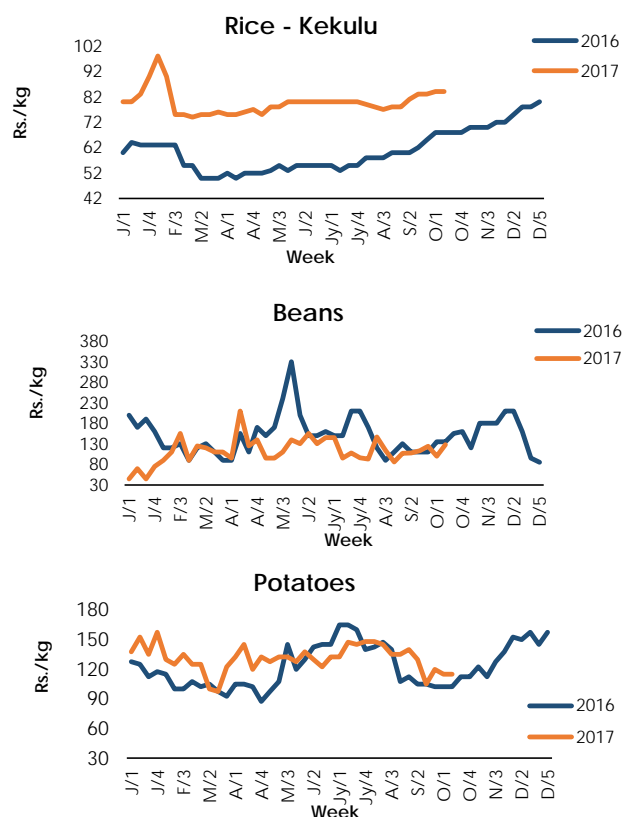


## 1.2 Pettah Market

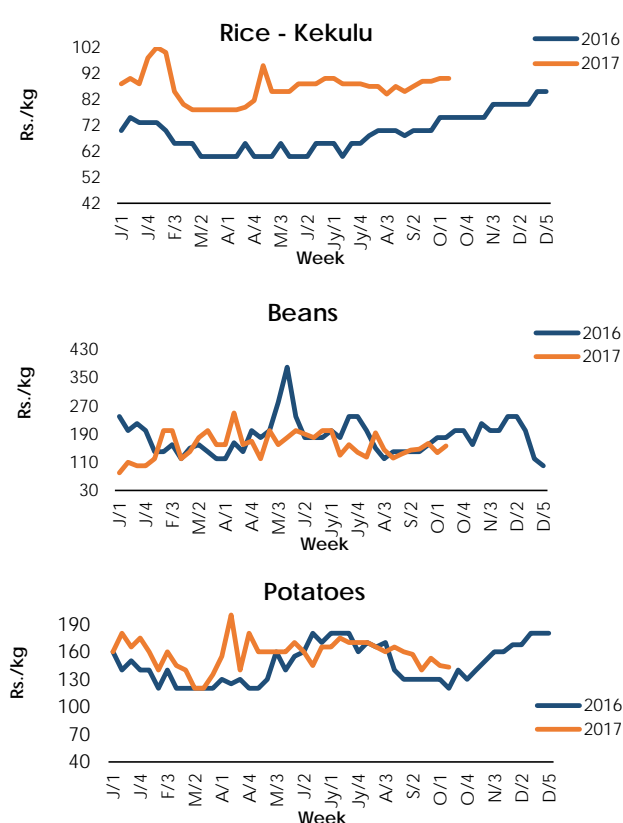
| Food Item                 | Average Wholesale Prices                       |             |              |                              | Average Retail Prices                          |             |              |                              |
|---------------------------|--|-------------|--------------|------------------------------|--|-------------|--------------|------------------------------|
|                           | Week<br>Ending<br>13 <sup>th</sup> Oct<br>2017 | Week<br>Ago | Month<br>Ago | Year<br>Ago<br>Annual<br>Avg | Week<br>Ending<br>13 <sup>th</sup> Oct<br>2017 | Week<br>Ago | Month<br>Ago | Year<br>Ago<br>Annual<br>Avg |
| Rs / Kg                   |  |             |              |                              |  |             |              |                              |
| <b>Rice</b>               |  |             |              |                              |  |             |              |                              |
| Samba                     | 103.00   | 104.00      | 99.25        | 80.97                        | 108.00   | 109.00      | 104.25       | 90.39                        |
| Kekulu (Red)              | 84.00  | 84.00       | 81.25        | 60.29                        | 90.00  | 90.00       | 87.50        | 68.73                        |
| <b>Vegetables</b>         |  |             |              |                              |  |             |              |                              |
| Beans                     | 128.00   | 100.00      | 113.00       | 147.16                       | 156.00   | 137.00      | 146.75       | 179.12                       |
| Cabbage                   | 93.00  | 125.00      | 51.50        | 76.62                        | 138.00   | 170.00      | 85.00        | 115.10                       |
| Carrots                   | 93.00  | 110.00      | 86.25        | 121.42                       | 128.00   | 157.00      | 120.50       | 158.24                       |
| Tomatoes                  | 144.00   | 113.00      | 121.00       | 75.00                        | 183.00   | 150.00      | 158.75       | 107.06                       |
| Pumpkins                  | 47.00  | 40.00       | 36.75        | 60.29                        | 76.00  | 70.00       | 59.50        | 83.33                        |
| Snake Gourd               | 98.00  | 90.00       | 82.75        | 76.18                        | 130.00   | 140.00      | 125.00       | 112.94                       |
| Brinjals                  | 145.00   | 150.00      | 136.00       | 66.57                        | 163.00   | 200.00      | 171.00       | 103.92                       |
| Ash-Plantains             | 87.00  | 80.00       | 84.00        | 67.65                        | 113.00   | 120.00      | 113.75       | 95.69                        |
| <b>Other Foods</b>        |  |             |              |                              |  |             |              |                              |
| Red-Onions (Local)        | 283.00   | 307.00      | 279.25       | 92.66                        | 330.00   | 370.00      | 335.00       | 131.74                       |
| Big-Onions (Local)        | 117.00   | 72.00       | 93.38        | 74.50                        | 140.00   | 100.00      | 121.25       | 96.47                        |
| Potatoes (N'Elia)         | 115.00   | 115.00      | 123.75       | 122.58                       | 143.00   | 145.00      | 152.50       | 146.23                       |
| Dried Chillies (Imported) | 205.00   | 210.00      | 192.00       | 293.68                       | 250.00   | 245.00      | 227.50       | 350.78                       |
| Dhal (Indian)             | 132.00   | 132.00      | 133.50       | 160.16                       | 148.00   | 150.00      | 149.50       | 171.41                       |
| Eggs                      | 9.00   | 9.00        | 11.56        | 14.30                        | 10.00  | 11.00       | 12.44        | 14.79                        |
| Coconut (Each)            | 71.00  | 70.00       | 66.38        | 34.69                        | 83.00  | 83.00       | 78.25        | 47.60                        |
| <b>Fish*</b>              |  |             |              |                              |  |             |              |                              |
| Kelawalla                 | 550.00   | 550.00      | 605.00       | 508.20                       | 880.00   | 800.00      | 860.00       | 682.00                       |
| Balaya                    | 220.00   | 240.00      | 242.50       | 327.29                       | 320.00   | 340.00      | 342.50       | 424.79                       |
| Salaya                    | 100.00   | 130.00      | 122.50       | 141.43                       | 160.00   | 200.00      | 195.00       | 197.14                       |
| Paraw (Small)             | 600.00   | 550.00      | 590.00       | 540.36                       | 700.00   | 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 12 <sup>th</sup> Oct 2017 |                  |
|--------------------------|---------------------------------------|------------------|
|                          | Wholesale (Average)                   | Retail (Average) |
| <b>Rice</b>              |                                       |                  |
| Samba                    | 99.80                                 | 104.60           |
| Kekulu (Red)             | 86.40                                 | 91.00            |
| <b>Vegetables</b>        |                                       |                  |
| Beans                    | 69.50                                 | 89.50            |
| Carrot                   | 95.00                                 | 115.00           |
| Tomatoes                 | 108.50                                | 129.50           |
| Pumpkins                 | 33.50                                 | 53.00            |
| Snake Gourd              | 69.00                                 | 88.50            |
| Ash-Plantains            | 67.00                                 | 87.00            |
| <b>Other Foods</b>       |                                       |                  |
| Red-Onions (Local)       | 259.00                                | 272.50           |
| Big-Onions (Local)       | 94.50                                 | 107.50           |
| Potatoes (N'Eliya)       | 103.00                                | 115.00           |
| Dried Chillies(Imported) | 193.50                                | 205.50           |
| Coconut (Each)           | 66.10                                 | 75.50            |

### 1.5 Marandagahamula Market

| Average wholesale price of Rice |                                       |          |           |          |
|---------------------------------|---------------------------------------|----------|-----------|----------|
| Item (Rs / Kg)                  | Week Ending 13 <sup>th</sup> Oct 2017 | Week Ago | Month Ago | Year Ago |
| Samba                           | 100.50                                | 99.83    | 96.29     | 77.58    |
| Sudu Kekulu                     | 86.50                                 | 86.50    | 85.11     | 62.91    |
| Raw Red                         | 81.20                                 | 81.50    | 81.26     | 59.59    |
| Nadu                            | 93.30                                 | 92.50    | 91.03     | 66.62    |

### 1.4 Narahenpita Economic Centre

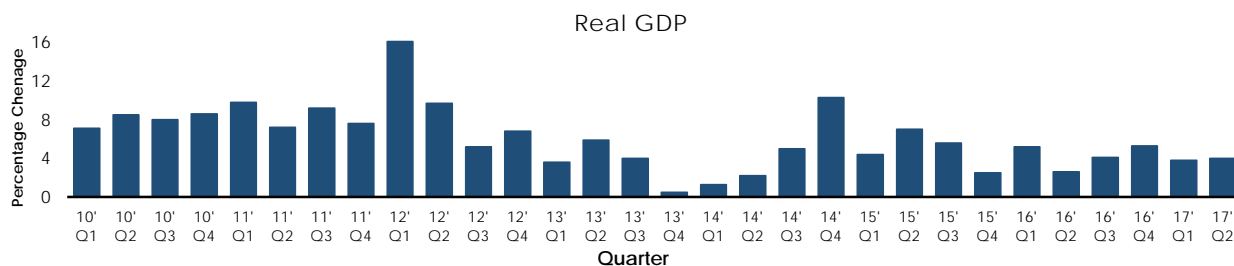
| Item (Rs / Kg)            | Average Retail Prices     |          |
|---------------------------|---------------------------|----------|
|                           | 12 <sup>th</sup> Oct 2017 | Week Ago |
| <b>Rice</b>               |                           |          |
| Samba                     | 105.00                    | 105.00   |
| Kekulu (Red)              | 90.00                     | 90.00    |
| <b>Vegetables</b>         |                           |          |
| Beans                     | 160.00                    | 180.00   |
| Cabbage                   | 180.00                    | 160.00   |
| Carrots                   | 160.00                    | 140.00   |
| Tomatoes                  | 180.00                    | 200.00   |
| Pumpkins                  | 120.00                    | 100.00   |
| Snake Gourd               | 180.00                    | 180.00   |
| Brinjals                  | 200.00                    | 240.00   |
| Ash-Plantains             | 140.00                    | 140.00   |
| <b>Other Foods</b>        |                           |          |
| Red-Onions (Imported)     | n.a.                      | n.a.     |
| Big-Onions (Imported)     | 140.00                    | 110.00   |
| Potatoes (Imported)       | 110.00                    | 100.00   |
| Dried Chillies (Imported) | 250.00                    | 230.00   |
| Dhal (Indian)             | 150.00                    | 145.00   |
| Eggs (Red)(Each)          | 11.00                     | 14.00    |
| Coconut (Each)            | 85.00                     | 80.00    |
| <b>Fish</b>               |                           |          |
| Kelawalla                 | 720.00                    | 780.00   |
| Balaya                    | 340.00                    | 220.00   |
| Salaya                    | 200.00                    | 200.00   |
| Paraw (Small)             | 600.00                    | 660.00   |

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

| Item                             | 2015<br>Annual (a)(b) | 2016<br>Annual (a) | 2016<br>2 <sup>nd</sup> Qtr (a)(b) | 2017<br>2 <sup>nd</sup> 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                             |
| <b>GDP</b>                       | <b>4.8</b>            | <b>4.4</b>         | <b>2.4</b>                         | <b>4.0</b>                      |

(a) Provisional (b) Revised

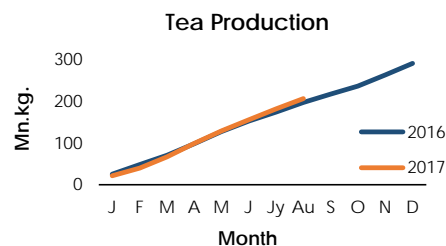
Source: Department of Census and Statistics



## 1.7 Agriculture Production

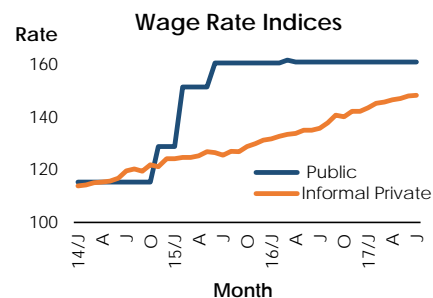
| Item    | Unit    | 2017(a)<br>Jan - Aug | 2016<br>Jan - Aug | %<br>Change |
|---------|---------|----------------------|-------------------|-------------|
| Tea     | (Mn Kg) | 205.78               | 199.02            | 3.40        |
| Rubber  | (Mn Kg) | 58.20                | 58.55             |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

(a) Provisional



## 1.8 Wages rate Indices

| Item   | 2017<br>July | 2016<br>July | %<br>Change |
|--|--------------|--------------|-------------|
| Public Sector Employees (2012 = 100)           | 160.8        | 160.8        | 0.0         |
| Informal Private Sector Employees (2012 = 100) | 148.2        | 135.7        | 9.3         |
| Agriculture                                    | 150.2        | 136.3        | 10.2        |
| Industry                                       | 153.7        | 139.5        | 10.2        |
| Services                                       | 142.1        | 131.7        | 7.9         |



## 1.9 Employment (a)

| Item                            | 2016<br>1 <sup>st</sup> Qtr | 2017 (b)<br>1 <sup>st</sup> Qtr | 2016 (b)<br>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



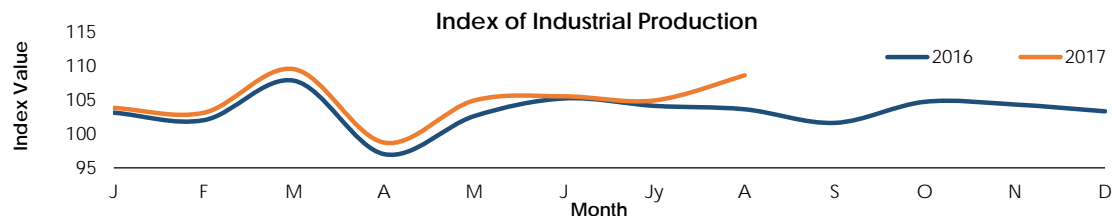
## 1.10 Index of Industrial Production (IIP) ( 2015 = 100 ) (a)

| Item                                  | Index of Industrial Production (IIP) |                 |            |
|---------------------------------------|--------------------------------------|-----------------|------------|
|                                       | 2017 August (b)                      | 2016 August (b) | % Change   |
| <b>Index of Industrial Production</b> | <b>108.6</b>                         | <b>103.6</b>    | <b>4.8</b> |
| Food products                         | 108.6                                | 103.3           | 5.1        |
| Wearing apparel                       | 109.8                                | 101.6           | 8.1        |
| Other non-metallic mineral products   | 108.6                                | 108.5           | 0.1        |
| Coke and refined petroleum products   | 106.1                                | 96.1            | 10.4       |
| Rubber and plastic products           | 106.9                                | 106.7           | 0.0        |
| Chemicals and chemical products       | 100.8                                | 103.4           | -2.5       |
| Beverages                             | 87.4                                 | 104.6           | -16.4      |

(a) Major 7 sub divisions.

Source: Department of Census and Statistics

(b) Provisional (c) Revised

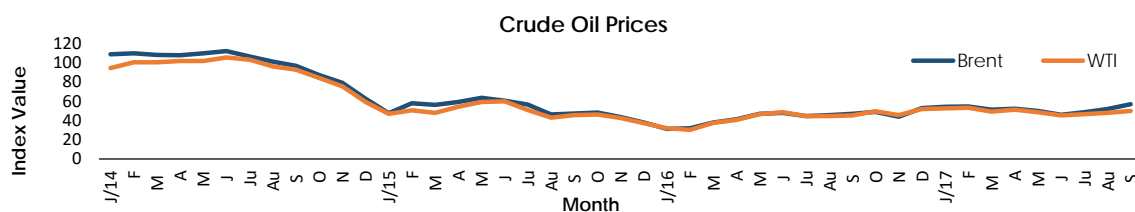


## 1.11 Average Crude Oil Prices

| 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                    |                       |                                       |
| 06 October | 49.54                   | 50.44                 |                                       | 55.40                   | 49.34                 |                                       |
| 07 October | 49.89                   | 49.76                 |                                       | -                       | -                     |                                       |
| 08 October | -                       | -                     |                                       | -                       | -                     |                                       |
| 09 October | -                       | -                     |                                       | 55.39                   | 49.58                 |                                       |
| 10 October | 51.04                   | 49.76                 |                                       | 56.42                   | 50.93                 |                                       |
| 11 October | 49.73                   | 50.72                 |                                       | 55.85                   | 51.30                 |                                       |
| 12 October | 48.78                   | 50.14                 |                                       | 55.68                   | 50.61                 |                                       |

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 13 October 2017 declined by 40 bps to 11.23% compared to the previous week.

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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.

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The reserve money decreased compared to the previous week mainly due to decrease in Commercial banks deposit with the Central Bank.

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The total outstanding market liquidity increased to a surplus of Rs.16.12 bn by end of the week, compared to Rs. 15.44 bn by the end of last week.

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By 13 October 2017, the All Share Price Index (ASPI) increased by 1.58% to 6,632 points and the S&P SL20 Index increased by 3.11% to 3,915 points, compared to the previous week.

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# Monetary Sector

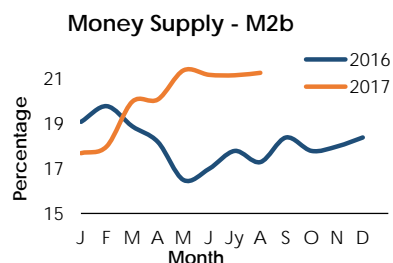
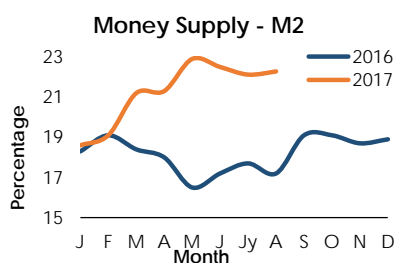
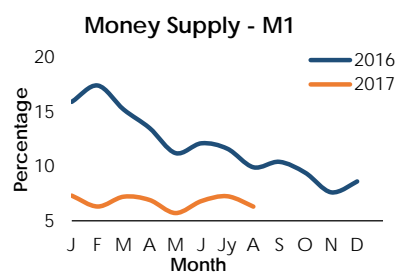
## 2.1 Interest Rates

| Item   | Week Ending<br>13 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)<br>(Weekly Average) | 8.14                       | 8.12                 | 8.42                    |                            |          |
| Sri Lanka Inter Bank Offered Rate (SLIBOR)                   |                            |                      |                         |                            |          |
| 1-day  | 8.15                       | 8.14                 | 8.45                    |                            |          |
| 7-day  | 8.42                       | 8.44                 | 9.63                    |                            |          |
| 1-Month  | 9.19                       | 9.23                 | 10.62                   |                            |          |
| 3-Month  | 10.10                      | 10.13                | 11.06                   |                            |          |
| 6-Month  | 11.63                      | 11.56                | 11.47                   |                            |          |
| 12-Month   | 12.08                      | 12.03                | 12.02                   |                            |          |
| Treasury Bill Yields (Excluding 10% withholding tax)         |                            |                      |                         |                            |          |
| 91-day   | 8.78                       | -                    | -                       |                            |          |
| 182-day  | 9.10                       | 9.08                 | -                       |                            |          |
| 364-day  | 9.41                       | 9.32                 | -                       |                            |          |
| Licensed Commercial Banks                                    |                            |                      |                         |                            |          |
| Average Weighted Prime Lending Rate (AWPR)                   | 11.23                      | 11.63                | 12.43                   |                            |          |
|  | 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<br>(Excluding 10% withholding tax)    |                            | 10.09                |                         | 10.31                      |          |
| Bankwise- AWPR   | Week ending<br>13 Oct 2017 | Week Ago             | Bankwise- AWPR          | Week ending<br>13 Oct 2017 | Week Ago |
| Bank of Ceylon   | 12.36                      | 12.37                | HSBC                    | 9.17                       | 9.16     |
| People's Bank  | 13.25                      | 12.45                | Standard Chartered Bank | 11.49                      | 10.85    |
| Hatton National Bank   | 12.38                      | 11.99                | Citi Bank               | 9.41                       | 10.56    |
| Commercial Bank of Ceylon                                    | 11.83                      | 12.43                | Deutsche Bank           | 9.79                       | 9.92     |
| Sampath Bank   | 13.42                      | 12.39                | Habib Bank              | 11.42                      | 11.42    |
| Seylan Bank  | 12.41                      | 12.57                | Indian Bank             | 12.92                      | 12.92    |
| Union Bank of Colombo  | 14.09                      | 14.42                | Indian Overseas Bank    | 13.42                      | 13.42    |
| Pan Asia Banking Corporation                                 | 14.90                      | 15.62                | MCB Bank                | 11.90                      | 14.31    |
| Nations Trust Bank   | 12.46                      | 12.35                | State Bank of India     | 12.53                      | 12.53    |
| DFCC Bank  | 13.29                      | 13.49                | Public Bank             | 13.00                      | 13.00    |
| NDB Bank   | 15.50                      | 12.77                | ICICI Bank              | 9.62                       | 9.62     |
| Amana Bank   | 12.68                      | 12.75                | Axis Bank               | 10.99                      | 12.30    |
| Cargills Bank  | 14.17                      | 13.16                |                         |                            |          |

## 2.2 Money Supply

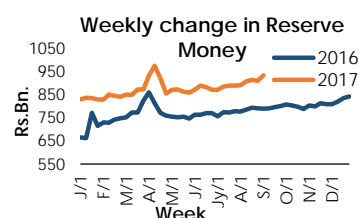
| Item  | Rs. bn          |           |           | Annual Change (%) |           |          |
|---|-----------------|-----------|-----------|-------------------|-----------|----------|
|   | 2017<br>Aug (a) | Month Ago | Year Ago  | 2017<br>Aug (a)   | Month Ago | Year Ago |
| Reserve Money                                 | 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                   | 12 Oct 2017 | Week Ago   | Change  |
|------------------------|-------------|------------|---------|
| Reserve Money (Rs.Mn.) | 911,317.29  | 911,742.50 | -425.21 |



## 2.4 Money Market Activity( Overnight)

| Item                           | 09.10.2017 | 10.10.2017 | 11.10.2017 | 12.10.2017 | 13.10.2017 |
|--------------------------------|------------|------------|------------|------------|------------|
| <b>Call Money Market</b>       |            |            |            |            |            |
| Weighted Average Rate (% p.a.) | 8.14       | 8.15       | 8.14       | 8.13       | 8.15       |
| Gross Volume (Rs. Mn)          | 16,395     | 15,900     | 18,115     | 20,885     | 20,695     |
| <b>Repo Market</b>             |            |            |            |            |            |
| Weighted Average Rate (% p.a.) | 7.96       | 7.92       | 7.92       | 7.92       | 7.93       |
| Gross Volume (Rs. Mn)          | 11,290     | 16,611     | 13,649     | 11,161     | 9,752      |

## 2.5 CBSL Securites Portfolio

| Item   | 09.10.2017 | 10.10.2017 | 11.10.2017 | 12.10.2017 | 13.10.2017 |
|--|------------|------------|------------|------------|------------|
| CBSL Treasury Bill Holdings -Face Value (Rs. Mn) | 57,362.05  | 57,362.05  | 57,362.05  | 57,362.05  | 57,499.51  |
| CBSL Treasury Bill Holdings -Book Value (Rs. Mn) | 56,427.57  | 56,432.55  | 56,448.25  | 56,461.95  | 55,299.84  |

## 2.6 Open Market Operations

| Item   | 09.10.2017    | 10.10.2017    | 11.10.2017    | 12.10.2017    | 13.10.2017    |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Short-Term Auction</b>                          |               |               |               |               |               |
| Repo Amount Offered (Rs. bn)                       | 10.00         | 10.00         | 8.00          | 8.00          | 7.00          |
| Reverse Repo Amount Offered (Rs. bn)               | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Tenure (No. of Days)                               | 1             | 1             | 1             | 1             | 1             |
| Bids Received (Rs. bn)                             | 14.89         | 5.20          | 7.87          | 5.03          | 1.27          |
| Amount Accepted (Rs. bn)                           | 10.00         | 5.20          | 7.87          | 5.03          | 1.27          |
| Minimum Accepted Rate ( % p.a)                     | 7.26          | 7.25          | 7.25          | 7.25          | 7.25          |
| Maximum Accepted Rate ( % p.a)                     | 7.26          | 7.26          | 7.26          | 7.27          | 7.26          |
| Weighted Average Yield Rate ( % p.a.)              | 7.26          | 7.25          | 7.25          | 7.25          | 7.25          |
| <b>Outright Auctions</b>                           |               |               |               |               |               |
| Outright Sales Amount Offered (Rs. bn)             | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Outright Purchase Amount Offered (Rs. bn)          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Settlement Date                                    | -             | -             | -             | -             | -             |
| Maturity Date                                      | -             | -             | -             | -             | -             |
| Tenure (No. of Days)                               | 0             | 0             | 0             | 0             | 0             |
| Bids Received (Rs. bn)                             | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Amount Accepted (Rs. bn)                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Minimum Accepted Rate ( % p.a)                     | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Maximum Accepted Rate ( % p.a)                     | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Weighted Average Yield Rate ( % p.a.)              | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Long Term Auction</b>                           |               |               |               |               |               |
| Repo Amount Accepted (Rs. bn)                      | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Reverse Repo Amount Accepted (Rs. bn)              | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Settlement Date                                    | -             | -             | -             | -             | -             |
| Maturity Date                                      | -             | -             | -             | -             | -             |
| Tenure (No. of Days)                               | 0             | 0             | 0             | 0             | 0             |
| Bids Received (Rs. bn)                             | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Amount Accepted (Rs. bn)                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Minimum Accepted Rate ( % p.a)                     | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Maximum Accepted Rate ( % p.a)                     | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Weighted Average Yield Rate ( % p.a.)              | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Standing Facility</b>                           |               |               |               |               |               |
| Standing Deposit Facility (Rs. bn)                 | 11.759        | 10.161        | 7.690         | 11.024        | 14.945        |
| Standing Lending Facility (Rs. bn)                 | 1.774         | 2.670         | 0.095         | 0.015         | 0.087         |
| <b>Total Outstanding Market Liquidity (Rs. bn)</b> | <b>19.985</b> | <b>12.691</b> | <b>15.464</b> | <b>16.035</b> | <b>16.123</b> |

## 2.7 Credit Cards (a)

| Item                          | 2017<br>End Aug (b) | 2017<br>End Jul | 2016<br>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          |

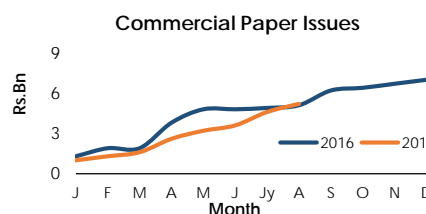
(a) Issued by Licensed Commercial Banks (LCBs) (b) Provisional

## 2.7 Commerical Paper Issues (a)

| Item (Rs. bn.)                         | 2017<br>End Aug(b) | 2017<br>End Jul | 2016<br>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             |

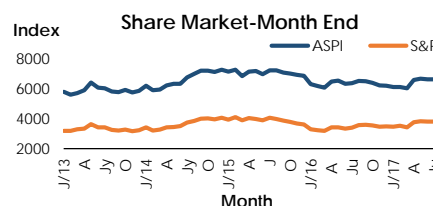
(a) Based on the information provided by LCBs and Licensed Specialised Banks (LSBs)

(b) Provisional (c) During the year



## 2.8 Share Market

| Item  | Week<br>Ending<br>13 Oct 2017 | Week Ago | Year Ago |
|---|-------------------------------|----------|----------|
| All Share Price Index (1985 = 100) (ASPI)           | 6,632.30                      | 6,529.05 | 6,487.13 |
| S&P Sri Lanka 20 Index<br>(2004 = 1,000) (S&P SL20) | 3,915.42                      | 3,797.43 | 3,615.48 |
| Average Daily Turnover (Rs. mn)                     | 1,442.40                      | 1,315.19 | 461.80   |
| Market Capitalisation (Rs.bn)                       | 3,007.87                      | 2,961.04 | 2,765.42 |



## Highlights

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### **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.

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### **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.

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### **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.

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### **Outstanding central government debt increased.**

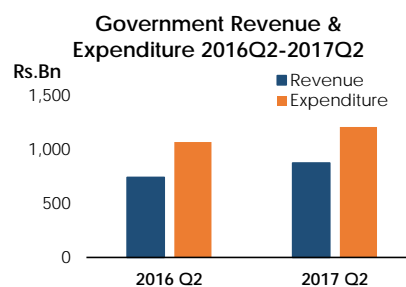
Total outstanding debt increased by Rs. 776.6 billion to Rs. 10,163.9 billion as at end June 2017 from Rs. 9,387.3 billion as at end 2016.

# Fiscal Sector

## 3.1 Government Finance (Rs.bn)

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

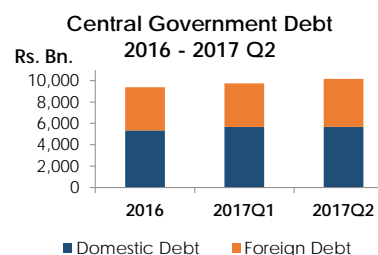
(a) Provisional



## 3.2 Outstanding Central Government Debt (Rs.bn)

| Item                         | End 2016       | 2017 Q2(a)     |
|------------------------------|----------------|----------------|
| <b>Total domestic debt</b>   | <b>5,341.5</b> | <b>5,666.5</b> |
| of which                     |                |                |
| Treasury bills               | 779.6          | 768.1          |
| Treasury bonds               | 3,714.8        | 3,798.5        |
| Rupee loans                  | 24.1           | 24.1           |
| <b>Total foreign debt</b>    | <b>4,045.8</b> | <b>4,497.4</b> |
| 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 - 11<sup>th</sup> October 2017

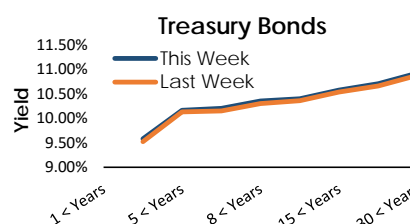
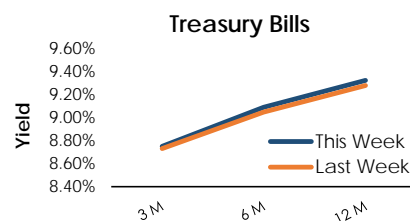
| Security          | Maturity   | Primary Market(a) |           | Secondary Market |         |         |              |
|-------------------|------------|-------------------|-----------|------------------|---------|---------|--------------|
|                   |            | This Week         | Last Week | This Week        |         |         | Last Week    |
|                   |            |                   |           | Buying           | Selling | Average | Week Average |
| Treasury Bills    | 3 Months   | 8.78%             | -         | 8.84%            | 8.66%   | 8.75%   | 8.73%        |
|                   | 6 Months   | 9.10%             | 9.08%     | 9.15%            | 9.03%   | 9.09%   | 9.05%        |
|                   | 12 Months  | 9.41%             | 9.32%     | 9.41%            | 9.24%   | 9.33%   | 9.28%        |
| Treasury Bonds(b) | < 2 Years  | -                 | -         | 9.64%            | 9.52%   | 9.58%   | 9.52%        |
|                   | < 5 Years  | -                 | 10.09%    | 10.22%           | 10.11%  | 10.17%  | 10.13%       |
|                   | < 6 Years  | -                 | -         | 10.27%           | 10.14%  | 10.21%  | 10.15%       |
|                   | < 8 Years  | -                 | -         | 10.39%           | 10.32%  | 10.36%  | 10.30%       |
|                   | < 10 Years | -                 | 10.31%    | 10.45%           | 10.35%  | 10.40%  | 10.36%       |
|                   | < 15 Years | -                 | -         | 10.61%           | 10.54%  | 10.58%  | 10.54%       |
|                   | < 20 Years | -                 | -         | 10.75%           | 10.66%  | 10.71%  | 10.66%       |
|                   | < 30 Years | -                 | -         | 11.00%           | 10.85%  | 10.93%  | 10.88%       |

(a) Primary market transactions during the week ending 11/10/2017

(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%      | 3.79%            | 3.83%     |
|                               | 27-Jul-21     | 6.250%      | 3.98%            | 4.01%     |
|                               | 18-Jan-22     | 5.750%      | 4.17%            | 4.22%     |
|                               | 25-Jul-22     | 5.875%      | 4.26%            | 4.33%     |
|                               | 14-Jan-19     | 6.000%      | 3.13%            | 3.26%     |
|                               | 11-Apr-19     | 5.125%      | 3.33%            | 3.45%     |
|                               | 3-Jun-25      | 6.125%      | 5.08%            | 5.15%     |
|                               | 3-Nov-25      | 6.850%      | 5.20%            | 5.27%     |
|                               | 18-Jul-26     | 6.825%      | 5.29%            | 5.36%     |
|                               | 11-May-27     | 6.200%      | 5.37%            | 5.48%     |



### 3.4 Government Securities - Weekly Summary of Primary and Secondary Market Transactions (Week Ended - 11<sup>th</sup> October 2017)

| Item                                       | Volume in Rs Mn     |                     |
|--|---------------------|---------------------|
|  | This Week           | Last Week           |
| Outstanding Stock of Government Securities |                     |                     |
| Treasury Bills                             | 778,686.05          | 782,038.72          |
| Treasury Bonds (a)                         | 4,060,179.19        | 4,060,179.19        |
| <b>Total</b>                               | <b>4,838,865.24</b> | <b>4,842,217.91</b> |
| T-bills and T-bonds held by Foreigners     | 294,378.22          | 291,700.73          |
| Sri Lanka Development Bonds (SLDB)         | 640,120.73          | 639,377.08          |

*The outstanding stock of T-bills and T-bonds held by foreigners has increased by 0.92 per cent during the reporting week.*

| Primary Market Activities | Volume in Rs Mn |           |
|---------------------------|-----------------|-----------|
|                           | This Week       | Last Week |
| Treasury Bills            |                 |           |
| Amount Offered            | 20,500.00       | 20,500.00 |
| Total Bids Received       | 48,762.00       | 32,497.00 |
| Total Bids Accepted       | 16,333.00       | 13,453.00 |
| Treasury Bonds            |                 |           |
| Amount Offered            | -               | 15,000.00 |
| Total Bids Received       | -               | 44,605.00 |
| Total Bids Accepted       | -               | 15,000.00 |

*The weekly T-bill auction was over subscribed by 2.4 times during the reporting week.*

| Secondary Market Activities              | Volume in Rs Mn |            |
|--|-----------------|------------|
|  | This Week       | Last Week  |
| Treasury Bills                           |                 |            |
| Outright Transaction (Sales / Purchases) | 15,508.25       | 20,740.87  |
| Repo Transaction (Sales / Purchases)     | 273,666.06      | 336,465.06 |
| Treasury Bonds                           |                 |            |
| Outright Transaction (Sales / Purchases) | 41,220.38       | 59,744.82  |
| Repo Transaction (Sales / Purchases)     | 433,717.90      | 519,719.36 |

*The total secondary market transactions of T bills and T bonds decreased by 18.42 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 ) - 13/10/2017

| Remaining Maturity | Average Buying Price | Yield % | Average Selling Price | Yield % | Buying & Selling Spread |
|--------------------|----------------------|---------|-----------------------|---------|-------------------------|
| 1-7 Days           | 99.84                | 8.48    | 99.84                 | 8.31    | 0.00                    |
| 1 Month            | 99.30                | 8.57    | 99.31                 | 8.41    | 0.01                    |
| 2 Month            | 98.57                | 8.69    | 98.60                 | 8.54    | 0.02                    |
| 3 Month            | 97.83                | 8.82    | 97.87                 | 8.64    | 0.04                    |
| 4 Month            | 97.08                | 8.88    | 97.13                 | 8.74    | 0.05                    |
| 5 Month            | 96.31                | 8.99    | 96.37                 | 8.83    | 0.07                    |
| 6 Month            | 95.50                | 9.13    | 95.55                 | 9.01    | 0.06                    |
| 7 Month            | 94.72                | 9.18    | 94.80                 | 9.04    | 0.08                    |
| 8 Month            | 93.94                | 9.21    | 94.03                 | 9.08    | 0.09                    |
| 9 Month            | 93.17                | 9.24    | 93.28                 | 9.08    | 0.11                    |
| 10 Month           | 92.37                | 9.28    | 92.50                 | 9.13    | 0.13                    |
| 11 Month           | 91.57                | 9.32    | 91.71                 | 9.17    | 0.14                    |
| 12 Month           | 90.70                | 9.43    | 90.86                 | 9.27    | 0.16                    |

### 3.6 Two way Qoutes ( Treasury Bonds ) - 13/10/2017

| 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                 | 111              | 99.74                | 9.25    | 99.76                 | 9.17    | 0.02                    |
| 08.50%2018C             | 5                       | 1-Apr-18                 | 170              | 99.66                | 9.23    | 99.70                 | 9.15    | 0.04                    |
| 08.50%2018D             | 5                       | 1-Jun-18                 | 231              | 99.49                | 9.31    | 99.54                 | 9.24    | 0.05                    |
| 08.50%2018B             | 15                      | 15-Jul-18                | 275              | 99.36                | 9.37    | 99.42                 | 9.28    | 0.06                    |
| 07.50%2018A             | 15                      | 15-Aug-18                | 306              | 98.50                | 9.38    | 98.60                 | 9.25    | 0.10                    |
| 08.75%2018A             | 4                       | 15-Oct-18                | 367              | 99.34                | 9.45    | 99.45                 | 9.34    | 0.11                    |
| 08.00%2018A             | 6                       | 15-Nov-18                | 398              | 98.44                | 9.53    | 98.57                 | 9.40    | 0.13                    |
| 05.65%2019A             | 8                       | 15-Jan-19                | 459              | 95.47                | 9.55    | 95.59                 | 9.45    | 0.12                    |
| 10.75%2019A             | 2                       | 15-Jan-19                | 459              | 101.29               | 9.61    | 101.44                | 9.48    | 0.16                    |
| 08.50%2019A             | 10                      | 1-May-19                 | 565              | 98.47                | 9.58    | 98.64                 | 9.46    | 0.16                    |
| 10.60%2019A             | 5                       | 1-Jul-19                 | 626              | 101.46               | 9.64    | 101.65                | 9.51    | 0.20                    |
| 10.60%2019B             | 5                       | 15-Sep-19                | 702              | 101.56               | 9.68    | 101.76                | 9.57    | 0.19                    |
| 08.00%2019A             | 8                       | 1-Nov-19                 | 749              | 96.80                | 9.75    | 96.99                 | 9.65    | 0.19                    |
| 09.25%2020A             | 5                       | 1-May-20                 | 931              | 98.36                | 9.99    | 98.61                 | 9.87    | 0.25                    |
| 08.00%2020A             | 8                       | 1-Jun-20                 | 962              | 95.74                | 9.87    | 95.94                 | 9.78    | 0.20                    |
| 06.20%2020A             | 10                      | 1-Aug-20                 | 1,023            | 91.11                | 9.90    | 91.32                 | 9.81    | 0.21                    |
| 09.50%2020A             | 5                       | 15-Dec-20                | 1,159            | 98.77                | 9.95    | 99.05                 | 9.85    | 0.28                    |
| 10.75%2021A             | 5                       | 1-Mar-21                 | 1,235            | 101.91               | 10.06   | 102.20                | 9.96    | 0.30                    |
| 09.00%2021A             | 8                       | 1-May-21                 | 1,296            | 96.81                | 10.09   | 97.07                 | 10.00   | 0.26                    |
| 11.00%2021A             | 7                       | 1-Aug-21                 | 1,388            | 102.73               | 10.11   | 103.01                | 10.02   | 0.28                    |
| 09.45%2021A             | 7                       | 15-Oct-21                | 1,463            | 98.12                | 10.03   | 98.36                 | 9.96    | 0.23                    |
| 11.50%2021A             | 5                       | 15-Dec-21                | 1,524            | 104.56               | 10.12   | 104.92                | 10.02   | 0.36                    |
| 08.00%2022A             | 10                      | 1-Jan-22                 | 1,541            | 92.90                | 10.10   | 93.24                 | 10.00   | 0.34                    |
| 11.20%2022A             | 9                       | 1-Jul-22                 | 1,722            | 103.67               | 10.19   | 104.17                | 10.06   | 0.50                    |
| 10.00%2022A             | 8                       | 1-Oct-22                 | 1,814            | 99.17                | 10.22   | 99.62                 | 10.10   | 0.45                    |
| 11.50%2023A             | 6                       | 15-May-23                | 2,040            | 105.11               | 10.27   | 105.73                | 10.13   | 0.62                    |
| 09.00%2023A             | 10                      | 1-Sep-23                 | 2,149            | 94.53                | 10.26   | 95.02                 | 10.14   | 0.49                    |
| 11.20%2023A             | 9                       | 1-Sep-23                 | 2,149            | 103.97               | 10.28   | 104.56                | 10.15   | 0.59                    |
| 07.00%2023A             | 20                      | 1-Oct-23                 | 2,179            | 85.87                | 10.22   | 86.31                 | 10.11   | 0.44                    |
| 11.40%2024A             | 10                      | 1-Jan-24                 | 2,271            | 104.81               | 10.32   | 105.33                | 10.21   | 0.51                    |
| 11.00%2024A             | 8                       | 1-Aug-24                 | 2,484            | 103.01               | 10.37   | 103.69                | 10.23   | 0.67                    |
| 06.00%2024A             | 10                      | 1-Dec-24                 | 2,606            | 78.74                | 10.27   | 78.96                 | 10.22   | 0.21                    |
| 10.25%2025A             | 10                      | 15-Mar-25                | 2,710            | 99.19                | 10.41   | 99.57                 | 10.33   | 0.38                    |
| 09.00%2025A             | 12                      | 1-May-25                 | 2,757            | 92.72                | 10.41   | 93.00                 | 10.36   | 0.28                    |
| 11.00%2025A             | 10                      | 1-Aug-25                 | 2,849            | 102.81               | 10.46   | 103.21                | 10.38   | 0.41                    |
| 09.00%2026A             | 13                      | 1-Feb-26                 | 3,033            | 92.63                | 10.34   | 92.92                 | 10.28   | 0.30                    |
| 05.35%2026A             | 15                      | 1-Mar-26                 | 3,061            | 72.45                | 10.34   | 72.69                 | 10.29   | 0.24                    |
| 11.00%2026A             | 11                      | 1-Jun-26                 | 3,153            | 103.51               | 10.37   | 103.97                | 10.29   | 0.46                    |
| 11.50%2026A             | 10                      | 1-Aug-26                 | 3,214            | 106.02               | 10.43   | 106.60                | 10.33   | 0.58                    |
| 11.75%2027A             | 10                      | 15-Jun-27                | 3,532            | 107.71               | 10.46   | 108.27                | 10.37   | 0.56                    |
| 09.00%2028B             | 15                      | 1-May-28                 | 3,853            | 90.42                | 10.52   | 90.85                 | 10.45   | 0.43                    |
| 09.00%2028A             | 15                      | 1-Jul-28                 | 3,914            | 90.19                | 10.55   | 90.69                 | 10.46   | 0.50                    |
| 11.50%2028A             | 13                      | 1-Sep-28                 | 3,976            | 105.90               | 10.57   | 106.50                | 10.48   | 0.60                    |
| 13.00%2029A             | 15                      | 1-Jan-29                 | 4,098            | 115.44               | 10.61   | 115.85                | 10.55   | 0.41                    |
| 13.00%2029B             | 15                      | 1-May-29                 | 4,218            | 115.64               | 10.62   | 116.08                | 10.56   | 0.44                    |
| 11.00%2030A             | 15                      | 15-May-30                | 4,597            | 101.97               | 10.71   | 102.75                | 10.60   | 0.79                    |
| 08.00%2032A             | 20                      | 1-Jan-32                 | 5,193            | 81.03                | 10.61   | 81.25                 | 10.58   | 0.22                    |
| 09.00%2032A             | 20                      | 1-Oct-32                 | 5,467            | 87.95                | 10.63   | 88.18                 | 10.59   | 0.24                    |
| 09.00%2033A             | 20                      | 1-Jun-33                 | 5,710            | 87.44                | 10.67   | 87.89                 | 10.60   | 0.44                    |
| 13.25%2033A             | 20                      | 1-Jul-33                 | 5,740            | 119.16               | 10.70   | 119.68                | 10.64   | 0.52                    |
| 09.00%2033B             | 20                      | 1-Nov-33                 | 5,863            | 86.88                | 10.73   | 87.29                 | 10.67   | 0.41                    |
| 13.25%2034A             | 20                      | 1-Jan-34                 | 5,924            | 118.83               | 10.77   | 119.39                | 10.70   | 0.57                    |
| 11.50%2035A             | 20                      | 15-Mar-35                | 6,362            | 104.72               | 10.89   | 106.38                | 10.68   | 1.67                    |
| 12.00%2041A             | 25                      | 1-Jan-41                 | 8,481            | 109.79               | 10.84   | 110.11                | 10.80   | 0.32                    |
| 09.00%2043A             | 30                      | 1-Jun-43                 | 9,362            | 83.58                | 10.92   | 84.51                 | 10.79   | 0.93                    |
| 13.50%2044A             | 30                      | 1-Jan-44                 | 9,576            | 121.67               | 10.97   | 122.69                | 10.87   | 1.03                    |
| 13.50%2044B             | 30                      | 1-Jun-44                 | 9,728            | 120.77               | 11.06   | 122.30                | 10.91   | 1.53                    |
| 12.50%2045A             | 30                      | 1-Mar-45                 | 10,001           | 110.57               | 11.25   | 114.14                | 10.87   | 3.57                    |

## Highlights

During the year up to 13 October 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 (9.8 per cent), euro (13.3 per cent), Japanese yen (6.2 per cent) and Indian rupee (6.6 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 during this period.

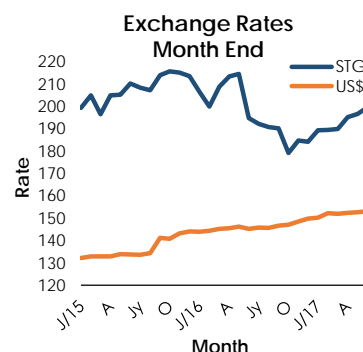
India, China, UK, Germany and France were the top five sources of tourist arrivals, accounting for 51.9 per cent of total tourist arrivals upto the month of September 2017.

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<br>(Rs Per Unit)(a)                           | Week Ending - 13 Oct 2017 |              |              | Average Rate |          |
|--|---------------------------|--------------|--------------|--------------|----------|
|  | Buying Rate               | Selling Rate | Average Rate | Week Ago     | Year Ago |
| US\$   | 151.71                    | 155.51       | 153.61       | 153.19       | 146.78   |
| STG  | 200.59                    | 207.35       | 203.97       | 200.81       | 178.93   |
| Yen  | 1.35                      | 1.40         | 1.37         | 1.36         | 1.41     |
| Euro   | 178.64                    | 185.32       | 181.98       | 179.41       | 161.77   |
| INR(1)   |                           |              | 2.36         | 2.35         | 2.20     |
| SDR (As at 12 Oct 2017)                            |                           |              | 217.09       | 216.20       | 202.74   |
| Central Bank purchases and sales(b)<br>(US\$ Mn. ) |                           |              | Sep 2017     | Month Ago    | Year Ago |
| Purchases  |                           |              | 186.50       | 200.00       | 131.29   |
| Sales  |                           |              | -            | -            | 15.20    |



| Item | Week Ending<br>13 Oct 2017 | Week Ago | Year Ago |
|------|----------------------------|----------|----------|
|------|----------------------------|----------|----------|

Average Daily Interbank Volume (US\$ Mn.) 40.49 31.56 24.70

(spot, tom and cash transactions among commercial banks)

#### Forward Transactions

Forward Rates (US\$) (2)

|          |        |        |        |
|----------|--------|--------|--------|
| 1 Month  | 154.22 | 154.01 | 147.88 |
| 3 Months | 155.80 | 155.80 | 149.57 |

Average Daily Interbank Forward Volume (US\$ mn) 23.43 12.48 47.85

Outstanding Forward Volume (US\$ mn) (As at 12 Oct 2017) 1,546.50 1,534.92 1,348.11

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

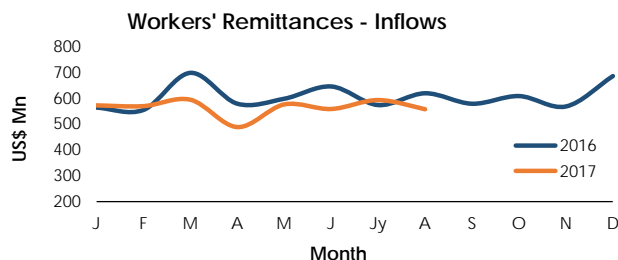
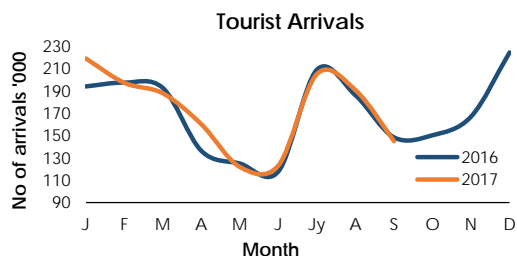
(b) Central Bank purchases and sales of foreign exchange from commercial banks at market rates total for the Month

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

### 4.2 Tourism & Workers' Remittances

| Item                           |          | 2016<br>Sep<br>(a)(b) | 2017<br>Sep<br>(c)(d) | 2016<br>Jan-Sep<br>(a)(b) | 2017<br>Jan-Sep<br>(c)(d) | % Change |
|--------------------------------|----------|-----------------------|-----------------------|---------------------------|---------------------------|----------|
| Tourist Arrivals               | Number   | 148,499               | 145,077               | 1,508,405                 | 1,551,931                 | 2.89     |
| Earnings from Tourism(d)       | US\$ Mn. | 254.77                | 248.90                | 2,587.88                  | 2,662.55                  | 2.89     |
|                                | Rs.bn.   | 37.14                 | 38.06                 | 374.66                    | 404.79                    | 8.04     |
|                                |          | 2016<br>Aug           | 2017<br>Aug (c)       | 2016<br>Jan-Aug           | 2017<br>Jan-Aug(c)        | % Change |
| 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 30<sup>th</sup> September 2017 (a)

|                                  |                 |
|----------------------------------|-----------------|
| Official Reserve Assets (USD Mn) | <b>7,288.12</b> |
| (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 31<sup>st</sup> August 2017 (a)

| Official Reserve Assets (USD mn)  |                 |
|---|-----------------|
| Official Reserve Assets   | <b>7,693.55</b> |
| (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)  |                                      | -0.05     | -0.05                                  |                                |                                     |
|   | inflows related to reverse repos (+) |           |  |                                |                                     |
|   | other accounts payable (-)           | -0.05     | -0.05                                  |                                |                                     |

(a) Provisional

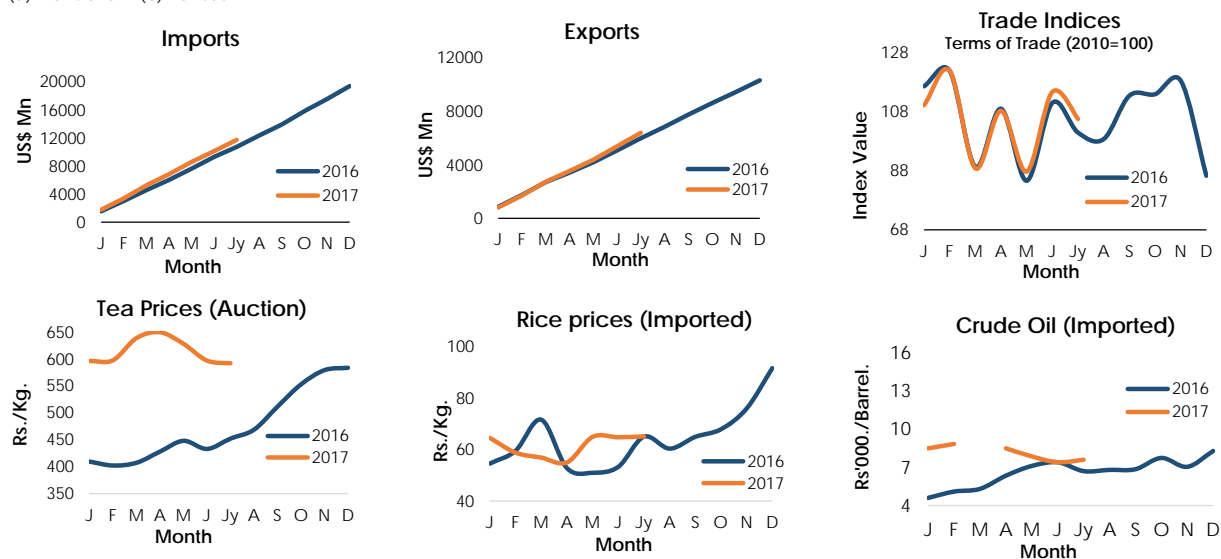
(b) This mainly includes only the predetermined outflows

(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     |
| <b>Exports</b>                | <b>6,413.42</b>  | <b>6021.83 (b)</b>  | <b>6.50</b> | <b>974,171.69</b>   | <b>870,613.72 (b)</b> | <b>11.89</b> |
| 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        |
| <b>Imports</b>                | <b>11,742.17</b> | <b>10,753.79</b>    | <b>9.19</b> | <b>1,782,529.66</b> | <b>1,554,929.52</b>   | <b>14.64</b> |
| 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     |
| <b>Trade Balance</b>          | <b>-5,328.76</b> | <b>-4,731.97(b)</b> |             | <b>-808,357.98</b>  | <b>-684,315.80(b)</b> | <b>18.90</b> |

(a) Provisional (b) Revised



## 4.6 Trade Indices (2000=100) (a)

| Item                  | 2017 July (b) | Month Ago (b) | Year Ago         |
|-----------------------|---------------|---------------|------------------|
| <b>Total Exports</b>  |               |               |                  |
| 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)         |
| <b>Total Imports</b>  |               |               |                  |
| Value                 | 142.40        | 137.91        | 128.23           |
| Quantity              | 152.80        | 151.56        | 137.01           |
| Unit Value            | 93.19         | 90.99         | 93.59            |
| <b>Terms of Trade</b> | <b>105.52</b> | <b>114.73</b> | <b>100.48(c)</b> |

(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    |
| <b>Imports (C I F)</b> | <b>US\$ / MT</b>     |           |          | <b>Rs / MT</b>     |           |          |
| 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     |
|                        | <b>US\$ / Barrel</b> |           |          | <b>Rs / Barrel</b> |           |          |
| Crude Oil              | 49.75                | 46.10     | 7.91     | 7,644.98           | 6,703.93  | 14.04    |

(a) Provisional