

Daily Market Watch

13th August 2010

Local Market News			
Interest rates movement			
Average Weighted Prime Lending rate AWPLR		10.37%	
Average Weighted Deposit Rate AWDR		6.92%	
Average Weighted Fixed Deposit Rate AWFDR		9.28%	
<i>- (For the week ended 13th August 2010)</i>			
Treasury bill Auction Results			
T - Bills	3 Months	6 Months	12 Months
11.08.2010	7.64	8.30	8.54
06.08.2010	7.78	8.48	8.80
Secondary Market	7.70/86	8.45/61	8.78/94
<i>(-As at 13th August 2010)</i>			
Daily Market Review			
Overnight Call Money Borrowing Rate		8.80-9.10%	
Overnight Repo Borrowing Rate		8.190-8.20%	
CLIBOR	Weighted Average Rate	9.034%	
	Volume	7,230Mn	
Market Liquidity		25,092Mn	
USD/LKR (Opening)		112.30/40	
USD/LKR (Closing)		112.36/38	
Market Volume (USD/LKR)		30.89Mn	
Inflation – June 2010		Point to Point	4.3%
		Moving Average	4.2%
<i>(-As at 13th August 2010)</i>			

Foreign Market News		
Commodity Prices		
Gold Price (USD/t oz.)		1,216.50
Oil Price – Light Crude (USD/bbl.)		75.29
<i>(-As at 13th August 2010)</i>		
Interest Rates Movement		
LIBOR Rates - USD	3 months	0.378
	6 months	0.588
	12 months	0.960
US Policy Rate		0.25%
New York Prime		3.25%
<i>(-As at 13th August 2010)</i>		

Market Commentary	<i>(Based on New York Trading, All times in GMT)</i>
USD	
<p>U.S. Dollar Trading (USD) had a good day striving in the risk off environment. USD/JPY short covering and more Eurozone concerns helped push the Dollar to day highs. July Retail Sales was Slightly weaker at 0.4% vs. 0.5% forecast and US CPI increased 0.3%. In US stocks, DJIA -16 points closing at 10317, S&P -4 points closing at 1079 and NASDAQ -16 points closing at 2173. Looking ahead, NY FED Manufacturing is forecast at 8 vs. 5 previously</p>	
EUR	
<p>The Euro (EUR) was unable to sustain gains after some surprisingly strong German Q2 GDP at 2.2% vs. 1.3% forecast. The market then eased as US stocks came under pressure and Q2 EU GDP showed the rest of the union doing worse than Germany. EUR/USD traded with a low of 1.2753 and a high of 1.2906 before closing at 1.2755. Looking ahead, July Inflation is forecast at -0.4% vs. 0.0%</p>	
GBP	
<p>The Sterling (GBP) the sentiment towards the Pound continued to sour and a rally in Asia sold to fresh week lows. EUR/GBP continued to test lows though as the Euro is relatively worse hit from the USD strength. Overall the GBP/USD traded with a low of 1.5572 and a high of 1.5680 before closing the day at 1.5590 in the New York session.</p>	

Movement of Major Currencies against USD		
	Opening	Closing
EUR/USD	1.2830	1.2754
GBP/USD	1.5578	1.5591
AUD/USD	1.5578	1.5591
USD/JPY	85.90	86.205
USD/CAD	1.0424	1.0418
<i>(-As at 13th August 2010)</i>		

USD Premiums		
Maturity	No Days	
1W	8	12
2W	18	25
3W	26	35
1M	43	50
2M	58	68
3M	75	85
4M	90	100
5M	105	115
6M	120	135
<i>As at 9th August 2010</i>		

Data to be Released on 9th August 2010

E-16	July Core Inflation
E-16	July HICP
US	August NY Fed Manufacturing
US	June Net Long-term TIC Flows
US	June Total Net TIC Flows
US	August NAHB Housing Market Index
Australia	August RBA Board Minutes

Stock Market Details			
Index	Closing	Change	%
ASPI	5,115.79	+80.94	+1.61
MILANKA	5,744.59	+34.57	+0.61
NASDAQ	2,173.48	-16.79	-0.77
DOW	10,303.15	-16.80	-0.16
<i>(-As at 13th August 2010)</i>			

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