

Daily Market Watch

08th November 2011

Local Market News

Interest rates movement

Average Weighted Prime Lending rate AWPLR	9.48
Average Weighted Deposit Rate AWDR	6.48
Average Weighted Fixed Deposit Rate AWFDR	8.11
<i>(For the week ended 04th November 2011)</i>	

Treasury bill Auction Results

T - Bills	3 Months	6 Months	12 Months
08/11/11	7.39	7.45	7.59
02/11/11	Rejected(7.29)	Rejected (7.35)	Rejected (7.44)
Secondary Market	7.43/45	7.47/52	7.55/65
<i>(-As at 8th November 2011)</i>			

Daily Market Review

Overnight Call Money Borrowing Rate	8.05-8.10%	
Overnight Repo Borrowing Rate	7.15-7.17%	
CLIBOR	Weighted Average Rate	8.042%
	Volume	6,075Mn
Market Liquidity		37,946Mn
USD/LKR (Opening)		110.18/20
USD/LKR (Closing)		110.19/20
Market Volume (USD/LKR)		96.00Mn
Inflation – October 2011	Point to Point	5.10%
	Moving Average	7.10%
<i>(-As at 8th November 2011)</i>		

Foreign Market News

Commodity Prices

Gold Price (USD/t oz.)	1,796.90
Oil Price – Light Crude (USD/bbl.)	115.82
<i>(-As at 8th November 2011)</i>	

Interest Rates Movement

LIBOR Rates - USD	3 months	0.443
	6 months	0.644
	12 months	0.970
US Policy Rate		0.25%
New York Prime		3.25%
<i>(-As at 8th November 2011)</i>		

Market Commentary *(Based on New York Trading, All times in GMT)***USD**

Versus the yen, the dollar edged lower from a session high of 77.10 and traded narrowly in Asia and Europe but price tumbled to an intra-day low at 77.58 in NY on dollar's broad based weakness before staging a recovery.

FTSE100, CAC40 and DAX ended the day up 1.03%, 1.28% and 0.55% respectively.

EUR

The single currency gained on Tuesday after Italy's President Giorgio Napolitano said PM Silvio Berlusconi will resign once the new budget law is approved. Earlier, euro weakened against the dollar after Italy's embattled PM Berlusconi won the budget vote but lost his parliamentary majority.

Although the single currency fell in Asia and briefly dipped to a session low at 1.3725 in European morning as investors remained cautious ahead of Italy's key budget vote, euro then rebounded in Europe as a rally in European bourses on improved risk appetite and price climbed to 1.3844 ahead of the Italian vote.

Later in NY, the pair retreated to 1.3766 after Italy's PM Silvio Berlusconi won the vote in parliament but his loss of parliamentary majority pushed Italian bond yields higher. However, euro later rose to an intra-day high at 1.3847 after Italian President Giorgio Napolitano announced PM Berlusconi will resign after the approval of a new budget law.

GBP

The British pound fell in tandem with euro to a session low at 1.6036 ahead of European open due to risk aversion ahead of Italy's vote but rebounded to 1.6112 on improved risk sentiment. Cable briefly fell to 1.6067 after the Italian vote before rising to an intra-day high at 1.6130 after the news of Berlusconi's resignation.

Movement of Major Currencies against USD

	Opening	Closing
EUR/USD	1.3777	1.3834
GBP/USD	1.6056	1.6090
AUD/USD	1.0380	1.0394
USD/JPY	78.0465	77.725
USD/CAD	1.0127	1.0087
<i>(-As at 8th November 2011)</i>		

USD Premiums		
Maturity	No Days	Premiums
7	7	12/16
14	14	22/28
21	21	30/38
30	30	45/55
63	64	95/105
93	92	145/155
122	121	190/205
154	154	235/250
183	182	280/295
(- As at 9 th November 2011)		

Data to be Released on 9th November 2011

AUD	RBA Assist Gov Lowe Speaks
AUD	MI Inflation Expectations
AUD	Employment Change
AUD	Unemployment Rate
CAD	NHPI m/m
EUR	French Gov Budget Balance
GBP	Trade Balance
JPY	Economy Watchers Sentiment
JPY	Core Machinery Orders m/m
JPY	M2 Money Stock y/y
NZD	RBNZ Financial Stability Report
NZD	Business NZ Manufacturing Index
USD	Fed Chairman Bernanke Speaks
USD	Wholesale Inventories m/m
USD	Crude Oil Inventories
USD	FOMC Member Tarullo Speaks

Stock Market Details			
Index	Closing	Change	%
ASPI	6,322.01	-84.51	-1.32
MILANKA	5,641.33	-57.52	-1.01
NASDAQ	2,727.49	+32.24	+1.20
DOW	12,170.18	+101.79	+0.84
(-As at 8 th November 2011)			

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