

02nd October 2026

TREASURY

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FINANCIAL MARKET UPDATE IN BRIEF

FOREIGN EXCHANGE

USD/LKR Range: 326.25 – 334.25

Market is volatile within this range, with both demand & supply forces presenting challenges to the market direction.

02.10.2026 Indicative Market levels

	Buying	Selling
USD	326.25	334.25
EUR	365.07	377.37
GBP	428.87	442.73
JPY	2.0591	2.1230
SGD	250.84	265.14
AUD	222.68	234.83

COLOMBO STOCK EXCHANGE

ASPI: 20,8880.90 ▲ 0.33% **(67.97)**

S&P SL20: 5,902.46 ▲ 0.14% **(08.30)**

Thursday's session closed down with a market turnover of Rs. 1.4 Bn.

Traded USD Volumes as at 01.10.2026

Cash	39.00
Tom	26.00
Spot	32.00
FWD	53.75

TREASURY BILL/BOND MARKET

The G-Sec market traded with a volume **28.85 Bn** on **30.09.2026**. Indicative T-bond rates closing levels were as follows.

15/03/2028	10.20%-10.40%
01/08/2030	11.10%-11.18%
15/01/2033	11.73%-11.80%

**Strictly indicative and for information only*

Treasury Bill Market (Weighted Average Rates)

	This Week 30.09.2026	Last Week 23.09.2026
91 days	09.25%	09.20%
182 days	09.41%	09.37%
364 days	09.95%	09.93%

LKR Bio	Foreign Holding 24.09.2026	Foreign Holding 01.01.2026	Net Flow (YTD)
T-Bills & T-Bonds	196.93	141.36	55.57

MONEY MARKET AT A GLANCE

As of 01.10.2026 (in LKR Bn)

Overnight Market Liquidity	150.13
Term Liquidity	205.00
Overall Market Liquidity	355.13

Net of Overnight SDF and SLF	80.13
Net of Overnight Repo / (Rev Repo)	70.00
Overnight Liquidity Support Facility	-
Net of Term Repo / (Rev Repo)	205.00
Term Liquidity Support Facility	-
Overnight Call Money Rates	8.95% - 9.00%
Overnight Repurchase Rates	9.00% - 9.10%

ECONOMIC INDICATORS

AWPLR as at 25.09.2026	10.94%
Inflation (YoY – September 2026 - CCPI)	8.00%
Inflation (YoY – August 2026 - NCPI)	8.10%
Official Reserves Assets (end Aug 2026)	US\$ 6,905 Mn
GDP Quarterly growth rate (2026 – Q2)	4.20%

Unemployment Rate (2026 – Q1)	3.70%
Per Capita GDP-2025	US\$ 5,003
Statutory Reserve Ratio (SRR)	2.00%
Trade Balance (Jan – July - 2026)	(US\$6,506.9 Mn)
Total Outstanding Government Debt (End May 2026)	30,795.04 Bn

The US Dollar Index (DXY) strengthened above 102 on Friday and was on track for a third consecutive weekly gain, supported by robust US economic strength, elevated Treasury yields, and heightened Middle East geopolitical uncertainty. Treasury yields surged to their highest levels since 2002 this week, widening the dollar's interest-rate differential over other major currencies. Investors also assessed signs of a resilient US labor market ahead of the September jobs report. Minneapolis Fed President Neel Kashkari emphasized that the Fed must take necessary steps to return inflation to target. Meanwhile, oil prices climbed as the US considered deploying additional forces to the Middle East, raising concerns over energy supply disruptions and renewed inflationary pressures.

The EUR/USD fell around \$1.1250, its lowest level since May 2025, after falling more than 2% against the dollar in September, its sharpest monthly decline in 14 months. Markets expect the ECB to tighten more slowly than the Fed, with the next potential hike in December alongside updated projections. Meanwhile, inflation accelerated across several major European economies in September, driven largely by fuel prices. ECB member Isabel Schnabel suggested the central bank is taking a wait-and-see approach as the US-Iran war enters its eighth month. A subdued growth outlook could further constrain aggressive tightening, while France's fiscal watchdog warned that the government's budget deficit reduction plan was based on optimistic assumptions.

The GBP/USD weakened to around \$1.32 at the start of October, near three-month lows, after falling 2% against the US dollar in September as rising oil prices fueled inflation concerns, pushed bond yields higher, and clouded the UK growth outlook. Markets expect the Bank of England to tighten policy more slowly than the Federal Reserve, with investors pricing in four BoE rate hikes by July 2027, including a first move in November. Several policymakers, including Governor Andrew Bailey, signaled greater openness to higher rates as energy costs raise inflation risks.

The AUD/USD was little changed below \$0.70, near multi-month lows as the greenback extended its bull run on surging US Treasury yields. The Aussie is heading for a fourth straight week of losses despite the Reserve Bank of Australia raising its cash rate to a 15-year high of 4.6% in September, as investors saw limited scope for further tightening while policymakers assess previous hikes. A sharp housing market downturn and rising unemployment reduced expectations for another rate increase, with markets pricing a 22% chance of an October hike. Higher US yields narrowed the yield premium on Australian debt to its smallest in a year, reducing support for the currency.

The USD/JPY strengthened slightly below 158 per dollar on Friday, trimming recent losses after data showed Tokyo's core inflation accelerated to 2.7% in September, exceeding the Bank of Japan's 2% target for the first time in nine months. However, a summary of opinions from the central bank's September meeting offered fewer hawkish signals than expected, pointing to another rate increase this year but providing little clarity on the timing. The yen remained on track for a third consecutive weekly decline, pressured by a stronger dollar and elevated Treasury yields amid expectations of further Fed tightening, pointing to wider US-Japan interest-rate differentials.

MARKET INFORMATION AS AT 02.10.2026

Currency Pair	Cross Rate	Resistance	Support
EUR/USD	1.1250	1.1313	1.1191
USD/JPY	157.90	158.59	157.36
GBP/USD	1.3205	1.3248	1.3156
AUD/USD	0.6930	0.6955	0.6903
USD/SGD	1.2795	1.2829	1.2775
USD/INR	96.31	96.50	95.82

CME SECURED OVERNIGHT OFFER RATE AS OF 01.10.2026

Tenor	USD
O/N SOFR	3.90000
01 Month	3.91628
03 Month	4.04730
06 Months	4.22578
12 Months	4.54462

COMMODITIES

Commodities	Unit	Prices	Previous Day Prices
Gold	USD\$ per ounce	4,156.90	4,154.39
Oil (Brent)	USD\$ per Barrel	102.43	97.67
Aluminum HG	USD\$ per MT	3,123.00	3,169.50
Copper	USD\$ per MT	14,243.50	14,410.00
Cotton	USD¢ /lb	77.44	78.43
Sugar	USD¢ /lb	18.94	18.61
CBT Wheat	USD¢ /bu	679.25	675.25
SGX Rubber	USD\$/100 KG	257.10	255.40

In the energy markets, Oil prices drifted slightly higher on Friday after China halted fuel exports, while the Wall Street Journal reported that the US is sending more troops and carriers to the Middle East as it also tries to make Europe draw down more emergency diesel.

Brent was up 29 cents, or 0.28%, to \$102.60 per barrel at 0022 GMT. West Texas Intermediate rose 27 cents, or 0.29%, to \$93.14

Gold prices fell on Friday and were on track for a second straight weekly decline, pressured by a firmer US dollar and elevated Treasury yields, while investors awaited key US payrolls data for clues on the Federal Reserve's policy path

Spot gold fell 0.6% to \$4,154.78 per ounce by 0205 GMT. US gold futures lost 0.4% to \$4,184.00

POLICY RATES

LKR Overnight Policy Rate (OPR)	8.75%
USD Fed Funds Target Range Rate	3.75% - 4.00%
EUR Deposit facility Rate	2.65%
GBP Policy Rate	3.75%
AUD Official Cash Rate	4.60%
JPY Official Cash Rate	1.25%

ECONOMIC CALENDAR – 02.10.2026

GMT	Details
18:00	USD – Nonfarm payrolls
18:00	USD - Unemployment Rate