



WEEKLY ECONOMIC REPORT

OCTOBER 08, 2010

ECONOMIC RESEARCH DIVISION, DEPARTMENT OF FISCAL POLICY
NO. 38

Macroeconomic Status

-  Avg. Daily Turnover; Rs. 5.5 Billion
-  Brent Crude Oil: US\$ 84 per bbl
-  Exchange Rate on 08th Oct: US\$1=Rs. 111.71
-  Inflation in SEP: 5.8 percent
-  Tourist Arrivals-SEP: up by 25 percent
-  Call Money Weekly Average: 8.36

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Global Overview

According to the latest Asia Bond Monitor, local currency bonds market in emerging economies such as China, Hong Kong, Vietnam, the Philippines, Singapore etc has grown by an annual 19 percent as of end June, becoming an important source of funding for private sector investment.

Economic Outlook Sri Lanka

The International Reserves Reached USD 7 billion

Reflecting the economic stability in the country, the gross official reserves surpassed US dollars 7 billion 04th October 2010. This is the highest ever reserves level recorded in the history and is sufficient to cover 6.8 months of imports.

All economic indicators are promising. Inflation dropped to 5 percent on year on year basis. This has resulted a further reduction in interest rates. The real sector has fully recovered from a low growth of 1.9 percent in the first half of 2009 to 7.8 percent over the same period of 2010.

Providing comfort margin, Sri Lanka also received US dollars 1,275 million, out of the total facility of US dollars 2,600 million under the IMF-BBA programme .

“ Emerging East Asia is experiencing strong foreign portfolio capital inflows as investors chase higher returns in local markets.”