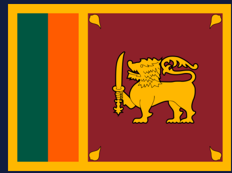
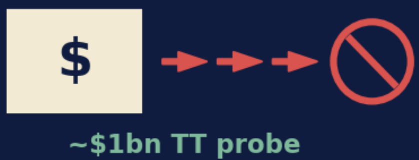


SRI LANKA WEEKLY

22 June – 28 June 2026

BY Shrishti Chauhan



President flags ~$1bn illicit outflows

Stocks climb as oil eases

IMF mission: sustain reform momentum

POLITICS

- President Dissanayake tells parliament (June 26) that ~$1 billion was sent abroad illicitly since 2023 as import advances via Telegraphic Transfers with no goods received — money he links to drugs, corruption and organised crime.
- IMF mission (in-country from June 24) urges Sri Lanka to 'stay the course' on reforms; loss-making SriLankan Airlines, CPC and CEB reforms remain stalled.
- Cabinet clears a skilled-labour export pact with Japan and appoints a panel to protect Eastern Province land.

ECONOMY

- CCPI inflation jumps to a three-year high of 6.8% in June (from 5.5%), near the CBSL's 7% ceiling, as the ~50% fuel-price surge feeds through.
- Rupee weakens to 337-338/USD by mid-week; ASPI recovers to 22,314 (June 23) and 22,407 (June 25) as Brent slides below $73 on US-Iran de-escalation.
- Sri Lanka Customs beats its revenue target for a sixth straight month; May current-account deficit at $194 m on a wider trade gap.
- Government weighs whether to extend fuel subsidies (Rs 100 bn allocated) as the IMF mandates cost-recovery pricing from June.

FOREIGN AFFAIRS

- IMF Mission Chief Papargeorgiou concludes staff-level discussions, stressing reform momentum over external shocks.
- Cabinet approves a Japan skilled-labour programme, deepening formal overseas-employment channels.
- Colombo courts investors for Hambantota (108 acres) and Port City amid a '90-day reform' push.

INTERNAL SECURITY

- Investigations proceed into ~$1 bn in illicit TT outflows and the earlier Rs 13.2 bn NDB fraud and $2.5 m finance-ministry scam.
- CBSL warns the public over Kasagala Green Plantation's suspected unauthorised deposit-taking.

DEFENCE

- Post-Ditwah reconstruction stays a security-services priority; cabinet approves a $200 m ADB post-cyclone package.
- No major new military operations reported during the week.

HEALTH

- The fuel-driven inflation spike to 6.8% raises cost-of-living and household health pressures.
- Sea fish and vegetables lead the June food-price rise, squeezing nutrition budgets.

EDUCATION

- Skilled-labour export pact with Japan links vocational training to formal overseas jobs.
- Digital-asset declaration rules advance to parliament under the Anti-Corruption Act.

SOCIETY

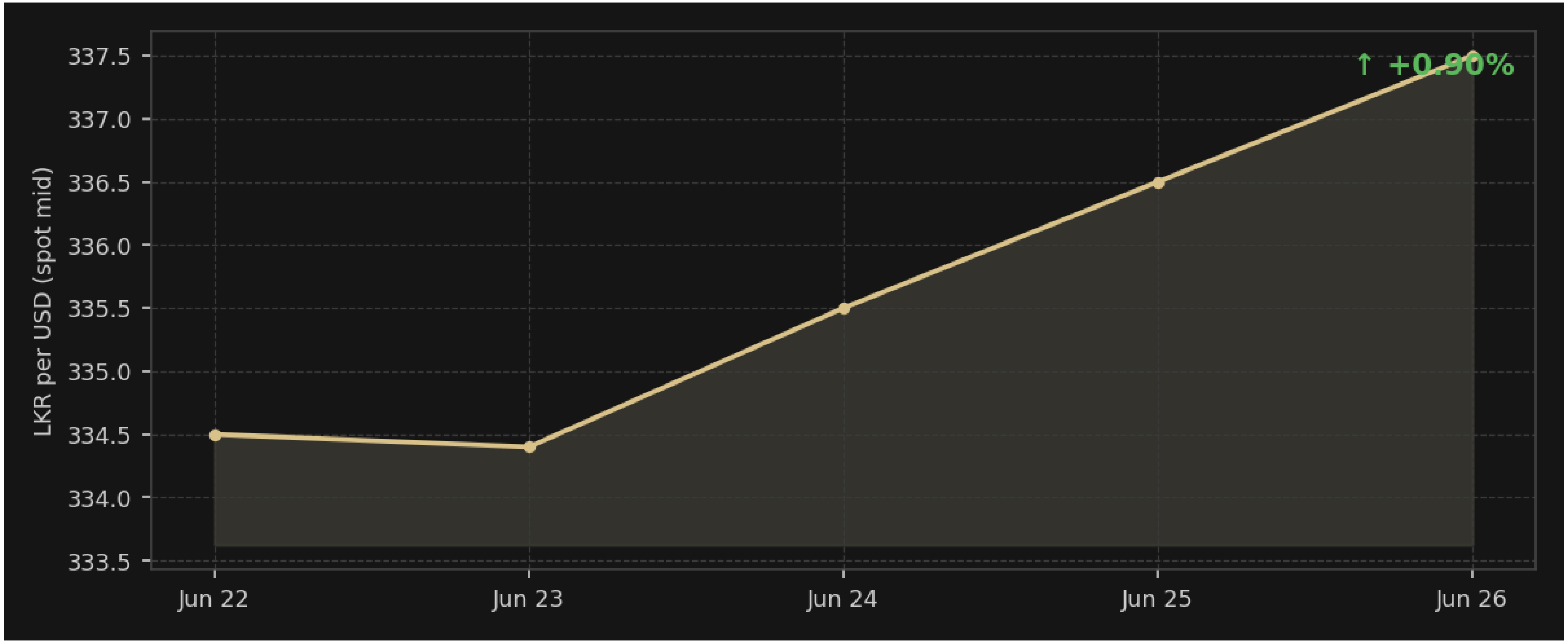
- SLTDA revises tourism-earnings methodology after monthly revenue estimates fell ~38% in April.
- Lee Hedges land sale-and-purchase completes (Rs 1.1 bn initial payment) as property deals pick up.
- West Indies tour continues with weather disruptions; art-market and hospitality investment activity rises.
- Cabinet appoints a special panel to protect state lands in the Eastern Province.

Sr No	Date	Sector	News Headlines	Source
1	22 Jun 2026	Economy	Rupee at 334.40/335.00 to the dollar; bond yields edge lower on shorter tenors	EconomyNext
2	23 Jun 2026	Economy	ASPI rises 0.27% to 22,314.64 as Brent slips to a near three-month low on an Iran oil license	EconomyNext
3	23 Jun 2026	Foreign Affairs	Deputy minister outlines a 90-day reform push including BOI and EDB overhauls	EconomyNext
4	23 Jun 2026	Society	Cabinet appoints a special panel to protect state lands in the Eastern Province	EconomyNext
5	24 Jun 2026	Politics	IMF mission arrives for staff-level discussions on the reform programme	EconomyNext
6	24 Jun 2026	Economy	Rupee weakens to 336.50/80 to the dollar; 12-month T-bill yield up a basis point to 10.17%	EconomyNext
7	24 Jun 2026	Society	Welfare Benefits Board census passes 50%, processing 1.5 m of 3.12 m applications	EconomyNext
8	24 Jun 2026	Education	Cabinet clears a skilled-labour export pact with Japan under a new programme	EconomyNext

Sr No	Date	Sector	News Headlines	Source
9	25 Jun 2026	Economy	ASPI closes up 0.89% at 22,407 as oil falls below $73 on US-Iran progress	EconomyNext
10	25 Jun 2026	Economy	Sri Lanka Customs exceeds its revenue target for a sixth straight month	EconomyNext
11	26 Jun 2026	Politics	President Dissanayake says ~$1 bn was sent abroad illicitly since 2023 via import-advance TTs	EconomyNext
12	26 Jun 2026	Economy	Cabinet weighs extending fuel subsidies as the IMF mandates cost-recovery pricing	EconomyNext
13	26 Jun 2026	Internal Security	CBSL warns public over Kasagala Green Plantation's suspected unauthorised deposits	EconomyNext
14	27 Jun 2026	Economy	May current-account deficit widens to $194 m on a larger trade gap	EconomyNext
15	28 Jun 2026	Society	SLTDA revises tourism-earnings methodology after a ~38% April revenue drop	EconomyNext
16	28 Jun 2026	Defence	Cabinet approves a $200 m ADB post-cyclone reconstruction and livelihood package	EconomyNext

Sr No	Date	Sector	News Headlines	Source
17	28 Jun 2026	Foreign Affairs	Colombo courts investors for 108 acres in Hambantota for an industrial-container project	EconomyNext

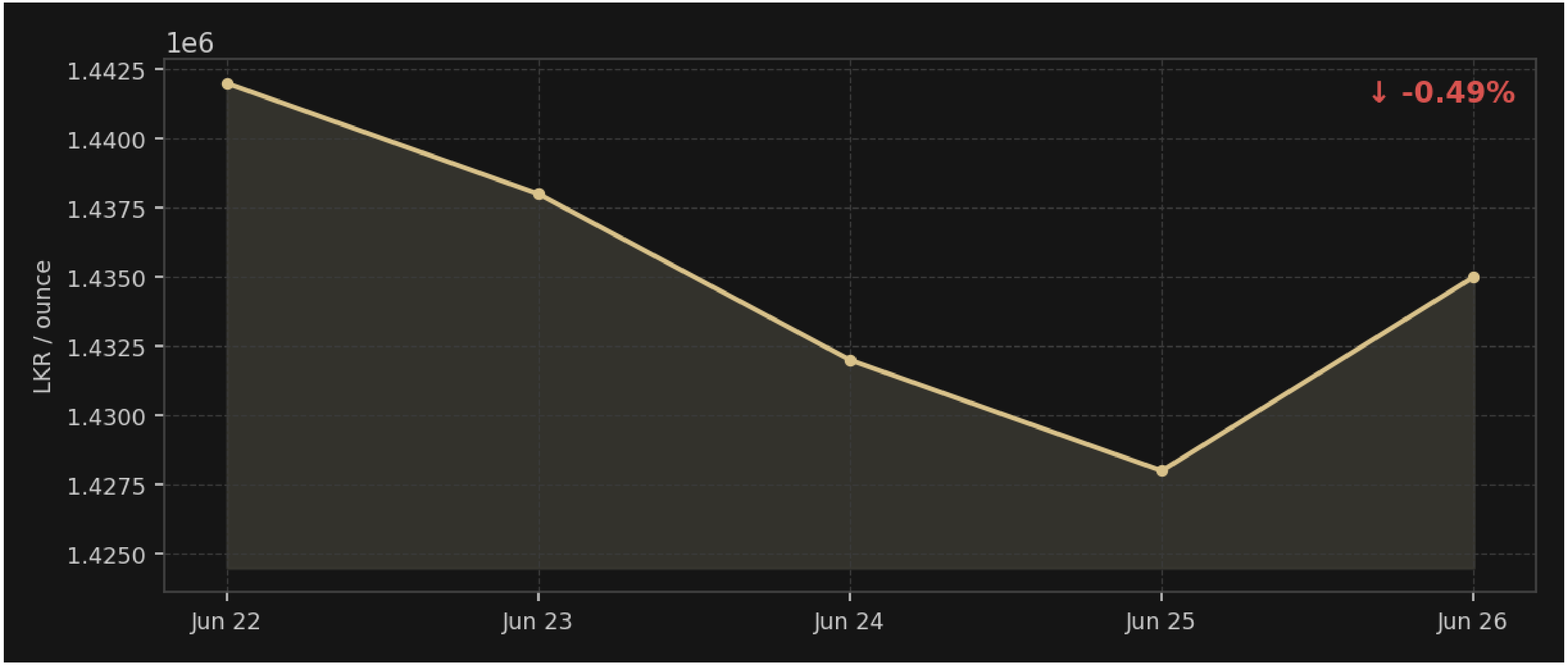
USD/LKR Exchange Rate (Spot Mid)



The rupee weakened toward 337-338/USD through the week amid a wider trade gap.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

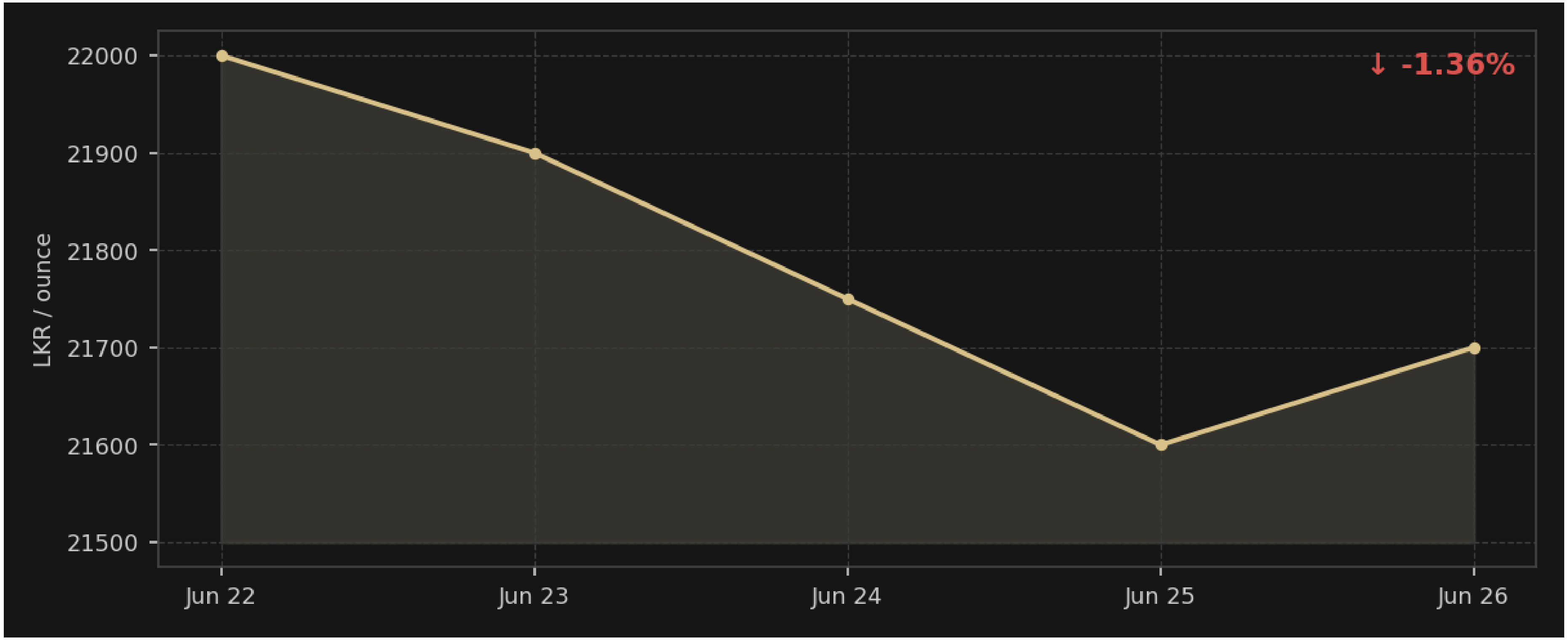
Gold Prices (in Sri Lankan Rupees/Ounce)



Rupee gold eased with the global retreat as oil and safe-haven demand fell.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

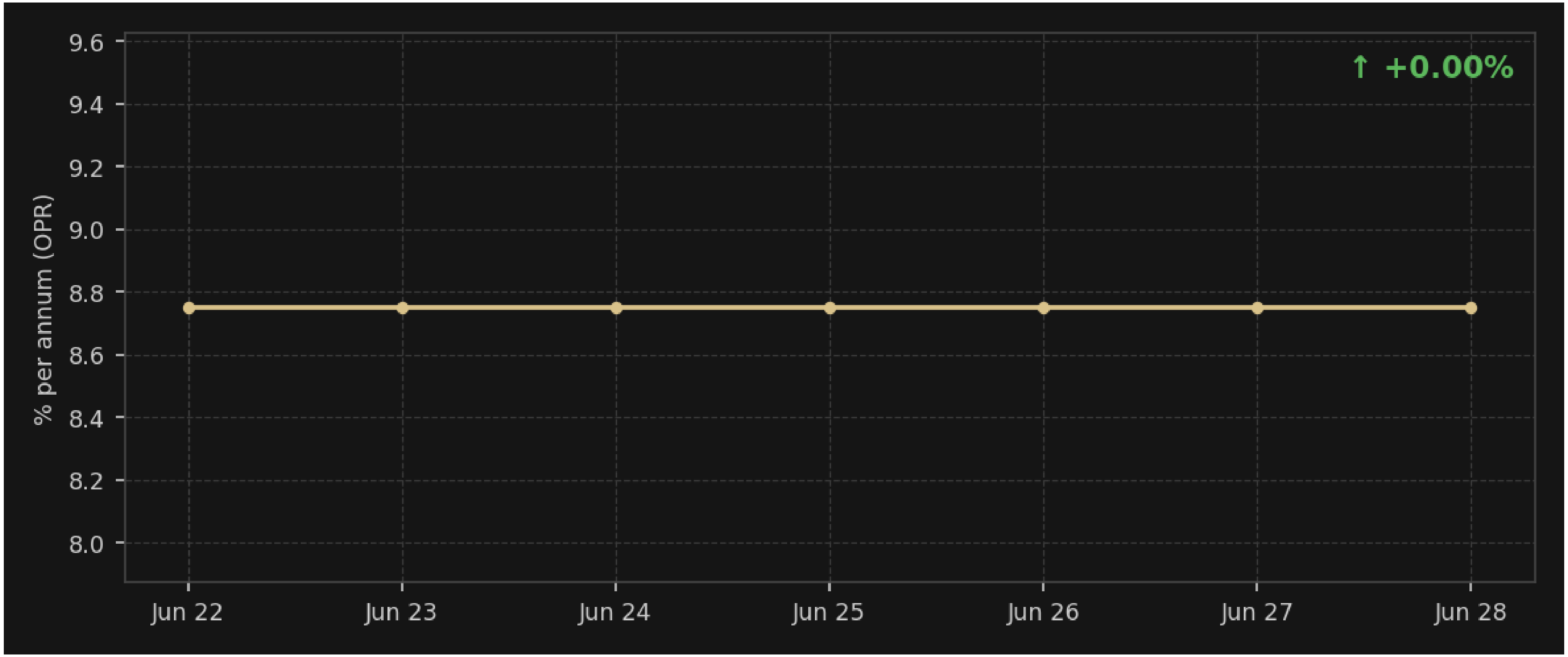
Silver Prices (in Sri Lankan Rupees/Ounce)



Silver dipped in rupee terms before a small stabilisation.

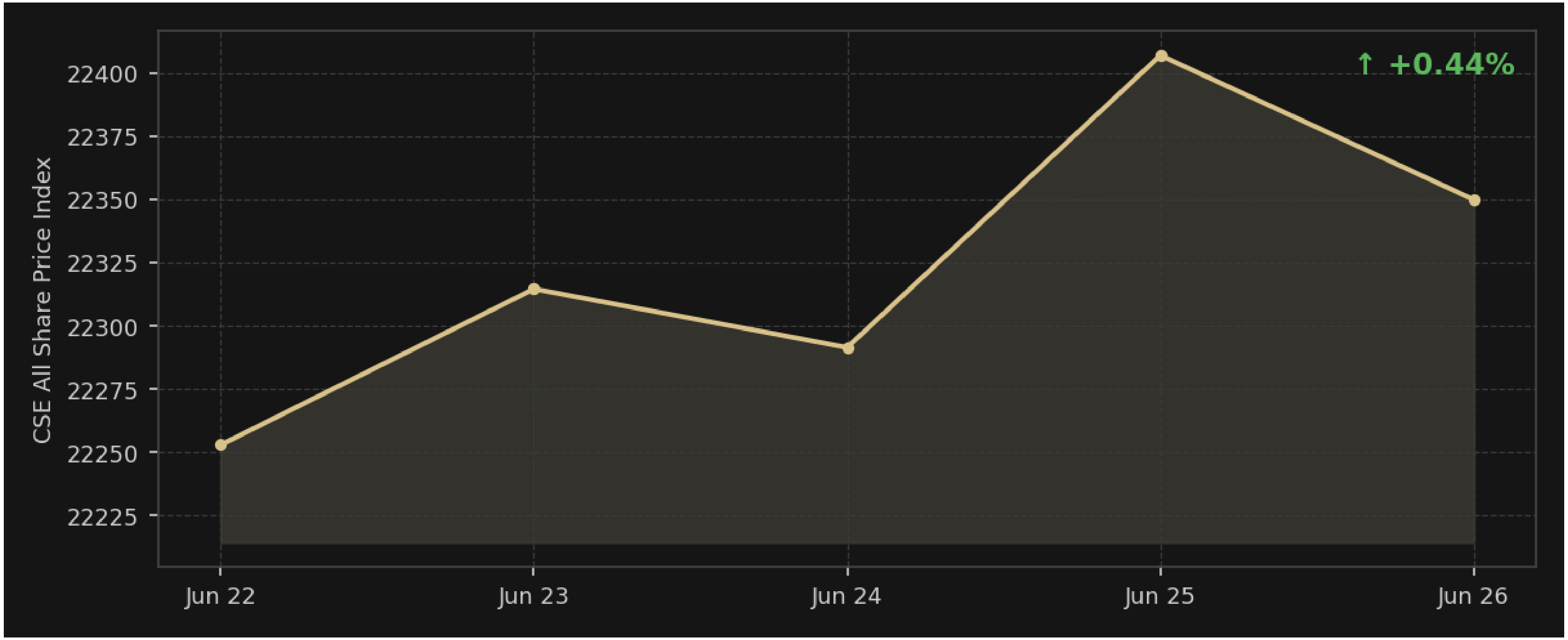
Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

Central Bank of Sri Lanka — Overnight Policy Rate



The OPR held at 8.75% all week; inflation rose to a three-year high of 6.8% in June.
Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

CSE All Share Price Index (ASPI)



The ASPI recovered to 22,314 (June 23) and 22,407 (June 25) as Brent slid below $73.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.