SRI LANKA WEEKLY

29 June – 04 July 2026

BY Shrishti Chauhan

June inflation hits a three-year high 6.8%

'Stay the course'

IMF: 'stay the course' on reforms

Yala paddy procurement

Treasury funds Yala paddy purchases

POLITICS

- The IMF's Mission Chief Papargeorgiou concludes staff-level talks (from June 24) with a clear message: 'stay the course' on reforms, as SriLankan Airlines, CPC and CEB overhauls remain stalled.
- The President's Secretariat sets July 15 for 2026 Yala-season paddy procurement, with Rs 6 bn from the Treasury and Rs 10 bn via state banks.
- Cabinet clears urea tenders (20,000 t) for the Maha season and continues its energy-transition and anti-corruption agenda.

ECONOMY

- CCPI inflation rises to a three-year high of 6.8% in June (from 5.5% in May), near the CBSL's 7% ceiling, as the fuel-price surge feeds through.
- The rupee trades in a tight 335.90-336.35/USD band; T-bill and bond yields drift as global oil stays elevated.
- The ASPI hovers around 22,230 (July 2) after a volatile month; the CSE stays sensitive to Middle East headlines.
- The Ceylon Chamber hosts an energy-transition forum stressing technical standards to draw renewable and storage investment.

FOREIGN AFFAIRS

- Engagement stays anchored to the IMF programme and reform momentum after the staff visit.
- Sampath Bank is named Sri Lanka's Best Retail and Best Commercial Bank at the World Finance Banking Awards 2026.
- Investor interest in Port City and special economic zones continues amid improving stability.

INTERNAL SECURITY

- Regulators press digital-asset declaration rules and post-fraud oversight following the NDB and finance-ministry scandals.
- The government advances anti-corruption regulations under the 2023 Act.

DEFENCE

- Post-Ditwah reconstruction stays a standing security-services priority; no major new operations reported.
- India defence-training cooperation under the USD 7 m programme continues in the background.

HEALTH

- Fuel-driven inflation at a three-year high keeps cost-of-living and household-health pressure elevated.
- Transport, housing and utilities lead the non-food price rise that pushed June inflation higher.

EDUCATION

- Skills and vocational themes remain central ahead of the October Economic and Investment Summit.
- Energy-transition planning highlights the need for technical and safety-standard capacity-building.

SOCIETY

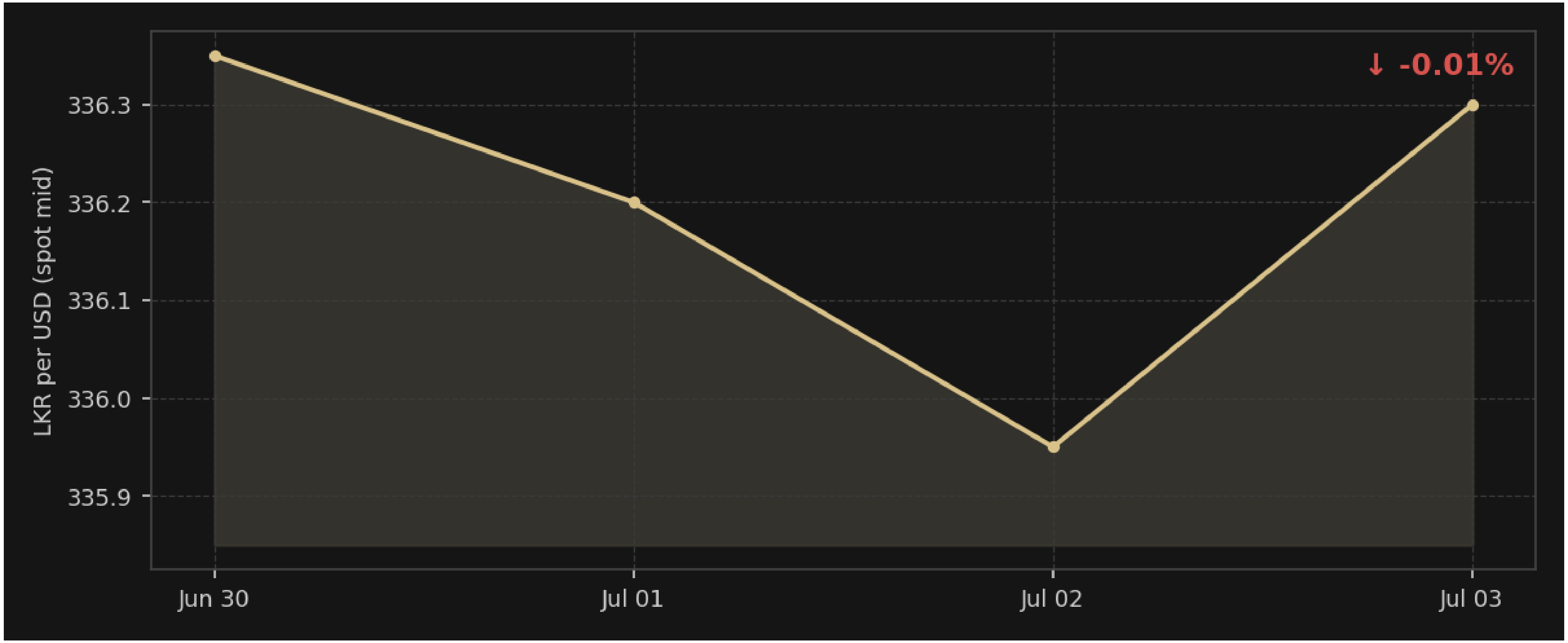
- The State Fertilizer Company gets cabinet approval to tender 20,000 t of urea for the Maha season (≈800,000 ha of paddy).
- The Ceylon Chamber's energy forum frames reliable, affordable power as a competitiveness enabler.
- Sampath Bank's award sweep highlights banking-sector resilience.
- Rain continues to disrupt Sri Lanka's white-ball tour of the West Indies.

Sr No	Date	Sector	News Headlines	Source
1	30 Jun 2026	Politics	IMF's mission chief urges Sri Lanka to 'stay the course' on reform momentum	EconomyNext
2	30 Jun 2026	Economy	June CCPI inflation rises to a three-year high of 6.8%, near the 7% ceiling	EconomyNext
3	30 Jun 2026	Economy	ASPI closes down 0.65% at 22,263.28 in cautious trade	EconomyNext
4	1 Jul 2026	Economy	Rupee closes at 336.20/40 to the dollar with bond yields steady	EconomyNext
5	1 Jul 2026	Society	State Fertilizer Company gets cabinet nod to tender 20,000 t of urea for the Maha season	EconomyNext
6	2 Jul 2026	Economy	Rupee closes at 335.90/336.00 to the dollar; ASPI eases 0.06% to 22,229.71	EconomyNext
7	2 Jul 2026	Economy	Ceylon Chamber hosts an energy-transition forum on standards and investor confidence	EconomyNext
8	2 Jul 2026	Foreign Affairs	Sampath Bank named Sri Lanka's Best Retail and Best Commercial Bank for 2026	EconomyNext

Sr No	Date	Sector	News Headlines	Source
9	2 Jul 2026	Politics	President's Secretariat sets July 15 for 2026 Yala-season paddy procurement	EconomyNext
10	3 Jul 2026	Economy	Rupee at 336.35/40 to the dollar as bond yields drift lower	EconomyNext
11	3 Jul 2026	Politics	Treasury allocates Rs 6 bn plus Rs 10 bn via state banks for Yala paddy purchases	EconomyNext
12	3 Jul 2026	Internal Security	Government advances digital-asset and anti-corruption regulations under the 2023 Act	EconomyNext
13	4 Jul 2026	Health	Transport, housing and utilities lead the non-food price rise behind June inflation	EconomyNext
14	4 Jul 2026	Society	Paddy Marketing Board holds ~120,000 t as it clears warehouses for the new harvest	EconomyNext
15	4 Jul 2026	Education	Energy forum flags technical and safety standard-building for the renewable transition	EconomyNext
16	4 Jul 2026	Foreign Affairs	Investor interest in Port City and special economic zones continues amid stability	EconomyNext

Sr No	Date	Sector	News Headlines	Source
17	4 Jul 2026	Society	Rain continues to disrupt Sri Lanka's white-ball tour of the West Indies	Ada Derana

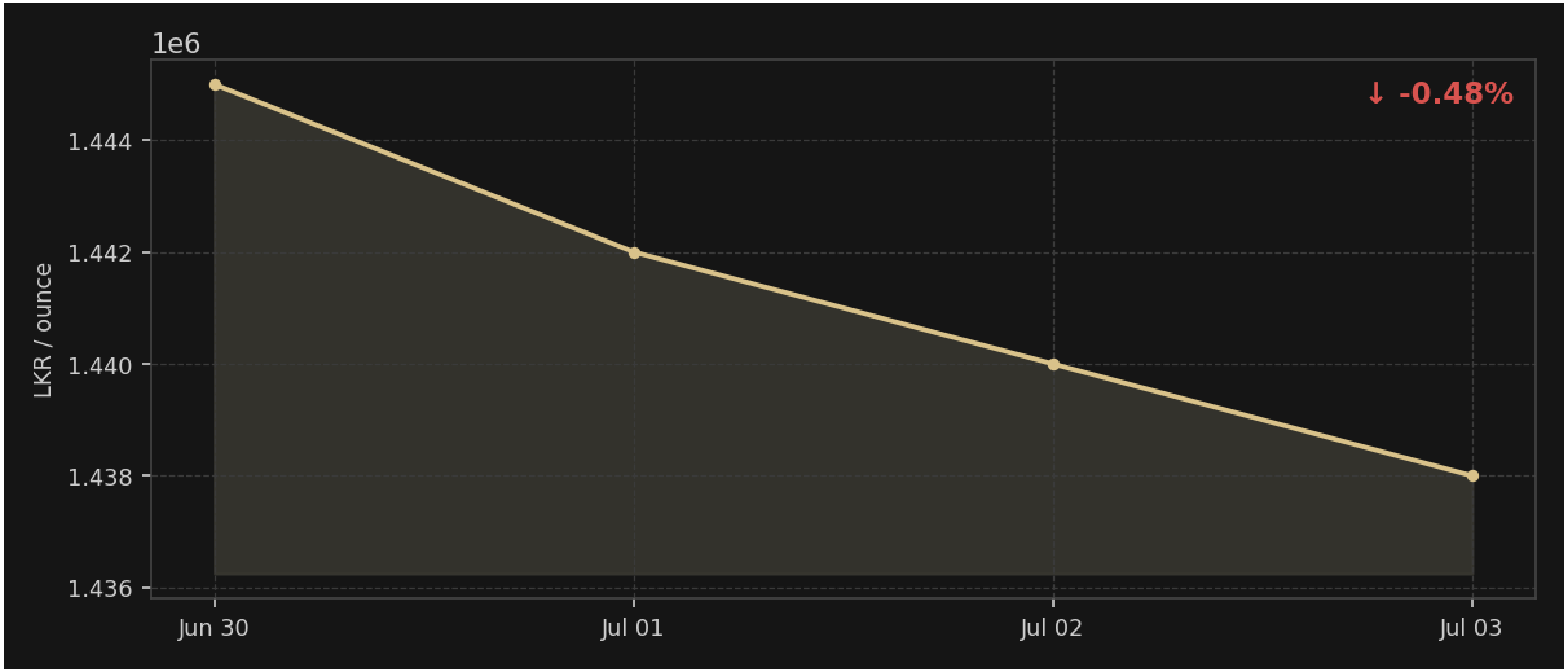
USD/LKR Exchange Rate (Spot Mid)



The rupee traded in a tight 335.90-336.35/USD band through the week.

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

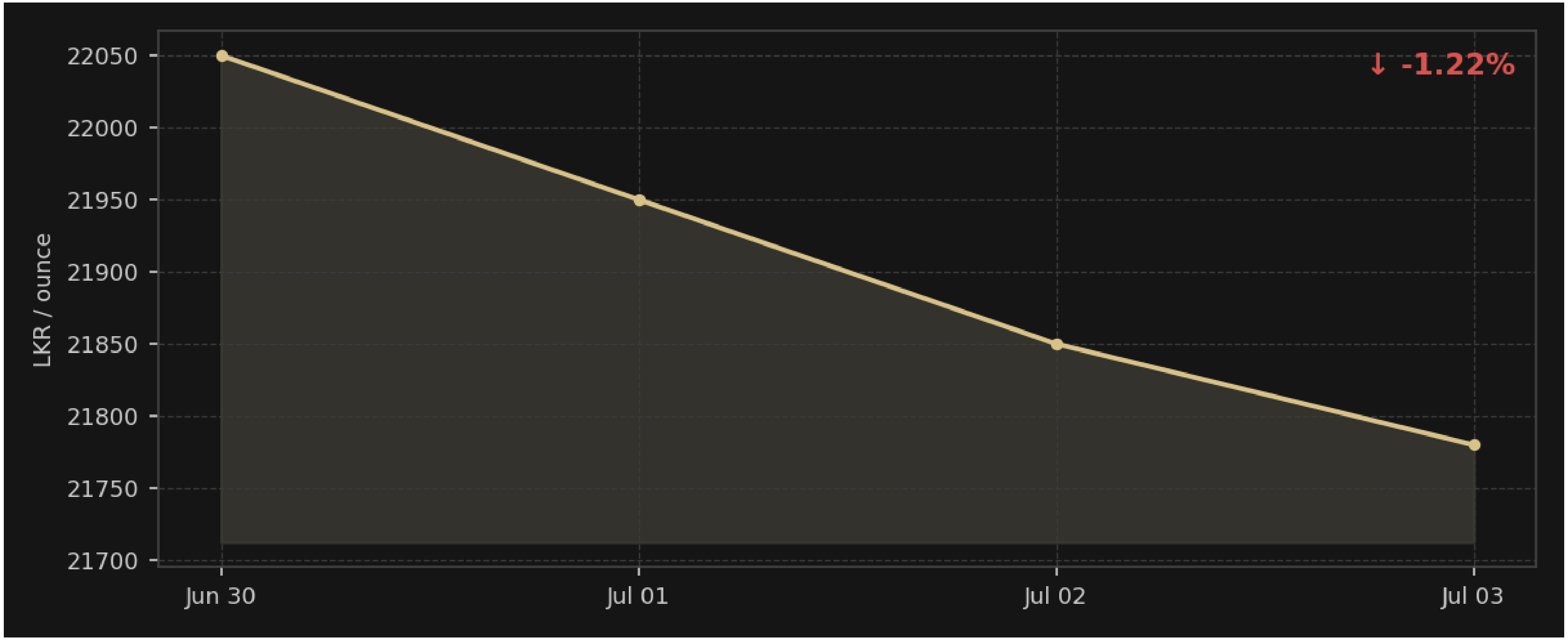
Gold Prices (in Sri Lankan Rupees/Ounce)



Rupee gold eased modestly with softer world prices.

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

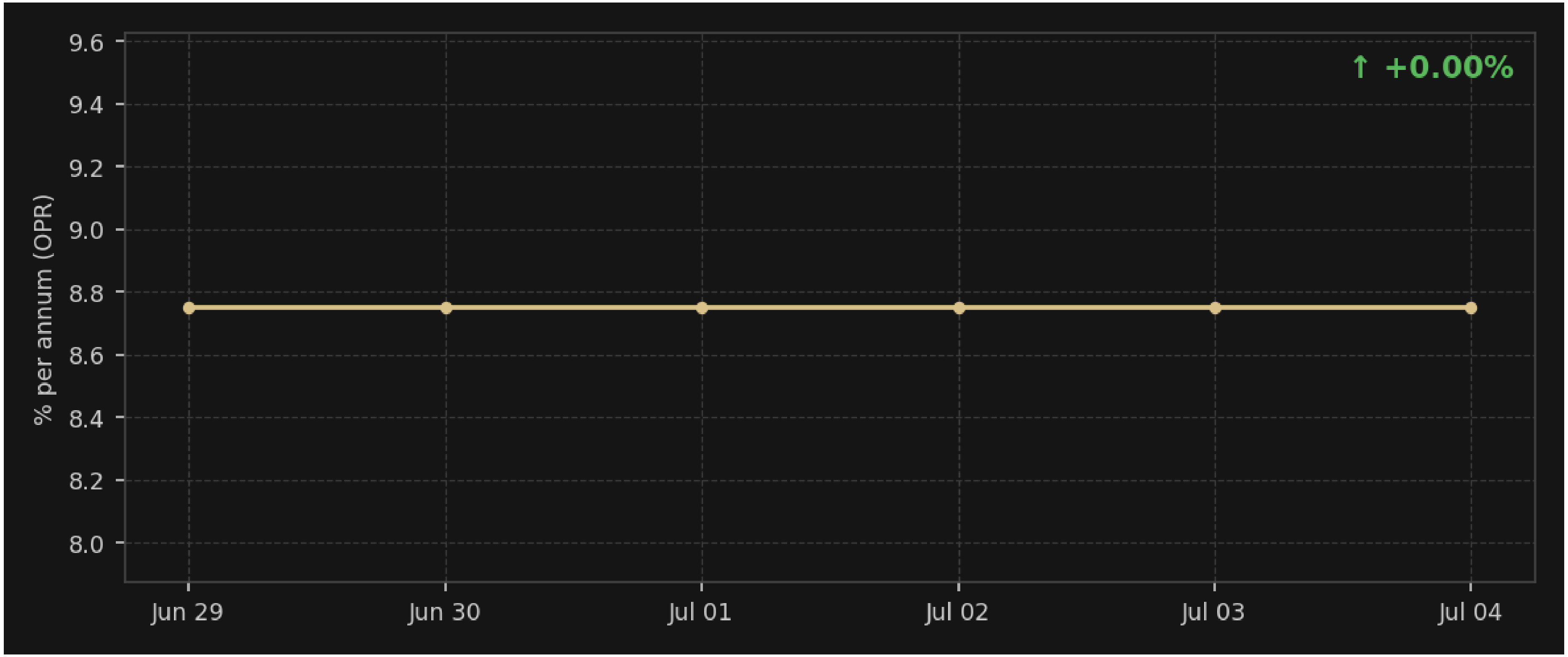
Silver Prices (in Sri Lankan Rupees/Ounce)



Silver slipped in rupee terms, tracking global prices.

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

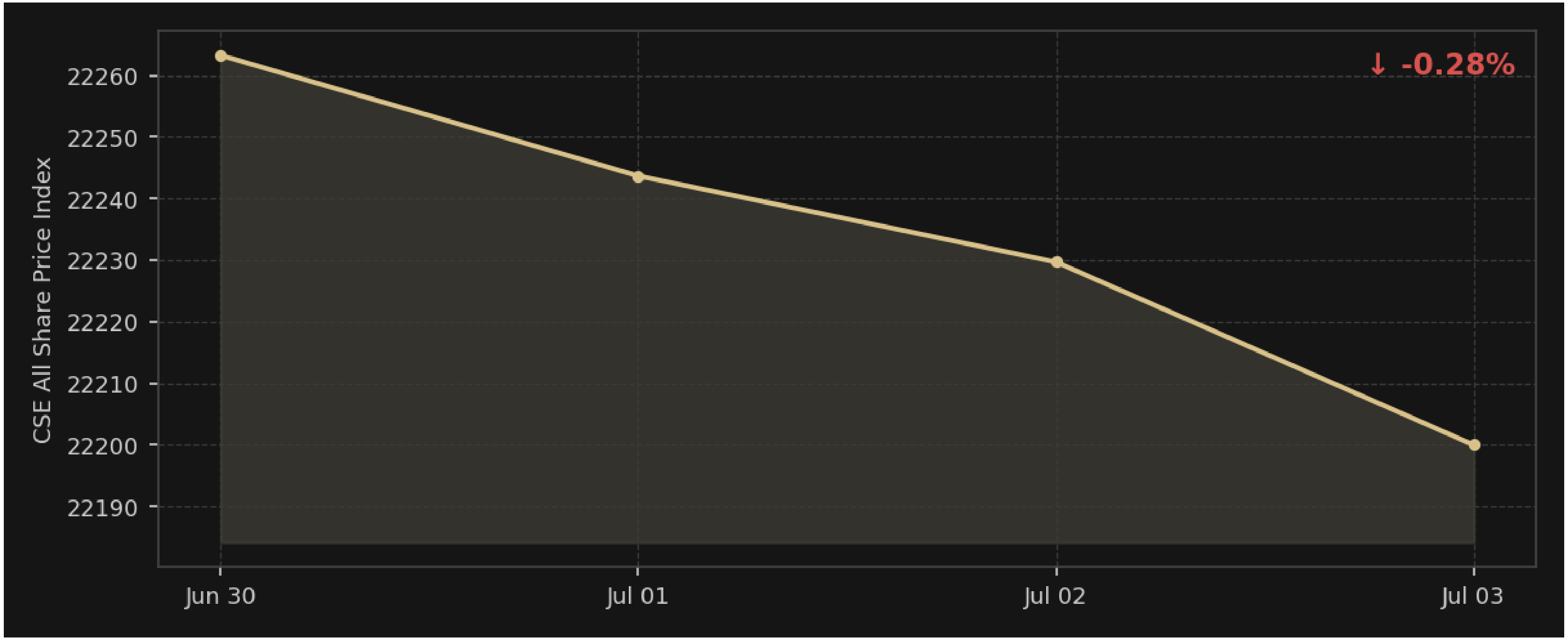
Central Bank of Sri Lanka — Overnight Policy Rate



The OPR held at 8.75% all week; June CCPI inflation reached a three-year high of 6.8%.

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 eased from 22,263 (June 30) to ≈22,230 (July 2) amid cautious trade.

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