









English | 원야

Home » FINANCIAL SYSTEM » Financial Markets » Overview

Financial Markets Overview

Financial Market, for credit and capital, can be divided into the Money Market and the Capital Market serving different investor preferences. Money mark market for short-term interest- bearing assets, usually with maturities of less than one year, such as Treasury bills, commercial paper, certificates of and short-term interbank borrowing and lending. Money market supports liquidity management in the economy. Main issuers in the domestic money may the Government, banks and listed companies, while the main investors are banks, insurance companies and pension and provident funds. The inter-bank exchange market is also closely connected with the money market. The inter-bank forex market is the place where currencies are traded between banks.

Capital market is for long-term assets, such as Treasury bonds, private debt securities (bonds and debentures) and equities (shares). Main purpose of th market is to facilitate the raising of long-term funds. Main issuers raising funds in the capital market are the Government, banks and private companies, v main investors are pension and provident funds and insurance companies.

Financial market can also be classified according to traded instruments, such as the debt market and the equity market. The debt market is also know fixed income securities market and its segments are the Government securities market (Treasury bills and Treasury bonds) and the private debt securities (commercial paper, private bonds and debentures).

Another distinction can also be drawn between primary and secondary markets. Primary market is the market for new issues of shares and debt securiti the secondary market is the market in which such securities are traded subsequent to primary issuances.

The Central Bank through its conduct of monetary policy influences the different segments of the financial market to varying degrees. Central Bank interest rates have the greatest impact on a segment of the money market called the inter-bank call money market and a segment of the fixed income s market, i.e. the Government securities market.

| About | More Services | Useful Sites | Follow Us |
|----------------------|--|---|-------------------------|
| Contact Us | Employees' Provident Fund | Ministry of Finance (http://www.treasury.gov.lk/) | f <u>Facebook</u> |
| Right to Information | Public Debt Management | Department of Census and | ▼ <u>Twitter</u> |
| FAQ | Department of Foreign Exchange (http://www.dfe.lk) | Statistics (http://www.statistics.gov.lk/) | YouTube YouTube |
| Glossary | Center for Banking Studies | Institute of Bankers of Sri Lanka | in <u>LinkedIn</u> |
| Forms & Downloads | Financial Intelligence Unit | (http://www.ibsl.lk) | ✓ Subscribe |
| Tender Notices | Regional Offices of CBSL | International Monetary Fund (http://www.imf.org) | ≈ RSS |
| Careers Privacy | LankaPay | Colombo Stock Exchange (http://www.cse.lk/) | |
| Sitemap | | Credit Information Bureau (http://www.crib.lk) | |
| | | Sri Lanka Accounting and Auditing Standards Monitoring Board | |
| | | (http://slaasmb.gov.lk/) | |