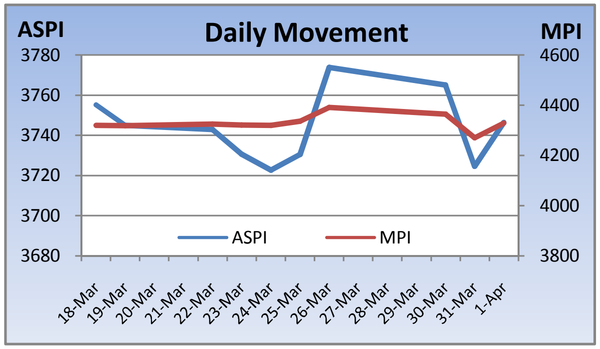
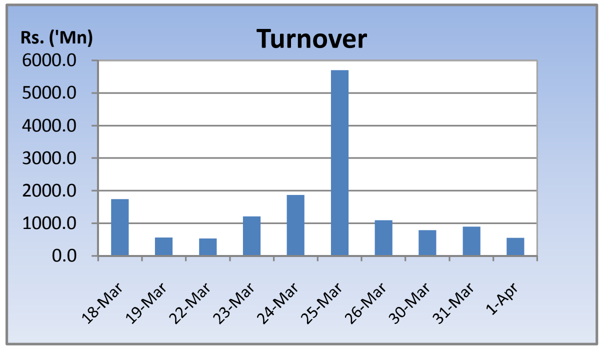
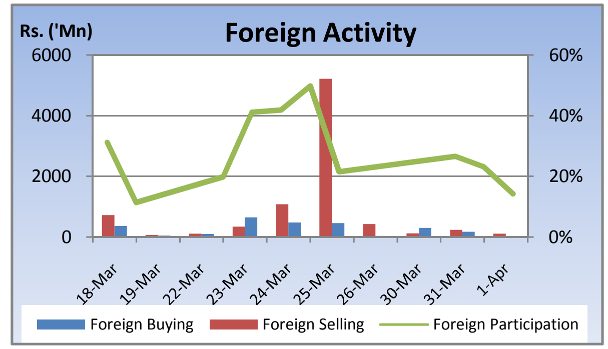
Weekly Market Update

Week Ending: April 01st, 2010

CAPITAL ALLIANCE
The preferred partner in Capital Markets







Market Statistics	Current	Previous	Change
ASPI	3746.50	3773.76	-0.72%
MPI	4328.70	4391.22	-1.42%
MARKET CAP. (Rs. 'Bn)	1218.41	1221.91	-0.29%
MARKET PER(x)	18.47	18.53	-0.32%
MARKET PBV(x)	1.86	1.87	-0.53%
Average Daily			
TURNOVER	756.27	2088.30	-63.8%
VOLUME	14.43	25.58	-43.6%
FOREIGN PURCHASES	175.18	351.96	-50.2%
FOREIGN SALES	160.16	1438.04	-88.9%
NET FOREIGN	15.02	-1086.08	101.4%
FOREIGN PARTICIPATION	22.2%	42.9%	-48.3%
Sector Summary			
INFORMATION TECHNOLO(	83.45	81.47	2.43%
BEVERAGE FOOD AND TOB.	6,481.12	6,358.38	1.93%
BANKS FINANCE AND INSUI	7,356.59	7,262.42	1.30%
HEALTH CARE	406.45	402.95	0.87%
TRADING	8,187.85	8,140.79	0.58%
SERVICES	14,331.16	14,588.52	-1.76%
POWER AND ENERGY	85.47	87.30	-2.10%
LAND AND PROPERTY	359.00	368.27	-2.52%
OIL PALMS	40,490.89	41,715.53	-2.94%
INVESTMENT TRUSTS	28,329.30	36,495.07	-22.37%

Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
CONVENIENCE FOOD	125.25	144.50	15.37%	144.50	144.50	100	14,450
ABANS	126.00	144.75	14.88%	144.75	130.00	200	27,875
KALAMAZOO	850.00	945.50	11.24%	1,000.00	900.00	4,600	4,190,000
COMMERCIAL BANK[NON VOTING]	143.00	158.00	10.49%	162.00	143.00	148,100	22,382,635
ALUFAB	38.25	42.00	9.80%	42.00	40.00	800	34,200
Top 5 Losers							
KELANI CABLES	222.00	105.50	-52.48%	115.00	103.00	700	76,500
ENVI. RESOURCES	241.75	115.25	-52.33%	247.00	100.00	1,362,800	188,724,552
PAN ASIA	19.00	16.50	-13.16%	19.50	16.00	565,200	10,372,802
ON'ALLY	42.00	37.00	-11.90%	37.00	37.00	400	14,800
PEOPLE'S L FIN	42.75	37.75	-11.70%	42.50	37.50	6,000	243,315
Top 5 by Turnover							
JKH	186.00	185.50	-0.27%	189.75	182.00	1,979,700	365,555,413
COMMERCIAL BANK	198.75	214.75	8.05%	220.00	196.00	1,735,200	353,273,557
ENVI. RESOURCES	241.75	115.25	-52.33%	247.00	100.00	1,362,800	188,724,552
SEYLAN BANK[NON VOTING]	26.25	25.75	-1.90%	26.75	25.50	3,477,600	91,807,450
HNB[NON VOTING]	136.00	137.00	0.74%	140.00	132.25	547,800	75,514,774
Top 5 by Volume							
SEYLAN BANK[NON VOTING]	26.25	25.75	-1.90%	26.75	25.50	3,477,600	91,807,450
NAWALOKA	3.40	3.50	2.94%	3.60	3.40	2,405,300	8,472,052
RENUKA AGRI	3.30	3.30	0.00%	3.50	3.30	2,327,000	7,769,310
JANASHAKTHI INS.	14.25	14.25	0.00%	14.75	14.00	2,269,800	32,634,550
JKH	186.00	185.50	-0.27%	189.75	182.00	1,979,700	365,555,413

Market Review

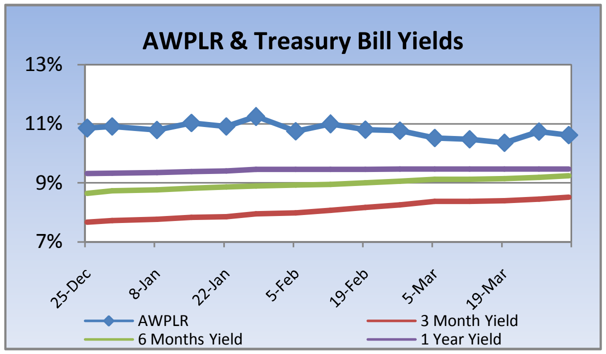
Market activity dried up this week with it being a short week and the approach of the festive season. With the heavy fall of the speculative counter Env. Resources a significant decline of the indices were observed. Investor sentiment was positive this week with buying interest in the blue chip counters strengthening towards the latter part of the week. The benchmark ASPI declined 27.26 points or 0.72% week on week while the more sensitive MPI reported a week on week declined of 62.52 points or 1.42%.
Compared to previous week's closing levels the market declined Rs.3.4 billion approximately or 0.29% in value this week to close at Rs.1218.41 Bn on Thursday.

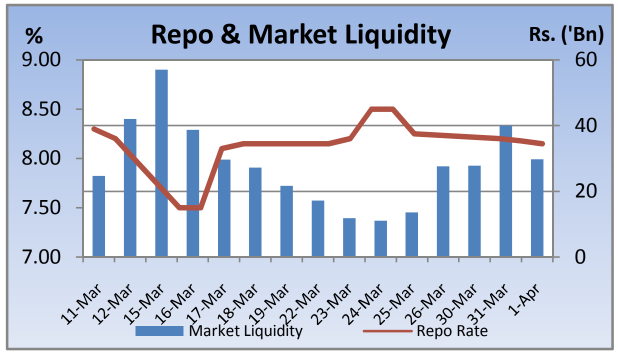
Total market turnover for the week amounted to Rs.2.7 Bn with an average daily turnover of Rs.756m. Turnover for the week witnessed 78% decrease compared to the last week's market turnover of Rs.10.4 Bn.

Heavily traded shares of the week under review were Seylan Bank (X) and Nawaloka with the former being highest in terms of volume for the week, trading over 3m shares. The counter declined 1.9% during the week in value on a Week on Week basis. JKH and Commercial Bank contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.365m and declining 0.3% in value during the week.

FII participation gained to 22% of total turnover this week, from 43% reported last week. FII interest was negative during the week with a net inflow of Rs.45m, a 101% increase compared to last week's net outflow of Rs.5.4Bn.

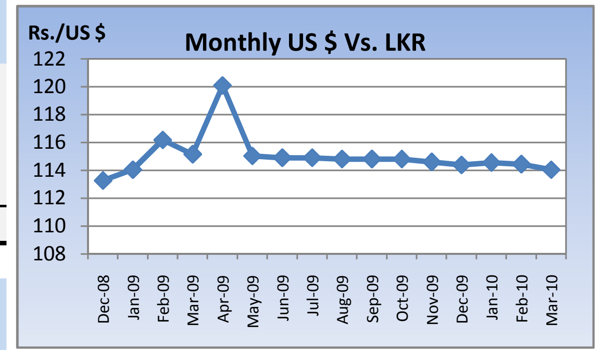
Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	214.75	1.90	12.99	12.14
DFCC	182.50	1.22	10.19	10.45
HNB	188.00	1.78	9.88	11.96
NDB	208.00	1.24	8.17	9.26
NTB	34.50	1.26	8.43	7.02
SAMPATH BANK	222.50	1.29	8.36	7.42
BEVERAGE, FOOD & TOBACCO				
CTC	250.25	14.86	11.39	9.70
DISTILLERIES	118.00	1.49	12.46	10.63
CHEMICALS & PHARMACEUTICALS				
CIC	68.00	1.30	10.72	10.20
CONSTRUCTION & ENGINEERING				
DOCKYARD	283.75	3.31	9.02	7.83
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,378.25	2.05	17.27	14.24
CARSONS	544.75	2.76	14.88	13.30
HAYLEYS	223.00	1.28	16.76	19.63
HEMAS HOLDINGS	120.00	1.64	15.07	14.26
JOHN KEELLS HOLDINGS	185.50	2.42	34.85	26.26
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	385.75	3.10	45.90	21.12
ASIAN HOTELS AND PROPERTIES	130.75	2.39	55.03	24.35
KEELLS HOTELS	18.25	2.84	(104.35)	33.84
MANUFACTURING				
ACL CABLES	75.00	1.20	50.47	17.62
CHEVRON LUBRICANTS	169.50	7.14	13.61	14.50
LANKA TILES	87.00	2.03	12.03	8.63
ROYAL CERAMICS	113.00	1.69	6.82	5.57
TOKYO CEMENT	28.00	1.46	93.33	17.50
PLANTATIONS				
AGALAWATTE	29.00	1.42	7.80	9.54
KEGALLE	47.75	0.81	5.28	4.63
KELANI VALLEY	51.50	1.12	(41.09)	5.56
POWER & ENERGY				
LANKA IOC	17.75	1.23	(7.38)	22.78
TELECOMMUNICATIONS				
DIALOG	7.00	2.03	(4.67)	16.88





Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.02	114.16	-0.12%
- FORWARD 1 MONTH	114.66	114.75	-0.08%
- FORWARD 3 MONTHS	115.89	115.81	0.07%
BRITISH POUND	173.27	169.72	2.09%
EURO	154.03	152.09	1.27%
JAPANESE YEN	1.22	1.23	-1.09%
INDIAN RUPEE	2.55	2.51	1.26%
AUSTRALIAN DOLLAR	104.48	103.69	0.76%
SINGAPORE DOLLAR	81.55	81.15	0.50%



Treasury Bill Auction

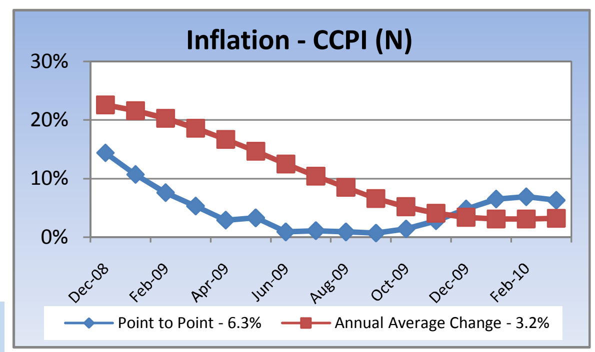
Maturity	Weighted Average Yield Current Week	Previous Week	Change Basis Points	Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
3 MONTHS	8.52%	8.45%	7.00	2,500	3,397	1,752
6 MONTHS	9.24%	9.19%	5.00	3,500	5,213	2,953
12 MONTHS	9.47%	9.47%	0.00	4,000	4,900	721
				10,000	**13,510**	**5,426**

Interest Rates

		Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]		10.62	10.74	19.16
OVERNIGHT RATE ON REPURCHASE AGREEMENTS		7.50	7.50	10.25
SRI LANKA INTER BANK OFFER RATE [SLIBOR]	- OVERNIGHT	9.07	9.14	11.33
	- 7 DAYS	9.30	9.41	12.94
	- 1 MONTH	9.50	9.61	14.58
	- 3 MONTHS	9.73	9.83	15.60
	- 6 MONTHS	9.98	10.12	16.67
	- 1 YEAR	10.22	10.38	17.77

	March 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.22	7.40	11.53
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	9.71	9.99	16.32

Inflation



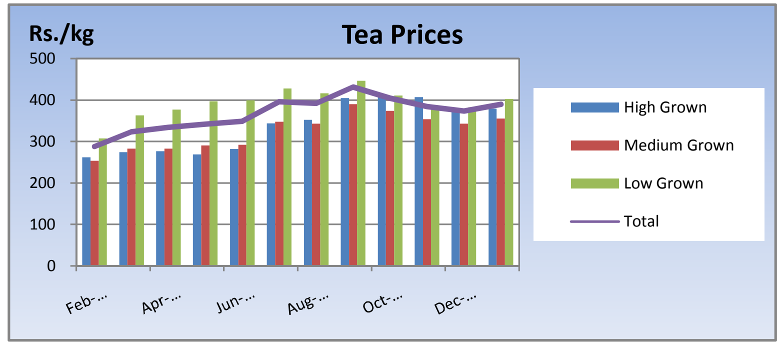
Point to Point - 6.3%

Annual Average Change - 3.2%

Tea Market

Colombo Tea Auction

SALES (kg)	Current Sale 13-2010	Previous Sale 12-2010	Change	Year to date 2010	Year to date 2009	Change
HIGH GROWN	1,284,535	1,410,033	-8.90%	18,348,343	14,370,184	27.68%
MEDIUM GROWN	874,821	985,904	-11.27%	12,631,279	10,195,926	23.89%
LOW GROWN	3,532,142	4,100,510	-13.86%	53,742,542	38,353,765	40.12%
TOTAL	**5,691,498**	**6,496,447**	**-12.39%**	**84,722,164**	**62,919,875**	**34.65%**



PRICES (Rs./kg)	2009	Jan-10	Feb-10	Sale 13-2010	Sale 12-2010	Change
HIGH GROWN	321.28	378.77	351.44	354.46	354.43	0.01%
MEDIUM GROWN	316.79	354.84	344.12	347.39	347.07	0.09%
LOW GROWN	388.44	401.89	382.90	400.53	401.71	-0.29%
TOTAL	**362.70**	**389.77**	**369.65**	**381.97**	**383.15**	**-0.31%**

PRODUCTION (kg) BY ELEVATION	February 2010	February 2009	Change	Year to date 2010	Year to date 2009	Change
HIGH GROWN	5,373,023	4,097,599	31.13%	12,099,824	9,289,376	30.25%
MEDIUM GROWN	3,754,110	2,231,473	68.23%	7,755,486	5,154,452	50.46%
LOW GROWN	14,380,879	6,552,619	119.47%	32,115,045	16,322,472	96.75%
TOTAL	**23,508,012**	**12,881,691**	**82.49%**	**51,970,355**	**30,766,300**	**68.92%**

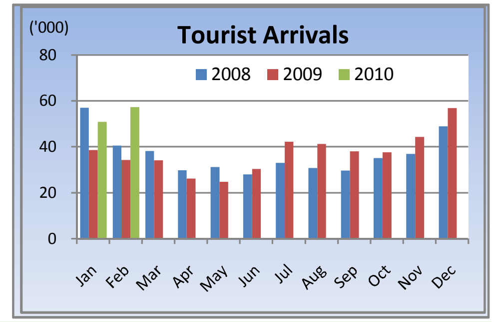
PRODUCTION (kg) BY CATEGORY	February 2010	February 2009	Change	Year to date 2010	Year to date 2009	Change
ORTHODOX	22,074,269	11,871,994	85.94%	48,829,362	28,345,450	72.27%
CTC	1,224,659	914,875	33.86%	2,731,897	2,160,013	26.48%
TOTAL BLACK TEA	**23,298,928**	**12,786,869**	**82.21%**	**51,561,259**	**30,505,463**	**69.02%**
GREEN TEA	209,085	94,821	120.50%	409,096	260,838	56.84%
TOTAL	**23,508,013**	**12,881,690**	**82.49%**	**51,970,355**	**30,766,301**	**68.92%**

ANALYSIS OF TOTAL TEA PRODUCTION	February 2010	Year to date 2010
HIGH GROWN	22.86%	23.28%
MEDIUM GROWN	15.97%	14.92%
LOW GROWN	61.17%	61.79%
	100.00%	**100.00%**
CTC AS A % OF BLACK TEA PRODDUCTION	5.26%	5.30%

Tourism

SRI LANKA ARRIVALS	2010	2009	Change
February	57,300	34,169	67.70%
Year to date	108,057	72,637	48.76%

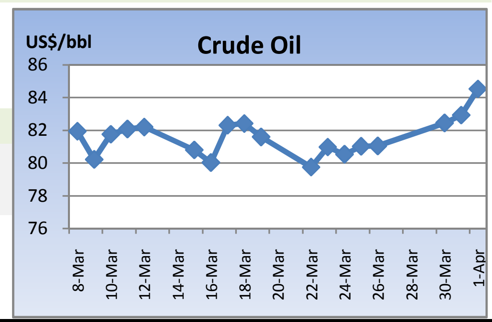
	Nov-09	Nov-08	Change
Occupancy	57.4%	45.5%	26.15%
Foreign Guest Night	267,874	221,049	21.18%



Crude Oil

NYMEX CRUDE OIL FUTURES

	1-Apr	26-Mar	Change
US$/BBL	84.53	81.05	4.29%



This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources, believed to be reliable. Capital Alliance Securities (Private) Limited however does not warrant its completeness or accuracy. Opinions and estimates given constitute a judgment as of the date of the material and are subject to change without notice. This report is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The recipient of this report must make their own independent decision regarding any securities, investments or financial instruments mentioned herein. Securities or financial instruments mentioned may not be suitable to all investors. Capital Alliance Securities (Private) Limited it's directors, officers, consultants, employees, outsourced research providers associates or business partner, will not be responsible, for any claims damages, compensation, suits, damages, loss, costs, charges, expenses, outgoing or payments including attorney's fees which recipients of the reports suffers or incurs directly or indirectly arising out actions taken as a result of this report. This report is for the use of the intended recipient only. Access, disclosure, copying, distribution or reliance on any of it by anyone else is prohibited and may be a criminal offence.

CAPITAL ALLIANCE
The preferred partner in Capital Markets

Equity

CEO - Securities

Harinlal Aturupane:	*+94 11 231 7760*

Colombo

Dilruk A. Fernando	*+94 777 721 483*
Janaka Palapathwala:	*+94 770 592 243*
Lakshan Algama Perera:	*+94 777 447 407*
Chanaka Sanoj:	*+94 773 850 227*
Milanka Induruwage:	*+94 777 261 893*
Buddhenia Narangoda:	*+94 11 2317 754*
Ifadh Marikar:	*+94 772 962 567*
Thanuja de Silva:	*+94 770 556 577*

Matara

Inok Wijesuriya:	*+94 41 439 0610*
Mahi Liyanage:	*+94 772 962 557*
Viraj Nanawatte:	*+94 772 962 541*
Kithsiri Jayasinghe:	*+94 777 790 657*

Jaffna

B. Mugundan:	*+94 21 459 1111*

Negombo

T. Dananjaya:	*+94 773 593 016*
Nihal Fernando:	*+94 773 286 895*

Kurunegala

Indunil Pradeep:	*+94 773 741 552*
P. R. Chandrasena:	*+94 773 837 325*

Galle

Isuru Jayawardena:	*+94 773 576092*

Government Securities

K. H. R. Thilakarathna:	*+94 11 231 7752*
W. A. Susantha:	*+94 11 231 7757*
Dumindu Silva:	*+94 11 231 7753*

Research

Dimantha Mathew:	*+94 777 345 679*

Head Office

5th Floor, Millennium House,
No.46/58, Nawam Mawatha,
Colombo 2, Sri Lanka

General:	+94 11 2317777
Fax:	+94 11 2317788
Email:	info@capitalalliance.lk
Website:	www.capitalalliance.lk

Branches

Matara
No.38, Station Road,
Matara

Tel:	+94 41 4390610
Fax:	+94 41 4390611

Jaffna
Laxan Plaza,
No.356B, Kasthuriar Road,
Jaffna

Tel:	+94 21 4591111
Fax:	+94 21 4591111

Kurunegala
1st Floor, Union Assurance Building,
No.6, Rajapihilla Road, Kurunegala

Tel:	+94 37 2222034
Fax:	+94 37 2222035

Negombo
Jude City Building,
No.142, Greens Road, Negombo

Tel:	+94 31 2227843/4
Fax:	+94 31 2227843

Galle
No.30, Sri Devamitta Mawatha,
Galle

Tel:	+94 91 2227631/2
Fax:	+94 91 2227632