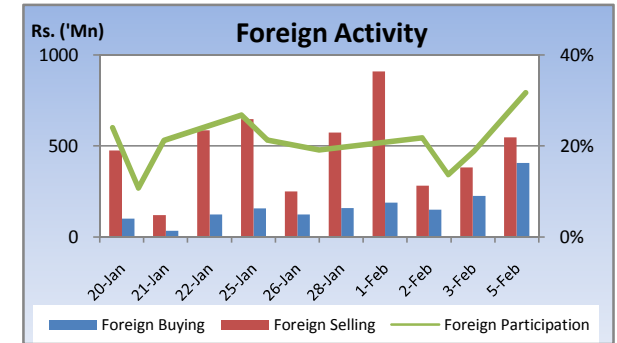
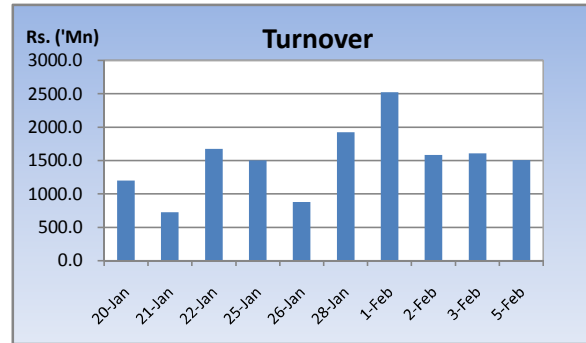
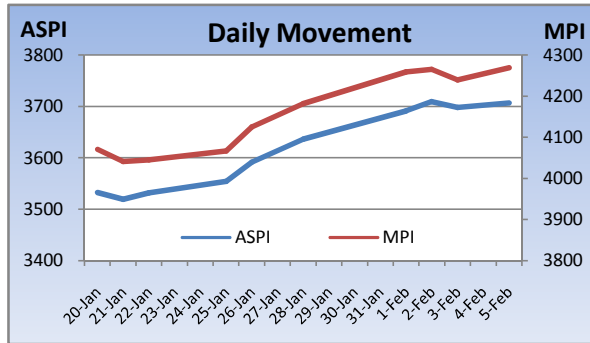


# Weekly Market Update

Week Ending: February 05<sup>th</sup>, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3706.72	3636.41	1.93%	SEYLAN MERCHANT	9.25	15.00	62.16%	15.75	9.25	16,208,800	203,761,956
MPI	4269.18	4181.79	2.09%	ARPICO	47.00	73.00	55.32%	75.00	46.00	119,100	7,560,493
MARKET CAP. (Rs. 'Bn)	1194.30	1171.24	1.97%	LB FINANCE	45.00	62.75	39.44%	69.00	46.50	1,530,400	92,658,614
MARKET PER(x)	18.11	17.75	2.03%	ENVI. RESOURCES	134.00	179.00	33.58%	183.00	137.50	1,805,100	284,157,598
MARKET PBV(x)	1.83	1.79	2.23%	SEYLAN MERCHANT[NON VOTING]	1.00	1.30	30.00%	1.40	1.00	54,628,600	66,394,340
<b>Average Daily</b>				<b>Top 5 Losers</b>							
TURNOVER	1807.33	1437.09	25.8%	MET. RES. HOL.	85.00	52.00	-38.82%	52.00	52.00	100	5,200
VOLUME	70.03	48.76	43.6%	CEYLON LEATHER	96.00	85.00	-11.46%	104.00	80.25	240,800	21,814,800
FOREIGN PURCHASES	243.77	147.90	64.8%	KEELLS FOOD	90.00	80.00	-11.11%	89.00	70.25	4,400	355,500
FOREIGN SALES	531.45	491.35	8.2%	TOUCHWOOD	116.25	104.00	-10.54%	118.00	103.00	368,700	40,468,125
NET FOREIGN	-287.68	-343.45	16.2%	TOKYO CEMENT[NON VOTING]	22.75	20.50	-9.89%	23.75	20.25	1,282,800	28,407,109
FOREIGN PARTICIPATION	21.4%	22.2%	-3.6%	<b>Top 5 by Turnover</b>							
<b>Sector Summary</b>				JKH	176.50	173.00	-1.98%	178.25	172.00	4,678,900	822,687,558
TRADING	7,088.14	5,929.15	19.55%	ASIA CAPITAL	9.75	10.25	5.13%	10.50	9.50	33,598,600	336,072,595
MOTORS	8,371.99	7,797.44	7.37%	ENVI. RESOURCES	134.00	179.00	33.58%	183.00	137.50	1,805,100	284,157,598
INFORMATION TECHNOLO(C	87.43	81.47	7.32%	SEYLAN BANK[NON VOTING]	20.00	22.50	12.50%	23.25	20.25	12,254,100	271,446,872
PLANTATIONS	770.40	718.14	7.28%	LANKA CEMENT	29.75	29.50	-0.84%	35.75	28.25	7,614,800	249,881,500
MANUFACTURING	2,275.90	2,153.60	5.68%	<b>Top 5 by Volume</b>							
SERVICES	12,520.75	12,562.12	-0.33%	SEYLAN MERCHANT[NON VOTING]	1.00	1.30	30.00%	1.40	1.00	54,628,600	66,394,340
INVESTMENT TRUSTS	33,833.78	34,057.87	-0.66%	ASIA CAPITAL	9.75	10.25	5.13%	10.50	9.50	33,598,600	336,072,595
HEALTH CARE	408.87	414.06	-1.25%	SEYLAN MERCHANT	9.25	15.00	62.16%	15.75	9.25	16,208,800	203,761,956
FOOTWEAR AND TEXTILES	719.43	738.48	-2.58%	NAWALOKA	3.10	3.30	6.45%	3.40	3.00	13,877,400	44,648,137
OIL PALMS	41,454.87	42,650.67	-2.80%	SEYLAN BANK[NON VOTING]	20.00	22.50	12.50%	23.25	20.25	12,254,100	271,446,872

## Market Review

The bourse continued its rally early part of the week while profit taking led to a decline on Wednesday. Higher proportion of retail participation was observed towards the latter part of the week. The benchmark ASPI gained 70.31 points or 1.93% week on week while the more sensitive MPI reported a week on week gained of 87.39 points or 2.09%.

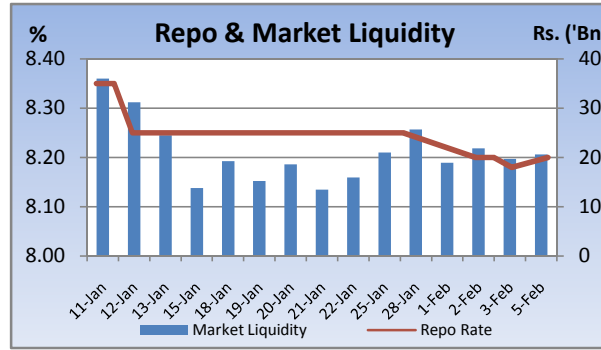
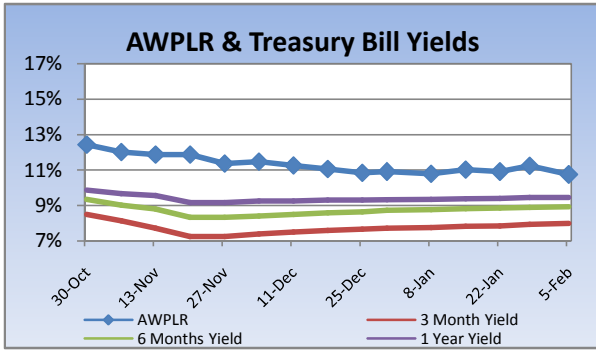
Compared to previous week's closing levels the market gained Rs.23 billion approximately or 1.97% in value this week to close at Rs.1194.30 Bn on Friday.

Total market turnover for the week amounted to Rs.7.2 Bn with an average daily turnover of Rs.1.8Bn. Turnover for the week witnessed 68% increase compared to the last week's market turnover of Rs.4.3 Bn.

Heavily traded shares of the week under review were Seylan Merchant (X) and Asia Capital with the former being highest in terms of volume for the week, trading over 66m shares. The counter gained 30% during the week in value on a Week on Week basis. JKH and Asia Capital contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.822m.

FII participation declined to 21.4% of total turnover this week, from 22.2% reported last week. FII interest was negative during the week with a net outflow of Rs.1.1Bn, a 11% decrease compared to last week's net outflow of Rs.1.03Bn.

Company	Price	P/BV	PER 10E	PER 11E
<b>BANKING</b>				
COMMERCIAL BANK	195.00	1.72	11.79	11.03
DFCC	175.25	1.17	10.69	9.96
HNB	176.25	1.67	13.35	11.85
NDB	219.00	1.31	8.54	7.11
NTB	38.75	1.41	9.26	7.35
SAMPATH BANK	224.75	1.30	8.44	6.83
<b>BEVERAGE, FOOD &amp; TOBACCO</b>				
CTC	220.00	13.07	13.64	12.75
DISTILLERIES	115.25	1.47	14.17	12.22
<b>CHEMICALS &amp; PHARMACEUTICALS</b>				
CIC	64.50	1.32	18.41	14.84
<b>CONSTRUCTION &amp; ENGINEERING</b>				
DOCKYARD	303.50	3.54	9.62	8.37
<b>DIVERSIFIED HOLDINGS</b>				
AITKEN SPENCE	1,379.00	2.12	17.28	14.25
CARSONS	549.25	2.99	17.51	15.66
HAYLEYS	207.50	1.21	19.40	23.65
HEMAS HOLDINGS	122.75	1.74	17.05	15.12
JOHN KEELLS HOLDINGS	173.00	2.29	34.62	30.93
<b>HOTELS &amp; TRAVELS</b>				
AITKEN SPENCE HOTEL HOLDINGS	415.00	3.49	23.39	15.92
ASIAN HOTELS AND PROPERTIES	124.25	2.31	43.12	19.80
KEELLS HOTELS	31.25	5.02	70.95	39.73
<b>MANUFACTURING</b>				
ACL CABLES	81.25	1.31	14.11	11.73
CHEVRON LUBRICANTS	158.75	6.68	14.99	13.58
LANKA TILES	73.25	1.82	9.81	7.26
ROYAL CERAMICS	85.50	1.42	7.31	5.81
TOKYO CEMENT	34.25	0.18	1.58	0.84
<b>PLANTATIONS</b>				
AGALAWATTE	30.00	1.47	8.06	9.83
KEGALLE	46.50	0.87	4.73	3.77
KELANI VALLEY	54.50	1.34	5.60	4.61
<b>POWER &amp; ENERGY</b>				
LANKA IOC	18.00	1.25	23.96	21.30
<b>TELECOMMUNICATIONS</b>				
DIALOG	6.75	1.81	(49.88)	22.09

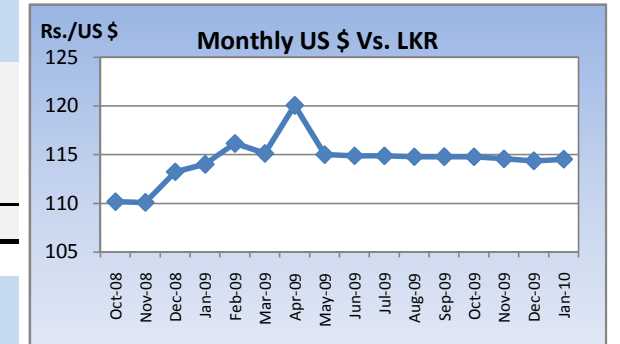


### Currency Board

	Current	Previous	Change
<b>USD EXCHANGE RATE</b>			
- AVERAGE MIDDLE RATE	114.64	114.44	0.17%
- FORWARD 1 MONTH	115.19	115.11	0.07%
- FORWARD 3 MONTHS	116.06	115.70	0.31%
<b>BRITISH POUND</b>	180.55	185.25	-2.54%
<b>EURO</b>	157.14	160.17	-1.89%
<b>JAPANESE YEN</b>	1.28	1.27	0.78%
<b>INDIAN RUPEE</b>	2.49	2.48	0.17%
<b>AUSTRALIAN DOLLAR</b>	99.52	102.60	-3.00%
<b>SINGAPORE DOLLAR</b>	80.76	81.51	-0.91%

### Treasury Bill Auction

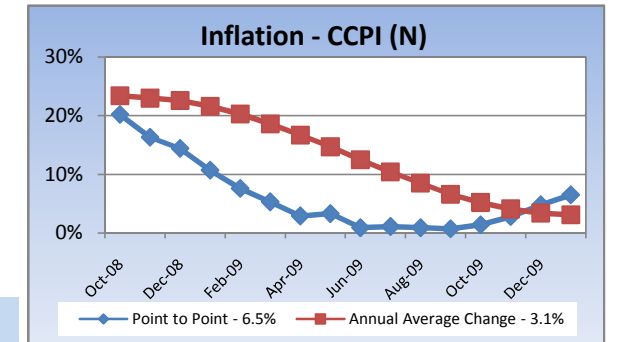
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	7.99%	7.95%	4.00	2,500	4,930	2,724
6 MONTHS	8.93%	8.90%	3.00	3,000	8,935	5,596
12 MONTHS	9.46%	9.46%	0.00	4,500	6,786	1,023
				<b>10,000</b>	<b>20,651</b>	<b>9,343</b>



### Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.75	11.24	20.10
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.01	9.04	14.67
- 7 DAYS	9.30	9.30	16.42
- 1 MONTH	9.50	9.50	17.31
- 3 MONTHS	9.80	9.71	17.71
- 6 MONTHS	10.60	9.95	18.71
- 1 YEAR	10.24	10.22	19.42
	January 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.73	8.01	11.74
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	10.46	10.91	16.92

### Inflation



Point to Point - 6.5%  
Annual Average Change - 3.1%

## Tea Market

### Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 05-2010	Sale 04-2010		2010	2009	
HIGH GROWN	1,384,549	995,985	39.01%	6,738,993	6,431,612	4.78%
MEDIUM GROWN	1,010,208	830,027	21.71%	5,138,322	4,500,262	14.18%
LOW GROWN	4,174,176	3,891,294	7.27%	20,958,516	17,894,752	17.12%
<b>TOTAL</b>	<b>6,568,933</b>	<b>5,717,306</b>	<b>14.90%</b>	<b>32,835,831</b>	<b>28,826,626</b>	<b>13.91%</b>

### PRICES (Rs./kg)

	2009	Dec-09	Jan-10	Sale 05-2010	Sale 04-2010	Change
HIGH GROWN	321.28	373.51	378.77	358.98	366.08	-1.94%
MEDIUM GROWN	316.79	343.16	354.84	348.53	356.97	-2.36%
LOW GROWN	388.44	381.81	401.89	393.04	411.33	-4.45%
<b>TOTAL</b>	<b>362.70</b>	<b>373.50</b>	<b>389.77</b>	<b>379.02</b>	<b>395.55</b>	<b>-4.18%</b>

### PRODUCTION (kg) BY

ELEVATION	December			Year to date		
	2009	2008	Change	2009	2008	Change
HIGH GROWN	5,917,943	5,396,974	9.65%	72,303,567	84,407,202	-14.34%
MEDIUM GROWN	3,242,651	2,537,040	27.81%	44,316,648	49,013,454	-9.58%
LOW GROWN	16,035,139	11,514,435	39.26%	173,157,734	185,276,798	-6.54%
<b>TOTAL</b>	<b>25,195,732</b>	<b>19,448,448</b>	<b>29.55%</b>	<b>289,777,949</b>	<b>318,697,454</b>	<b>-9.07%</b>

### PRODUCTION (kg) BY

CATEGORY	December			Year to date		
	2009	2008	Change	2009	2008	Change
ORTHODOX	23,895,566	17,950,202	33.12%	271,879,004	298,949,958	-9.06%
CTC	1,141,459	1,366,855	-16.49%	15,593,425	16,532,846	-5.68%
<b>TOTAL BLACK TEA</b>	<b>25,037,025</b>	<b>19,317,057</b>	<b>29.61%</b>	<b>287,472,429</b>	<b>315,482,804</b>	<b>-8.88%</b>
GREEN TEA	158,707	131,391	20.79%	2,305,520	3,214,650	-28.28%
<b>TOTAL</b>	<b>25,195,732</b>	<b>19,448,448</b>	<b>29.55%</b>	<b>289,777,949</b>	<b>318,697,454</b>	<b>-9.07%</b>

### ANALYSIS OF TOTAL

TEA PRODUCTION	December 2009	Year to date 2009
HIGH GROWN	23.49%	24.95%
MEDIUM GROWN	12.87%	15.29%
LOW GROWN	63.64%	59.76%
<b>CTC AS A % OF BLACK TEA PRODUCTION</b>	<b>4.56%</b>	<b>5.42%</b>

### Rs./kg Tea Prices



## Tourism

### SRI LANKA

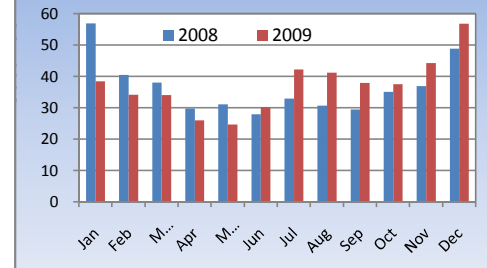
ARRIVALS	2009	2008	Change
December	56,862	48,925	16.22%
Year to date	447,890	438,475	2.15%
Nov-09	57.4%	45.5%	26.15%
Foreign Guest Night	267,874	221,049	21.18%

## Crude Oil

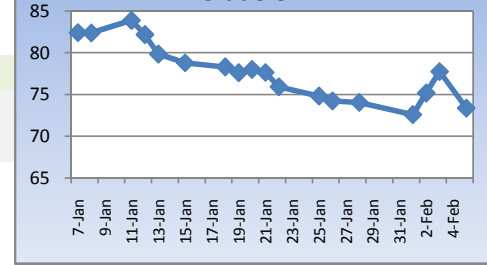
### NYMEX CRUDE OIL FUTURES

	5-Feb	28-Jan	Change
US\$/BBL	73.37	74.05	-0.92%

### Tourist Arrivals



### US\$/bbl Crude Oil



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