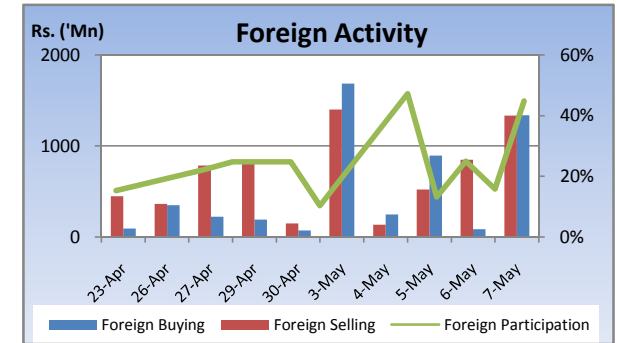
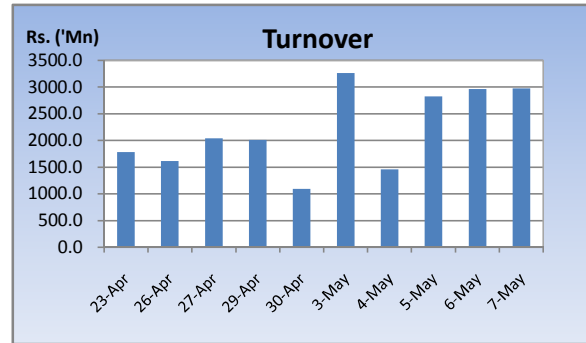
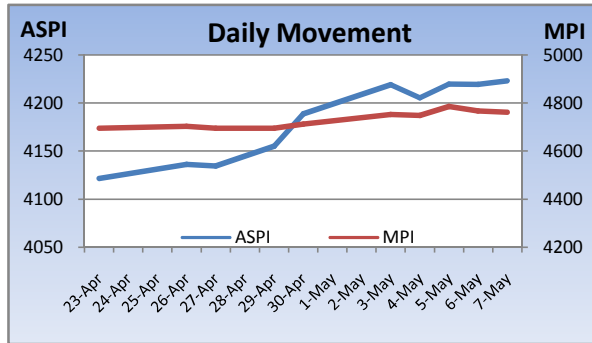


Weekly Market Update

Week Ending: May 07th, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	4223.13	4188.88	0.82%	NAWALOKA	4.70	6.75	43.62%	7.00	4.70	155,973,400	922,798,195
MPI	4762.37	4712.43	1.06%	ASIA CAPITAL	23.75	32.00	34.74%	32.75	22.25	6,252,600	178,274,833
MARKET CAP. (Rs. 'Bn)	1374.98	1363.35	0.85%	E - CHANNELLING	14.00	18.75	33.93%	21.00	12.75	13,829,883	228,058,341
MARKET PER(x)	20.85	20.67	0.87%	CAPITAL REACH	17.75	23.75	33.80%	24.75	16.75	1,704,300	37,454,150
MARKET PBV(x)	2.10	2.08	0.96%	VALLIBEL FINANCE	22.00	29.25	32.95%	34.25	28.50	4,896,600	152,850,353
Average Daily				Top 5 Losers							
TURNOVER	2699.05	1689.93	59.7%	CIT	93.00	78.00	-16.13%	89.75	76.25	6,300	528,822
VOLUME	107.70	82.65	30.3%	ACME	39.00	32.75	-16.03%	41.00	32.00	507,300	17,744,435
FOREIGN PURCHASES	852.20	210.63	304.6%	ALLIANCE	465.00	397.50	-14.52%	465.00	305.00	400	159,400
FOREIGN SALES	849.61	527.50	61.1%	FINLAYS COLOMBO	226.75	194.75	-14.11%	240.00	140.00	779,600	114,002,050
NET FOREIGN	2.59	-316.87	100.8%	ARPICO	77.50	67.25	-13.23%	75.00	67.00	28,900	2,002,110
FOREIGN PARTICIPATION	31.5%	21.8%	44.4%	Top 5 by Turnover							
Sector Summary				JKH	185.25	188.25	1.62%	194.00	185.25	7,631,300	1,457,810,875
INFORMATION TECHNOLO(C	149.02	111.27	33.93%	HNB	234.50	235.25	0.32%	245.00	210.00	5,506,700	1,312,381,225
OIL PALMS	58,285.07	53,772.23	8.39%	COMMERCIAL BANK	239.50	241.50	0.84%	245.00	237.00	5,384,400	1,292,418,050
TELECOMMUNICATIONS	150.82	140.70	7.19%	NAWALOKA	4.70	6.75	43.62%	7.00	4.70	155,973,400	922,798,195
HEALTH CARE	451.33	427.74	5.52%	GALADARI	35.00	34.00	-2.86%	39.75	32.00	22,788,500	781,452,589
POWER AND ENERGY	92.96	88.24	5.35%	Top 5 by Volume							
CONSTRUCTION AND ENGI	4,077.96	4,103.41	-0.62%	NAWALOKA	4.70	6.75	43.62%	7.00	4.70	155,973,400	922,798,195
LAND AND PROPERTY	418.10	421.82	-0.88%	DIALOG	7.25	8.25	13.79%	8.75	7.00	52,439,700	436,621,857
PLANTATIONS	901.32	917.68	-1.78%	SIERRA CABL	2.40	2.60	8.33%	2.70	2.40	37,120,800	95,648,460
HOTELS AND TRAVELS	3,906.15	4,006.37	-2.50%	JANASHAKTHI INS.	14.25	14.25	0.00%	15.00	14.25	28,556,400	404,755,150
INVESTMENT TRUSTS	26,092.09	27,887.45	-6.44%	GALADARI	35.00	34.00	-2.86%	39.75	32.00	22,788,500	781,452,589

Market Review

The bourse remained flat most part of the week despite gains during Friday. Heavy activity was report in the big cap counters with strong foreign buying throughout the week. High volumes of Nawaloka and Galadari traded as Nawaloka began shedding part of its stake in Galadari. Dialog saw sharp gains with the company expecting positive resulting after continuous losses in the last 2 years. The benchmark ASPI gained 34.25 points or 0.82% week on week while the more sensitive MPI reported a week on week gained of 49.90 points or 1.06%.

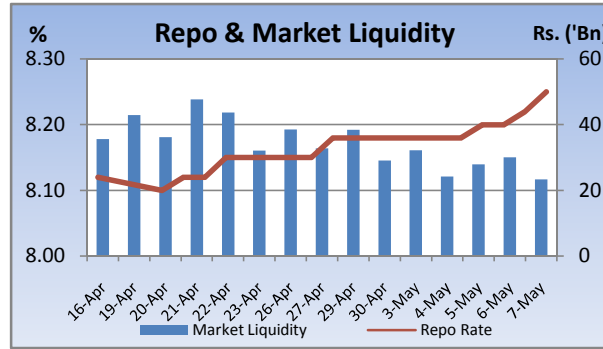
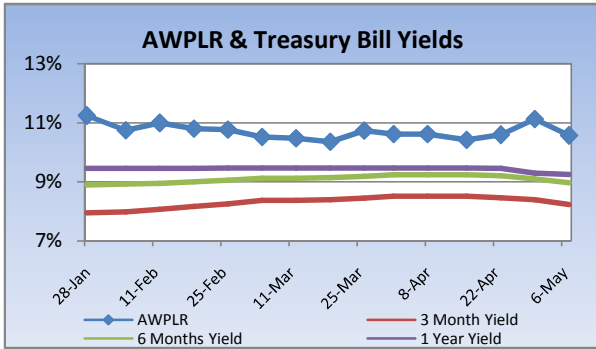
Compared to previous week's closing levels the market gained Rs.11 billion approximately or 0.85% in value this week to close at Rs.1374.98 Bn on Friday.

Total market turnover for the week amounted to Rs.13.5 Bn with an average daily turnover of Rs.2.7 Bn. Turnover for the week witnessed 100% increase compared to the last week's market turnover of Rs.6.7 Bn.

Heavily traded shares of the week under review were Nawaloka and Dialog with the former being highest in terms of volume for the week, trading over 155m shares. The counter gained 43% during the week in value on a Week on Week basis. JKH and HNB contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.1.4Bn and gained 1.62% in value during the week.

FII participation gained to 31.5% of total turnover this week, from 22% reported last week. FII interest was positive during the week with a net inflow of Rs.13m, a 101% increase compared to last week's net outflow of Rs.1.2Bn.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	241.50	2.13	14.60	13.66
DFCC	209.50	1.39	11.70	12.00
HNB	235.25	2.23	12.36	14.97
NDB	218.00	1.30	8.56	9.71
NTB	37.25	1.42	11.38	9.48
SAMPATH BANK	278.25	1.60	10.17	11.55
BEVERAGE, FOOD & TOBACCO				
CTC	312.25	18.55	14.22	12.11
DISTILLERIES	125.00	1.58	13.20	11.26
CHEMICALS & PHARMACEUTICALS				
CIC	72.75	1.39	11.47	10.91
CONSTRUCTION & ENGINEERING				
DOCKYARD	290.00	3.39	9.22	8.00
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,450.00	2.16	18.17	14.98
CARSONS	570.00	2.89	15.57	13.92
HAYLEYS	280.00	1.60	17.10	22.53
HEMAS HOLDINGS	133.75	1.83	16.79	11.78
JOHN KEELLS HOLDINGS	188.25	2.46	35.36	26.65
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	450.00	3.62	53.54	24.64
ASIAN HOTELS AND PROPERTIES	142.00	2.60	59.77	26.44
KEELLS HOTELS	19.75	3.08	(112.93)	36.62
MANUFACTURING				
ACL CABLES	80.00	1.28	53.84	18.79
CHEVRON LUBRICANTS	171.00	7.20	13.73	14.63
LANKA TILES	96.00	2.24	13.27	9.52
ROYAL CERAMICS	141.75	2.12	8.55	6.99
TOKYO CEMENT	33.25	1.74	110.83	20.78
PLANTATIONS				
AGALAWATTE	38.00	1.86	10.22	12.50
KEGALLE	68.00	1.15	7.52	6.59
KELANI VALLEY	69.25	1.51	(55.25)	5.67
POWER & ENERGY				
LANKA IOC	18.00	1.24	(7.49)	23.10
TELECOMMUNICATIONS				
DIALOG	8.25	2.39	(5.50)	13.77

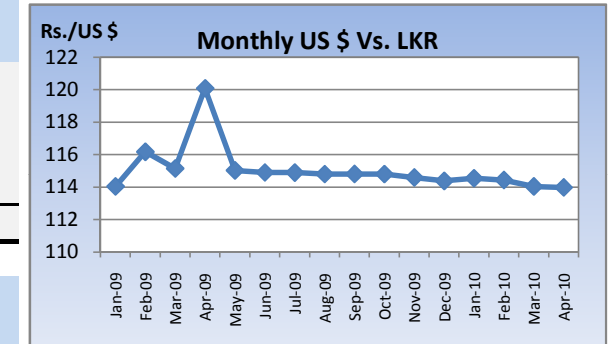


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	113.78	113.98	-0.18%
- FORWARD 1 MONTH	114.22	114.51	-0.25%
- FORWARD 3 MONTHS	115.08	115.50	-0.36%
BRITISH POUND	168.59	174.72	-3.51%
EURO	144.18	150.86	-4.43%
JAPANESE YEN	1.23	1.21	1.92%
INDIAN RUPEE	2.51	2.57	-2.38%
AUSTRALIAN DOLLAR	101.17	105.95	-4.51%
SINGAPORE DOLLAR	81.01	83.28	-2.72%

Treasury Bill Auction

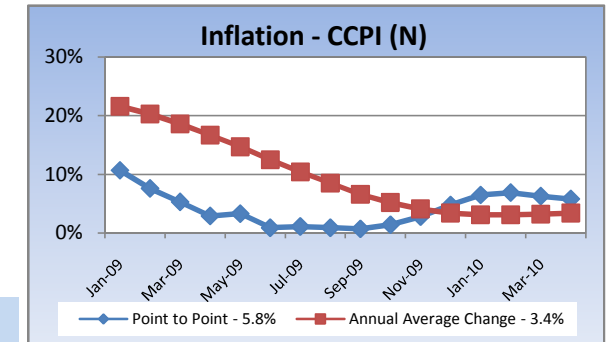
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	8.24%	8.40%	-16.00	1,000	6,169	1,000
6 MONTHS	8.97%	9.10%	-13.00	4,000	16,711	4,000
12 MONTHS	9.25%	9.30%	-5.00	7,000	11,975	8,000
				12,000	34,855	13,000



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.57	11.13	18.14
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	9.00
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.05	9.06	10.10
- 7 DAYS	9.23	9.25	11.35
- 1 MONTH	9.43	9.47	12.43
- 3 MONTHS	9.62	9.75	13.50
- 6 MONTHS	10.02	9.98	14.46
- 1 YEAR	10.36	10.25	15.35
	April 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.13	7.22	11.52
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	9.61	9.71	16.27

Inflation



Point to Point - 5.8%
Annual Average Change - 3.4%

Tea Market

Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 16-2010	Sale 15-2010		2010	2009	
HIGH GROWN	1,469,261	1,296,048	13.36%	23,827,063	18,143,167	31.33%
MEDIUM GROWN	996,498	844,635	17.98%	16,305,435	13,298,389	22.61%
LOW GROWN	3,584,329	3,231,372	10.92%	67,202,222	48,834,041	37.61%
TOTAL	6,050,088	5,372,055	12.62%	107,334,720	80,275,597	33.71%

PRICES (Rs./kg)

	2009	Mar-10	Apr-10	Sale 16-2010	Sale 15-2010	Change
HIGH GROWN	321.28	356.02	351.94	346.59	354.49	-2.23%
MEDIUM GROWN	316.79	348.37	345.86	339.94	342.97	-0.88%
LOW GROWN	388.44	395.36	388.23	401.01	390.57	2.67%
TOTAL	362.70	379.25	372.31	377.73	374.38	0.89%

PRODUCTION (kg) BY

ELEVATION	March			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	4,982,302	4,699,362	6.02%	17,414,871	13,988,738	24.49%
MEDIUM GROWN	3,737,044	3,241,501	15.29%	11,684,034	8,395,953	39.16%
LOW GROWN	11,779,008	11,072,286	6.38%	44,173,165	27,394,758	61.25%
TOTAL	20,498,353	19,013,149	7.81%	73,272,069	49,779,450	47.19%

PRODUCTION (kg) BY

CATEGORY	March			Year to date		
	2010	2009	Change	2010	2009	Change
ORTHODOX	19,025,715	17,738,125	7.26%	68,655,170	46,083,575	48.98%
CTC	1,248,706	1,133,697	10.14%	3,980,773	3,293,710	20.86%
TOTAL BLACK TEA	20,274,421	18,871,822	7.43%	72,635,943	49,377,285	47.10%
GREEN TEA	223,932	141,327	58.45%	636,127	402,165	58.18%
TOTAL	20,498,353	19,013,149	7.81%	73,272,070	49,779,450	47.19%

ANALYSIS OF TOTAL

TEA PRODUCTION	March 2010	Year to date 2010
HIGH GROWN	24.31%	23.77%
MEDIUM GROWN	18.23%	15.95%
LOW GROWN	57.46%	60.29%
CTC AS A % OF BLACK TEA PRODUCTION	6.16%	5.48%

Rs./kg

Tea Prices

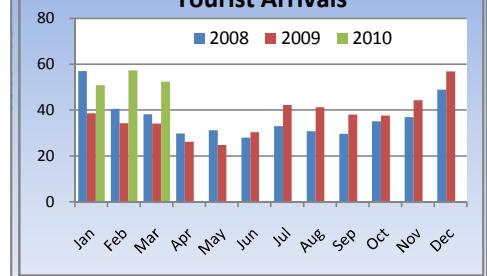


Tourism

SRI LANKA

ARRIVALS	2010	2009	Change
March	52,352	34,065	53.68%
Year to date	160,409	106,702	50.33%
Dec-09	71.2%	49.7%	43.26%
Foreign Guest Night	359,342	261,864	37.22%

Tourist Arrivals

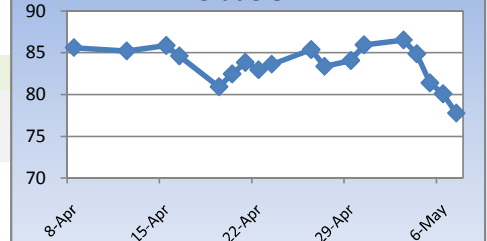


Crude Oil

NYMEX CRUDE OIL FUTURES

	07-May-10	30-Apr-10	Change
US\$/BBL	77.78	85.94	-9.49%

Crude Oil



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