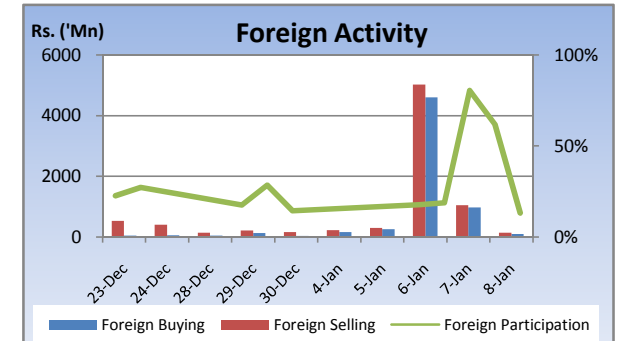
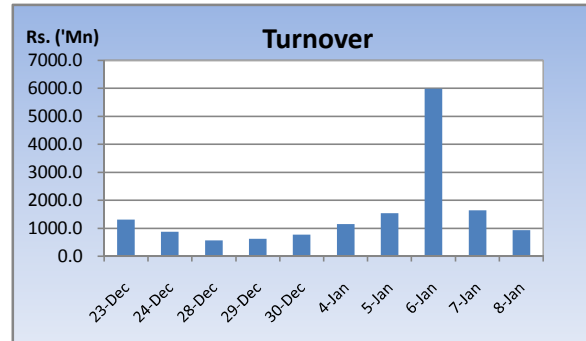
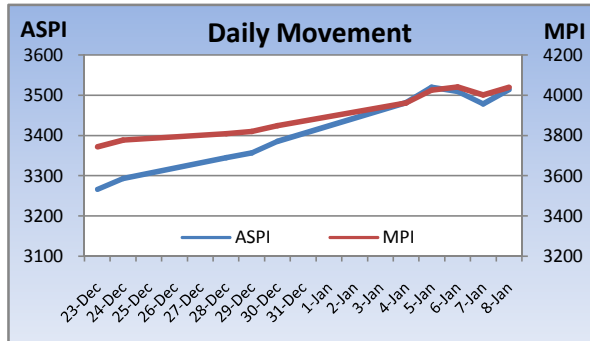


Weekly Market Update

Week Ending: January 08th, 2009



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3514.63	3385.55	3.81%	KELSEY	11.00	17.75	61.36%	18.25	11.00	3,871,600	61,805,553
MPI	4039.36	3849.38	4.94%	RENUKA AGRI	2.25	3.50	55.56%	4.30	3.10	58,748,200	220,685,100
MARKET CAP. (Rs. 'Bn)	1134.77	1092.14	3.90%	DIMO	180.00	245.25	36.25%	250.00	183.00	92,500	18,895,979
MARKET PER(x)	17.19	16.55	3.87%	TAJ LANKA	23.25	30.25	30.11%	31.25	22.75	4,089,100	116,963,310
MARKET PBV(x)	1.73	1.67	3.59%	WATAPOTA	700.00	900.00	28.57%	900.00	800.00	1,200	1,042,324
Average Daily				Top 5 Losers							
TURNOVER	2249.80	649.70	246.3%	HUNTERS	370.00	325.75	-11.96%	350.00	300.00	1,100	399,400
VOLUME	44.90	15.10	197.4%	MERCHANT BANK	19.50	17.25	-11.54%	20.00	16.75	1,788,100	31,327,291
FOREIGN PURCHASES	1226.70	77.16	1489.8%	RENUKA HOLDINGS[NON VOTING]	114.75	105.50	-8.06%	115.25	105.00	12,700	1,396,258
FOREIGN SALES	1354.54	180.17	651.8%	COCO LANKA	48.25	45.00	-6.74%	51.00	44.50	218,600	10,289,568
NET FOREIGN	-127.84	-103.01	-24.1%	LANKEM CEYLON	45.00	42.00	-6.67%	45.00	42.00	166,100	7,249,575
FOREIGN PARTICIPATION	57.4%	19.8%	189.7%	Top 5 by Turnover							
Sector Summary				JKH	171.50	180.00	4.96%	183.75	172.00	33,047,041	5,917,451,114
CONSTRUCTION AND ENGI	3,639.49	3,205.56	13.54%	DISTILLERIES	105.25	117.00	11.16%	119.00	104.00	3,329,600	378,216,858
INVESTMENT TRUSTS	35,677.12	32,250.44	10.63%	HNB	170.25	176.00	3.38%	180.25	172.25	1,276,600	223,090,990
INFORMATION TECHNOLO	85.44	77.49	10.26%	RENUKA AGRI	2.25	3.50	55.56%	4.30	3.10	58,748,200	220,685,100
HOTELS AND TRAVELS	3,123.74	2,842.87	9.88%	COMMERCIAL BANK	189.50	197.25	4.09%	199.00	190.00	993,600	193,605,171
SERVICES	12,092.33	11,034.41	9.59%	Top 5 by Volume							
CHEMICALS AND PHARMAC	5,273.74	5,302.15	-0.54%	RENUKA AGRI	2.25	3.50	55.56%	4.30	3.10	58,748,200	220,685,100
HEALTH CARE	414.38	419.22	-1.15%	JKH	171.50	180.00	4.96%	183.75	172.00	33,047,041	5,917,451,114
POWER AND ENERGY	82.98	84.42	-1.71%	DIALOG	7.25	7.00	-3.45%	7.50	6.75	8,945,300	62,285,230
TELECOMMUNICATIONS	150.54	158.87	-5.24%	HOTEL SERVICES	19.00	20.00	5.26%	20.25	19.00	8,197,900	157,300,175
STORES AND SUPPLIES	11,141.21	12,068.30	-7.68%	SEYLAN BANK[NON VOTING]	16.00	18.00	12.50%	18.25	16.25	6,720,000	116,303,525

Market Review

Market remained on a positive note while the bourse declined on Thursday with investor profit taking. Turnover was boosted with Rajaratnum selling off a portion of JKH to Janus, a foreign fund. Heavy volumes was observed in the week as Renuka Agri started trading for the first time on Monday. The benchmark ASPI gained 129.08 points or 3.81% week on week while the more sensitive MPI reported a week on week gained of 189.98 points or 4.94%.

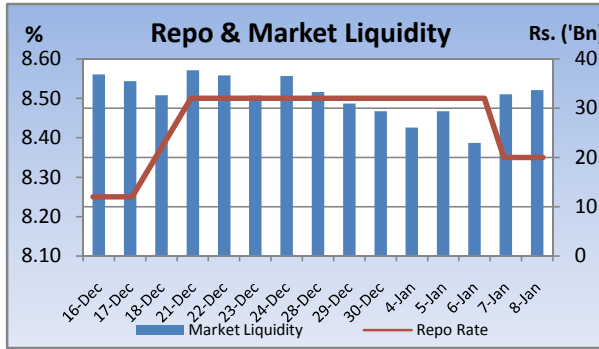
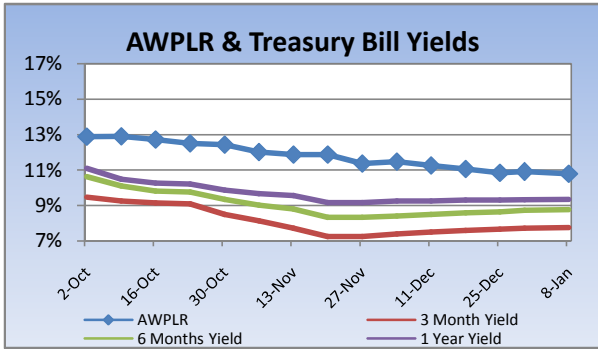
Compared to previous week's closing levels the market gained Rs.42.6 billion approximately or 3.90% in value this week to close at Rs.1134.77 Bn on Thursday.

Total market turnover for the week amounted to Rs.11.2 Bn with an average daily turnover of Rs.1.9Bn. Turnover for the week witnessed 477% increase compared to the last week's market turnover of Rs.1.9 Bn.

Heavily traded shares of the week under review were Renuka Agri and JKH with the former being highest in terms of volume for the week, trading over 58.7m shares. The counter gained 56% during the week in value on a Week on Week basis. JKH and Distilleries contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.5.9 Bn.

FII participation declined to 57.4% of total turnover this week, from 19.8% reported last week. FII interest was negative during the week with a net outflow of Rs.639m, a 107% decrease compared to last week's net outflow of Rs.309m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	197.25	1.74	11.93	11.16
DFCC	171.00	1.14	10.43	9.72
HNB	176.00	1.67	13.33	11.84
NDB	209.75	1.25	8.18	6.81
NTB	38.00	1.39	9.08	7.21
SAMPATH BANK	222.00	1.28	8.34	6.75
BEVERAGE, FOOD & TOBACCO				
CTC	206.50	12.26	12.80	11.96
DISTILLERIES	117.00	1.49	14.39	12.40
CHEMICALS & PHARMACEUTICALS				
CIC	64.00	1.31	18.27	14.72
CONSTRUCTION & ENGINEERING				
DOCKYARD	280.25	3.27	8.89	7.73
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,275.25	1.96	15.98	13.17
CARSONS	551.75	3.00	17.59	15.73
HAYLEYS	188.00	1.09	17.58	21.43
HEMAS HOLDINGS	125.00	1.77	17.36	15.39
JOHN KEELLS HOLDINGS	180.00	2.39	36.02	32.18
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	296.25	2.49	16.69	11.36
ASIAN HOTELS AND PROPERTIES	108.00	2.00	37.48	17.21
KEELLS HOTELS	26.25	4.22	59.60	33.37
MANUFACTURING				
ACL CABLES	79.75	1.29	13.84	11.51
CHEVRON LUBRICANTS	148.50	6.25	14.02	12.70
LANKA TILES	65.00	1.61	8.70	6.45
ROYAL CERAMICS	73.25	1.21	6.26	4.98
TOKYO CEMENT	329.75	1.70	15.17	8.08
PLANTATIONS				
AGALAWATTE	23.50	1.15	6.32	7.70
KEGALLE	36.00	0.67	3.66	2.91
KELANI VALLEY	52.00	1.28	5.34	4.40
POWER & ENERGY				
LANKA IOC	16.25	1.12	21.63	19.23
TELECOMMUNICATIONS				
DIALOG	7.00	1.88	(51.73)	22.91

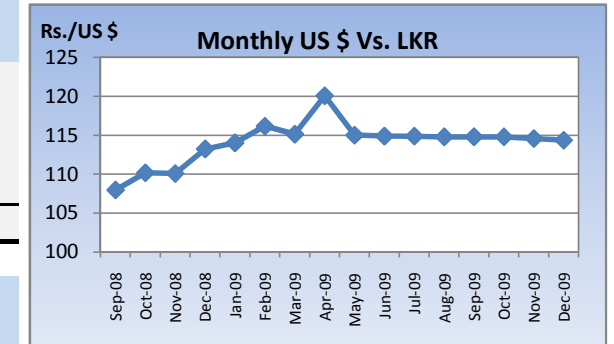


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.38	114.45	-0.06%
- FORWARD 1 MONTH	114.86	114.85	0.01%
- FORWARD 3 MONTHS	115.64	115.56	0.07%
BRITISH POUND			
	182.12	181.75	0.20%
EURO			
	163.68	163.72	-0.02%
JAPANESE YEN			
	1.23	1.24	-1.27%
INDIAN RUPEE			
	2.51	2.46	2.15%
AUSTRALIAN DOLLAR			
	104.84	101.99	2.79%
SINGAPORE DOLLAR			
	81.80	81.32	0.59%

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	7.77%	7.73%	4.00	2,000	3,946	2,681
6 MONTHS	8.77%	8.73%	4.00	3,500	8,745	5,345
12 MONTHS	9.35%	9.33%	2.00	4,500	6,755	4,036
				10,000	19,446	12,062

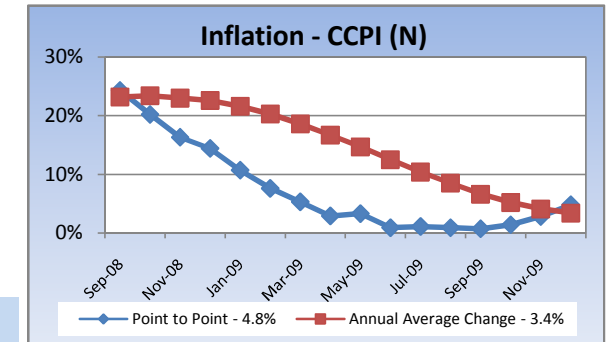


Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.79	10.91	18.41
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.05	9.00	13.28
- 7 DAYS	9.23	9.22	16.81
- 1 MONTH	9.41	9.46	17.88
- 3 MONTHS	9.59	9.58	18.79
- 6 MONTHS	9.88	9.83	19.31
- 1 YEAR	10.16	10.16	19.88

	December 2009	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	8.01	8.51	11.6
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	10.91	11.17	16.89

Inflation



Point to Point - 4.8%
Annual Average Change - 3.4%

Tea Market

Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 01-2010	Sale 50-2009		2009	2008	
HIGH GROWN	1,374,006	1,483,030	-7.35%	1,374,006	1,312,634	4.68%
MEDIUM GROWN	1,103,773	974,594	13.25%	1,103,773	854,329	29.20%
LOW GROWN	4,118,765	3,577,821	15.12%	4,118,765	3,579,765	15.06%
TOTAL	6,596,544	6,035,445	9.30%	6,596,544	5,746,728	14.79%

PRICES (Rs./kg)

	2009	Nov-09	Dec-09	Sale 01-2010	Sale 50-2009	Change
HIGH GROWN	321.28	406.89	373.51	384.76	378.57	1.64%
MEDIUM GROWN	316.79	353.90	343.16	358.50	350.42	2.31%
LOW GROWN	388.44	383.69	381.81	395.96	393.21	0.70%
TOTAL	362.70	383.88	373.50	387.36	382.70	1.22%

PRODUCTION (kg) BY

ELEVATION	November			Year to date		
	2009	2008	Change	2009	2008	Change
HIGH GROWN	6,861,150	8,180,231	-16.13%	66,077,779	79,010,228	-16.37%
MEDIUM GROWN	4,379,060	3,708,866	18.07%	40,883,397	46,476,414	-12.03%
LOW GROWN	17,050,767	12,941,630	31.75%	156,839,030	173,762,363	-9.74%
TOTAL	28,290,976	24,830,727	13.94%	263,800,205	299,249,005	-11.85%

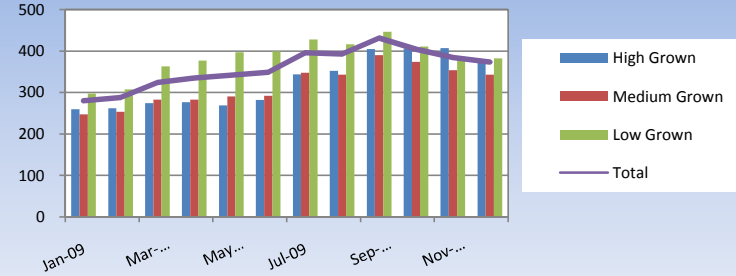
PRODUCTION (kg) BY

CATEGORY	November			Year to date		
	2009	2008	Change	2009	2008	Change
ORTHODOX	26,600,088	22,637,961	17.50%	247,366,137	280,999,756	-11.97%
CTC	1,505,080	1,958,011	-23.13%	14,305,216	15,165,991	-5.68%
TOTAL BLACK TEA	28,105,168	24,595,972	14.27%	261,671,353	296,165,747	-11.65%
GREEN TEA	185,809	234,755	-20.85%	2,128,853	3,083,259	-30.95%
TOTAL	28,290,977	24,830,727	13.94%	263,800,206	299,249,006	-11.85%

ANALYSIS OF TOTAL

TEA PRODUCTION	November 2009	Year to date 2009
HIGH GROWN	24.25%	25.05%
MEDIUM GROWN	15.48%	15.50%
LOW GROWN	60.27%	59.45%
	100.00%	100.00%
CTC AS A % OF BLACK TEA PRODUCTION	5.36%	5.47%

Rs./kg Tea Prices

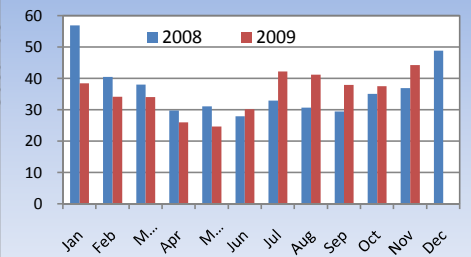


Tourism

SRI LANKA

ARRIVALS	2009	2008	Change
November	56,862	48,925	16.22%
Year to date	447,890	438,475	2.15%
Sep-09	51.4%	40.0%	28.50%
Foreign Guest Night	424,434	210,867	101.28%

Tourist Arrivals

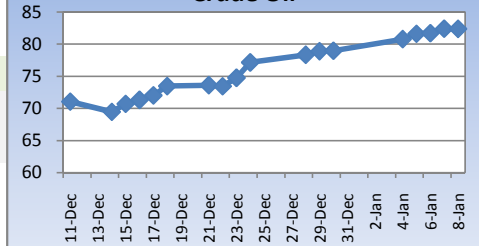


Crude Oil

NYMEX CRUDE OIL FUTURES

	8-Jan	30-Dec	Change
US\$/BBL	82.36	78.96	15.52%

US\$/bbl Crude Oil



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