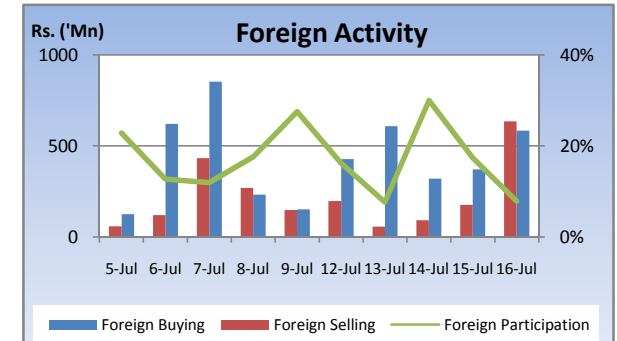
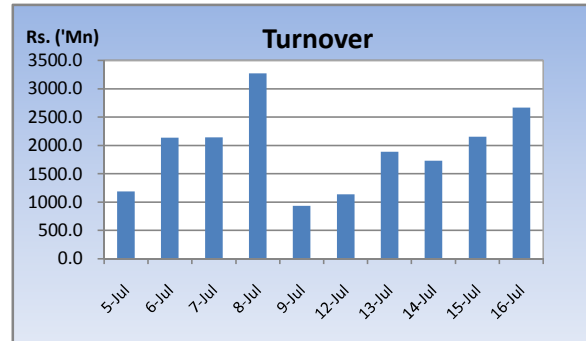
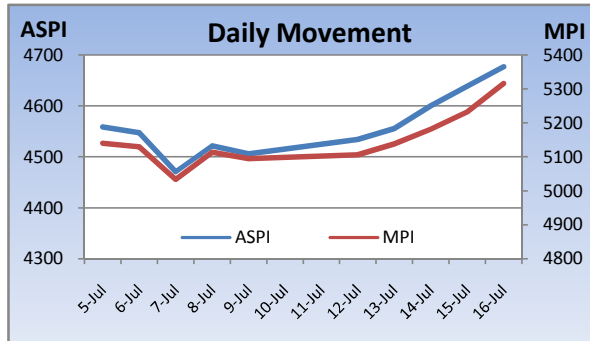


# Weekly Market Update

Week Ending: July 16<sup>th</sup>, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	4676.89	4505.69	3.80%	CEYLON PRINTERS	62.00	100.00	61.29%	100.00	100.00	100	10,000
MPI	5316.22	5094.79	4.35%	DANKOTUWA PORCEL	37.50	52.50	40.00%	56.75	37.50	15,275,000	761,786,094
MARKET CAP. (Rs. 'Bn)	1533.63	1477.33	3.81%	ENVI. RESOURCES	64.50	88.75	37.60%	90.50	63.00	6,875,400	553,371,966
MARKET PER(x)	19.91	22.28	-10.64%	CAPITAL REACH	29.25	35.25	20.51%	38.75	29.00	2,030,900	71,947,425
MARKET PBV(x)	2.20	2.22	-0.90%	ARPICO	80.00	95.00	18.75%	98.00	80.00	74,800	6,696,529
<b>Average Daily</b>				<b>Top 5 Losers</b>							
TURNOVER	1916.68	1934.48	-0.9%	TOUCHWOOD	88.75	22.00	-75.21%	24.75	21.50	4,338,400	98,941,981
VOLUME	64.74	103.95	-37.7%	ABANS	177.75	132.00	-25.74%	182.75	125.50	19,800	3,060,967
FOREIGN PURCHASES	463.59	397.76	16.6%	FINLAYS COLOMBO	190.00	150.00	-21.05%	184.50	150.00	3,739,700	561,089,255
FOREIGN SALES	232.64	207.04	12.4%	ALUFAB	45.50	41.25	-9.34%	41.50	41.25	600	24,875
NET FOREIGN	230.96	190.72	21%	SERENDIB HOTELS	120.00	110.00	-8.33%	110.00	110.00	100	11,000
FOREIGN PARTICIPATION	18.2%	15.6%	16.2%	<b>Top 5 by Turnover</b>							
<b>Sector Summary</b>				JKH	203.00	214.75	5.79%	217.00	204.00	7,695,377	1,591,403,385
MOTORS	14,651.24	13,390.76	9.41%	DANKOTUWA PORCEL	37.50	52.50	40.00%	56.75	37.50	15,275,000	761,786,094
HEALTH CARE	496.87	471.70	5.34%	FINLAYS COLOMBO	190.00	150.00	-21.05%	184.50	150.00	3,739,700	561,089,255
POWER AND ENERGY	106.83	104.97	1.77%	ENVI. RESOURCES	64.50	88.75	37.60%	90.50	63.00	6,875,400	553,371,966
OIL PALMS	52,571.61	52,275.64	0.57%	LANKA HOSPITALS	25.50	29.50	15.69%	42.75	25.50	9,153,900	313,499,049
PLANTATIONS	950.47	952.28	-0.19%	<b>Top 5 by Volume</b>							
TELECOMMUNICATIONS	157.66	163.47	-3.55%	S M B LEASING	1.70	1.60	-5.88%	1.90	1.60	39,997,900	69,709,170
HOTELS AND TRAVELS	3,859.53	4,013.99	-3.85%	TESS AGRO	2.40	2.80	16.67%	2.90	2.40	32,477,600	85,606,787
INVESTMENT TRUSTS	21,716.65	22,586.54	-3.85%	NAWALOKA	7.50	8.00	6.67%	8.25	7.50	19,239,600	155,202,616
FOOTWEAR AND TEXTILES	1,020.03	1,068.37	-4.52%	PIRAMAL GLASS	2.90	3.00	3.45%	3.10	2.80	16,383,600	49,798,983
INFORMATION TECHNOLOG	158.96	174.85	-9.09%	DANKOTUWA PORCEL	37.50	52.50	40.00%	56.75	37.50	15,275,000	761,786,094

## Market Review

The gained with the sharp increase in value of speculative counters led Env. Resources while JKH also contributed for the upturn in the indices with an US fund buying into the company resulting in a heavy net foreign inflow for the week.

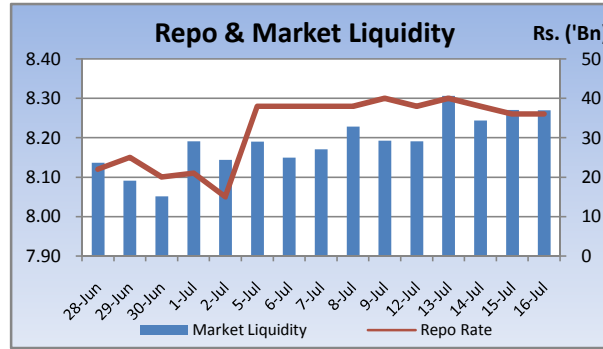
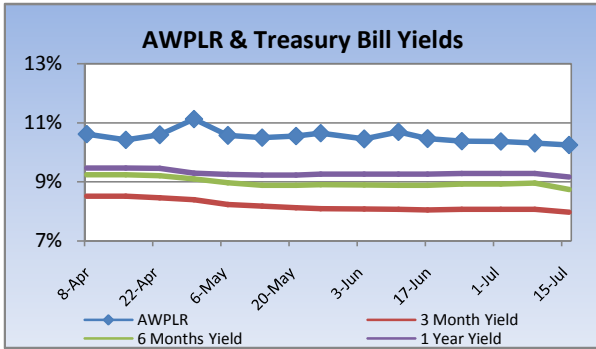
The benchmark ASPI gained 171.20 points or 3.80% week on week while the more sensitive MPI reported a week on week gained 221.43 points or 4.35%.

Compared to previous week's closing levels the market gained Rs.56.3 billion approximately or 3.81% in value this week to close at Rs.1533.63 Bn.

Total market turnover for the week amounted to Rs.9.6 Bn with an average daily turnover of Rs.1.92 Bn. Turnover for the week witnessed 0.92% decrease compared to the last week's market turnover of Rs.9.7 Bn.

Heavily traded shares of the week under review were S M B LEASING and TESS AGRO with the former being highest in terms of volume for the week, trading over 40.0m shares. The counter declined 5.9% during the week in value on a Week on Week basis. JKH and DANKOTUWA PORCEL contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.1.59Bn and gained 5.8% in value during the week.

FII participation gained to 18.2% of total turnover this week, from 15.6% reported last week. FII interest was positive during the week with a net inflow of Rs.1.2Bn, a 21.1% increase compared to last week's net inflow of Rs.954m.

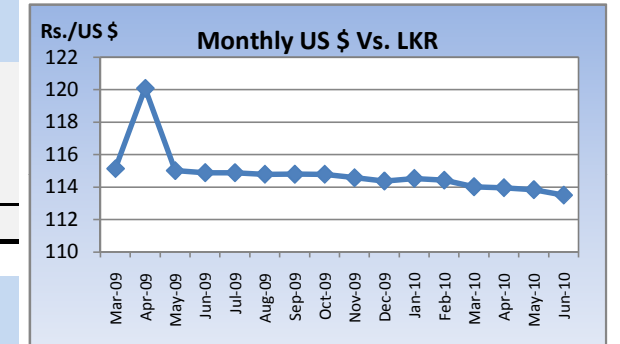


## Currency Board

	Current	Previous	Change
<b>USD EXCHANGE RATE</b>			
- AVERAGE MIDDLE RATE	112.83	113.44	-0.54%
- FORWARD 1 MONTH	113.64	113.91	-0.24%
- FORWARD 3 MONTHS	114.36	114.70	-0.30%
<b>BRITISH POUND</b>	174.19	171.84	1.37%
<b>EURO</b>	145.78	143.92	1.29%
<b>JAPANESE YEN</b>	1.29	1.28	0.88%
<b>INDIAN RUPEE</b>	2.44	2.44	0.13%
<b>AUSTRALIAN DOLLAR</b>	99.15	99.34	-0.19%
<b>SINGAPORE DOLLAR</b>	82.08	82.29	-0.26%

## Treasury Bill Auction

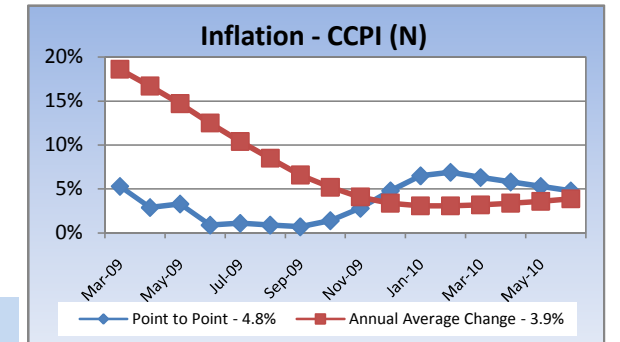
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	7.98%	8.07%	-9.00	1,500	3,150	1,560
6 MONTHS	8.75%	8.96%	-21.00	5,500	14,589	6,000
12 MONTHS	9.17%	9.29%	-12.00	5,000	16,187	5,575
				<b>12,000</b>	<b>33,926</b>	<b>13,135</b>



## Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.25	10.31	15.20
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.25	7.50	8.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	8.94	9.10	9.84
- 7 DAYS	9.06	9.25	10.35
- 1 MONTH	9.25	9.46	11.02
- 3 MONTHS	9.46	9.63	11.50
- 6 MONTHS	9.71	9.89	12.15
- 1 YEAR	9.98	10.16	13.29

## Inflation



	June 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.00	7.05	11.12
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	9.40	9.50	15.26

Point to Point - 4.8%  
Annual Average Change - 3.9%

## Tea Market

### Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 27-2010	Sale 26-2010		2010	2009	
HIGH GROWN	1,620,136	1,473,103	9.98%	41,463,893	33,181,715	24.96%
MEDIUM GROWN	1,144,689	1,206,487	-5.12%	28,535,495	24,088,629	18.46%
LOW GROWN	4,199,206	4,148,015	1.23%	105,877,103	84,818,203	24.83%
<b>TOTAL</b>	<b>6,964,031</b>	<b>6,827,605</b>	<b>2.00%</b>	<b>175,876,491</b>	<b>142,088,547</b>	<b>23.78%</b>

### PRICES (Rs./kg)

	2009	May-10	Jun-10	Sale 27-2010	Sale 26-2010	Change
HIGH GROWN	321.28	328.08	302.43	285.36	287.55	-0.76%
MEDIUM GROWN	316.79	333.37	302.28	297.08	288.46	2.99%
LOW GROWN	388.44	396.15	372.63	374.57	370.81	1.01%
<b>TOTAL</b>	<b>362.70</b>	<b>367.25</b>	<b>341.14</b>	<b>341.08</b>	<b>338.30</b>	<b>0.82%</b>

### PRODUCTION (kg) BY

ELEVATION	May			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	8,640,867	8,259,958	4.61%	33,621,292	31,703,845	6.05%
MEDIUM GROWN	6,283,840	4,136,714	51.90%	23,360,635	18,241,152	28.07%
LOW GROWN	15,366,590	14,440,680	6.41%	77,225,602	57,390,622	34.56%
<b>TOTAL</b>	<b>30,291,297</b>	<b>26,837,352</b>	<b>12.87%</b>	<b>134,207,529</b>	<b>107,335,619</b>	<b>25.04%</b>

### PRODUCTION (kg) BY

CATEGORY	May			Year to date		
	2010	2009	Change	2010	2009	Change
ORTHODOX	28,113,146	25,114,961	11.94%	125,459,099	99,506,423	26.08%
CTC	1,859,709	1,490,611	24.76%	7,539,466	6,844,105	10.16%
<b>TOTAL BLACK TEA</b>	<b>29,972,855</b>	<b>26,605,572</b>	<b>12.66%</b>	<b>132,998,565</b>	<b>106,350,528</b>	<b>25.06%</b>
GREEN TEA	318,442	231,780	37.39%	1,208,964	985,091	22.73%
<b>TOTAL</b>	<b>30,291,297</b>	<b>26,837,352</b>	<b>12.87%</b>	<b>134,207,529</b>	<b>107,335,619</b>	<b>25.04%</b>

### ANALYSIS OF TOTAL

TEA PRODUCTION	May 2010	Year to date 2010
HIGH GROWN	28.53%	25.05%
MEDIUM GROWN	20.74%	17.41%
LOW GROWN	50.73%	57.54%
<b>CTC AS A % OF BLACK TEA PRODUCTION</b>	<b>6.20%</b>	<b>5.67%</b>

### Rs./kg Tea Prices



## Tourism

### SRI LANKA

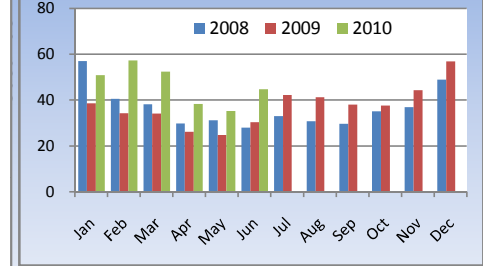
ARRIVALS	2010	2009	Change
June	44,730	30,234	47.95%
Year to date	278,652	187,729	48.43%
Mar-10	78.4%	41.6%	88.46%
Foreign Guest Night	372,202	220,780	68.59%

## Crude Oil

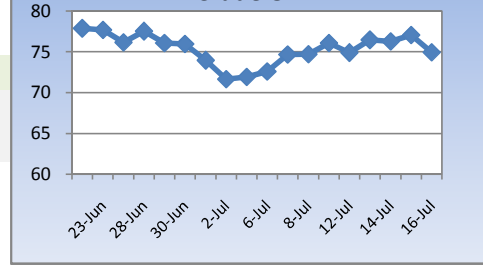
### NYMEX CRUDE OIL FUTURES

US\$/BBL	16-Jul-10	09-Jul-10	Change
US\$/BBL	74.93	76.09	-1.52%

### Tourist Arrivals ('000)



### US\$/bbl Crude Oil



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