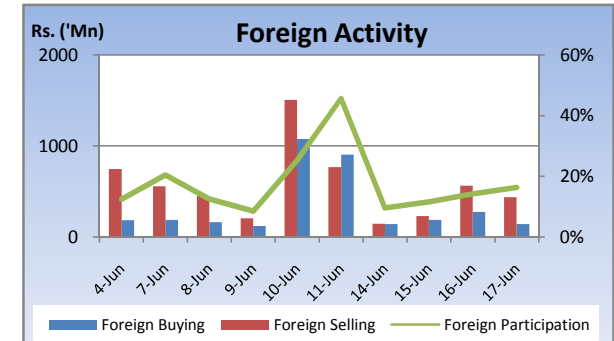
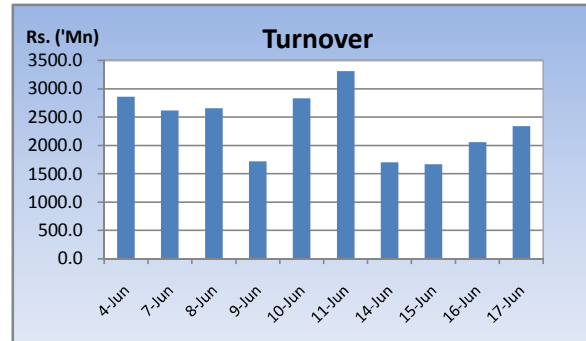
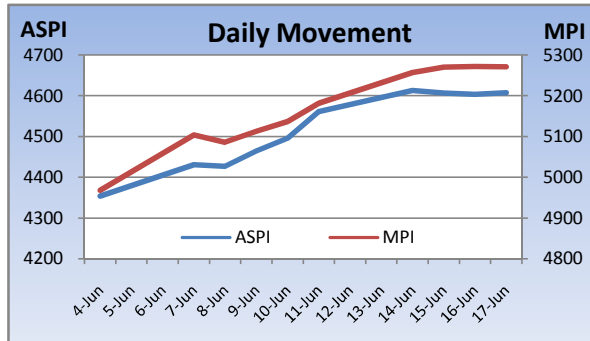


Weekly Market Update

Week Ending: June 17th, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	4607.34	4561.33	1.01%	DANKOTUWA PORCEL	13.75	20.50	49.09%	22.50	12.50	11,582,700	219,344,591
MPI	5271.47	5182.16	1.72%	LANKEM DEV.	17.50	24.00	37.14%	28.75	17.50	2,744,200	65,117,935
MARKET CAP. (Rs. 'Bn)	1501.40	1486.39	1.01%	HDFC	192.50	258.25	34.16%	260.00	195.00	523,500	118,060,857
MARKET PER(x)	22.45	22.49	-0.18%	GRAIN ELEVATORS	25.50	34.00	33.33%	34.50	25.25	7,316,900	220,975,934
MARKET PBV(x)	2.27	2.27	0.00%	COLOMBO LAND	10.00	13.00	30.00%	13.50	9.75	13,904,700	169,454,794
Average Daily				Top 5 Losers							
TURNOVER	1942.50	2627.52	-26.1%	AMANA	31.00	3.30	-89.35%	21.00	3.20	5,135,100	17,254,710
VOLUME	77.18	95.40	-19.1%	INDO MALAY	415.00	350.00	-15.66%	350.00	350.00	100	62,200
FOREIGN PURCHASES	188.69	492.55	-61.7%	TANGERINE	108.75	97.25	-10.57%	108.75	96.75	1,500	154,400
FOREIGN SALES	345.99	698.95	-50.5%	CARGILLS	143.50	130.00	-9.41%	145.25	129.50	263,700	35,703,415
NET FOREIGN	-157.31	-206.40	24%	ACME	33.75	31.25	-7.41%	34.50	31.25	46,200	1,529,170
FOREIGN PARTICIPATION	13.8%	22.7%	-39.3%	Top 5 by Turnover							
Sector Summary				DIALOG	8.75	9.25	5.71%	9.75	8.75	80,341,300	728,816,890
LAND AND PROPERTY	433.01	402.55	7.57%	JKH	200.25	205.00	2.37%	206.00	202.00	2,290,100	469,080,487
SERVICES	18,437.15	17,281.59	6.69%	SEYLAN BANK[NON VOTING]	44.50	44.25	-0.56%	46.25	44.00	9,746,700	435,693,050
FOOTWEAR AND TEXTILES	1,176.39	1,105.10	6.45%	RICHARD PIERIS	79.00	95.00	20.25%	98.00	80.00	3,261,000	290,089,577
HEALTH CARE	456.27	431.25	5.80%	GRAIN ELEVATORS	25.50	34.00	33.33%	34.50	25.25	7,316,900	220,975,934
CONSTRUCTION AND ENGI	3,884.43	3,727.57	4.21%	Top 5 by Volume							
HOTELS AND TRAVELS	4,109.47	4,105.67	0.09%	DIALOG	8.75	9.25	5.71%	9.75	8.75	80,341,300	728,816,890
STORES AND SUPPLIES	25,011.45	25,147.51	-0.54%	NAWALOKA	6.25	7.25	16.00%	7.50	6.25	16,061,100	110,039,568
BEVERAGE FOOD AND TOB.	8,144.34	8,208.78	-0.79%	COLOMBO LAND	10.00	13.00	30.00%	13.50	9.75	13,904,700	169,454,794
POWER AND ENERGY	108.55	109.76	-1.10%	DANKOTUWA PORCEL	13.75	20.50	49.09%	22.50	12.50	11,582,700	219,344,591
OIL PALMS	55,275.51	57,301.51	-3.54%	JANASHAKTHI INS.	14.75	15.75	6.78%	16.25	14.75	10,808,500	168,713,050

Market Review

Market indices continued to appreciate sharply as the week saw index heavyweights Dialog and JKH gain in value with strong buying interest. Number of crossings in Dialog boosted turnover for the week. The benchmark ASPI gained 46.01 points or 1.01% week on week while the more sensitive MPI reported a week on week gained of 89.31 points or 1.72%.

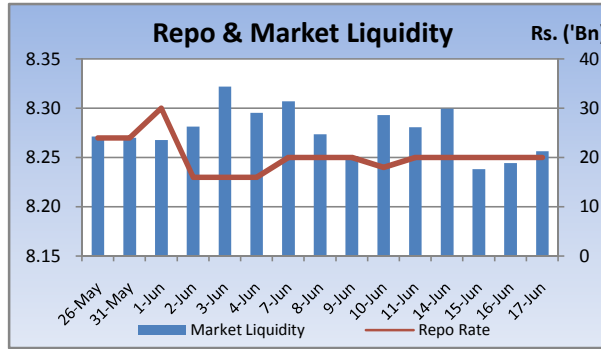
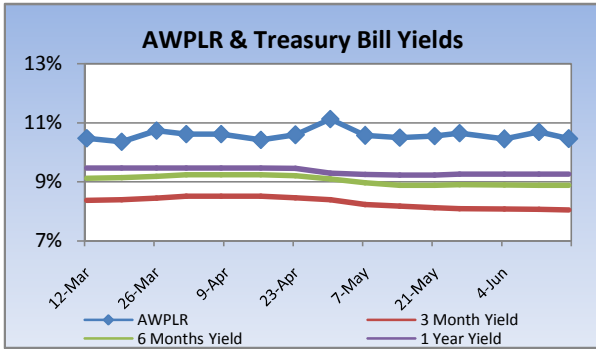
Compared to previous week's closing levels the market gained Rs.15 billion approximately or 1.01% in value this week to close at Rs.1501.40 Bn on Thursday.

Total market turnover for the week amounted to Rs.7.7 Bn with an average daily turnover of Rs.1.9 Bn. Turnover for the week witnessed 41% decrease compared to the last week's market turnover of Rs.2.6 Bn.

Heavily traded shares of the week under review were Dialog and Nawaloka with the former being highest in terms of volume for the week, trading over 80m shares. The counter gained 6% during the week in value on a Week on Week basis. Dialog and JKH contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.729m and gained 6% in value during the week.

FII participation declined to 13.8% of total turnover this week, from 22.7% reported last week. FII interest was negative during the week with a net outflow of Rs.629m, a 39% increase compared to last week's net ourflow of Rs.1Bn.

Company	Price	P/BV	PER 11E	PER 12E
BANKING				
COMMERCIAL BANK	283.00	2.50	15.19	14.76
DFCC	270.00	1.80	13.59	12.78
HNB	294.00	2.78	14.68	12.99
NDB	250.25	1.49	10.78	9.19
NTB	49.75	1.90	10.48	8.75
SAMPATH BANK	336.00	1.93	13.94	12.33
BEVERAGE, FOOD & TOBACCO				
CTC	300.00	19.19	9.91	9.11
DISTILLERIES	128.00	1.62	11.53	10.05
CHEMICALS & PHARMACEUTICALS				
CIC	79.25	1.48	10.26	9.52
CONSTRUCTION & ENGINEERING				
DOCKYARD	270.00	3.13	10.60	9.77
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,600.00	2.38	16.53	13.71
CARSONS	540.00	2.56	15.10	13.18
HAYLEYS	310.75	1.52	18.67	15.36
HEMAS HOLDINGS	173.00	2.29	15.21	11.74
JOHN KEELLS HOLDINGS	205.00	2.52	19.91	18.36
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	427.00	3.16	20.19	15.58
ASIAN HOTELS AND PROPERTIES	165.25	3.01	20.59	15.50
KEELLS HOTELS	19.25	3.00	35.69	24.11
MANUFACTURING				
ACL CABLES	89.75	1.46	21.08	15.02
CHEVRON LUBRICANTS	163.25	8.82	14.82	17.46
LANKA TILES	110.00	2.44	10.91	9.69
ROYAL CERAMICS	160.00	2.28	8.39	7.77
TOKYO CEMENT	36.75	1.82	22.97	15.01
PLANTATIONS				
AGALAWATTE				
KEGALLE				
KELANI VALLEY				
POWER & ENERGY				
LANKA IOC	23.00	1.47	29.51	27.10
TELECOMMUNICATIONS				
DIALOG	9.25	2.62	19.94	15.43

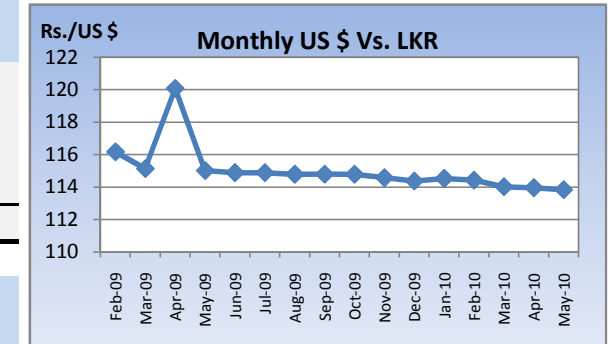


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	113.56	113.67	-0.10%
- FORWARD 1 MONTH	114.04	114.23	-0.17%
- FORWARD 3 MONTHS	114.76	115.06	-0.26%
BRITISH POUND	166.81	166.95	-0.09%
EURO	139.32	137.38	1.41%
JAPANESE YEN	1.24	1.24	0.08%
INDIAN RUPEE	2.46	2.45	0.52%
AUSTRALIAN DOLLAR	97.62	96.00	1.68%
SINGAPORE DOLLAR	81.22	80.84	0.46%

Treasury Bill Auction

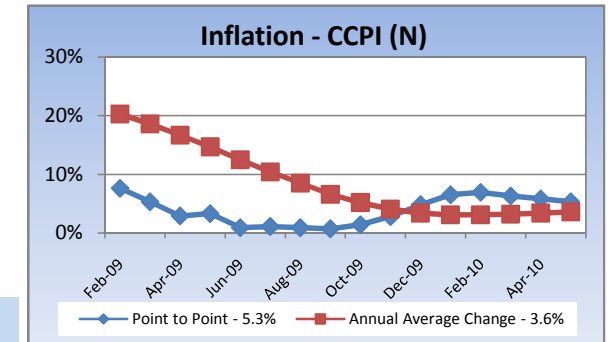
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	8.05%	8.07%	-2.00	1,000	3,128	1,397
6 MONTHS	8.89%	8.89%	0.00	4,250	7,413	5,666
12 MONTHS	9.26%	9.26%	0.00	4,750	7,869	3,417
				10,000	18,410	10,480



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.46	10.69	16.05
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	9.00
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.07	9.06	9.63
- 7 DAYS	9.24	9.25	10.42
- 1 MONTH	9.43	9.48	11.17
- 3 MONTHS	9.66	9.66	12.17
- 6 MONTHS	9.89	9.93	13.00
- 1 YEAR	10.18	10.18	14.04

Inflation



	May 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.05	7.13	11.43
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	9.50	9.61	16.14

Point to Point - 5.3%
Annual Average Change - 3.6%

Tea Market

Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 23-2010	Sale 22-2010		2010	2009	
HIGH GROWN	2,006,389	2,066,815	-2.92%	34,701,715	28,472,055	21.88%
MEDIUM GROWN	1,253,256	1,384,484	-9.48%	23,431,253	19,877,401	17.88%
LOW GROWN	4,015,972	4,183,393	-4.00%	90,230,160	70,883,305	27.29%
TOTAL	7,275,617	7,634,692	-4.70%	148,363,128	119,232,761	24.43%

PRICES (Rs./kg)

	2009	Apr-10	May-10	Sale 23-2010	Sale 22-2010	Change
HIGH GROWN	321.28	351.94	328.08	307.65	308.48	-0.27%
MEDIUM GROWN	316.79	345.86	333.37	301.01	309.15	-2.63%
LOW GROWN	388.44	388.23	396.15	370.92	367.10	1.04%
TOTAL	362.70	372.31	367.25	341.43	340.72	0.21%

PRODUCTION (kg) BY

ELEVATION	April			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	6,392,859	9,455,149	-32.39%	24,206,548	23,443,887	3.25%
MEDIUM GROWN	4,749,037	5,708,484	-16.81%	16,647,111	14,104,438	18.03%
LOW GROWN	17,273,434	15,555,184	11.05%	61,475,785	42,949,942	43.13%
TOTAL	28,415,330	30,718,817	-7.50%	102,329,444	80,498,267	27.12%

PRODUCTION (kg) BY

CATEGORY	April			Year to date		
	2010	2009	Change	2010	2009	Change
ORTHODOX	26,731,932	28,307,887	-5.57%	95,801,212	74,391,462	28.78%
CTC	1,471,048	2,059,784	-28.58%	5,679,756	5,353,494	6.09%
TOTAL BLACK TEA	28,202,980	30,367,671	-7.13%	101,480,968	79,744,956	27.26%
GREEN TEA	212,350	351,146	-39.53%	848,476	753,311	12.63%
TOTAL	28,415,330	30,718,817	-7.50%	102,329,444	80,498,267	27.12%

ANALYSIS OF TOTAL

TEA PRODUCTION	April 2010	Year to date 2010
HIGH GROWN	22.50%	23.66%
MEDIUM GROWN	16.71%	16.27%
LOW GROWN	60.79%	60.08%
CTC AS A % OF BLACK TEA PRODUCTION	5.22%	5.60%

Rs./kg Tea Prices

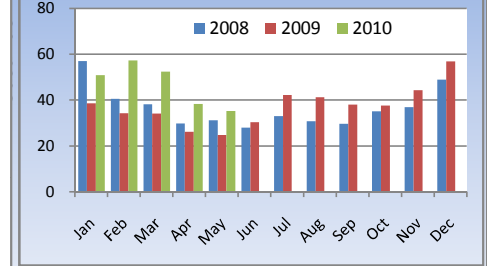


Tourism

SRI LANKA

ARRIVALS	2010	2009	Change
May	35,213	24,739	42.34%
Year to date	233,922	157,495	48.53%
Occupancy	Mar-10	Mar-09	Change
Foreign Guest Night	372,202	220,780	68.59%

Tourist Arrivals

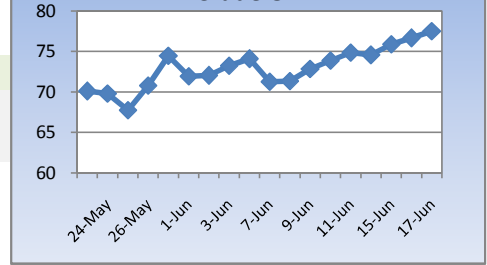


Crude Oil

NYMEX CRUDE OIL FUTURES

	17-Jun-10	11-Jun-10	Change
US\$/BBL	77.51	74.86	3.54%

Crude Oil



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