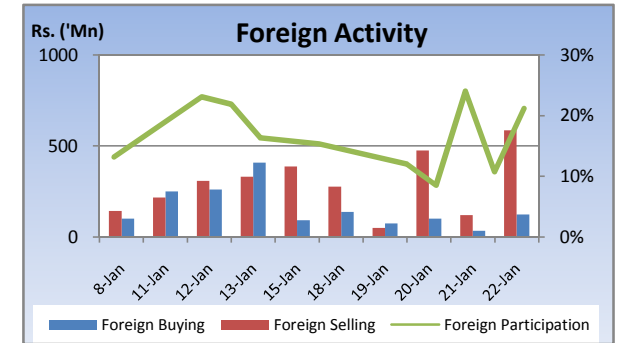
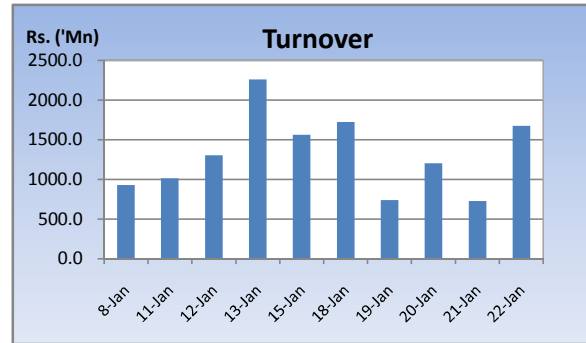
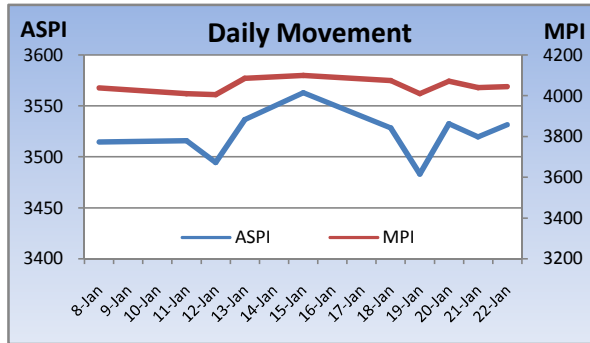


Weekly Market Update

Week Ending: January 22th, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3531.73	3563.14	-0.88%	FIRST CAPITAL	28.00	63.00	125.00%	72.00	27.25	3,062,200	137,680,534
MPI	4044.83	4099.28	-1.33%	SEYLAN MERCHANT	4.70	6.25	32.98%	6.25	4.50	5,632,400	31,703,162
MARKET CAP. (Rs. 'Bn)	1137.19	1147.64	-0.91%	MTD WALKERS	279.25	364.00	30.35%	480.00	302.00	321,900	126,109,069
MARKET PER(x)	17.23	17.39	-0.92%	CEYLON BREWERY	120.00	147.00	22.50%	154.75	119.00	28,900	3,975,368
MARKET PBV(x)	1.74	1.75	-0.57%	ASIRI CENTRAL	100.75	120.00	19.11%	120.00	100.00	3,300	333,400
Average Daily				Top 5 Losers							
TURNOVER	1213.96	1536.38	-21.0%	NATION LANKA	19.75	16.00	-18.99%	18.50	14.75	3,060,200	50,222,685
VOLUME	41.41	33.83	22.4%	CEYLON LEATHER	109.75	92.75	-15.49%	114.00	88.00	488,700	47,734,066
FOREIGN PURCHASES	95.32	254.04	-62.5%	PEOPLE'S MERCH	39.75	35.25	-11.32%	40.00	34.00	177,200	6,539,325
FOREIGN SALES	302.45	311.50	-2.9%	HOTEL SIGIRIYA	56.50	50.75	-10.18%	57.50	50.75	8,400	451,250
NET FOREIGN	-207.13	-57.45	-260.5%	KANDY HOTELS	118.00	106.75	-9.53%	118.00	101.50	1,900	208,308
FOREIGN PARTICIPATION	16.4%	18.4%	-11.0%	Top 5 by Turnover							
Sector Summary				C.W.MACKIE	35.50	35.00	-1.41%	37.00	33.25	21,413,159	749,821,395
CHEMICALS AND PHARMAC	5,922.30	5,650.51	4.81%	LANKA VENTURES	16.75	17.00	1.49%	18.00	16.75	39,672,093	713,705,712
CONSTRUCTION AND ENGI	3,949.65	3,785.83	4.33%	JKH	179.00	173.75	-2.93%	179.50	173.50	1,848,000	323,698,430
STORES AND SUPPLIES	11,357.16	11,073.96	2.56%	BROWNS	79.25	84.75	6.94%	89.00	78.00	2,582,800	215,618,304
PLANTATIONS	676.95	666.38	1.59%	RICHARD PIERIS	38.75	44.25	14.19%	49.00	38.25	4,611,700	202,909,365
HEALTH CARE	412.43	407.35	1.25%	Top 5 by Volume							
HOTELS AND TRAVELS	3,315.47	3,375.91	-1.79%	LANKA VENTURES	16.75	17.00	1.49%	18.00	16.75	39,672,093	713,705,712
INVESTMENT TRUSTS	32,767.50	33,532.30	-2.28%	C.W.MACKIE	35.50	35.00	-1.41%	37.00	33.25	21,413,159	749,821,395
DIVERSIFIED HOLDINGS	1,150.25	1,177.99	-2.35%	SEYLAN MERCHANT[NON VOTING]	0.80	0.80	0.00%	0.90	0.70	14,974,300	11,937,140
FOOTWEAR AND TEXTILES	737.85	764.04	-3.43%	RENUKA AGR	3.30	3.50	6.06%	3.60	3.40	13,132,800	45,752,724
INFORMATION TECHNOLO	79.48	87.43	-9.09%	OVERSEAS REALTY	16.50	16.50	0.00%	16.75	16.00	8,987,800	147,775,913

Market Review

Profit taking and political uncertainty ahead of the elections led to a decline in the market while acquisitions in Lanka Ventures and C.W.Mackie boosted turnover for the week. The benchmark ASPI declined 31.41 points or 0.88% week on week while the more sensitive MPI reported a week on week decline of 54.45 points or 1.33%.

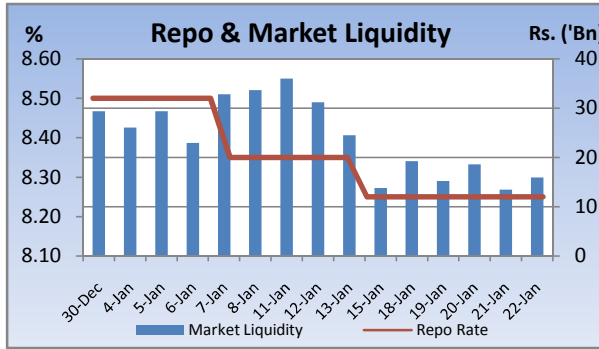
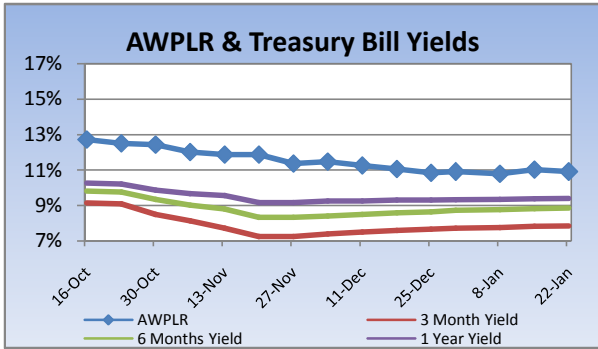
Compared to previous week's closing levels the market declined Rs.10 billion approximately or 0.91% in value this week to close at Rs.1137.39 Bn on Friday.

Total market turnover for the week amounted to Rs.6.06 Bn with an average daily turnover of Rs.1.2Bn. Turnover for the week witnessed 1% decrease compared to the last week's market turnover of Rs.6.1 Bn.

Heavily traded shares of the week under review were Lanka Ventures and C.W.Mackie with the former being highest in terms of volume for the week, trading over 40m shares. The counter gained 1.5% during the week in value on a Week on Week basis. C.W.Mackie and Lanka Ventures contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.749m.

FII participation declined to 16.4% of total turnover this week, from 18.4% reported last week. FII interest was negative during the week with a net outflow of Rs.1Bn, a 350% decrease compared to last week's net outflow of Rs.230m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	185.00	1.63	11.19	10.46
DFCC	167.00	1.11	10.19	9.49
HNB	171.75	1.63	13.01	11.55
NDB	202.25	1.21	7.89	6.56
NTB	38.50	1.41	9.20	7.30
SAMPATH BANK	217.00	1.25	8.15	6.60
BEVERAGE, FOOD & TOBACCO				
CTC	201.50	11.97	12.49	11.68
DISTILLERIES	115.75	1.47	14.23	12.27
CHEMICALS & PHARMACEUTICALS				
CIC	62.75	1.28	17.91	14.43
CONSTRUCTION & ENGINEERING				
DOCKYARD	285.50	3.33	9.05	7.88
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,251.00	1.92	15.68	12.92
CARSONS	503.25	2.74	16.05	14.35
HAYLEYS	186.25	1.08	17.42	21.23
HEMAS HOLDINGS	123.75	1.75	17.19	15.24
JOHN KEELLS HOLDINGS	173.75	2.30	34.77	31.06
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	353.50	2.97	19.92	13.56
ASIAN HOTELS AND PROPERTIES	105.00	1.95	36.44	16.74
KEELLS HOTELS	31.50	5.06	71.52	40.05
MANUFACTURING				
ACL CABLES	80.50	1.30	13.98	11.62
CHEVRON LUBRICANTS	150.00	6.32	14.16	12.83
LANKA TILES	65.00	1.61	8.70	6.45
ROYAL CERAMICS	73.75	1.22	6.30	5.01
TOKYO CEMENT	331.75	1.71	15.26	8.13
PLANTATIONS				
AGALAWATTE	23.00	1.13	6.18	7.53
KEGALLE	40.00	0.74	4.07	3.24
KELANI VALLEY	51.25	1.26	5.26	4.34
POWER & ENERGY				
LANKA IOC	17.25	1.19	22.97	20.41
TELECOMMUNICATIONS				
DIALOG	6.75	1.81	(49.88)	22.09

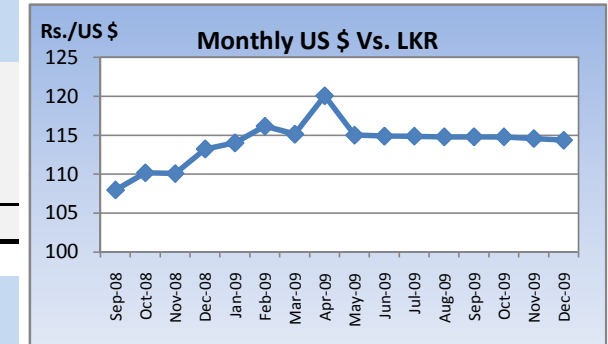


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.38	114.37	0.01%
- FORWARD 1 MONTH	114.86	114.90	-0.03%
- FORWARD 3 MONTHS	115.70	115.70	0.00%
BRITISH POUND			
	185.40	186.58	-0.63%
EURO			
	161.62	164.84	-1.95%
JAPANESE YEN			
	1.27	1.26	1.13%
INDIAN RUPEE			
	2.49	2.52	-1.22%
AUSTRALIAN DOLLAR			
	103.15	105.89	-2.59%
SINGAPORE DOLLAR			
	81.47	82.26	-0.96%

Treasury Bill Auction

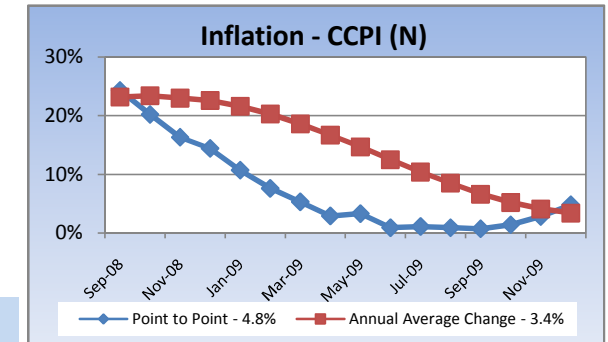
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	7.86%	7.84%	2.00	1,500	3,095	2,225
6 MONTHS	8.86%	8.82%	4.00	3,000	9,024	4,350
12 MONTHS	9.41%	9.38%	3.00	4,500	6,706	3,632
				9,000	18,825	10,207



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.91	11.03	19.37
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.10	9.04	14.61
- 7 DAYS	9.27	9.23	16.56
- 1 MONTH	9.54	9.48	17.79
- 3 MONTHS	9.70	9.66	18.52
- 6 MONTHS	9.94	9.92	19.19
- 1 YEAR	10.23	10.23	19.73

Inflation



	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

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

Tea Market

Colombo Tea Auction

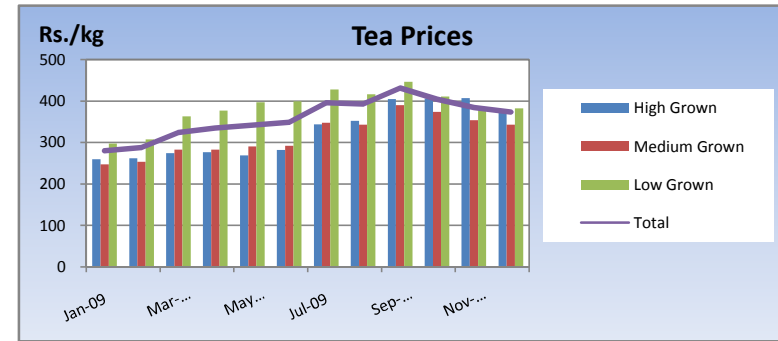
SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 03-2010	Sale 02-2010		2010	2009	
HIGH GROWN	1,475,958	1,494,678	-1.25%	4,344,642	3,729,694	16.49%
MEDIUM GROWN	1,097,685	1,096,408	0.12%	3,297,866	2,510,833	31.35%
LOW GROWN	4,573,821	4,164,701	9.82%	12,857,287	10,300,363	24.82%
TOTAL	7,147,464	6,755,787	5.80%	20,499,795	16,540,890	23.93%

PRICES (Rs./kg)	2009	Nov-09	Dec-09	Sale 03-2010	Sale 02-2010	Change
HIGH GROWN	321.28	406.89	373.51	377.61	382.88	-1.38%
MEDIUM GROWN	316.79	353.90	343.16	351.60	352.77	-0.33%
LOW GROWN	388.44	383.69	381.81	400.99	399.92	0.27%
TOTAL	362.70	383.88	373.50	388.57	388.50	0.02%

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%
TOTAL	25,195,732	19,448,448	29.55%	289,777,949	318,697,454	-9.07%

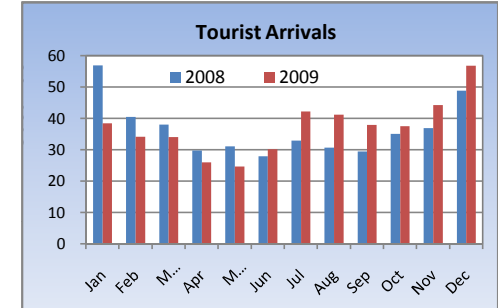
PRODUCTION (kg) BY CATEGORY	December			Year to date		
	2009	2008	Change	2009	2008	Change
ORTHODOX	23,895,566	17,950,202	33.12%	271,879,004	298,949,958	-9.06%
CTC	1,141,459	1,366,855	-16.49%	15,593,425	16,532,846	-5.68%
TOTAL BLACK TEA	25,037,025	19,317,057	29.61%	287,472,429	315,482,804	-8.88%
GREEN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

ANALYSIS OF TOTAL TEA PRODUCTION	December	
	2009	2009
HIGH GROWN	23.49%	24.95%
MEDIUM GROWN	12.87%	15.29%
LOW GROWN	63.64%	59.76%
	100.00%	100.00%
CTC AS A % OF BLACK TEA PRODUCTION	4.56%	5.42%



Tourism

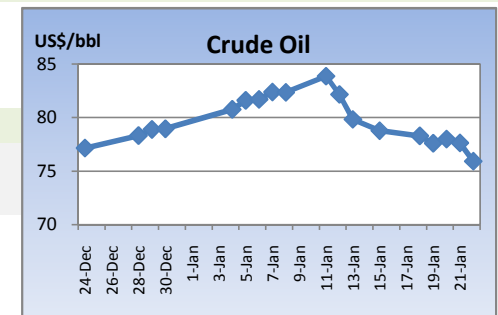
SRI LANKA ARRIVALS	2009	2008	Change
December	56,862	48,925	16.22%
Year to date	447,890	438,475	2.15%
Occupancy	53.0%	39.1%	35.55%
Foreign Guest Night	256,575	201,821	27.13%



Crude Oil

NYMEX CRUDE OIL FUTURES

	22-Jan	15-Jan	Change
US\$/BBL	75.92	78.78	15.52%



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