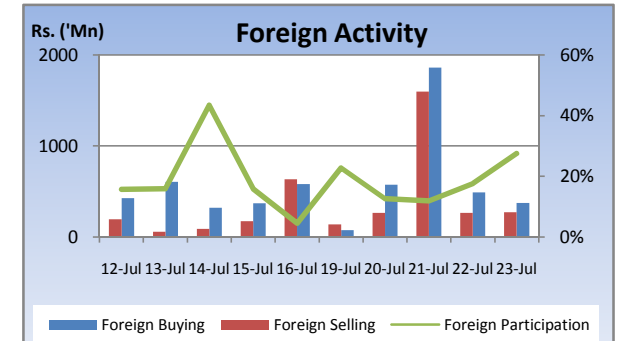
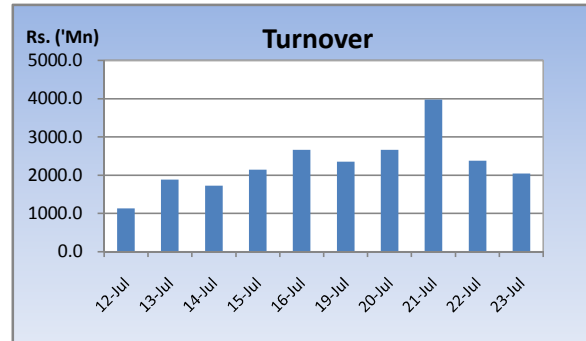
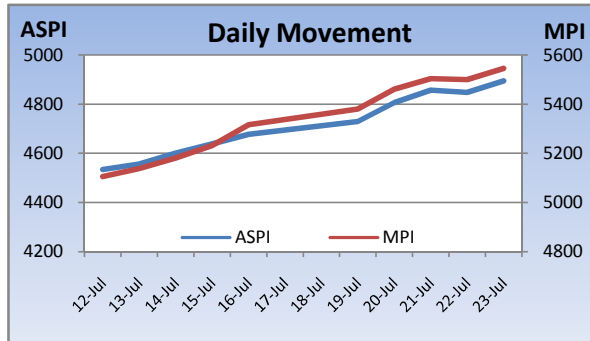


Weekly Market Update

Week Ending: July 23rd, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	4895.51	4676.89	4.67%	CFT	33.50	65.25	94.78%	74.00	33.50	1,853,000	102,056,400
MPI	5545.13	5316.22	4.31%	PEOPLE'S L FIN	51.75	86.25	66.67%	99.50	50.00	296,400	23,130,643
MARKET CAP. (Rs. 'Bn)	1605.38	1533.63	4.68%	BLUE DIAMONDS[NON VOTING]	1.60	2.40	50.00%	3.00	1.70	47,048,300	117,186,844
MARKET PER(x)	20.50	19.91	2.96%	PARAGON	225.00	330.00	46.67%	330.00	330.00	100	33,000
MARKET PBV(x)	2.28	2.20	3.64%	BLUE DIAMONDS	3.50	5.00	42.86%	6.00	3.50	20,688,800	102,723,317
Average Daily				Top 5 Losers							
TURNOVER	2686.24	1916.68	40.2%	SINGALANKA	180.00	150.50	-16.39%	183.00	102.00	8,000	851,350
VOLUME	119.36	64.74	84.4%	MULLERS	1.40	1.30	-7.14%	1.40	1.20	10,044,000	13,089,820
FOREIGN PURCHASES	676.40	463.59	45.9%	ARPICO	95.00	89.00	-6.32%	95.00	88.50	11,100	1,000,150
FOREIGN SALES	509.55	232.64	119.0%	COCO LANKA[NON VOTING]	34.50	32.50	-5.80%	35.00	32.50	8,000	266,579
NET FOREIGN	166.85	230.96	-28%	CARGO BOAT	104.75	100.00	-4.53%	104.00	100.00	13,200	1,328,120
FOREIGN PARTICIPATION	22.1%	18.2%	21.5%	Top 5 by Turnover							
Sector Summary				HNB	284.50	290.00	1.93%	300.00	285.00	6,012,700	1,799,447,000
SERVICES	24,443.47	18,961.02	28.91%	JKH	214.75	230.00	7.10%	230.00	216.00	4,864,700	1,098,007,300
INVESTMENT TRUSTS	32,404.36	26,348.12	22.99%	ENVI. RESOURCES	88.75	107.50	21.13%	111.50	93.50	10,391,700	1,066,762,350
MOTORS	18,049.30	16,055.41	12.42%	REEFCOMBER	4.20	4.10	-2.38%	5.75	4.00	187,445,900	830,438,314
OIL PALMS	58,094.26	52,575.95	10.50%	DANKOTUWA PORCEL	52.50	58.25	10.95%	62.00	48.25	9,488,100	549,479,088
TRADING	13,108.79	12,131.89	8.05%	Top 5 by Volume							
LAND AND PROPERTY	539.30	529.84	1.79%	REEFCOMBER	4.20	4.10	-2.38%	5.75	4.00	187,445,900	830,438,314
BEVERAGE FOOD AND TOB.	8,622.44	8,492.20	1.53%	BLUE DIAMONDS[NON VOTING]	1.60	2.40	50.00%	3.00	1.70	47,048,300	117,186,844
HEALTH CARE	523.85	518.86	0.96%	DIALOG	9.50	10.25	7.89%	10.50	9.25	44,904,300	448,839,935
STORES AND SUPPLIES	26,360.14	26,512.93	-0.58%	S M B LEASING	1.60	1.70	6.25%	1.80	1.60	21,609,200	36,866,620
POWER AND ENERGY	109.06	110.44	-1.25%	BLUE DIAMONDS	3.50	5.00	42.86%	6.00	3.50	20,688,800	102,723,317

Market Review

Market rallied during the week with strong buying interest in the blue chip counters amidst heavy foreign activity as foreigners continued to be net buyers for the week. Heavy trading on speculative counters Env. Resources and Dankotuwa was also observed during the week.

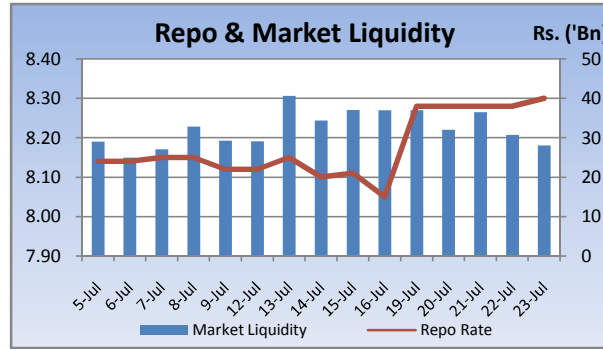
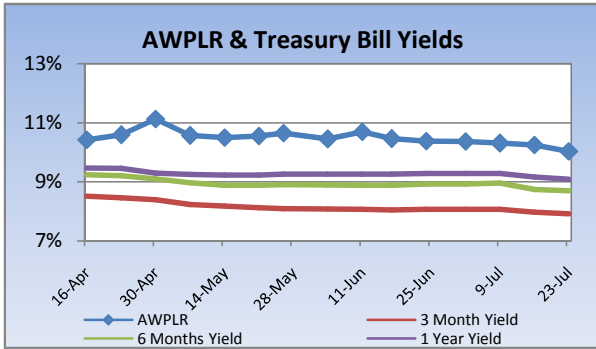
The benchmark ASPI gained 218.62 points or 4.67% week on week while the more sensitive MPI reported a week on week gained 228.91 points or 4.31%.

Compared to previous week's closing levels the market gained Rs.71.7 billion approximately or 4.68% in value this week to close at Rs.1605.38 Bn.

Total market turnover for the week amounted to Rs.13.4 Bn with an average daily turnover of Rs.2.69 Bn. Turnover for the week witnessed 40.15% increase compared to the last week's market turnover of Rs.9.6 Bn.

Heavily traded shares of the week under review were REEFCOMBER and BLUE DIAMONDS[NON VOTING] with the former being highest in terms of volume for the week, trading over 187.4m shares. The counter declined 2.4% during the week in value on a Week on Week basis. HNB 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.1.80Bn and gained 1.9% in value during the week.

FII participation gained to 22.1% of total turnover this week, from 18.2% reported last week. FII interest was positive during the week with a net inflow of Rs.834m, a 27.8% decrease compared to last week's net inflow of Rs.1.2Bn.

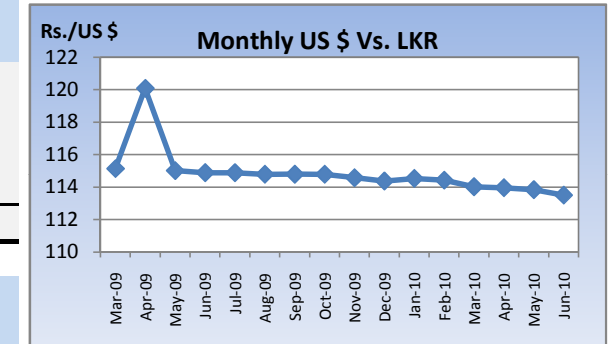


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	112.82	112.83	-0.01%
- FORWARD 1 MONTH	113.30	113.64	-0.30%
- FORWARD 3 MONTHS	114.00	114.36	-0.31%
BRITISH POUND	172.29	174.19	-1.09%
EURO	145.39	145.78	-0.27%
JAPANESE YEN	1.30	1.29	0.49%
INDIAN RUPEE	2.41	2.44	-1.10%
AUSTRALIAN DOLLAR	100.53	99.15	1.39%
SINGAPORE DOLLAR	82.16	82.08	0.10%

Treasury Bill Auction

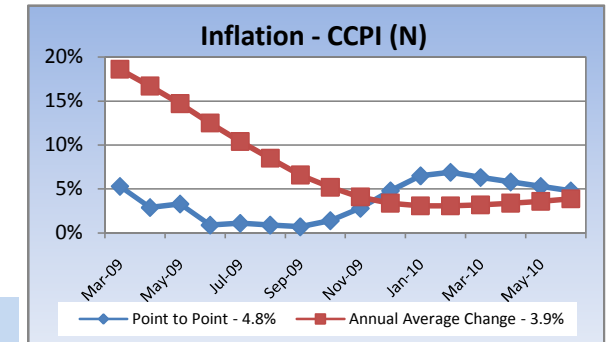
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	7.92%	7.98%	-6.00	1,000	2,880	1,000
6 MONTHS	8.70%	8.75%	-5.00	5,500	9,401	5,500
12 MONTHS	9.09%	9.17%	-8.00	6,500	20,666	7,925
				13,000	32,947	14,425



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.03	10.25	14.98
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.25	7.50	8.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	8.99	8.94	9.78
- 7 DAYS	9.14	9.06	10.26
- 1 MONTH	9.28	9.25	10.98
- 3 MONTHS	9.44	9.46	11.73
- 6 MONTHS	9.68	9.71	12.58
- 1 YEAR	9.92	9.98	13.50
	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

Inflation



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	1,588,444	1,620,136	-1.96%	43,052,337	34,256,920	25.67%
MEDIUM GROWN	1,088,558	1,144,689	-4.90%	29,624,053	25,013,599	18.43%
LOW GROWN	4,087,159	4,199,206	-2.67%	109,964,262	88,398,490	24.40%
TOTAL	6,764,161	6,964,031	-2.87%	182,640,652	147,669,009	23.68%

PRICES (Rs./kg)

	2009	May-10	Jun-10	Sale 27-2010	Sale 26-2010	Change
HIGH GROWN	321.28	328.08	302.43	288.36	285.36	1.05%
MEDIUM GROWN	316.79	333.37	302.28	301.82	297.08	1.60%
LOW GROWN	388.44	396.15	372.63	376.19	374.57	0.43%
TOTAL	362.70	367.25	341.14	343.60	341.08	0.74%

PRODUCTION (kg) BY

ELEVATION	June			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	6,417,829	5,453,337	17.69%	41,168,850	37,157,182	10.80%
MEDIUM GROWN	4,975,413	3,996,464	24.50%	29,012,782	22,237,616	30.47%
LOW GROWN	18,115,292	15,463,750	17.15%	96,698,862	72,854,372	32.73%
TOTAL	29,508,534	24,913,551	18.44%	166,880,494	132,249,170	26.19%

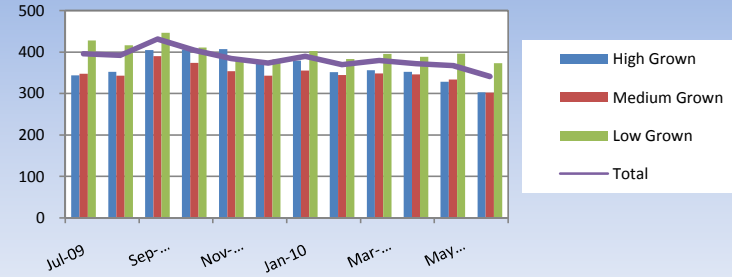
PRODUCTION (kg) BY

CATEGORY	June			Year to date		
	2010	2009	Change	2010	2009	Change
ORTHODOX	27,817,884	23,485,246	18.45%	156,094,866	122,991,669	26.91%
CTC	1,366,950	1,190,813	14.79%	9,188,960	8,034,918	14.36%
TOTAL BLACK TEA	29,184,834	24,676,059	18.27%	165,283,826	131,026,587	26.15%
GREEN TEA	323,700	237,492	36.30%	1,596,668	1,222,583	30.60%
TOTAL	29,508,534	24,913,551	18.44%	166,880,494	132,249,170	26.19%

ANALYSIS OF TOTAL

TEA PRODUCTION	June 2010	Year to date 2010
HIGH GROWN	21.75%	24.67%
MEDIUM GROWN	16.86%	17.39%
LOW GROWN	61.39%	57.94%
	100.00%	100.00%
CTC AS A % OF BLACK TEA PRODUCTION	4.68%	5.56%

Rs./kg Tea Prices

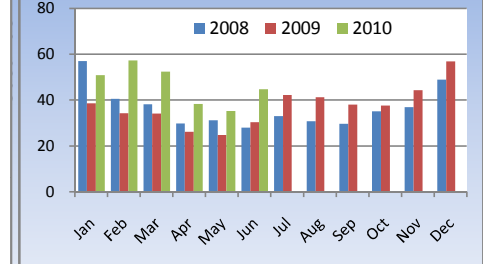


Tourism

SRI LANKA

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

Tourist Arrivals ('000)

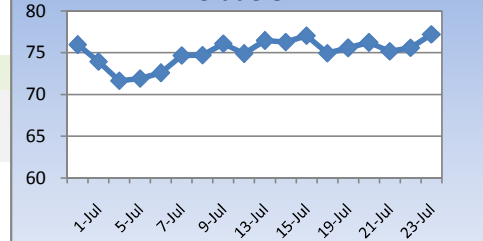


Crude Oil

NYMEX CRUDE OIL FUTURES

	23-Jul-10	16-Jul-10	Change
US\$/BBL	77.19	74.93	3.02%

US\$/bbl Crude Oil



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