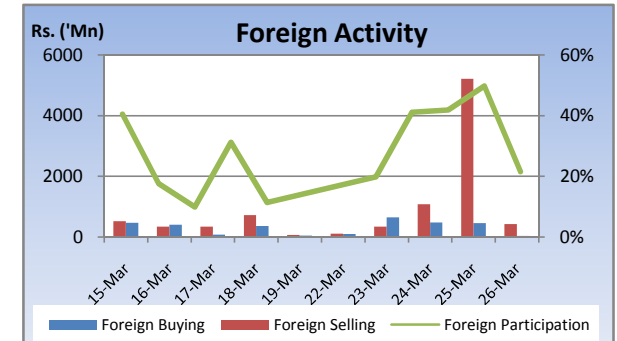
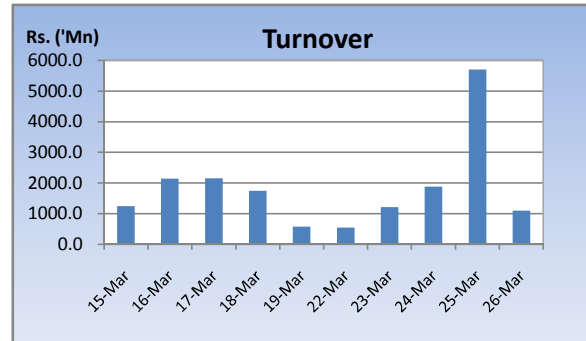
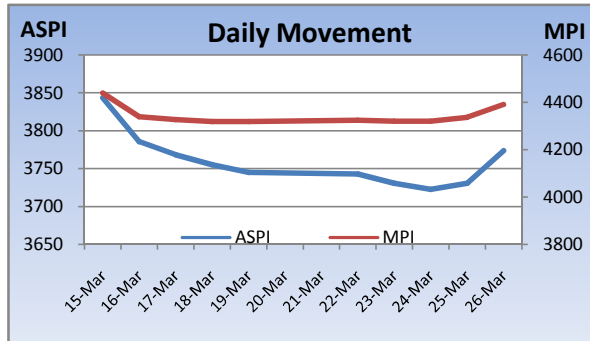


Weekly Market Update

Week Ending: March 26th, 2010



Market Statistics				Top 5 Gainers							
	Current	Previous	Change		Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3773.76	3744.92	0.77%	SINGALANKA	110.00	150.00	36.36%	150.00	145.00	700	104,500
MPI	4391.22	4319.22	1.67%	COMMERCIAL DEV.	45.00	51.00	13.33%	51.00	51.00	100	5,100
MARKET CAP. (Rs. 'Bn)	1221.91	1210.75	0.92%	JOHN KEELLS	175.00	194.50	11.14%	200.00	172.00	21,200	4,057,750
MARKET PER(x)	18.53	18.36	0.93%	ACME	18.25	20.25	10.96%	21.25	18.50	1,014,900	20,520,375
MARKET PBV(x)	1.87	1.85	1.08%	COLOMBO LAND	7.00	7.75	10.71%	8.00	7.00	6,964,500	51,857,775
Average Daily				Top 5 Losers							
TURNOVER	2088.30	1572.34	32.8%	MET. RES. HOL.	68.75	28.75	-58.18%	55.00	26.50	1,306,800	50,675,070
VOLUME	25.58	85.88	-70.2%	MERC. SHIPPING	157.00	115.00	-26.75%	145.00	115.00	200	31,000
FOREIGN PURCHASES	351.96	277.50	26.8%	ELPITIYA	42.50	33.50	-21.18%	44.50	33.00	161,900	5,615,425
FOREIGN SALES	1438.04	406.46	253.8%	CONVENIENCE FOOD	141.75	125.25	-11.64%	130.00	125.00	2,600	325,900
NET FOREIGN	-1086.08	-128.96	-742.2%	BLUE DIAMONDS[NON VOTING]	0.90	0.80	-11.11%	0.90	0.70	6,850,500	5,485,890
FOREIGN PARTICIPATION	42.9%	21.7%	97.1%	Top 5 by Turnover							
Sector Summary				HNB	179.00	183.75	2.65%	187.00	180.00	26,743,200	4,814,851,300
SERVICES	14,588.52	13,827.65	5.50%	JKH	172.00	186.00	8.14%	188.00	169.25	15,140,800	2,614,036,375
DIVERSIFIED HOLDINGS	1,256.83	1,211.12	3.77%	DISTILLERIES	115.00	117.00	1.74%	118.00	112.50	5,092,200	609,255,475
MOTORS	8,867.34	8,674.97	2.22%	COMMERCIAL BANK	191.50	198.75	3.79%	200.00	188.00	1,712,700	333,517,607
OIL PALMS	41,715.53	41,253.04	1.12%	NAT. DEV. BANK	217.00	213.25	-1.73%	216.75	212.00	803,400	171,632,007
BEVERAGE FOOD AND TOB.	6,358.38	6,290.95	1.07%	Top 5 by Volume							
INFORMATION TECHNOLO	81.47	83.45	-2.37%	HNB	179.00	183.75	2.65%	187.00	180.00	26,743,200	4,814,851,300
TRADING	8,140.79	8,398.67	-3.07%	JKH	172.00	186.00	8.14%	188.00	169.25	15,140,800	2,614,036,375
INVESTMENT TRUSTS	36,495.07	37,811.27	-3.48%	DIALOG	7.00	7.00	0.00%	7.25	6.75	10,025,000	70,251,277
FOOTWEAR AND TEXTILES	710.58	740.06	-3.98%	COLOMBO LAND	7.00	7.75	10.71%	8.00	7.00	6,964,500	51,857,775
PLANTATIONS	734.97	774.11	-5.06%	BLUE DIAMONDS[NON VOTING]	0.90	0.80	-11.11%	0.90	0.70	6,850,500	5,485,890

Market Review

Market remained dull during the 1st half of the week ending the days in negative territory. However the bourse rose sharply heavy interest in the blue chip counters. Turnover was boosted with Raj Rajaratnam selling his stakes in HNB and JKH. HNB quantities were taken up by the government institutions. The JKH stakes are believed to be bought by Ruzi Captain. The benchmark ASPI gained 28.84 points or 0.77% week on week while the more sensitive MPI reported a week on week gained of 72.00 points or 1.67%.

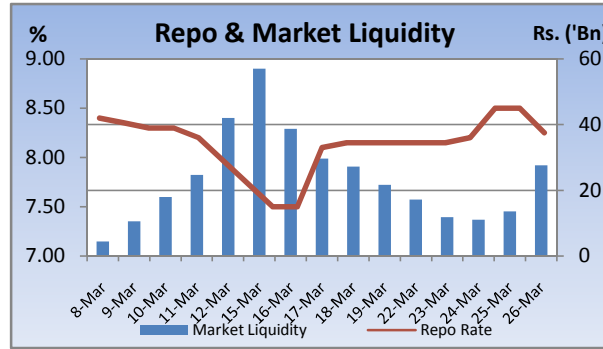
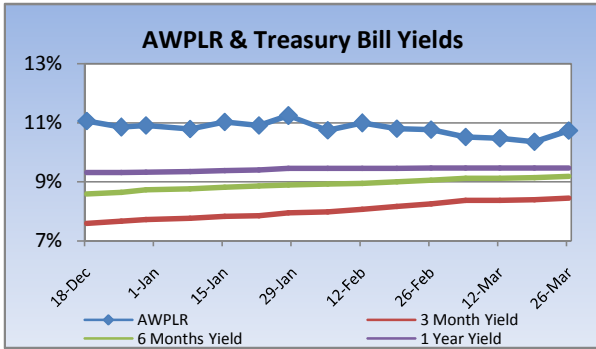
Compared to previous week's closing levels the market gained Rs.11 billion approximately or 0.92% in value this week to close at Rs.1221.91 Bn on Friday.

Total market turnover for the week amounted to Rs.10.4 Bn with an average daily turnover of Rs.2.1Bn. Turnover for the week witnessed 33% increase compared to the last week's market turnover of Rs.7.8 Bn.

Heavily traded shares of the week under review were HNB and JKH with the former being highest in terms of volume for the week, trading over 26m shares. The counter gained 2.6% 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.4.8Bn and gaining 2.6% in value during the week.

FII participation gained to 43% of total turnover this week, from 22% reported last week. FII interest was negative during the week with a net outflow of Rs.5.4Bn, a 742% decrease compared to last week's net outflow of Rs.645m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	198.75	1.76	12.02	11.24
DFCC	179.75	1.20	10.04	10.29
HNB	183.75	1.74	9.65	11.69
NDB	213.25	1.27	8.37	9.50
NTB	36.00	1.31	8.80	7.33
SAMPATH BANK	227.75	1.32	8.55	7.59
BEVERAGE, FOOD & TOBACCO				
CTC	245.00	14.55	11.15	9.50
DISTILLERIES	117.00	1.48	12.36	10.54
CHEMICALS & PHARMACEUTICALS				
CIC	68.00	1.30	10.72	10.20
CONSTRUCTION & ENGINEERING				
DOCKYARD	284.00	3.32	9.03	7.83
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,378.25	2.05	17.27	14.24
CARSONS	535.00	2.71	14.61	13.06
HAYLEYS	225.50	1.29	16.95	19.85
HEMAS HOLDINGS	121.00	1.66	15.19	14.38
JOHN KEELLS HOLDINGS	186.00	2.43	34.94	26.34
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	408.00	3.28	48.55	22.34
ASIAN HOTELS AND PROPERTIES	133.25	2.44	56.08	24.81
KEELLS HOTELS	18.25	2.84	(104.35)	33.84
MANUFACTURING				
ACL CABLES	76.00	1.22	51.15	17.85
CHEVRON LUBRICANTS	170.00	7.16	13.65	14.54
LANKA TILES	88.00	2.06	12.17	8.73
ROYAL CERAMICS	112.75	1.68	6.80	5.56
TOKYO CEMENT	28.25	1.48	94.17	17.66
PLANTATIONS				
AGALAWATTE	27.25	1.33	7.33	8.96
KEGALLE	45.25	0.77	5.01	4.38
KELANI VALLEY	52.75	1.15	(42.09)	5.69
POWER & ENERGY				
LANKA IOC	18.00	1.24	(7.49)	23.10
TELECOMMUNICATIONS				
DIALOG	7.00	2.03	(4.67)	16.88

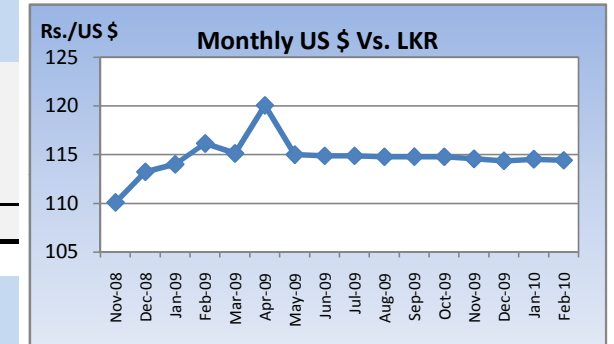


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.16	114.13	0.03%
- FORWARD 1 MONTH	114.75	114.67	0.07%
- FORWARD 3 MONTHS	115.81	115.77	0.03%
BRITISH POUND	169.72	173.76	-2.32%
EURO	152.09	155.19	-2.00%
JAPANESE YEN	1.23	1.26	-2.04%
INDIAN RUPEE	2.51	2.52	-0.17%
AUSTRALIAN DOLLAR	103.69	104.94	-1.19%
SINGAPORE DOLLAR	81.15	81.70	-0.68%

Treasury Bill Auction

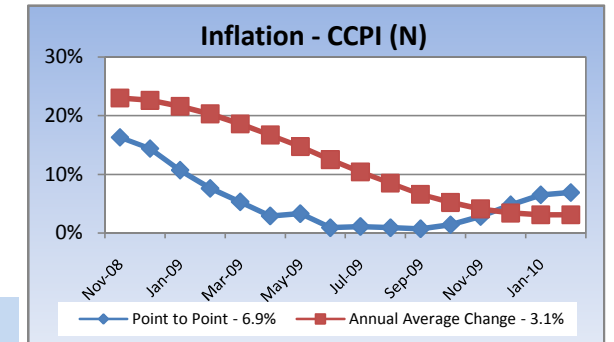
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	8.45%	8.40%	5.00	2,500	6,598	5,343
6 MONTHS	9.19%	9.14%	5.00	3,500	6,868	4,333
12 MONTHS	9.47%	9.47%	0.00	4,000	4,575	858
				10,000	18,041	10,534



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.74	10.36	18.89
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.25
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.14	9.04	11.32
- 7 DAYS	9.41	9.26	12.88
- 1 MONTH	9.61	9.51	14.29
- 3 MONTHS	9.83	9.81	15.33
- 6 MONTHS	10.12	10.04	16.60
- 1 YEAR	10.38	10.28	17.71
	February 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.40	7.73	11.55
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	9.99	10.46	16.42

Inflation



Point to Point - 6.9%
Annual Average Change - 3.1%

Tea Market

Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 12-2010	Sale 11-2010		2010	2009	
HIGH GROWN	1,410,033	1,498,532	-5.91%	17,063,808	13,569,198	25.75%
MEDIUM GROWN	985,904	996,697	-1.08%	11,756,458	9,633,793	22.03%
LOW GROWN	4,100,510	4,266,156	-3.88%	50,210,400	36,278,100	38.40%
TOTAL	6,496,447	6,761,385	-3.92%	79,030,666	59,481,091	32.87%

PRICES (Rs./kg)

	2009	Jan-10	Feb-10	Sale 12-2010	Sale 11-2010	Change
HIGH GROWN	321.28	378.77	351.44	354.43	359.70	-1.47%
MEDIUM GROWN	316.79	354.84	344.12	347.07	351.56	-1.28%
LOW GROWN	388.44	401.89	382.90	401.71	398.31	0.85%
TOTAL	362.70	389.77	369.65	383.15	382.86	0.08%

PRODUCTION (kg) BY

ELEVATION	February			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	5,373,023	4,097,599	31.13%	12,099,824	9,289,376	30.25%
MEDIUM GROWN	3,754,110	2,231,473	68.23%	7,755,486	5,154,452	50.46%
LOW GROWN	14,380,879	6,552,619	119.47%	32,115,045	16,322,472	96.75%
TOTAL	23,508,012	12,881,691	82.49%	51,970,355	30,766,300	68.92%

PRODUCTION (kg) BY

CATEGORY	February			Year to date		
	2010	2009	Change	2010	2009	Change
ORTHODOX	22,074,269	11,871,994	85.94%	48,829,362	28,345,450	72.27%
CTC	1,224,659	914,875	33.86%	2,731,897	2,160,013	26.48%
TOTAL BLACK TEA	23,298,928	12,786,869	82.21%	51,561,259	30,505,463	69.02%
GREEN TEA	209,085	94,821	120.50%	409,096	260,838	56.84%
TOTAL	23,508,013	12,881,690	82.49%	51,970,355	30,766,301	68.92%

ANALYSIS OF TOTAL

TEA PRODUCTION	February 2010	Year to date 2010
HIGH GROWN	22.86%	23.28%
MEDIUM GROWN	15.97%	14.92%
LOW GROWN	61.17%	61.79%
	100.00%	100.00%
CTC AS A % OF BLACK TEA PRODUCTION	5.26%	5.30%

Rs./kg Tea Prices

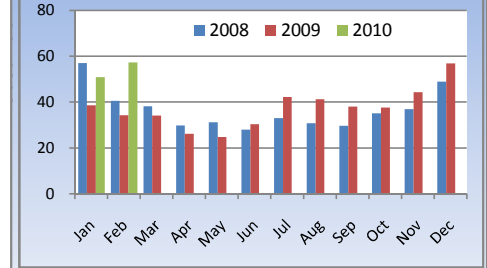


Tourism

SRI LANKA

ARRIVALS	2010	2009	Change
February	57,300	34,169	67.70%
Year to date	108,057	72,637	48.76%
Nov-09	Nov-08	Change	
Occupancy	57.4%	45.5%	26.15%
Foreign Guest Night	267,874	221,049	21.18%

Tourist Arrivals

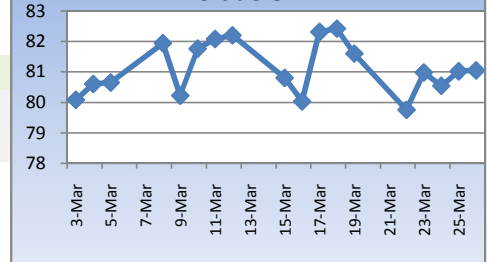


Crude Oil

NYMEX CRUDE OIL FUTURES

	26-Mar	19-Mar	Change
US\$/BBL	81.05	81.60	-0.67%

US\$/bbl Crude Oil



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