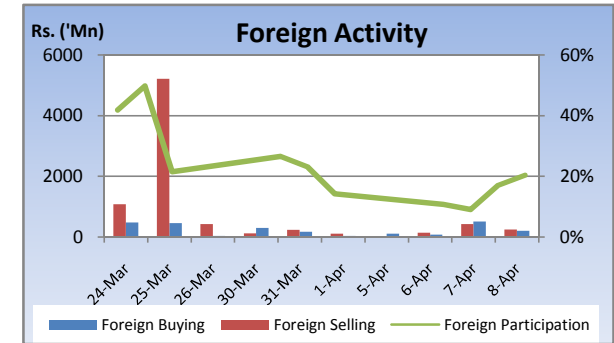
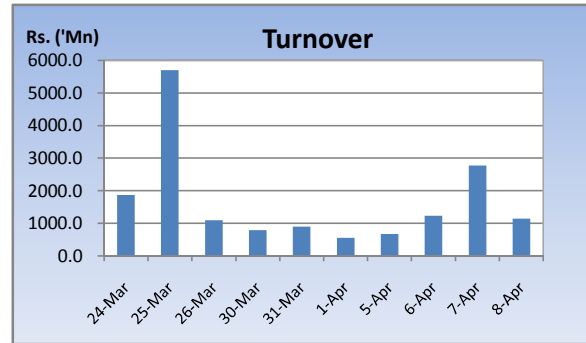
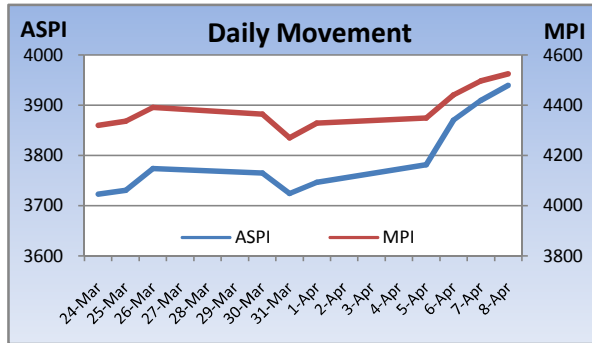


Weekly Market Update

Week Ending: April 08th, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3939.62	3746.50	5.15%	SUNSHINE HOLDING	32.50	51.00	56.92%	54.00	32.00	7,241,100	330,010,450
MPI	4524.99	4328.70	4.53%	MET. RES. HOL.	28.50	37.75	32.46%	39.75	27.50	2,640,900	86,423,738
MARKET CAP. (Rs. 'Bn)	1281.46	1218.41	5.18%	MERCHANT BANK	18.25	23.25	27.40%	23.50	18.50	2,640,000	58,216,506
MARKET PER(x)	19.43	18.47	5.20%	GALADARI	20.75	26.25	26.51%	26.50	20.50	1,371,200	32,652,975
MARKET PBV(x)	1.96	1.86	5.38%	COMMERCIAL BANK[NON VOTING]	158.00	193.25	22.31%	200.00	159.75	235,000	42,511,443
Average Daily				Top 5 Losers							
TURNOVER	1462.23	756.27	93.3%	ALUFAB	42.00	36.25	-13.69%	39.00	35.00	16,200	598,425
VOLUME	33.25	14.43	130.4%	DURDANS	120.00	112.00	-6.67%	115.00	110.25	1,700	193,729
FOREIGN PURCHASES	230.46	175.18	31.6%	ENVI. RESOURCES	115.25	107.75	-6.51%	125.00	107.00	446,800	52,042,087
FOREIGN SALES	215.65	160.16	34.6%	DIMO	424.75	401.50	-5.47%	435.00	401.00	8,900	3,693,650
NET FOREIGN	14.81	15.02	-1.4%	LAKE HOUSE PRIN.	75.75	73.50	-2.97%	80.00	73.50	8,200	636,875
FOREIGN PARTICIPATION	15.3%	22.2%	-31.2%	Top 5 by Turnover							
Sector Summary				JKH	185.50	190.00	2.43%	191.00	185.00	7,025,200	1,324,095,525
STORES AND SUPPLIES	20,050.06	17,942.69	11.75%	DISTILLERIES	118.00	124.75	5.72%	125.50	117.75	4,452,100	555,258,150
HOTELS AND TRAVELS	3,729.40	3,379.57	10.35%	SUNSHINE HOLDING	32.50	51.00	56.92%	54.00	32.00	7,241,100	330,010,450
OIL PALMS	44,214.36	40,490.89	9.20%	HNB	188.00	214.00	13.83%	214.75	188.00	1,264,600	261,262,261
PLANTATIONS	787.22	725.74	8.47%	HOTEL SERVICES	23.75	27.75	16.84%	28.25	23.75	7,032,400	190,370,820
BANKS FINANCE AND INSUI	7,909.74	7,356.59	7.52%	Top 5 by Volume							
HEALTH CARE	408.98	406.45	0.62%	REEFCOMBER	2.40	2.80	16.67%	2.90	2.40	9,930,300	26,514,580
MOTORS	8,826.11	8,805.76	0.23%	SUNSHINE HOLDING	32.50	51.00	56.92%	54.00	32.00	7,241,100	330,010,450
SERVICES	14,348.69	14,331.16	0.12%	HOTEL SERVICES	23.75	27.75	16.84%	28.25	23.75	7,032,400	190,370,820
CONSTRUCTION AND ENGI	3,934.85	3,966.51	-0.80%	JKH	185.50	190.00	2.43%	191.00	185.00	7,025,200	1,324,095,525
INVESTMENT TRUSTS	27,923.70	28,329.30	-1.43%	COLOMBO LAND	7.25	8.00	10.34%	8.50	7.25	6,682,500	53,686,975

Market Review

Market gained sharply this week despite the approach of the festive season on speculation of stable political conditions after the elections. Strong buying interest in the banking sector and diversified sectors boosted market turnover. Investors mainly concentrated on the big cap counters while stocks across the board gained in value. The benchmark ASPI gained 193.12 points or 5.15% week on week while the more sensitive MPI reported a week on week gained of 196.29 points or 4.56%.

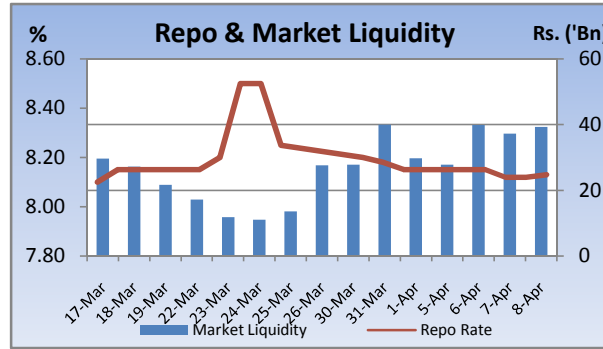
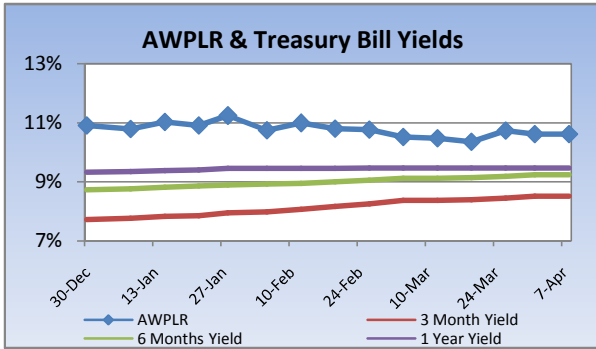
Compared to previous week's closing levels the market gained Rs.63 billion approximately or 5.18% in value this week to close at Rs.1281.46 Bn on Thursday.

Total market turnover for the week amounted to Rs.5.8 Bn with an average daily turnover of Rs.1.4 Bn. Turnover for the week witnessed 158% increase compared to the last week's market turnover of Rs.2.7 Bn.

Heavily traded shares of the week under review were Reefcomber and Sunshine Holdings with the former being highest in terms of volume for the week, trading over 9.9m shares. The counter gained 17% during the week in value on a Week on Week basis. JKH and Distilleries contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.1.3Bn and gaining 2.4% in value during the week.

FII participation declined to 15% of total turnover this week, from 22% reported last week. FII interest was positive during the week with a net inflow of Rs.59m, a 31% increase compared to last week's net inflow of Rs.45m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	228.00	2.01	13.79	12.89
DFCC	200.00	1.33	11.17	11.45
HNB	214.00	2.03	11.24	13.62
NDB	222.00	1.32	8.72	9.89
NTB	36.00	1.31	8.80	7.33
SAMPATH BANK	239.75	1.38	7.97	7.59
BEVERAGE, FOOD & TOBACCO				
CTC	257.00	15.26	11.70	9.96
DISTILLERIES	124.50	1.57	13.15	11.22
CHEMICALS & PHARMACEUTICALS				
CIC	71.75	1.37	11.31	10.76
CONSTRUCTION & ENGINEERING				
DOCKYARD	279.25	3.26	8.88	7.70
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,380.00	2.05	17.29	14.26
CARSONS	567.00	2.87	15.48	13.84
HAYLEYS	239.00	1.37	14.60	19.23
HEMAS HOLDINGS	118.75	1.63	14.91	14.11
JOHN KEELLS HOLDINGS	190.00	2.48	35.69	26.90
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	429.00	3.45	51.05	23.49
ASIAN HOTELS AND PROPERTIES	148.00	2.71	62.29	27.56
KEELLS HOTELS	19.25	3.00	(110.07)	35.69
MANUFACTURING				
ACL CABLES	83.00	1.33	55.86	19.49
CHEVRON LUBRICANTS	173.00	7.28	13.89	14.80
LANKA TILES	94.00	2.20	12.99	9.32
ROYAL CERAMICS	120.00	1.79	7.24	5.92
TOKYO CEMENT	32.00	1.67	106.67	20.00
PLANTATIONS				
AGALAWATTE	31.00	1.52	8.33	10.20
KEGALLE	54.25	0.92	6.00	5.26
KELANI VALLEY	54.00	1.18	(43.08)	5.83
POWER & ENERGY				
LANKA IOC	17.75	1.23	(7.38)	22.78
TELECOMMUNICATIONS				
DIALOG	7.00	2.03	(4.67)	16.88

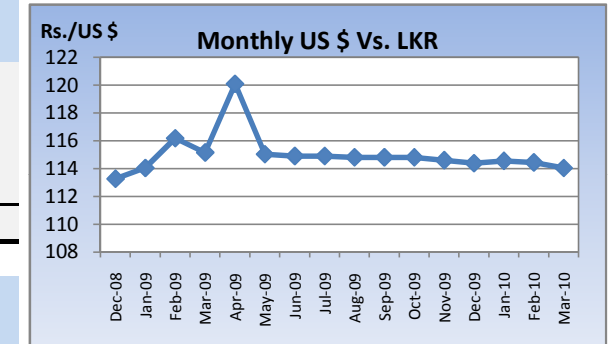


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	113.84	114.02	-0.16%
- FORWARD 1 MONTH	114.43	114.66	-0.20%
- FORWARD 3 MONTHS	115.49	115.89	-0.35%
BRITISH POUND	173.09	173.27	-0.10%
EURO	151.50	154.03	-1.64%
JAPANESE YEN	1.22	1.22	-0.20%
INDIAN RUPEE	2.57	2.55	0.81%
AUSTRALIAN DOLLAR	105.55	104.48	1.03%
SINGAPORE DOLLAR	81.42	81.55	-0.16%

Treasury Bill Auction

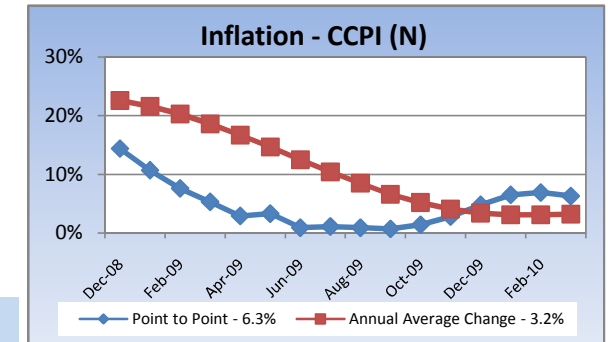
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	8.52%	8.52%	0.00	0	0	0
6 MONTHS	9.24%	9.24%	0.00	0	0	0
12 MONTHS	9.47%	9.47%	0.00	0	0	0
				0	0	0



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.62	10.62	19.34
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.25
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.04	9.07	11.38
- 7 DAYS	9.26	9.30	12.92
- 1 MONTH	9.51	9.50	14.48
- 3 MONTHS	9.75	9.73	15.48
- 6 MONTHS	9.96	9.98	16.54
- 1 YEAR	10.23	10.22	17.42
	March 2010	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	7.22	7.40	11.53
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	9.71	9.99	16.32

Inflation



Point to Point - 6.3%
Annual Average Change - 3.2%

Tea Market

Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 14-2010	Sale 13-2010		2010	2009	
HIGH GROWN	1,315,470	1,284,535	2.41%	19,693,339	15,266,287	29.00%
MEDIUM GROWN	910,599	874,821	4.09%	13,549,585	10,914,176	24.15%
LOW GROWN	3,277,554	3,532,142	-7.21%	57,094,012	40,861,194	39.73%
TOTAL	5,503,623	5,691,498	-3.30%	90,336,936	67,041,657	34.75%

PRICES (Rs./kg)

	2009	Feb-10	Mar-10	Sale 14-2010	Sale 13-2010	Change
HIGH GROWN	321.28	351.44	356.02	343.38	354.46	-3.13%
MEDIUM GROWN	316.79	344.12	348.37	339.69	347.39	-2.22%
LOW GROWN	388.44	382.90	395.36	381.39	400.53	-4.78%
TOTAL	362.70	369.65	379.25	365.41	381.97	-4.34%

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%

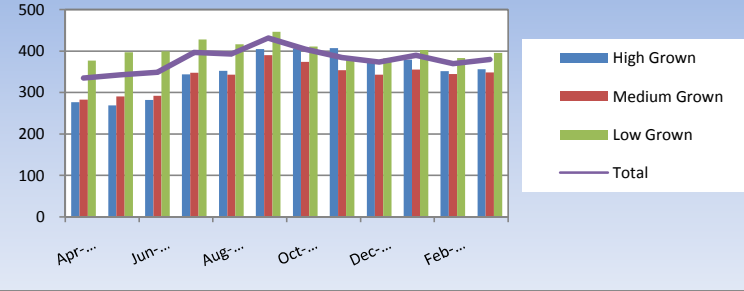
PRODUCTION (kg) BY

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

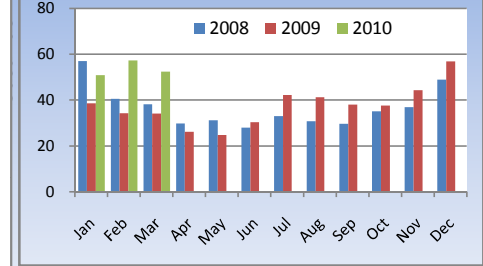
ARRIVALS	2010	2009	Change
March	52,352	34,065	53.68%
Year to date	160,409	106,702	50.33%
Dec-09	71.2%	49.7%	43.26%
Foreign Guest Night	359,342	261,864	37.22%

Crude Oil

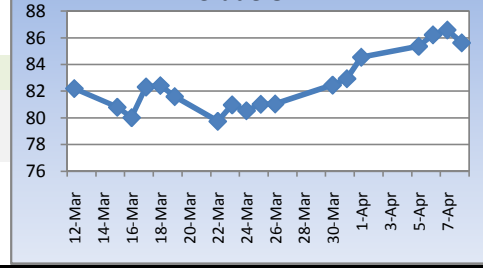
NYMEX CRUDE OIL FUTURES

	8-Apr	1-Apr	Change
US\$/BBL	85.61	84.53	1.28%

Tourist Arrivals ('000)



US\$/bbl Crude Oil



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