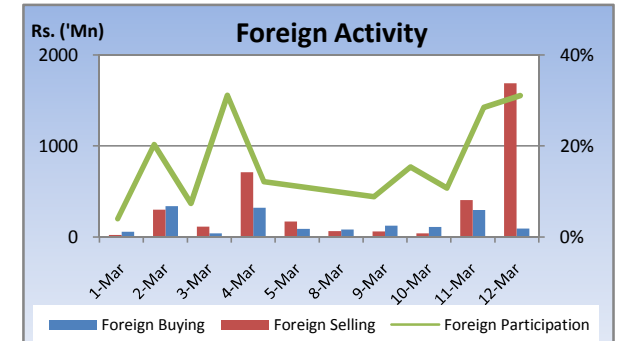
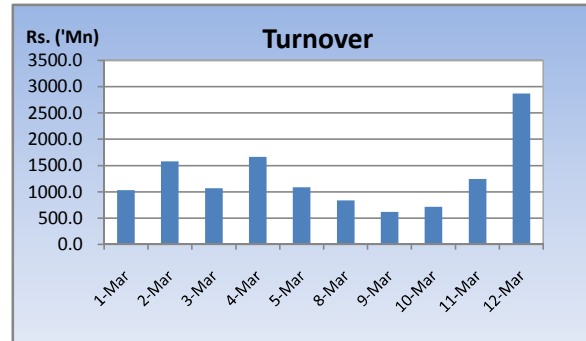
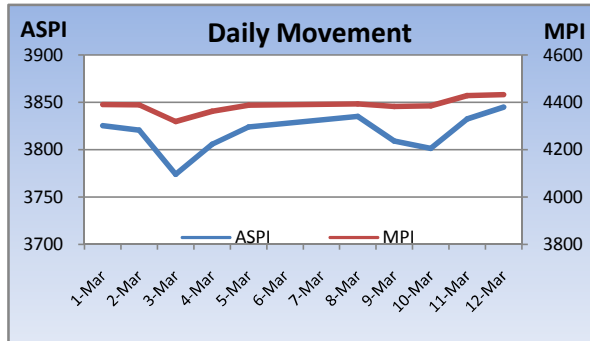


Weekly Market Update

Week Ending: March 11th, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3844.84	3824.17	0.54%	SINGALANKA	90.25	125.25	38.78%	135.00	115.00	400	50,505
MPI	4432.80	4387.63	1.03%	CFI	48.00	63.00	31.25%	68.00	45.25	162,100	9,265,616
MARKET CAP. (Rs. 'Bn)	1242.64	1235.92	0.54%	EAST WEST	10.50	13.25	26.19%	14.00	10.25	7,516,200	97,356,506
MARKET PER(x)	18.84	18.74	0.53%	SERENDIB HOTELS	85.25	106.75	25.22%	111.00	85.25	39,100	3,845,154
MARKET PBV(x)	1.90	1.89	0.53%	CIT	60.00	74.00	23.33%	79.75	57.50	42,600	3,030,593
Average Daily				Top 5 Losers							
TURNOVER	1256.48	1286.46	-2.3%	SUNSHINE HOLDING	740.00	511.00	-30.95%	700.00	510.00	28,000	17,356,773
VOLUME	43.46	31.16	39.5%	MORISONS[NON VOTING]	912.50	807.75	-11.48%	850.00	800.00	1,100	962,750
FOREIGN PURCHASES	143.19	171.38	-16.4%	PRINTCARE PLC	90.00	81.00	-10.00%	81.00	81.00	600	49,050
FOREIGN SALES	454.40	265.86	70.9%	SEYLAN MERCHANT[NON VOTING]	1.00	0.90	-10.00%	1.00	0.90	1,504,100	1,363,220
NET FOREIGN	-311.21	-94.49	-229.4%	TOUCHWOOD	124.00	112.75	-9.07%	125.00	101.00	1,057,100	120,734,225
FOREIGN PARTICIPATION	23.8%	17.0%	39.9%	Top 5 by Turnover							
Sector Summary				HOTEL SERVICES	18.75	23.00	22.67%	23.50	19.00	106,207,500	2,233,244,725
INVESTMENT TRUSTS	39,288.58	35,220.20	11.55%	ENVI. RESOURCES	231.00	269.25	16.56%	274.50	232.50	1,100,000	280,328,519
INFORMATION TECHNOLO(C	89.41	85.44	4.65%	CHEVRON	176.00	175.25	-0.43%	179.50	172.25	1,227,800	214,488,528
POWER AND ENERGY	90.30	86.92	3.89%	DFCC BANK	180.25	181.75	0.83%	182.00	178.00	1,092,600	196,035,640
FOOTWEAR AND TEXTILES	735.15	713.91	2.98%	NAT. DEV. BANK	221.50	215.00	-2.93%	221.00	215.00	791,200	172,718,382
CHEMICALS AND PHARMAC	6,069.84	5,918.25	2.56%	Top 5 by Volume							
MANUFACTURING	2,436.10	2,457.20	-0.86%	HOTEL SERVICES	18.75	23.00	22.67%	23.50	19.00	106,207,500	2,233,244,725
TELECOMMUNICATIONS	137.66	138.93	-0.91%	JANASHAKTHI INS.	13.00	15.00	15.38%	15.25	12.50	10,614,300	149,465,993
DIVERSIFIED HOLDINGS	1,222.22	1,239.23	-1.37%	EAST WEST	10.50	13.25	26.19%	14.00	10.25	7,516,200	97,356,506
HEALTH CARE	406.73	413.11	-1.54%	SIERRA CABL	2.30	2.30	0.00%	2.40	2.20	6,485,500	14,539,932
TRADING	8,544.92	8,726.88	-2.09%	MULLERS	1.10	1.10	0.00%	1.20	1.00	6,099,600	6,273,840

Market Review

Market gained marginally this week while activity levels remained low during the early part of the week. Activity levels picked up later in the week as with investor interest in the banking sector increasing while volumes and turnover was boosted with aquisition of Hotel Services by Hayleys on Friday. The benchmark ASPI gained 20.67 points or 0.54% week on week while the more sensitive MPI reported a week on week gained of 45.17 points or 1.03%.

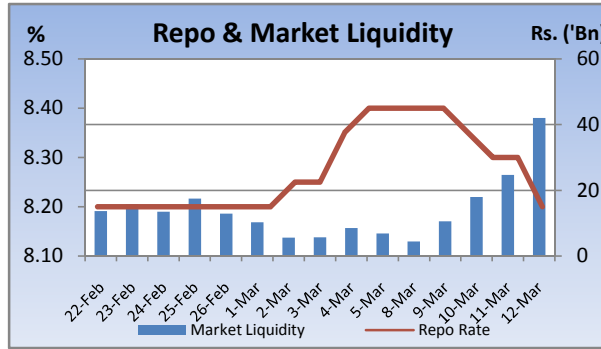
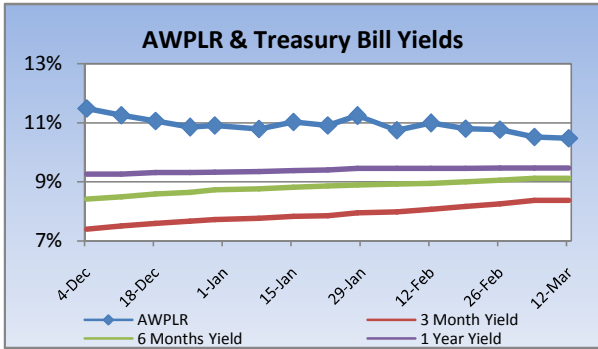
Compared to previous week's closing levels the market gained Rs.7 billion approximately or 0.54% in value this week to close at Rs.1242.64 Bn on Friday.

Total market turnover for the week amounted to Rs.6.3 Bn with an average daily turnover of Rs.1.25Bn. Turnover for the week witnessed 2% decrease compared to the last week's market turnover of Rs.6.4 Bn.

Heavily traded shares of the week under review were Hotel Services and Janashakthi Insurance with the former being highest in terms of volume for the week, trading over 106m shares. The counter gained 23% during the week in value on a Week on Week basis. Hotel Services and Env. Resources contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.2.2Bn and gaining 23% during the week in value.

FII participation declined to 24% of total turnover this week, from 17% reported last week. FII interest was negative during the week with a net outflow of Rs.1.56Bn, a 230% decrease compared to last week's net outflow of Rs.472m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	193.00	1.71	11.67	10.91
DFCC	181.75	1.21	10.15	10.41
HNB	182.00	1.72	9.56	11.58
NDB	215.00	1.28	8.44	9.58
NTB	36.75	1.34	8.98	7.48
SAMPATH BANK	240.25	1.39	9.02	8.01
BEVERAGE, FOOD & TOBACCO				
CTC	249.00	14.79	11.34	9.65
DISTILLERIES	117.00	1.48	12.36	10.54
CHEMICALS & PHARMACEUTICALS				
CIC	69.75	1.33	11.00	10.46
CONSTRUCTION & ENGINEERING				
DOCKYARD	295.25	3.45	9.39	8.14
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,361.50	2.03	17.06	14.07
CARSONS	530.00	2.69	14.47	12.94
HAYLEYS	236.00	1.35	17.74	20.77
HEMAS HOLDINGS	121.50	1.66	15.26	14.44
JOHN KEELLS HOLDINGS	168.75	2.20	31.70	23.89
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	413.00	3.32	49.14	22.61
ASIAN HOTELS AND PROPERTIES	136.50	2.50	57.45	25.42
KEELLS HOTELS	26.75	4.17	(152.95)	49.60
MANUFACTURING				
ACL CABLES	78.50	1.26	52.83	18.44
CHEVRON LUBRICANTS	175.25	7.38	14.07	14.99
LANKA TILES	97.50	2.28	13.48	9.67
ROYAL CERAMICS	116.00	1.73	7.00	5.72
TOKYO CEMENT	30.00	1.57	100.00	18.75
PLANTATIONS				
AGALAWATTE	29.50	1.45	7.93	9.70
KEGALLE	49.00	0.83	5.42	4.75
KELANI VALLEY	53.75	1.17	(42.88)	5.80
POWER & ENERGY				
LANKA IOC	19.25	1.33	(8.01)	24.70
TELECOMMUNICATIONS				
DIALOG	6.75	1.96	(4.50)	16.27

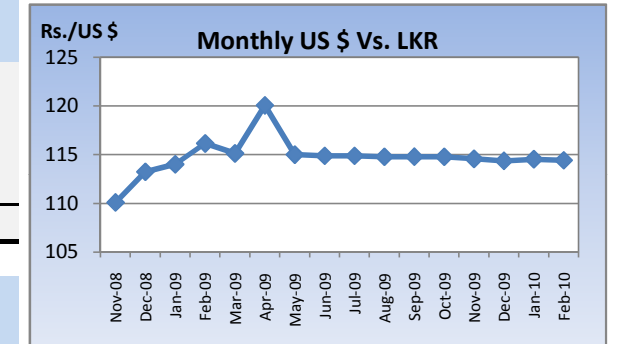


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.07	114.27	-0.18%
- FORWARD 1 MONTH	114.74	115.02	-0.24%
- FORWARD 3 MONTHS	115.86	116.11	-0.22%
BRITISH POUND	171.54	171.88	-0.20%
EURO	155.99	155.25	0.48%
JAPANESE YEN	1.26	1.28	-1.69%
INDIAN RUPEE	2.51	2.51	0.21%
AUSTRALIAN DOLLAR	104.25	102.83	1.38%
SINGAPORE DOLLAR	81.56	81.49	0.09%

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	8.38%	8.38%	0.00	0	0	0
6 MONTHS	9.12%	9.12%	0.00	0	0	0
12 MONTHS	9.47%	9.47%	0.00	0	0	0
				0	0	0



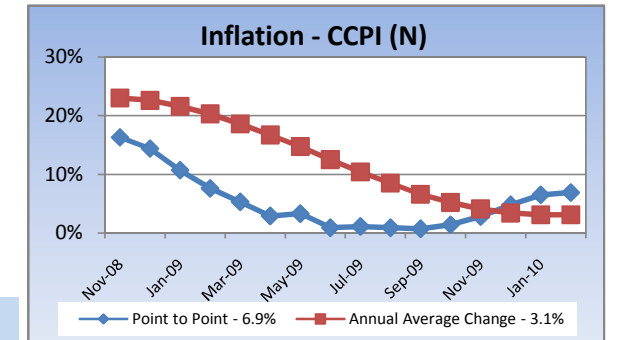
Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.48	10.52	18.27
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.25
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.16	9.30	12.22
- 7 DAYS	9.30	9.40	14.29
- 1 MONTH	9.55	9.63	15.50
- 3 MONTHS	9.88	9.87	16.25
- 6 MONTHS	10.11	10.13	16.88
- 1 YEAR	10.38	10.34	17.77

	February 2010	Month Ago	Year Ago
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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 10-2010	Sale 09-2010		2010	2009	
HIGH GROWN	1,630,206	1,604,172	1.62%	14,155,243	11,681,173	21.18%
MEDIUM GROWN	984,847	943,943	4.33%	9,773,857	8,346,846	17.10%
LOW GROWN	4,272,930	4,108,612	4.00%	41,843,734	32,270,538	29.67%
TOTAL	6,887,983	6,656,727	3.47%	65,772,834	52,298,557	25.76%

PRICES (Rs./kg)

	2009	Jan-10	Feb-10	Sale 10-2010	Sale 09-2010	Change
HIGH GROWN	321.28	378.77	351.44	357.98	350.81	2.04%
MEDIUM GROWN	316.79	354.84	344.12	346.39	342.24	1.21%
LOW GROWN	388.44	401.89	382.90	393.94	382.86	2.89%
TOTAL	362.70	389.77	369.65	378.63	369.38	2.50%

PRODUCTION (kg) BY

ELEVATION	January			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	5,853,768	5,191,777	12.75%	5,853,768	5,191,777	12.75%
MEDIUM GROWN	3,629,387	2,922,979	24.17%	3,629,387	2,922,979	24.17%
LOW GROWN	17,415,100	9,769,854	78.25%	17,415,100	9,769,854	78.25%
TOTAL	26,898,255	17,884,610	50.40%	26,898,255	17,884,610	50.40%

PRODUCTION (kg) BY

CATEGORY	January			Year to date		
	2010	2009	Change	2010	2009	Change
ORTHODOX	25,300,941	16,473,455	53.59%	25,300,941	16,473,455	53.59%
CTC	1,429,485	1,245,138	14.81%	1,429,485	1,245,138	14.81%
TOTAL BLACK TEA	26,730,426	17,718,593	50.86%	26,730,426	17,718,593	50.86%
GREEN TEA	167,829	166,017	1.09%	167,829	166,017	1.09%
TOTAL	26,898,255	17,884,610	50.40%	26,898,255	17,884,610	50.40%

ANALYSIS OF TOTAL

TEA PRODUCTION	January 2010	Year to date 2010
HIGH GROWN	21.76%	21.76%
MEDIUM GROWN	13.49%	13.49%
LOW GROWN	64.74%	64.74%
CTC AS A % OF BLACK TEA PRODUCTION	5.35%	5.35%

Rs./kg Tea Prices

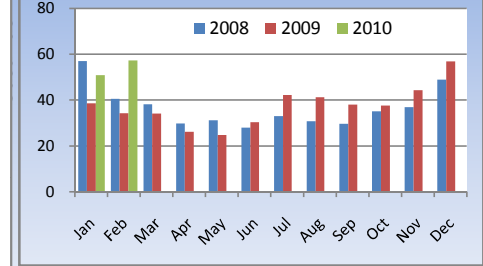


Tourism

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 ('000)

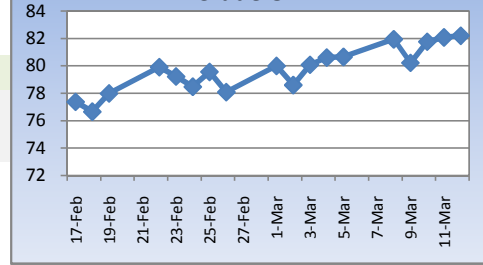


Crude Oil

NYMEX CRUDE OIL FUTURES

	12-Mar	5-Mar	Change
US\$/BBL	82.20	80.65	1.92%

US\$/bbl Crude Oil



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