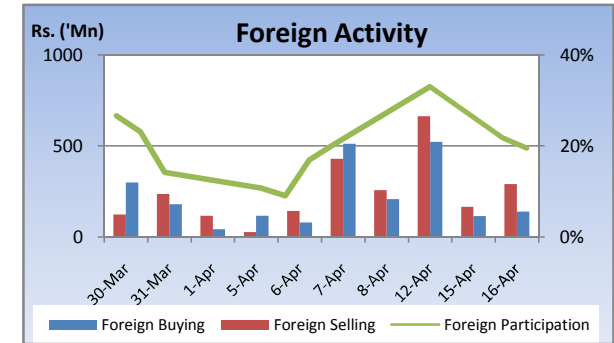
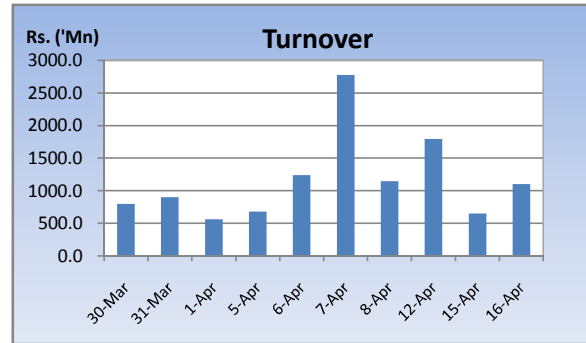
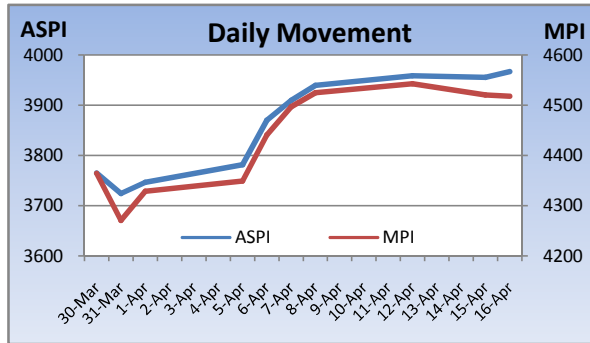


Weekly Market Update

Week Ending: April 16th, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3966.87	3939.62	0.69%	EASTERN MERCHANT	151.00	205.00	35.76%	205.00	205.00	500	102,500
MPI	4517.74	4524.99	-0.16%	LB FINANCE	66.00	84.50	28.03%	87.50	67.00	561,900	43,461,297
MARKET CAP. (Rs. 'Bn)	1290.36	1281.46	0.69%	LANKEM CEYLON	68.25	85.25	24.91%	90.00	69.25	369,700	30,001,613
MARKET PER(x)	19.56	19.43	0.67%	SELINSING	375.00	460.00	22.67%	460.00	460.00	100	46,000
MARKET PBV(x)	1.97	1.96	0.51%	FORT LAND	71.00	86.75	22.18%	95.00	71.00	717,700	61,243,100
Average Daily				Top 5 Losers							
TURNOVER	1182.84	1462.23	-19.1%	FINLAYS COLOMBO	255.00	210.00	-17.65%	255.00	150.00	2,347,700	352,381,875
VOLUME	34.84	33.25	4.8%	ENVI. RESOURCES	107.75	90.50	-16.01%	108.00	90.00	651,000	63,638,306
FOREIGN PURCHASES	259.97	230.46	12.8%	SEYLAN MERCHANT[NON VOTING]	1.00	0.90	-10.00%	1.00	0.90	949,900	880,520
FOREIGN SALES	374.18	215.65	73.5%	BERUWELA WALKINN	71.50	66.00	-7.69%	70.00	66.00	4,900	323,800
NET FOREIGN	-114.21	14.81	-871.2%	EAST WEST	14.25	13.25	-7.02%	14.50	13.00	652,200	9,000,750
FOREIGN PARTICIPATION	26.8%	15.3%	75.7%	Top 5 by Turnover							
Sector Summary				JKH	190.00	190.00	0.00%	192.50	187.00	2,691,900	515,699,128
CONSTRUCTION AND ENGI	4,080.10	3,934.85	3.69%	KEELLS HOTELS	19.50	20.25	3.85%	21.50	18.50	25,754,600	506,836,534
STORES AND SUPPLIES	20,733.44	20,050.06	3.41%	FINLAYS COLOMBO	255.00	210.00	-17.65%	255.00	150.00	2,347,700	352,381,875
HEALTH CARE	421.35	408.98	3.02%	SAMPATH	235.25	238.25	1.28%	243.75	232.00	793,500	183,646,302
POWER AND ENERGY	89.56	87.10	2.82%	SEYLAN BANK[NON VOTING]	29.25	31.25	6.84%	31.50	29.00	2,759,200	83,211,106
PLANTATIONS	808.77	787.22	2.74%	Top 5 by Volume							
MANUFACTURING	2,479.33	2,478.23	0.04%	KEELLS HOTELS	19.50	20.25	3.85%	21.50	18.50	25,754,600	506,836,534
INFORMATION TECHNOLO	87.43	87.43	0.00%	NAWALOKA	3.70	3.90	5.41%	3.90	3.60	5,476,100	20,784,561
BEVERAGE FOOD AND TOB.	6,752.05	6,767.19	-0.22%	KSHATRIYA HOLD.	10.75	11.75	9.30%	12.00	10.75	5,186,600	59,229,811
FOOTWEAR AND TEXTILES	709.67	720.97	-1.57%	DIALOG	7.00	7.00	0.00%	7.25	7.00	5,066,900	35,484,475
INVESTMENT TRUSTS	25,344.34	27,923.70	-9.24%	LAXAPANA	5.75	6.50	13.04%	7.00	5.75	3,682,900	23,835,732

Market Review

Activity levels declined sharply with the Sinhala and Tamil New Year falling in the middle of the week. However a strong buying sentiment was witnessed towards final hours of Friday. A mixed reaction in the indices was seen through out the week. The benchmark ASPI gained 27.25 points or 0.69% week on week while the more sensitive MPI reported a week on week decline of 7.25 points or 0.16%.

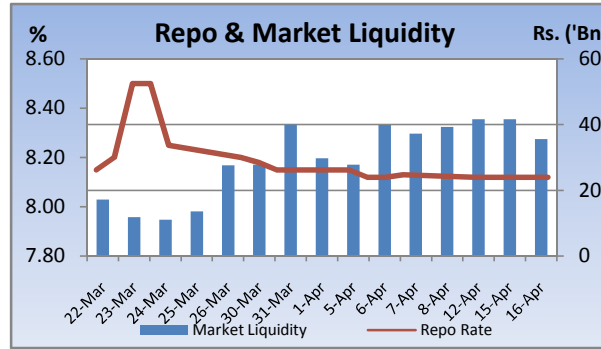
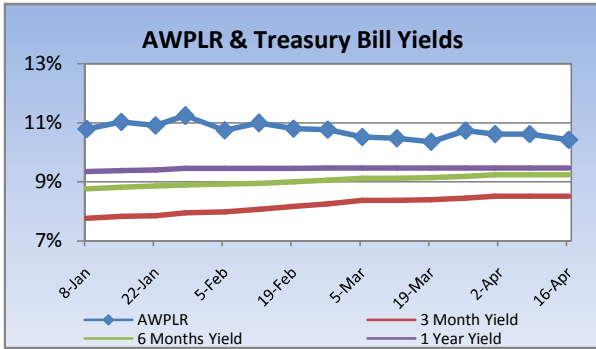
Compared to previous week's closing levels the market gained Rs.9 billion approximately or 0.69% in value this week to close at Rs.1290.36 Bn on Friday.

Total market turnover for the week amounted to Rs.3.5 Bn with an average daily turnover of Rs.1.2 Bn. Turnover for the week witnessed 39% decrease compared to the last week's market turnover of Rs.5.8 Bn.

Heavily traded shares of the week under review were Keells Hotels and Nawaloka with the former being highest in terms of volume for the week, trading over 25m shares. The counter gained 3.85% during the week in value on a Week on Week basis. JKH and Keells Hotels contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.516m and remaining flat in value during the week.

FII participation gained to 27% of total turnover this week, from 15% reported last week. FII interest was negative during the week with a net outflow of Rs.343m, a 678% decrease compared to last week's net inflow of Rs.59m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	234.00	2.07	14.15	13.23
DFCC	200.00	1.33	11.17	11.45
HNB	212.00	2.01	11.14	13.49
NDB	220.00	1.31	8.64	9.80
NTB	38.00	1.45	11.61	9.67
SAMPATH BANK	238.25	1.51	8.71	9.89
BEVERAGE, FOOD & TOBACCO				
CTC	253.00	15.03	11.52	9.81
DISTILLERIES	122.75	1.55	12.97	11.06
CHEMICALS & PHARMACEUTICALS				
CIC	70.75	1.35	11.16	10.61
CONSTRUCTION & ENGINEERING				
DOCKYARD	289.75	3.38	9.21	7.99
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,375.50	2.05	17.24	14.21
CARSONS	574.50	2.91	15.69	14.03
HAYLEYS	245.00	1.40	14.96	19.72
HEMAS HOLDINGS	125.25	1.72	15.73	14.88
JOHN KEELLS HOLDINGS	190.00	2.48	35.69	26.90
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	448.00	3.61	53.31	24.53
ASIAN HOTELS AND PROPERTIES	149.00	2.73	62.71	27.74
KEELLS HOTELS	20.25	3.16	(115.79)	37.55
MANUFACTURING				
ACL CABLES	82.50	1.32	55.52	19.38
CHEVRON LUBRICANTS	172.00	7.24	13.81	14.71
LANKA TILES	95.25	2.22	13.17	9.44
ROYAL CERAMICS	120.00	1.79	7.24	5.92
TOKYO CEMENT	31.25	1.63	104.17	19.53
PLANTATIONS				
AGALAWATTE	31.50	1.54	8.47	10.36
KEGALLE	54.00	0.92	5.97	5.23
KELANI VALLEY	54.50	1.19	(43.48)	5.88
POWER & ENERGY				
LANKA IOC	18.25	1.26	(7.59)	23.42
TELECOMMUNICATIONS				
DIALOG	7.00	2.03	(4.67)	16.88

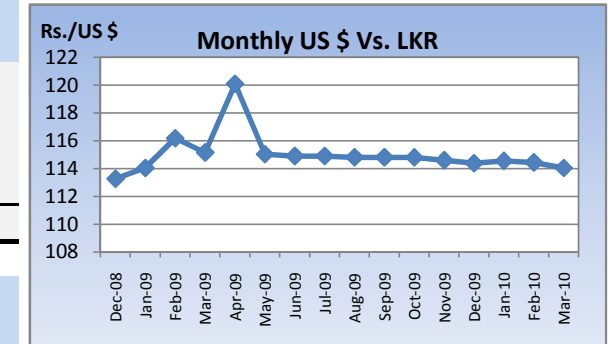


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	113.92	113.84	0.07%
- FORWARD 1 MONTH	114.42	114.43	-0.01%
- FORWARD 3 MONTHS	115.45	115.49	-0.03%
BRITISH POUND	175.62	173.09	1.46%
EURO	154.19	151.50	1.78%
JAPANESE YEN	1.23	1.22	0.80%
INDIAN RUPEE	2.58	2.57	0.32%
AUSTRALIAN DOLLAR	105.87	105.55	0.30%
SINGAPORE DOLLAR	82.61	81.42	1.46%

Treasury Bill Auction

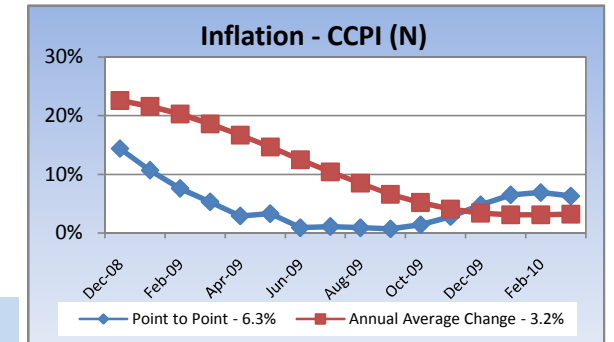
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	8.52%	8.52%	0.00	2,000	4,912	2,542
6 MONTHS	9.24%	9.24%	0.00	2,500	5,413	1,582
12 MONTHS	9.47%	9.47%	0.00	2,000	2,895	1,060
				6,500	13,220	5,184



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.42	10.48	19.26
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.25
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.03	9.04	11.26
- 7 DAYS	9.25	9.26	13.00
- 1 MONTH	9.48	9.51	14.25
- 3 MONTHS	9.71	9.75	15.42
- 6 MONTHS	9.97	9.96	16.52
- 1 YEAR	10.24	10.23	17.48
	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%

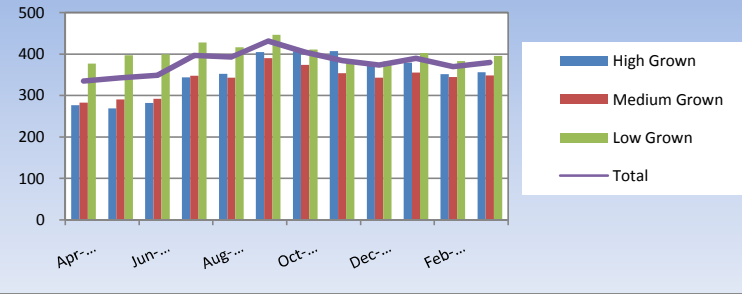
PRODUCTION (kg) BY

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%
CTC AS A % OF BLACK TEA PRODUCTION	5.26%	5.30%

Tea Prices

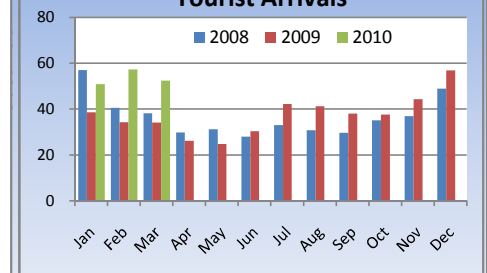


Tourism

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%

Tourist Arrivals

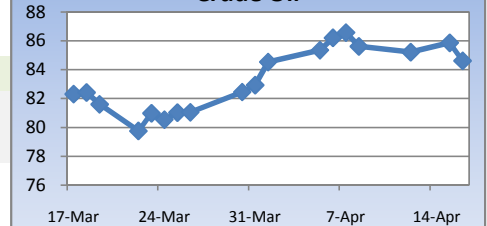


Crude Oil

NYMEX CRUDE OIL FUTURES

	16-Apr	8-Apr	Change
US\$/BBL	84.61	85.61	-1.17%

Crude Oil



This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources, believed to be reliable. Capital Alliance Securities (Private) Limited however does not warrant its completeness or accuracy. Opinions and estimates given constitute a judgment as of the date of the material and are subject to change without notice. This report is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The recipient of this report must make their own independent decision regarding any securities, investments or financial instruments mentioned herein. Securities or financial instruments mentioned may not be suitable to all investors. Capital Alliance Securities (Private) Limited its directors, officers, consultants, employees, outsourced research providers associates or business partner, will not be responsible, for any claims damages, compensation, suits, damages, loss, costs, charges, expenses, outgoing or payments including attorney's fees which recipients of the reports suffers or incurs directly or indirectly arising out actions taken as a result of this report. This report is for the use of the intended recipient only. Access, disclosure, copying, distribution or reliance on any of it by anyone else is prohibited and may be a criminal offence.

Head Office

5th Floor, Millennium House,
 No.46/58, Nawam Mawatha,
 Colombo 2, Sri Lanka
 General: +94 11 2317777
 Fax: +94 11 2317788
 Email: info@capitalalliance.lk
 Website: www.capitalalliance.lk

Equity

CEO - Securities

Harinlal Aturupane: +94 11 231 7760

Colombo

Dilruk A. Fernando +94 777 721 483
 Janaka Palapathwala: +94 770 592 243
 Lakshan Algama Perera: +94 777 447 407
 Chanaka Sanoj: +94 773 850 227
 Milanka Induruwage: +94 777 261 893
 Buddhenia Narangoda: +94 11 2317 754
 Ifadh Marikar: +94 772 962 567
 Thanuja de Silva: +94 770 556 577

Matara

Inok Wijesuriya: +94 41 439 0610
 Mahi Liyanage: +94 772 962 557
 Viraj Nanawatte: +94 772 962 541
 Kithsiri Jayasinghe: +94 777 790 657

Government Securities

K. H. R. Thilakarathna: +94 11 231 7752
 W. A. Susantha: +94 11 231 7757
 Dumindu Silva: +94 11 231 7753

Research

Dimantha Mathew: +94 777 345 679

Branches

Matara

No.38, Station Road,
 Matara
 Tel: +94 41 4390610
 Fax: +94 41 4390611

Jaffna

Laxan Plaza,
 No.356B, Kasthuriar Road,
 Jaffna
 Tel: +94 21 4591111
 Fax: +94 21 4591111

Kurunegala

1st Floor, Union Assurance Building,
 No.6, Rajapihilla Road, Kurunegala
 Tel: +94 37 2222034
 Fax: +94 37 2222035

Negombo

Jude City Building,
 No.142, Greens Road, Negombo
 Tel: +94 31 2227843/4
 Fax: +94 31 2227843

Galle

No.30, Sri Devamitta Mawatha,
 Galle
 Tel: +94 91 2227631/2
 Fax: +94 91 2227632

Jaffna

B. Mugundan: +94 21 459 1111

Negombo

T. Dananjaya: +94 773 593 016
 Nihal Fernando: +94 773 286 895

Kurunegala

Indunil Pradeep: +94 773 741 552
 P. R. Chandrasena: +94 773 837 325

Galle

Isuru Jayawardena: +94 773 576092