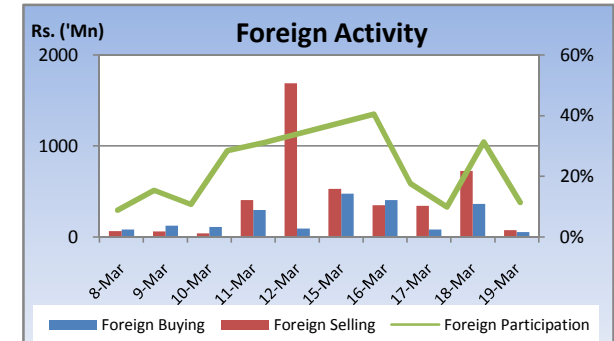
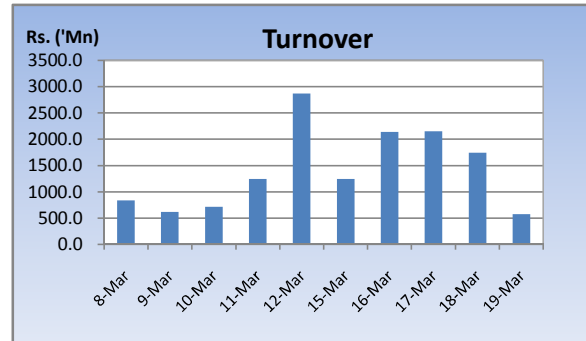
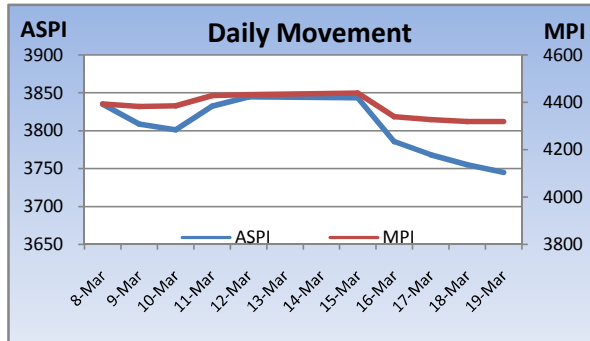


# Weekly Market Update

Week Ending: March 19<sup>th</sup>, 2010



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3744.92	3844.84	-2.60%	PARQUET	15.00	18.00	20.00%	21.00	15.25	2,317,700	41,115,200
MPI	4319.22	4432.80	-2.56%	ACL PLASTICS	104.75	119.50	14.08%	125.00	107.00	314,000	36,375,136
MARKET CAP. (Rs. 'Bn)	1210.75	1242.64	-2.57%	HUNTERS	529.75	600.00	13.26%	600.00	525.00	300	165,150
MARKET PER(x)	18.36	18.84	-2.55%	FIRST CAPITAL	56.25	61.50	9.33%	70.00	50.00	1,080,800	65,730,619
MARKET PBV(x)	1.85	1.90	-2.63%	CONVENIENCE FOOD	130.00	141.75	9.04%	146.00	128.75	6,100	849,150
<b>Average Daily</b>				<b>Top 5 Losers</b>							
TURNOVER	1572.34	1256.48	25.1%	SUNSHINE HOLDING	511.00	325.25	-36.35%	640.00	322.00	438,600	146,557,638
VOLUME	85.88	43.46	97.6%	SINGER IND.	125.00	84.00	-32.80%	84.00	84.00	100	8,400
FOREIGN PURCHASES	277.50	143.19	93.8%	KEELLS HOTELS	26.75	18.50	-30.84%	26.75	17.00	7,441,500	141,645,579
FOREIGN SALES	406.46	454.40	-10.5%	LIGHTHOUSE HOTEL	87.75	63.00	-28.21%	86.00	60.50	21,083,900	1,297,013,700
NET FOREIGN	-128.96	-311.21	58.6%	E B CREAMY	329.75	280.00	-15.09%	290.00	275.00	3,100	859,761
FOREIGN PARTICIPATION	21.7%	23.8%	-8.5%	<b>Top 5 by Turnover</b>							
<b>Sector Summary</b>				JKH	168.75	172.00	1.93%	173.00	167.00	11,067,400	1,872,403,975
STORES AND SUPPLIES	18,000.68	17,116.73	5.16%	LIGHTHOUSE HOTEL	87.75	63.00	-28.21%	86.00	60.50	21,083,900	1,297,013,700
SERVICES	13,827.65	13,183.01	4.89%	HOTEL SERVICES	23.00	24.50	6.52%	28.75	23.00	15,531,400	399,604,907
FOOTWEAR AND TEXTILES	740.06	735.15	0.67%	CEY THEATRES	56.50	54.00	-4.42%	57.00	54.00	5,076,180	284,162,105
HEALTH CARE	404.15	406.73	-0.63%	SEYLAN BANK[NON VOTING]	23.50	25.25	7.45%	25.75	23.50	8,317,100	204,465,585
BANKS FINANCE AND INSUI	7,195.65	7,259.76	-0.88%	<b>Top 5 by Volume</b>							
CONSTRUCTION AND ENGI	4,017.25	4,147.11	-3.13%	LIGHTHOUSE HOTEL	87.75	63.00	-28.21%	86.00	60.50	21,083,900	1,297,013,700
INVESTMENT TRUSTS	37,811.27	39,288.58	-3.76%	DIALOG	6.75	7.00	3.70%	7.75	7.00	16,026,500	115,850,762
PLANTATIONS	774.11	810.53	-4.49%	HOTEL SERVICES	23.00	24.50	6.52%	28.75	23.00	15,531,400	399,604,907
INFORMATION TECHNOLO	83.45	89.41	-6.67%	JKH	168.75	172.00	1.93%	173.00	167.00	11,067,400	1,872,403,975
HOTELS AND TRAVELS	3,408.14	3,801.71	-10.35%	BLUE DIAMONDS	2.00	2.00	0.00%	2.20	1.90	9,373,700	19,151,236

## Market Review

Market remained in negative territory this week with activity levels dropping towards the end of the week. Investor sentiment was weak through out the week with investors adopting a wait and see approach due to the upcoming elections and the festive season. Crossings in JKH and Lighthouse Hotel with Hayleys selling out of the Hotel boosted turnover for the week. The benchmark ASPI declined 99.92 points or 2.60% week on week while the more sensitive MPI reported a week on week decline of 113.58 points or 2.56%.

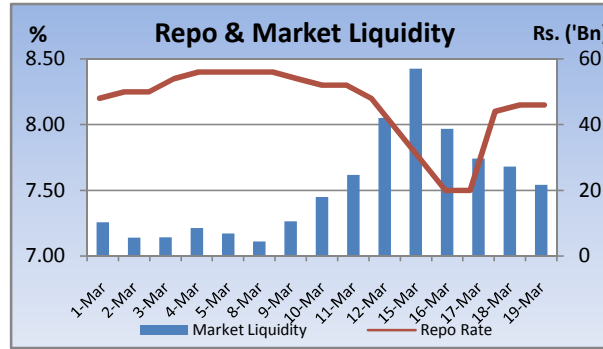
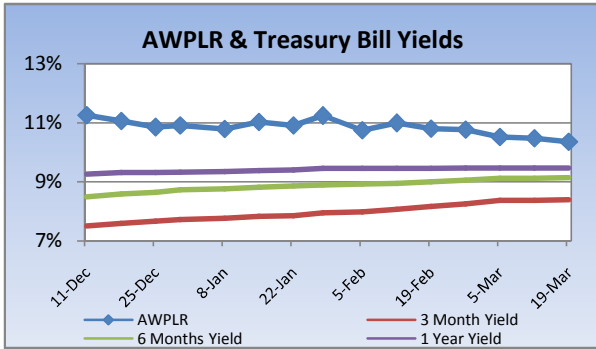
Compared to previous week's closing levels the market declined Rs.32 billion approximately or 2.57% in value this week to close at Rs.1210.75 Bn on Friday.

Total market turnover for the week amounted to Rs.7.8 Bn with an average daily turnover of Rs.1.5Bn. Turnover for the week witnessed 25% increase compared to the last week's market turnover of Rs.6.3 Bn.

Heavily traded shares of the week under review were Lighthouse Hotel and Dialog with the former being highest in terms of volume for the week, trading over 21m shares. The counter declined 28% during the week in value on a Week on Week basis. JKH and Lighthouse Hotel contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.1.8Bn and gaining 1.8% in value during the week.

FII participation declined to 22% of total turnover this week, from 24% reported last week. FII interest was negative during the week with a net outflow of Rs.645m, a 59% increase compared to last week's net outflow of Rs.1.56Bn.

Company	Price	P/BV	PER 10E	PER 11E
<b>BANKING</b>				
COMMERCIAL BANK	191.50	1.69	11.58	10.83
DFCC	180.00	1.20	10.05	10.31
HNB	179.00	1.70	9.40	11.39
NDB	217.00	1.29	8.52	9.66
NTB	36.50	1.33	8.92	7.43
SAMPATH BANK	239.00	1.38	8.98	7.97
<b>BEVERAGE, FOOD &amp; TOBACCO</b>				
CTC	243.25	14.45	11.07	9.43
DISTILLERIES	115.00	1.45	12.15	10.36
<b>CHEMICALS &amp; PHARMACEUTICALS</b>				
CIC	67.75	1.29	10.68	10.16
<b>CONSTRUCTION &amp; ENGINEERING</b>				
DOCKYARD	286.25	3.34	9.10	7.90
<b>DIVERSIFIED HOLDINGS</b>				
AITKEN SPENCE	1,350.00	2.01	16.92	13.95
CARSONS	529.25	2.68	14.45	12.92
HAYLEYS	230.00	1.32	17.28	20.25
HEMAS HOLDINGS	121.00	1.66	15.19	14.38
JOHN KEELLS HOLDINGS	172.00	2.25	32.31	24.35
<b>HOTELS &amp; TRAVELS</b>				
AITKEN SPENCE HOTEL HOLDINGS	400.25	3.22	47.62	21.91
ASIAN HOTELS AND PROPERTIES	134.00	2.45	56.40	24.95
KEELLS HOTELS	18.50	2.88	(105.78)	34.30
<b>MANUFACTURING</b>				
ACL CABLES	77.50	1.24	52.15	18.20
CHEVRON LUBRICANTS	170.75	7.19	13.71	14.60
LANKA TILES	90.75	2.12	12.55	9.00
ROYAL CERAMICS	110.00	1.64	6.64	5.43
TOKYO CEMENT	28.75	1.50	95.83	17.97
<b>PLANTATIONS</b>				
AGALAWATTE	27.75	1.36	7.46	9.13
KEGALLE	46.50	0.79	5.14	4.51
KELANI VALLEY	55.00	1.20	(43.88)	5.94
<b>POWER &amp; ENERGY</b>				
LANKA IOC	18.50	1.28	(7.70)	23.74
<b>TELECOMMUNICATIONS</b>				
DIALOG	7.00	2.03	(4.67)	16.88

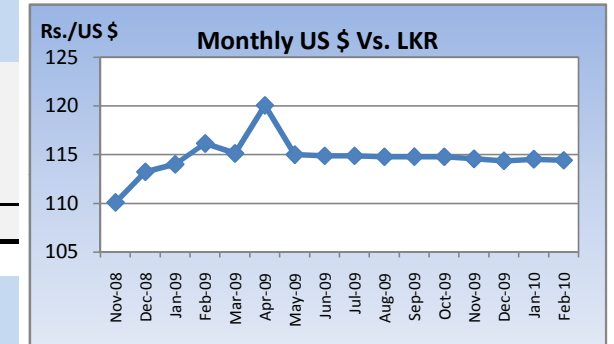


### Currency Board

	Current	Previous	Change
<b>USD EXCHANGE RATE</b>			
- AVERAGE MIDDLE RATE	114.13	114.07	0.05%
- FORWARD 1 MONTH	114.67	114.74	-0.06%
- FORWARD 3 MONTHS	115.77	115.86	-0.08%
<b>BRITISH POUND</b>	173.76	171.54	1.29%
<b>EURO</b>	155.19	155.99	-0.51%
<b>JAPANESE YEN</b>	1.26	1.26	0.11%
<b>INDIAN RUPEE</b>	2.52	2.51	0.24%
<b>AUSTRALIAN DOLLAR</b>	104.94	104.25	0.66%
<b>SINGAPORE DOLLAR</b>	81.70	81.56	0.17%

### Treasury Bill Auction

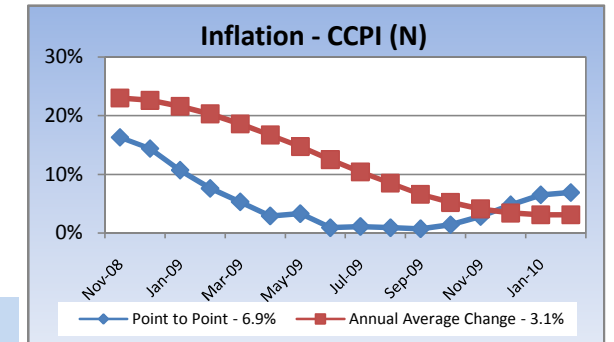
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	8.40%	8.38%	2.00	3,000	5,751	3,295
6 MONTHS	9.14%	9.12%	2.00	3,500	7,870	5,290
12 MONTHS	9.47%	9.47%	0.00	4,000	4,573	501
				<b>10,500</b>	<b>18,194</b>	<b>9,086</b>



### Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	10.36	10.48	18.65
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.25
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.04	9.16	11.29
- 7 DAYS	9.26	9.30	13.13
- 1 MONTH	9.51	9.55	14.85
- 3 MONTHS	9.81	9.88	16.19
- 6 MONTHS	10.04	10.11	17.06
- 1 YEAR	10.28	10.38	18.04
	<b>February 2010</b>	<b>Month Ago</b>	<b>Year Ago</b>
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 11-2010	Sale 10-2010		2010	2009	
HIGH GROWN	1,498,532	1,630,206	-8.08%	15,653,775	12,675,992	23.49%
MEDIUM GROWN	996,697	984,847	1.20%	10,770,554	9,008,789	19.56%
LOW GROWN	4,266,156	4,272,930	-0.16%	46,109,890	34,328,024	34.32%
<b>TOTAL</b>	<b>6,761,385</b>	<b>6,887,983</b>	<b>-1.84%</b>	<b>72,534,219</b>	<b>56,012,805</b>	<b>29.50%</b>

### PRICES (Rs./kg)

	2009	Jan-10	Feb-10	Sale 11-2010	Sale 10-2010	Change
HIGH GROWN	321.28	378.77	351.44	359.70	357.98	0.48%
MEDIUM GROWN	316.79	354.84	344.12	351.56	346.39	1.49%
LOW GROWN	388.44	401.89	382.90	398.31	393.94	1.11%
<b>TOTAL</b>	<b>362.70</b>	<b>389.77</b>	<b>369.65</b>	<b>382.86</b>	<b>378.63</b>	<b>1.12%</b>

### PRODUCTION (kg) BY

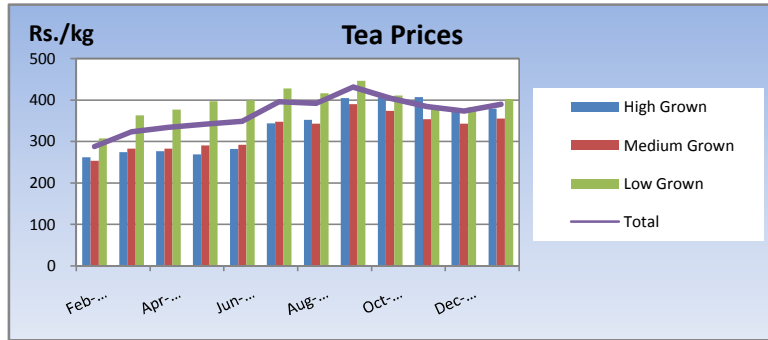
ELEVATION	January			Year to date		
	2010	2009	Change	2010	2009	Change
HIGH GROWN	5,853,768	5,191,777	12.75%	5,853,768	5,191,777	12.75%
MEDIUM GROWN	3,629,387	2,922,979	24.17%	3,629,387	2,922,979	24.17%
LOW GROWN	17,415,100	9,769,854	78.25%	17,415,100	9,769,854	78.25%
<b>TOTAL</b>	<b>26,898,255</b>	<b>17,884,610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

### 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%
<b>TOTAL BLACK TEA</b>	<b>26,730,426</b>	<b>17,718,593</b>	<b>50.86%</b>	<b>26,730,426</b>	<b>17,718,593</b>	<b>50.86%</b>
GREEN TEA	167,829	166,017	1.09%	167,829	166,017	1.09%
<b>TOTAL</b>	<b>26,898,255</b>	<b>17,884,610</b>	<b>50.40%</b>	<b>26,898,255</b>	<b>17,884,610</b>	<b>50.40%</b>

### ANALYSIS OF TOTAL

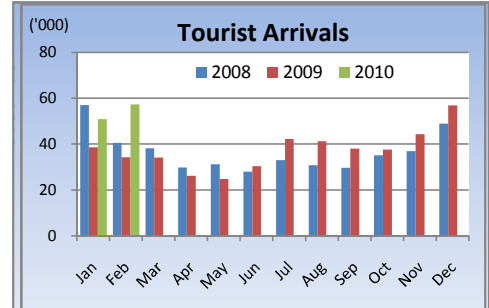
TEA PRODUCTION	January 2010	Year to date 2010
HIGH GROWN	21.76%	21.76%
MEDIUM GROWN	13.49%	13.49%
LOW GROWN	64.74%	64.74%
<b>CTC AS A % OF BLACK TEA PRODUCTION</b>	<b>5.35%</b>	<b>5.35%</b>



## Tourism

### SRI LANKA

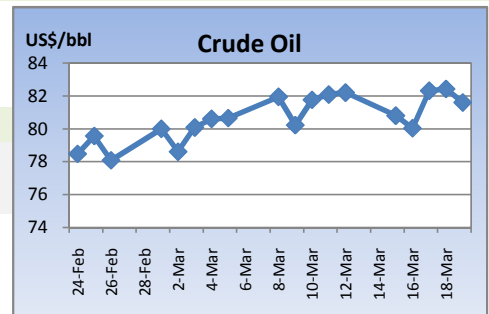
ARRIVALS	2010	2009	Change
February	57,300	34,169	67.70%
Year to date	108,057	72,637	48.76%
Nov-09	Nov-08	Change	
Occupancy	57.4%	45.5%	26.15%
Foreign Guest Night	267,874	221,049	21.18%



## Crude Oil

### NYMEX CRUDE OIL FUTURES

	19-Mar	12-Mar	Change
US\$/BBL	81.60	82.20	-0.73%



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