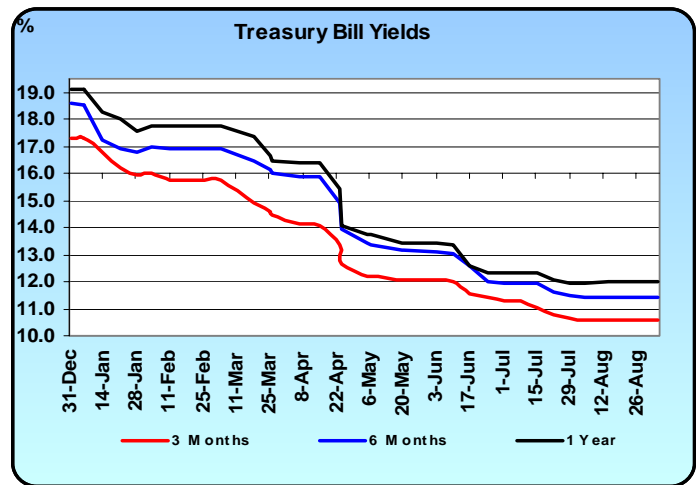
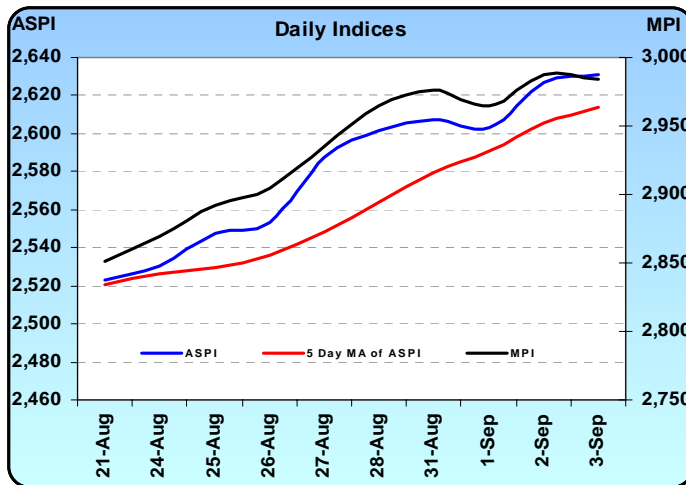


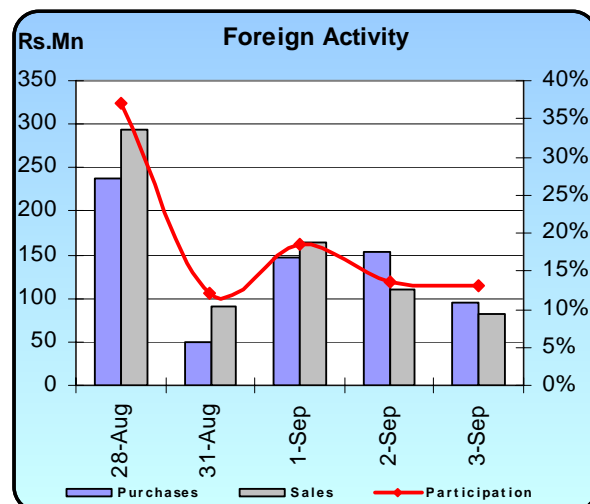
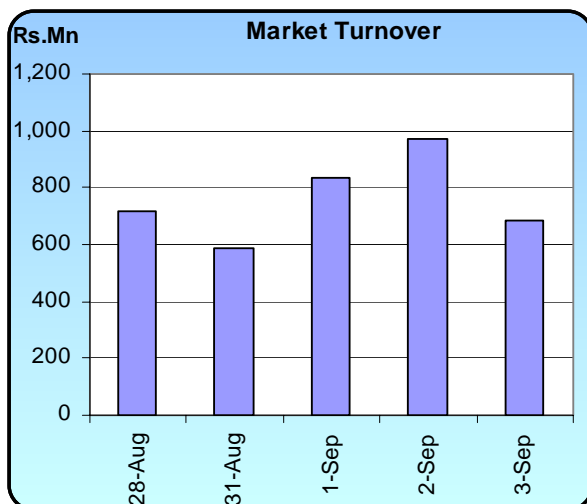
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Company	28-Aug [Rs]	03-Sep [Rs]	Change [%]	Highest [Rs]	Lowest [Rs]	Volume	Turnover [Rs.Mn]
Top Five Gainers							
Blue Diamonds	1.50	3.10	106.7%	3.20	1.50	4,206,800	10.493
Blue Diamonds [Non Voting]	0.40	0.80	100.0%	1.00	0.40	10,347,900	7.531
Merchant Bank	18.50	27.25	47.3%	30.50	18.25	9,603,200	252.339
Colombo Pharmacy	175.50	250.00	42.5%	250.00	250.00	900	0.225
Mullers	0.50	0.70	40.0%	0.90	0.50	3,790,500	2.770
Top Five Losers							
Lion Brewery	80.00	69.00	-13.8%	79.00	68.25	5,100	0.365
Hapugastenne	36.75	33.00	-10.2%	38.00	33.00	4,000	0.140
Sathosa Motors	114.00	103.00	-9.6%	110.00	100.25	4,700	0.485
Ceylinco Insurance [Non Voting]	135.00	125.00	-7.4%	138.50	125.00	2,700	0.358
Bogawantalawa	49.00	45.50	-7.1%	48.00	45.00	14,300	0.670
Top Five by Volume							
Seylan Bank[Non Voting]	9.25	12.25	32.4%	14.00	8.75	14,121,800	169.534
Nawaloka	2.80	2.80	0.0%	2.90	2.70	10,407,600	29.143
Blue Diamonds[Non Voting]	0.40	0.80	100.0%	1.00	0.40	10,347,900	7.531
Merchant Bank	18.50	27.25	47.3%	30.50	18.25	9,603,200	252.339
Vallibel	3.60	3.70	2.8%	3.90	3.60	8,565,500	31.721
Top Five by Turnover							
Merchant Bank	18.50	27.25	47.3%	30.50	18.25	9,603,200	252.339
John Keells Holdings	135.50	135.50	0.0%	136.50	135.00	1,470,100	199.408
The Finance Company	23.25	28.75	23.7%	31.75	23.50	6,999,200	195.053
Seylan Bank[Non Voting]	9.25	12.25	32.4%	14.00	8.75	14,121,800	169.534
Env. Resources	39.50	42.25	7.0%	45.00	40.00	2,659,900	113.758

Market Summary

	Week Ending		Change %
	28-Aug	3-Sep	
Average Daily			
Turnover [Rs.mn]	694.3	768.6	10.7%
Volume [mn]	20.6	36.5	76.6%
Foreign Purchases [Rs.mn]	217.4	111.7	-48.6%
Foreign Sales [Rs.mn]	242.7	111.1	-54.2%
Net Foreign Purchases [Rs.mn]	-25.2	0.5	-102.1%
Foreign Participation	33.1%	14.5%	-56.3%
Closing			
ASPI	2,601.5	2,630.8	1.13%
MPI	2,964.5	2,983.6	0.64%
Market Capitalization [Rs.bn]	831.745	842.330	1.27%
Market PER [x]	11.10	11.24	
Market PBV [x]	1.25	1.27	



Sector Indices	Week Ending		Change %
	03-Sep	28-Aug	
FOOTWEAR AND TEXTILE - F&T	692.10	635.51	8.90%
STORES SUPPLIES - S&S	8,512.40	8,128.57	4.72%
LAND AND PROPERTY - L&P	325.87	312.38	4.32%
HEALTH CARE - HLT	342.19	329.55	3.84%
INFORMATION TECHNOLOGY - IT	87.43	85.44	2.33%
BEVERAGE FOOD AND TOBACCO - BFT	4,559.77	4,560.00	-0.01%
MOTORS - MTR	3,472.33	3,504.27	-0.91%
OIL PALMS - OIL	22,224.49	22,675.60	-1.99%
PLANTATIONS - PLT	618.59	635.77	-2.70%
SERVICES - SRV	8,270.26	8,541.97	-3.18%

Market Review

The Bourse remained in positive territory during the week under review, posting significant gains on the main indices. The benchmark ASPI gained 29.27 points or 1.13% week on week while the more sensitive MPI also reported a week on week gain of 19.06 points or 0.64%.

Compared to previous week's closing levels the market gained Rs.10.59 billion approximately or 1.27 per cent in value this week to close at Rs.842.33 billion on Thursday.

Total market turnover for the week amounted to Rs.3.07 billion with an average daily turnover of Rs.768.6 million. Turnover for the week witnessed 11.4 per cent decline compared to the last week's market turnover of Rs.3.47 billion.

Heavily traded shares of the week under review were **Seylan Bank PLC (Non Voting)** and **Nawaloka Hospital PLC** with the former being highest in terms of volume for the week, trading over 14.12 million shares. The counter remained flat during the week in value on a Week on Week basis. **Merchant Bank PLC** and **John Keels Holdings PLC** contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover.

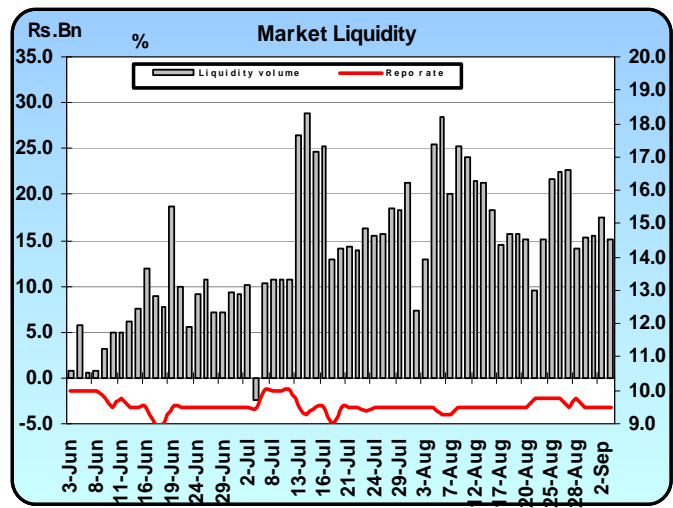
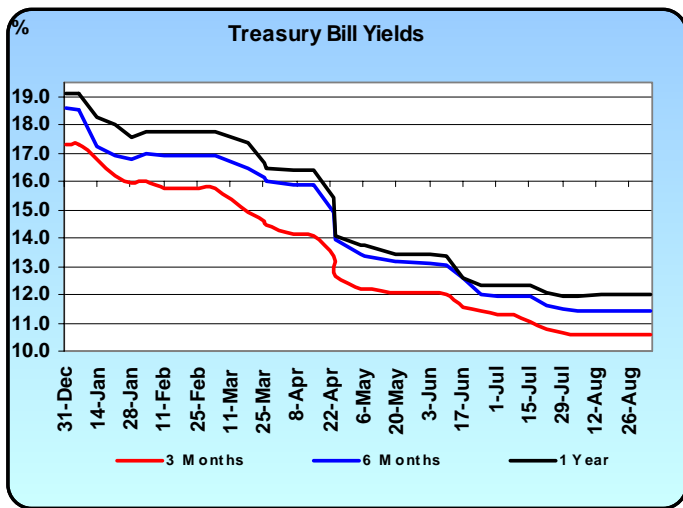
FII participation declined to 14.5 per cent of total turnover this week, from 33.1 per cent reported last week. FII interest was marginally positive during the week with a net inflow of Rs.2.12 million, a 101 per cent increase compared to last week's net outflow of Rs.126 million.

Average daily turnover for the week stood at Rs.769 million while average daily volume settled at 36.5 million shares. Foreign representation was 14.6% of total market activity with a net inflow of Rs.2.12 million. Overall for the week, the ASPI gained 29.27 points (+1.13%) and the MPI gained 19.06 points (+0.64%) to close at 2,601.50 and 2,983.55 respectively.

Interest Rates

Government Securities – Results of the Treasury Bill auction held on the 26th August 2009.

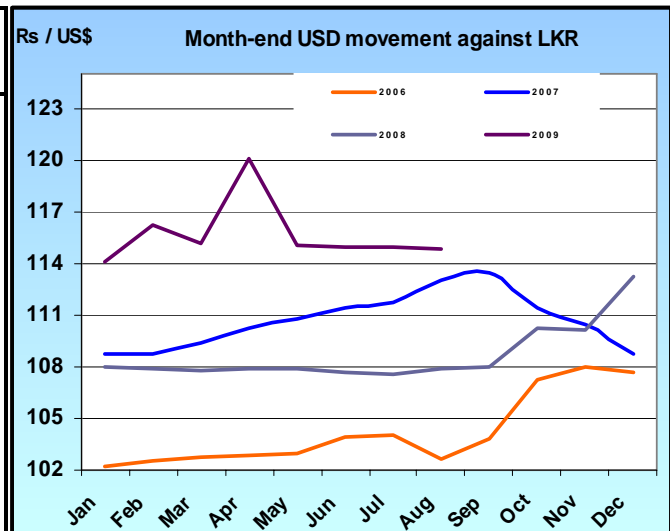
Maturity	Amount Offered	Bids Received	Amount Accepted	Weighted Average Yield		
				This Week	Last Auction	WoW Change
	[Rs.Mn]	[Rs.Mn]	[Rs.Mn]	[%]	[%]	[Basis Points]
3 Months	3,000	4,908	2,684	10.55	10.57	-2.00
6 Months	3,500	5,670	3,070	11.42	11.43	-1.00
1 Year	5,500	7,621	3,116	11.98	11.98	0.00
Total	12,000	18,199	8,870			



[% per annum]	Week Ending	
	28-Aug	3-Sep
Overnight Rate on Repurchase Agreements	8.50	8.50
Commercial Bank Average Weighted Prime Lending Rate [AWPLR]	13.93	13.23
Sri Lanka Inter Bank Offer Rate [SLIBOR]		
- Overnight	9.90	9.90
- 7 Days	10.13	10.15
- 1 Month	10.80	10.80
- 3 Months	11.30	11.28
- 6 Months	11.87	11.94
- 1 Year	12.57	12.71
	Month Ending	
	31-Jul	31-Aug
Commercial Bank Average Weighted Deposit Rate [AWDR]	10.98	10.84
Commercial Bank Average Weighted Fixed Deposit Rate [AWFDR]	14.94	14.64

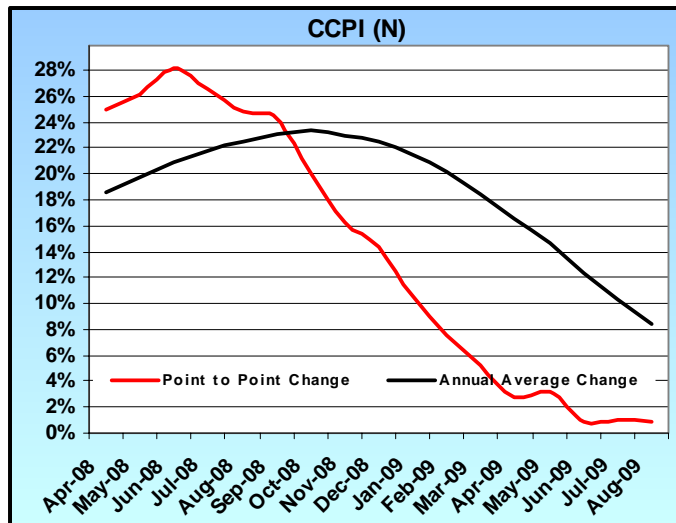
Currency Board

	Week Ending		Change
	28-Aug	3-Sep	
USD Exchange Rate (Rs/\$)			
- Average Middle Rate	114.86	114.86	0.00%
- Forward 1 month	115.14	115.29	0.13%
- Forward 3 months	115.86	115.93	0.06%
British Pound	186.62	186.94	0.17%
Euro	163.84	164.92	0.66%
Japanese Yen	1.25	1.23	-1.54%
Indian Rupee	2.36	2.36	0.37%
Australian Dollar	95.79	96.42	0.67%
Singapore Dollar	79.66	79.60	-0.07%



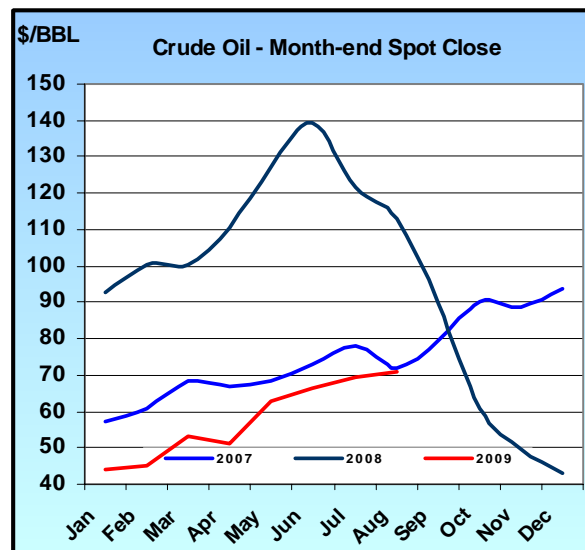
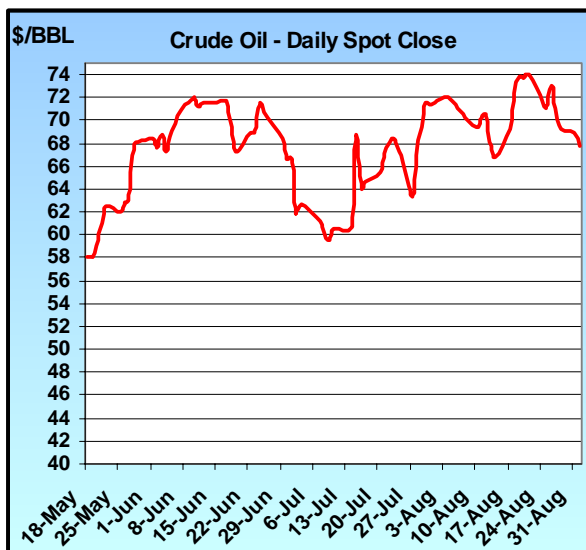
Inflation

	Month Ending		
	May-09	Jun-09	Aug-09
New Colombo Consumers' Price Index - CCPI(N) [2002=100]			
- Year on Year (Point to Point) Change/Inflation Rate	0.9%	1.1%	0.9%
- Annual Average Change/Inflation Rate	12.5%	10.4%	8.5%



Crude Oil

[USD per Barrel]	Week ending	
	28-Aug	03-Sep
Dated Brent Spot Closing Price	72.79	67.75



Tea Market Update

Colombo Tea Auction – Sales (kg) – Sale No: 34 – August 31, 2009

Elevation	This Week	Last Auction	Change	Cumulative		Change
	Sale 34-2009	Sale 33-2009		01-Jan to Date	Same Period	
	31-Aug-09	26-Aug-09		2009	2008	
High Grown	1,006,355	980,641	2.6%	40,305,356	44,290,371	-9.0%
Medium Grown	710,202	687,803	3.3%	29,374,275	30,280,833	-3.0%
Low Grown	4,009,224	3,765,319	6.5%	111,278,081	113,222,686	-1.7%
Total	5,725,781	5,433,763	5.4%	180,957,712	187,793,889	-3.6%

Colombo Tea Auction – Sales Averages (Rs/kg)

Elevation	2008	Jun-09	Jul-09	Aug-09	Sale 34-2009 31-Aug-09
High Grown	273.83	281.90	343.43	352.35	360.77
Medium Grown	270.13	292.09	347.84	342.83	363.69
Low Grown	336.38	399.44	427.30	415.80	431.91
Total	310.81	348.47	396.07	392.30	410.94

Tea Production according to Elevations (kg)

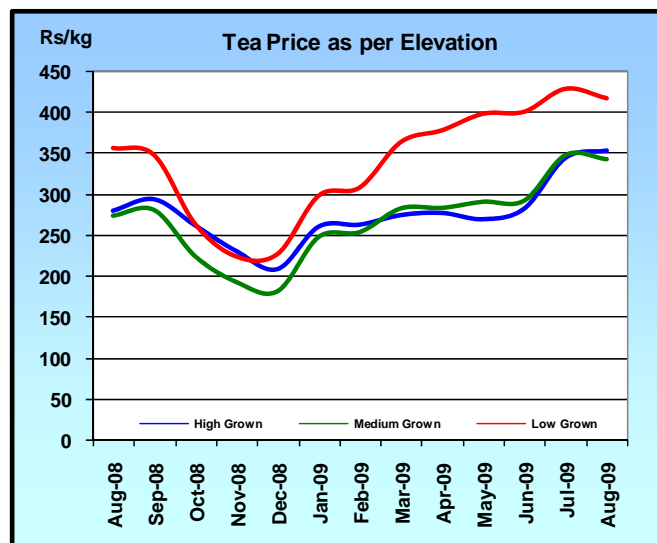
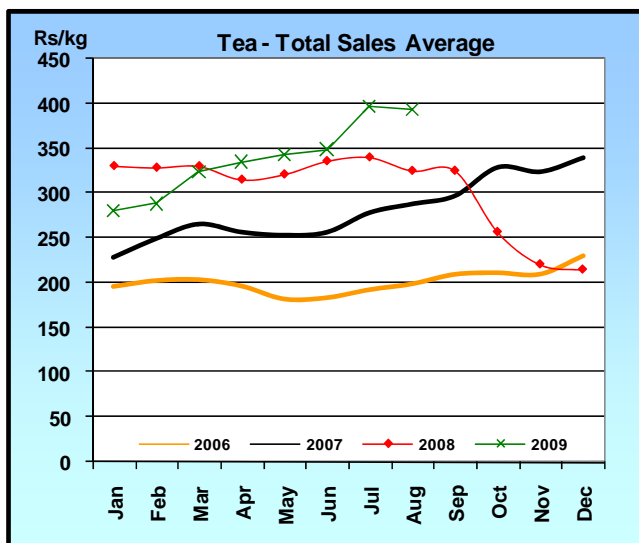
Elevation	June			January to June		
	2008	2009	Change	2008	2009	Change
High Grown	7,698,923	5,019,877	-34.8%	45,317,355	35,219,387	-22.3%
Medium Grown	4,545,621	3,447,475	-24.2%	27,751,373	20,024,375	-27.8%
Low Grown	15,182,937	15,155,630	-0.2%	98,760,180	71,468,683	-27.6%
Total	27,427,481	23,622,982	-13.9%	171,828,908	126,712,445	-26.3%

Tea Production according to Categories (kg)

Production	June			January to June		
	2008	2009	Change	2008	2009	Change
Orthodox	26,063,247	22,399,225	-14.1%	161,837,145	118,069,150	-27.0%
CTC	1,054,764	998,725	-5.3%	8,302,717	7,650,455	-7.9%
Total Black Tea	27,118,011	23,397,950	-13.7%	170,139,862	125,719,605	-26.1%
Green Tea	309,470	225,032	-27.3%	1,689,046	992,840	-41.2%
Total	27,427,481	23,622,982	-13.9%	171,828,908	126,712,445	-26.3%

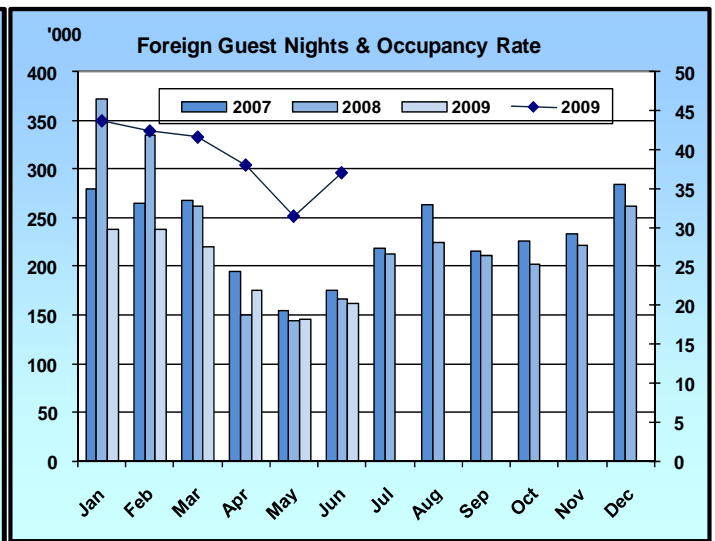
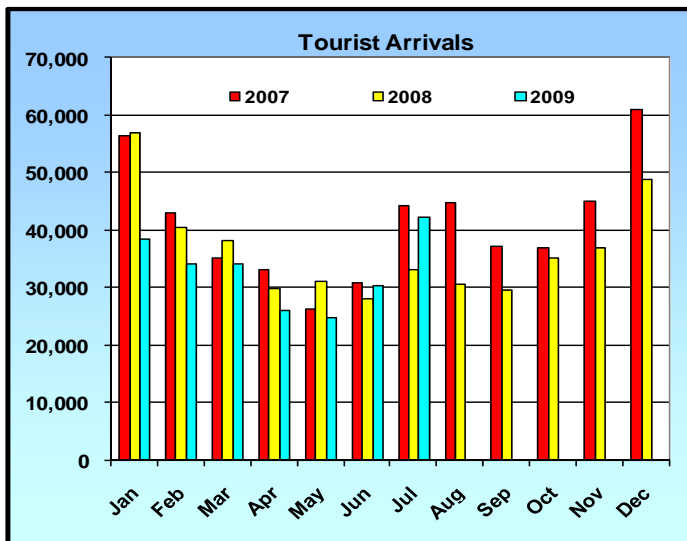
Analysis of Total Tea Production

Elevation - Breakdown	Jun-09	Jan - Jun 09
High Grown	21.2%	27.8%
Medium Grown	14.6%	15.8%
Low Grown	64.2%	56.4%
	100.0%	100.0%
CTC Production as a % of Black Tea Production	4.3%	6.1%



Tourist Arrivals

Sri Lanka	July			January to July		
	2008	2009	Change	2008	2009	Change
Tourist Arrivals	32,982	42,223	28.0%	257,345	229,952	-10.6%
	June			January to June		
	2008	2009	Change	2008	2009	Change
Average Occupancy Rate	35.2%	37.0%	5.1%	44.5%	39.0%	-12.4%
Foreign Guest Nights	166,703	161,601	-3.1%	1,430,616	1,178,947	-17.6%



Weekly Report – Sources of Information:

- Colombo Stock Exchange – Equity Data
- Central Bank of Sri Lanka – Interest Rates, Exchange Rates & Inflation Statistics
- Capital Alliance Limited – Interest Rates
- Bloomberg – Commodity Prices
- The Colombo Brokers’ Association – Tea Market Data
- Sri Lanka Tea Board – Tea Market Data
- Sri Lanka Tourist Board – Tourism Data

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