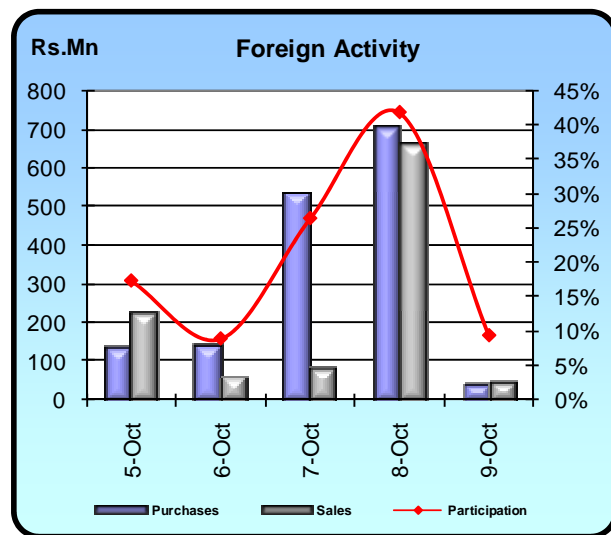
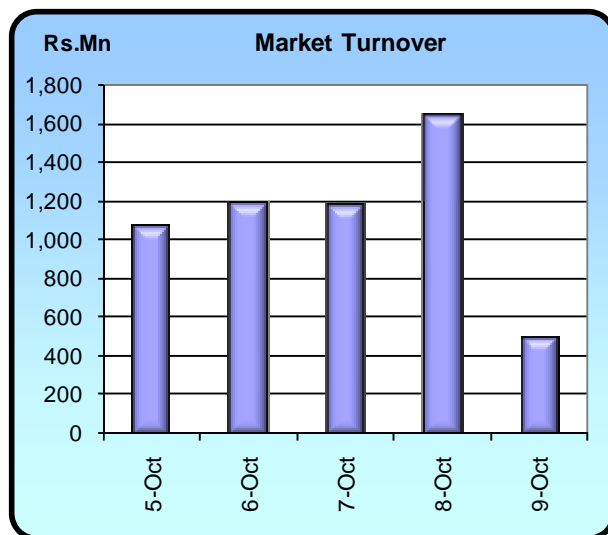


Company	18-Sep [Rs]	25-Sep [Rs]	Change [%]	Highest [Rs]	Lowest [Rs]	Volume	Turnover [Rs.Mn]
Top Five Gainers							
Good Hope	360.00	476.25	32.29%	500.00	360.00	3,000	1.354
Browns	60.75	77.50	27.57%	78.00	61.50	3,957,500	263.779
Dimo	115.00	145.25	26.30%	149.00	115.00	76,900	10.127
LMF	53.00	65.25	23.11%	68.00	54.00	696,800	42.503
LB Finance	39.00	47.25	21.15%	50.25	39.75	549,200	24.782
Top Five Losers							
E B Creasy	290.00	201.75	-30.43%	205.00	201.00	2,000	0.436
S M Leasing	49.25	40.75	-17.26%	44.00	40.50	1,000	0.045
Autodrome	264.00	221.00	-16.29%	221.00	221.00	100	0.022
Lake House Prin.	72.00	63.75	-11.46%	65.00	63.75	1,500	0.097
Colonial Mtr	49.50	44.00	-11.11%	48.50	40.50	26,600	1.106
Top Five by Volume							
Seylan Merchant[Non Voting]	0.80	0.90	12.50%	1.00	0.80	35,825,800	32.791
Dialog	7.00	7.75	10.71%	9.50	7.25	34,726,400	295.384
Piramal Glass	2.00	2.10	5.00%	2.30	2.00	28,408,000	61.682
Tess Agro	1.50	1.50	0.00%	1.70	1.50	20,444,900	32.897
Vallibel	4.40	4.30	-2.27%	4.70	4.20	15,763,200	70.766
Top Five by Turnover							
JKH	154.00	153.75	-0.16%	155.00	151.25	3,805,400	588.777
HNB	167.50	173.00	3.28%	173.00	167.50	3,066,600	521.402
Dialog	7.00	7.75	10.71%	9.50	7.25	34,726,400	295.384
Browns	60.75	77.50	27.57%	78.00	61.50	3,957,500	263.779
Hemas Power	20.00	23.75	18.75%	28.00	23.25	10,224,200	258.549

Market Summary

	Week Ending		Change %
	2-Oct	9-Oct	
Average Daily			
Turnover [Rs.mn]	901.4	1,110.0	23.1%
Volume [mn]	47.7	56.0	17.4%
Foreign Purchases [Rs.mn]	145.0	313.6	116.2%
Foreign Sales [Rs.mn]	146.4	218.1	49.0%
Net Foreign Purchases [Rs.mn]	-1.3	95.6	-7369.8%
Foreign Participation	16.2%	23.9%	48.2%
Closing			
ASPI	3,018.0	3,115.3	3.22%
MPI	3,394.9	3,504.2	3.22%
Market Capitalization [Rs.bn]	966.943	1000.672	3.49%
Market PER [x]	14.26	14.78	
Market PBV [x]	1.47	1.52	



Sector Indices	Week Ending		Change %
	09-Oct	02-Oct	
OIL PALMS - OIL	31761.60	28005.96	13.41%
TRADING - TRD	3299.89	2957.46	11.58%
TELECOMMUNICATIONS - TLE	166.45	154.57	7.69%
CONSTRUCTION AND ENGINEERING - C&E	2297.30	2155.25	6.59%
MOTORS - MTR	4462.50	4223.34	5.66%
INFORMATION TECHNOLOGY - IT	85.44	87.43	-2.28%
LAND AND PROPERTY - L&P	349.25	358.78	-2.66%
SERVICES - SRV	11624.64	11980.35	-2.97%
STORES SUPPLIES - S&S	9478.75	9813.21	-3.41%
PLANTATIONS - PLT	620.36	648.41	-4.33%

Market Review

Heavy activity in the market was witnessed with strong foreign buying as the Market Capitalization surpassed the Rs.1 Trillion mark on the back of heavy gains in Dialog. However the market declined towards the end of the week with investor taking profit. The benchmark ASPI gained 97.33 points or 3.22% week on week while the more sensitive MPI reported a week on week gain of 109.38 points or 3.22%.

Compared to previous week's closing levels the market gained Rs.33.73 billion approximately or 3.49 per cent in value this week to close at Rs.1000.67 billion on Friday.

Total market turnover for the week amounted to Rs.5.55 billion with an average daily turnover of Rs.110million. Turnover for the week witnessed 23.1 per cent increase compared to the last week's market turnover of Rs.4.51 billion.

Heavily traded shares of the week under review were **Seylan Merchant (X)** and **Dialog** with the former being highest in terms of volume for the week, trading over 35.8million shares. The counter gained 12.5% during the week in value on a Week on Week basis. **John Keels Holdings** and **Hatton National Bank** contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover.

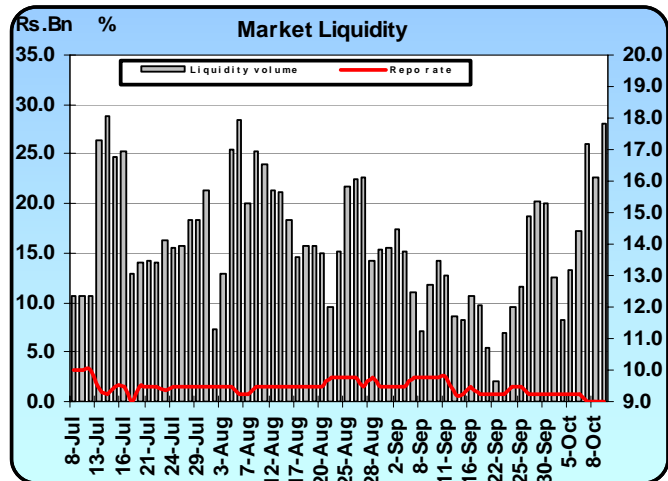
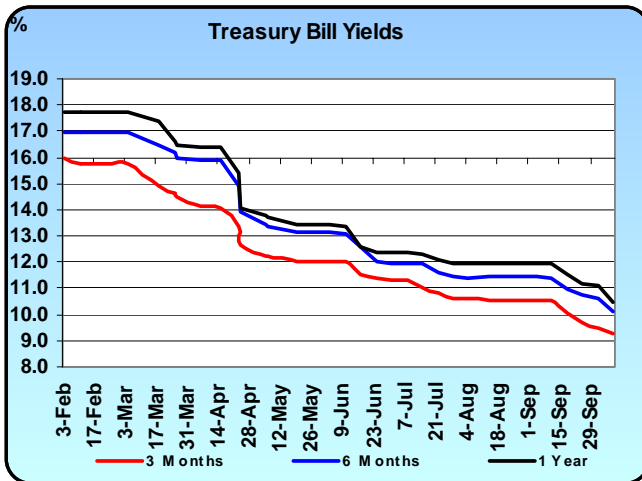
FII participation gained to 23.9 per cent of total turnover this week, from 16.2 per cent reported last week. FII interest was positive during the week with a net inflow of Rs.96 million, a 7370 per cent increase compared to last week's net outflow of Rs.1.3 million.

Average daily turnover for the week stood at Rs.1110 million while average daily volume settled at 56 million shares. Foreign representation was 23.9% of total market activity with a net inflow of Rs.96 million. Overall for the week, the ASPI gained 97.33 points (+3.22%) and the MPI gained 109.38 points (+3.22%) to close at 3115.34 and 3504.24 respectively.

Interest Rates

Government Securities – Results of the Treasury Bill auction held on the 7th October 2009.

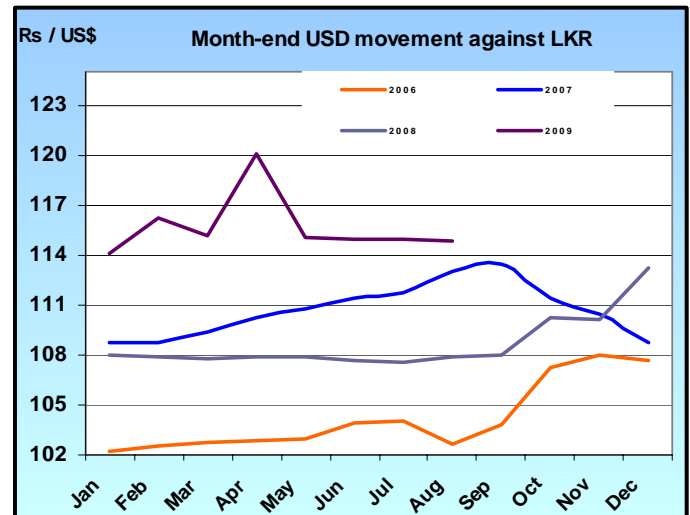
Maturity	Amount Offered	Bids Received	Amount Accepted	Weighted Average Yield		
				This Week	Last Auction	WoW Change
	[Rs.Mn]	[Rs.Mn]	[Rs.Mn]	[%]	[%]	[Basis Points]
3 Months	2,000	4,107	2,000	9.26	9.48	-22.00
6 Months	3,500	10,343	3,500	10.10	10.63	-53.00
1 Year	5,500	16,161	4,100	10.48	11.09	-61.00
Total	11,000	30,611	9,600			



[% per annum]	Week Ending	
	2-Oct	9-Oct
Overnight Rate on Repurchase Agreements	8.00	8.00
Commercial Bank Average Weighted Prime Lending Rate [AWPLR]	12.88	12.91
Sri Lanka Inter Bank Offer Rate [SLIBOR]		
- Overnight	9.56	9.38
- 7 Days	9.98	9.84
- 1 Month	10.39	10.16
- 3 Months	10.86	10.81
- 6 Months	11.40	11.39
- 1 Year	12.27	12.20
	Month Ending	
	31-Aug	30-Sep
Commercial Bank Average Weighted Deposit Rate [AWDR]	10.84	10.34
Commercial Bank Average Weighted Fixed Deposit Rate [AWFDR]	14.64	13.80

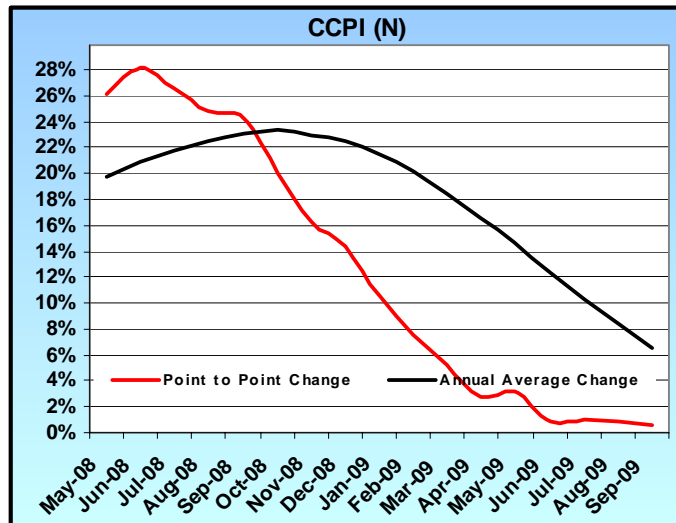
Currency Board

	Week Ending		Change
	2-Oct	9-Oct	
USD Exchange Rate (Rs/\$)			
- Average Middle Rate	114.85	114.86	0.01%
- Forward 1 month	115.03	114.97	-0.05%
- Forward 3 months	115.59	115.34	-0.22%
British Pound	182.77	184.06	0.71%
Euro	166.94	169.15	1.33%
Japanese Yen	1.28	1.29	0.37%
Indian Rupee	2.41	2.49	3.34%
Australian Dollar	99.96	103.69	3.73%
Singapore Dollar	81.24	82.53	1.59%



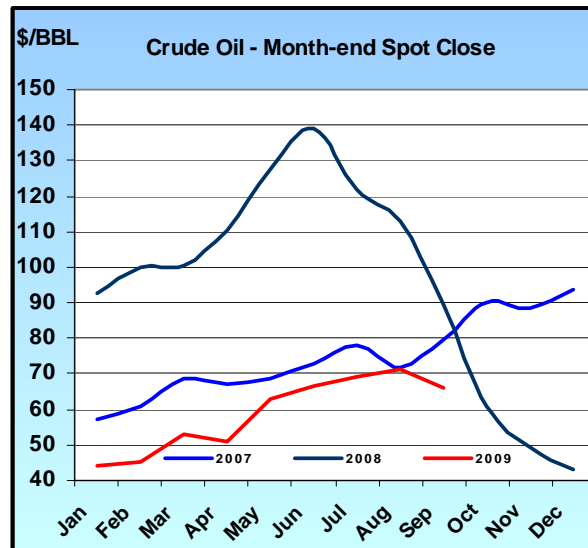
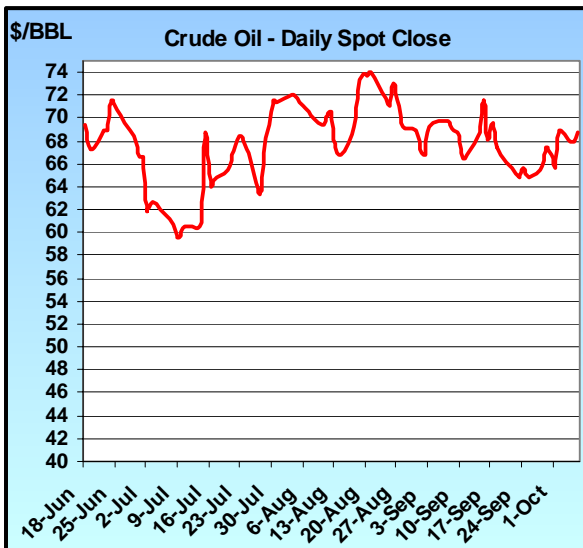
Inflation

	Month Ending		
	Jun-09	Aug-09	Sep-09
New Colombo Consumers' Price Index - CCPI(N) [2002=100]			
- Year on Year (Point to Point) Change/Inflation Rate	1.1%	0.9%	0.7%
- Annual Average Change/Inflation Rate	10.4%	8.5%	6.6%



Crude Oil

[USD per Barrel]	Week ending	
	02-Oct	09-Oct
NYMEX - 1 month Futures Price	69.67	71.02



Tea Market Update

Colombo Tea Auction – Sales (kg) – Sale No: 36 – October 07, 2009

Elevation	This Week	Last Auction	Change	Cumulative		Change
	Sale 39-2009	Sale 38-2009		01-Jan to Date	Same Period	
	07-Oct-09	30-Sep-09		2009	2008	
High Grown	826,066	711,422	16.1%	44,220,368	49,266,639	-10.2%
Medium Grown	757,662	737,643	2.7%	32,824,458	33,838,694	-3.0%
Low Grown	3,953,208	3,709,216	6.6%	130,046,855	127,707,806	1.8%
Total	5,536,936	5,158,281	7.3%	207,091,681	210,813,138	-1.8%

Colombo Tea Auction – Sales Averages (Rs/kg)

Elevation	2008	Jul-09	Aug-09	Sep-09	Sale 39-2009 07-Oct-09
High Grown	273.83	343.43	352.35	404.66	396.54
Medium Grown	270.13	347.84	342.83	390.03	378.17
Low Grown	336.38	427.30	415.80	445.95	414.69
Total	310.81	396.07	392.30	431.20	406.99

Tea Production according to Elevations (kg)

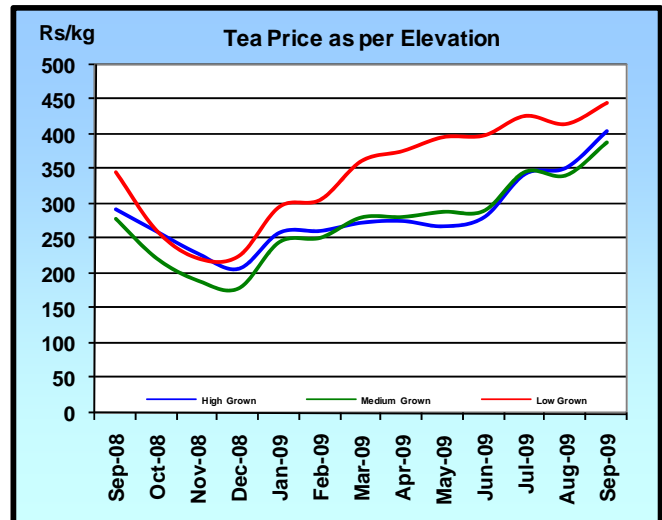
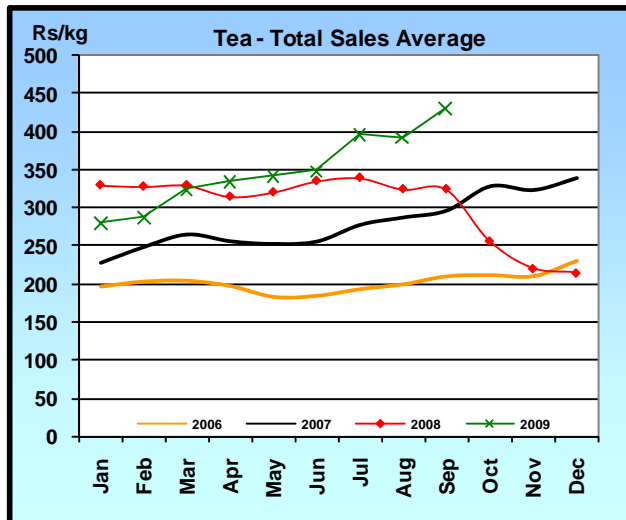
Elevation	August			January to August		
	2008	2009	Change	2008	2009	Change
High Grown	5,653,441	4,248,208	-24.9%	57,519,312	44,922,538	-21.9%
Medium Grown	3,563,668	2,989,033	-16.1%	35,165,470	26,511,978	-24.6%
Low Grown	15,988,824	16,638,234	4.1%	131,090,395	104,271,447	-20.5%
Total	25,205,933	23,875,475	-5.3%	223,775,177	175,705,963	-21.5%

Tea Production according to Categories (kg)

Production	August			January to August		
	2008	2009	Change	2008	2009	Change
Orthodox	23,943,471	22,703,026	-5.2%	211,403,774	164,546,720	-22.2%
CTC	1,003,739	1,020,420	1.7%	10,136,041	9,830,034	-3.0%
Total Black Tea	24,947,210	23,723,446	-4.9%	221,539,815	174,376,754	-21.3%
Green Tea	258,723	152,029	-41.2%	2,235,362	1,329,209	-40.5%
Total	25,205,933	23,875,475	-5.3%	223,775,177	175,705,963	-21.5%

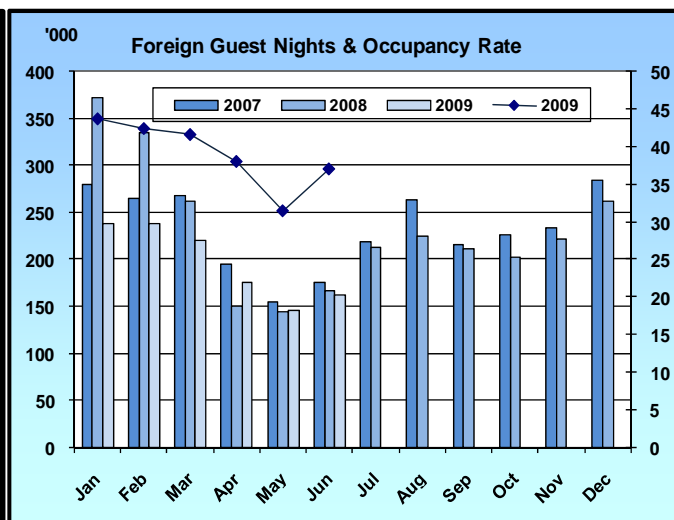
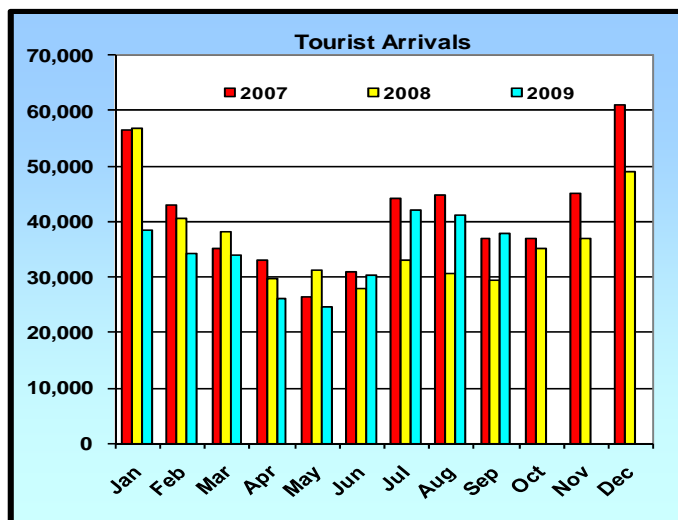
Analysis of Total Tea Production

Elevation - Breakdown	Aug-09	Jan - Aug 09
High Grown	17.8%	25.6%
Medium Grown	12.5%	15.1%
Low Grown	69.7%	59.3%
	100.0%	100.0%
CTC Production as a % of Black Tea Production	4.3%	5.6%



Tourist Arrivals

Sri Lanka	August			September		
	2008	2009	Change	2008	2009	Change
Tourist Arrivals	29,529	37,983	28.6%	317,546	309,142	-2.6%
	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

Weekly Report compiled by: *Dimantha Mathew*
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