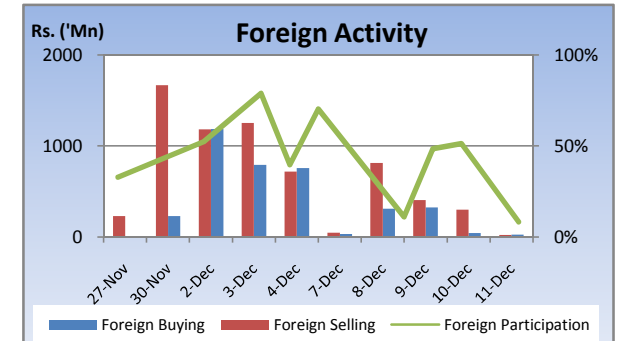
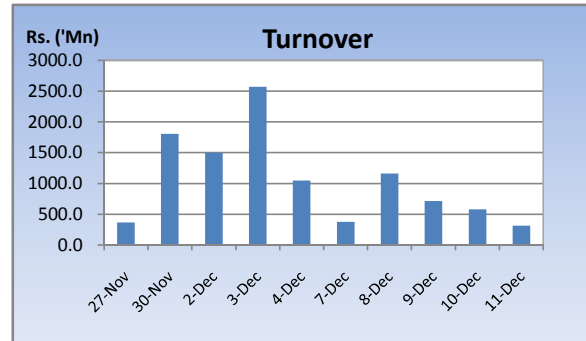
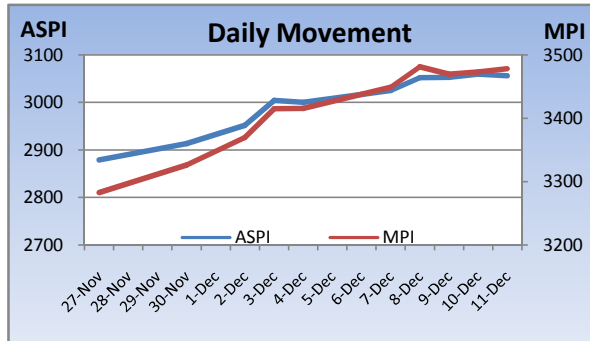


Weekly Market Update

Week Ending: December 11th, 2009



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3056.64	3000.33	1.88%	AUTODROME	145.00	200.00	37.93%	200.00	200.00	100	20,000
MPI	3478.62	3415.96	1.83%	MORISONS[NON VOTING]	600.00	712.00	18.67%	725.00	699.00	200	142,400
MARKET CAP. (Rs. 'Bn)	985.90	967.52	1.90%	NUWARA ELIYA	342.00	399.00	16.67%	399.00	399.00	100	39,900
MARKET PER(x)	14.95	14.67	1.91%	MORISONS	630.00	732.50	16.27%	740.00	725.00	200	158,349
MARKET PBV(x)	1.51	1.48	2.03%	ENVI. RESOURCES	43.25	49.50	14.45%	50.50	41.50	1,823,300	84,896,568
Average Daily				Top 5 Losers							
TURNOVER	632.85	1732.47	-63.5%	REGNIS	70.00	58.50	-16.43%	59.00	56.00	2,100	132,809
VOLUME	12.62	21.77	-42.0%	DURDANS	88.00	77.00	-12.50%	88.00	76.00	1,400	111,814
FOREIGN PURCHASES	149.87	743.30	-79.8%	BLUE DIAMONDS[NON VOTING]	0.90	0.80	-11.11%	1.00	0.80	737,700	648,967
FOREIGN SALES	320.14	1206.59	-73.5%	BERUWELA WALKINN	68.00	61.00	-10.29%	61.00	61.00	200	12,200
NET FOREIGN	-170.27	-463.29	63.2%	HOTEL DEVELOPERS	126.50	115.25	-8.89%	128.00	115.00	45,600	5,444,150
FOREIGN PARTICIPATION	37.1%	56.3%	-34.0%	Top 5 by Turnover							
Sector Summary				NAT. DEV. BANK	182.50	187.00	2.47%	188.00	177.25	4,374,400	775,250,392
TRADING	3,439.12	3,231.40	6.43%	JKH	152.00	155.00	1.97%	157.00	152.00	3,752,311	583,975,543
CHEMICALS AND PHARMAC	4,943.37	4,759.65	3.86%	COMMERCIAL BANK	176.00	175.25	-0.43%	177.00	175.00	1,757,700	308,009,152
FOOTWEAR AND TEXTILES	624.53	604.01	3.40%	HNB[NON VOTING]	93.00	97.00	4.30%	100.00	92.50	999,500	97,052,175
INVESTMENT TRUSTS	25,916.03	25,124.83	3.15%	HNB	163.50	165.00	0.92%	169.00	164.50	589,500	96,606,449
PLANTATIONS	619.45	601.16	3.04%	Top 5 by Volume							
STORES AND SUPPLIES	10,784.10	10,766.67	0.16%	MULLERS	1.00	1.10	10.00%	1.10	0.90	8,562,200	8,571,400
HEALTH CARE	422.94	422.50	0.10%	NAT. DEV. BANK	182.50	187.00	2.47%	188.00	177.25	4,374,400	775,250,392
CONSTRUCTION AND ENGI	2,607.81	2,620.55	-0.49%	JKH	152.00	155.00	1.97%	157.00	152.00	3,752,311	583,975,543
SERVICES	9,665.77	9,730.06	-0.66%	NAWALOKA	3.00	3.10	3.33%	3.30	3.00	2,759,200	8,736,458
INFORMATION TECHNOLO	75.50	77.49	-2.57%	COLOMBO LAND	6.25	6.25	0.00%	6.75	6.00	1,844,600	11,467,597

Market Review

Bourse experienced gained throughout the week amidst declining activity levels with the approach of the festive season. During the week, Galleon Fund exited from its investment in NDB while strong buying interest in blue chip counters led by JKH was observed. The benchmark ASPI gained 56.31 points or 1.88% week on week while the more sensitive MPI reported a week on week gained of 62.66 points or 1.83%.

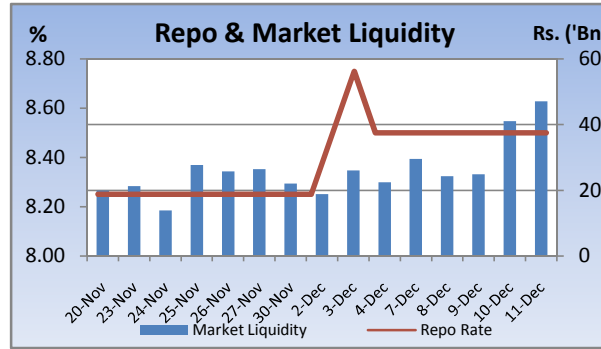
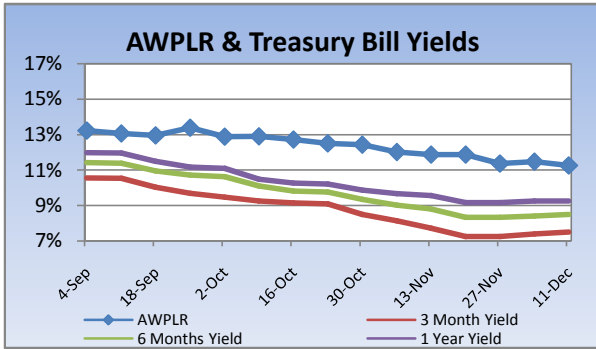
Compared to previous week's closing levels the market gained Rs.18 billion approximately or 1.9% in value this week to close at Rs.985.90 Bn on Friday.

Total market turnover for the week amounted to Rs.3.16 Bn with an average daily turnover of Rs.632 m. Turnover for the week witnessed 54% decrease compared to the last week's market turnover of Rs.6.93 Bn.

Heavily traded shares of the week under review were Mullers and NDB with the former being highest in terms of volume for the week, trading over 8.5m shares. The counter gained 10% during the week in value on a Week on Week basis. NDB and JKH contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.775 m.

FII participation declined to 37.1% of total turnover this week, from 56.3% reported last week. FII interest was negative during the week with a net outflow of Rs.851 m, a 67% increase compared to last week's net outflow of Rs.463 m.

Company	Price	P/BV	PER 10E	PER 11E
BANKING				
COMMERCIAL BANK	175.25	1.55	10.60	9.91
DFCC	152.00	1.01	9.27	8.64
HNB	165.00	1.56	12.50	11.10
NDB	187.00	1.12	7.30	6.07
NTB	35.75	1.31	8.54	6.78
SAMPATH BANK	188.75	1.09	7.09	5.74
BEVERAGE, FOOD & TOBACCO				
CTC	179.00	10.63	11.10	10.37
DISTILLERIES	99.00	1.26	12.17	10.49
CHEMICALS & PHARMACEUTICALS				
CIC	59.75	1.22	17.06	13.74
CONSTRUCTION & ENGINEERING				
DOCKYARD	197.00	2.30	6.25	5.43
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	900.00	1.38	11.28	9.30
CARSONS	351.25	1.91	17.89	15.88
HAYLEYS	159.75	0.93	14.94	18.21
HEMAS HOLDINGS	120.00	1.70	16.67	14.78
JOHN KEELLS HOLDINGS	155.00	2.06	31.02	27.71
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	239.75	2.01	13.51	9.20
ASIAN HOTELS AND PROPERTIES	83.75	1.55	29.06	13.35
KEELLS HOTELS	19.50	3.13	44.27	24.79
MANUFACTURING				
ACL CABLES	70.00	1.13	12.15	10.10
CHEVRON LUBRICANTS	229.50	4.83	10.83	9.81
LANKA TILES	67.00	1.66	8.97	6.64
ROYAL CERAMICS	59.50	0.99	5.09	4.04
TOKYO CEMENT	270.00	1.39	12.42	6.62
PLANTATIONS				
AGALAWATTE	21.50	1.05	5.78	7.04
KEGALLE	31.25	0.58	3.18	2.53
KELANI VALLEY	53.00	1.31	5.44	4.49
POWER & ENERGY				
LANKA IOC	17.50	1.21	23.30	20.71
TELECOMMUNICATIONS				
DIALOG	7.00	1.88	(51.73)	22.91

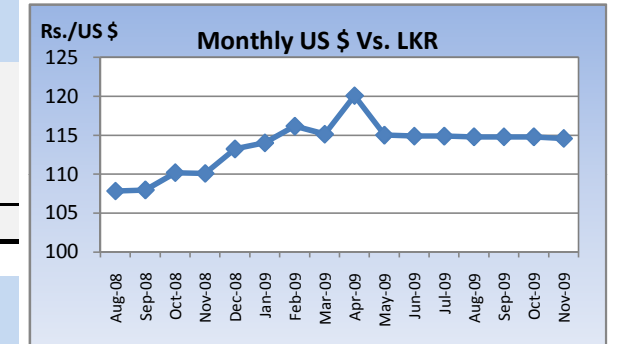


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.35	114.34	0.01%
- FORWARD 1 MONTH	114.70	114.76	-0.05%
- FORWARD 3 MONTHS	115.31	115.47	-0.14%
BRITISH POUND			
	185.85	188.96	-1.65%
EURO			
	168.16	172.07	-2.27%
JAPANESE YEN			
	1.29	1.29	-0.31%
INDIAN RUPEE			
	2.46	2.48	-0.95%
AUSTRALIAN DOLLAR			
	104.61	105.46	-0.80%
SINGAPORE DOLLAR			
	82.22	82.62	-0.49%

Treasury Bill Auction

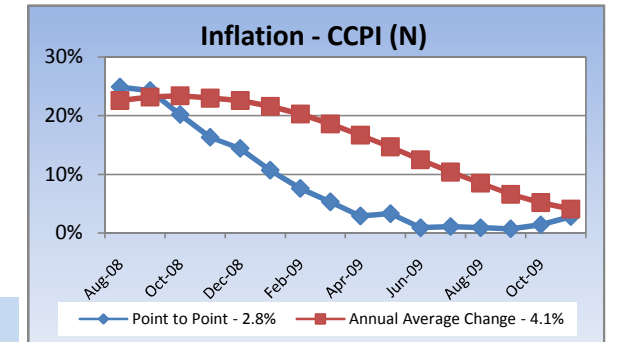
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	7.51%	7.40%	11.00	1,750	3,024	1,837
6 MONTHS	8.50%	8.42%	8.00	2,750	4,309	2,039
12 MONTHS	9.26%	9.26%	0.00	4,000	6,901	2,071
				8,500	14,234	5,947



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	11.29	11.48	20.62
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.13	9.16	18.79
- 7 DAYS	9.38	9.33	18.88
- 1 MONTH	9.56	9.54	19.48
- 3 MONTHS	9.69	9.77	19.58
- 6 MONTHS	9.86	10.00	19.83
- 1 YEAR	10.23	10.25	20.21

Inflation



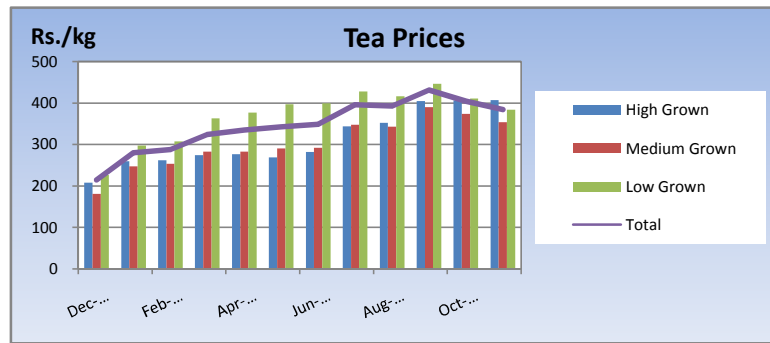
	November 2009	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	8.51	9.76	11.39
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	11.17	13.05	16.57

Point to Point - 2.8%
Annual Average Change - 4.1%

Tea Market

Colombo Tea Auction

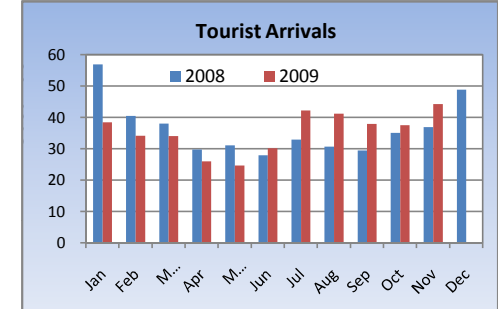
SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 48-2009	Sale 47-2009		2009	2008	
HIGH GROWN	1,385,094	1,335,053	3.75%	55,016,195	59,345,991	-7.30%
MEDIUM GROWN	987,310	890,997	10.81%	41,231,119	40,941,246	0.71%
LOW GROWN	3,767,610	3,727,293	1.08%	162,918,916	153,345,518	6.24%
TOTAL	6,140,014	5,953,343	3.14%	259,166,230	253,632,754	2.18%



PRICES (Rs./kg)	2008	Oct-09	Nov-09	Sale 48-2009	Sale 47-2009	Change
HIGH GROWN	273.83	406.37	406.89	374.82	390.60	-4.04%
MEDIUM GROWN	270.13	373.90	353.90	338.63	349.60	-3.14%
LOW GROWN	336.38	410.84	383.69	372.36	386.85	-3.75%
TOTAL	310.81	404.29	383.88	367.49	382.12	-3.83%

Tourism

SRI LANKA ARRIVALS		2009	2008	Change
November		44,311	36,901	20.08%
Year to date		391,028	389,550	0.38%
Sep-09		Sep-08		Change
Occupancy		51.4%	40.0%	28.50%
Foreign Guest Night		424,434	210,867	101.28%

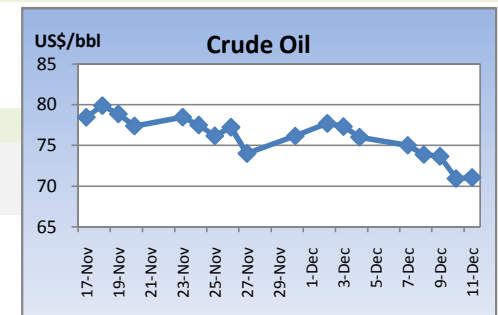


PRODUCTION (kg) BY ELEVATION	October			Year to date		
	2009	2008	Change	2009	2008	Change
HIGH GROWN	5,937,710	6,716,999	-11.60%	58,907,790	70,829,997	-16.83%
MEDIUM GROWN	3,462,967	3,830,799	-9.60%	36,268,970	42,767,548	-15.20%
LOW GROWN	16,533,060	13,790,180	19.89%	139,613,001	160,820,734	-13.19%
TOTAL	25,933,737	24,337,978	6.56%	234,789,761	274,418,279	-14.44%

Crude Oil

NYMEX CRUDE OIL FUTURES

	11-Dec	4-Dec	Change
US\$/BBL	71.04	75.99	15.52%



PRODUCTION (kg) BY CATEGORY	October			Year to date		
	2009	2008	Change	2009	2008	Change
ORTHODOX	24,506,892	22,437,743	9.22%	220,110,097	258,361,795	-14.81%
CTC	1,246,422	1,601,972	-22.19%	12,736,620	13,207,981	-3.57%
TOTAL BLACK TEA	25,753,314	24,039,715	7.13%	232,846,717	271,569,776	-14.26%
GREEN TEA	180,423	298,263	-39.51%	1,943,044	2,848,503	-31.79%
TOTAL	25,933,737	24,337,978	6.56%	234,789,761	274,418,279	-14.44%

ANALYSIS OF TOTAL TEA PRODUCTION	October 2009	Year to date 2009
HIGH GROWN	22.90%	25.09%
MEDIUM GROWN	13.35%	15.45%
LOW GROWN	63.75%	59.46%
CTC AS A % OF BLACK TEA PRODUCTION	4.84%	5.47%

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