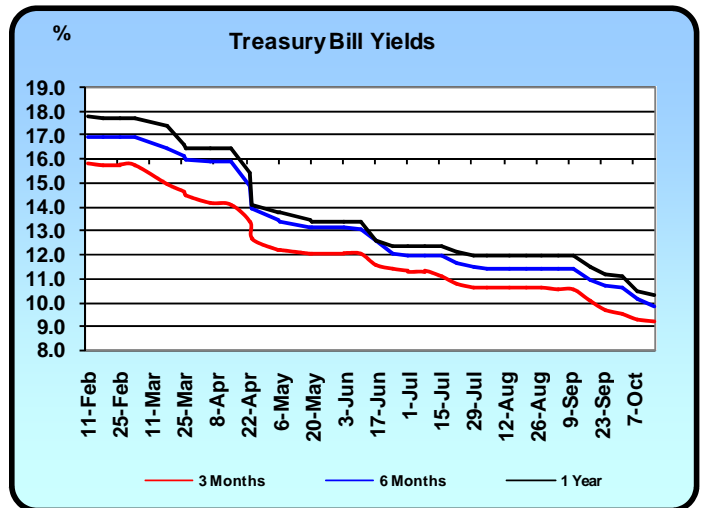
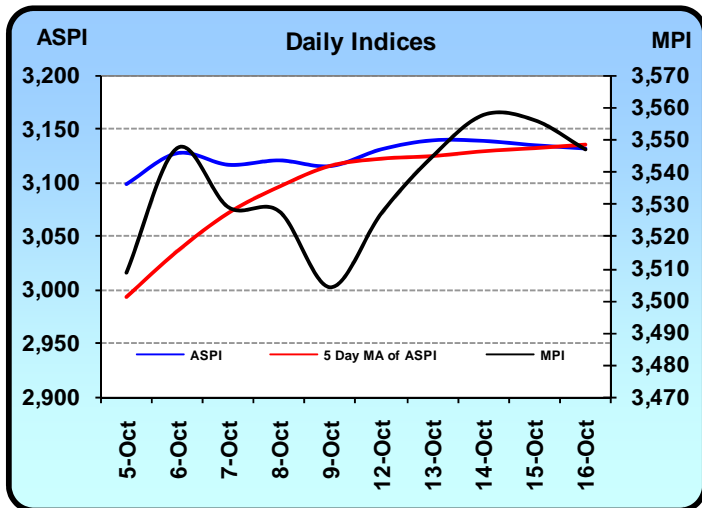


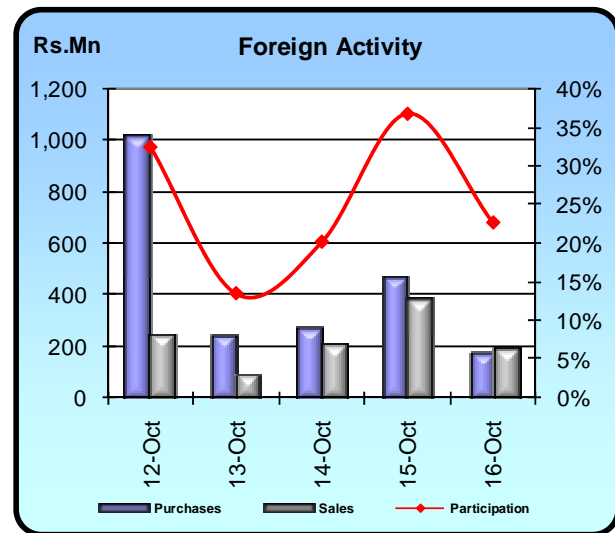
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Company	09-Oct [Rs]	16- Oct [Rs]	Change [%]	Highest [Rs]	Lowest [Rs]	Volume	Turnover [Rs.Mn]
Top Five Gainers							
Morisons[Non Voting]	420.00	700.00	66.67%	775.00	435.00	6,400	3.745
Morisons	507.25	806.75	59.04%	825.00	525.00	11,500	7.468
First Capital	15.00	19.75	31.67%	21.75	15.00	1,047,900	20.045
Kotmale Holdings	14.00	18.00	28.57%	18.25	14.00	3,420,700	56.931
Col Pharmacy	290.00	360.00	24.14%	450.00	285.00	9,000	3.034
Top Five Losers							
Good Hope	476.25	365.00	-23.36%	495.00	355.50	1,500	0.572
John Keells	160.00	138.00	-13.75%	160.00	135.00	3,100	0.487
Hayleys - Mgt	40.00	35.25	-11.88%	40.00	35.00	6,276,000	222.587
Singer Ind.	97.00	86.00	-11.34%	86.00	86.00	100	0.013
Seylan Merchant[Non Voting]	0.90	0.80	-11.11%	0.90	0.80	3,241,900	2.671
Top Five by Volume							
Tess Agro	1.50	1.80	20.00%	1.90	1.50	37,516,700	65.528
Seylan Bank[Non Voting]	15.75	17.75	12.70%	19.50	15.75	17,933,200	318.587
Piramal Glass	2.10	2.20	4.76%	2.30	2.00	13,459,900	29.041
Sierra Cabl	2.20	2.20	0.00%	2.30	2.10	9,630,900	21.183
Dialog	7.75	7.50	-3.23%	8.00	7.25	9,613,100	73.344
Top Five by Turnover							
HNB	173.00	170.00	-1.73%	175.00	169.75	7,344,200	1,283.916
JKH	153.75	153.00	-0.49%	155.00	153.00	2,603,200	400.896
Commercial Bank	180.25	190.25	5.55%	192.00	180.00	1,918,100	358.673
Browns	77.50	84.00	8.39%	94.75	78.00	3,995,700	347.684
DFCC	153.00	164.25	7.35%	166.00	153.00	2,163,900	344.772

Market Summary

	Week Ending		Change %
	9-Oct	16-Oct	
Average Daily			
Turnover [Rs.mn]	1,110.0	1,282.9	15.6%
Volume [mn]	56.0	50.7	-9.4%
Foreign Purchases [Rs.mn]	313.6	439.0	40.0%
Foreign Sales [Rs.mn]	218.1	225.9	3.6%
Net Foreign Purchases [Rs.mn]	95.6	213.1	123.0%
Foreign Participation	23.9%	25.9%	8.2%
Closing			
ASPI	3,115.3	3,131.9	0.53%
MPI	3,504.2	3,546.9	1.22%
Market Capitalization [Rs.bn]	1000.672	1006.005	0.53%
Market PER [x]	14.78	14.87	
Market PBV [x]	1.52	1.53	



Sector Indices	Week Ending		Change %
	16-Oct	09-Oct	
BEVERAGE FOOD AND TOBACCO - BFT	5215.47	4972.74	4.88%
STORES SUPPLIES - S&S	9880.30	9478.75	4.24%
BANK FINANCE AND INSURANCE - BFI	6705.22	6482.18	3.44%
INFORMATION TECHNOLOGY - IT	87.43	85.44	2.33%
CONSTRUCTION AND ENGINEERING - C&E	2346.13	2297.30	2.13%
POWER & ENERGY - P&E	86.02	88.25	-2.53%
TELECOMMUNICATIONS - TLE	161.14	166.45	-3.19%
OIL PALMS - OIL	30551.09	31761.60	-3.81%
FOOTWEAR AND TEXTILE - F&T	642.88	698.59	-7.97%
SERVICES - SRV	10178.30	11624.64	-12.44%

Market Review

Strong buying interest continued throughout the week on the back of heavy Foreign Buying into HNB as the Net Foreign Inflow exceeded the Rs. 1Bn mark for the week with Turnover from HNB exceeding Rs.1.2Bn. The week ended with the investors profit taking with both indices declining on Thursday and Friday. The benchmark ASPI gained 16.57 points or 0.53% week on week while the more sensitive MPI reported a week on week gain of 42.69 points or 1.22%.

Compared to previous week's closing levels the market gained Rs.5.33 billion approximately or 0.53 per cent in value this week to close at Rs.1006.01 billion on Friday.

Total market turnover for the week amounted to Rs.6.41 billion with an average daily turnover of Rs.1283million. Turnover for the week witnessed 15.6 per cent increase compared to the last week's market turnover of Rs. 5.55 billion.

Heavily traded shares of the week under review were **Tess Agro** and **Seylan Bank (X)** with the former being highest in terms of volume for the week, trading over 37.5million shares. The counter gained 20% during the week in value on a Week on Week basis. **Hatton National Bank** and **John Keels Holdings** contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover.

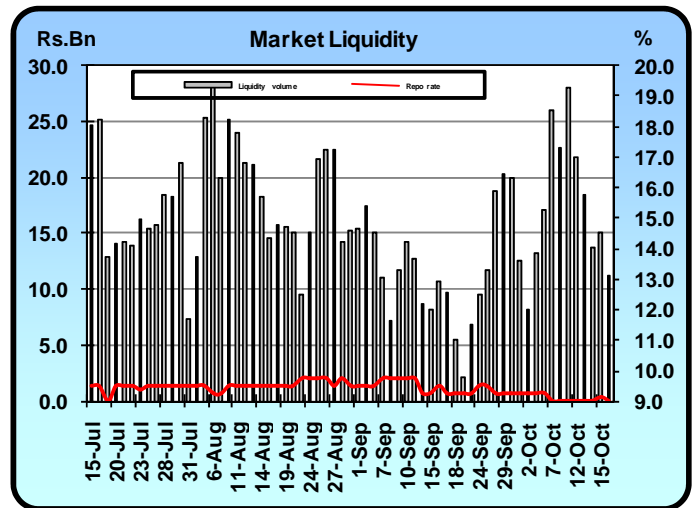
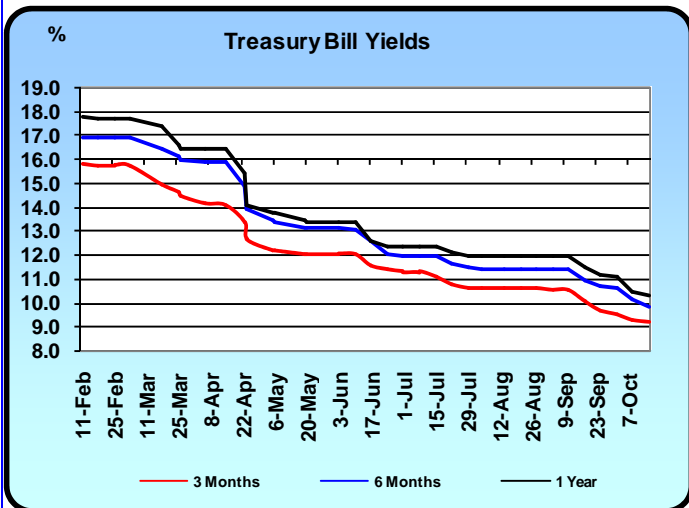
FII participation gained to 25.9 per cent of total turnover this week, from 23.9 per cent reported last week. FII interest was positive during the week with a net inflow of Rs.1.07 Bn, a 123 per cent increase compared to last week's net inflow of Rs.478m.

Average daily turnover for the week stood at Rs.1283 million while average daily volume settled at 50.7 million shares. Foreign representation was 25.9% of total market activity with a net inflow of Rs.1.07Bn. Overall for the week, the ASPI gained 16.57 points (+0.53%) and the MPI gained 42.69 points (+1.22%) to close at 3139.91 and 3546.93 respectively.

Interest Rates

Government Securities – Results of the Treasury Bill auction held on the 14th October 2009.

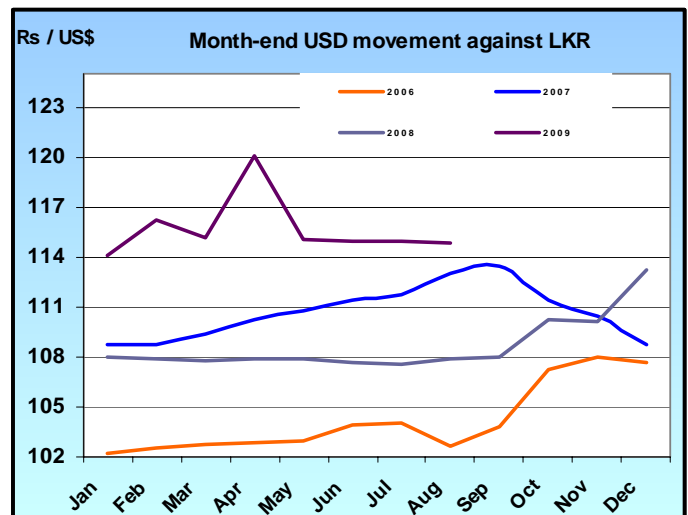
Maturity	Amount Offered	Bids Received	Amount Accepted	Weighted Average Yield		
				This Week	Last Auction	WoW Change
	[Rs.Mn]	[Rs.Mn]	[Rs.Mn]	[%]	[%]	[Basis Points]
3 Months	1,500	2,892	1,500	9.15	9.26	-11.00
6 Months	2,500	8,508	2,500	9.81	10.10	-29.00
1 Year	6,000	14,916	6,000	10.26	10.48	-22.00
Total	10,000	26,316	10,000			



[% per annum]	Week Ending	
	9-Oct	16-Oct
Overnight Rate on Repurchase Agreements	8.00	8.00
Commercial Bank Average Weighted Prime Lending Rate [AWPLR]	12.91	12.72
Sri Lanka Inter Bank Offer Rate [SLIBOR]		
- Overnight	9.38	9.36
- 7 Days	9.84	9.72
- 1 Month	10.16	10.04
- 3 Months	10.81	10.39
- 6 Months	11.39	10.83
- 1 Year	12.20	11.34
	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

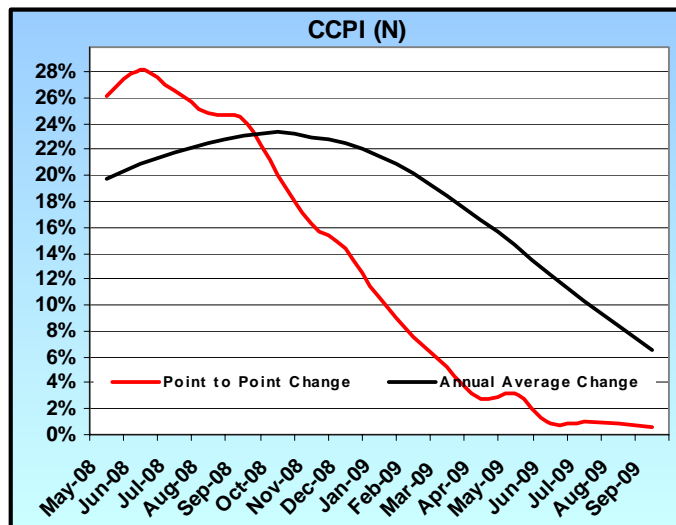
Currency Board

	Week Ending		
	9-Oct	16-Oct	Change
USD Exchange Rate (Rs/\$)			
- Average Middle Rate	114.86	114.86	0.00%
- Forward 1 month	114.97	114.95	-0.02%
- Forward 3 months	115.34	115.24	-0.09%
British Pound	184.06	187.86	2.07%
Euro	169.15	171.72	1.52%
Japanese Yen	1.29	1.27	-1.79%
Indian Rupee	2.49	2.51	0.58%
Australian Dollar	103.69	106.29	2.51%
Singapore Dollar	82.53	82.63	0.12%



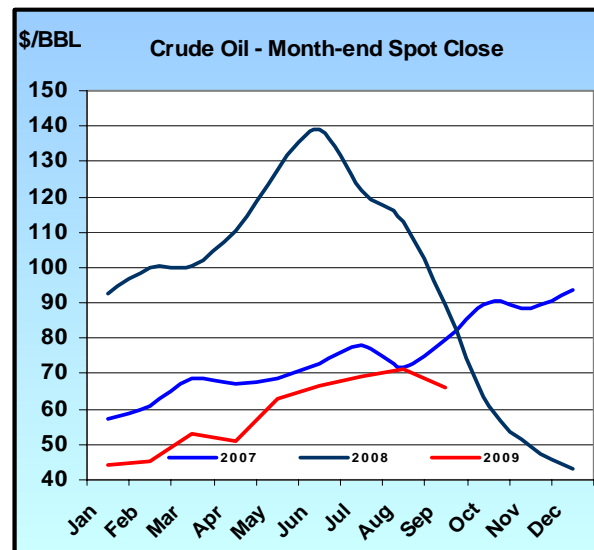
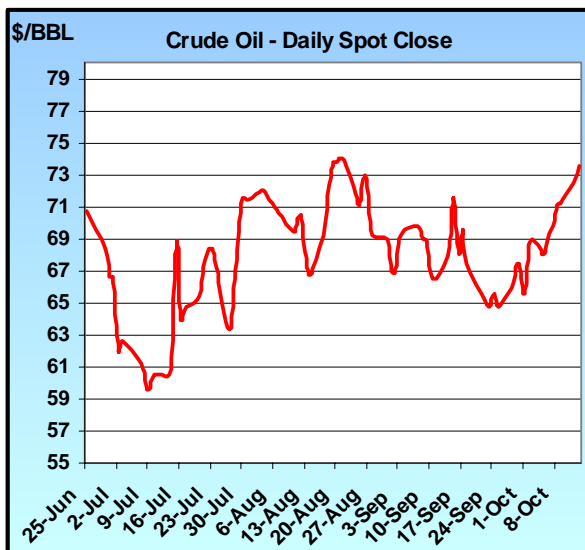
Inflation

	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	
	09-Oct	16-Oct
NYMEX - 1 month Futures Price	71.02	77.12



Tea Market Update

Colombo Tea Auction – Sales (kg) – Sale No: 40 – October 14, 2009

Elevation	This Week	Last Auction	Change	Cumulative		Change
	Sale 40-2009	Sale 39-2009		01-Jan to Date	Same Period	
	14-Oct-09	07-Oct-09		2009	2008	
High Grown	1,043,125	826,066	26.3%	45,263,493	50,279,701	-10.0%
Medium Grown	865,895	757,662	14.3%	33,690,353	34,503,721	-2.4%
Low Grown	3,901,656	3,953,208	-1.3%	133,948,511	130,185,713	2.9%
Total	5,810,676	5,536,936	4.9%	212,902,357	214,969,134	-1.0%

Colombo Tea Auction – Sales Averages (Rs/kg)

Elevation	2008	Jul-09	Aug-09	Sep-09	Sale 40-2009 14-Oct-09
High Grown	273.83	343.43	352.35	404.66	406.93
Medium Grown	270.13	347.84	342.83	390.03	376.88
Low Grown	336.38	427.30	415.80	445.95	411.65
Total	310.81	396.07	392.30	431.20	405.62

Tea Production according to Elevations (kg)

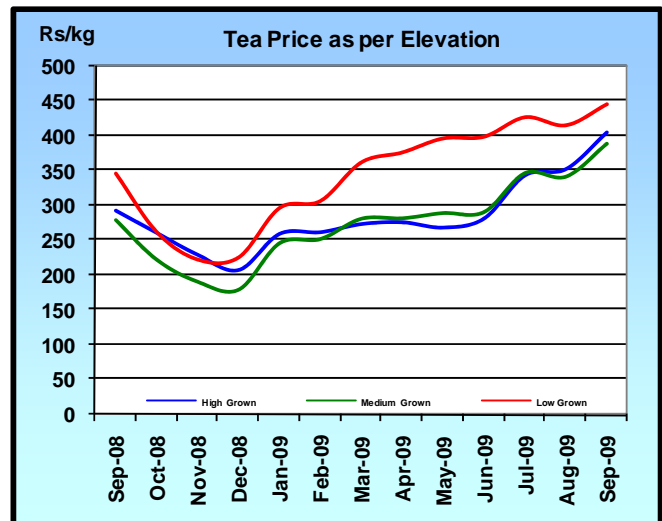
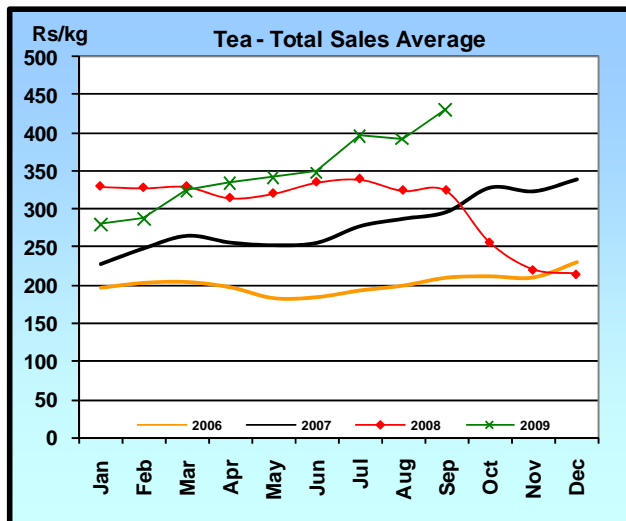
Elevation	August			January to August		
	2008	2009	Change	2008	2009	Change
High Grown	5,653,441	4,248,208	-24.9%	57,519,312	44,922,538	-21.9%
Medium Grown	3,563,668	2,989,033	-16.1%	35,165,470	26,511,978	-24.6%
Low Grown	15,988,824	16,638,234	4.1%	131,090,395	104,271,447	-20.5%
Total	25,205,933	23,875,475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

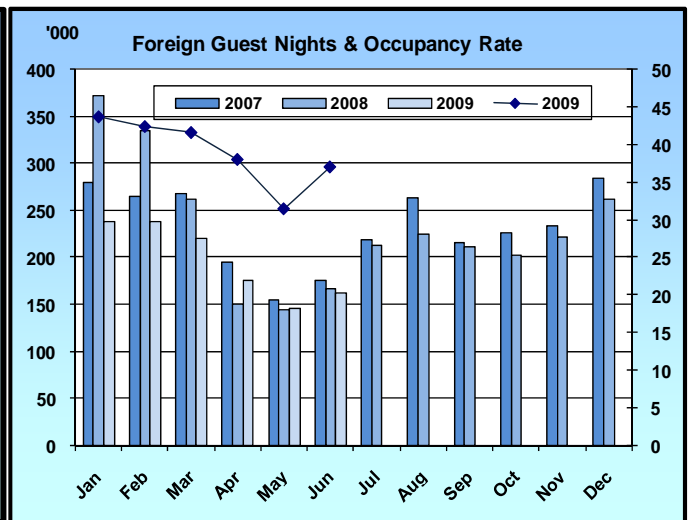
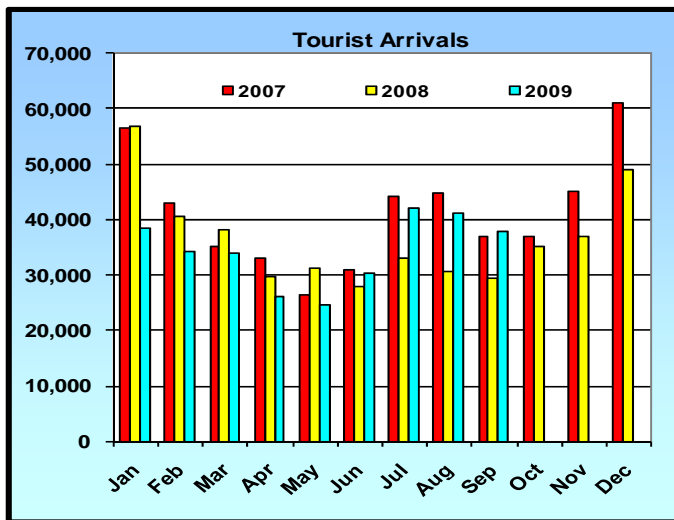
Analysis of Total Tea Production

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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