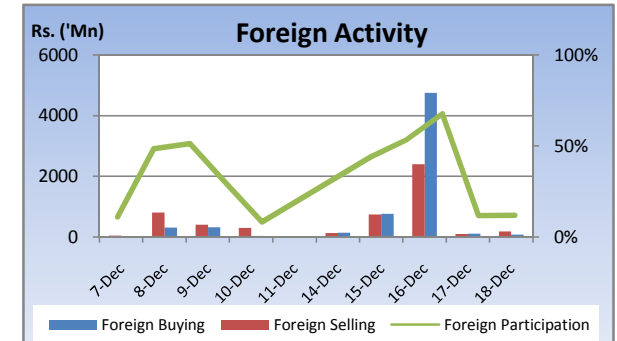
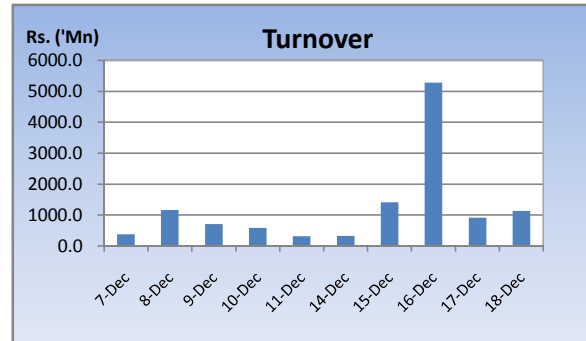
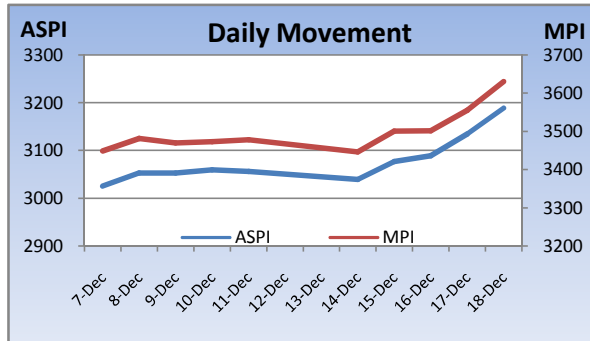


Weekly Market Update

Week Ending: December 18th, 2009



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	3188.82	3056.64	4.32%	SHALIMAR	434.75	645.00	48.36%	645.00	645.00	100	64,500
MPI	3630.48	3478.62	4.37%	INDO MALAY	305.00	385.00	26.23%	385.00	385.00	100	40,015
MARKET CAP. (Rs. 'Bn)	1028.71	985.90	4.34%	AUTODROME	200.00	250.00	25.00%	300.00	250.00	1,700	488,430
MARKET PER(x)	15.60	14.95	4.35%	DIMO	140.00	168.75	20.54%	179.00	142.00	310,300	49,957,416
MARKET PBV(x)	1.57	1.51	3.97%	BUKIT DARAH	1,800.00	2,099.75	16.65%	2,150.00	1,800.00	4,600	10,153,923
Average Daily				Top 5 Losers							
TURNOVER	1818.89	632.85	187.4%	ASIRI	105.00	11.25	-89.29%	11.75	10.25	4,358,600	47,539,656
VOLUME	25.11	12.62	99.0%	CHEVRON	229.50	129.75	-43.46%	134.00	120.00	453,900	58,525,002
FOREIGN PURCHASES	1174.23	149.87	683.5%	SINGER IND.	99.00	80.00	-19.19%	80.00	75.75	700	55,775
FOREIGN SALES	715.77	320.14	123.6%	MULLERS	1.10	1.00	-9.09%	1.00	1.00	12,152,900	12,152,900
NET FOREIGN	458.46	-170.27	369.3%	MARAWILA RESORTS	6.25	5.75	-8.00%	6.50	5.75	558,700	3,351,981
FOREIGN PARTICIPATION	52.0%	37.1%	39.9%	Top 5 by Turnover							
Sector Summary				JKH	155.00	160.50	3.55%	160.75	154.00	36,981,748	5,882,978,355
OIL PALMS	32,233.97	27,182.11	18.59%	DFCC	152.00	160.00	5.26%	160.00	150.00	2,418,500	376,208,387
SERVICES	10,886.03	9,665.77	12.62%	COMMERCIAL BANK	175.25	184.75	5.42%	185.00	174.00	2,112,800	373,194,162
CONSTRUCTION AND ENGI	2,843.56	2,607.81	9.04%	A.SPEN.HOT.HOLD.	239.75	254.00	5.94%	258.00	239.75	1,069,800	267,300,586
TRADING	3,694.00	3,439.12	7.41%	NAT. DEV. BANK	187.00	205.00	9.63%	206.00	185.00	1,115,300	213,849,361
MOTORS	7,092.30	6,646.46	6.71%	Top 5 by Volume							
HOTELS AND TRAVELS	2,686.61	2,624.25	2.38%	JKH	155.00	160.50	3.55%	160.75	154.00	36,981,748	5,882,978,355
INVESTMENT TRUSTS	26,477.05	25,916.03	2.16%	VALLIBEL	4.70	5.00	6.38%	5.25	4.70	12,444,058	61,970,569
LAND AND PROPERTY	335.42	328.78	2.02%	MULLERS	1.10	1.00	-9.09%	1.00	1.00	12,152,900	12,152,900
STORES AND SUPPLIES	10,880.39	10,784.10	0.89%	SEYLAN MERCHANT[NON VOTING]	0.70	0.70	0.00%	0.80	0.70	5,313,600	3,723,280
TELECOMMUNICATIONS	152.55	151.55	0.66%	ASIRI	105.00	11.25	-89.29%	11.75	10.25	4,358,600	47,539,656

Market Review

Strong buying throughout the week resulted in heavy trading activity as the ASPI reached a new all time high surpassing the previous high of 3139.73 on 13th Oct 2009 while significant interest was observed in the Banking and Diversified sector. Considerable Foreign buying in JKH boosted turnover levels for the week. The benchmark ASPI gained 132.18 points or 4.32% week on week while the more sensitive MPI reported a week on week gained of 151.86 points or 4.37%.

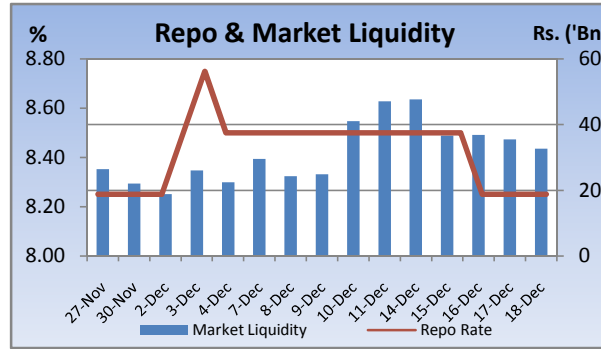
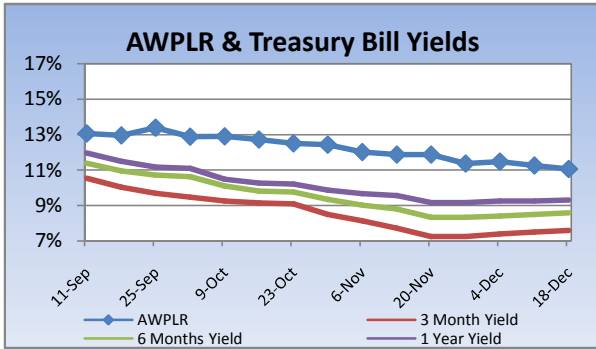
Compared to previous week's closing levels the market gained Rs.18 billion approximately or 1.9% in value this week to close at Rs.985.90 Bn on Friday.

Total market turnover for the week amounted to Rs.9 Bn with an average daily turnover of Rs.1.8 Bn. Turnover for the week witnessed 187% increase compared to the last week's market turnover of Rs.3.2 Bn.

Heavily traded shares of the week under review were JKH and Vallibel with the former being highest in terms of volume for the week, trading over 37m shares. The counter gained 3.5% during the week in value on a Week on Week basis. JKH and DFCC contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.5.9 Bn.

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	184.75	1.63	11.17	10.45
DFCC	160.00	1.07	9.76	9.09
HNB	169.75	1.61	12.86	11.42
NDB	205.00	1.22	8.00	6.65
NTB	37.75	1.38	9.02	7.16
SAMPATH BANK	198.50	1.15	7.46	6.03
BEVERAGE, FOOD & TOBACCO				
CTC	182.00	10.81	11.28	10.55
DISTILLERIES	102.00	1.30	12.54	10.81
CHEMICALS & PHARMACEUTICALS				
CIC	63.00	1.29	17.98	14.49
CONSTRUCTION & ENGINEERING				
DOCKYARD	215.75	2.52	6.84	5.95
DIVERSIFIED HOLDINGS				
AITKEN SPENCE	1,000.00	1.54	12.53	10.33
CARSONS	390.00	2.12	19.86	17.63
HAYLEYS	172.25	1.00	16.11	19.63
HEMAS HOLDINGS	122.75	1.74	17.05	15.12
JOHN KEELLS HOLDINGS	160.50	2.13	32.12	28.69
HOTELS & TRAVELS				
AITKEN SPENCE HOTEL HOLDINGS	254.00	2.13	14.31	9.74
ASIAN HOTELS AND PROPERTIES	85.50	1.59	29.67	13.63
KEELLS HOTELS	20.50	3.29	46.55	26.06
MANUFACTURING				
ACL CABLES	75.00	1.21	13.02	10.82
CHEVRON LUBRICANTS	129.75	5.46	12.25	11.10
LANKA TILES	69.00	1.71	9.24	6.84
ROYAL CERAMICS	60.00	0.99	5.13	4.08
TOKYO CEMENT	274.25	1.41	12.61	6.72
PLANTATIONS				
AGALAWATTE	22.00	1.08	5.91	7.21
KEGALLE	33.50	0.62	3.40	2.71
KELANI VALLEY	51.75	1.28	5.32	4.38
POWER & ENERGY				
LANKA IOC	18.00	1.25	23.96	21.30
TELECOMMUNICATIONS				
DIALOG	7.00	1.88	(51.73)	22.91

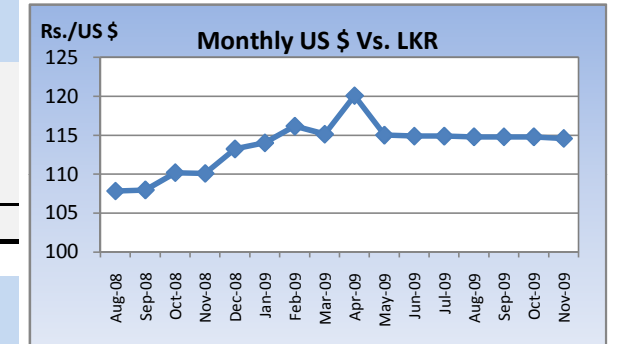


Currency Board

	Current	Previous	Change
USD EXCHANGE RATE			
- AVERAGE MIDDLE RATE	114.29	114.35	-0.05%
- FORWARD 1 MONTH	114.72	114.70	0.02%
- FORWARD 3 MONTHS	115.46	115.31	0.13%
BRITISH POUND	185.02	185.85	-0.44%
EURO	164.47	168.16	-2.19%
JAPANESE YEN	1.27	1.29	-1.37%
INDIAN RUPEE	2.44	2.46	-0.67%
AUSTRALIAN DOLLAR	101.62	104.61	-2.86%
SINGAPORE DOLLAR	81.51	82.22	-0.85%

Treasury Bill Auction

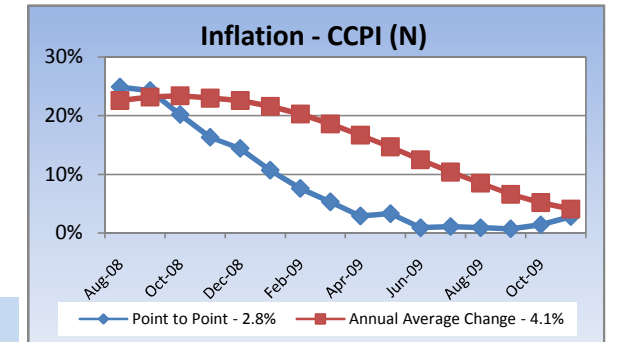
Maturity	Weighted Average Yield			Amount Offered Rs. ('Mn)	Bids Received Rs. ('Mn)	Amount Accepted Rs. ('Mn)
	Current Week	Previous Week	Change Basis Points			
3 MONTHS	7.60%	7.51%	9.00	1,500	3,839	1,447
6 MONTHS	8.59%	8.50%	9.00	2,500	3,310	886
12 MONTHS	9.32%	9.26%	6.00	3,000	4,884	2,813
				7,000	12,033	5,146



Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	11.06	11.29	18.97
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	7.50	10.50
SRI LANKA INTER BANK OFFER RATE [SLIBOR]			
- OVERNIGHT	9.10	9.13	13.92
- 7 DAYS	9.35	9.38	16.83
- 1 MONTH	9.58	9.56	18.08
- 3 MONTHS	9.71	9.69	18.88
- 6 MONTHS	9.89	9.86	19.31
- 1 YEAR	10.19	10.23	19.73

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%

PRODUCTION (kg) BY

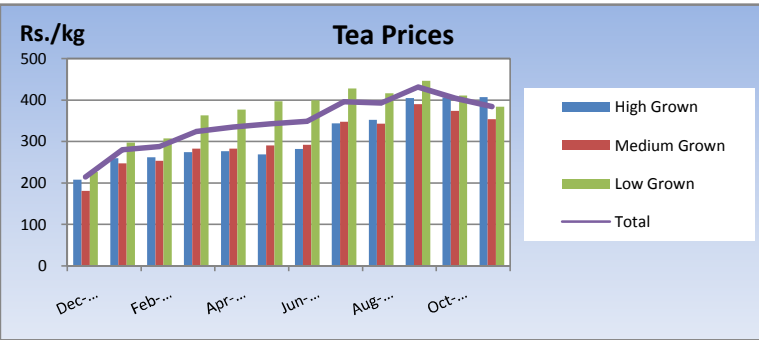
ELEVATION	October			Year to date		
	2009	2008	Change	2009	2008	Change
HIGH GROWN	5,937,710	6,716,999	-11.60%	58,907,790	70,829,997	-16.83%
MEDIUM GROWN	3,462,967	3,830,799	-9.60%	36,268,970	42,767,548	-15.20%
LOW GROWN	16,533,060	13,790,180	19.89%	139,613,001	160,820,734	-13.19%
TOTAL	25,933,737	24,337,978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

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%

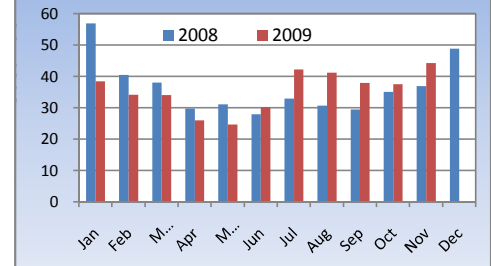


Tourism

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%

Tourist Arrivals

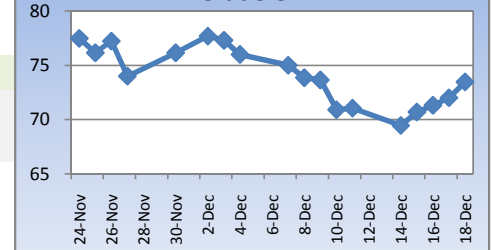


Crude Oil

NYMEX CRUDE OIL FUTURES

	18-Dec	11-Dec	Change
US\$/BBL	73.46	71.04	15.52%

Crude Oil



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