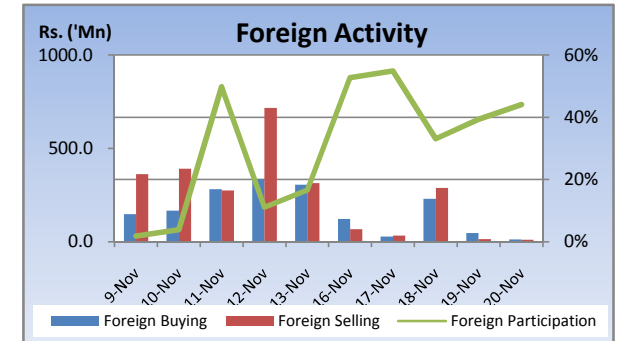
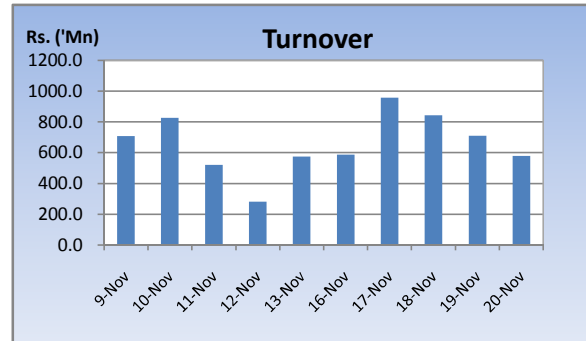
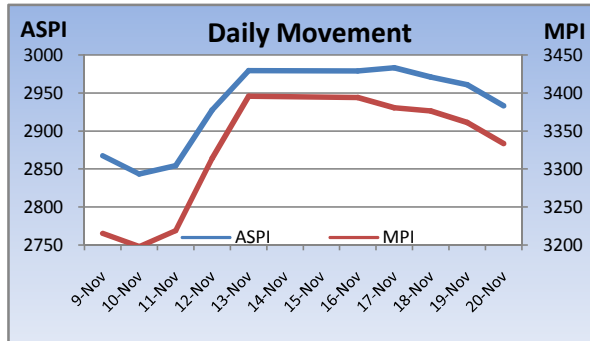


# Weekly Market Update

Week Ending: November 20<sup>th</sup>, 2009



Market Statistics	Current	Previous	Change	Top 5 Gainers	Previous	Current	Change	High	Low	Volume	Turnover (Rs. 'Mn)
ASPI	2933.35	2979.41	-1.55%	LANKA ASHOK	805.00	1,300.00	61.49%	1,500.00	999.75	2,100	2,836,639
MPI	3333.56	3395.92	-1.84%	HUNTERS	230.25	320.00	38.98%	320.00	320.00	400	132,953
MARKET CAP. (Rs. 'Bn)	945.44	959.75	-1.49%	RENUKA HOLDINGS[NON VOTING]	60.00	82.50	37.50%	98.00	60.00	149,400	13,176,882
MARKET PER(x)	14.27	14.48	-1.45%	SINGER IND.	86.00	104.00	20.93%	104.00	104.00	100	10,400
MARKET PBV(x)	1.44	1.46	-1.37%	CENTRAL IND.	135.00	154.50	14.44%	160.00	135.00	4,700	704,129
<b>Average Daily</b>				<b>Top 5 Losers</b>							
TURNOVER	736.66	583.80	26.2%	THE FINANCE CO.	27.00	19.00	-29.63%	26.50	18.00	989,200	20,733,097
VOLUME	13.90	15.54	-10.6%	MERCHANT BANK	27.50	20.75	-24.55%	28.00	20.00	426,100	10,706,300
FOREIGN PURCHASES	248.41	88.95	179.3%	BLUE DIAMONDS[NON VOTING]	1.10	0.90	-18.18%	1.10	0.90	854,000	909,470
FOREIGN SALES	412.59	84.22	389.9%	NATION LANKA	22.00	19.00	-13.64%	22.00	18.50	120,200	2,435,000
NET FOREIGN	-164.19	4.73	-3571%	SEYLAN MERCHANT[NON VOTING]	0.80	0.70	-12.50%	0.80	0.70	537,000	377,100
FOREIGN PARTICIPATION	44.9%	14.8%	202.5%	<b>Top 5 by Turnover</b>							
<b>Sector Summary</b>				COMMERCIAL BANK	178.00	175.75	-1.26%	180.00	175.00	7,389,100	1,303,468,300
MOTORS	6,379.71	5,072.33	25.77%	HNB	166.25	168.50	1.35%	170.00	165.00	5,079,400	863,248,245
STORES AND SUPPLIES	10,836.43	8,888.96	21.91%	HEMAS HOLDINGS	125.00	127.00	1.60%	127.00	125.00	836,200	104,588,402
OIL PALMS	27,157.59	25,439.07	6.76%	DOCKYARD	185.00	187.25	1.22%	189.00	183.00	554,800	103,314,946
CONSTRUCTION AND ENGI	2,458.08	2,421.90	1.49%	HNB[NON VOTING]	90.00	89.00	-1.11%	91.50	84.50	1,097,700	99,650,565
INVESTMENT TRUSTS	24,360.26	24,346.59	0.06%	<b>Top 5 by Volume</b>							
BEVERAGE FOOD AND TOB.	4,856.91	4,997.03	-2.80%	VALLIBEL	4.70	5.00	6.38%	5.25	4.40	16,422,200	81,038,701
SERVICES	9,349.67	9,646.48	-3.08%	COMMERCIAL BANK	178.00	175.75	-1.26%	180.00	175.00	7,389,100	1,303,468,300
LAND AND PROPERTY	315.57	327.13	-3.53%	HNB	166.25	168.50	1.35%	170.00	165.00	5,079,400	863,248,245
FOOTWEAR AND TEXTILES	605.55	629.09	-3.74%	NAWALOKA	3.10	3.00	-3.23%	3.10	3.00	3,789,000	11,377,578
TELECOMMUNICATIONS	147.00	156.10	-5.83%	DIALOG	7.50	7.00	-6.67%	7.50	7.00	1,863,000	13,836,288

## Market Review

The indices dipped throughout this week with the uncertainty in the political front coupled with the upcoming festive season. However healthy turnover levels were witnessed during the week with the Raj Rajaratnum selling off his stakes in Commercial Bank and HNB. The benchmark ASPI declined 46.06 points or 1.55% week on week while the more sensitive MPI reported a week on week decline of 62.36 points or 1.84%.

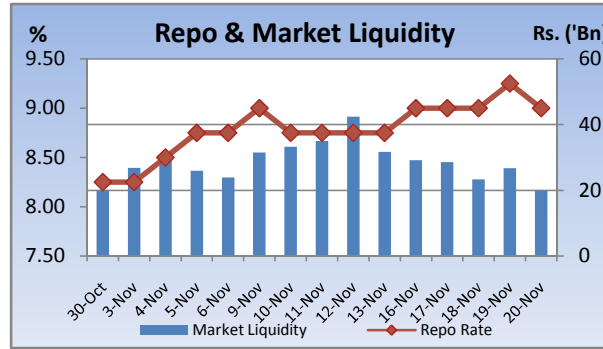
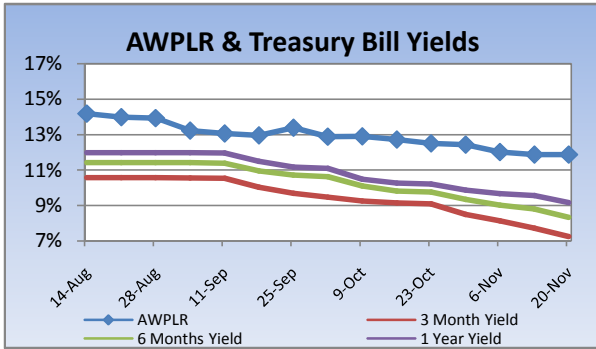
Compared to previous week's closing levels the market declined Rs.14.3 billion approximately or 1.49% in value this week to close at Rs.945.44 Bn on Friday.

Total market turnover for the week amounted to Rs.3.68 Bn with an average daily turnover of Rs.737m. Turnover for the week witnessed 26.2% increase compared to the last week's market turnover of Rs.2.92 Bn.

Heavily traded shares of the week under review were Vallibel and Commercial Bank with the former being highest in terms of volume for the week, trading over 16.4m shares. The counter gained 6.38% during the week in value on a Week on Week basis. Commercial Bank and HNB contributed heavily to the week's market turnover, whilst the former being the highest contributor to the week's market turnover with Rs.1.3 Bn.

FII participation gained to 44.9% of total turnover this week, from 14.8% reported last week. FII interest was negative during the week with a net outflow of Rs.821m, a 3172% decrease compared to last week's net inflow of Rs.24m.

Company	Price	P/BV	PER 10E	PER 11E
<b>BANKING</b>				
COMMERCIAL BANK	175.25	1.55	10.60	9.91
DFCC	147.75	0.98	9.01	8.40
HNB	155.00	1.47	11.74	10.42
NDB	165.00	0.98	6.44	5.35
NTB	35.00	1.28	8.36	6.64
SAMPATH BANK	180.00	1.04	6.76	5.47
<b>BEVERAGE, FOOD &amp; TOBACCO</b>				
CTC	170.25	10.11	10.55	9.86
DISTILLERIES	91.50	1.16	11.25	9.70
<b>CHEMICALS &amp; PHARMACEUTICALS</b>				
CIC	55.75	1.14	15.91	12.82
<b>CONSTRUCTION &amp; ENGINEERING</b>				
DOCKYARD	187.25	2.19	5.94	5.17
<b>DIVERSIFIED HOLDINGS</b>				
AITKEN SPENCE	900.00	1.38	11.28	9.30
CARSONS	330.00	1.80	16.81	14.91
HAYLEYS	156.50	0.91	14.64	17.84
HEMAS HOLDINGS	127.00	1.80	17.64	15.64
JOHN KEELLS HOLDINGS	143.50	1.90	28.72	25.65
<b>HOTELS &amp; TRAVELS</b>				
AITKEN SPENCE HOTEL HOLDINGS	225.00	1.89	13.30	9.10
ASIAN HOTELS AND PROPERTIES	74.25	1.38	26.51	10.96
KEELLS HOTELS	18.25	2.93	41.52	23.45
<b>MANUFACTURING</b>				
ACL CABLES	69.00	1.11	11.98	9.96
CHEVRON LUBRICANTS	207.00	4.36	9.77	8.85
LANKA TILES	59.50	1.48	7.97	5.90
ROYAL CERAMICS	58.50	0.97	5.00	3.98
TOKYO CEMENT	211.50	1.09	9.73	5.18
<b>PLANTATIONS</b>				
AGALAWATTE	18.50	0.91	4.97	6.06
KEGALLE	32.00	0.60	3.25	2.59
KELANI VALLEY	52.00	1.28	5.34	4.40
<b>POWER &amp; ENERGY</b>				
LANKA IOC	16.25	1.12	21.63	19.23
<b>TELECOMMUNICATIONS</b>				
DIALOG	7.25	1.95	(53.58)	23.73

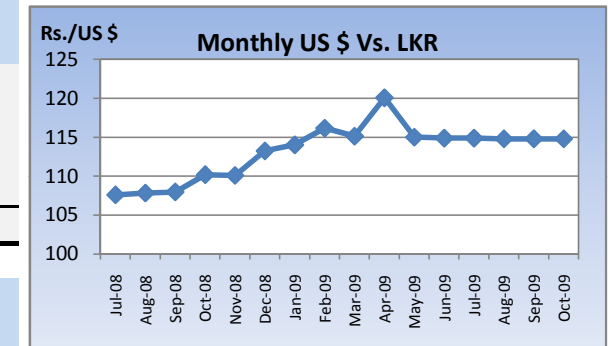


## Currency Board

	Current	Previous	Change
<b>USD EXCHANGE RATE</b>			
- AVERAGE MIDDLE RATE	114.24	114.48	-0.21%
- FORWARD 1 MONTH	114.69	114.82	-0.11%
- FORWARD 3 MONTHS	115.35	115.45	-0.09%
<b>BRITISH POUND</b>			
	189.91	189.80	0.06%
<b>EURO</b>			
	170.12	170.09	0.02%
<b>JAPANESE YEN</b>			
	1.28	1.27	1.32%
<b>INDIAN RUPEE</b>			
	2.46	2.46	-0.05%
<b>AUSTRALIAN DOLLAR</b>			
	104.71	105.94	-1.16%
<b>SINGAPORE DOLLAR</b>			
	82.23	82.36	-0.17%

## 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	7.25%	7.73%	-48.00	1,500	5,185	1,683
6 MONTHS	8.33%	8.80%	-47.00	3,000	8,376	3,076
9 MONTHS	9.17%	9.56%	-39.00	4,500	17,806	5,973
				<b>9,000</b>	<b>31,367</b>	<b>10,732</b>

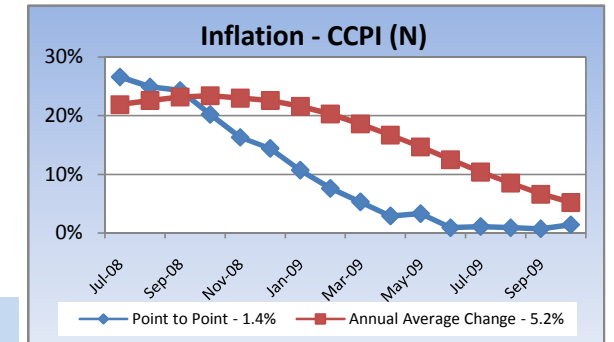


## Interest Rates

	Current Week	Previous Week	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED PRIME LENDING RATE [AWPLR]	11.88	11.88	20.86
OVERNIGHT RATE ON REPURCHASE AGREEMENTS	7.50	8.00	10.50
<b>SRI LANKA INTER BANK OFFER RATE [SLIBOR]</b>			
- OVERNIGHT	8.82	9.21	19.46
- 7 DAYS	9.11	9.46	19.25
- 1 MONTH	9.32	9.68	19.46
- 3 MONTHS	9.43	9.79	19.75
- 6 MONTHS	9.67	10.12	20.02
- 1 YEAR	9.92	10.68	20.33

	October 2009	Month Ago	Year Ago
COMMERCIAL BANK AVERAGE WEIGHTED DEPOSIT RATE [AWDR]	9.76	10.34	11.28
COMMERCIAL BANK AVERAGE WEIGHTED FIXED DEPOSIT RATE [AWFDR]	13.05	13.80	16.48

## Inflation



Point to Point - 1.4%
Annual Average Change - 5.2%

## Tea Market

### Colombo Tea Auction

SALES (kg)	Current	Previous	Change	Year to date	Year to date	Change
	Sale 45-2009	Sale 44-2009		2009	2008	
HIGH GROWN	1,287,813	925,661	39.12%	50,877,662	56,249,135	-9.55%
MEDIUM GROWN	947,415	720,975	31.41%	38,445,933	38,771,876	-0.84%
LOW GROWN	3,981,698	3,356,737	18.62%	151,527,248	143,836,027	5.35%
<b>TOTAL</b>	<b>6,216,926</b>	<b>5,003,373</b>	<b>24.25%</b>	<b>240,850,843</b>	<b>238,857,037</b>	<b>0.83%</b>

### PRICES (Rs./kg)

	2008	Sep-09	Oct-09	Sale 45-2009	Sale 44-2009	Change
HIGH GROWN	273.83	404.66	406.37	409.16	403.42	1.42%
MEDIUM GROWN	270.13	390.03	373.90	355.16	345.04	2.93%
LOW GROWN	336.38	445.95	410.84	382.47	380.71	0.46%
<b>TOTAL</b>	<b>310.81</b>	<b>431.20</b>	<b>404.29</b>	<b>383.83</b>	<b>379.77</b>	<b>1.07%</b>

### 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%
<b>TOTAL</b>	<b>25,933,737</b>	<b>24,337,978</b>	<b>6.56%</b>	<b>234,789,761</b>	<b>274,418,279</b>	<b>-14.44%</b>

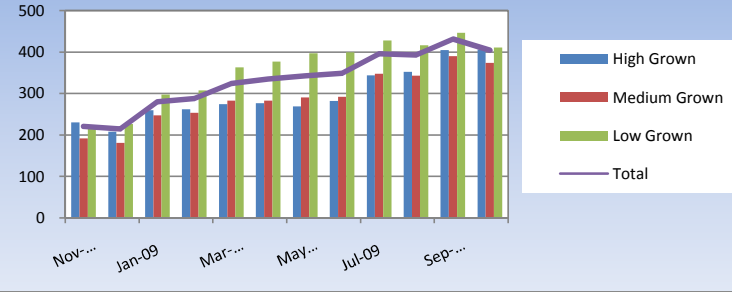
### PRODUCTION (kg) BY

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%
<b>TOTAL BLACK TEA</b>	<b>25,753,314</b>	<b>24,039,715</b>	<b>7.13%</b>	<b>232,846,717</b>	<b>271,569,776</b>	<b>-14.26%</b>
GREEN TEA	180,423	298,263	-39.51%	1,943,044	2,848,503	-31.79%
<b>TOTAL</b>	<b>25,933,737</b>	<b>24,337,978</b>	<b>6.56%</b>	<b>234,789,761</b>	<b>274,418,279</b>	<b>-14.44%</b>

### 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%
<b>CTC AS A % OF BLACK TEA PRODUCTION</b>	<b>4.84%</b>	<b>5.47%</b>

### Rs./kg Tea Prices

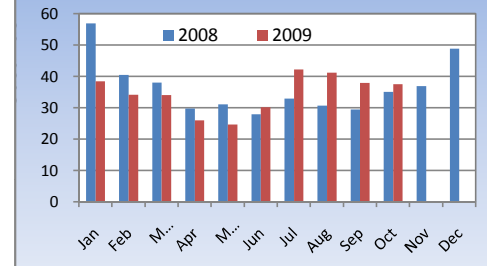


## Tourism

### SRI LANKA

ARRIVALS	2009	2008	Change
October	37,575	35,103	7.04%
Year to date	346,717	352,649	-1.68%
Occupancy	45.9%	43.7%	5.03%
Foreign Guest Night	246,289	213,200	15.52%

### Tourist Arrivals

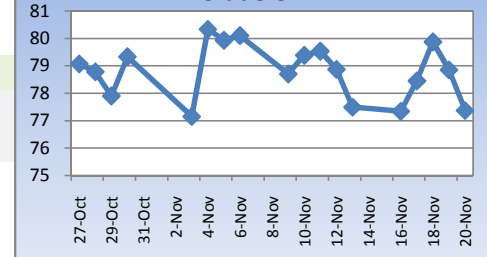


## Crude Oil

### NYMEX CRUDE OIL FUTURES

	20-Nov	13-Nov	Change
US\$/BBL	77.37	77.49	15.52%

### US\$/bbl Crude Oil



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