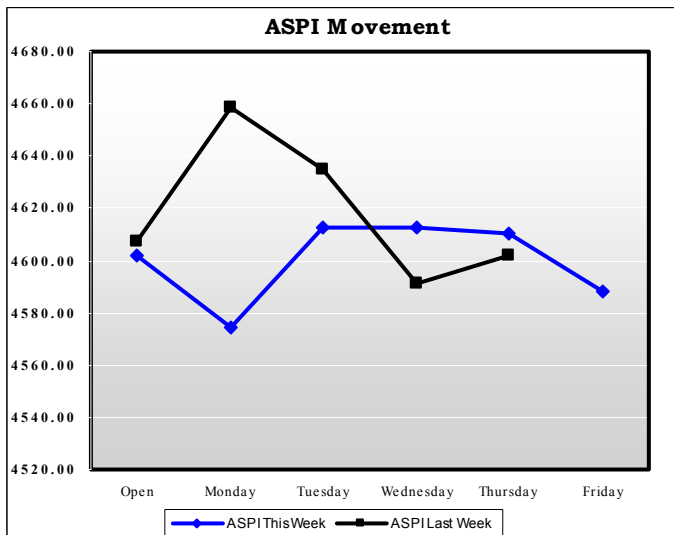


The Market Roundup

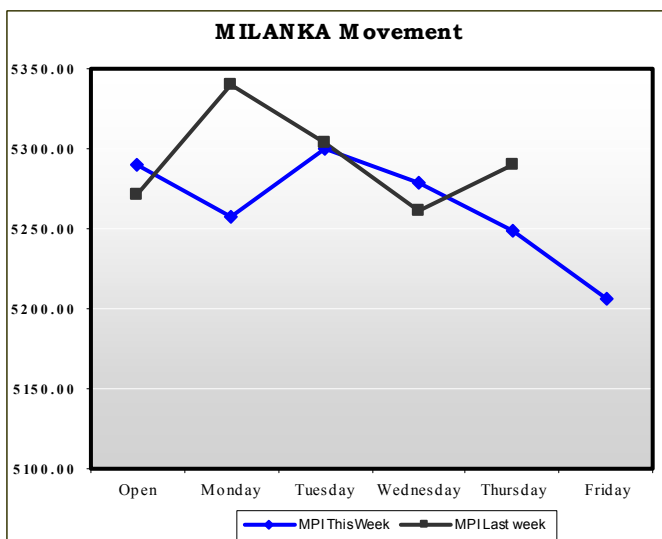
For the week ended 2nd July 2010



Activities remained stable at the Colombo bourse during this week although it was a speculative driven market. Both indices fell off track during the week as investors switched from fundamentals to speculative shares. The All Shares Index slid 13.66 points or (0.30%) to close at 4587.89 while the Milanka index on liquid stocks also slid by 84.35 points or (1.59%) to close at 5205.82.

Table ware manufacture Dankotuwa porcelain (DPL) was amongst the top gainers subsequent to a purchase by the GREG group (Environment Resource Investments). Share closed the week at Rs 38.25 reaching weeks high of Rs 49.25, gaining 59% WoW. In addition BLUE Diamonds and SEMB was trading on highly speculative grounds on anticipation of a possible take over by a prospective party. Voting shares of BLUE reached a high of Rs 9.25 to close at Rs 7.50, while the Non Voting share reached high of Rs 4.40 closing at Rs 3.70. SEMB gained 36% WoW closing at Rs 1.90.

In addition SIRA cables which has a market share of approximately 6% locally traded over its potential earnings focusing on the future developments anticipated on the local construction field. Counter closed the week at 3.60, with over 89mn shares changing hands.



In addition the week encountered several crossing on blue chips. A quantity of 6.8mn shares of Colombo DOCK yard was bought by the EPF at a price of Rs 280/- when its second largest shares holder "Horizon representation of companies" which is a UAE company divested its shares. Counter closed week at Rs 270. Meanwhile other bulk negotiated deals witnessed was On JKH, COMB, DIPD and DIST.

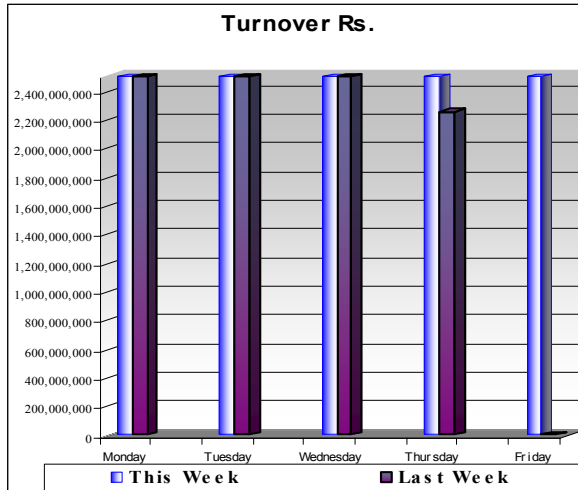
Market further witnessed the continuous interest on the banking sector counters such as the NTB, HDFC and LFIN over further earning potential that will be supported by Macro Economical growth in the local economy, and the country's Economic Developments.



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In addition SAMP bank with its script dividends coupled with the share subdivision compelled investors to buy in to the share. Overseas reality owners of the Havelock city project and the world Trade Center Colombo was among the most sort after Land and Property sector counters while there was mounting interest on CLND and EAST from the same sector.

Market Summary

	This Week	Last Week	Net change	%
ASPI	4587.89	4601.55	-13.66	-0.30%
MPI	5205.82	5290.17	-84.35	-1.59%
Total Turnover	15,960,352,099	11,637,429,207	4,322,922,892	37%
Average Daily Turnover	3,990,088,025	2,909,357,302	1,080,730,723	37%
Total Volume	1,166,334,168	379,721,609	786,612,559	207%
Average Daily volume	291,583,542	94,930,402	196,653,140	207%

Economic Indicators

Treasury Bill							
Types	Jan	Feb	Mar	Apr	May	Jun	Jul
3 Months	7.95	8.26	8.45	8.40	8.10	8.07	8.07
6 Months	8.90	9.06	9.19	9.10	8.91	8.93	8.93
12 Months	9.46	9.47	9.47	9.30	9.26	9.29	9.29
Policy Rates (%)							
Central Bank Repurchase (Repo) Rate							7.50
Central Bank Reverse Repurchase (Reverse Repo) Rate							9.75
Bank Rate							15.00
Statutory Reserve Ratio (SRR)							7.00
Economic Indicators (%)							
Inflation (CCPI) June 2010 (Y on Y)							4.80
Commercial Banks Weighted Avg Lending Rates - 6 Months							10.76
Commercial Banks Weighted Avg Deposit Rates - 6 Months							7.26
Foreign Exchange Rates				Last Week		This Week	
Currency				Buying	Selling	Buying	Selling
Dollar (USA)				112.81	114.36	112.71	114.22
Pound (UK)				168.07	171.48	170.47	174.04
Euro (EU)				138.41	141.71	140.36	143.76
Yen (Japan)				1.24	1.28	1.27	1.31

Commodity Price Update

Commodity	Last Week Price	This Week Price	Change	%
Nymex Crude Future (\$/bbl)	75.94	73.13	(2.81)	-3.84%
COPPER FUTURE (USd/lb.)	298.30	294.25	(4.05)	-1.38%
GOLD 100 OZ FUTR (USD/t oz.)	1,234.10	1,210.70	(23.40)	-1.93%
WHEAT FUTURE(CBT) (USd/bu.)	479.00	500.25	21.25	4.25%
SUGAR #11 (WORLD) (USd/lb.)	15.8	16.25	0.45	2.77%
Rubber Prices - Brown Crepe 1X (LKR)	342.00	354.00	12.00	3.39%

Stocks to watch

Stocks to watch					
Counter	Introduction	Recent Financials			Key points
NTB Market Price Rs.55.50	Nations Trust Bank PLC is a Sri Lanka-based company. The principal activities of the Company are commercial, personal and private banking, trade services, leasing, factoring and etc.	Year ended	2009	2010	NTB owns a low PER compared to sector PER. Sole franchiser of AMEX credit cards. Leasing business is expected to be the driving force of NTB
		Revenue	13.87Bn	13.95Bn	
		Net income	4.69Bn	5.70Bn	
		Net Profit	593Mn	686Mn	
		EPS	3.67	4.09	
		PER		14 times	
		Net Assets	28.31	28.48	
Sector PER		14 times			
Market PER		22 times			
Counter	Introduction	Recent Financials			Key points
ACL Market Price Rs.92.00	ACL Cables PLC is engaged in the business of manufacturing and selling of power cables and conductors, armored cables, aerial bundled cables, control cables, telephone cables and auto cables.	Year ended	2009	2010	ACL with its subsidiaries KCAB owns approximately 70% of the local cable industry Counter owns relatively high potential in post conflict environment.
		Revenue	7.83Bn	7.26Bn	
		Gross Profit	1.14Bn	1.15Bn	
		Net Profit	131Mn	(0.9Mn)	
		EPS	2.19	(0.01)	
		PER			
		Net Assets	56.20	61.46	
Sector PER		25 times			
Market PER		22 times			
Counter	Introduction	Recent Financials			Key points
NDB Market Price Rs.245.00	National Development Bank PLC is a Sri Lanka-based company.	Year ended	2009	2010	NDB is the most solid loan portfolio holder among local commercial banks. NDB is trading at a PER of 9.2 times against the sector PER of 14 times.
		Revenue	14.1Bn	12.5Bn	
		Net Income	3.78Bn	4.23Bn	
		Net Profit	1.70Bn	2.12Bn	
		EPS	19.61	25.47	
		PER		9.8 times	
		Sector PER		14 times	
Market PER		22 times			
Net Assets		130.70			

Stock	Seylan Development PLC	Financials	2009/10
Stock Code	CSD	Revenue	41.7Mn
Issued Quantity	73,982,460	Net Profit	(22.6Mn)
CDS Quantity	31,665,477	EPS	(0.30)
Foreign Holdings	9,118,894	Net Assets	28.74
Market Price	Rs.15.00	PER	
Nature of the business			
<p>Seylan Developments PLC, formerly Ceylinco Seylan Developments PLC, is a Sri Lanka-based company principally engaged in the development of a property located at Galle Road, Colombo 03, and administration and maintenance of the property, and activities relating to property developments. The Company is engaged in the renting of office spaces and leasing luxury apartments. The Company's parent undertaking is Seylan Bank PLC.</p>			
Summary			
<ul style="list-style-type: none"> ➤ CSD is trading at a discounted price compared to its book value 			
Stock	Piramal Glass Ceylon Plc	Financials	2009/10
Stock Code	GLAS	Revenue	3,518Mn
Issued Quantity	950,086,080	Net Profit	(61Mn)
CDS Quantity	913,203,187	EPS	(0.06)
Foreign Holdings	284,819,083	Net Assets	2.33
Market Price	3.00	PER	
Nature of the business			
<p>Piramal Glass Ceylon Plc, formerly Ceylon Glass Company PLC, is a Sri Lanka-based company engaged in the manufacture and sale of glass containers. The Company's product categories include foods, beer, wine, agro, pharma, areated drinks, and cosmetics and perfumes.</p>			
Summary			
<ul style="list-style-type: none"> ➤ GLAS shifted its main production factory from Ratmalana to Horana during the FY2007/08. It doubled the production capacity to 250MT per day ➤ GLAS made a right issue in October 2007 to raise Rs.752Mn to partly finance the new production plant in Horana. ➤ Shifting of production plant made the Ratmalana land vacant. The land covers an area of 21 acres and located in the heart of Colombo. 			

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