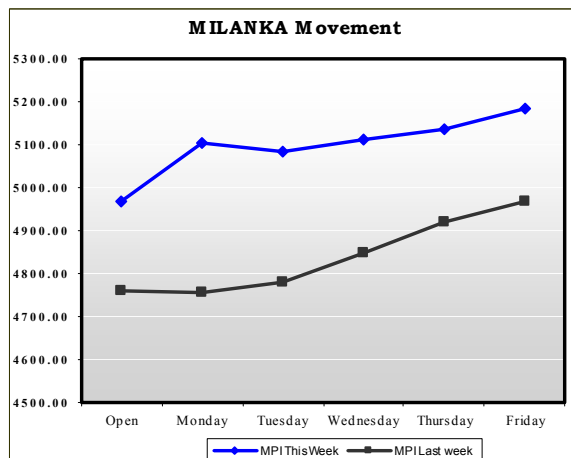
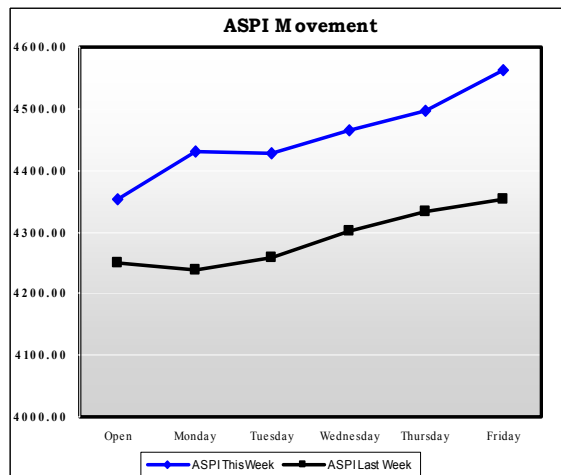


The Market Roundup

For the week ended 11th June 2010



The stock market witnessed bullish trading momentum throughout the week as investors focused on madcap and speculative stocks. Retail and corporate sentiments drove the benchmark All Share Index by 207.13 points or 4.76% to close at 4561.33 and the most liquid Milanka gained by 213.82 points or 4.30% to close at 5182.16 on Friday.

Banking counters continued its bull rally owing to its potential earning expectations in a post conflict environment. COMB the market leader in private sector commercial banks was the highest contributor to the week's turnover. COMB gained Rs.13.25 to close at Rs.280.00 on Friday. HNB, SEYB, NTB, DFCC and PABC also traded heavily during the week with high trading volumes.

CLPL traded on speculative basis with the expectation of a possible right issue attached with warrants, week on week counter gained Rs.23.25 to close at Rs.230.50 on Friday. Meanwhile DPL announced that the company has failed to come to an agreement with a prospective investor owing to disparity on a collective agreement with two trade unions.

JKH the largest conglomerate contributed Rs.1.52Bn to the week's turnover against a total share volume of 7.7Mn. Mobile giant DIAL gained 50 cents to close the week at Rs.8.75 on Friday while the fixed line operator SLTL closed at Rs.37.75.

Meanwhile CARS and BUKI announced that they have bought its entire South East Asian oil palm plantations under its Singapore subsidiary Good Hope Asia Holdings. CARS and BUKI made considerable grounds based on synergy effects generated from the restructuring program.

Economic Snap Shot

Treasury Bill							
Types	Jan	Feb	Mar	Apr	May	Jun	Jul
3 Months	7.95	8.26	8.45	8.40	8.10	8.08	
6 Months	8.90	9.06	9.19	9.10	8.91	8.90	
12 Months	9.46	9.47	9.47	9.30	9.26	9.26	
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) May 2010 (Y on Y)							5.30
Commercial Banks Weighted Avg Lending Rates - 6 Months							10.99
Commercial Banks Weighted Avg Deposit Rates - 6 Months							7.67
Foreign Exchange Rates				This Week		Last Week	
Currency				Buying	Selling	Buying	Selling
Dollar (USA)				112.88	114.45	113.00	114.59
Pound (UK)				165.50	168.86	164.83	168.24
Euro (EU)				135.95	139.12	136.89	140.20
Yen (Japan)				1.22	1.26	1.21	1.24

World Indicators Snap Shot

Country	Foreign Markets Name of the index	Last Week Index	This Week Index	Change	%
USA	INDU:IND DOW JONES INDUS. AVG	10,043.75	10,172.50	128.75	1.28%
China	SHSZ300:IND CSI 300 INDEX	2,813.94	2,758.87	-55.07	-1.96%
India	SENSEX:IND BSE SENSEX 30 INDEX	16,390.42	17,064.95	674.53	4.12%
Europe	SX5E:IND ESTX 50 € Pr	2,546.06	2,638.01	91.95	3.61%



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Market Summary

	This Week	Last Week	Net change	%
ASPI	4561.33	4354.20	207.13	4.76%
MPI	5182.16	4968.34	213.82	4.30%
Total Turnover	13,146,328,626	18,501,452,673	(5,355,124,047)	-29%
Average Daily Turnover	2,629,265,725	3,700,290,535	(1,071,024,809)	-29%
Total Volume	477,812,444	265,652,873	212,159,571	80%
Average Daily volume	95,562,489	53,130,575	42,431,914	80%
Total Foreign Buying	2,462,729,114	7,402,135,462		
Total Foreign Selling	3,494,726,767	3,100,353,646		
Net Foreign Inflow / (Outflow)	(1,031,997,653)	4,301,781,816		

Commodity Price Update

Commodity	Last Week Price	This Week Price	Change	%
Nymex Crude Future (\$/bbl)	72.80	74.87	2.07	2.76%
COPPER FUTURE (USd/lb.)	286.30	293.15	6.85	2.34%
GOLD 100 OZ FUTR (USD/t oz.)	1,206.50	1,221.50	15.00	1.23%
WHEAT FUTURE(CBT) (USd/bu.)	440.00	434.25	(5.75)	-1.32%
SUGAR #11 (WORLD) (USd/lb.)	14.06	15.57	1.51	9.70%
Rubber Prices - Brown Crepe 1X (LKR)	340.00	324.00	(16.00)	-4.94%

Stocks to watch

Chemical Industries (Colombo) PLC

Chemical Industries (Colombo) PLC (CIC) is engaged in the manufacturing of alkathene agricultural pipes and marketing of a range of Imperial Chemical Industries (ICI) paints manufactured locally by Paints and General Industries Limited. The Company informed the CSE that the Government of Sri Lanka has released Rs.250Mn due to price adjustments on sale of Fertilizer made during the period November 2008 - March 2009. This will have an impact to the group profitability.

Financials in brief

In thousands	2009	2010
Revenue	15,684,055	16,610,474
Gross Profit	3,115,006	3,363,395
Net profit	474,485	763,168
EPS	4.30	6.34
Market Price		74.00
PER		11.67
Sector PER		12.70
Market PER		22.00
Net Assets per share		53.37

Ceylon Guardian Investment Trust PLC

Ceylon Guardian Investment Trust PLC is a Sri Lanka-based company. The Company, along with its subsidiaries, is engaged in investment holding and portfolio management services. The Company has investments in sectors, such as beverage, food and tobacco, hotels and travel, telecommunications, power and energy, healthcare, and stores and supplies, among others. The Company is a subsidiary of Carson Cumberbatch PLC. The Company's subsidiaries include Ceylon Investment PLC, Rubber Investment Trust Limited and Guardian Fund Management Limited.

In thousands	2009	2010
Revenue	2,350,153	1,960,283
Profit from operations	598,457	1,333,367
Net Profit	653,169	1,679,579
EPS	14.47	68.65
DPS	11.50	9.00
Market Price		525.00
PER		15.39
Sector PER		34.11
Net Assets		
Book Value Based		444.03
Market Based		620.33

Ceylon Investments PLC

Ceylon Investment PLC is a Sri Lanka-based company. The Company is engaged in investment holding and portfolio management. The Company has investments in sectors, such as beverage, food and tobacco, hotels and travel, telecommunications, power and energy, and healthcare, among others. The Company is a subsidiary of Carson Cumberbatch PLC. The investment portfolio of the Company is managed by Guardian Fund Management Limited.

In thousands	2009	2010
Revenue	958,695	1,068,615
Profit from operations	417,901	645,465
Net Profit	240,200	988,883
EPS	9.95	43.88
DPS	7.00	6.70
Market Price		305.00
PER		8.94
Sector PER		34.11
Net Assets		
Book Value Based		245.83
Market Based		340.86

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