

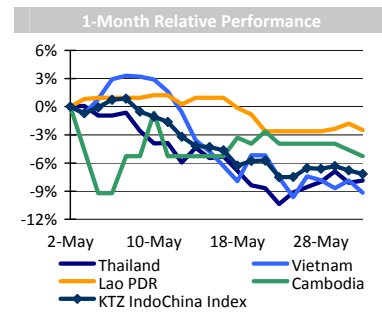
The Market

VN Index Broke Below 430 on Weak Turnover; LSX Fell on High Volume; CSX Sluggish

Vietnam's Ho Chi Minh Stock Index (VN Index) broke below the psychological level of 430 during Thursday's afternoon session to close at 429.20, down 1.41% with low trading volume. Turnover fell to VND 732 billion (USD 35 million), the fourth straight day that the value of shares traded was below VND 1 trillion.

Lao's LSX Index ended below 1,000, down 0.71% to close at 996.96 with the highest turnover since April 27. Turnover hit LAK 1.19 billion (USD 148,500), driven by EdL Gen which down 1.03% to LAK 4,800 with 203,950 shares traded, the highest volume since April 20. BCEL was up 0.74% to close at LAK 6,850 in thin trade. Meanwhile, Cambodia's CSX Index closed 0.69% lower at 774.19, the second day decline with light volume.

The IndoChina market sentiment would remain volatile in tandem with the global markets. Investors renewed a concern over Eurozone crisis after Greek latest poll showed voters support anti-austerity parties which raised chances of EU break-up and Spanish bond yield climbed to a record on banks' rescue concern.



	Last	Chg	(%)
FTSE ASEAN	527	-3	-0.5
Singapore	2,773	-11	-0.4
Thailand	1,142	+3	+0.3
Malaysia	1,581	+6	+0.3
Indonesia	3,833	-85	-2.2
Philippines	5,091	+73	+1.5
Vietnam	429	-6	-1.4
Lao PDR	997	-7	-0.7
Cambodia	774	-5	-0.7

Source: Bloomberg as of May 31

Per USD	Last	Chg	(%)
Baht	31.82	-0.02	-0.06
Dong	20,870	-5.00	-0.02
Kip	8,034.00	+2.50	+0.03
Riel	4,063.44	-20.51	-0.50
Kyat	840.88	+1.70	+0.20

Per Baht	Last	Chg	(%)
Dong	654.43	-0.98	-0.15
Kip	252.55	+0.26	+0.10
Riel	127.50	-0.50	-0.39
Kyat	26.43	+0.06	+0.25

Source: Bloomberg as of May 31

The News

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- **Lao PDR** - BCEL's Loan Growth Rate YoY Tops 90 Percent
- **Vietnam** - Small Hydropower Plants Shout For Help
- **Vietnam** - Sacombank Seeks Merger Partners After Management Shakeup
- **Cambodia** - Angkor Gold Identifies Northeast Prospects

Upcoming Market Holiday:

Cambodia

- June 1: International and Cambodian Children Day
- June 18: Birthday of Her Majesty the Queen-Mother Norodom Monineath Sihanouk

Thailand

- June 4: Wisaka Busha Day

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Thailand - Currency Exchange Regulations To Ease

The Bank of Thailand recently completed consultations with business and academics on a plan to comprehensively liberalise foreign-exchange regulations, said Pongpen Ruengvirayudh, assistant governor for financial market operations. It will soon be submitted for the approval of the Monetary Policy Committee and the Finance Ministry. Changes expected over the next two years include extending the ceiling on outbound investment and increasing the types of investments eligible for local entities. The central bank plans to lift a requirement for businesses to repatriate foreign-exchange income after the first phase of the plan takes effect. The plan would also allow businesses to unwind hedging contracts for investment, aside from goods and services, which is now the case, she said. [\[Bangkok Post\]](#)

Myanmar - Japan To Develop Burmese Stock Exchange By 2015

An agreement on technical aid has been signed between the Central Bank of Myanmar and the Daiwa Research Institute and Tokyo Stock Exchange of Japan, the New Light of Myanmar said on Thursday. Minister of Finance and Revenue Hla Tun, who is also chairman of the Capital Market Development Committee, said Burma would establish a stock exchange by 2015 under a blue print set out by the committee. To provide for listed companies on the stock exchange, Burma has allowed the set-up of public companies in a bid to develop the market economy. The Directorate of Investment and Companies will encourage the public to invest their savings and capitals in appropriate business sectors. According to the directorate, the seed capital for public companies is set to be at least 500 million kyat (about US\$ 625,000). Entities seeking to become public companies must have at least seven initial holders, sell unlimited shares to the public, be an economically sustainable business and employ skilled labor. [\[Mizzima\]](#)

Myanmar - Hoteliers Eye Myanmar's Hospitality Sector

With many economic sanctions being lifted, more investors are beginning to make their first trips to the newly opened country. Experts said they expect demand for hotel rooms to grow at levels that the country has never seen before. This has caught the attention of hospitality players who are zooming in on the fact that the country only has 8,000 hotel rooms, compared to neighbouring Thailand, with more than 230,000 rooms. Speaking at the Myanmar Summit organised by Blue Track Centre and Business Monitor International, Eric Levy of hospitality investment firm Tourism Solutions International said that Myanmar only has 187 hotels with 8000 rooms. [\[Channel News Asia\]](#)

Lao PDR - Laos Prepares For Regional Connectivity

Laos will prepare for the construction of the high-speed rail project that will link China to Asean nations via Laos. The Lao Prime Minister made the announcement at the World Economic Forum on East Asia 2012 in Bangkok. Prior to attending the forum, Prime Minister Thongsing Thammavong visited China where Beijing pledged to support the US\$7 billion high-speed rail project. Construction of the 421km high-speed railway from Vientiane to the Chinese border has encountered delays and is yet to start, with the groundbreaking ceremony originally slated for April 2011. [\[Vientiane Times\]](#)

Lao PDR - BCEL's Loan Growth Rate YoY Tops 90 Percent

The engine fires were stoked up yesterday with exceptional volumes for both stocks rallying market turnover above 235K shares for the day. BCEL had a good day up 50 kip on good volumes for that stock. EDL-Gen dropped 50 kip but turnover surged past US\$166K. There has been a build up in the closing sessions with a noticeable trend increasing the price rises in unmatched trades for both stocks. BCEL-KT brokers in their company report listed their strike price at US\$1.15 or 9,300 kip. They reported BCEL's YoY loan growth was at a very respectable and healthy 90% in 2011 versus 39% for the previous year. The Price Earnings Ratio (PER) was quoted as being 6.3x in 2011 5.0x 2012E and 3.5x 2013E - that's a great indicator to support the strike price. The full report is on their website. [\[Vientiane Times\]](#)

Vietnam - Small Hydropower Plants Shout For Help

Saigon Tiep Thi has quoted Vu Ngoc Cu, Deputy Chair of the Lao Cai provincial Business Association as saying that the association has received complaints about heavy losses from hydropower plants. Hydropower plant developers now have to pay much higher than expected for materials, the labor cost, bank loan interest rates and for the more expensive dollar. Meanwhile, the electricity sale prices still have been kept at low levels. The average electricity sale price of hydropower plants in Lao Cai province after one year of operation hovers around 922 dong per kwh. Electricity of Vietnam (EVN), the only electricity wholesale buyer in Vietnam, bought electricity from China at 6.08 US cents per kwh, or 1268 dong. small hydropower projects in Lao Cai and Ha Giang provinces have been regularly asked to cut down the electricity generation capacity at peak hours. [\[Vietnam Net\]](#)

Vietnam - Sacombank Seeks Merger Partners After Management Shakeup

Sacombank, Vietnam's 4th-largest publicly traded lender by assets will pursue mergers with other banks, local media reported, after an annual meeting in which outsiders successfully took control of the bank. Only 3 Sacombank officials joined the new 10-member management board. 4 of the new board members came from Southernbank; 2 were from Eximbank. Responding to a question on a possible merger between the two banks, Le Hung Dung, who represents major shareholders in Sacombank, said the new managers are in the process of seeking the right partners for a deal. "We will exchange information with banks that we find suitable," said Dung, who also acts of chairman of Eximbank. "We won't rule out Southernbank." [\[Thanh Nien News\]](#)

Cambodia - Angkor Gold Identifies Northeast Prospects

Angkor Gold Corp, a Toronto Stock Exchange-listed company, has announced the identification of five new prospects in Ratanakiri province. The announcement comes less than a month after the mining firm said it planned to consolidate its gold prospects in the northeastern corner of the country. The prospects, located in Dokyong prospect, O'yadao south tenement, were reinforced with gold anomalies, and one of the prospects was described as being "a very strong gold anomaly". "We are thrilled with the positive developments at the Dokyong prospect. We now have eight strong projects in Cambodia with three drill rigs currently operating," Angkor chief executive and director Mike Weeks said in the statement. [\[Phnom Penh Post\]](#)