

Wednesday May 2, 2012

Stock Markets Rap (as of May 1)

	Close	Chg	(%)
MSCI World	1,297	+3	+0.2
Dow	13,279	+66	+0.5
Nasdaq	3,050	+4	+0.1
S&P 500	1,406	+8	+0.6
Euro Stoxx	2,307	+0	+0.0
FTSE 100	5,812	+74	+1.3
DAX	6,761	-	-
CAC	3,213	-	-
ASX 200	4,430	+33	+0.7
Nikkei	9,351	-170	-1.8
Shanghai	2,396	-	-
Hang Seng	21,094	-	-
H Shares	11,081	-	-

	Close	Chg	(%)
FTSE ASEAN	580	-0	-0.0
Singapore	2,979	-	-
Thailand	1,228	-	-
Malaysia	1,571	-	-
Indonesia	4,196	+15	+0.4
Philippines	5,203	-	-
Vietnam	474	-	-
Lao PDR	1,030	-	-
Cambodia	860	-	-

Currencies Rap (as of May 1)

	Last	Chg	(%)
DX	78.82	+0.05	+0.06
USD/EUR	1.3254	+0.00	+0.26
JPY/USD	79.88	-0.29	-0.36
THB/USD	30.72	-0.03	-0.10
VND/USD	20,865	0.00	0.00
LAK/USD	7,988.50	-2.50	-0.03
KHR/USD	4,025.00	0.00	0.00
MMK/USD	824.07	+0.56	+0.07
VND/THB	679.53	+0.66	+0.10
LAK/THB	260.04	+0.09	+0.04
KHR/THB	131.00	0.00	0.00
MMK/THB	26.83	+0.04	+0.17

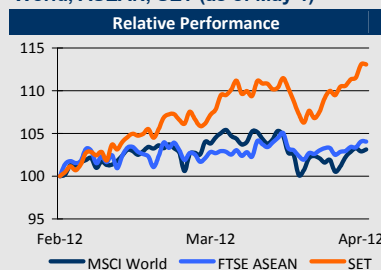
Commodities Rap (as of May 1)

	Close	Chg	(%)
Gold	1,662.40	-1.80	-0.11
Silver	30.93	-0.09	-0.28
Copper	384.35	+1.40	+0.37
WTI	106.16	+1.29	+1.23
Brent	119.66	+0.19	+0.16
BDI	1,152	-3	-0.26

*DAX, CAC, Hang Seng, H Shares, SG, TH, MY, PH, Lao, Cambodia Index as of April 30

*Shanghai, Vietnam Index as of April 27

World, ASEAN, SET (as of May 1)



INDOCHINA NEWS

- Lao PDR - Lao CPI Figures Rise by 5.33% in March
- Lao PDR - EU Expects to Increase Aid to Laos Despite Debt Crisis
- Vietnam - Vietnam Fears It May Not Seek Coal Supplies
- Vietnam - Foreigners Eyeing Vietnamese Pharmacy Companies and Domestic Market
- Vietnam - NPL Ratios Increase Sharply, Worrying Bankers
- Myanmar - Myanmar Grants Establishment of Private or Public Insurance Companies
- Cambodia - Cambodia's 1st State-Owned Industrial Zone Inaugurated

Thanawat Patchimkul
Global Strategist
Email: thanawatp@ktzmico.com
Tel: + 66 2 695 5451
Assisted by
Denruthai Krishnamra

INDOCHINA NEWS

Lao PDR - Lao CPI Figures Rise by 5.33% in March

According to a report from the Lao National Statistics Bureau, the Consumer Price Index (CPI) in the household utilities category including electricity, water and cooking gas saw a 2% increase in March, forcing consumers to outlay more for basic utilities. The year on year change of the utilities' CPI in March was 7.60%, representing the highest inflation rate for goods and services in Laos. The inflation rate of the 12 goods and service categories in Laos saw a combined growth of 5.33% in March. Electricity price hikes took place after the government approved a 3% increase in the price of electricity each month from March until the end of this year, which will equate to a more than 15% increase by the end of the year. The price of electricity will also see a further 2% increase annually from 2013 until 2017. Transport costs were one of the driving forces of CPI increases in March. The month on month change in the CPI transport category was 1.23% in March, while year on year it was 4.13%. [\[Vientiane Times\]](#)

Lao PDR - EU Expects to Increase Aid to Laos Despite Debt Crisis

The European Union will provide more aid to Laos over the next several years despite facing debt and a financial crisis, EU officials said on Monday. The EU is not just a major donor to Laos but also an importer of Lao garment products. The ongoing debt crisis in the eurozone has led to concerns among policy makers and businesspeople about the possible negative impacts it could have on the progress of development in Laos. According to a presentation by EU officials, the European Union will reduce aid to developing nations so that more assistance can be given to the least developed countries, which will benefit Laos in the coming years. [\[Vientiane Times\]](#)

Vietnam - Vietnam Fears It May Not Seek Coal Supplies

With five coal-run thermopower plants under construction, PetroVietnam alone would need 18 million tons of coal, of which 13 million tons would be imported. By 2020, Vietnam would need 48 million tons of coal imports a year. Indonesia is considering imposing export tariffs on coal and normal metal exports in an effort to restrict the export of raw materials. In the immediate time, the export tariff on coal would be 25% in 2012, which would be raised to 50% in 2013. Indonesia's intention to impose heavy tax on coal exports would push the coal prices up, and lead to a stiffer race to obtain the right to buy coal. Vietnam, which has no advantages in the race, would meet even bigger difficulties in the future. Currently, a lot of thermopower plants in Vietnam have been designed in a way to use the coal imports from Indonesia. If the Indonesian government imposes such heavy tariffs, the production costs of the plants would be very high, thus making the power plant projects fail completely. [\[VietNamNet\]](#)

Vietnam - Foreigners Eyeing Vietnamese Pharmacy Companies and Domestic Market

Under the current laws, foreign companies do not have the right to directly distribute pharmaceutical products in Vietnam. Analysts have said that foreign pharmaceutical companies have been continuously increasing their share ownership ratios in domestic companies over the last two years. Chilean CFR International SPA Group has recently become the strategic shareholder of Domesco (DMC) and the biggest shareholder of DMC with 44% stakes. 2011, Dutch Stada Service Holding B.V, a subsidiary of German Stada got 25.29% stakes of Pymepharco, the company specializing in producing and trading medicine products, from Thailand-based Wellite International Limited. Vietnam is one of the nations which import the highest volumes of medicine. The Vietnamese market has been witnessing very rapid growth rates in recent years, about 25% per annum on average. [\[VietNamNet\]](#)

Vietnam - NPL Ratios Increase Sharply, Worrying Bankers

The 1Q12 finance reports of some commercial banks show the same problem that while the outstanding loans decreased, the NPL ratios increased rapidly. This happened not only with small banks, but to big banks as well, including state owned banks, which are considered as strictly following safety lending procedures. Vietcombank reported 1Q12 NPL ratio rise from 2% to 2.84%. Vietcombank still lags behind Vietinbank in terms of the NPL growth rate. The 1Q12 finance report of Vietinbank shows that the total NPL of the bank has reached 139%, or doubles that at the end of 2011, increasing from 2165 billion dong to 5176 billion dong just after three months. [\[VietNamNet\]](#)

Myanmar - Myanmar Grants Establishment of Private or Public Insurance Companies

Myanmar has granted establishment of private or public insurance companies by locals as part of its bid to develop the national economy, according to Insurance Administration Board Saturday. Such extensive establishment of insurance companies by the private sector would help protect the state-owned, public and private businesses from damage and loss due to unexpected various natural disaster, the board said. Myanmar sets a capital of at least 46 billion Kyats (57 million U.S. dollars) for the setting up of an insurance firm and six categories of insurance services are granted which include life insurance, fire insurance, comprehensive motor insurance and cash safety insurance. Starting from May 2, those who want to establish private insurance firms may apply with the board and the deadline for the application is set for June 29 according to the announcement. [\[Xinhua\]](#)

Cambodia - Cambodia's 1st State-Owned Industrial Zone Inaugurated

Cambodian Prime Minister Hun Sen on Tuesday inaugurated the country's first state-owned Special Economic Zone, appealing to Japanese investors to put their business ventures in the zone, local media reported. The Sihanoukville Port Special Economic Zone (SPSEZ) is situated adjacent to the Sihanoukville Autonomous Port, about 230 km southwest of Phnom Penh, the capital of Cambodia. According to the reports of the Council for the Development of Cambodia, so far, the country has 21 SEZs, which are situated along the borders with Thailand and Vietnam, and on the outskirts of Phnom Penh as well as in Preah Sihanouk province. However, less than ten zones are operational. Investors in the SEZs will benefit from a number of fiscal incentives, including income tax, customs, and VAT benefits. [\[Xinhua\]](#)