

The Market

Indochina index closed mix with unclear direction

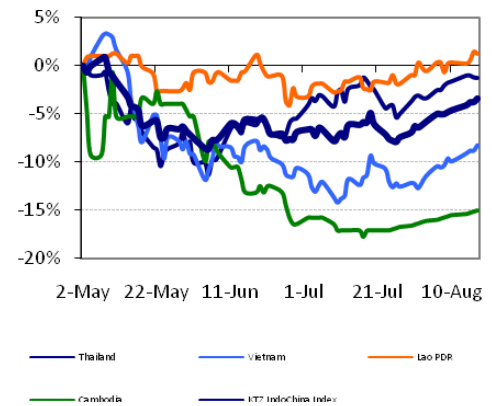
The VN index edged up by 2.62 points or 0.61% to 433.45 points after investors returned to buy some blue chips; meanwhile, the market was concerned about slow lending growth. A total of 37.81 million shares worth 713.12 billion dong were traded, or USD 34.20 million. Prices of 154 stocks went up, 63 stocks plunged while 73 stocks remained unchanged. Furthermore, GAS, MBB, OGC, DPM and HDC were the top five stocks in terms of foreign investors' buying, respectively.

For Lao PDR, the LSX Index plunged by 2.02 points or 0.19% to 1,034.73 points on trading volume of 16,200 shares worth 93.69 million kip (USD 11,722). BCEL advanced 350 kip to 7,650 kip (USD 0.96) while EDL-Gen sank 50 kip to 4,800 kip (USD 0.60). The Cambodian CSX index declined by 5.38 points or 0.76% to 704.3 points on trading volume of 9,333 shares worth KHR 61.16 million (USD 15,121), with the PPWSA dropping 50 KHR to 6,550 (USD 1.62).

The News

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- **Myanmar** – Myanmar starts flights between big cities
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Relative Performance



Source: Bloomberg

	Last	Chg	(%)
FTSE ASEAN	575.76	-0.82	-0.1%
Singapore	2,442.85	-8.44	-0.3%
Thailand	1,188.62	0.98	0.1%
Malaysia	1,649.79	-0.30	-0.0%
Indonesia	4,160.51	18.52	0.4%
Philippines	5,206.81	-12.70	-0.2%
Vietnam	433.45	2.62	0.6%
Lao PDR	1,034.73	-2.02	-0.2%
Cambodia	704.30	-5.38	-0.8%

Per USD	Last	Chg	(%)
Baht	31.51	-0.00	-0.1%
Dong	20,838.00	-12.00	-0.1%
Kip	8,016.95	-11.95	-0.1%
Riel	4,051.95	-1.00	-0.0%
Kyat	868.56	-5.55	-0.6%

Per Baht	Last	Chg	(%)
Dong	661.33	0.47	0.1%
Kip	254.35	-0.14	-0.1%
Riel	661.33	0.47	0.1%
Kyat	27.56	-0.15	-0.5%

Source: Bloomberg

Cambodia – Cambodia gains 53 factories this year

The Cambodian government has approved 53 new garment and footwear factories, worth an estimated US\$338 million, during the first half of this year, compared with 38 factories last year valued at \$180 million, despite the increase in the number of strikes affecting the industry. The increase was mainly a result of rising wages in China, as well as Cambodia's preferential tax status in foreign markets. Cambodia's officials said the strikes have been a concern at some points but were not defining how the industry was developing. New factories consisted of 40 garment factories worth \$239 million; two glove factories worth more than \$10 million; eight shoe factories worth \$60.5 million; two sock factories worth \$25 million; and one textile plant worth \$2.58 million. "We have more investors from China because the factories owners cannot find enough workers for their factories, as they face rising labor costs and worker shortages. The new factories were from countries including China, Taiwan and South Korea," said Ken Loo, secretary-general of the Garment Manufacturers' Association of Cambodia (GMAC). *Cambodia's garment, footwear and textile industry has enjoyed a preferential tax status in many countries around the world, including the European Union, the United States and Canada. Low labor costs in Cambodia are the key catalyst attracting investment.*

Myanmar – To start flights between big cities

An air shuttle service is to provide the first daily flights between Myanmar's former capital, Yangon, and the burgeoning new capital of Naypyidaw, ending the 12-hour return trip over bumpy roads. The service will "revolutionize" life, according to one Yangon-based executive, for government officials, foreign diplomats, business executives and Aung San Suu Kyi, the opposition leader, who regularly make the 660km round trip. The operator, First Myanmar Investment, is set to announce the service this week, offering four flights a day from September 9. The new service, under the name FMI Air Charter, offers two aircraft, a 44-seat twin turboprop ATR 42 and a 16-seat Beechcraft, that will ply the route in 50 minutes. The government and private sector see it as a critical addition as Myanmar prepares to host the Southeast Asian Games and other gatherings such as the World Economic Forum next year, and to chair the Association of Southeast Asian Nations in 2014. *Naypyidaw, built in relative secrecy in central Myanmar under the former military regime in the early 2000s, has expanded rapidly in size and importance since it opened in 2006. Visitors have increased from a handful to several thousand a week. The city hosts the country's sprawling, combined houses of parliament, its ministries, military headquarters, some branches of foreign offices including embassies, and most recently the Asian Development Bank, which opened its Naypyidaw office this month. And for the infrastructure for the SEA Games, more than 20 hotels are being built or have just opened, and many more will come, according to tourism officials.*

Vietnam – Vietnam's mobile imports grow to USD 1.74 bn

In the first seven months of this year, Vietnam has imported USD 1.74 billion worth of mobile phones and components from China. The figure is 2.5 times higher than in the same period last year, Vietnam Business News writes citing a customs report. The import value of Chinese mobile products accounts for up to 70 percent of the total spent on the same products in the period. Total mobile imports stood at USD 2.49 billion, up 107 percent year-on-year, while exports totaled USD 6.2 billion in the first seven months, up 150 percent, with Samsung products contributing the most. *The penetration rate of mobile phone usage in Vietnam is around 80% of its 90 million population. There are seven operators in the country. Viettel successfully took control of rival operator EVN Telecom at the start of 2012. The rollout of 3G networks has been moving quickly, while the regulator has authorized operators to launch trial 4G/LTE networks. The market is waiting on the government's next move in privatizing the two state-owned mobile operators, Mobifone and Vinaphone.*