

Tuesday March 20, 2012

Stock Markets Rap (as of Mar 19)

	Close	Chg	(%)
Dow	13,239	+7	+0.0
Nasdaq	3,078	+23	+0.8
S&P 500	1,410	+6	+0.4
VIX	15.04	+0.57	+3.9
MSCI World	1,326	+5	+0.4

	Close	Chg	(%)
FTSE 100	5,961	-4	-0.1
DAX	7,154	-4	-0.1
CAC	3,578	-17	-0.5
Euro Stoxx	2,541	+5	+0.2

	Close	Chg	(%)
ASX 200	4,291	+15	+0.3
Nikkei	10,142	+12	+0.1
Shanghai	2,410	+5	+0.2
HSI	21,115	-203	-1.0
H Shares	11,036	-180	-1.6

	Close	Chg	(%)
STI	2,990	-21	-0.7
Malaysia	1,574	+2	+0.1
PSEi	5,127	-19	-0.4
SET	1,190	-0	-0.0
LSX	954	+3	+0.3
Vietnam	438	-0	-0.1
Indonesia	4,025	-4	-0.1
FTSE ASEAN	573	-0	-0.1

Currencies Rap (as of Mar 19)

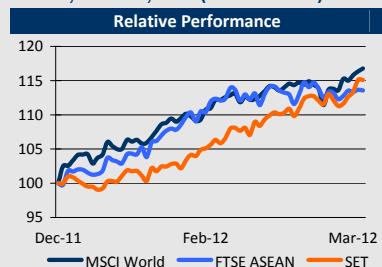
	Last	Chg	(%)
DX	79.47	-0.32	-0.40
THB/USD	30.72	-0.01	-0.03
LAK/THB	260.11	-0.06	-0.02
LAK/USD	7,992.00	-7.00	-0.09
USD/EUR	1.3167	-0.00	-0.06
JPY/USD	83.12	-0.32	-0.38

Commodities Rap (as of Mar 19)

	Close	Chg	(%)
Gold	1,667.30	+11.50	+0.69
Silver	32.96	+0.35	+1.08
Copper	390.90	+3.10	+0.80
WTI	108.09	+1.03	+0.96
Brent	125.71	-0.10	-0.08
BDI	879	+5	+0.57

Source: Bloomberg

World, ASEAN, SET (as of Mar 19)



Source: Bloomberg

INDOCHINA NEWS

- Vietnam - KBank Teams Up With VN's Agribank
- Thailand - Central Bank Sells Longer Bonds to Reduce Instability
- Cambodia - Power Supply Covers Over 1/3 of Cambodians as of 2011
- Philippines - San Miguel's Petron Makes Offer for Esso Malaysia
- Philippines - Philippine Peso Snaps Six-Day Drop on Forex Rules; Bonds Fall
- Myanmar - Exclusive: Myanmar Drafts New Foreign Investment Rules
- Myanmar - Oil, Gas and Power Summit Approaches
- Myanmar - Qatar Airways to Relaunch Yangon Flights

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

INDOCHINA NEWS

Vietnam - KBank Teams Up With VN's Agribank

Kasikornbank has signed a service cooperation agreement with Vietnam Bank for Agriculture and Rural Development (Agribank), in its bid to extend presence across Asean ahead of the regional single market. It was signed in Vietnam by Songpol Chevapanyaroj of Kasikornbank, and Kieu Trong Tuyen of Vietnam Bank for Agriculture and Rural Development (Agribank). Songpol noted that KBank has the policy to establish partnership with banks in nine countries (except Burma), which would boost the number of branches in Asean where KBank can provide services to over 5,000 within this year. In 2011, KBank forged partnership with VietinBank, which showed the highest earnings last year thanks to its strength in overseas transactions. Agribank, entirely owned by the government, owns the largest branch network in Vietnam with over 2,300 branches. KBank has so far established partnership with 7 banks in four countries; Indonesia (with banks that own 1,316 branches), Singapore (26 branches), Laos (21 branches) and Vietnam (3,400 branches). [\[The Nation\]](#)

Thailand - Central Bank Sells Longer Bonds to Reduce Instability

The Bank of Thailand is issuing bonds with longer maturities to reduce local market volatility caused by foreign capital inflows. Pongpen Ruengvirayudh, assistant governor of the bank's Financial Markets Operations Group, said the central bank has been selling bonds over the past year with longer maturities, ranging from about six months to three years. The baht strengthened to 30.69 to a US dollar yesterday from 30.73 on Friday, a 0.13% rise. Ms Pongpen said the central bank has not been intervening in the market very much recently. Ms Pongpen added that a lessening of market concerns about Europe's sovereign debt crisis following the Greek debt restructuring agreement has resulted in a return of foreign capital to the region. Foreign investors arbitrating interest rate differences between overseas and local markets and buying Thai stocks and bonds has led to the baht's appreciation. The central bank does not believe the short-term investment inflows are excessively speculative. [\[Bangkok Post\]](#)

Cambodia - Power Supply Covers Over 1/3 of Cambodians as of 2011

Power supply in Cambodia had reached 34% of the whole population as of last year, up from 29.5% in 2010, according to the Ministry of Industry, Mines and Energy. Power supply in 2011 totaled 635.5 megawatts. Capital city Phnom Penh consumed some 349.4 megawatts, or 55% of the entire capacity. China is leading in Cambodia's electricity development. The Sinohydro Corporation began operations of the 193-megawatt Kamchay hydroelectric dam in Southwest Cambodia last December. Four other China-invested hydroelectric dams with a total capacity of 722 megawatts have been under construction, including Kirirom III hydropower dam with a capacity of 18 megawatts, 246- megawatt Tatay river hydropower dam, 120-megawatt Atay hydropower dam and 338-megawatt Russei Chrum Krom. Construction of all these projects is expected to complete by 2015. [\[Xinhua\]](#)

Philippines - San Miguel's Petron Makes Offer for Esso Malaysia

San Miguel Corp said a Petron Corp affiliate submitted a mandatory takeover offer to acquire 35% of Esso Malaysia Bhd. The offer was required following Petron Oil and Gas International Bhd.'s purchase of 65% of Esso Malaysia, which is expected to be completed on March 30, San Miguel said in a disclosure to the stock exchange today. The offer price is 3.59 ringgit a share, it said. [\[Bloomberg\]](#)

Philippines - Philippine Peso Snaps Six-Day Drop on Forex Rules; Bonds Fall

The Philippine peso snapped six days of losses after the central bank further liberalized rules on foreign-exchange transactions. Bonds declined, pushing 10- year yields to an 11-week high. The peso rose the most in more than a week after Bangko Sentral ng Pilipinas announced on March 16 that it will raise the limit on dollar purchases by importers that don't need to be supported by documents to \$500,000 from \$50,000. Growth in the Southeast Asian nation's \$200 billion economy will accelerate to 4.2% this year and 5% in 2013 from 3.7% in 2011, the World Bank said. The relaxation of rules "would be positive for the peso because of less stringent regulations," said a currency analyst at Malayan Banking Bhd. [\[Bloomberg\]](#)

Myanmar - Exclusive: Myanmar Drafts New Foreign Investment Rules

Foreigners will no longer need a local partner to set up businesses in Myanmar and may be granted a five-year tax holiday from the start of commercial operations, according to the draft of a new investment law obtained by Reuters. The draft law adds to other signs of a remarkable economic liberalization in the long-isolated country. Foreigners, it said, can now either own companies 100% or set up a joint venture with Burmese citizens or government departments. Such joint ventures must involve at least 35% foreign capital. Foreign investors can also lease land from the state or from private citizens who have permission to use land, the law says. The initial lease would be for up to 30 years, depending on the type and size of foreign investment, and could be extended twice, for up to 15 years on each occasion. [\[Bloomberg\]](#)

Myanmar - Oil, Gas and Power Summit Approaches

MORE than 250 delegates from over 20 countries will attend the Myanmar Oil, Gas and Power Summit from March 27-29. Organised by the Centre for Management Technology and Myanmar's Ministry of Energy, the MOGP Summit is the only conference providing first-hand information and answers that will prepare industry majors and investors as well as service and support companies for ventures into Myanmar's energy sector. [\[Myanmar Times\]](#)

Myanmar - Qatar Airways to Relaunch Yangon Flights

The airline plans to begin services to Yangon by October this year, with three flights a week. Myanmar Marketing Committee secretary U Phyo Wai Yar Zar welcomed the announcement and said direct flights were likely to boost tourist arrivals, particularly from Europe. [\[Myanmar Times\]](#)