

August 21, 2012

The Market

Indochina index edged up after strong buying flowed into the Bank sector

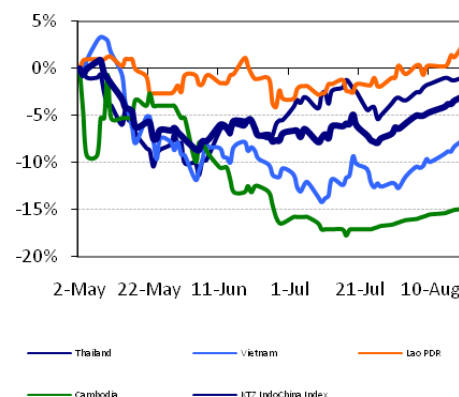
The VN index jumped up by 3.83 points or 0.88% to 437.28 points on the expectation that banks would be able to improve their credit growth. A total of 41.98 million shares worth 757.91 billion dong were traded, or USD 36.35 million. Prices of 139 stocks went up, 70 stocks plunged while 100 stocks remained unchanged. Furthermore, MBB, CTG, DPM, VIC and GAS were the top five stocks in terms of foreign investors' buying, respectively.

For Lao PDR, the LSX Index rose by 17.29 points or 1.67% to 1,052.02 points on trading volume of 24,968 shares worth 122.34 million kip (USD 15,307). BCEL tumbled 50 kip to 7,600 kip (USD 0.95) but EDL-Gen advanced 100 kip to 4,900 kip (USD 0.61). The Cambodian CSX index slumped by 5 points or 0.8% to 698.9 points on trading volume of 8,064 shares worth KHR 52.41 million (USD 12,958), with the PPWSA slipping 50 KHR to 6,500 (USD 1.61).

The News

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Relative Performance



Source: Bloomberg

	Last	Chg	(%)
FTSE ASEAN	575.78	0.02	0.0%
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	437.28	3.83	0.9%
Lao PDR	1,052.02	17.29	1.7%
Cambodia	698.92	-5.38	-0.8%

Per USD	Last	Chg	(%)
Baht	31.51	0.00	0.0%
Dong	20,845.00	7.00	0.0%
Kip	8,034.25	17.30	0.2%
Riel	4,045.00	-6.95	-0.2%
Kyat	875.88	7.32	0.8%

Per Baht	Last	Chg	(%)
Dong	661.54	0.21	0.0%
Kip	254.98	0.63	0.2%
Riel	661.54	0.21	0.0%
Kyat	27.80	0.24	0.9%

Source: Bloomberg

Laos - Vietnam's local bank opens office in Laos

The Sai Gon-Ha Noi Commercial Joint Stock Bank (SHB) inaugurated its first representative office in Laos' southern province of Champasak on Wednesday. This is the bank's second overseas representative office following its branch in Cambodia. The office aims to meet the demands of various groups of customers, especially small-medium sized enterprises and foreign economic organisations.

It is expected that strong loan demand will continue along with the sustainable high economic growth prospects. The IMF projected that Lao PDR's economy would continue growing in a range of 7-8% YoY during 2012-2015, which is in line with the 8% growth target of the Lao government's Seventh Socio-Economic Development Plan (2011–2015). SHB will become one of the 10 largest commercial banks in Vietnam, with charter capital of VND9 trillion (US\$428 million) and assets of VND120 trillion (US\$5.7 billion), after merging with Habubank next Tuesday, according to the State Bank of Vietnam.

Myanmar – Myanmar ends local press censorship

More than a year after it began an overhaul aimed at freeing up the country's closely restricted media, Myanmar's government said it has ended the censorship of local publications—but concerns about self-censorship and other restrictions remain. The Ministry of Information website announced the end of prepublication censorship Monday morning, with immediate effect. "When we started the media reform in June 2011 we intended to abolish press censorship in one year," ministry official Ye Htut said by email. "During this process we faced some challenges but after 13 months we reached our goal."

The Asian Development Bank expects that Myanmar's political and economic reforms could enable it to achieve annual economic growth of as much as 8 percent and more than triple its per capita income to \$3,000 by 2030 if reforms stay on track. The forecast came in a new report on Myanmar that upgrades the 2012 growth estimates by the ADB and other key international organisations by 0.5 to 1 percentage point to 6 percent.

Vietnam - Cheap domestic goods refused, expensive imports selling well

Despite low sale prices, a great advantage in hard times and when people have to tighten their belts, domestically made products remain in a tottering position in the home market. Seventy percent of sweets products displayed at CitiMarts are imports. Not only do they dominate the modern distribution channels, foreign products have also reached every corner in big cities and rural areas, from schools and parks to houses. The shelves at supermarkets are now full of products from New Zealand, Germany, South Korea and Thailand.

In fact, foreign products have been selling better in the domestic market partially because they are supported by domestic merchants. Vietnamese merchants have been satisfied with the price policies applied by foreign brands and the effective marketing campaigns. Therefore, the most advantageous positions at the markets or shopping malls have become the "inviolable positions" of foreign brands.