

The Market

Indochina index up slightly with caution on hopes for new measures to boost economy

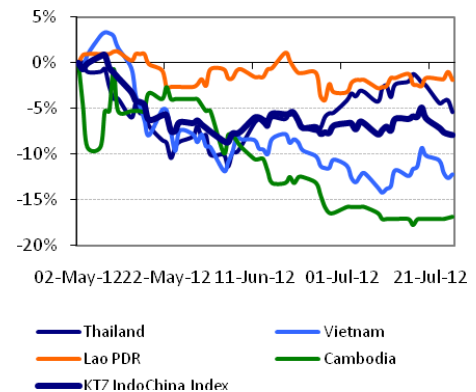
The VN index rose slightly by 1.89 points or 0.46% to 414.80 points. Most regional bourses surged on the expectation that the Fed may come up with further measures to stimulate growth after the posting of weak economic data. Trading volume was 30.778 million shares worth 401.6 billion dong, or USD 19.93 million. Prices of 154 stocks went up, 75 stocks plunged while 60 stocks remained unchanged.

For Lao PDR, the LSX Index fell 8.99 points or 0.89% to 1,003.33 points with a total of 124,128 shares worth 734 million kip (USD 92,000). The two listed companies moved in a tight range, with BCEL unchanged at LAK 7,000 (USD 0.87) and EDL-Gen sinking by 50 kip or 1.05% to LAK 4,700 (USD 0.58). The Cambodian CSX index was unchanged from the previous day at 709.68 points on trading volume of KHR 292.95 million (USD 71,363), with the PPWSA remaining at KHR 6,600 KHR.

The News

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Relative Performance



Source: Bloomberg

	Last	Chg	(%)
FTSE ASEAN	556.59	-1.00	-0.2%
Singapore	2,401.93	24.41	1.0%
Thailand	1,188.62	0.98	0.1%
Malaysia	1,623.91	-11.18	-0.7%
Indonesia	4,004.78	3.94	0.1%
Philippines	5,152.56	-9.24	-0.2%
Vietnam	414.80	1.89	0.5%
Lao PDR	1,003.33	-8.99	-0.9%
Cambodia	709.68	0.00	0.0%

Per USD	Last	Chg	(%)
Baht	31.61	-0.00	-0.3%
Dong	20,880.00	2.00	0.0%
Kip	8,020.50	-4.50	-0.1%
Riel	4,110.25	-14.20	-0.3%
Kyat	870.65	-2.38	-0.3%

Per Baht	Last	Chg	(%)
Dong	660.42	1.28	0.2%
Kip	253.65	0.38	0.1%
Riel	660.42	1.28	0.2%
Kyat	27.53	-0.02	-0.1%

Source: Bloomberg

Cambodia – Viet Nam invests over US\$5 million in sugar planting in Cambodia

The Bien Hoa- Tay Ninh and Bourbon-Tay Ninh, sugar factories from Vietnam have spent over US\$5 million in a joint venture with their Cambodian partners to plant 3,500 hectares of sugar cane in Cambodia's Svay Rieng Province for the 2012-2013 crop. The output will be sent back for Vietnamese sugar factories, though poor infrastructure has made it difficult to transport. Vietnamese sugar producers have planted the crops in Cambodia as sugar cane in Viet Nam has faced stiff competition for farmland from other crops such as cassava and rubber. The sugar cane sector is a part of a co-operation between the two provinces in order to create jobs and boost incomes for local people. Bilateral trade between the two countries reached nearly US\$1.5 billion in the first five months of this year, an increase of 30 percent against the same period last year. Vietnamese businesses have more than 110 investment projects totaling more than \$2.4 billion in registered capital in Cambodia. Of this capital, 40.7% was in agriculture and forestry, 34% in electricity production and 11% in the finance and banking sector. *These 3,500 hectares of sugar cane plantations are rather small compared to Thailand's Khon Kaen Sugar Plc. with 20,000 hectares of plantation land concession or Mitr Phol group with 100,000 hectares of plantation land concession. It was evident that cultivation was behind schedule with lower than expected crop yield.*

Myanmar – Australian mining companies are exploring options in the 'new' Myanmar

Mr Everett, chairman of exploration company Global Resources Corp, based in South Brisbane, and Mr Bovard, principal of Sterling Mining Group, are in Yangon, to assess opportunities for Australian investors. Mr Everett said smaller Australian exploration and mining firms were well placed to enter Myanmar, one of South-East Asia's final frontier markets. It recently opened to foreign investment after more than half a century of military rule. "Australian entrepreneurial junior companies are often the first movers going into remote areas," Mr Everett said, pointing to examples in South America, Africa and parts of Asia. *It is believed that Myanmar, just like Laos, would have great potential for gold mining which should attract foreign investment. But Myanmar's restrictive regulatory framework related to import-export, capital flow and combined with a lack of physical infrastructure, means many interested companies will be adopting a "wait-and-see" approach.*

Myanmar – Canada Trade Minister to travel to Myanmar to discuss trade

Canada's International Trade Minister Ed Fast and a delegation of business leaders would travel to open up economic relations with Myanmar in September, the first minister to visit this country since trade sanctions were eased at the end of April. The trade and investment ground in Myanmar is shifting. "The investment climate and the business environment is changing", Fast said after participating in a meeting in Toronto with numerous Canadian firms who are "eager" to do business in the country. Firms at the meeting included Research In Motion (TSX:RIM), SNC-Lavalin (TSX:SNC), Bombardier (TSX:BBD.B) and consulting firms Nextep Strategy Inc., Prudential Consulting Inc. and Deloitte. *RIM is provider for telecommunications platforms, while SNC-Lavalin and Bombardier are active in the engineering and construction for the infrastructure and rail transportation. These could be useful for Myanmar that needs improvements to its infrastructure.*

Vietnam – Vietnam posts surplus in trade balance in July, buoying dong

Vietnam posted an unexpected trade surplus of \$100 million in July, which may bolster the nation's currency, even as weaker global growth crimps demand for the region's goods. The surplus was compared with a revised surplus of \$361 million in June, according to preliminary figures released by the General Statistics Office in Hanoi, and the median of five forecasts in a Bloomberg News survey of a \$150 million shortfall. A diminishing trade deficit has buoyed confidence in Vietnam's currency and helped boost foreign reserves. The nation's imports have grown at a slower pace as the economy expanded 4.38 percent in the first six months, down from 5.63 percent in the same period a year earlier. The monetary authority has cut interest rates for five straight months. The trade shortfall through the first seven months of the year was \$58 million, compared with about \$5.8 billion at the same time a year earlier. *The Vietnamese dong was trading at 20,883 per dollar in Hanoi Thursday. It has gained about 1% this year against US dollar, faring better than peers including the Thai baht and the Indonesian rupiah as Europe's deepening sovereign-debt crisis spurred outflows from emerging markets. Vietnam exports are doing quite well in spite of global demand being weak with global trade expansion expected at just about 3.8%, this should be partly supported by its agricultural & food exports are relatively resilience to the global slowdown and price trend to benefit from the drought in US.*