

Vietnam

Retail sales rise 23% for 9M/12 Vietnam retail sales grew 23% yoy to VND1.710trn (US\$81.6bn).

View: Growth rate declining qoq, but above LT average The retail sales growth rate has slowed qoq this year from 26% for Q1/12, to 23% for Q2/12, and dropped to 19% in Q3/12. However, the average yoy rate for 9M/12 is still above the 21% annual average since 2000. Although there has been recent news of declining sales for some consumer products, total retail spending growth rate has slowed only gradually. However, current systemic problems are unlikely to be resolved quickly; we see a high probability for a further decline in the growth rate for Q4/12.

Cambodia

Official milled rice exports up just 2% yoy Cambodia's official milled rice exports rose just 2% yoy to 131,064 tonnes for 9M/12. (this excludes excludes grey market cross border trade with Vietnam and Thailand)

View: Short term lull, but longer term trend strong Although the yoy growth in rice exports has been below expectations, the long term trend is extremely robust. Cambodia exported just 6,390 tonnes of rice for the whole of 2008; the 9M/12 figure alone represents 20x growth in just four years. However, given the slowdown this year it may prove difficult for the government to hit its current 1mn tonne rice milled export target by 2015.

Laos

Swiss annual grants to Laos to rise 19% The Swiss Development Agency (SDA) has announced plans to increase its grants to Laos to US\$19mn per year for the next several years, from US\$16mn previously, up 19%, as part of a plan to increase development assistance to the Mekong region.

View: Represents 4.1% of total 2011 grants The planned grants from the SDA are material, as they would have represented 4.1% of total grants as of 2011. Grants are a key support for the Laos budget, accounting for 27% of total government revenue in 2011.

Myanmar

Malaysia's Felda to enter Myanmar Felda Global Ventures Holdings, the largest crude palm oil producer in Malaysia, is considering major investments in Myanmar. The group has partnered with domestic firm Pho La Min to develop a rubber processing plant and plantations. The company already distributes its palm oil product imports via local Partner Wynn Enterprises.

View: Large agricultural development potential Myanmar has a similar agricultural natural resource profile to Thailand; the growth of agricultural exports and agribusiness in the latter points to large potential for the development of this business in the former; Felda's entrance is a significant step in this direction.

Index	Value	% chg
Thailand	1,305.7	0.46
Vietnam	384.3	-0.58
Laos	1,049.0	0.88
Cambodia	666.7	0.00

Source: Bloomberg

Valuation	P/E	P/B
Thailand	14.2	2.2
Vietnam	9.8	1.4
Laos	5.5	0.7
Cambodia	18.1	n/a

Source: Bloomberg, KT Zmico estimates

Currency	USD:x	% chg
Baht (THB)	30.7	-0.45
Dong (VND)	20,885	0.02
Kip (LAK)	8,020	-0.46
Riel (KHR)	4,062	-0.41
Kyat (MMK)	862	-0.41

Source: Bloomberg

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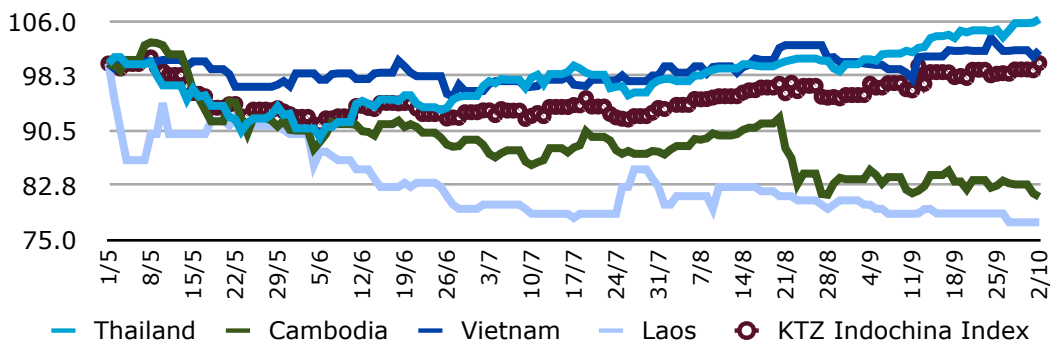
Indochina Markets

Vietnam down 0.6%: The HCM index fell 0.6% to 384.3, on low volume, as negative economic and corporate news flow continued to weigh on the bourse.

Laos up 0.8% The LSX rose 0.8% to 1,048.9, with BCEL flat at LAK7,450 and EDL rising 1.0% to LAK4,900. The index trades on a region low 5.5x price to earnings ratio.

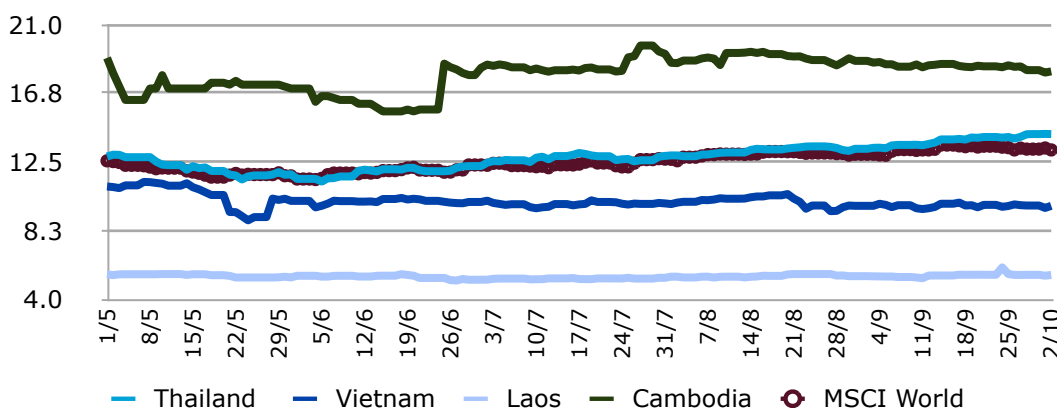
Cambodia flat for third session: The CSX (with its single listed stock PPWSA), traded flat at 666.7 for a third session, on volume of 8,936 shares.

Figure 1: Indochina markets relative index performance



Source: Bloomberg

Figure 2: Indochina markets price to earnings ratio



Source: Bloomberg

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