

Vietnam

FY12 loan growth of 5.4% yoy for HCMC The central bank estimates that loan growth in Ho Chi Minh City will be 5.4% yoy to VND805trn (US\$39bn) for FY12, with 75% of the total credit VND denominated. Total deposits are expected to rise 9% yoy to VND974trn (US\$47bn).

View: Loan growth still well below historical levels Loan growth in 2012 versus end-2011 levels has ticked up from mid-year when it was near zero, but it is still well below the 27% CAGR credit growth from 2005 to 2011. We expect that currently declining interest rates could give a minor lift to loan growth in the coming months, but that it will remain anemic in 2013.

Cambodia

Rice federation launched The Federation of Cambodian Rice Exporters (FCRE) was officially launched this week, and expects to soon be authorized by the government to oversee the industry. Currently 120 companies have registered with the FCRE, of which 25 firms are rice millers.

View: Rice exports reach critical mass in last few years The establishment of the FCRE is intended to promote integration of the industry especially with regards to driving rice exports. Although 9M/12 rice exports have declined 11% yoy to 111,417 tonnes, the longer term trend is still strong, given that rice exports were just 6,390 tonnes in 2008.

Laos

ADB to fund Nam Ngum 3 dam The Asian Development Bank will provide US\$465mn in funding for the US\$1bn, 440MW Nam Ngum 3 hydropower plant, with US\$350mn in loans and US\$115 financing the Lao government's stake in the project (through Laos Holding State Enterprises).

View: Capital should continue to flow into Laos hydropower We expect to see capital continue to flow into Laos hydropower, given that previous projects in the sector are proving successful, and demand from key electricity export customers Thailand, Vietnam and China remains high.

Myanmar

Oil majors and Anglo American may invest In the past week, oil and gas majors Chevron, Exxon and ConocoPhillips have expressed interest in investing in Myanmar, as has one of world's largest miners, Anglo American.

View: Should help open new markets for key export sectors China and Thailand are currently the major investors in Myanmar's resources sectors, and the bulk of Myanmar's resource exports now go to these countries. Investment from these major international resource companies should help open up new export markets for resources, as well as help modernize these industries given the technological advantage of these international firms.

Index	Value	% chg
Thailand	1,359.1	0.04
Vietnam	393.6	0.36
Laos	1,205.6	-0.84
Cambodia	661.3	-0.81

Source: Bloomberg

Valuation	P/E	P/B
Thailand	15.1	2.3
Vietnam	10.0	1.7
Laos	6.6	0.8
Cambodia	18.3	n/a

Source: Bloomberg, KT Zmico estimates

Currency	USD:x	% chg
Baht (THB)	30.6	-0.10
Dong (VND)	20,850	0.05
Kip (LAK)	7,954	-0.52
Riel (KHR)	3,995	0.00
Kyat (MMK)	850	-0.41

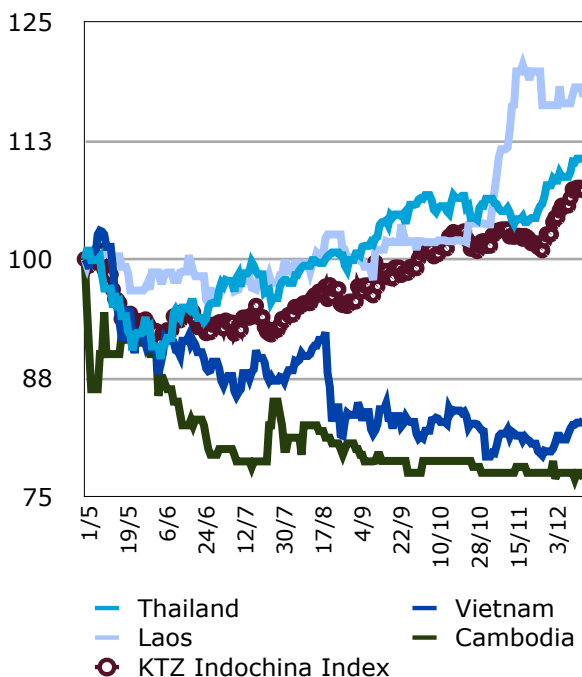
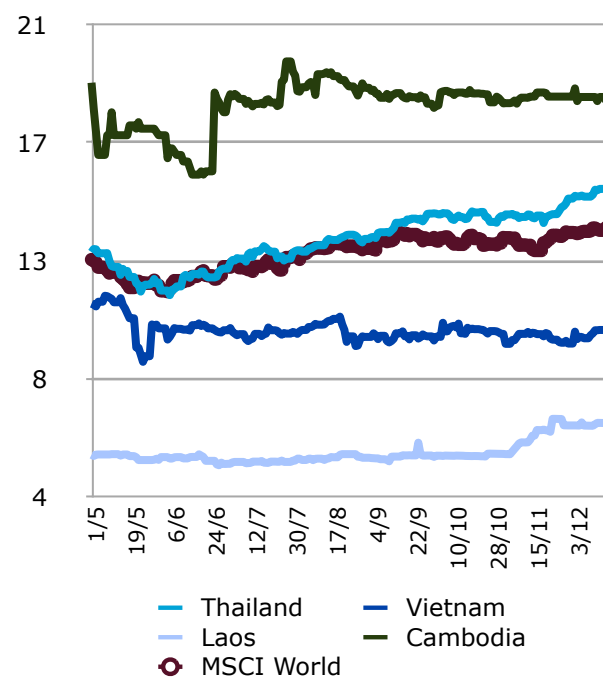
Source: Bloomberg

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Figure 1: Indochina Markets

	Index/ Price*	% chg	Volume('000)	YTD avg daily volume ('000)	Value (US\$ '000)	YTD avg daily value (US\$ '000)
Vietnam (HCI)	394	0.4%	44,263	46,693	25,748	31,534
Vietnam (HNI)	55	0.1%	62,014	44,446	18,090	18,439
Laos (LSX)	1,206	-0.8%	4	100	3	67
BCEL*	7,500	-0.7%	1	23	1	20
EDL*	5,750	-0.9%	3	77	2	47
Cambodia (CSX)	661	-0.8%	3	45	4	85
PPWSA*	6,150	-0.8%	3	45	4	85

Source: Bloomberg *Laos- LAK, Cambodia - KHR

Figure 2: Relative performance*

Figure 3: Market price to earnings ratio


Source: Bloomberg, KT Zmico estimates, * from May 1, 2012

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