

Vietnam

More transparency planned for SOEs The Enterprise Reform and Development Department announced that state-owned enterprises (SOEs) will soon be required to release details on their operations and investments to the public. This would follow the passing of the draft decree on closer supervision and management of SOEs.

View: Should encourage tighter management We believe that these new requirements will encourage tighter management of SOEs, which previously were not required to release their financial information. This had led some SOEs to amass substantial debts and others to avoid releasing data when performance was weak.

Cambodia

US looks to infrastructure investment The US government plans to support US firms looking to be involved in large scale infrastructure projects in Cambodia.

View: Unclear where investment will be directed It is unclear what major projects the infrastructure investment would be directed towards in the short to medium term. US investment has been low in Cambodia in recent years compared to regional investment, and contracts for many key long-term projects have already been secured. Thailand, China and Vietnam already dominate the power sector, and the latter two countries will build two major high speed rail projects.

Laos

Biodiesel plant planned for Savannakhet A group of Malaysian firms, including Felda Global Ventures (one of Malaysia's leading producers of biodiesel refined from palm oil), recently visited officials in Savannakhet province to undertake a feasibility study on a project in the province, comprising an estimated 40,000 hectares of land for palm trees and a biodiesel processing plant.

View: Felda already operating in Indochina Entering Laos is a natural progression for Felda, which has already committed to Indochina with plants in Cambodia and Myanmar, countries with similar agricultural resources and levels of development to Laos.

Myanmar

Onshore oil blocks open for bids Late last week the government opened 18 onshore oil blocks (over a third of the country's total 50 onshore blocks) for bidding by foreign firms, which would be required to partner with state energy companies. The country is also preparing to offer some offshore blocks for bidding soon.

View: First tender since political reforms This is first tender for oil blocks since 2011, which was dominated by regional firms, as this was prior to the major political reforms and ease of sanctions in mid 2012. For the current tender we expect to see much more interest from western super major oil companies that had been excluded from Myanmar due to the sanctions.

Index	Value	% chg
Thailand	1,434.4	0.95
Vietnam	454.2	-0.57
Laos	1,408.0	3.44
Cambodia	666.7	0.00

Source: Bloomberg

Valuation	P/E	P/B
Thailand	13.2	2.2
Vietnam	10.3	1.8
Laos	7.8	1.5
Cambodia	18.4	n/a

Source: Bloomberg, KT Zmico estimates

Currency	USD:x	% chg
Baht (THB)	29.8	-0.03
Dong (VND)	20,845	0.00
Kip (LAK)	7,963	-0.12
Riel (KHR)	3,995	0.00
Kyat (MMK)	857	-0.13

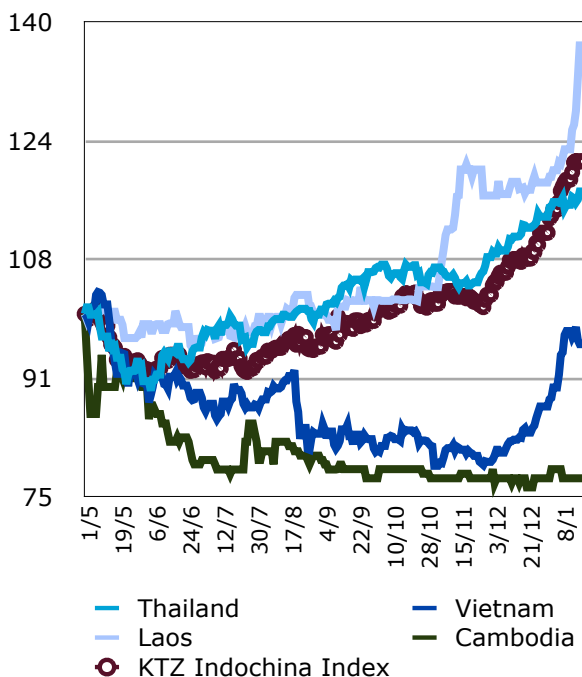
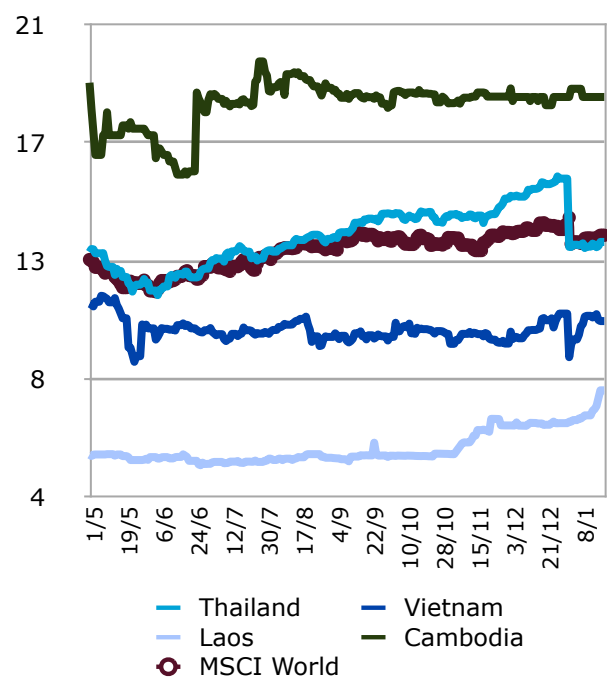
Source: Bloomberg

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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)	454	-0.6%	80,023	48,564	44,997	32,449
Vietnam (HNI)	62	-0.4%	70,647	47,345	24,692	19,064
Laos (LSX)	1,408	3.4%	96	96	82	65
BCEL*	8,000	0.6%	1	21	1	19
EDL*	6,800	3.8%	95	75	81	46
Cambodia (CSX)	667	0.0%	9	41	14	77
PPWSA*	6,200	0.0%	9	41	14	77

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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