

Vietnam

Importers hold back on Tet orders Importers and distributors of consumer goods preparing for the early-February 2013 Tet holiday have reported that they have been cautious on building inventory, and many will make flat orders yoy.

View: No major boost from Tet likely Tet is the major holiday season in Vietnam, and extensive gift giving and celebrations historically boost economic activity around this period. However, with many importers and distributors not expanding their purchases yoy for Tet after overstocking for the mid-autumn festival, its suggests that next year's holiday alone will not act as a significant growth driver for Q1/13.

Cambodia

Garment exports to US broadly flat yoy Cambodia's garment exports to the US rose just 0.4% yoy for 9M/12 to US\$2.65bn, while declining 3.0% yoy for October 2012.

View: Concerning decline in key export product Garments represent over 80% of Cambodian exports, and the US market accounts for about 45% of total garment exports. The continued decline in garment export growth to the US from above 10% yoy at the start of the year, to below zero currently, is therefore concerning. The garment sector is a key support for the economy, and is still the bulk of the manufacturing base; a continued downward trend could truncate the GDP growth rate in 2013.

Laos

Strong growth in flat screen TV sales Market data firm GfK shows soaring growth in flat screen TVs in the capital Vientiane (which comprises 60% of the country's television market), accounting for 47% of Q3/12 television sales versus 20% for Q2/12. The total television unit sales from April to September were 11,000, valued at US\$2.3mn.

View: Early growth of consumer market Although Laos' modern consumer market is still in a very early growth phase, the rapid growth in sales of these relatively high ticket items shows that a burgeoning high end consumer segment does now exist.

Myanmar

PT Timah to begin tin exploration Indonesian mining firm PT Timah has gained a permit from the Energy Ministry to start tin exploration by early 2013. The company plans to invest US\$18mn over three years in developing a tin mine. Myanmar produced 730 metric tonnes of tin concentrates in 2010, and on average produced 700 tonnes/year from 2003-2010.

View: Tin business in recovery Tin prices in Myanmar dipped to a low US\$17,000/tonne earlier this year, but have recovered to US \$20,000 metric tonne recently. Sluggish economic growth in the US, the EU, and concerns about demand levels in China have weighed on the industry this year.

Index	Value	% chg
Thailand	1,276.4	-0.56
Vietnam	385.1	0.46
Laos	1,233.1	-0.58
Cambodia	672.0	0.00

Source: Bloomberg

Valuation	P/E	P/B
Thailand	14.1	2.2
Vietnam	9.9	1.7
Laos	6.4	0.9
Cambodia	18.5	0.0

Source: Bloomberg, KT Zmico estimates

Currency	USD:x	% chg
Baht (THB)	30.7	-0.10
Dong (VND)	20,850	-0.06
Kip (LAK)	8,018	0.26
Riel (KHR)	3,996	0.10
Kyat (MMK)	851	0.23

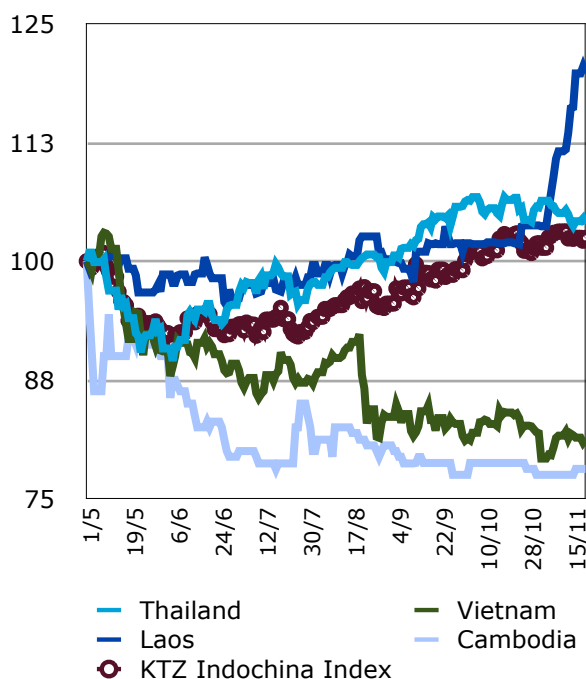
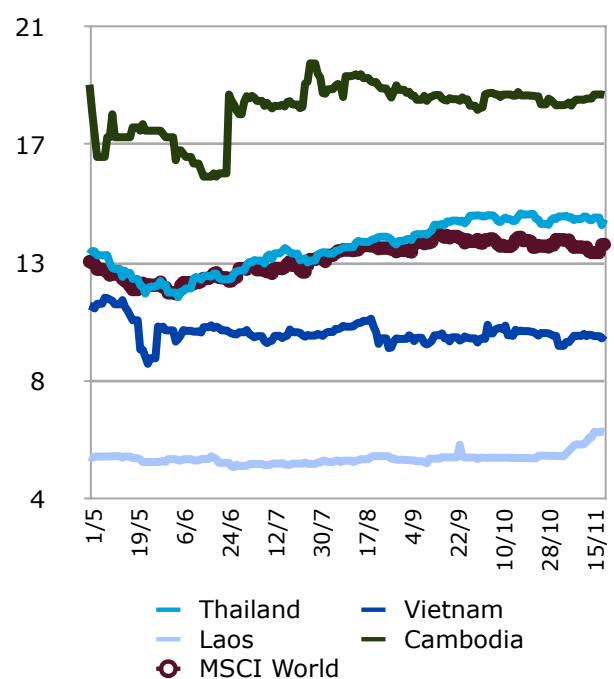
Source: Bloomberg

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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)	385	0.5%	20,735	48,468	12,082	32,999
Vietnam (HNI)	52	0.9%	20,779	45,889	5,493	19,356
Laos (LSX)	1,233	-0.6%	0	105	0	70
BCEL*	7,500	-4.5%	10	24	0	21
EDL*	5,900	0.0%	81	81	0	49
Cambodia (CSX)	672	0.0%	1	48	2	92
PPWSA*	6,250	0.0%	1	48	2	92

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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