

Vietnam

HCM approved FDI down 48% yoy for 11M/12 Approved new foreign direct investment YTD as of November 15, 2012 in Ho Chi Minh city has declined 75.4% yoy to US\$510mn, with 349 projects licensed. Over the month since October 15, 2012, just 19 projects were approved, worth US\$19.6mn. Additional investment for existing projects rose 65% yoy to US\$728.3mn over the period.

View: Negative trend for FDI continues The continued declines in new FDI for HCM city, the center commerce for the country, is a bearish indicator. Also a negative is that the oversupplied real estate sector is drawing the most FDI, at US\$117mn, or about 10% of the total US\$ 1.24bn new and additional investment.

Cambodia

Japanese investment to reach US\$300mn in 2012 Japanese approved foreign investment in Cambodia is expected to rise over four times yoy to US\$300mn, from US\$75mn in 2011. The bulk of this investment is from the US\$205 mn Aeon Mall in Phnom Penh.

View: Japanese interest in Cambodia rising Over the last several years, China and Korea have been some of the largest sources of direct investment in Cambodia, but Japan has taken an increasing interest in the country. Cambodia's improving infrastructure and low wages versus the region make it increasingly attractive, while recent political issues in China have prompted Japanese to consider other regional operating bases.

Laos

Tourist arrivals up 12% yoy for 9M/12 Tourist arrivals to Laos rose 12% yoy to 2.4mn for 9M/12, with Asian visitors accounting for 2.2mn, or 90% of the visitors, and Thailand 1.4mn, or 63%.

View: Tourism growing more slowly than Cambodia Laos' arrivals growth is at about half Cambodia's 23% yoy rate over 9M/12. Over half of Laos's arrivals are from Thailand, many of which are regular day trippers on business or seeing relatives; growth for these arrivals will tend to low and stable. Cambodia, in contrast, is tapping mainly new markets, especially regionally, that were not previously visiting in large numbers, driving a higher growth rate.

Myanmar

Government signs off on small scale power projects The government has recently made progress on six planned small scale hydropower projects, under a build-operate-transfer structure, approving three projects, and signing a memorandum of understanding for the additional three projects.

View: Large scale energy expansion planned Myanmar had 1,100 MW of electricity capacity in 2011, just twice the 569 MW capacity of Cambodia, but for a country with a population 4 times as large. The government plans to increase capacity to 16,500 MW by 2020, with a key part of the strategy to encourage power production by IPPs like the six projects recently signed.

Index	Value	% chg
Thailand	1,279.5	0.24
Vietnam	383.2	-0.17
Laos	1,223.9	-0.74
Cambodia	666.7	0.00

Source: Bloomberg

Valuation	P/E	P/B
Thailand	14.2	2.2
Vietnam	9.7	1.7
Laos	6.3	0.9
Cambodia	18.4	0.0

Source: Bloomberg, KT Zmico estimates

Currency	USD:x	% chg
Baht (THB)	30.7	0.00
Dong (VND)	20,850	0.07
Kip (LAK)	8,021	-0.18
Riel (KHR)	3,992	0.00
Kyat (MMK)	851	-0.17

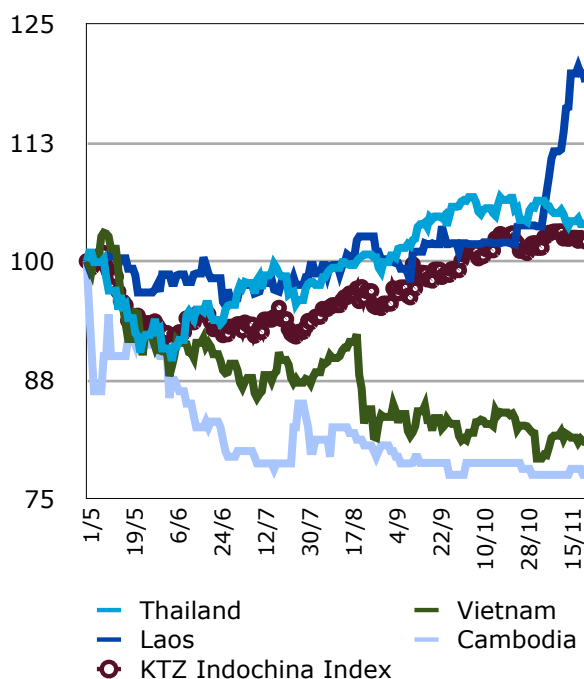
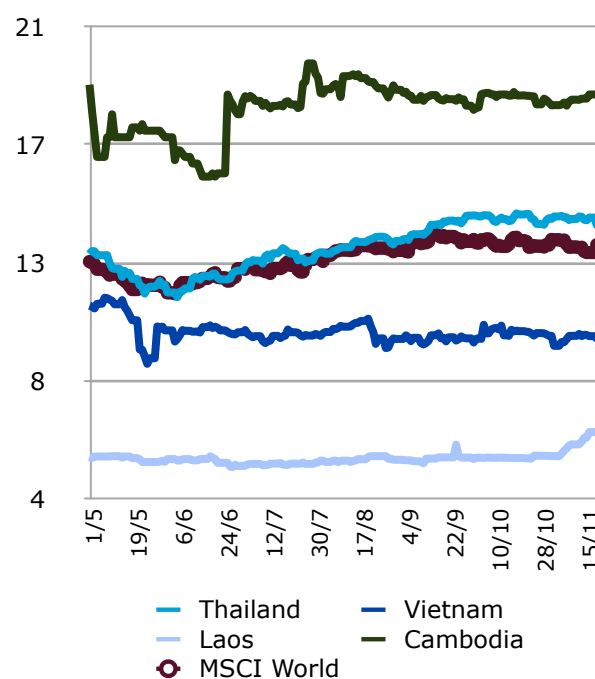
Source: Bloomberg

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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)	383	-0.2%	14,317	48,273	8,550	32,862
Vietnam (HNI)	52	0.3%	16,034	45,702	3,747	19,261
Laos (LSX)	1,224	-0.7%	39	105	29	70
BCEL*	7,500	0.0%	1	24	1	21
EDL*	5,850	-0.8%	38	81	28	49
Cambodia (CSX)	667	0.0%	8	47	13	91
PPWSA*	6,200	0.0%	8	47	13	91

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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