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WEEKLY STATISTICS

Graph 1: 3-month LSX Relative to key MSCI Indices

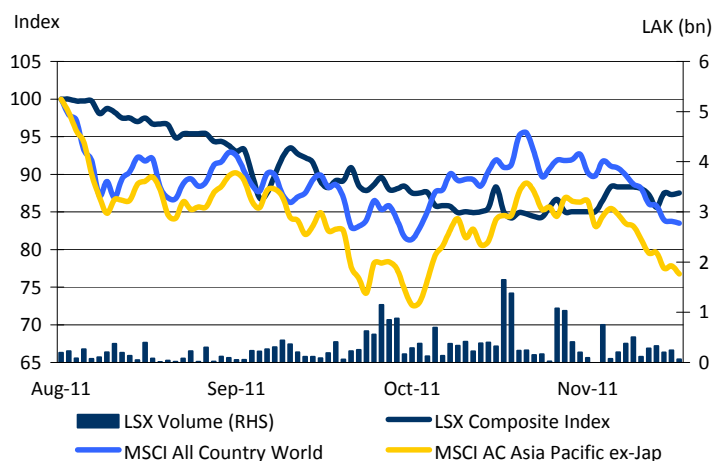


Table 1: Foreign Shareholdings Limit

Issue Name	Total (%)	Current (%)	Available (%)	Available (shares)
EDL LS	99.99	11.7376	88.2524	766,557,674
BCEL LS	5.00	1.7849	3.2151	4,391,142

* No voting rights on EDL shares exceeding 10%, and BCEL beyond 5%

Source: LSX, Bloomberg, KT ZMICO

Table 2: Key figures on LSX

Week of	14-18 Nov	21-25 Nov	Chg
LSX Index (wk ended)	937.97	931.39	(0.70%)
Wk Trading Value - LAK m	1,268.41	1,113.95	(12.18%)
- USD m	0.16	0.14	
Price (LAK USD)			
- EDL LS	4,400 0.55	4,350 0.54	(1.14%)
- BCEL LS	7,400 0.92	7,500 0.93	1.35%

Source: BCEL, KT ZMICO

Table 3: LSX Cumulative Turnover by Type (LAK m)

Week of	14-18 Nov	21-25 Nov	YTD
General Corp	(74)	0	(19,079)
Individual	(194)	(99)	(57)
Foreigners	268	99	22,351
Others	0	0	(3,215)

Source: BCEL, KT ZMICO

Table 4: Key figures on Forex, and Money Markets

Week of	14-18 Nov	21-25 Nov	Chg
LAK/USD	8,011.00	8,022.50	11.50
LAK/THB	258.60	255.41	(3.19)
12-mth Deposit Rate - LAK	9.00%	9.00%	0.00
- THB	3.00%	3.00%	0.00
- USD	3.25%	3.25%	0.00

Source: Bloomberg, BCEL, KT ZMICO

CONTENTS & COMMENTS

World Bank Cuts Lao GDP Growth Forecast

The World Bank has cut Laos' economic growth forecast for this year after the landlocked country suffered severe flooding this rainy season. The bank has unveiled its latest economic projections for economies in the East Asia and Pacific region on its website. GDP growth in Laos is now projected at 8% in 2011, slightly lower than the previous projection of 8.6% due to widespread flooding. The World Bank also estimated that GDP growth in Laos in 2010 stood at 8.5% due to the increased output of electricity. The bank forecasts that GDP growth in 2012 will reach 7.5%. The Lao government had planned for economic growth of 8.3% in the 2010/2011 fiscal year, which ended last month. The government has not announced any revision of its GDP growth forecast despite the impacts of the two tropical storms.

[Vientiane Times, Nov 28, 2011]

Comment:

Lao PDR has been growing in the range of 7-8% during the last five years and is expected to grow at an average of 7.8% per annum during 2011-15, according to the IMF. The Lao economy has shifted from a largely agricultural-based economy towards a more service and industry focus. Its economy has become more balanced, with the service sector contributing 39.32% of GDP in 2010 followed by agriculture at 28.41% and the industrial sector at 25.93%. Widespread flooding has had a negative impact on the agricultural sector but we believe this will only be temporary. The service sector remains robust, driven by wholesale and retail trade and telecommunications. In the industrial sector, mining production is decelerating from the slowing production plans of key miners. On the other hand, the electricity and water supply sector has grown rapidly by 75% in 2010. The electricity sector will become one of the major drivers of its economy going forward. Laos is diversifying itself from being a resource-based economy into a non-resource-based economy, which will increase the sustainability of its growth.

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Construction of US\$3.7b Lignite Power Plant Officially Begins

Hongsa Power Company has officially begun construction of a US\$3.7 billion lignite-fired power plant amid increasing demand for power both in Laos and neighboring nations. The 1,878MW power plant is scheduled for completion in 2016, and will contribute to Laos' aim of becoming the "battery of Asean". 1,500MW of the electricity generated will be sold to the Electricity Generating Authority of Thailand (EGAT) and 100MW to Electricité du Lao (EDL). The project concession period is 25 years. Hongsa Power Company was founded in 2009 as a 40:40:20 joint venture between Banpu Power Limited (BPP), Ratchaburi Electricity Generating Holding Public Company Limited (RATCH), and Lao Holding State Enterprise (LHSE). The company's main task is to operate the Hongsa Mine Mouth Power Plant project, which when completed in 2016 will be Laos' largest-capacity power plant, providing a new source of energy for both Laos and Thailand.

[Vientiane Times, Nov 25, 2011]

Comment:

Lao PDR currently has total installed capacity of 2,530 MW, with potential capacity to 24,022 MW by 2020, mostly from hydro power plants. The projected annual electricity generating growth is 28.4% CAGR during the period. With Lao PDR's strategic location, surrounded as it is by power-starved neighboring countries, i.e., China, Thailand, Vietnam, and Cambodia, 80% of this output will be sold to its peers. During 2005-2009, the power sector contributed 0.5% to the country's GDP growth. Given the strong growth, the contribution from the power sector will contribute 3.0% to the country's output during 2010-2014. To gain exposure to the solid growth of Lao PDR's electricity generating sector, we recommend BUY on EDL-Gen, a listed subsidiary of EDL, with a price target of LAK 10,377; US\$ 1.29. EDL-Gen closed at LAK4,300 on Nov 28, 2011.

Laos Strengthens Money Laundering Controls

Laos is making progress on tackling money laundering and avoiding being placed on an international list of countries where the illegal activity is prevalent. Lao officials and experts from the Asia/Pacific Group on Money Laundering (APGML) are working closely to introduce standard measures to combat money laundering in Laos. Based on the evaluation, Laos was encouraged to implement measures outlined by the APGML, including improving Article 64 of the criminal law, which relates to money laundering, to meet international standards. Legislation relating to money laundering needs to be created and the working party of the money laundering office needs to be improved.

[Vientiane Times, Nov 23, 2011]

Comment:

Most of the anti-money laundering issues the APG wants the Lao central bank to address are related to the mechanisms and cooperation channels used by the Bank of Lao and commercial banks to prevent money laundering. Laos is opening up its economy and amending numerous laws to pave the way for membership in the WTO and to comply with the milestone of the ASEAN economic community. The target date for the latter is by 2015, when freer flows of capital will be required. Anti-Money Laundering Intelligence Unit Director General Mr. Leuane Vongphranakhorn said that the international anti-money laundering group has called on Laos to address 49 outstanding issues in order to meet its obligations as a group member. He said the Lao central bank had to improve its capacity building over the next few months and present a progress report to the group on January 31.

Lao Airlines Hopes New Planes Will See Passenger Numbers Take Off

Lao Airlines expects a 20% rise in passenger numbers next year after putting its first jet aircraft into service, according to an airline official. The state-owned carrier's Planning and Cooperation Director, Mr. Noudeng Chanthaboupha, said Lao Airlines expects to serve 600,000 passengers in 2012, up from about 500,000 this year. The 20% increase is predicted following the addition of the larger Airbus 320 to the airliner's fleet this month. Lao Airlines will take ownership of another Airbus 320 next month, which will be used for international flights to the Republic of Korea, Japan, China and Mekong region nations. The company's first Airbus 320 made its inaugural flight from Vientiane to Singapore yesterday.

[Vientiane Times, Nov 25, 2011]

Comment:

We believe that route expansion by Lao Airlines is crucial to the country in terms of improving logistics. Earlier this year, the only international flights from Lao PDR were to Thailand, China, Vietnam, Malaysia, and Cambodia. Route expansion to Singapore, Korea, and Japan would bring more tourists as well as investors to the country. Two other key ongoing infrastructure developments, i.e., the Asian highway network and Kunming-Vientiane-Bangkok-Singapore high-speed railway, will create an opportunity for Laos to become a commercial center given its ideal location in the Indochina region.

BCEL-KT Securities is the underwriter of EdL-Gen and ETL. BCEL-KT Securities is a joint venture between BCEL Bank and KT ZMICO Securities (Thailand).

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