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WEEKLY STATISTICS

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

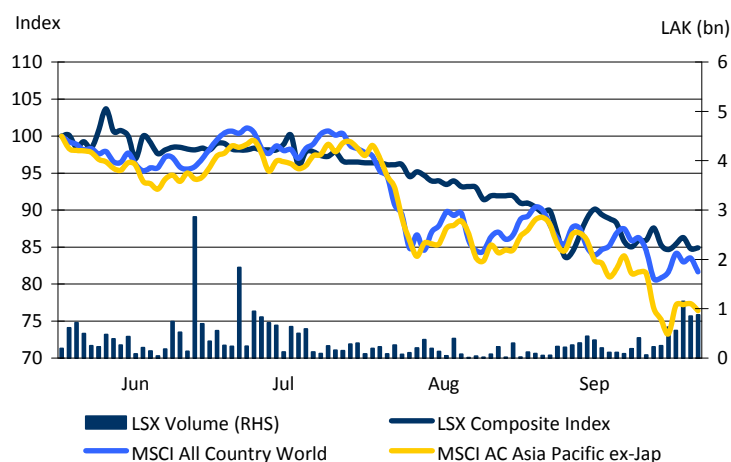


Table 1: Foreign Shareholdings Limit

Issue Name	Total (%)	Current (%)	Available (%)	Available (shares)
EDL LS	99.99	11.7596	88.2304	766,366,730
BCEL LS	5.00	1.1213	3.8787	5,297,417

* 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	19-23 Sep	26-30 Sep	Chg
LSX Index (wk ended)	942.20	937.77	(0.47%)
Wk Trading Value - LAK m	1,126.12	4,049.45	259.59%
- USD m	0.14	0.50	
Price (LAK USD)			
- EDL LS	4,450 0.55	4,400 0.55	(1.12%)
- BCEL LS	7,400 0.92	7,550 0.94	2.03 %

Source: BCEL, KT ZMICO

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

Week of	19-23 Sep	26-30 Sep	YTD
General Corp	0	0	(17,618)
Individual	(41)	(650)	4,042
Foreigners	41	650	16,835
Others	0	0	(3,259)

Source: BCEL, KT ZMICO

Table 4: Key figures on Forex, and Money Markets

Week of	19-23 Sep	26-30 Sep	Chg
LAK/USD	8,045.00	8,044.00	(1.00)
LAK/THB	260.50	258.00	(2.50)
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: BCEL, KT ZMICO

CONTENTS & COMMENTS

EDL to interconnect national power grids

Electricite du Laos (EDL) plans to interconnect its two independent regional power grids to become one national grid managed by its own load dispatching centre. "There is a northern grid which extends down to Savannakhet province and another that covers down to Saravan province," Mr Khammany explained. "Only 22kV transmission lines currently connect both grids." EDL Transmission and Substation Department Director Mr Khen Thepvongsa said that a study of the 115kV power grid interconnection project was completed by the Japan International Cooperation Agency last year. The project will be supported by the Japanese government. Mr Khen said that once the project is completed (in 2014) and the power grids are linked, the need to import energy will be reduced, while electricity supply will be boosted because the single grid will link to all power plants in the country.

[Vientiane Times, 22 Sep 2011]

Comment:

The national power grid project is very important for the Lao PDR in pursuit of its goal to be the "Battery of Asia". Under the ASEAN Power Grid (APG), power interconnection among members would promote the efficient use of power and develop new permanent power sources for future use. Two of the highlights in terms of connections in the region are Laos-Thailand and Laos-Vietnam. Lao PDR has abundant resources for power with potential capacity of 24,022 MW by 2020. 80% of capacity will be for export to its power-hungry neighbors, namely Thailand, Vietnam, Cambodia, and China. We believe the power sector will eventually become the major growth driver for the Lao economy in the coming years.

Thanawat Patchimkul
Global Strategist
Email: thanawatp@ktzmico.com
Tel: + 66 2 673 5300
Assisted by
Denruthai Krishnamra

Telecom operator to launch 4G internet

Lao Telecommunications Company (LTC) will launch its high-speed 4G or WiMAX Internet network by the end of this year. LTC will install additional base stations in Vientiane, roll out WiMAX (Worldwide Interoperability for Microwave Access) this year, and set up extra base stations in the provinces next year. WiMAX provides fixed and mobile Internet access. It is considered wireless backhaul technology for 2G, 3G, and 4G networks in both developed and developing nations.

[Vientiane Times, 23 Sep 2011]

Comment:

The Lao telecom industry is in the initial phase of growth, with the steady increase of per capita GDP driving consumer spending and leading to demand for telecom services. We believe sector profitability will improve from 4Q11 onwards given that the Lao government has urged all operators to stop price competition. Instead, operators are encouraged to compete in terms of quality. Industry revenue was USD280 million in 2010 with CAGR of around 23% during the last five years. Currently, there are four players in the market, i.e., ETL public company, LTC, Star Telecom, and Vimpelcom. ETL is the only operator whose license will not expire.

IMF raises Lao PDR's GDP growth forecast to 8.3 pct

The IMF raised Lao PDR's GDP growth forecast to 8.3% in 2011. The projection is higher than the ADB forecast of 8.1% but still lower than the World Bank's at 8.6%. The major factors contributing to the strong growth are the continued expansion of the mining and hydropower sectors, the increase of non-resource exports and tourism, and strong domestic demand.

[Xinhua, 22 Sep 2011]

Comment:

The robust GDP growth of Lao PDR has been shielded from external disturbances as its growth drivers are largely from its resource-based sectors. According to the IMF, Lao PDR has successfully completed their sixth five-year socio-economic development plan (2005-2010), with its annual average growth of 7.9% among the highest in the region. The robust performance has been due to sustained growth in the mining sector, hydropower projects, as well as other non-resource sectors, with Lao PDR's medium-term prospects being promising. Large hydropower and mining projects in the pipeline underpinned by record-high copper and gold prices along with rapidly rising demand for electricity in neighboring countries are projected to keep growth broadly in line with the annual average growth target of 8% in the seventh five-year plan (2011-15).

Lao Securities Exchange to increase trading sessions

LSX Chairman and CEO Mr. Dethphouvang Moularat announced this week that stock market call-auction sessions would increase from two a day at present to six a day from October 10, saying it is hoped the move will stimulate more people to buy and sell stocks. The change will mark the first anniversary of the Lao-Korean joint venture exchange.

[Vientiane Times, 28 Sep 2011]

Comment:

The increase of auction sessions to six times a day will help attract more investors to the market. The Lao Securities Exchange has gained attention from international investors due to its freshness and the growth prospects of the country. The exchange plans to launch online trading by the end of this year. The Lao authorities are also studying the establishment of an international custodian to accommodate overseas investors.

Chinese bank eyes entry into Lao market

Industrial and Commercial Bank of China (ICBC) Executive Director Mr. Yang Kaiseng has expressed interest in opening a branch in Laos, hoping to capitalize on the increasing economic cooperation between the two countries. ICBC and the Bank of Lao PDR discussed the possibility of allowing both Lao kip and Chinese RMB accounts and payments. Bilateral trade between Laos and China continues to increase, having risen to about US\$1 billion in value in 2010.

[Vientiane Times, 27 Sep 2011]

Comment:

The increasing number of international banks constitutes firm evidence that Lao economic prospects are bright while external trade remains robust. Currently, there are 21 banks operating in Lao PDR, with six being state-owned banks and the remainder privately owned. In August, the French bank COFIBRED signed an MOU to buy a 10% stake of "BCEL LS" from the Lao Government. In early September, Malayan Banking Bhd (Maybank) applied for a banking license in Lao PDR. ICBC's interest is not a surprise as China is one of Lao's major trading partners apart from Thailand and Vietnam.

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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