

The Market

Indochina index fell slightly with an unclear direction

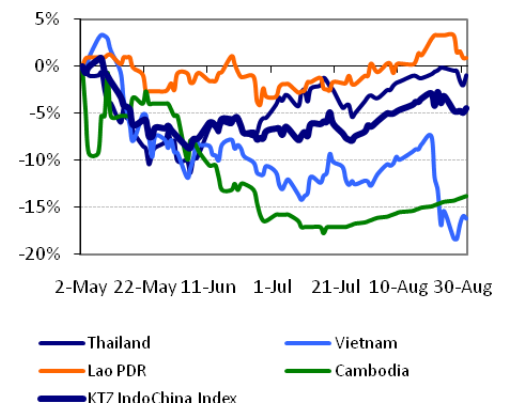
The VN index was closed on Monday for a national holiday and will resume trading today.

For Lao PDR, the LSX Index declined by 2.04 points or 0.2% to 1029.63 points on trading volume of 36,901 shares worth 196 million kip (USD 25,000). BCEL fell 100 kip to 7,400 kip (USD 0.93) but EDL-Gen remained stable at 4,800 kip (USD 0.60). The Cambodian CSX index sank by 5.38 points or 0.78% to 688.17 points on trading volume of 12,570 shares worth 80.44 million KHR (USD 19,888), with the PPWSA dropping 50 KHR to 6,400 KHR (USD 1.58).

The News

- **Cambodia** – Indian trade promotion office opens in Cambodia
- **Myanmar** – Total takes stake in Myanmar offshore exploration zone
- **Vietnam** – Korea, Vietnam hold 1st round of FTA talks

Relative Performance



Source: Bloomberg

	Last	Chg	(%)
FTSE ASEAN	572.20	3.58	0.6%
Singapore	2,422.69	-1.17	-0.0%
Thailand	1,188.62	0.98	0.1%
Malaysia	1,653.90	7.79	0.5%
Indonesia	4,117.95	57.62	1.4%
Philippines	5,219.08	22.89	0.4%
Vietnam	396.02	-1.23	-0.3%
Lao PDR	1,029.63	-2.04	-0.2%
Cambodia	688.17	-5.38	-0.8%

Per USD	Last	Chg	(%)
Baht	31.23	-0.00	-0.2%
Dong	20,840.00	0.00	0.0%
Kip	8,020.15	-11.95	-0.1%
Riel	4,070.65	-9.15	-0.2%
Kyat	872.56	-1.83	-0.2%

Per Baht	Last	Chg	(%)
Dong	668.04	2.81	0.4%
Kip	256.79	0.58	0.2%
Riel	668.04	2.81	0.4%
Kyat	27.94	0.05	0.2%

Source: Bloomberg

Cambodia – Indian trade promotion office opens in Cambodia

The office of the Indian Chamber of Commerce was officially launched in Cambodia last Sunday to promote economic, trade and investment ties between the two countries. The office is to act on behalf of Indian business organisations and individuals for business facilitation, regulatory exchange as well as to promote India-Cambodia economic and bilateral relations, Xinhua reported, citing a press release. Debasish Pattnaik, president of the Indian Chamber of Commerce in Cambodia, said the office was to be a liaison between Cambodian and Indian business houses and representing the private sector by showcasing the multiple opportunities both countries have to offer to each other. Pan Sorasak, Cambodian secretary of state at the ministry of commerce, said he believed that with the presence of the Indian Chamber of Commerce here, the bilateral trade and investment will be growing in multiple fold in coming years". *According to the figures from India's embassy to Phnom Penh, trade between India and Cambodia was at \$72 million in 2011. Of this, India's exports to Cambodia were at \$64 million. Last year, India's private investment in Cambodia was \$85 million in sugar plantations, sugar factories, power plants, and rice milling facilities. This year, India has also provided a soft loan of US\$70 million to help finance the construction of a transmission line to bring electricity from hydroelectric projects in Laos to Cambodia.*

Myanmar – Total takes stake in Myanmar offshore exploration zone

French oil and gas giant Total said Monday it had taken a 40% stake in an exploration field off the coast of Myanmar, its first investment in the country since sanctions were eased. Total has been in Myanmar since 1992 - before international sanctions against the military junta were ratcheted up - and operates the offshore Yadana gas field that fuels power plants in Thailand. Total bought for an undisclosed sum a 40% stake in Block M-11 in the Martaban basin from Thailand's PTT Exploration and Production, which remains the operator. "With this acquisition, Total will bring its well recognized deep offshore expertise and its world-wide proven technology to contribute to exploration activities in Myanmar and potentially develop the country's hydrocarbon resources," the head of Total's upstream activities, Yves-Louis Darricarrere, said in a statement. *During a visit to France in June, Myanmar's opposition icon and Nobel Peace laureate Aung San Suu Kyi called Total a "responsible investor" and said it had made efforts to provide sufficient compensation to those displaced by the Yadana gas line. Total is one of the few major Western companies operating in Myanmar and has consistently defended its presence by saying that it contributes to the impoverished southeast Asian nation's development.*

Vietnam – Korea, Vietnam hold 1st round of FTA talks

The first round of free trade agreement talks between Vietnam and Korea kicked off on Monday in Seoul. During the talks that will continue until Tuesday, the two countries will discuss how to proceed with the negotiations. Seoul's foreign ministry expects the bilateral trade pact to enhance an existing free trade agreement with the 10-member Association of Southeast Asian Nations that took effect in 2007. Vietnam was Korea's third-largest trading partner among ASEAN member states last year and the country's 15th largest trading partner worldwide. *Economists expect that Vietnam is likely to benefit more than Korea from the free trade pact once it goes into effect. They expect Vietnam's GDP to rise by up to 5.4 percent, and Korea's to edge up slightly, by just over 0.7 percent. Vietnam is a fast-emerging country with an economy growing at an annual rate of five to eight percent on average. Korea's exports to Vietnam stood at over 13 billion U.S. dollars last year, up 40 percent from a year earlier, while imports surged more than 50 percent to over 5 billion dollars.*