

The Market

Indochina index continued to weaken after the confidence of investors declined

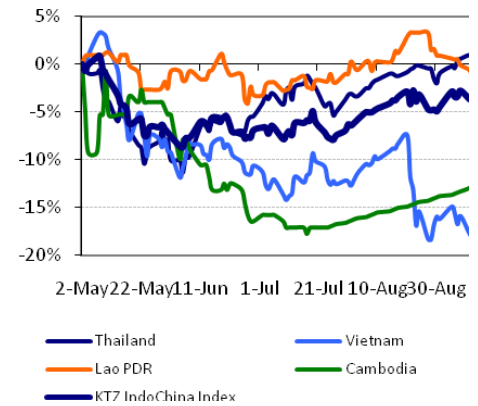
The VN index decreased by 2.26 points or 0.58% to 386.62 points as investors continued to worry about the recent arrests at financial firms and bad debt. A total of 35.75 million shares worth 454.04 billion dong were traded, or USD 21.77 million. Prices of 78 stocks went up, 140 stocks plunged while 90 stocks remained unchanged. Furthermore, SBT, NVT, PGD, HAG and VPK were the top five stocks in terms of foreign investors' buying, respectively.

For Lao PDR, the LSX Index sank by 9.15 points or 0.90% to 1007.25 points on trading volume of 41,086 shares worth 196.08 million kip (USD 24,487). BCEL was unchanged at 7,200 kip (USD 0.90) but EDL-Gen fell 50 kip to 4,700 kip (USD 0.59). The Cambodian CSX index remained stable at 677.42 points on trading volume of 3,594 shares worth 22.64 million KHR (USD 5,600), with the PPWSA steady at 6,300 KHR (USD 1.56).

The News

- **Cambodia** – ASEAN+3 senior officials hold energy talks in Cambodia
- **Myanmar** – Myanmar mulls telecom industry's privatization
- **Vietnam** – BJC to run chain in Vietnam

Relative Performance



Source: Bloomberg

	Last	Chg	(%)
FTSE ASEAN	575.76	1.13	0.2%
Singapore	2,454.15	17.94	0.7%
Thailand	1,188.62	0.98	0.1%
Malaysia	1,614.24	-6.80	-0.4%
Indonesia	4,155.36	-5.30	-0.1%
Philippines	5,186.05	-4.76	-0.1%
Vietnam	386.62	-2.26	-0.6%
Lao PDR	1,007.25	-9.15	-0.9%
Cambodia	677.42	0.00	0.0%

Per USD	Last	Chg	(%)
Baht	31.08	-0.00	-0.0%
Dong	20,850.00	-15.00	-0.1%
Kip	8,029.60	77.95	1.0%
Riel	4,071.00	39.65	1.0%
Kyat	871.91	7.47	0.9%

Per Baht	Last	Chg	(%)
Dong	670.80	0.38	0.1%
Kip	258.33	2.65	1.0%
Riel	670.80	0.38	0.1%
Kyat	28.05	0.26	0.9%

Source: Bloomberg

Cambodia – ASEAN+3 senior officials hold energy talks in Cambodia

ASEAN+3 (China, Japan and South Korea) senior officials met in Phnom Penh on Tuesday to discuss and prepare documents on energy cooperation for the 9th Meeting of ASEAN+3 Energy Ministers, which will be held on Wednesday. The meeting was a chance for the officials of ASEAN and its three dialogue partners including China, Japan and South Korea to meet and explore ways to accelerate cooperation in energy sector. China is making energy conservation a priority as the country increases energy supply based on domestic resources. "We have constantly optimized energy structure, so we hope we can work together with our ASEAN Plus Three Countries to create a very good environment for free trade and good investment condition in the region," said Sun Yang, a program officer of China's National Energy Administration. Meanwhile, Japan, in charge of overseeing the energy security forum, will continue to make contributions to the areas of oil stockpiling and civilian use of nuclear power, said Takeshi Fujimoto, a representative of Japanese Ministry of Economy, Trade and Industry. Kim Suhee, deputy director of the Ministry of Knowledge Economy of South Korea, said that the East Asian economies have grown faster than any other part of the world in recent years and energy consumption is growing rapidly too. So, ASEAN+3 should strengthen information sharing and find ways to use energy more efficiently. A series of energy meetings including the 30th ASEAN Ministers on Energy Meeting, the 9th Meeting of Energy Ministers of the ASEAN Plus Three countries, and the 6th East Asian Summit Energy Ministers Meeting will be held here on Sept. 12, according to an official schedule. *Cooperation in the energy sector has been clearly seen in the area of electricity and Laos should be in a good position to benefit from this. It should be noted that Laos' total electricity supply should be boosted from just a thousand MW to nearly 9,000 MW within 2020 based on its current PDP, and a significant portion of this increasing capacity will be exported to Thailand and Vietnam. The main beneficiary of this theme should be EDL-Gen (Buy with fair value of LAK 10,227; US\$ 1.28).*

Myanmar – Myanmar mulls telecom industry's privatization

Myanmar's government has plans to privatize the telecom industry in the country. Myanmar's State Posts and Telecommunication (MPT) has worked out a plan to privatize its telecommunications industry for four private operators, reported Xinhua Monday citing local media. According to the Myanmar Times, under a step-by-step privatization process, the MPT will be abolished and reformed as Myanmar Telecom, which will operate without funding from the government. Yatanarpon Teleport will be merged into a new company named Yatanarpon Telecom. Two other private operators, which could be foreign firms, would join in to offer mobile connections, landline telephones, a public switchboard telephone network, information technology and internet services, the report said. A telecom corporation will be set up by the end of the year and then the MPT will call for international tenders, with the winning operators likely being ready for running by 2013. Targeting to upgrade user density from 75 percent to 80 percent by 2016, the process will start in 2013 to raise the number of users to 39.5 million by 2016, the report said. According to the MPT statistics, only three million people in Myanmar have their own landline or mobile, a density of 5.6 percent. Also, a law to govern the privatization of telecommunications is expected to be enacted by yearend. *Potential economic growth of about 6-7% per annum driven by expanding foreign direct investment and tourism should be a catalyst for growing demand in the telecom industry.*

Vietnam – BJC to run chain in Vietnam

A Thai venture formed by Berli Jucker Plc (BJC) and Mongkol Group plans a 1-billion-baht investment to open a supermarket chain in Vietnam to capitalize on the booming retail business. Moving into the retail business will enable the venture, Thai Corporation International, to have its own sales outlets after distributing goods in the country for two years. The company was formed in 2010. BJC, the 130-year-old firm under the umbrella of tycoon Charoen Sirivadhanabhakdi, is a leading manufacturing and trading firm in Thailand while Mongkol Group has been doing retail business in Vietnam since 1993. BJC would set aside about 3 billion baht to establish retail and distribution businesses in Vietnam. Supermarkets will enable Thai Corporation International to generate at least 5 billion baht in income in five years, with 2.3 billion estimated this year. It will distribute 30% Vietnamese products with the rest from Thailand. The joint venture is aimed at strengthening Thai brands in Indochina, with the goal of increasing demand in Myanmar, Laos, Cambodia and Vietnam. A Thai supermarket will be a channel for goods produced by small and medium-sized enterprises to access overseas markets. About 10,000 visitors came to the recent Thai Trade Fair in Ho Chi Minh City and bought many products," said Mr Mongkol, whose Thai Corporation International sells canned fish, Red Bull energy drink, Mama instant noodles, Dutch Milk dairy products and Cellox tissue to local supermarkets. The Mongkol group will open a canned fish factory in Vietnam next year with the capacity to make 100 tonnes of canned sardines and mackerel per day. "There is still an opportunity for canned fish investment in Vietnam because of abundant raw materials," Mr Mongkol said. *The retail business in Vietnam has good potential due to the high purchasing power and demand of urban customers. Young urban dwellers are strong consumers and represent over 60% of 90 million people in Vietnam. High quality and reasonable prices make Thai products popular among Vietnamese consumers.*