

Tuesday March 13, 2012

Stock Markets Rap (as of Mar 12)

	Close	Chg	(%)
Dow	12,960	+38	+0.3
Nasdaq	2,984	-5	-0.2
S&P 500	1,371	+0	+0.0
VIX	15.64	-1.47	-8.6
MSCI World	1,290	-2	-0.2

	Close	Chg	(%)
FTSE 100	5,893	+5	+0.1
DAX	6,901	+21	+0.3
CAC	3,490	+3	+0.1
Euro Stoxx	2,514	-5	-0.2

	Close	Chg	(%)
ASX 200	4,197	-15	-0.4
Nikkei	9,890	-40	-0.4
Shanghai	2,435	-5	-0.2
HSI	21,134	+48	+0.2
H Shares	11,226	-30	-0.3

	Close	Chg	(%)
STI	2,962	-1	-0.0
Malaysia	1,565	-14	-0.9
PSEi	4,975	-6	-0.1
SET	1,150	-9	-0.7
LSX	947	+20	+2.1
Vietnam	428	-4	-0.9
Indonesia	3,987	-4	-0.1
FTSE ASEAN	567	-5	-0.8

Currencies Rap (as of Mar 12)

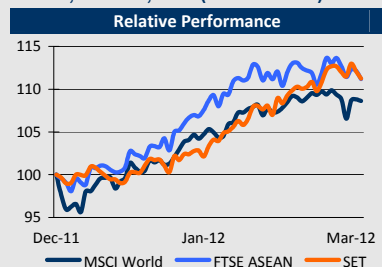
	Last	Chg	(%)
DX	79.89	-0.15	-0.19
THB/USD	30.65	+0.10	+0.33
LAK/THB	261.10	-0.27	-0.10
LAK/USD	8,000.00	+6.00	+0.08
USD/EUR	1.3108	-0.00	-0.11
JPY/USD	82.26	-0.20	-0.24

Commodities Rap (as of Mar 12)

	Close	Chg	(%)
Gold	1,699.80	-11.70	-0.68
Silver	33.41	-0.80	-2.34
Copper	383.75	-2.10	-0.54
WTI	106.34	-1.06	-0.99
Brent	125.34	-0.64	-0.51
BDI	837	+13	+1.58

Source: Bloomberg

World, ASEAN, SET (as of Mar 12)



Source: Bloomberg

INDOCHINA NEWS

- Vietnam - Vietnam Cuts Benchmark Rates to Support Growth Amid Slowdown
- Vietnam - Vietnam Power Utility Seeks Price Increases
- Vietnam - Vietnam Seeks Airport Investors in Bid to Challenge Thailand
- Cambodia - Cambodia Expects 7% GDP Growth in 2012: Finance Minister
- Cambodia - Kingdom's Telecoms Deal with Blackouts
- Indonesia - Indonesia C.bank Studies Raising Banks Reserve Requirements
- Myanmar - Myanmar to Hold Trial FX Auctions Before April Float
- Philippines - Philippines May Pause After Two Rate Cuts, Tetangco Says

Thanawat Patchimkul
Global Strategist
Email: thanawatp@ktzmico.com
Tel: + 66 2 695 5451
Assisted by
Denruthai Krishnamra

INDOCHINA NEWS

Vietnam - Vietnam Cuts Benchmark Rates to Support Growth Amid Slowdown

The State Bank of Vietnam reduced the refinancing rate for the first time since 2009 to 14% from 15%, effective Tuesday. It also cut the discount rate to 12% from 13% and the dong deposit cap for terms of one-month and above to 13% from 14%. Vietnam joins emerging markets from Thailand to Brazil in lowering borrowing costs as Europe's sovereign-debt crisis and rising oil prices threaten expansion. Vietnam's inflation rate in February was 16.44%, down from 17.27% in January. It remains the fastest in a basket of 17 Asia-Pacific economies. [\[Bloomberg\]](#)

Vietnam - Vietnam Power Utility Seeks Price Increases

State utility Electricity of Vietnam, EVN, plans to seek government permission to raise power prices two times this year, saying higher input costs are placing a burden on the group that is already in huge debt. Each of the increases will be at least 5%, but prices should remain unchanged for low-income families. EVN raised electricity prices by 5% last December, the second hike in 2011. EVN Deputy General Director Nguyen Tan Loc said industrial manufacturers are consuming 47% of electricity in Vietnam, but power prices for some sectors, including steel and cement, are now 12-14% lower than the average tariff. Prices should be raised to a more reasonable level, given the fact that EVN still has debts worth tens of trillions of dong to oil and gas group PetroVietnam and coal miner Vinacomin, Loc said. [\[Thanh Nien News\]](#)

Vietnam - Vietnam Seeks Airport Investors in Bid to Challenge Thailand

Vietnam is seeking foreign investors to help build two airports so it can compete with other Southeast Asian nations for regional air traffic. Vietnam is developing three new airports and upgrading existing facilities in an effort to boost tourism and vie for more international routes. Increased domestic travel, propelled by an increasingly prosperous middle-class, is also spurring demand. "We're developing a strategy to compete with the neighboring airports in Thailand and Singapore," Nguyen Cong Hoan, director of planning and investment of a newly-established nationwide airport operator, Airports Corporation of Vietnam, said. [\[Thanh Nien News\]](#)

Cambodia - Cambodia Expects 7% GDP Growth in 2012: Finance Minister

Cambodia's Finance Minister Keat Chhon said Monday that the country's GDP growth is expected at 7 % this year. The forecast is higher than that of the International Monetary Fund, the World Bank and the Asian Development Bank -- all forecast at 6.5 % this year. Cambodia's forecast was based on the increases in garments exports, tourist arrivals, and agriculture as well as a gradually recovered real estate sector, the minister told reporters after a meeting at the Ministry of Commerce. [\[Xinhua\]](#)

Cambodia - Kingdom's Telecoms Deal with Blackouts

The power outages, which began rolling through the city in early February, have shut down some Cellcard service antennas, or base stations, leading to temporary service failure in some parts of the city, Cellcard chief operations officer Kay Lot said on Friday. "When Electrocite du Cambodge power goes out, we have battery back-up to keep the station going for an average of four hours. Beyond that, the station will shut down," Kay Lot said. The stations have shut down daily in different areas of Phnom Penh and customers have lodged complaints with the company, he said. [\[Phnom Penh Post\]](#)

Indonesia - Indonesia C.bank Studies Raising Banks Reserve Requirements

Indonesia's central bank is studying whether to raise banks' reserve requirements if excess liquidity remains "threatening", a deputy governor said on Monday, after it held off from cutting interest rates last week as inflation expectations rose. Analysts have said Bank Indonesia (BI) may prefer to raise reserve requirements rather than lifting rates in an attempt to dampen inflation, which will likely rise in coming months due to a government plan to lift subsidised fuel prices. BI in 2010 raised reserve requirements to absorb excess liquidity in the system and avoided hiking rates since it saw rates as a less effective policy tool to curb food inflation. This month it held its benchmark overnight rate at a record low of 5.75%, after a series of rate cuts in recent months, and some economists now see it needing to tighten monetary policy later this year. [\[Reuters\]](#)

Myanmar - Myanmar to Hold Trial FX Auctions Before April Float

Myanmar's government plans to hold trial foreign exchange auctions in March before floating the currency from April 1, the start of the 2012/13 fiscal year, a central bank official said on Monday. The float would mark the most substantial economic reform yet by Myanmar's new government and coincides with political reforms that are ending half a century of isolation in the former British colony also known as Burma. "Arrangements are under way to float the kyat against the U.S. dollar effective April 1 through a sealed auction system," the official told Reuters, declining to be named. "It's a managed float system. Every day the central bank will invite sealed bids for a certain amount of U.S. dollars from 11 private banks, which have been granted Authorized Dealer Licenses," the official said. [\[Reuters\]](#)

Philippines - Philippines May Pause After Two Rate Cuts, Tetangco Says

The Philippine central bank may pause after reducing the benchmark interest rate at both of its meetings so far this year as elevated oil prices threaten to spur inflation, Governor Amando Tetangco said. Bangko Sentral ng Pilipinas cut interest rates by a 0.25% at each of its past two policy meetings, taking the overnight borrowing rate to 4%, the lowest level in a year. Crude oil prices have gained about 8% so far this year, a jump that risks spurring price pressures in a nation that imports almost all its requirements, even as inflation cooled to its slowest pace in more than two years in February. [\[Bloomberg\]](#)