

The Market

Indochina index began to relax with speculation

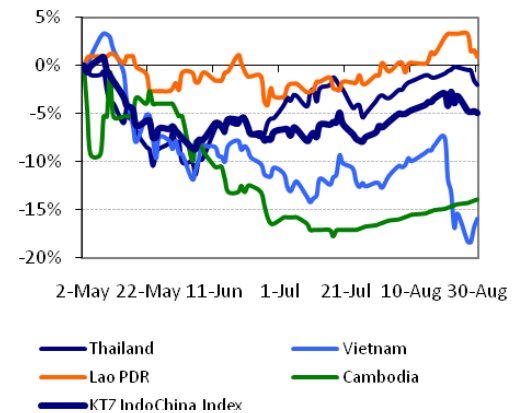
The VN index bounced up by 4.19 points or 1.07% to 397.25 points as foreigners went bargain hunting in blue chips. A total of 39.04 million shares worth 602.10 billion dong were traded, or USD 28.87 million. Prices of 132 stocks went up, 88 stocks plunged while 89 stocks remained unchanged. Furthermore, GAS, HAG, PVD, HSG and MBB were the top five stocks in terms of foreign investors' buying, respectively.

For Lao PDR, the LSX Index slumped by 7.14 points or 0.69% to 1031.67 points on trading volume of 98,000 shares worth 735 million kip (USD 91,000). BCEL sank 350 kip to 7,500 kip (USD 0.94) while EDL-Gen was unchanged at 4,800 kip (USD 0.60). The Cambodian CSX index soared by 5.38 points or 0.78% to 693.55 points on light trading volume of 16,200 shares worth KHR 104.19 million (USD 25,758), with the PPWSA rising 50 KHR to 6,450 KHR (USD 1.59).

The News

- **Cambodia** – ASEAN+3 agree on free trade talks by end of year
- **Lao PDR, Cambodia** – Laos, Cambodia set for more listings
- **Myanmar** – Myanmar to offer oil and gas exploration blocks

Relative Performance



Source: Bloomberg

	Last	Chg	(%)
FTSE ASEAN	564.89	-4.73	-0.8%
Singapore	2,402.15	-25.86	-1.1%
Thailand	1,188.62	0.98	0.1%
Malaysia	1,646.11	0.53	0.0%
Indonesia	4,025.58	-67.59	-1.7%
Philippines	5,149.31	-46.41	-0.9%
Vietnam	397.25	4.19	1.1%
Lao PDR	1,031.67	-7.14	-0.7%
Cambodia	693.55	5.38	0.8%

Per USD	Last	Chg	(%)
Baht	31.38	0.00	0.1%
Dong	20,860.00	0.00	0.0%
Kip	8,023.05	28.10	0.4%
Riel	4,045.00	-16.35	-0.4%
Kyat	874.87	3.40	0.4%

Per Baht	Last	Chg	(%)
Dong	664.65	-0.92	-0.1%
Kip	255.63	0.54	0.2%
Riel	664.65	-0.92	-0.1%
Kyat	27.88	0.07	0.3%

Source: Bloomberg

Cambodia – ASEAN+3 agree on free trade talks by end of year

Free trade across most of Asia is now more likely, after Japan, China, South Korea and 10 Southeast Asian nations agreed in effect to talk about reducing barriers to trade and investment by year's end. Economic ministers of ASEAN+3 countries met Aug. 29 in the 44th ASEAN Economic Ministers Meeting and were to reconvene a day later to approve talks on creating a Regional Comprehensive Economic Partnership. The meeting would additionally include India, Australia and New Zealand. "I will do my best to reach agreement to start talks by year-end," said Japan's trade minister, Yukio Edano in Siem Reap. The initiative is the work of ASEAN, which invited the six other nations to join. If the ministers reach agreement, the leaders would declare the start of negotiations when they gather for the East Asia summit in November. *ASEAN, with 600 million people and total trade value of more than USD 2 trillion, when combined with China, Japan and South Korea would become the world's largest trade bloc with a population of over 2 billion, accounting for 1/3 of the world's population. The bilateral trade value among these countries was worth around USD 3.6 trillion in 2011, accounting for 20% of the world's trade value.*

Lao PDR – Laos, Cambodia set for more listings

Private companies and state enterprises are expected to raise large amounts of funds via the stock exchanges in Thailand, Laos and Cambodia over the next several years. Hong Sok Hour, CEO of the Cambodia Securities Exchange, said yesterday at the "Thailand Focus 2012" conference in Bangkok that there was currently only one listed firm on the bourse, with market capitalization of US\$140 million (Bt4.4 billion), but five more were expected to list next year. Three of those firms are state enterprises - two port facilitators and one telecom. Dethphouvang Moularat, chairman and CEO of the Lao Securities Exchange, said he expected one firm to list on the bourse next year, Lao Telecom Co, which is going to merge with Enterprise Telecommunications Lao. It will join two firms already listed. Meanwhile, Stock Exchange of Thailand president Charnporn Jotikasthira said CK Power Co, a unit of Ch Karnchang Group that is registered in Laos to oversee projects there, was expected to list on the SET in the fourth quarter of this year. Le Hai Tra, deputy CEO of Ho Chi Minh Stock Exchange, said it had signed a letter of intent to join Asean's stock market linkage platform. Tran Van Dzung, CEO of Hanoi Stock Exchange, said the two Vietnamese bourses were in the process of merging into a single entity. *Development of capital markets will be one of the mechanisms to help raise funds for developing the economies in these countries. The trading link of ASEAN stock markets scheduled to be implemented by the end of this year should also increase the attractiveness of these emerging markets.*

Myanmar – Myanmar to offer oil and gas exploration blocks

The world's biggest oil and gas firms want to explore in Myanmar as global sanctions ease and the country will soon launch an onshore and offshore exploration round, its energy minister Than Htay said on Monday. Myanmar could offer over 10 offshore and around 10 onshore blocks as one of the world's poorest countries seeks to raise much needed revenue, said an interview. The minister's comments were the clearest indication yet about the size of the coming licensing round and the type of interest it was generating. The tender would be the first opportunity in at least 15 years for US oil firms to participate in Myanmar's energy sector after Washington relaxed sanctions last month. The government is seeking to maximize earnings from oil and gas, its number one source of export income. Than Htay promised to revamp the licensing round procedures before this year's launch by planning to convene a meeting of interest groups, political leaders and industry professionals to iron out the rules after Western oil firms were conspicuously absent from last year's energy tender. *Myanmar is still a relatively modest gas producer with 1.475 billion cubic feet of daily production, putting it in 36th place globally. Following a tender held last year, state-owned energy company Myanma Oil and Gas Enterprise, or MOGE, signed nine agreements to allow firms, including Malaysia's Petronas, Thailand's PTT and India's Jubilant, to explore for oil and natural gas onshore. The country has 17 oil fields and five gas fields in production on land. Two offshore gas fields--the Shwe project and PTT Exploration & Production's Zawtika project--are currently under development.*