

Wednesday May 16, 2012

Stock Markets Rap (as of May 15)

	Close	Chg	(%)
MSCI World	1,214	-10	-0.8
Dow	12,632	-63	-0.5
Nasdaq	2,894	-9	-0.3
S&P 500	1,331	-8	-0.6
Euro Stoxx	2,179	-23	-1.1
FTSE 100	5,438	-28	-0.5
DAX	6,401	-51	-0.8
CAC	3,039	-19	-0.6
ASX 200	4,266	-31	-0.7
Nikkei	8,901	-73	-0.8
Shanghai	2,375	-6	-0.2
Hang Seng	19,894	+159	+0.8
H Shares	10,085	+98	+1.0

	Close	Chg	(%)
FTSE ASEAN	554	+0	+0.1
Singapore	2,877	+13	+0.4
Thailand	1,185	+19	+1.6
Malaysia	1,561	-14	-0.9
Indonesia	4,046	-7	-0.2
Philippines	4,977	-106	-2.1
Vietnam	456	-14	-3.0
Lao PDR	1,032	+7	+0.7
Cambodia	774	-	-

Currencies Rap (as of May 15)

	Last	Chg	(%)
DX	81.22	+0.62	+0.76
USD/EUR	1.2851	-0.00	-0.15
JPY/USD	79.92	+0.05	+0.06
THB/USD	31.34	-0.01	-0.03
VND/USD	20,853	-7.00	-0.03
LAK/USD	8,014.00	+5.00	+0.06
KHR/USD	4,025.00	0.00	0.00
MMK/USD	828.06	-0.10	-0.01
VND/THB	665.10	+0.02	+0.00
LAK/THB	255.79	+0.32	+0.13
KHR/THB	129.00	0.00	0.00
MMK/THB	26.43	+0.01	+0.05

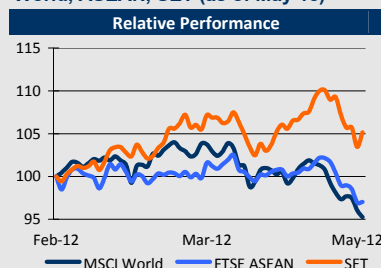
Commodities Rap (as of May 15)

	Close	Chg	(%)
Gold	1,557.10	-3.90	-0.25
Silver	28.08	-0.27	-0.96
Copper	351.75	-3.65	-1.03
WTI	93.98	-0.80	-0.84
Brent	112.24	+0.67	+0.60
BDI	1,130	-2	-0.18

Source: Bloomberg

*Cambodia Stock Index as of May 11

World, ASEAN, SET (as of May 15)



Source: Bloomberg

INDOCHINA NEWS

- Myanmar - Myanmar Draws Over 270 Mln USD Investment in 1st Quarter
- Myanmar - South Korea's Lee Offers Aid to Myanmar Ahead of Suu Kyi Meeting
- Thailand - KBank Offers Fund Transfer Service to Myanmar
- Thailand - Ratch Expanding in Time for AEC Opportunities
- Lao PDR - Thai Govt Approves Loans to Upgrade Lao Airport, Build Road
- Lao PDR - Germany Sews Up Assistance for Lao Garment Industry
- Cambodia - Chinese Telco Gears Up for an August 4G Launch
- Cambodia - Thailand Moves on Double Tax Treaty with Cambodia
- Vietnam - Electrical Rates May Rise 5-10%

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

INDOCHINA NEWS

Myanmar - Myanmar Draws Over 270 Mln USD Investment in 1st Quarter

Myanmar drew over USD270mn in the 1Q12, local media reported Tuesday. Large investment was injected into the sector of oil and natural gas with over USD247mn, while in mining with nearly USD20mn, the Weekly Eleven News said. Myanmar attracted USD8.464 billion foreign investment in 2011. Of the 31 countries and regions investing in Myanmar, China led with USD13.947 billion accounting for 34.5%, followed by Thailand with USD9.568 billion. By sector, Electric power took USD18.873 billion accounting for 46.6%, followed by oil and gas with USD13.815 billion, mining USD2.794 billion, manufacturing USD1.753 billion, hotels and tourism USD1.064 billion and real estate USD1.056 billion. [\[Xinhua\]](#)

Myanmar - South Korea's Lee Offers Aid to Myanmar Ahead of Suu Kyi Meeting

South Korean President Lee Myung Bak, in the first trip by a South Korean leader to Myanmar since North Korea attempted to assassinate one of his predecessors almost 30 years ago, met with Myanmar President Thein Sein and pledged greater economic support while discussing ways to curtail Myanmar ties with North Korea. Lee offered expanded loans and aid and the two leaders agreed to increase cooperation on energy and resource development. Thein Sein asked Lee to set up a redevelopment program in the former capital of Yangon. [\[Bloomberg\]](#)

Thailand - KBank Offers Fund Transfer Service to Myanmar

Kasikornbank joins hands with Myanmar's Asia Green Development Bank (AGD Bank) to launch a Thai-Myanmar funds transfer service, allowing 1.6 million workers in Thailand to repatriate funds home for the first time. AGD Bank is one of the 19 commercial banks in Myanmar, and is also one of the four banks approved by Myanmar's central bank to conduct funds transfer service with Thailand, Singapore and Malaysia. [\[The Nation\]](#)

Thailand - Ratch Expanding in Time for AEC Opportunities

Ratchaburi Electricity is planning to expand in the region so it can take advantage of opportunities once the Asean Economic Community kicks off in 2015. CEO Peerawat Phumthong said that with the exception of Laos, Cambodia and Myanmar, where the firm is already planning to invest, feasibility studies are being conducted in other Asean nations, such as the Philippines, Vietnam and Indonesia. The new cooperation under AEC will enable an unrestricted transfer of labour and funds in the region, while bureaucratic regulations will be significantly reduced. [\[The Nation\]](#)

Lao PDR - Thai Govt Approves Loans to Upgrade Lao Airport, Build Road

The Thai Cabinet confirmed last week it would provide almost 47 billion kip (Bt184 million) in a soft loan at 1.5% interest for 20 years with a 5-year grace period. Pakxe International Airport underwent an upgrade in 2009 and reopened in early 2010. The improvements included a runway extension to 2,400 metres and strengthened to accommodate B737 and A320 jet aircraft. The first phase was also funded by the Thai government with more than 58.7 billion kip (Bt230 million), of which 30% was a direct grant and the balance a low-interest loan. In a related development, the Thai government also approved a soft loan for a 33km road that will be built from Phudu checkpoint in Uttaradit province to Paklai district in Xayaboury province in Laos. The cost of construction is estimated at 718 million baht. It involves a 30-year soft loan at 1.5% interest, with a 10-year grace period. [\[Vientiane Times\]](#)

Lao PDR - Germany Sews Up Assistance for Lao Garment Industry

Last week, high ranking delegates from the German Federal Ministry for Economic Cooperation and Development came to Laos to negotiate with the government on financial and technical support. The delegation agreed to increase bilateral funding to 58 million euros for 2012-2013. One of the many projects that Germany supports is an initiative to develop the skills of workers in the garment industry. During their visit the delegates toured the Garment Services Centre and a large garment factory in Vientiane, to explore the potential for increasing the capacity of the garment and industrial textile industries in Laos. [\[Vientiane Times\]](#)

Cambodia - Chinese Telco Gears Up for an August 4G Launch

Xinwei Cambodia, China's first step into the Kingdom's telecoms market, planned to launch fourth-generation mobile services in August, according to officials and a company statement. The Beijing-based firm will deploy its homegrown network technology, McWiLL, and was expected to launch top-to-bottom operations that, according to the statement, would be backed by China Development Bank. [\[Phnom Penh Post\]](#)

Cambodia - Thailand Moves on Double Tax Treaty with Cambodia

Thailand is moving forward to strike a double tax treaty with Cambodia, to cope with increasing cross-border trade. Sathit Rungkasiri, director general of the Revenue Department, said it is a priority to expand the double tax treaty with all countries in Asean to prepare for the Asean Economic Community. "The double tax treaties with 8 countries in Asean have come into force. Now, the Revenue Department is rushing to discuss this issue with Cambodia. Afterwards, we will focus on extending the coverage to non-AEC countries," he said. [\[The Nation\]](#)

Vietnam - Electrical Rates May Rise 5-10%

Head of the Ministry of Finance's Price Management Department Nguyen Tien Thoa, said Electricity of Viet Nam (EVN) had 3 proposals on the table of price rises between 5 and 10%. Thoa said electricity production input costs had risen by 3.3%, since the last price rise in December last year. He said factors influencing the price rise included an exchange rate rise of 0.6%, gas fuel price rises of 10.4%, and a 40% rise for FO oil, while coal prices decreased by 0.3%. [\[VietnamNet\]](#)