

Tuesday May 22, 2012

Stock Markets Rap (as of May 21)

	Close	Chg	(%)
MSCI World	1,191	+13	+1.1
Dow	12,504	+135	+1.1
Nasdaq	2,847	+68	+2.5
S&P 500	1,316	+21	+1.6
Euro Stoxx	2,150	+5	+0.3
FTSE 100	5,304	+37	+0.7
DAX	6,331	+60	+1.0
CAC	3,027	+19	+0.6
ASX 200	4,074	+27	+0.7
Nikkei	8,634	+23	+0.3
Shanghai	2,348	+4	+0.2
Hang Seng	18,922	-30	-0.2
H Shares	9,582	+5	+0.1

	Close	Chg	(%)
FTSE ASEAN	533	-2	-0.4
Singapore	2,790	+11	+0.4
Thailand	1,135	-19	-1.7
Malaysia	1,539	+6	+0.4
Indonesia	3,940	-40	-1.0
Philippines	4,954	+75	+1.5
Vietnam	448	+13	+3.0
Lao PDR	1,014	-7	-0.7
Cambodia	785	-5	-0.7

Currencies Rap (as of May 21)

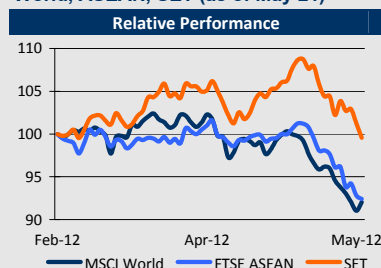
	Last	Chg	(%)
DX	81.08	-0.21	-0.26
USD/EUR	1.2770	-0.00	-0.08
JPY/USD	79.30	+0.28	+0.35
THB/USD	31.34	-0.07	-0.22
VND/USD	20,855	+5.00	+0.02
LAK/USD	8,015.00	-4.50	-0.06
KHR/USD	4,035.00	+10.00	+0.25
MMK/USD	829.34	-4.06	-0.49
VND/THB	665.28	-0.35	-0.05
LAK/THB	255.74	-0.31	-0.12
KHR/THB	129.00	+1.00	+0.78
MMK/THB	26.46	-0.15	-0.55

Commodities Rap (as of May 21)

	Close	Chg	(%)
Gold	1,588.70	-3.20	-0.20
Silver	28.32	-0.39	-1.37
Copper	350.20	+3.35	+0.97
WTI	92.57	+1.09	+1.19
Brent	108.81	+1.67	+1.56
BDI	1,141	0	0.00

Source: Bloomberg

World, ASEAN, SET (as of May 21)



Source: Bloomberg

INDOCHINA NEWS

- Vietnam - Vietnam Outpacing Asia as Investment Banks Chase State Deals
- Vietnam - Vietnam May Cut Fuel Prices for Second Time Within a Month
- Vietnam - Bank Credit Growth Slow Despite Rate Cut
- Lao PDR - Lao Inflation Spiked During April Celebrations
- Lao PDR - BCEL Loans Boost Lao Industry
- Lao PDR - Laos Approves New Special Economic Zone Near Friendship Bridge
- Myanmar - Myanmar's Central Bank Aims for Weaker Currency
- Myanmar - Japan, Myanmar Start Investment Treaty Talks
- Cambodia - Cambodia's Banking Industry Reports 8% Lending Growth in Q1

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INDOCHINA NEWS

Vietnam - Vietnam Outpacing Asia as Investment Banks Chase State Deals

Investment-banking fees in Vietnam may jump at least 25% this year as the country's government steps up a push to sell assets and foreign companies accelerate acquisitions, according to Credit Suisse. The Vietnamese government has pledged to sell stakes in companies including Bank of Investment and Development of Vietnam as it follows China's model of reducing state involvement in business. [\[Bloomberg\]](#)

Vietnam - Vietnam May Cut Fuel Prices for Second Time Within a Month

Vietnam lowered gasoline and diesel prices on May 9, a long-anticipated move following a decline in global oil prices. The price of 92-RON gasoline was cut to VND23,300 (US\$1.12) per liter from 23,800. The price cut was met with widespread public displeasure, with many consumers and economists saying it was too late and too little to make an impact. Officials said they could only go with a small cut because it was necessary to reinstate import duties. The import tax rate on gasoline and diesel is now 2%, compared to zero previously. [\[Thanh Nien News\]](#)

Vietnam - Bank Credit Growth Slow Despite Rate Cut

In the first quarter of the year, the State Bank of Viet Nam reported that the sector's volume of credit shrank by 1.96% compared with the figure recorded at the end of last year. Meanwhile, the National Financial Supervisory Committee predicted that by mid-April, credit grew by only 0.25%, much lower than the expected figure of 1.5% per month. Despite the central bank's efforts to cut interest rates to increase lending, banks continued to have negative credit growth and still recorded minus 1.71% growth by mid April. Market analysts said the major problem was not interest rates but consumption. Because of low sales, companies were delaying any plans for investment, production or trading. [\[Vietnam News Agency\]](#)

Lao PDR - Lao Inflation Spiked During April Celebrations

The Consumer Price Index (CPI) spiked considerably in April, with statisticians blaming higher food and alcohol consumption over the Lao New Year holiday for the price rise. According to a report from the Lao National Statistic Bureau, the month on month CPI of 12 goods and service categories saw a 1.2% increase in April, reflecting the largest price rise so far this year. By comparison, the month on month change in the CPI in March was only 0.9%. The statisticians said in their monthly report the rapid jump was due to seasonal factors, with people consuming more food and drinks during the week long Lao New Year celebrations in the middle of April. [\[Vientiane Times\]](#)

Lao PDR - BCEL Loans Boost Lao Industry

BCEL bank, the largest commercial bank in Laos, has granted a large number of loans to businesses over 1Q12, giving a major boost to national economic development. According to a report from BCEL-KT last week, one of the two stockbrokers in Laos, the loan portfolio of BCEL reached 5,800 billion kip (US\$725 million) at the end of 1Q12. That figure represented a 13% increase compared to 4Q11, thanks to increasing loan demand and strong economic growth. BCEL-KT, which is also a subsidiary of BCEL, says it expects loan growth to approach 40% in 2012, adding that the country's growing economy will boost loan growth and benefit the bank. [\[Vientiane Times\]](#)

Lao PDR - Laos Approves New Special Economic Zone Near Friendship Bridge

The Laotian government has agreed to develop the area close to the Lao-Thai Friendship Bridge in Khammuan province as the Thakhek Special Economic Zone (SEZ) to attract foreign investment and boost the local economy. Under an agreement signed between the government and the zone's executive board in Vientiane, private companies will spend at least US\$80 million (Bt2.5 billion) to develop the 1,035-hectare zone. The third Lao-Thai Friendship Bridge, linking Khammuan province in central Laos to Thailand's Nakhon Phanom province, opened last November and now authorities want to develop this area through various facilities to encourage trade and investment in Laos. The planned developments for the zone include office buildings, healthcare facilities, a shopping centre, a hotel, a conference centre, residential buildings and a logistics centre. [\[The Nation\]](#)

Myanmar - Myanmar's Central Bank Aims for Weaker Currency

Myanmar's central bank wants to weaken its newly floated currency and prevent further rises that could derail reforms to its economy, a deputy central bank governor said. Nay Aye, one of two deputy governors, added that foreign banks will be able to form joint ventures in Myanmar by 2014, a year earlier than expected, as foreign investors begin to size up one of Asia's most promising frontier markets following the suspension of U.S. and European sanctions. "In the near future there will be a massive inflow of foreign direct investment, and as a result Myanmar's kyat is expected to appreciate. We will do our best to prevent this," he told Reuters in an interview. [\[Reuters\]](#)

Myanmar - Japan, Myanmar Start Investment Treaty Talks

Japan said Monday it is in talks with Myanmar on an investment treaty, with Tokyo eyeing terms to help its companies establish themselves in the isolated nation as it embraces democratic reforms. A second round of the negotiations, which began in February, will start in Myanmar's capital Naypyidaw on Wednesday between officials from the countries' foreign and trade ministries, a Japanese trade ministry official said. [\[AFP\]](#)

Cambodia - Cambodia's Banking Industry Reports 8% Lending Growth in Q1

The kingdom's 30 banks had lent a total of about USD4.69 billion, an increase of 8% from 4.32 billion U.S. dollars at the end of last year, the National Bank of Cambodia (NBC), said. Most of the loans went to the sectors of trades, agriculture, manufacturing industry, and hotels and tourism. [\[Xinhua\]](#)