

Executive Summary

- The Lao Securities Exchange:** The Friday sessions could be signified as the twilight of the Lao Securities Market when both stocks soared to their uppermost limits. EDL-Gen glided upward an effortless 5% and closed at 7,350 Kip per share. At the same time, BCEL, not far behind, skewed up 4.92 percent and closed at 12,800 Kip per share. The overall market liquidity has been improving over the last two days, indicating a possible transformation of the Lao stock market. The LSX index slips 7.22% compared to last Friday; while EDL-Gen and BCEL fell 8.13% and 3.76% respectively in the same period. Total trading value amounts to 26.7 billion Kip over the week, suggesting an average turnover of 5.35 billion Kip per day.
- Nayoby Bank keeps interest rates level:** The central bank has raised the policy interest rate from 10% to 12.5% in September last year, and as a result commercial banks in Laos have increased savings interest rates to mobilize investment funding. However, Nayoby Bank still maintained the loan interest rates unchanged at 7% for one year loans, 8% for one to three years loans and 10% for loans over three years. Nayoby Bank was established as a policy bank which does not accept deposits from the public. This bank has received low interest loans worth 1,181 billion kip from the central bank since it was established in 2007, and it has released about 885 billion kip in loans to business people and farmers, particularly those located in 47 poor districts around the country – *The Vientiane Times*
- Garment maker boosts output for Japanese market:** A major garment exporter, Santei-Lao Co Ltd, is preparing to build a third garment factory, which will be much larger than the first two, in Vientiane once it has accumulated a workforce of at least 600 people later this year. The company plans to produce women's clothing and then men's clothing for export to Japan. According to a Lao Garment Industry Association, Laos currently has 104 garment factories of which 53 are producing for exports. Last year's exports were about 1.6 trillion kip (US\$195.4 million). The number of Lao garment manufacturers has also increased due partly to the rising labor costs in China. More foreign garment investors hope to invest in Laos due to its low labour costs. However one of the main challenges facing the Lao garment industry is a shortage of labour, as many workers prefer to seek employment outside the country where higher wages are on offer – *The Vientiane Times*

Exchange Rates: 11/02/2011

	Bid	Change	Ask	Change
USD	8,032.00	0.00	8,071.00	0.00
CAD	7,952.00	1.00	8,113.00	2.00
THB	261.63	-0.57	262.93	-0.57
EUR	10,935.00	-79.00	10,990.00	-80.00
GBP	12,740.00	9.00	12,999.00	12.00
CNY	1,169.00	0.00	1,192.00	0.00
JPY	95.11	-0.88	97.03	-0.90
VND	0.33	0.00	0.34	0.00

Exchange rates, quoted for the Lao Kip, by the Lao Development Bank

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Issue Name	Current Price	Change (Kip)	Change (%)	52-weeks	
				High	Low
BCEL	12,800	↑ 600	4.92	15,500	8,000
EDL-Gen	7,350	↑ 350	5.00	8,850	4,550

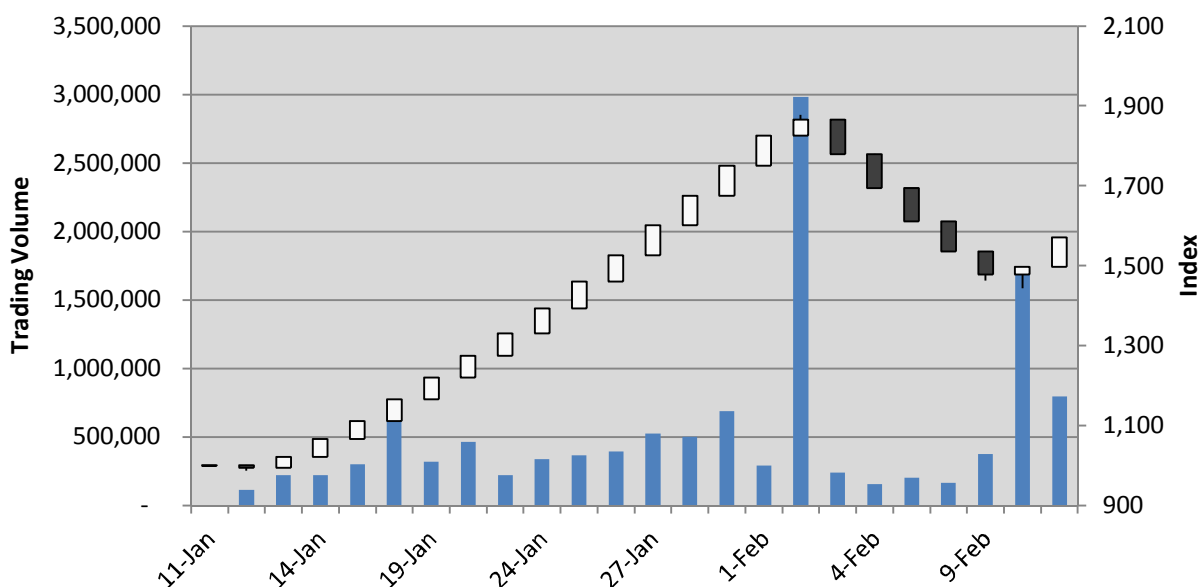
The Lao Securities Exchange

The Lao stock market

EDL-Gen dominated the Friday sessions with almost 92% of total market trades. Although, EDL-Gen does not generate stable trading frequencies like BCEL, it surely can recover at a faster rate. This stock has plunged for almost 25% from the top since the last time it experienced an abnormal trading volume like that of yesterday. Perhaps after the recovery, EDL-Gen can gather enough momentum to strive through its high record. Investors started to feel the pressures again when BCEL suddenly throttled its liquidity to only 65 thousand shares, resulting in a demanding surplus of 260 thousand units, which is 150 times higher than the yesterday figures. The BCEL's resurgence has brought much confidence to the general public, which believes that this stock will get back to where it left off the last time.

The LSX Index 1,571.47 ↑ 74.58 [4.98%]

The index arched upward by 4.98 percent as a result of appreciating stock prices, closing strongly at 1,571.47 points. Total market volume reached 793 thousand shares and exchanged for almost 6.18 billion Kip, which is approximately 30% more than the average market turnover.



Stock Boards

▶ First session: 8:30 – 10:00

BCEL

Current		12,800
Volume		35,484
Previous Day Closing Price		12,200
Change	↑	600
Turnover		454,195,200

Sell Remaining Qty	101634	Buy Remaining Qty
Exp exe Price	12,800	133,601
	12,700	9,403
Exp exe Qty	12,500	9,153
	12,300	400
	12,200	1,000
	Total	153,557

Opening Price		12,800
High Price		12,800
Low Price		12,800
Price Limit	12,800	11,600

EDL-GEN

Current		7,350
Volume		353,591
Previous Day Closing Price		7,000
Change	↑	350
Turnover		2,598,893,850

Sell Remaining Qty	101537	Buy Remaining Qty
Exp exe Price	7,350	297,001
	7,350	184,067
Exp exe Qty	7,250	500
	13,000	44,958
	7,200	1,320
	7,100	
	13,000	Total
		634,493

Opening Price		7,350
High Price		7,350
Low Price		7,350
Price Limit	7,350	6,650

Stock Boards

▶ Second session: 10:00 – 11:30, Closing

BCEL

Current		12,800
Volume		65,406
Previous Day Closing Price		12,200
Change	↑	600
Turnover		837,196,800

Sell Remaining Qty	11:30:00	Buy Remaining Qty
Exp exe Price	12,800	244,546
	12,700	3,563
Exp exe Qty	12,500	11,148
	12,300	400
	12,200	1,000
	Total	260,657

Opening Price		12,800
High Price		12,800
Low Price		12,800
Price Limit	12,800	11,600

EDL-GEN

Current		7,350
Volume		727,737
Previous Day Closing Price		7,000
Change	↑	350
Turnover		5,348,866,950

Sell Remaining Qty	11:30:00	Buy Remaining Qty
Exp exe Price	7,350	374,446
	7,300	184,067
Exp exe Qty	7,250	500
	7,200	44,781
	7,100	4,111
	Total	684,944

Opening Price		7,350
High Price		7,350
Low Price		7,350
Price Limit	7,350	6,650

Appendix

▶ Market Data

LSX Index

Date	Current Index	Change (Kip)	Change (%)	Trading Vol. (Share)	Trading Value (Kip)	High	Low
2011/02/11	1,571.47	↑ 74.58	4.98	793,143	6,186,063,750	1,571.47	1,571.47
2011/02/10	1,496.89	↑ 19.43	1.32	1,717,376	13,466,962,600	1,496.89	1,442.94
2011/02/09	1,477.46	↓ 58.75	3.82	376,069	3,797,660,900	1,477.46	1,461.63
2011/02/08	1,536.21	↓ 74.58	4.63	165,547	1,417,961,350	1,536.21	1,536.21
2011/02/07	1,610.79	↓ 82.97	4.90	200,816	1,865,407,700	1,610.79	1,610.79

EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/02/11	7,350	↑ 350	727,737	5,348,866,950	6,384,188	7,350	7,350
2011/02/10	7,000	↑ 100	1,376,504	9,301,297,200	6,080,179	7,000	6,000
2011/02/09	6,900	↓ 350	124,988	862,417,200	5,993,320	6,900	6,900
2011/02/08	7,250	↓ 350	120,651	874,719,750	6,297,329	7,250	7,250
2011/02/07	7,600	↓ 400	134,305	1,020,718,000	6,601,338	7,600	7,600

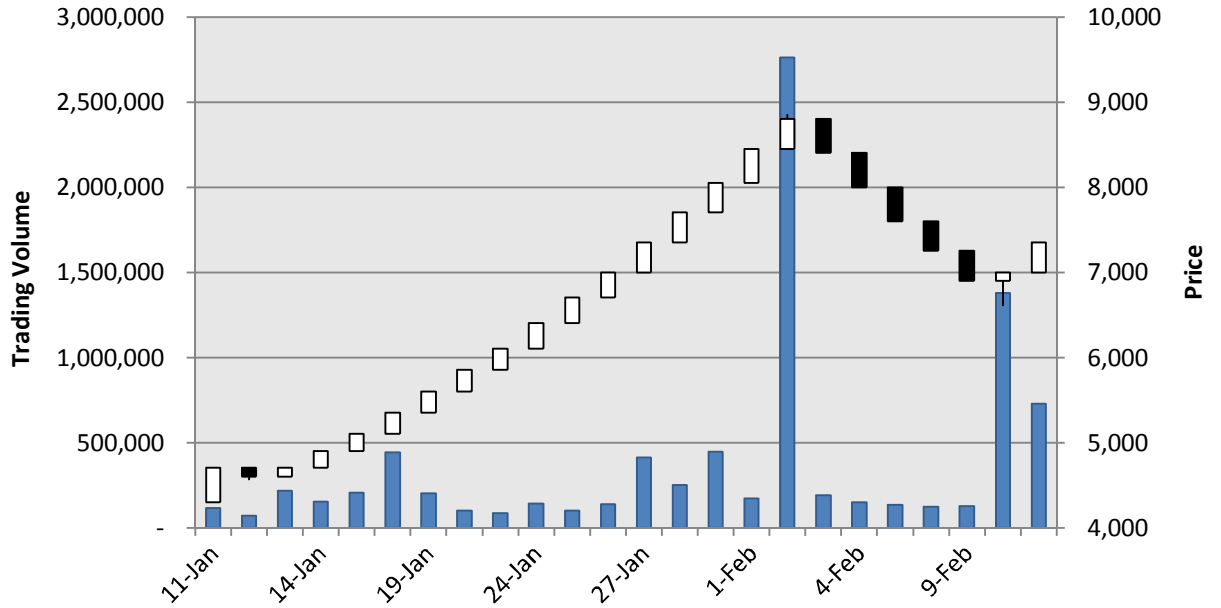
BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/02/11	12,800	↑ 600	65,406	837,196,800	1,748,193	12,800	12,800
2011/02/10	12,200	↑ 100	340,872	4,165,665,400	1,666,247	12,700	12,200
2011/02/09	12,100	-	251,081	2,935,243,700	1,652,589	12,100	11,500
2011/02/08	12,100	↓ 600	44,896	543,241,600	1,652,589	12,100	12,100
2011/02/07	12,700	↓ 600	66,511	844,689,700	1,734,536	12,700	12,700

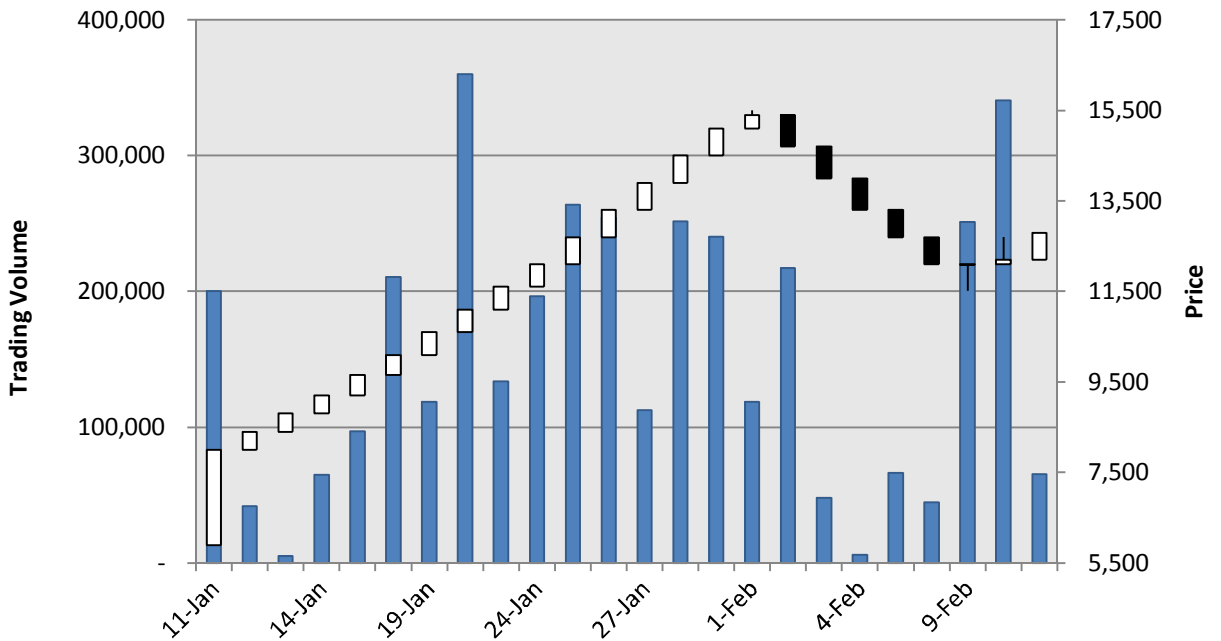
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▶ Market Data (cont.)

EDL-Gen



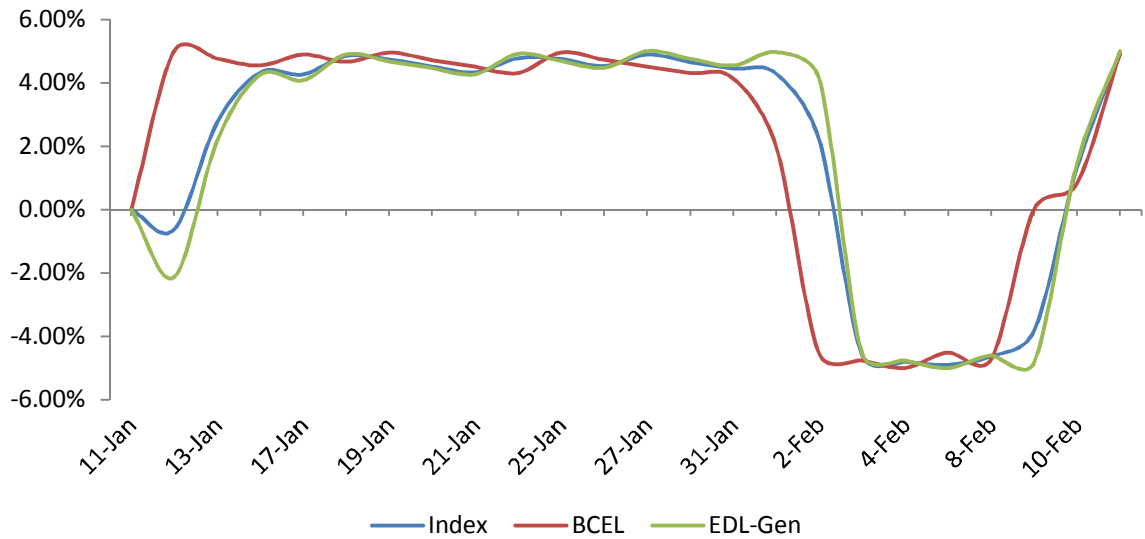
BCEL



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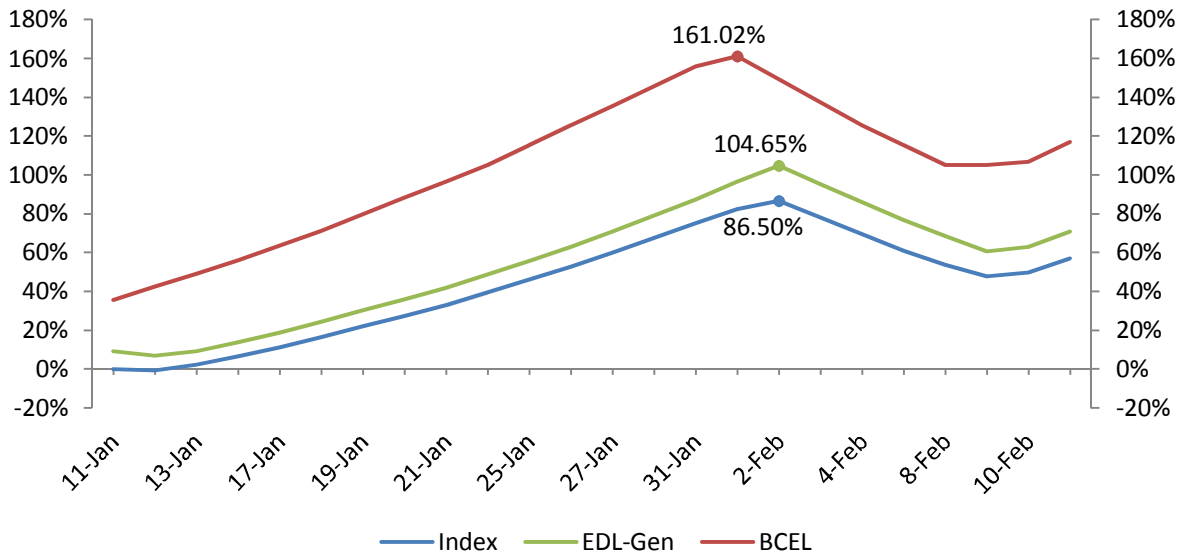
► Analytic Graphs

Daily Change (%)



Growth (%)

Compared to the IPO prices and the original index



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