

Executive Summary

- ▶ **The Lao Securities Exchange:** The two listed stocks started to reheat the Lao securities market with their smoldering prices. BCEL was able to tame the 11,900 Kip per share in the first session, only to let it loose in the second session due to the pressing sell-offs pressure. At the end, BCEL still benefited from a positive change in price (2.61 percent) and in trading volume (49 percent), netting a turnover of 648 million Kip. The price of EDL-Gen also trailed up 2.22% to 6,900 Kip per share in the presence of a higher trading volume; its total turnover, as a result, slightly edged up by 8 percent to 695 million Kip.
- ▶ **Lao-Sino cooperation leads to increased trade:** Although Laos has a trade deficit with many countries, the nation has experienced a trade surplus with China in recent years. As trade and investment cooperation grows between Laos and China so does the value of trade between the two countries.
- ▶ **Luang Namtha exports rice to China:** Sing district in Luang Namtha province produced 6,000 tonnes of rice for export to China last year, according to local media. A Chinese business is working with Lao companies to encourage local farmers to grow rice for export to China.
- ▶ **Bank officials discuss loan management:** Representatives of commercial banks and the Financial Institute Management Department, Bank of the Lao PDR, met last Friday on loan management. The meeting was aimed to encourage the exchange of viewpoints on loaning management.

Exchange Rates: 28/02/2011

	Bid	Change	Ask	Change
USD	8,032.00	0.00	8,071.00	0.00
CAD	8,084.00	113.00	8,248.00	115.00
THB	263.18	-0.23	264.48	-0.23
EUR	11,019.00	31.00	11,075.00	31.00
GBP	12,724.00	106.00	12,983.00	104.00
CNY	1,169.00	0.00	1,192.00	0.00
JPY	96.84	1.21	98.78	1.23
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-week	
				High	Low
BCEL	11,800	↑ 300	2.61	15,500	8,000
EDL-Gen	6,900	↑ 150	2.22	8,850	4,550

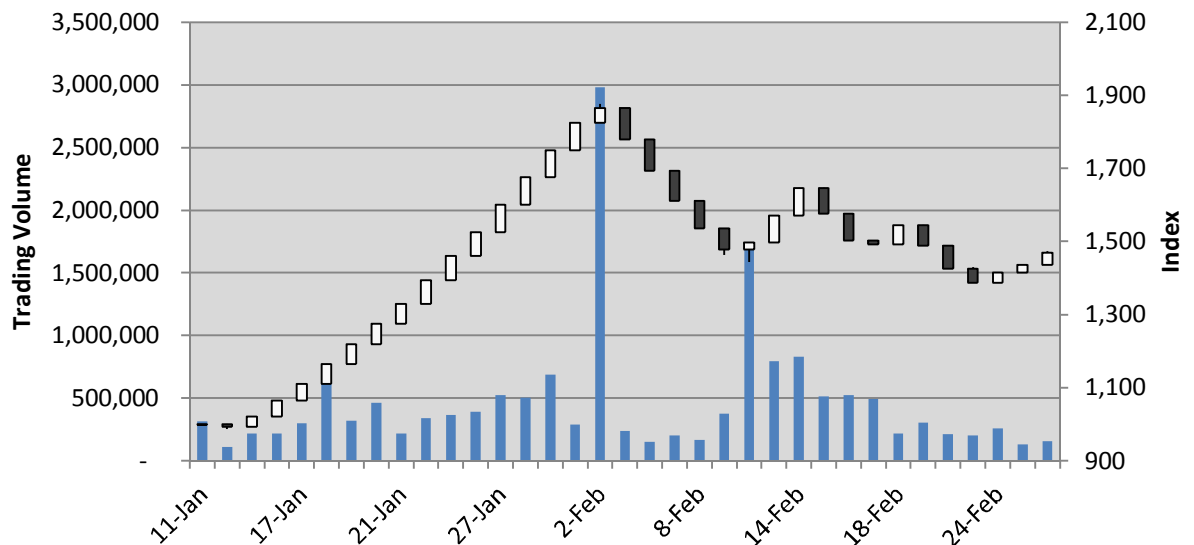
The Lao Securities Exchange

The Lao stock market

Demands are recovering across the stock board along with the market liquidity, signaling that confidence is being poured back into the wobbly Lao stock market. As the prices of BCEL and EDL-Gen respectively hinged around the 3% margin of the 12,000 and 7,000 Kip per share, total volumes of supplies appreciated accordingly, which is explainable. Historical records showed that most trades occurred at those given prices, suggesting that the market might experience subtle selling hikes in the next few sessions.

The LSX Index **1,469.55 ↑ 33.10 [2.30%]**

The Lao Composite Index laid another gain of 2.3 percent, paving its way back to the 1,500 index. Total trading volume rose 18% compared to last Friday to 155 thousand shares, elevating total market turnover by 26% to 1.34 billion Kip.



Lao Economy

Business news

Lao-Sino cooperation leads to increased trade

Although Laos has a trade deficit with many countries, the nation has experienced a trade surplus with China in recent years. As trade and investment cooperation grows between Laos and China so does the value of trade between the two countries. According to a report from the ministry, in 2010 the value of trade between the two countries was more than US\$1 billion, a more than 40 percent increase from the previous year. Laos imported about US\$484 million worth of goods from China, a 28.2 percent increase compared to the previous year, and exported goods worth US\$571 million to China, a 52.5 percent increase. From 2000 to 2010 there were 443 Chinese-backed investment projects in Laos worth a total of US\$3.6 billion, accounting for the second largest foreign investment in Laos. In 2010, there were 16 investment projects in Laos operated by Chinese companies worth more than US\$344 million, the highest amount of foreign investment for that year. During their visit, the Chinese trade delegation also held discussions with Deputy Minister of Industry and Commerce Ms Khemmani Pholsena and trade officials to investigate opportunities to facilitate trade, investment and cooperation between the two countries. China has seen a reduction in trade with some countries, but trade with Laos has increased rapidly. Even though China's trade volume with Laos is not high compared with other countries, the numbers continue to rise each year - *The Vientiane Times*

Luang Namtha exports rice to China

Sing district in Luang Namtha province produced 6,000 tonnes of rice for export to China last year, according to local media. A Chinese business is working with Lao companies to encourage local farmers to grow rice for export to China. The companies are supplying farmers with rice seeds, fertiliser and pesticides, an official from the district's industry and commerce office, Ms Hiengphone Daengmany, told the *Vientiane Times* last week. The rice crop is milled in the province then exported to China where it is processed into rice powder, she said. Rice powder is in high demand in China for making noodles and other food products, Ms Hiengphone said. Many farming families have improved their living conditions as a result of the project, and the scheme is now extending into Long district. Sing is one of five districts in Luang Namtha that produced a rice surplus of more than 800 tonnes last year. This year, the province's demand for rice is about 55,000 tonnes and the yield is 55,650 tonnes, resulting in a surplus of 650 tonnes. Despite the reduced surplus, some of the province's main stock is being sold across the border illegally, leaving some rural families to face a severe shortage – *The Vientiane Times*

Bank officials discuss loan management

Representatives of commercial banks and the Financial Institute Management Department, Bank of the Lao PDR, met last Friday on loan management. The meeting was aimed to encourage the exchange of viewpoints on loaning management between commercial banks affiliated to the Bank of the Lao PDR and relevant authorities of the BOL to ensure the loan management is in line with relevant legal instruments, according to an official. The cooperation between the commercial banks and the Financial Institute Management Department in proper loan management is also to ensure quality and provision of diverse loans to contribute to socio-economic development in the country, said Mr. Akhom Praseuth, director of the Financial Institute Management Department. The meeting would help the officials of the department and financial institutes understand rules and principles on provision of loaning services, added the official – *Lao News Agency*

Stock Boards

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

BCEL

Current	11,800
Volume	54,723
Previous Day Closing Price	11,500
Change	▲ 300
Turnover	648,499,200

Sell Remaining Qty	11:30:00	Buy Remaining Qty
31,400	12,000	
37,998	11,900	
5,703	11,800	
Exp exe Price	11,500	10,000
	11,000	1,000
Exp exe Qty		
75,101	Total	11,000

Opening Price	11,900
High Price	11,900
Low Price	11,800
Price Limit	12,000 11,000

EDL-GEN

Current	6,900
Volume	100,601
Previous Day Closing Price	6,750
Change	▲ 150
Turnover	694,146,900

Sell Remaining Qty	11:30:00	Buy Remaining Qty
12,531	7,050	
103,200	7,000	
6,000	6,950	
34,975	6,900	
Exp exe Price	6,800	32,906
	6,750	13,300
Exp exe Qty	6,700	4,200
	6,600	32,200
	6,500	17,569
156,706	Total	103,175

Opening Price	6,900
High Price	6,900
Low Price	6,900
Price Limit	7,050 6,450

Appendix

▶ Market Data

LSX Index

Date	Current Index	Change (Points)	Change (%)	Trading Vol. (Share)	Trading Value (Kip)	High	Low
2011/02/28	1,469.55	↑ 33.10	2.30	155,324	1,342,646,100	1,472.18	1,469.55
2011/02/25	1,436.45	↑ 22.06	1.56	131,721	1,064,016,500	1,436.45	1,436.45
2011/02/24	1,414.39	↑ 27.34	1.97	256,989	1,742,366,550	1,414.39	1,389.69
2011/02/23	1,387.05	↓ 38.37	2.69	203,221	1,570,854,300	1,429.01	1,387.05
2011/02/22	1,425.42	↓ 63.55	4.27	215,184	1,822,537,050	1,472.66	1,425.42

EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/02/28	6,900	↑ 150	100,601	694,146,900	5,993,320	6,900	6,900
2011/02/25	6,750	↑ 100	94,900	640,575,000	5,863,030	6,750	6,750
2011/02/24	6,650	↑ 100	246,057	1,619,524,950	5,776,170	6,650	6,550
2011/02/23	6,550	↓ 150	150,146	992,336,800	5,689,311	6,800	6,550
2011/02/22	6,700	↓ 300	139,784	955,897,050	5,819,600	6,950	6,700

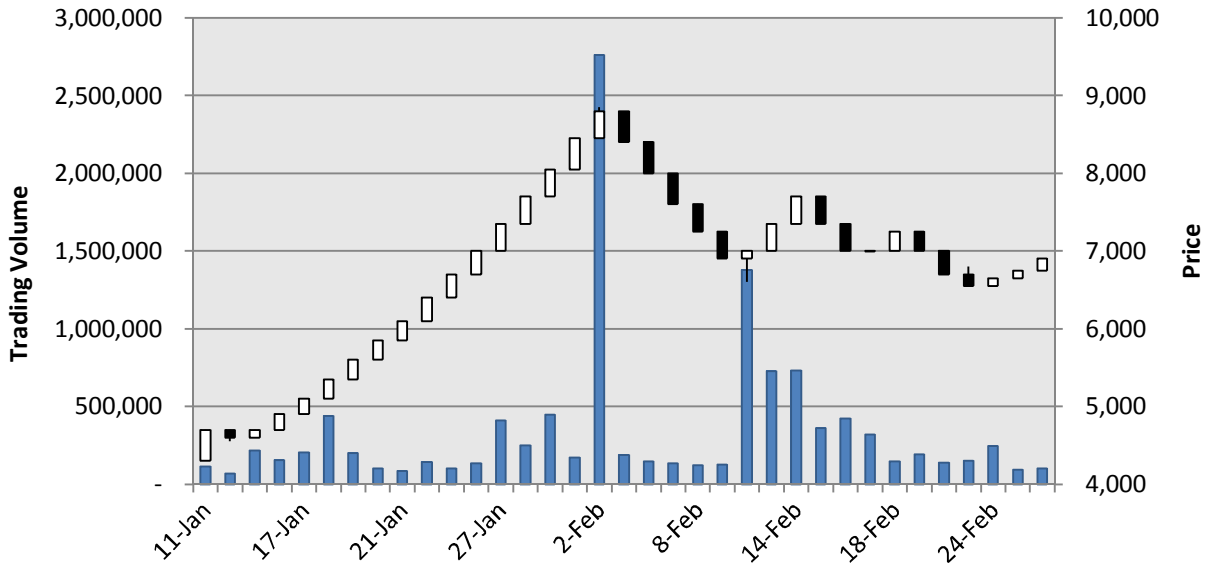
BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/02/28	11,800	↑ 300	54,723	648,499,200	1,611,616	11,900	11,800
2011/02/25	11,500	↑ 200	36,821	423,441,500	1,570,642	11,500	11,500
2011/02/24	11,300	↑ 400	10,932	122,841,600	1,543,327	11,300	11,000
2011/02/23	10,900	↓ 500	53,075	578,517,500	1,488,696	10,900	10,900
2011/02/22	11,400	↓ 500	75,400	866,640,000	1,556,985	11,600	11,400

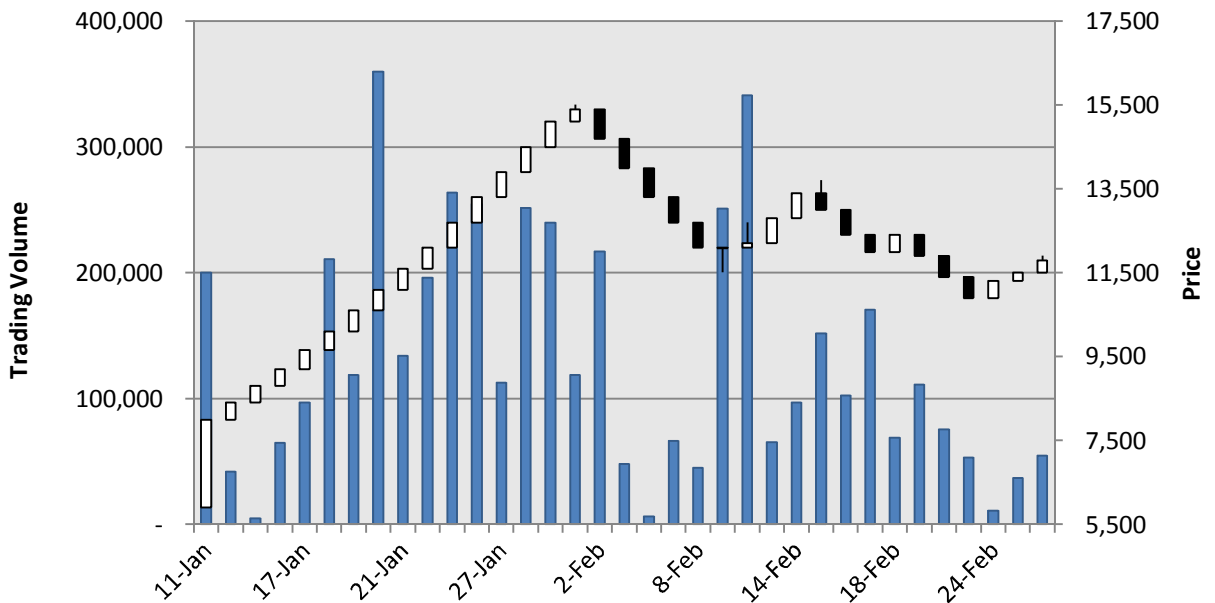
Appendix

▶ Market Data (cont.)

EDL-Gen



BCEL



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