

## Executive Summary

**The Lao Securities Exchange:** The Lao stock market bristled at the two listed companies for biting unceasingly on their meager prices. The leftover BCEL was sold at 8,300 Kip per share, down by 1.19 percent. EDL-Gen does not look very appealing to investor's appetite anymore, but exchanges were still carrying on for 6,600 Kip per share. EDL-Gen bolstered its turnover threefold to 639 million Kip, while BCEL was clumsily bagging its 515 million Kip, up by 43 percent.

- ▶ **Laos losing out to land concessions:** More than 50% of land concessions granted for investment projects have resulted in detrimental impacts on Laos. There are currently more than 2,000 land concession projects nationwide, but many are ineffective. Many investors sign contracts for a land concession with the intention of selling the project to other investors.
- ▶ **New Hydro project powers up Vientiane province:** The Namsong hydropower project in Vientiane province expects to produce 13.5GWh per year for the local area when it becomes operational. The project is a joint venture between India's Ministry of Water Resources and Electricite du Laos (EDL) and is being financed with the US\$11 million grant from the Indian government.
- ▶ **Lao civil aviation, Japan plan new systems:** Japanese authorities and aviation experts have begun the transition to a new communication, navigation, surveillance and air traffic management system in Cambodia, Laos and Vietnam. Adoption of the system will harmonize air control between the three countries. The project officially began in January this year and will be completed by the end of 2015.

#### Exchange Rates: 27/04/2011

	Bid	Change	Ask	Change
USD	8,018.00	-2.00	8,045.00	-1.00
CAD	8,350.00	44.00	8,468.00	49.00
THB	266.33	0.20	267.40	0.33
EUR	11,767.00	131.00	11,820.00	131.00
GBP	13,108.00	32.00	13,287.00	35.00
CNY	1,204.00	-	1,220.00	-
JPY	97.41	0.44	98.78	0.48

Exchange rates, quoted for the Lao Kip by the Bank of Laos

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Issue Name	Current Price	Change (Kip)	Change (%)	52-week	
				High	Low
BCEL	8,300	↓ 100	1.19	15,500	8,000
EDL-Gen	6,600	↓ 50	0.75	8,850	4,550

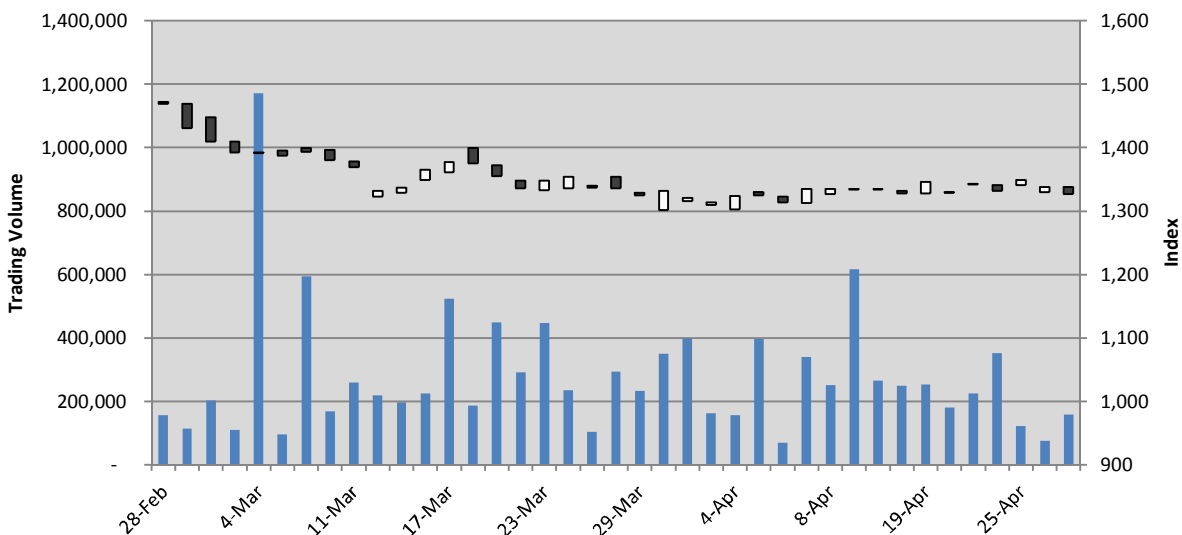
## The Lao Securities Exchange

### The Lao stock market

BCEL has traded down 2.35% since Monday, but its volume has quickened the pace by 28 percent. The rounded-off 62,000 demanding shares were fully satisfied today, hinting at a temporary setback of the buy side. The average daily demands were 105,000 shares last week and about 88,000 shares over the last two days. Total BCEL demands are fading gradually over time but not yet to the critical level. The trading volume of EDL-Gen returned to 96,600 shares, of which 15% were foreign transactions. The foreign element plays a major role in EDL-Gen's daily volume, comprising around 50% to 70% of everyday trades. Statistically, foreign investors have sold a net of 1.86 million shares in March and 1.92 million shares in April (up to the current date), which has a combined worth of 25.13 billion Kip or 41% of total EDL-Gen's turnover in the same period. The majority of these foreign investors are Thai, Vietnamese, Korean, and Japanese.

### The LSX Index 1,326.82 ↓ 11.03 [0.82%]

Approximately 159,000 shares were exchanged today, fueling the market turnover up to 1,154 million Kip, almost twice as much as yesterday. However the resurgent volume could not shake the LSX back to its former self. The Lao index has drifted down to 1,326.82 points, equivalent to a 2% drop since the beginning of the week.



## The Lao Economy

### Sectors Watch & Business News

#### Laos losing out to land concessions

More than 50% of land concessions granted for investment projects have resulted in detrimental impacts on Laos, according to an expert from the National Land Management Authority (NLMA). There are currently more than 2,000 land concession projects nationwide, but many are ineffective. Laos will lose more than gain if concessions granted to projects result in forestry loss and negative impacts on the livelihoods of local people. Many investors sign contracts for a land concession with the intention of selling the project to other investors. One way to address the problem is to scrutinize all concessions to identify investors who seriously intend to carry out a project.

The NLMA had summoned officials from all provinces to a two-day meeting in Vientiane last week to review problems related to land use and the sustainable exploitation of natural resources. For the past 35 years, the management of Lao forests has been out of control and if the situation continues the country's vision of becoming the 'battery of ASEAN' will be affected. Deforestation would not only affect hydropower development but also the tourism industry. Land problems have arisen in Laos over the past decade due to a lack of land allocation, meaning land concessions are granted in protected forest and watershed areas, as well as places where local people earn a living.

The NLMA had planned to complete a project to allocate all land plots throughout the country by 2015 but now wants to speed up the project to address problems related to land use. The land allocation project is already complete in Vientiane and 16 of the 47 poorest districts in the country. This year work will be completed in the provinces of Vientiane and Luang Prabang as well as the remainder of the 47 poorest districts. Some 70 percent of Laos was covered by forests in 1940, but that figure declined to just 41 percent in 2001. The nation's current percentage of forest cover is currently under survey. *[Sources: The Vientiane Times]*

#### New Hydro project powers up Vientiane province

The Namsong hydropower project in Vientiane province expects to produce 13.5GWh per year for the local area when it becomes operational. According to a project official, the project is part of events to mark the 55th anniversary of diplomatic relations between Laos and India. Work on the power plant began in October 2009. The project is a joint venture between India's Ministry of Water Resources and Electricite du Laos (EDL) and is being financed with the US\$11 million grant from the Indian government. The project's managing party is WAPCOS Ltd, which specializes in water power and infrastructure development. According to a civil engineer of the firm, EDL recently commissioned WAPCOS to provide consultancy for the new US\$72.55 million Nam Boun hydropower and transmission project in Vientiane province. *[Sources: The Vientiane Times]*

#### Lao civil aviation, Japan plan new systems

Japanese authorities and aviation experts have begun the transition to a new communication, navigation, surveillance and air traffic management system in Cambodia, Laos and Vietnam. The Lao Civil Aviation Department signed an agreement with JICA's Economic Infrastructure Development Department on the project implementation at the first joint coordinating committee meeting on the project held yesterday in Vientiane. Adoption of the system will harmonize air control between the three countries. The project officially began in

January this year and will be completed by the end of 2015.

The project's three expected outcomes are the development of capacity to establish performance-based navigation flight procedures, development of a training system for air traffic controllers and air navigation technical staff on the new systems, and the strengthening of safety oversight capability through the introduction of safety management systems in air navigation services. *[Sources: The Vientiane Times]*

### **Vientiane faces cement shortages**

The price of cement in Vientiane is spiraling out of control as retailers continue to sell the product at higher prices than those approved by the Ministry of Commerce and Industry. The issue is worsen as Vientiane faces continuous cement shortages, even though the government has approved extra cement imports from neighboring countries, which are estimated to be around 1,000 tons per day throughout the country. The total production capacity of the country's 7 cement producers is only 1.55 million tons a year, enough to meet just 80 percent of total domestic demand. In addition, many people build houses in the dry season, causing an increase in demand for cement at this time of the year. *[Sources: The Vientiane Time]*

### Stock Boards

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

#### BCEL

Current	<b>8,300</b>
Volume	62,043
Previous Day Closing Price	8,400
Change	▼ 100
Turnover	515,056,900

Sell Remaining Qty	11:30:00	Buy Remaining Qty
5,000	8,700	
5,000	8,600	
40,400	8,500	
3,957	<b>8,300</b>	
Exp exe Price		
Exp exe Qty		
54,357	Total	

Opening Price	8,400
High Price	8,400
Low Price	<b>8,300</b>
Price Limit	8,800 <b>8,000</b>

#### EDL-GEN

Current	<b>6,600</b>
Volume	96,599
Previous Day Closing Price	6,650
Change	▼ 50
Turnover	639,480,300

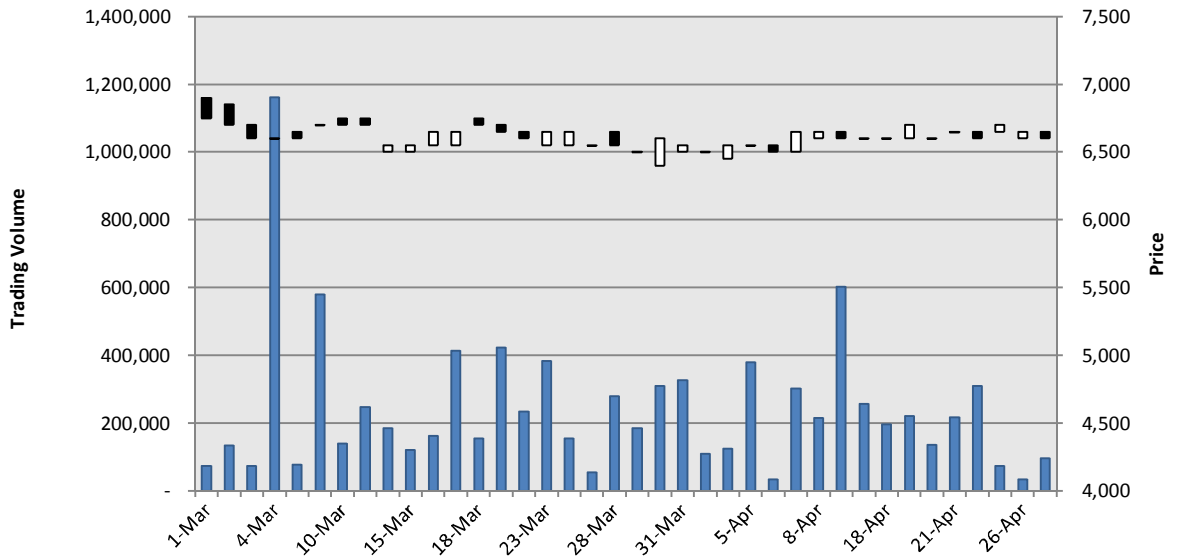
Sell Remaining Qty	11:30:00	Buy Remaining Qty
10,000	6,950	
50,000	6,750	
44,600	6,700	
30,581	6,650	
Exp exe Price	<b>6,600</b>	33,786
Exp exe Qty	6,500	20,030
	6,400	30
135,181	Total	<b>53,846</b>

Opening Price	6,650
High Price	6,650
Low Price	<b>6,600</b>
Price Limit	6,950 <b>6,350</b>

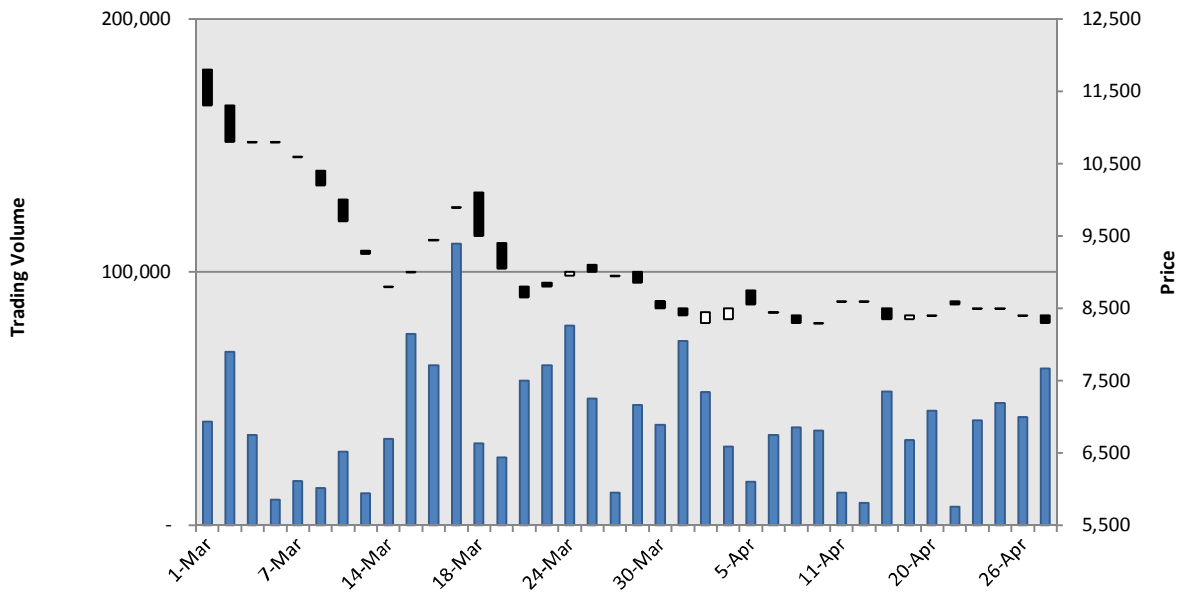
### Appendix

#### ▸ Securities Charts

#### EDL-Gen



#### BCEL



### Appendix

#### ▶ Daily Market Data

#### LSX Index

Date	Current Index	Change (Points)	Change (%)	Trading Vol. (Share)	Trading Value (Kip)	High	Low
2011/04/27	1,326.82	↓11.03	0.82	158,642	1,154,537,200	1,337.85	1,326.82
2011/04/26	1,337.85	↓11.03	0.82	75,902	579,139,300	1,337.85	1,329.46
2011/04/25	1,348.88	↑16.78	1.26	121,183	898,435,400	1,348.88	1,340.49
2011/04/22	1,332.10	↓9.71	0.72	350,973	2,398,820,500	1,340.49	1,332.10
2011/04/21	1,341.81	↑12.35	0.93	223,824	1,502,328,850	1,343.13	1,341.81

#### EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/04/27	6,600	↓50	96,599	639,480,300	5,732,741	6,650	6,600
2011/04/26	6,650	↓50	33,050	219,182,500	5,776,170	6,650	6,600
2011/04/25	6,700	↑100	72,883	487,885,400	5,819,600	6,700	6,650
2011/04/22	6,600	↓50	309,500	2,046,300,000	5,732,741	6,650	6,600
2011/04/21	6,650	↑50	216,509	1,439,784,850	5,776,170	6,650	6,650

#### BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/04/27	8,300	↓100	62,043	515,056,900	1,133,594	8,400	8,300
2011/04/26	8,400	↓100	42,852	359,956,800	1,147,252	8,400	8,400
2011/04/25	8,500	-	48,300	410,550,000	1,160,910	8,500	8,500
2011/04/22	8,500	↓50	41,473	352,520,500	1,160,910	8,500	8,500
2011/04/21	8,550	↑150	7,315	62,544,000	1,167,738	8,600	8,550

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