

Executive Summary

The Lao Securities Exchange: BCEL has opened up its door to the clogging trades, knowing what will happen to its Market Caps. Negotiations ended with approximately 32,000 shares traded for 8,200 Kip per unit. The listed bank netted a total turnover of 262 million Kip. EDL-Gen swung backward to 6,650 Kip; the oscillation period is shortening as the amount of trades deteriorates. Total trades reached 83,600 shares, pulling turnover up 130% to roughly 554 million Kip.

- ▶ **Cassava producer set to list on Lao stock market:** Lao Indochina Group Co Ltd (LIG) expects to be listed on the Lao Securities Exchange by early next year. LIG yesterday signed an agreement with Lanexang Securities Public Company (LXS) for this company to be its financial advisor and underwriter. Currently the company has four business operations – a tapioca factory, a cassava plantation project, and import-export and air ticketing services. Initially only the tapioca factory and cassava plantation project will be listed on the Lao Securities Exchange.
- ▶ **Fish farmers trawl for profits as wet season looms:** Fish farmers are hoping to sell off their stocks before the wet season begins, because demands for fish will decrease. The rainy season will also pose risks of flooding and water contamination. In the dry season, demands for fish rise in tandem with the number of baci ceremonies, weddings and parties held, because fish is the popular dish at such events.

Exchange Rates: 04/05/2011

	Bid	Change	Ask	Change
USD	8,015.00	-	8,043.00	-
CAD	8,327.00	18.00	8,444.00	17.00
THB	267.05	0.77	267.88	0.95
EUR	11,873.00	17.00	11,928.00	15.00
GBP	13,080.00	105.00	13,261.00	108.00
CNY	1,209.00	1.00	1,226.00	1.00
JPY	98.01	0.15	99.40	0.19

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	8,200	↓ 200	2.38	15,500	8,000
EDL-Gen	6,650	↑ 50	0.76	8,850	4,550

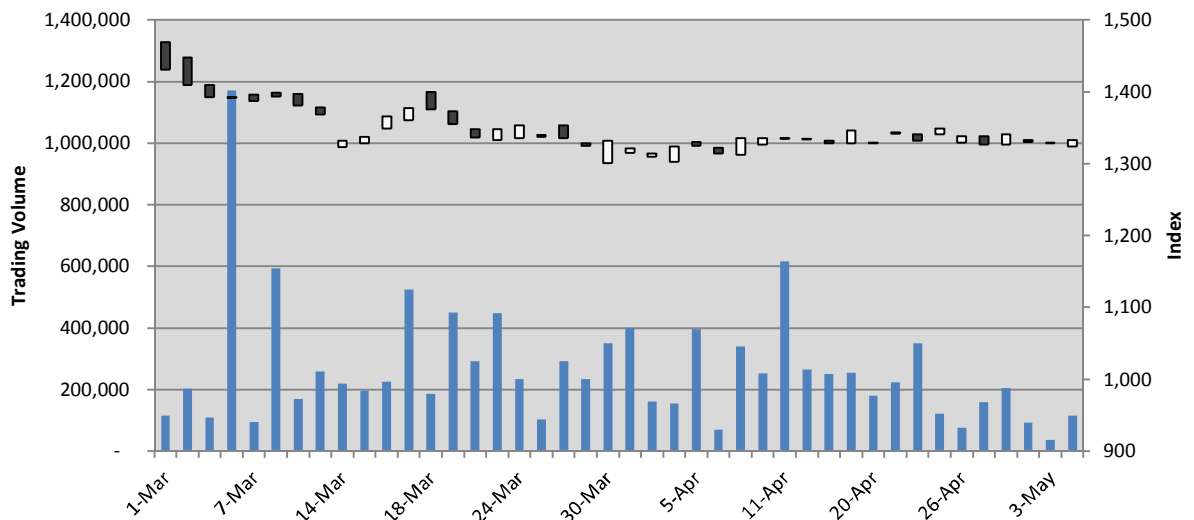
The Lao Securities Exchange

The Lao stock market

Domestic purchases put up the defensive force field as the foreign sector bombarded EDL-Gen with an overwhelming amount of sell-offs (96% of trades). Total supplies for the electricity company surged 53% to roughly 340,000 shares, tiling the higher price floor of 6,650 Kip. The discharged demands are testing EDL-Gen's endurance. The average daily demands of last week have already diluted down to 150,500 shares from the previous 350,000 shares of the week before. The likelihood of another downfall this week is fairly high. BCEL used the first session as an armistice period because sellers could not come to terms with the other party, not until the second session. BCEL collapsed its price to 8,200 Kip perhaps as an attempt to provide more incentives for the indecisive buyers.

The LSX Index 1,332.57 ↑ 3.11 [0.23%]

More trades were pouring back into the porous Lao securities market, up 129% to the current 115,600 shares. Market turnover leapt forward from the yesterday's 241 million Kip to roughly 816 million Kip by today. The LSX simmered its index slowly to 1,332 points, up by 23 basis points.



The Lao Economy

Sectors Watch & Business News

Cassava producer set to list on Lao stock market

Local cassava powder producer, Lao Indochina Group Co Ltd (LIG), expects to list on the Lao Securities Exchange by early next year. LIG yesterday signed an agreement with Lanexang Securities Public Company (LXS) for this company to be its financial advisor and underwriter. The IPO preparations include improvements in business operations, services, staff skills and management to match the standard of a public company. Currently the company has four business operations – a tapioca factory, a cassava plantation project, and import-export and air ticketing services. Initially only the tapioca factory and cassava plantation project will be listed on the Lao Securities Exchange.

Currently, the company runs just one plant in Pakngum district, Vientiane to produce 320 tons of cassava powder per day, of which about 90% is shipped to China, with the remainder going to domestic markets. LIG has 10,500 hectares of cassava plantations spreading across Borikhamxay province, Vientiane provinces, and Vientiane Capital, employing more than 1,220 families. LIG will invest in another tapioca plant in Pakkading district of Borikhamxay province. It recently received two international standard certificates from the United Registrar of Systems (URS) South East Asia Co Ltd, under URS UK. The certificates are the international standard ISO-9001:2008 in recognition of the company's quality management system and good manufacturing practice in food hygiene.

LXS is a joint venture between Sacombank-SBS of Vietnam and Lao Development Bank. It officially opened in last December with initial chartered capital of 100 billion kip. Banque pour le Commerce Extérieur Lao Public is the first company LXS has helped list on the LSX, and LIG will be the second. *[Source: The Vientiane Times]*

Fish farmers trawl for profits as wet season looms

During Lao New Year in mid-April, fishes cost 19,000 kip-20,000 kip a kg, but this week the price has fallen to 17,000-18,000 kip per kg. Fish farmers are hoping to sell off their stocks before the wet season begins, because demands for fish will decrease as people can catch more fishes in the rivers and stream. Furthermore, in the dry season, demands for fish rise in tandem with the number of baci ceremonies, weddings and parties.

The rainy season will also pose risks of flooding and water contamination. Last year, fish farmers along the Mekong River in Hadxaifong district, Vientiane, were badly impacted by fluctuating water levels, which led to long periods of muddy water and a lack of oxygen in the water. Lots of caged fishes have died due to poor water quality in past years. The river typically fluctuates the most between the end of June and the beginning of July as the weather conditions change and the wet season starts.

Vientiane consumes from 10 to 12 tons of fish per day during the wet season, and about 15 to 16 tons in the dry season, while farmers are able to produce between 18 and 20 tons of fish per day. The association had proposed a set price of 18,000 kip per kg for farmed fish in Vientiane as the cost of production is estimated at 15,300 kip per kg. The agriculture and forestry sector has agreed to the price proposal and is now awaiting comment from the commerce and industry sector. *[Sources: The Vientiane Times]*

Stock Boards

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

BCEL

Current	8,200
Volume	31,997
Previous Day Closing Price	8,400
Change	▼ 200
Turnover	262,375,400

Sell Remaining Qty	11:20:23	Buy Remaining Qty
94	8,800	
6,160	8,500	
20,528	8,400	
27,003	8,200	
Exp exe Price	8,000	8,816
8,200		
Exp exe Qty		
31,996		
85,781	Total	40,812

Opening Price	8,200
High Price	8,200
Low Price	8,200
Price Limit	8,800 8,000

EDL-GEN

Current	6,650
Volume	83,670
Previous Day Closing Price	6,600
Change	▲ 50
Turnover	553,872,000

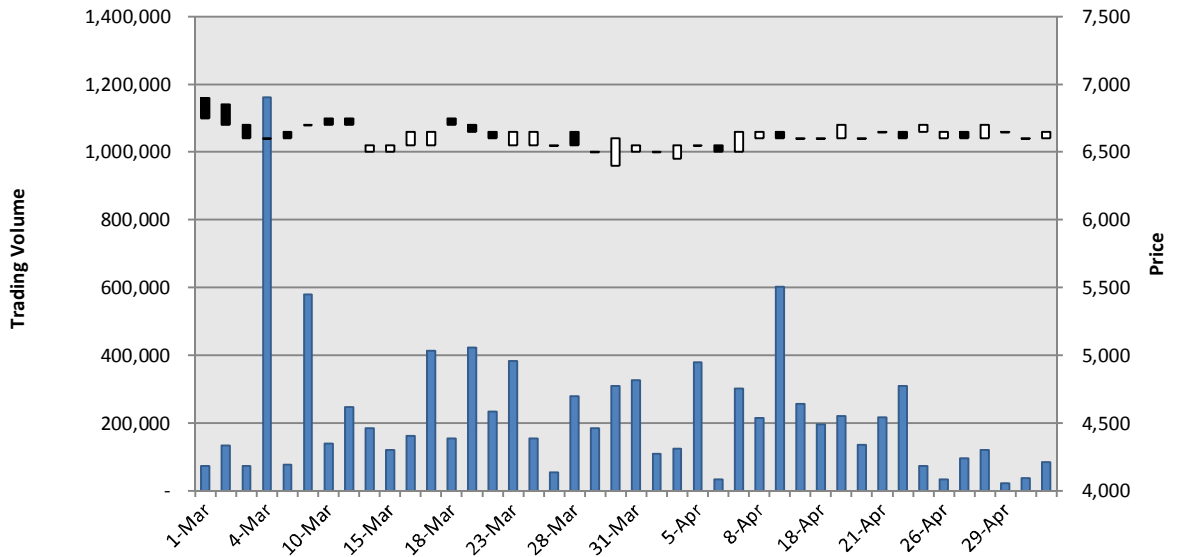
Sell Remaining Qty	11:07:56	Buy Remaining Qty
20,003	6,900	
20,000	6,800	
15,000	6,750	
134,500	6,700	
46,300	6,650	
Exp exe Price	6,600	70,841
6,600	6,500	10,000
Exp exe Qty		
20,000		
255,803	Total	100,841

Opening Price	6,600
High Price	6,650
Low Price	6,600
Price Limit	6,900 6,300

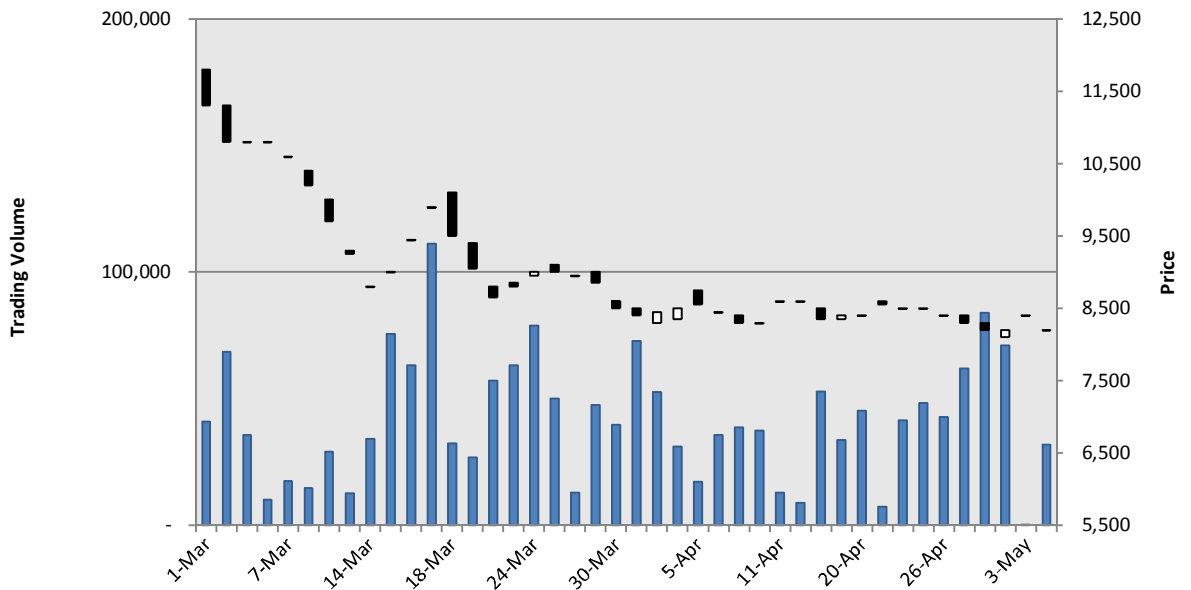
Appendix

▸ 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
2011/05/04	1,332.57	↑3.11	0.23	115,667	816,247,400	1,332.57	1,324.18
2011/05/03	1,329.46	↓3.11	0.23	36,589	241,577,400	1,329.46	1,329.46
2011/04/29	1,332.57	↓8.39	0.63	93,348	730,268,300	1,332.57	1,329.93
2011/04/28	1,340.97	↑14.15	1.07	204,083	1,494,142,800	1,340.97	1,326.82
2011/04/27	1,326.82	↓11.03	0.82	158,642	1,154,537,200	1,337.85	1,326.82

EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/05/04	6,650	↑50	83,670	553,872,000	5,776,170	6,650	6,600
2011/05/03	6,600	↓50	36,539	241,157,400	5,732,741	6,600	6,600
2011/04/29	6,650	↓50	22,392	148,906,800	5,776,170	6,650	6,650
2011/04/28	6,700	↑100	120,126	803,695,400	5,819,600	6,700	6,600
2011/04/27	6,600	↓50	96,599	639,480,300	5,732,741	6,650	6,600

BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/05/04	8,200	↓200	31,997	262,375,400	1,119,936	8,200	8,200
2011/05/03	8,400	↑200	50	420,000	1,147,252	8,400	8,400
2011/04/29	8,200	-	70,956	581,361,500	1,119,936	8,200	8,100
2011/04/28	8,200	↓100	83,957	690,447,400	1,119,936	8,300	8,200
2011/04/27	8,300	↓100	62,043	515,056,900	1,133,594	8,400	8,300

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