

Executive Summary

The Lao Securities Exchange

No more surprises, BCEL abated its liquidity to a more plausible level of 32K shares, over half of which still clung to the 8,000 Kip in the first session. However, the bank infused in good trading spirit as it retrieved the 8,100 Kip (+1.25%) in the second session. A turnover of LAK 261 million was credited to the bank. Simultaneously, EDL-Gen was persistently pouring the extra 83K (+64%) shares onto its 5,200 Kip. As a result, the electricity company imbued its turnover with a potentially overflowing LAK 432 million.

▶ Laos taps into growing agricultural output

Local and foreign investors have planted rubber trees on a total area of 153,000 hectares across the country over the past decades, of which about 1,000 hectares have reached maturity to produce 3,159 tonnes of raw rubber a year. Laos has 29,000 hectares of coffee plantations with a potential yield of 46,000 tonnes a year, and 30,100 hectares of cassava plantations with a potential yield of about 451,000 tonnes a year. The country also can produce about 818,000 tonnes sugarcane and more than 649,700 tonnes of sweetcorn per year. There are also 25,513 hectares of eucalyptus plantations across the country.

Exchange Rates: 28/06/2011

	Bid	Change	Ask	Change
USD	8,015.00	(2.00)	8,035.00	(1.00)
CAD	8,049.00	37.00	8,155.00	41.00
THB	259.21	(0.83)	259.96	(0.60)
EUR	11,448.00	141.00	11,489.00	143.00
GBP	12,684.00	49.00	12,846.00	51.00
CNY	1,211.00	(3.00)	1,227.00	(2.00)
JPY	98.23	(0.02)	99.49	(0.05)

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	8,100	↑ 50	1.25	15,500	7,900
EDL-Gen	5,200	-	-	8,850	4,550

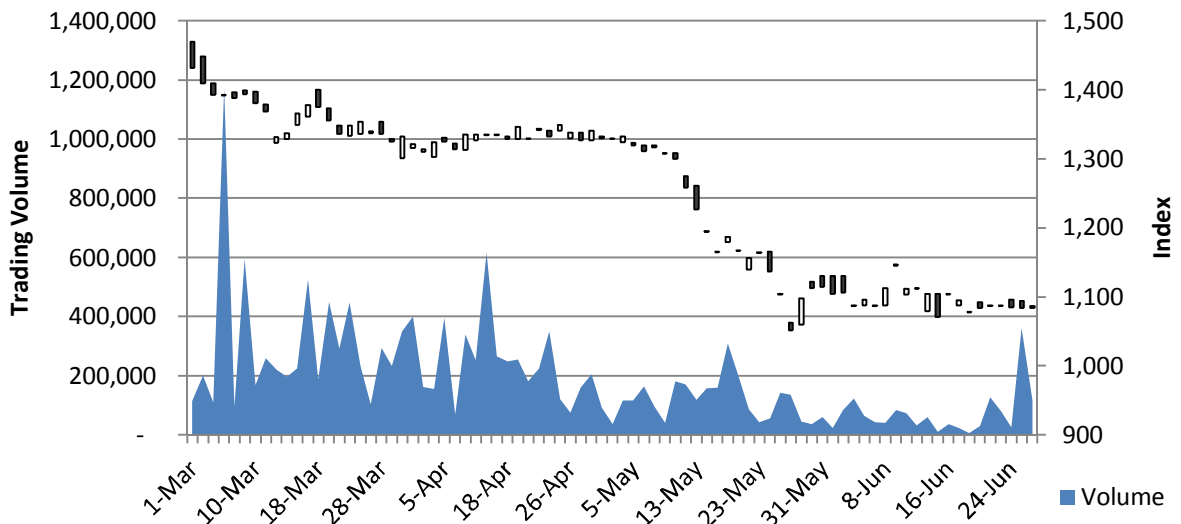
The Lao Securities Exchange

The Lao stock market

Today was the 6th consecutive day EDL-Gen closed at the 5,200 Kip, and the next supporter is probably the 5,150 Kip. Starting from last Tuesday, total demand has reached an average of 132K shares per day, while total supply could only offer an average of 80K shares. The electricity company can zip its worry while being underpinned by such strong, although precipitating slightly over time, demand. Furthermore, the recent stable biddings were not a mere coincidence but the architectures of some foreign forces, which have not yet expressed any sign of fatigue. BCEL picked up a few interesting reactions today. The supply side, spoiled by the yesterday's flash trading, was hoping for the same thing to happen today, but we all know the end of it. Demand climbed down to the reality of 50K shares as supply waited prudently with 61K shares. Overall, we started to see some positive sprinkles on the Lao securities market, especially its buying capacity; however it is still a long way from a bullish market.

The LSX Index 1,086.56 ↑ 2.64 [0.24%]

The banking stock embossed the Lao index with a decorative 24 bps, raising it upward to 1,086 points. Trading volume returned to 116K shares (-68%) as market's turnover salvaged a LAK 639 million (-76%).



The Lao Economy

Sectors Watch & Business News

Laos taps into growing agricultural output

The export value of rubber from Laos is expected to see a big surge over the next few years as thousands of hectares of plantations reach maturity. According to a report from the Ministry of Planning and Investment on the implementation of the national socio-economic development plan over the first six months of this fiscal year to the first session of the 7th Legislature of the National Assembly, local and foreign investors have planted rubber trees on a total area of 153,000 hectares across the country over the past few decades. About 1,000 hectares of trees have reached maturity, with the capacity to produce about 3,159 tonnes of raw rubber a year. The nation's raw rubber output will see a large jump as more and more plantations reach maturity over the next few years.

The Luang Namtha provincial Industry and Commerce Department, working in one of the largest rubber plantation areas in Laos, said the price of raw rubber in the province is currently about 12,000 kip, up from about 7,000 kip per kg last year. The main markets for Lao rubber are China, Thailand and Vietnam. These countries use rubber to produce vehicle tyres and other goods. The report also showed that in addition to rubber trees, Laos has 29,000 hectares of coffee plantations with a potential yield of 46,000 tonnes a year, and 30,100 hectares of cassava plantations with a potential yield of about 451,000 tonnes a year.

The country also has large areas of sugarcane plantations, particularly in the central province of Savannakhet. Total sugarcane production is about 818,000 tonnes a year and the nation can also produce more than 649,700 tonnes of sweetcorn a year. There are also 25,513 hectares of eucalyptus plantations across the country. The increasing output of agricultural products has not only boosted the export value of Lao goods to international markets but also created a solid foundation for the development of agricultural processing industries. Two sugarcane processing factories have opened in Savannakhet province.

There are many small and medium sized rubber processing plants in the northern province of Luang Namtha, helping to add more value to Lao products before they are exported. Laos has plenty of fertile land suitable for producing raw materials to supply food processing plants. The government has a policy to promote investment in the agricultural processing industry as part of its efforts to balance output between the natural resource and non-resource based sectors to ensure sustainable economic growth. However, one major challenge is limited market access for Lao food processors since the country is not a member of the World Trade Organisation. Laos also needs to develop a more skilled labour force to work in factories. About 70 percent of the Lao workforce is employed in the agriculture sector. The government is working to move a greater proportion of the nation's workforce into the processing industry. *[Sources: The Vientiane Times]*

Stock Boards

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

BCEL

Current	8,100
Volume	32,485
Previous Day Closing Price	8,000
Change	▲ 100
Turnover	261,328,500

Sell Remaining Qty	11:30:00	Buy Remaining Qty
2,000	8,350	
12,500	8,200	
7,269	8,150	
6,796	8,100	
Exp exe Price	8,000	17,000
	7,700	594
Exp exe Qty		
28,565	Total	17,594

Opening Price	8,000
High Price	8,100
Low Price	8,000
Price Limit	8,400 7,600

EDL-GEN

Current	5,200
Volume	83,089
Previous Day Closing Price	5,200
Change	0
Turnover	432,062,800

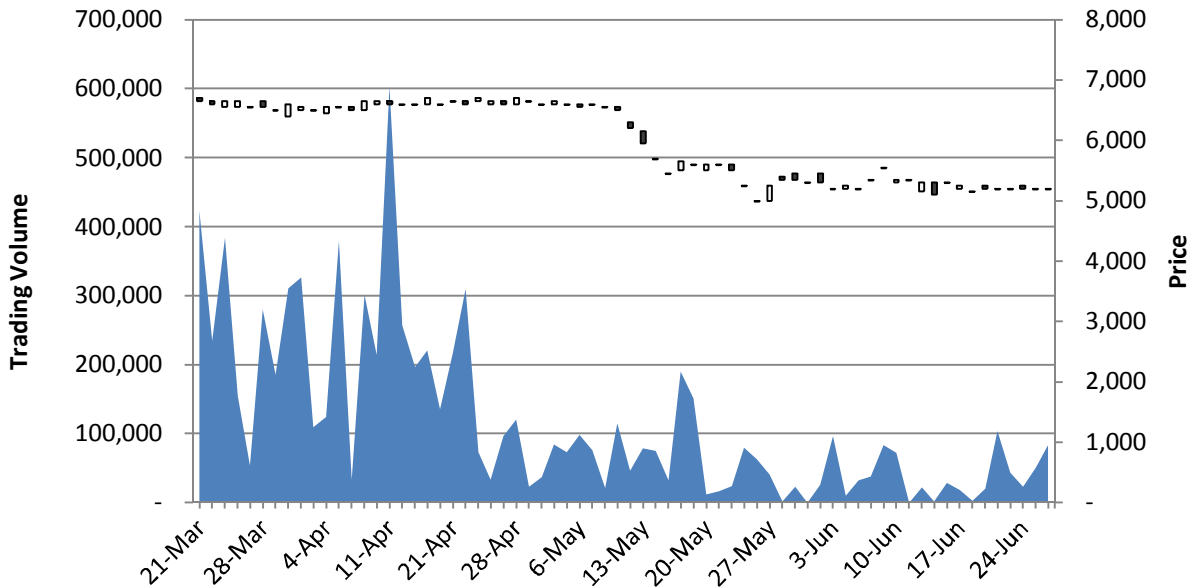
Sell Remaining Qty	11:30:00	Buy Remaining Qty
5,000	5,400	
5,000	5,350	
10,000	5,300	
5,000	5,250	
4,711	5,200	
Exp exe Price	5,150	25,000
	5,100	20,000
Exp exe Qty		
29,711	Total	45,000

Opening Price	5,200
High Price	5,200
Low Price	5,200
Price Limit	5,450 4,950

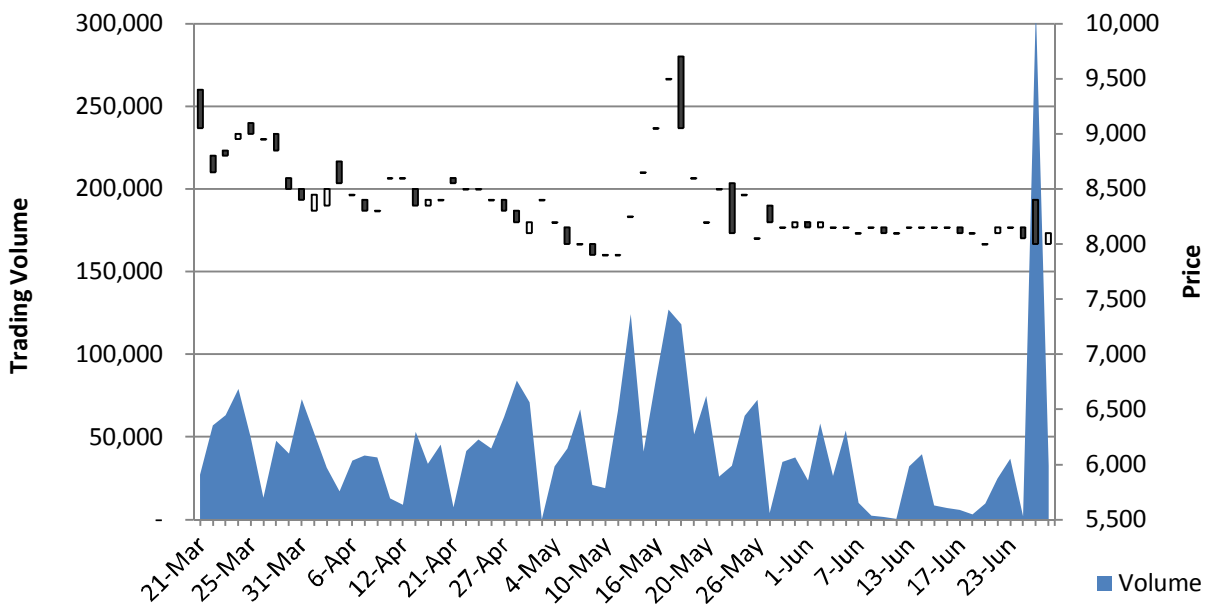
Appendix

▸ 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
2011/06/28	1,086.56	↑2.64	0.24	115,574	693,391,300	1,086.56	1,083.92
2011/06/27	1,083.92	↓1.32	0.12	360,357	2,861,036,000	1,094.48	1,083.92
2011/06/24	1,085.24	↓2.64	0.24	24,894	135,926,100	1,096.27	1,085.24
2011/06/23	1,087.88	-	0.00	79,706	522,804,050	1,087.88	1,087.88
2011/06/22	1,087.88	↑3.96	0.37	128,169	739,401,700	1,087.88	1,086.56

EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/06/28	5,200	-	83,089	432,062,800	4,516,705	5,200	5,200
2011/06/27	5,200	-	50,650	263,380,000	4,516,705	5,200	5,200
2011/06/24	5,200	-	22,800	119,060,000	4,516,705	5,250	5,200
2011/06/23	5,200	-	42,983	223,511,600	4,516,705	5,200	5,200
2011/06/22	5,200	-	103,368	537,513,600	4,516,705	5,200	5,200

BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/06/28	8,100	↑100	32,485	261,328,500	1,106,279	8,100	8,000
2011/06/27	8,000	↓50	309,707	2,597,656,000	1,092,621	8,400	8,000
2011/06/24	8,050	↓100	2,094	16,866,100	1,099,450	8,150	8,050
2011/06/23	8,150	-	36,723	299,292,450	1,113,107	8,150	8,150
2011/06/22	8,150	↑150	24,801	201,888,100	1,113,107	8,150	8,100

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