

17 June 2019

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## Research Highlights

### SINGAPORE NEWS HIGHLIGHTS

- OCBC's private bank eyes Malaysia expansion after buying Pacific Mutual Fund
- Wilmar eyes soybean expansion in hard times

### INDONESIA NEWS HIGHLIGHTS

- Bank Indonesia May Ease Monetary Policy, Finance Minister Says
- Indonesia's forex reserves drop to USD120.3b at end-May: Bank Indonesia

### THAILAND NEWS HIGHLIGHTS

- Thailand, China central banks ink agreement on fintech cooperation
- Bank of Thailand MPC Member Says Policy Decisions Data Dependent

#### Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,325.0	0.39%
USD/SGD	1.37	0.70%
USD/THB	31.24	-0.08%

#### Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,222.6	1.78%
FSTFN	983.10	2.03%
FSTCG	473.28	2.10%
FSTTC	835.6	1.45%

#### Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,250.3	0.66%
JAKFIN	1,268.1	1.20%
JAKAGRI	1,381.6	-1.23%
JAKINFR	1,172.3	1.59%

#### Thailand

Indices	Today	1-Week Chg (%)
SET	1,672.3	1.14%
SETBANK	518.7	1.57%
SETAGRI	190.7	1.48%
SETCOMUN	162.4	2.25%

## Singapore's Corporate News

- **OCBC's private bank eyes Malaysia expansion after buying Pacific Mutual Fund**

Oversea-Chinese Banking Corp.'s private bank is set to expand into Malaysia following its deal to acquire an investment firm in the Southeast Asian nation. OCBC's Bank of Singapore wealth unit agreed this week to buy Pacific Mutual Fund Bhd for RM35.6m (USD8.5m). The transaction will allow the bank to deepen its presence in Malaysia, Bank of Singapore's Olivier Denis said in an emailed response to queries. "We expect the onshore wealth management landscape to grow rapidly in the coming years, as we foresee significant opportunities," said Denis, who is global market head for Singapore, Malaysia and international. (Source :*The Star*)

- **Wilmar eyes soybean expansion in hard times**

Wilmar International Ltd, one of the world's largest food producers, is planning to boost its soybean crushing capacity in China even as a deadly pig-killing virus cuts demand for animal feed. Singapore-based Wilmar will build new plants as part of a project to construct integrated manufacturing complexes in the country, the company said in an emailed statement, without giving a schedule. The group is bullish on the long-term prospects for China and is confident that animal meal demand will eventually recover, it said. (Source: *The Edge*)

## Indonesia's Corporate News

- **Bank Indonesia May Ease Monetary Policy, Finance Minister Says**

Bank Indonesia will likely join other central banks in easing monetary policy to counter a global economic slowdown, Finance Minister Sri Mulyani Indrawati said. "When the situation has now changed, especially in advanced countries, including about the direction of monetary policies, and there is a signal of the global economy weakening, I think Bank Indonesia will also adjust its monetary policy stance," (Source: *Bloomberg*)

- **Indonesia's forex reserves drop to USD120.3b at end-May: Bank Indonesia**

Indonesia's foreign exchange reserves dropped by around USD4.0b to USD120.3b at the end of May due to the government's foreign debt payments as well as dividend payments by corporations, the central bank said on Thursday. It was down from USD124.3b at the end of April. The end-May reserves level is equal to 6.9 months of imports or 6.7 months of imports and foreign debt payments which is above an international standard of three months, Bank Indonesia (BI) said in a statement. BI expects the forex reserves to remain adequate, supported by a stable economy and good economic prospects. (Source: *The Business Times*)



## Thailand's Corporate News

- **Thailand, China central banks ink agreement on fintech cooperation**

Bank of Thailand (BOT) and People's Bank of China (PBC) have signed a Fintech Co-operation Agreement to promote innovation in financial services. Governor of BOT Veerathai Santiprabhob and his counterpart of PBC Yi Gang signed the agreement in Fukuoka, Japan, yesterday. In a joint statement, they said under the agreement, BOT and PBC would collaborate on several issues including joint innovation projects and research, information sharing and regulatory coordination. (Source: *The Star*)

- **Bank of Thailand MPC Member Says Policy Decisions Data Dependent**

The Bank of Thailand's monetary policy is data dependent with an eye on financial stability as well as the tough export outlook, according to an official who helps to decide the country's benchmark interest rate. "We're open to all possibilities," Somchai Jitsuchon, a member of the central bank's monetary policy committee, said in an interview. He also said the "U.S.-China trade war has haunted us" and may hang over the country for a long time if President Donald Trump wins a second term. Growth in Southeast Asia's second-largest economy slumped to a four-year low last quarter, in part as exports tumbled. (Source: *Bloomberg*)

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## Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 14 June 2019	Market Cap (USDm)	CY19 P/E (x)	CY20 P/E (x)	Current EPS	CY19 EPS	PBV (x)	CY19 ROE	CY20 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>												
BANK CENTRAL ASIA TBK PT	29,000	49842.8	24.4	21.6	1039.6	1186.1	4.5	18.0	17.7	32932.2	1.1	1.2
BANK RAKYAT INDONESIA PERSER	4,230	36371.8	14.2	12.3	263.7	298.3	2.7	18.8	19.1	12329.9	2.9	3.1
BANK MANDIRI PERSERO TBK PT	7,825	25456.0	13.0	11.4	515.3	602.6	1.9	14.8	15.3	24291.4	3.1	3.1
BANK NEGARA INDONESIA PERSER	8,500	11050.1	9.3	8.1	821.2	912.0	1.4	14.9	15.4	25755.4	3.0	2.4
BANK DANAMON INDONESIA TBK	4,510	3072.8	9.8	9.2	431.6	459.3	1.1	10.3	10.2	16285.4	3.6	3.2
<b>Simple Average</b>			<b>14.2</b>	<b>12.5</b>				<b>15.4</b>	<b>15.6</b>			<b>2.6</b>
<b>Singapore</b>												
DBS GROUP HOLDINGS LTD	24.81	46232.4	10.2	9.7	2.2	2.4	1.3	12.6	12.6	123.6	5.0	4.8
OVERSEA-CHINESE BANKING CORP	10.78	33409.4	9.6	9.0	1.1	1.1	1.0	11.3	11.4	47.7	4.4	4.0
UNITED OVERSEAS BANK LTD	24.99	30402.8	9.9	9.4	2.4	2.5	1.1	11.2	11.3	124.8	5.0	4.8
<b>Simple Average</b>			<b>9.9</b>	<b>9.4</b>				<b>11.7</b>	<b>11.8</b>			<b>4.5</b>
<b>Thailand</b>												
SIAM COMMERCIAL BANK PUB CO	133.5	14501.0	11.1	9.9	12.7	12.0	1.2	10.4	10.9	554.9	4.2	4.1
BANGKOK BANK PUBLIC CO LTD	199.0	12151.6	9.8	9.0	18.9	20.3	0.9	9.0	9.3	724.6	3.6	3.3
KASIKORNBANK PCL	193.5	14814.3	11.3	10.3	16.1	17.1	1.2	10.5	10.7	467.7	2.4	2.1
KRUNG THAI BANK PUB CO LTD	19.5	8718.3	9.4	8.4	2.1	2.1	0.9	9.3	9.3	81.0	4.2	3.7
BANK OF AYUDHYA PCL	38.3	9000.6	9.0	8.6	3.4	4.3	1.1	11.4	10.9	114.0	3.0	2.2
<b>Simple Average</b>			<b>10.1</b>	<b>9.2</b>				<b>10.1</b>	<b>10.2</b>			<b>3.1</b>
<b>Regional Average</b>												
			<b>11.6</b>	<b>10.5</b>				<b>12.5</b>	<b>12.6</b>			<b>3.2</b>
<b>Malaysia</b>												
MALAYAN BANKING BHD	8.96	24168.6	12.1	11.6	0.7	0.7	1.3	10.6	10.6	58.5	6.5	6.4
CIMB GROUP HOLDINGS BHD	5.28	12324.1	10.3	9.5	0.5	0.5	1.0	9.3	9.4	26.5	5.0	4.7
PUBLIC BANK BERHAD	23.12	21536.9	15.7	15.0	1.5	1.5	2.2	13.5	13.2	70.9	3.1	3.0
HONG LEONG BANK BERHAD	18.80	9227.9	14.3	13.5	1.2	1.3	1.5	11.0	11.0	52.4	2.8	2.6
AMMB HOLDINGS BHD	4.41	3189.6	9.4	8.9	0.4	0.5	0.8	7.8	7.9	19.6	4.4	3.4
RHB BANK BHD	5.70	5484.6	9.5	8.9	0.6	0.6	0.9	9.9	9.9	22.5	3.9	3.6
ALLIANCE BANK MALAYSIA BHD	3.83	1422.7	10.1	9.3	0.3	0.4	1.1	10.0	10.4	18.1	4.7	4.4
<b>Simple Average</b>			<b>11.6</b>	<b>11.0</b>				<b>10.3</b>	<b>10.4</b>			<b>4.0</b>

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## Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 14 June 2019	Market Cap (USDm)	CY19 P/E (x)	CY20 P/E (x)	Current EPS	CY19 EPS	PBV (x)	CY19 ROE	CY20 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>												
ASTRA AGRO LESTARI TBK PT	10,275	1378.6	14.0	11.9	773.3	736.0	1.0	7.1	8.0	25936.0	2.5	3.3
PP LONDON SUMATRA INDONES PT	1,120	532.7	15.0	11.6	75.4	74.5	0.9	5.9	7.4	2302.0	2.1	1.7
SAMPOERNA AGRO TBK PT	2,250	296.4	29.8	25.7	109.3	75.5	1.0	3.4	3.7	513.0	0.2	3.1
EAGLE HIGH PLANTATIONS TBK P	156	342.8	N.A.	N.A.	N.A.	N.A.	0.9	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	87	15.2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Simple Average</b>			<b>19.6</b>	<b>16.4</b>				<b>5.5</b>	<b>6.4</b>			<b>2.7</b>
<b>Singapore</b>												
WILMAR INTERNATIONAL LTD	3.48	16063.8	12.9	11.8	0.2	0.2	1.0	7.4	7.7	8.2	3.2	3.0
GOLDEN AGRI-RESOURCES LTD	0.27	2507.6	28.1	16.4	0.0	0.0	0.6	2.0	3.3	0.4	2.0	2.1
OLAM INTERNATIONAL LTD	1.91	4442.9	12.7	11.9	0.1	0.2	1.1	N.A.	N.A.	7.6	4.0	3.9
<b>Simple Average</b>			<b>17.9</b>	<b>13.4</b>				<b>4.7</b>	<b>5.5</b>			<b>3.0</b>
<b>Regional Average</b>			<b>18.8</b>	<b>14.9</b>				<b>5.2</b>	<b>6.0</b>			<b>2.9</b>
<b>Malaysia</b>												
SIME DARBY BERHAD	2.29	3737.0	16.8	15.7	0.1	0.1	1.1	6.4	6.4	8.3	3.6	3.5
IOI CORP BHD	4.17	6110.4	31.1	26.9	0.2	0.1	2.8	8.7	10.4	9.9	2.4	1.9
KUALA LUMPUR KEPONG BHD	24.60	6286.3	32.3	27.4	0.9	0.8	2.5	7.2	8.3	46.4	1.9	1.8
GENTING PLANTATIONS BHD	10.14	1977.9	33.9	25.7	0.3	0.3	1.9	5.7	6.3	15.1	1.5	1.4
IJM PLANTATIONS BHD	1.49	314.8	32.4	16.9	0.1	0.0	1.0	2.5	3.8	3.6	2.4	3.3
TA ANN HOLDINGS BERHAD	2.40	254.1	13.4	10.9	0.2	0.2	0.8	5.8	6.9	9.8	4.1	4.2
<b>Simple Average</b>			<b>26.7</b>	<b>20.6</b>				<b>6.0</b>	<b>7.0</b>			<b>2.7</b>

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## Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 14 June 2019	Market Cap (USDm)	CY19 P/E (x)	CY20 P/E (x)	Current EPS	CY19 EPS	CY19 EV/EBITDA	CY20 EV/EBITDA	PBV (x)	CY19 ROE	CY20 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>														
TELEKOMUNIKASI INDONESIA PER	3,990	27553.7	18.4	17.0	198.0	216.8	6.6	6.0	3.8	18.6	19.4	15806.2	4.0	4.1
XL AXIATA TBK PT	2,860	2130.9	62.0	31.9	3.6	46.1	5.6	5.1	1.7	2.4	4.4	2394.9	0.8	N.A.
INDOSAT TBK PT	1,955	740.6	N.A.	N.A.	-345.6	-403.0	4.7	4.2	1.0	-21.1	-25.0	898.3	0.5	3.7
<b>Simple Average</b>			<b>40.2</b>	<b>24.5</b>			<b>5.6</b>	<b>5.1</b>		<b>0.0</b>	<b>-0.4</b>			<b>3.9</b>
<b>Singapore</b>														
SINGAPORE TELECOMMUNICATIONS	3.33	39655.8	17.5	16.2	0.2	0.2	13.7	13.6	1.8	10.3	11.0	18.0	5.4	5.3
STARHUB LTD	1.47	1855.9	13.7	14.8	0.1	0.1	6.4	6.5	6.7	48.7	42.9	9.1	6.2	9.7
M1 LTD	N.A.	N.A.	N.A.	N.A.	0.1	0.1	N.A.	N.A.	N.A.	22.6	18.8	9.3	N.A.	5.5
<b>Simple Average</b>			<b>15.6</b>	<b>15.5</b>			<b>10.1</b>	<b>10.0</b>		<b>27.2</b>	<b>24.3</b>			<b>6.8</b>
<b>Thailand</b>														
ADVANCED INFO SERVICE PCL	198.5	18879.6	19.1	18.1	10.2	10.4	8.7	8.3	10.4	48.9	44.4	730.8	3.7	3.6
TOTAL ACCESS COMMUNICATION	51.5	3900.9	20.5	19.7	0.6	2.5	6.0	5.7	5.1	26.6	23.7	121.5	2.4	2.0
<b>Simple Average</b>			<b>19.8</b>	<b>18.9</b>			<b>7.4</b>	<b>7.0</b>		<b>37.8</b>	<b>34.0</b>			<b>2.8</b>
<b>Regional Average</b>			<b>25.2</b>	<b>19.6</b>			<b>7.4</b>	<b>7.1</b>		<b>19.6</b>	<b>17.5</b>			<b>4.8</b>
<b>Malaysia</b>														
MAXIS BHD	5.58	10466.0	26.4	25.6	0.3	0.2	14.0	13.6	6.1	23.0	23.1	19.6	3.5	3.6
AXIATA GROUP BERHAD	4.73	10360.8	38.5	31.3	0.1	0.1	7.5	7.1	2.5	6.5	7.5	10.2	2.2	2.0
DIGI.COM BHD	4.87	9085.6	25.1	24.4	0.2	0.2	13.7	13.5	59.0	232.7	226.9	19.0	3.9	3.9
TELEKOM MALAYSIA BHD	3.80	3426.6	16.4	16.2	0.1	0.2	5.6	5.5	2.0	11.4	10.9	11.7	3.1	0.5
<b>Simple Average</b>			<b>26.6</b>	<b>24.4</b>			<b>10.2</b>	<b>9.9</b>		<b>68.4</b>	<b>67.1</b>			<b>2.5</b>

**Stock Ratings are defined as follows:****Stock Recommendations**

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%  
MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%  
UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%  
NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%  
UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

***\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.***

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