

25 November 2019

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## Research Highlights

### SINGAPORE NEWS HIGHLIGHTS

- Ant May Join Race for Singapore Virtual Bank Licenses
- Olam JV bags sustainable cert for palm oil plantation in Africa

### INDONESIA NEWS HIGHLIGHTS

- Indonesia central bank holds key rate, cuts banks' reserve requirements
- Indonesia's competition watchdog looks into nickel sector after cartel complaint

### THAILAND NEWS HIGHLIGHTS

- Thai central bank to ease FX rules due to limited scope on rates
- Car group asks for EV scheme facilitator

#### Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,092.0	0.11%
USD/SGD	1.36	0.27%
USD/THB	30.21	-0.14%

#### Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,225.7	-0.41%
FSTFN	1,010.30	-1.01%
FSTCG	502.21	-1.14%
FSTTC	835.4	4.51%

#### Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,100.2	-0.46%
JAKFIN	1,277.8	1.08%
JAKAGRI	1,410.9	1.83%
JAKINFR	1,131.9	-0.82%

#### Thailand

Indices	Today	1-Week Chg (%)
SET	1,597.7	-0.28%
SETBANK	448.4	1.59%
SETAGRI	146.3	0.93%
SETCOMUN	165.1	-4.53%

## Singapore's Corporate News

### ▪ Ant May Join Race for Singapore Virtual Bank Licenses

Billionaire Jack Ma's Ant Financial Services Group said it may apply for a virtual banking license in Singapore, a move that would add a heavyweight contender to the race. "We are actively looking into this opportunity," Hangzhou, China-based Ant Financial said in an emailed response to questions from Bloomberg News. The Monetary Authority of Singapore is offering as many as five digital banking permits to non-banks in a bid to open up the industry to new competitors. A successful entry by Ant Financial would pit China's largest online financial company against traditional incumbents DBS Group Holdings Ltd. and Oversea-Chinese Banking Corp. in the growing market for digital banking in Southeast Asia. (Source: Bloomberg)

### ▪ Olam JV bags sustainable cert for palm oil plantation in Africa

OLAM International's joint venture with the Republic of Gabon has received a Roundtable on Sustainable Palm Oil (RSPO) certification for its Makouke plantation, said the mainboard-listed food and agri-business firm in a statement on Monday. The 18,707 hectare (ha) plantation - managed by Olam Palm Gabon (OPG) - is the fourth Olam plantation to be RSPO-certified, bringing the firm's total RSPO certified area to 112,455 ha, or 78.0% of its total palm concessions. (Source: The Business Times)

## Indonesia's Corporate News

### ▪ Indonesia central bank holds key rate, cuts banks' reserve requirements

Indonesia's central bank on Thursday held its benchmark interest rate unchanged after four consecutive rate cuts, but lowered the reserve requirement ratio for lenders to provide additional liquidity for the banking system and support growth. Bank Indonesia (BI) kept unchanged the 7-day reverse repurchase rate at 5.0%, as predicted by 20 out of 24 economists in a Reuters poll. BI had cut the rate in each of its four policy meetings prior to Thursday in an easing cycle that reduced the benchmark by 100.0 basis points. (Source: Reuters)

### ▪ Indonesia's competition watchdog looks into nickel sector after cartel complaint

Indonesia's anti-monopoly agency has begun a preliminary study of the country's nickel smelting sector, an agency official said on Monday, after a miners' association accused big nickel smelters of conducting a cartel. The agency will decide whether to launch a full investigation of pricing and other practices in the industry after completing its initial enquiries, a commissioner at Indonesia's Commission for the Supervision of Business Competition (KPPU), told a news briefing. The Indonesian nickel miners association (APNI) has claimed that two giant smelters control 60.0% of the local nickel ore market and determine prices in Indonesia, the world's biggest nickel ore exporter. It has not named the two smelters. (Source: Reuters)



## Thailand's Corporate News

- **Thai central bank to ease FX rules due to limited scope on rates**

Thailand's central bank said on Saturday it would ease rules governing the foreign exchange market and international reserves, giving it more scope to tackle the baht's strength following a series of rate cuts. "The policy rate is low when compared with the region ... will not be able to lower rates much further," Bank of Thailand Governor told reporters, adding that negative interest rates would lead to structural problems. Earlier this month the central bank lowered its one-day repurchase rates to 1.25%, the lowest level since the global financial crisis. (Source: Reuters)

- **Car group asks for EV scheme facilitator**

The Thailand Automotive Institute (TAI) has requested the government set up a National New Generation Vehicle Committee to push forward the government's electric vehicle (EV) scheme and increase sales as the market develops. The committee would consist of related parties from the public and private sectors, including four ministries (Industry, Energy, Finance and DES), educational institutes and automotive companies. Acting president of the TAI, said EVs are being promoted under the government's S-curve policy, but manufacturers have not received any encouragement for EV adoption in Thailand. (Source: Bangkok Post)

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## Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 22 Nov 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	31,525	55163.2	26.9	23.7	1039.6	1172.0	4.6	17.8	17.6	33846.1	1.1	1.1
BANK RAKYAT INDONESIA PERSER	4,210	36854.9	14.8	12.8	263.7	284.7	2.6	18.1	18.8	12442.7	3.0	3.1
BANK MANDIRI PERSERO TBK PT	7,075	23432.7	12.0	10.6	515.3	587.9	1.7	14.4	15.2	24279.8	3.4	3.4
BANK NEGARA INDONESIA PERSER	7,650	10125.1	9.1	8.1	821.2	841.6	1.2	13.7	14.1	21184.6	2.8	2.6
BANK DANAMON INDONESIA TBK	3,880	2691.4	9.7	8.5	431.6	401.3	0.9	11.9	9.9	13101.0	3.4	3.7
<b>Simple Average</b>			<b>14.5</b>	<b>12.7</b>				<b>15.2</b>	<b>15.1</b>			<b>2.8</b>
<b>Singapore</b>												
DBS GROUP HOLDINGS LTD	25.80	48309.9	10.5	10.5	2.2	2.5	1.3	13.1	12.4	122.5	4.7	4.7
OVERSEA-CHINESE BANKING CORP	11.00	35507.7	9.9	9.8	1.1	1.1	1.0	11.3	10.7	50.1	4.6	4.4
UNITED OVERSEAS BANK LTD	26.30	32160.2	10.2	10.3	2.4	2.6	1.2	11.5	11.0	124.2	4.7	4.8
<b>Simple Average</b>			<b>10.2</b>	<b>10.2</b>				<b>12.0</b>	<b>11.4</b>			<b>4.6</b>
<b>Thailand</b>												
SIAM COMMERCIAL BANK PUB CO	118.0	13260.9	9.3	9.7	12.7	12.6	1.0	11.1	10.0	603.3	5.1	4.7
BANGKOK BANK PUBLIC CO LTD	178.5	11276.8	9.3	9.0	18.9	19.2	0.8	8.7	8.5	688.7	3.9	3.6
KASIKORNBANK PCL	153.0	12118.8	9.4	9.5	16.1	16.2	0.9	10.0	9.4	430.9	2.8	2.6
KRUNG THAI BANK PUB CO LTD	16.6	7678.4	7.9	7.8	2.1	2.1	0.7	9.3	8.8	78.8	4.7	4.3
BANK OF AYUDHYA PCL	32.5	7912.0	7.3	8.2	3.4	4.5	0.9	12.0	10.3	116.4	3.6	2.6
<b>Simple Average</b>			<b>8.7</b>	<b>8.9</b>				<b>10.2</b>	<b>9.4</b>			<b>3.6</b>
<b>Regional Average</b>			<b>11.3</b>	<b>10.7</b>				<b>12.5</b>	<b>12.1</b>			<b>3.5</b>
<b>Malaysia</b>												
MALAYAN BANKING BHD	8.64	23277.5	12.1	11.6	0.7	0.7	1.2	10.4	10.3	56.8	6.6	6.6
CIMB GROUP HOLDINGS BHD	5.37	12770.8	10.6	10.0	0.5	0.5	0.9	9.2	9.1	26.3	4.9	4.8
PUBLIC BANK BERHAD	19.86	18478.0	13.9	13.6	1.5	1.4	1.8	13.2	12.7	69.9	3.5	3.5
HONG LEONG BANK BERHAD	16.74	8696.8	12.9	12.1	1.2	1.3	1.3	10.4	10.3	52.5	3.1	3.0
AMMB HOLDINGS BHD	4.06	2932.9	8.6	8.2	0.4	0.5	0.7	7.8	7.8	20.4	5.0	4.9
RHB BANK BHD	5.70	5478.1	9.5	8.9	0.6	0.6	0.9	9.9	9.9	24.4	4.3	4.5
ALLIANCE BANK MALAYSIA BHD	2.72	1009.2	8.7	7.4	0.3	0.4	0.7	8.7	9.4	14.6	5.4	6.1
<b>Simple Average</b>			<b>10.9</b>	<b>10.3</b>				<b>9.9</b>	<b>9.9</b>			<b>4.8</b>

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## Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 22 Nov 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	13,125	1792.9	54.6	22.2	773.3	240.6	1.4	2.3	5.4	26589.4	2.0	2.6
PP LONDON SUMATRA INDONES PT	1,375	665.8	43.8	22.5	75.4	31.4	1.1	2.1	4.4	1812.6	1.3	1.4
SAMPOERNA AGRO TBK PT	2,500	335.3	74.8	18.4	109.3	33.4	1.2	1.6	6.2	1930.0	0.8	N.A.
EAGLE HIGH PLANTATIONS TBK P	94	210.3	N.A.	N.A.	N.A.	N.A.	0.6	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	94	16.7	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>57.7</b>	<b>21.0</b>				<b>2.0</b>	<b>5.3</b>			<b>2.0</b>
<b>Singapore</b>												
WILMAR INTERNATIONAL LTD	4.10	19041.4	16.1	14.4	0.2	0.2	1.2	7.3	7.7	7.4	2.5	2.4
GOLDEN AGRI-RESOURCES LTD	0.23	2146.9	84.3	18.7	0.0	0.0	0.5	0.2	2.3	0.2	1.2	2.5
OLAM INTERNATIONAL LTD	1.83	4274.0	12.2	11.4	0.1	0.2	1.1	N.A.	N.A.	7.6	4.2	4.1
<b>Simple Average</b>			<b>37.5</b>	<b>14.8</b>				<b>3.7</b>	<b>5.0</b>			<b>3.0</b>
<b>Regional Average</b>			<b>47.6</b>	<b>17.9</b>				<b>2.7</b>	<b>5.2</b>			<b>2.6</b>
<b>Malaysia</b>												
SIME DARBY BERHAD	2.35	3830.7	16.1	15.0	0.1	0.1	1.1	6.4	6.6	9.1	3.9	4.3
IOI CORP BHD	4.49	6762.9	32.1	29.7	0.2	0.1	3.0	8.9	9.4	9.1	2.0	1.8
KUALA LUMPUR KEPONG BHD	23.80	6074.6	29.4	26.5	0.9	0.6	2.4	7.8	8.4	49.5	2.1	1.9
GENTING PLANTATIONS BHD	10.42	2240.6	48.0	33.8	0.3	0.2	1.9	3.7	5.4	14.3	1.4	1.1
IJM PLANTATIONS BHD	1.74	367.2	69.6	38.7	0.1	0.0	1.2	1.6	2.7	2.8	1.6	1.1
TA ANN HOLDINGS BERHAD	2.97	313.5	21.5	13.5	0.2	0.1	0.9	4.2	6.6	8.9	3.0	1.7
<b>Simple Average</b>			<b>36.1</b>	<b>26.2</b>				<b>5.4</b>	<b>6.5</b>			<b>2.0</b>

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## Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 22 Nov 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	4,050	28474.2	18.8	16.6	198.0	215.6	6.9	6.2	4.0	20.1	21.3	16296.6	4.0	4.0
XL AXIATA TBK PT	3,540	2685.3	61.8	31.2	3.6	57.2	6.4	5.7	2.0	3.2	5.9	2112.2	0.6	N.A.
INDOSAT TBK PT	3,050	1176.3	N.A.	N.A.	-345.6	-287.1	5.4	4.8	1.5	-13.3	-12.1	0.0	0.0	N.A.
<b>Simple Average</b>			<b>40.3</b>	<b>23.9</b>			<b>6.2</b>	<b>5.6</b>		<b>3.4</b>	<b>5.0</b>			<b>4.0</b>
<b>Singapore</b>														
SINGAPORE TELECOMMUNICATIONS	3.33	39856.4	18.6	17.3	0.2	0.2	14.6	14.5	2.0	8.3	10.4	18.0	5.4	5.3
STARHUB LTD	1.46	1853.1	14.6	16.2	0.1	0.1	6.6	6.9	8.0	37.7	35.2	8.9	6.1	7.4
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.	N.A.
<b>Simple Average</b>			<b>16.6</b>	<b>16.8</b>			<b>10.6</b>	<b>10.7</b>		<b>22.9</b>	<b>21.5</b>			<b>6.3</b>
<b>Thailand</b>														
ADVANCED INFO SERVICE PCL	220.0	21648.2	20.3	18.9	10.2	10.8	9.5	8.9	10.6	50.7	47.2	770.0	3.5	3.2
TOTAL ACCESS COMMUNICATION	56.25	4408.1	20.6	19.7	0.6	2.7	7.0	6.7	5.5	27.1	24.4	186.9	3.3	2.2
<b>Simple Average</b>			<b>20.5</b>	<b>19.3</b>			<b>8.2</b>	<b>7.8</b>		<b>38.9</b>	<b>35.8</b>			<b>2.7</b>
<b>Regional Average</b>			<b>25.8</b>	<b>20.0</b>			<b>8.0</b>	<b>7.7</b>		<b>19.6</b>	<b>18.9</b>			<b>4.4</b>
<b>Malaysia</b>														
MAXIS BHD	5.31	9952.5	26.6	25.8	0.3	0.2	13.4	13.1	5.8	22.0	22.5	19.7	3.7	3.8
AXIATA GROUP BERHAD	4.36	9575.4	36.0	29.5	0.1	0.1	7.0	6.6	2.3	6.5	7.3	10.8	2.5	2.2
DIGI.COM BHD	4.60	8571.6	24.0	23.5	0.2	0.2	13.1	12.9	53.6	224.3	223.8	19.0	4.1	4.0
TELEKOM MALAYSIA BHD	3.75	3384.3	14.9	15.6	0.1	0.3	5.3	5.3	2.0	12.1	11.0	12.3	3.3	0.5
<b>Simple Average</b>			<b>25.4</b>	<b>23.6</b>			<b>9.7</b>	<b>9.5</b>		<b>66.2</b>	<b>66.1</b>			<b>2.6</b>

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**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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