

02 December 2019

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Singapore bank lending up 0.7% in October from month ago
- OCBC ready for Chinese digital banking invasion, CEO says

INDONESIA NEWS HIGHLIGHTS

- Indonesia central bank policy to remain accommodative in 2020 -governor
- Banks' loan growth in October at slowest pace since 2016, OJK says

THAILAND NEWS HIGHLIGHTS

- BoT boss signals challenges ahead
- BoT makes internal changes to keep up

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,108.0	0.11%
USD/SGD	1.37	0.26%
USD/THB	30.21	0.00%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,193.9	-0.98%
FSTFN	1,002.96	-0.73%
FSTCG	498.40	-0.76%
FSTTC	846.4	1.32%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,011.8	-1.45%
JAKFIN	1,273.7	-0.32%
JAKAGRI	1,365.2	-3.24%
JAKINFR	1,103.1	-2.54%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,590.6	-0.45%
SETBANK	452.7	0.96%
SETAGRI	147.7	0.97%
SETCOMUN	161.7	-2.05%

Singapore's Corporate News

- **Singapore bank lending up 0.7% in October from month ago**

Bank lending in Singapore rose 0.7% in October from September, reversing from a slight month-on-month contraction in September, preliminary data from the Monetary Authority of Singapore showed on Friday (Nov 29). Loans through the domestic banking unit - which captures lending in all currencies, but reflects mainly Singapore-dollar lending - stood at SGD689.4b in October, compared with SGD684.5b a month ago. From a year ago, total lending rose 2.6%. (Source: *The Straits Times*)

- **OCBC ready for Chinese digital banking invasion, CEO says**

Oversea-Chinese Banking Corp (OCBC) is well placed to take on Chinese technology giants that are looking to join Singapore's digital banking market, its top executive said. The entry of such firms would constitute "extended competition but not necessary new competition," chief executive officer Samuel Tsien said, when asked about the threat posed by companies such as Jack Ma's Ant Financial Services Group. The Monetary Authority of Singapore (MAS) unveiled plans this year to grant as many as five virtual bank licenses to boost competition and innovation in the nation's financial industry. (Source: *The Straits Times*)

Indonesia's Corporate News

- **Indonesia central bank policy to remain accommodative in 2020 -governor**

Indonesia's central bank vowed to keep its accommodative policy mix to support economic growth in 2020, after four rate cuts in 2019, its governor told an annual dinner with bankers and government executives on Thursday. "In 2019, all instruments in our policy mix have been directed to support growth. We will continue with this accommodative policy mix in 2020," Perry Warjiyo said. (Source: *Reuters*)

- **Banks' loan growth in October at slowest pace since 2016, OJK says**

The disbursement of bank loans grew only 6.5% year-on-year (yoy) in October, the slowest pace since 2016, according to the Financial Services Authority (OJK). OJK deputy commissioner for banking supervision Slamet Edy Purnomo said the sluggish growth was due to lower credit demand in the mining and construction sectors. "Loan growth slowed due to a 4.0% contraction in the mining sector," Slamet said during a press briefing in Jakarta on Friday. (Sources: *The Jakarta Post*)

Thailand's Corporate News

- **BoT boss signals challenges ahead**

Demographic shifts, climate change, alterations in value chains, digital transformation and excess global liquidity with historically high leverage are major trends that have implications for the economy through 2025, says the chief of the Bank of Thailand. "While most people would think of these trends as threats to existing business models, they are indeed business opportunities for those who look ahead and get ready for them," said governor Veerathai Santiprabhob. (Source: *Bangkok Post*)

- **BoT makes internal changes to keep up**

The Bank of Thailand aims to overhaul its working structure over the next three years to a cross-functional method from functional-based teams to overcome seven specific challenges caused by a transformative world. "Over the next three years, the world is transforming at a faster pace. There will be plenty of volatility, uncertainty, complexity and ambiguity," said governor Veerathai Santiprabhob. (Source: Bangkok Post)

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 29 November 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
Indonesia												
BANK CENTRAL ASIA TBK PT	31,400	54866.6	26.9	23.7	1039.6	1168.3	4.6	17.7	17.6	33853.8	1.1	1.1
BANK RAKYAT INDONESIA PERSER	4,090	35753.7	14.3	12.5	263.7	285.3	2.5	18.1	18.7	12419.7	3.0	3.2
BANK MANDIRI PERSERO TBK PT	6,975	23068.7	11.9	10.4	515.3	587.8	1.7	14.4	15.1	24197.5	3.5	3.5
BANK NEGARA INDONESIA PERSER	7,500	9912.5	9.0	7.9	821.2	837.7	1.2	13.6	14.0	21105.8	2.8	2.7
BANK DANAMON INDONESIA TBK	3,680	2549.0	9.2	8.0	431.6	401.3	0.8	11.9	9.9	13101.0	3.6	3.9
Simple Average			14.2	12.5				15.1	15.1			2.9
Singapore												
DBS GROUP HOLDINGS LTD	25.25	47162.5	10.2	10.2	2.2	2.5	1.3	13.1	12.4	122.4	4.8	4.8
OVERSEA-CHINESE BANKING CORP	10.78	34707.0	9.7	9.6	1.1	1.1	1.0	11.3	10.7	50.1	4.6	4.5
UNITED OVERSEAS BANK LTD	25.82	31494.9	10.1	10.1	2.4	2.6	1.2	11.5	11.0	123.9	4.8	4.8
Simple Average			10.0	10.0				12.0	11.4			4.7
Thailand												
SIAM COMMERCIAL BANK PUB CO	121.0	13597.2	9.5	10.0	12.7	12.8	1.0	11.2	10.0	600.2	5.0	4.5
BANGKOK BANK PUBLIC CO LTD	176.5	11149.7	9.2	8.9	18.9	19.2	0.8	8.6	8.4	682.9	3.9	3.7
KASIKORNBANK PCL	155.0	12276.4	9.6	9.8	16.1	16.2	0.9	10.0	9.2	432.0	2.8	2.6
KRUNG THAI BANK PUB CO LTD	16.4	7585.4	7.8	7.7	2.1	2.1	0.7	9.3	8.9	79.2	4.8	4.4
BANK OF AYUDHYA PCL	32.3	7850.7	7.2	8.1	3.4	4.5	0.9	12.0	10.3	116.4	3.6	2.6
Simple Average			8.6	8.9				10.2	9.3			3.6
Regional Average			11.1	10.5				12.5	12.0			3.6
Malaysia												
MALAYAN BANKING BHD	8.53	22950.9	12.0	11.6	0.7	0.7	1.2	10.2	10.1	55.8	6.5	6.7
CIMB GROUP HOLDINGS BHD	5.18	12302.8	10.2	9.7	0.5	0.5	0.9	9.2	9.1	26.4	5.1	5.0
PUBLIC BANK BERHAD	19.62	18230.6	13.7	12.2	1.5	1.4	1.8	12.7	12.2	88.5	4.5	3.6
HONG LEONG BANK BERHAD	16.90	8768.4	12.9	12.2	1.2	1.3	1.3	10.4	10.3	53.5	3.2	3.0
AMMB HOLDINGS BHD	3.99	2878.6	8.5	8.0	0.4	0.5	0.7	7.8	7.8	20.5	5.1	5.0
RHB BANK BHD	5.66	5432.5	9.4	8.9	0.6	0.6	0.9	10.0	9.9	24.6	4.3	4.5
ALLIANCE BANK MALAYSIA BHD	2.70	1000.5	9.3	7.8	0.3	0.4	0.7	7.7	8.8	13.9	5.1	6.2
Simple Average			10.9	10.1				9.7	9.7			4.8

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 29 November 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
Indonesia												
ASTRA AGRO LESTARI TBK PT	12,600	1718.7	52.4	21.3	773.3	240.6	1.3	2.3	5.4	26589.4	2.1	1.8
PP LONDON SUMATRA INDONES PT	1,370	662.5	43.7	22.4	75.4	31.4	1.1	2.1	4.4	1812.6	1.3	1.4
SAMPOERNA AGRO TBK PT	2,230	298.7	66.8	16.4	109.3	33.4	1.0	1.6	6.2	1930.0	0.9	N.A.
EAGLE HIGH PLANTATIONS TBK P	95	212.3	N.A.	N.A.	N.A.	N.A.	0.6	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	91	16.1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			54.3	20.0				2.0	5.3			1.6
Singapore												
WILMAR INTERNATIONAL LTD	4.09	18952.3	16.1	14.4	0.2	0.2	1.2	7.2	7.7	7.4	2.5	2.4
GOLDEN AGRI-RESOURCES LTD	0.22	2001.9	78.6	19.6	0.0	0.0	0.5	(0.1)	1.9	0.2	1.3	2.7
OLAM INTERNATIONAL LTD	1.78	4146.8	11.9	11.1	0.1	0.2	1.1	N.A.	N.A.	7.6	4.3	4.2
Simple Average			35.5	15.1				3.6	4.8			3.1
Regional Average			44.9	17.5				2.6	5.1			2.5
Malaysia												
SIME DARBY BERHAD	2.25	3662.8	14.9	13.9	0.1	0.1	1.1	6.7	6.8	9.7	4.3	4.4
IOI CORP BHD	4.35	6543.4	31.3	27.5	0.2	0.1	2.9	9.0	9.4	8.6	2.0	1.8
KUALA LUMPUR KEPONG BHD	23.34	5949.3	28.9	26.0	0.9	0.6	2.4	7.8	8.4	49.5	2.1	1.9
GENTING PLANTATIONS BHD	10.32	2216.2	52.4	32.6	0.3	0.2	1.9	3.4	5.4	13.7	1.3	1.1
IJM PLANTATIONS BHD	1.74	366.7	87.0	29.0	0.1	0.0	1.2	1.6	3.8	3.2	1.8	1.1
TA ANN HOLDINGS BERHAD	2.99	315.2	21.7	13.6	0.2	0.1	0.9	4.2	6.6	8.9	3.0	1.7
Simple Average			39.3	23.8				5.4	6.7			2.0

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 29 November 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
Indonesia														
TELEKOMUNIKASI INDONESIA PER	3,930	27591.4	18.3	16.2	198.0	214.7	6.7	6.0	3.9	20.0	21.2	16317.5	4.2	4.2
XL AXIATA TBK PT	3,340	2530.0	56.2	28.9	3.6	59.4	6.2	5.5	1.9	3.3	5.9	2144.4	0.6	N.A.
INDOSAT TBK PT	2,860	1101.4	N.A.	N.A.	-345.6	-278.1	5.3	4.7	1.4	-12.7	-12.5	0.0	0.0	N.A.
Simple Average			37.3	22.6			6.0	5.4		3.5	4.9			4.2
Singapore														
SINGAPORE TELECOMMUNICATIONS	3.38	40354.3	18.9	17.6	0.2	0.2	14.8	14.7	2.0	8.3	10.4	18.0	5.3	5.2
STARHUB LTD	1.40	1772.5	14.0	15.6	0.1	0.1	6.4	6.7	7.7	37.7	35.2	8.9	6.4	7.7
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.	N.A.
Simple Average			16.4	16.6			10.6	10.7		22.9	21.5			6.4
Thailand														
ADVANCED INFO SERVICE PCL	212.0	20859.6	19.7	18.3	10.2	10.8	9.1	8.6	10.2	50.7	47.0	770.2	3.6	3.3
TOTAL ACCESS COMMUNICATION	53.5	4192.3	19.6	19.1	0.6	2.7	6.8	6.4	5.2	27.3	23.9	185.3	3.5	2.4
Simple Average			19.6	18.7			8.0	7.5		39.0	35.4			2.8
Regional Average			24.5	19.3			7.9	7.5		19.6	18.7			4.5
Malaysia														
MAXIS BHD	5.18	9696.1	25.9	25.1	0.3	0.2	13.2	12.8	5.7	22.0	22.5	19.7	3.8	3.9
AXIATA GROUP BERHAD	4.13	9058.3	36.5	29.5	0.1	0.1	6.8	6.5	2.3	6.1	7.0	9.8	2.4	2.3
DIGI.COM BHD	4.48	8337.0	23.3	22.9	0.2	0.2	12.8	12.6	52.2	224.3	223.8	19.0	4.2	4.2
TELEKOM MALAYSIA BHD	3.76	3388.9	14.5	15.4	0.1	0.3	5.1	5.2	1.9	12.5	11.1	12.5	3.3	0.5
Simple Average			25.1	23.2			9.5	9.3		66.2	66.1			2.7

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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