

22 June 2020

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Singapore shortlists 14 applicants for digital bank licences
- Private banks to boost hiring in Singapore to manage Greater China offshore wealth

INDONESIA NEWS HIGHLIGHTS

- Indonesia central bank makes year's 3rd rate cut, trims GDP outlook
- OJK confirms Kookmin Bank acquisition of Bukopin

THAILAND NEWS HIGHLIGHTS

- Banks told to suspend dividends
- Four candidates submit governor applications

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,100.0	-0.23%
USD/SGD	1.40	0.34%
USD/THB	31.02	0.02%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	2,634.8	-1.86%
FSTFN	858.22	-1.63%
FSTCG	422.63	-0.73%
FSTTC	636.8	-1.10%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	4,942.3	1.27%
JAKFIN	1,041.2	0.47%
JAKAGRI	1,034.1	2.00%
JAKINFR	922.4	6.01%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,370.8	-0.85%
SETBANK	304.2	-6.37%
SETAGRI	232.6	1.44%
SETCOMUN	144.3	-0.57%



Singapore's Corporate News

- **Singapore shortlists 14 applicants for digital bank licences**

Singapore's central bank has shortlisted 14 applicants for up to five digital bank licences on offer in the city's biggest banking liberalisation in two decades. The shortlist, out of the 21 applications received, comprises five digital full bank applicants and nine digital wholesale bank applicants who will now move to the next round of the selection process, the Monetary Authority of Singapore (MAS) said on Thursday (Jun 18). (Source: *CNA International*)

- **Private banks to boost hiring in Singapore to manage Greater China offshore wealth**

Leading private banks plan to increase staff managing Chinese and Hong Kong wealth offshore by up to a third, largely focusing on Singapore, which they expect to benefit from rising political uncertainty in the former British colony, sources said. Global wealth managers, including UBS, Credit Suisse and Julius Baer, already employ hundreds of bankers in Singapore and have smaller teams in locations such as Zurich dedicated to managing wealth for clients in Greater China, which includes Hong Kong. (Source: *The Straits Times*)

Indonesia's Corporate News

- **Indonesia central bank makes year's 3rd rate cut, trims GDP outlook**

Indonesia's central bank on Thursday delivered its third cut to the benchmark rate this year, stepping up support for South-east Asia's largest economy as it struggles to avoid a recession amid the broadening fallout of the coronavirus pandemic. Bank Indonesia (BI) cut the seven-day reverse repurchase rate by 25 basis points (bps) to 4.25 per cent, the lowest since 2018, as predicted by the majority of economists in a Reuters poll. The move came a day after the finance minister warned of recession risks, with gross domestic product (GDP) expected to shrink by 3.1 per cent in the second quarter - the first contraction since 1999 - and possibly contract again in the following three months. (Source: *The Straits Times*)

- **OJK confirms Kookmin Bank acquisition of Bukopin**

The Financial Services Authority (OJK) has confirmed that one of South Korea's largest banks, KB Kookmin Bank, is currently finalizing its acquisition of publicly listed Bank Bukopin, which had been struggling with liquidity issues for years. Kookmin Bank, which currently owns 22.0% of Bank Bukopin, deposited USD200.0m into an escrow account on Thursday as part of its commitment to acquiring the Indonesian bank's shares, according to the OJK. (Source: *The Jakarta Post*)



Thailand's Corporate News

- **Banks told to suspend dividends**

Commercial banks have been ordered to freeze interim dividend payments to shareholders and suspend stock buybacks to preserve capital in an economy devastated by the coronavirus pandemic. The move by the Bank of Thailand coincides with a directive to cut interest rates on credit cards, personal loans and other forms of credit to help millions of people facing financial stress. Bank of Thailand Governor Veerathai Santiprabhob said that since Covid-19 had caused widespread impacts on businesses and the general public, the central bank had ordered commercial banks to draw up management plans for the next three years. (Source: *Bangkok Post*)

- **Four candidates submit governor applications**

There are four candidates to replace outgoing governor Veerathai Santiprabhob as the Bank of Thailand's 24th chief, says Rangsana Sriworasart, the selection committee chairman. Two are insiders at the central bank and two are outsiders, Mr Rangsana said without revealing any names. The committee will announce the applicants' names tomorrow after the application period closed yesterday. If the committee decides that the qualifications of only one or two applicants meet the requirements, the application period can be extended, Mr Rangsana said. The committee must name at least two shortlisted candidates and propose them to Finance Minister Uttama Savanayana, who will forward his pick for the next governor to the cabinet for approval. (Source: *Bangkok Post*)

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 19 June 2020	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY20 EPS	PBV (x)	CY20 ROE	CY21 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
BANK CENTRAL ASIA TBK PT	27,875	48658.9	27.6	22.5	1039.6	1160.3	4.0	13.6	15.4	43243.2	1.6	2.0
BANK RAKYAT INDONESIA PERSER	3,100	27072.5	15.0	11.2	263.7	283.0	2.1	12.0	16.0	13261.3	4.3	5.4
BANK MANDIRI PERSERO TBK PT	4,880	16123.9	12.4	9.1	515.2	586.1	1.3	9.1	12.4	27512.0	5.6	7.2
BANK NEGARA INDONESIA PERSER	4,480	5915.2	11.1	6.6	821.2	836.6	0.8	7.0	10.2	17146.7	3.8	4.6
BANK DANAMON INDONESIA TBK	2,750	1903.0	11.2	7.8	431.6	389.4	0.6	5.4	7.4	16792.6	6.1	6.8
Simple Average			15.5	11.4				9.4	12.3			5.2
Singapore												
DBS GROUP HOLDINGS LTD	21.16	38442.1	11.0	10.4	2.2	2.5	1.0	9.1	9.8	125.3	5.9	6.0
OVERSEA-CHINESE BANKING CORP	9.10	28682.8	11.0	10.3	1.1	1.1	0.8	8.1	8.4	49.8	5.5	5.8
UNITED OVERSEAS BANK LTD	20.78	24821.8	11.4	10.7	2.4	2.6	N.A.	7.9	8.2	100.1	4.8	6.3
Simple Average			11.1	10.5				8.4	8.8			6.0
Thailand												
SIAM COMMERCIAL BANK PUB CO	77.3	8449.9	9.1	8.1	12.7	12.9	0.7	7.2	7.8	492.2	6.4	8.1
BANGKOK BANK PUBLIC CO LTD	115.5	7102.1	7.3	6.5	18.9	19.3	0.5	6.9	7.4	640.3	5.5	6.1
KASIKORNBANK PCL	95.8	7308.0	8.3	7.2	16.1	16.2	0.6	6.6	7.3	422.7	4.4	5.2
KRUNG THAI BANK PUB CO LTD	10.8	4862.3	7.0	6.6	2.1	2.1	0.5	6.4	6.6	58.2	5.4	7.0
BANK OF AYUDHYA PCL	24.7	5852.8	8.2	7.1	3.4	4.3	0.7	8.6	9.0	93.2	3.8	3.4
Simple Average			7.9	7.1				7.2	7.7			6.0
Regional Average			11.6	9.5				8.3	9.7			5.7
Malaysia												
MALAYAN BANKING BHD	7.66	20128.3	13.6	12.0	0.7	0.7	1.1	7.8	8.6	39.5	5.2	8.4
CIMB GROUP HOLDINGS BHD	3.68	8535.9	11.6	9.3	0.5	0.5	0.7	5.2	6.6	16.0	4.3	7.1
PUBLIC BANK BERHAD	16.58	15045.8	13.5	12.4	1.5	1.4	1.5	10.5	10.8	64.2	3.9	4.4
HONG LEONG BANK BERHAD	14.42	7306.8	12.2	12.0	1.2	1.3	1.1	9.3	9.1	47.5	3.3	3.5
AMMB HOLDINGS BHD	3.12	2194.4	6.8	7.7	0.4	0.5	0.5	7.7	6.6	20.7	6.6	6.7
RHB BANK BHD	4.80	4499.4	9.3	8.4	0.6	0.6	0.7	7.9	8.5	28.4	5.9	6.5
ALLIANCE BANK MALAYSIA BHD	2.27	821.5	8.3	8.5	0.3	0.4	0.6	7.3	7.5	13.3	5.9	6.3
Simple Average			10.8	10.0				8.0	8.2			6.1

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 19 June 2020	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY20 EPS	PBV (x)	CY20 ROE	CY21 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
ASTRA AGRO LESTARI TBK PT	8,400	1144.7	19.9	16.1	773.3	237.8	0.9	4.1	5.1	8084.7	1.0	0.6
PP LONDON SUMATRA INDONES PT	820	396.1	15.8	13.0	75.4	23.3	0.7	3.9	4.8	1787.0	2.2	2.3
SAMPOERNA AGRO TBK PT	2,200	294.4	21.2	12.4	109.3	66.0	1.0	4.6	7.2	1400.0	0.6	N.A.
EAGLE HIGH PLANTATIONS TBK P	91	203.1	N.A.	N.A.	N.A.	N.A.	0.7	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	60	10.6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			19.0	13.8				4.2	5.7			1.5
Singapore												
WILMAR INTERNATIONAL LTD	3.82	17368.5	14.2	12.8	0.2	0.2	1.0	7.0	7.6	8.5	3.1	3.3
GOLDEN AGRI-RESOURCES LTD	0.15	1389.4	18.2	18.2	0.0	0.0	0.3	0.9	1.6	0.3	2.7	3.8
OLAM INTERNATIONAL LTD	1.45	3315.4	8.5	8.5	0.1	0.2	0.9	N.A.	N.A.	7.5	5.2	5.5
Simple Average			13.6	13.2				4.0	4.6			4.2
Regional Average			16.3	13.5				4.1	5.2			3.1
Malaysia												
SIME DARBY BERHAD	2.14	3402.3	15.5	14.5	0.1	0.1	1.0	6.1	6.5	8.5	4.0	4.7
IOI CORP BHD	4.40	6445.5	37.0	32.1	0.2	0.1	3.1	7.9	8.9	7.9	1.8	1.9
KUALA LUMPUR KEPONG BHD	22.22	5601.6	29.6	27.4	0.9	0.6	2.3	7.4	8.2	49.5	2.2	2.3
GENTING PLANTATIONS BHD	10.00	2097.2	43.9	33.4	0.3	0.2	1.9	4.2	5.2	12.8	1.3	1.2
IJM PLANTATIONS BHD	1.76	362.3	39.1	26.3	0.1	0.0	1.1	2.3	4.1	3.0	1.7	1.1
TA ANN HOLDINGS BERHAD	2.47	254.3	18.0	13.6	0.2	0.1	0.8	4.2	5.5	6.2	2.5	2.0
Simple Average			30.5	24.5				5.3	6.4			2.2

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 19 June 2020	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY20 EPS	CY20 EV/EBITDA	CY21 EV/EBITDA	PBV (x)	CY20 ROE	CY21 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia														
TELEKOMUNIKASI INDONESIA PER	3,280	23005.1	15.3	14.1	198.0	207.7	5.5	5.1	3.3	20.0	20.2	16164.5	4.9	5.0
XL AXIATA TBK PT	2,790	2114.8	21.4	21.4	3.6	61.3	5.0	4.6	1.4	5.7	5.9	3236.0	1.2	0.7
INDOSAT TBK PT	2,530	973.4	N.A.	N.A.	-345.6	242.4	3.7	3.3	1.1	-11.4	-8.1	0.0	0.0	N.A.
Simple Average			18.3	17.8			4.7	4.4		4.8	6.0			2.9
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.52	29443.0	15.4	14.5	0.2	0.2	13.2	13.0	1.5	9.5	10.3	12.4	4.9	6.9
STARHUB LTD	1.35	1672.4	18.2	16.7	0.1	0.1	6.8	6.6	6.9	31.7	34.7	8.0	5.9	6.7
M1 LTD	N.A.	N.A.	N.A.	N.A.	0.1	0.1	N.A.	N.A.	N.A.	22.6	N.A.	9.3	N.A.	N.A.
Simple Average			16.8	15.6			10.0	9.8		21.3	22.5			6.8
Thailand														
ADVANCED INFO SERVICE PCL	190.0	18199.8	19.7	18.8	10.2	10.8	8.5	8.1	8.7	39.6	36.6	705.9	3.7	3.9
TOTAL ACCESS COMMUNICATION	41.5	3165.4	18.5	21.6	0.6	2.7	5.6	5.5	4.3	20.8	17.2	140.2	3.4	6.9
Simple Average			19.1	20.2			7.1	6.8		30.2	26.9			5.4
Regional Average			18.1	17.9			6.9	6.6		17.3	16.7			5.0
Malaysia														
MAXIS BHD	5.45	9963.0	29.0	27.0	0.3	0.2	13.7	13.1	6.1	21.0	22.1	17.8	3.3	3.5
AXIATA GROUP BERHAD	3.46	7415.8	35.3	29.8	0.1	0.1	5.6	5.4	2.0	5.6	6.6	8.6	2.5	2.7
DIGI.COM BHD	4.29	7796.8	24.5	23.7	0.2	0.2	12.0	11.7	51.3	211.6	214.0	17.4	4.1	4.2
TELEKOM MALAYSIA BHD	3.91	3441.8	17.8	17.1	0.1	0.3	5.2	5.2	2.1	10.9	11.0	10.7	2.7	2.6
Simple Average			26.6	24.4			9.1	8.8		62.3	63.4			3.3

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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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