

14 December 2020

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Singapore bank DBS to launch digital exchange as demand for virtual currencies soar
- Singapore fintech investments hit \$371m in Q2: Report

INDONESIA NEWS HIGHLIGHTS

- BI calls for greater rate cuts for bank credit, more lending to support economic recovery
- Indonesia targets coal production of 550m tons in 2021

THAILAND NEWS HIGHLIGHTS

- Bank of Thailand slows down baht appreciation
- Central bank discounts AMC option

Currency Exchange

| Currency | Today | 1-Week Chg (%) |
|----------|----------|----------------|
| USD/IDR | 14,080.0 | -0.18% |
| USD/SGD | 1.3 | 0.07% |
| USD/THB | 30.1 | -0.22% |

Singapore

| Indices | Today | 1-Week Chg (%) |
|---------|---------|----------------|
| FSSTI | 2,821.7 | -0.64% |
| FSTFN | 920.0 | -0.76% |
| FSTCG | 452.8 | 0.91% |
| FSTTC | 584.7 | -1.23% |

Indonesia

| Indices | Today | 1-Week Chg (%) |
|---------|---------|----------------|
| JCI | 5,938.3 | 2.20% |
| JAKFIN | 1,341.6 | 2.51% |
| JAKAGRI | 1,378.6 | 2.19% |
| JAKINFR | 974.5 | 1.20% |

Thailand

| Indices | Today | 1-Week Chg (%) |
|----------|---------|----------------|
| SET | 1,482.7 | 2.27% |
| SETBANK | 351.4 | 4.50% |
| SETAGRI | 234.1 | -1.01% |
| SETCOMUN | 141.5 | 2.13% |



Singapore's Corporate News

- **Singapore bank DBS to launch digital exchange as demand for virtual currencies soar**

DBS Group Holdings, Southeast Asia's biggest bank, is to set up an exchange for digital assets, including cryptocurrencies, that will provide tokenisation, trading and custody services to institutional and accredited investors. The DBS Digital Exchange will use blockchain technology to provide a platform for fundraising through asset tokenisation and secondary trading of digital assets, the bank said in a statement on Thursday. The tokenisation process represents converting rights to an underlying asset class such as shares of unlisted companies and private equity funds into a unique digital form, which then becomes eligible for trading. *(The Star)*

- **Singapore fintech investments hit \$371m in Q2: Report**

Singapore's fintech investments rebounded in the second quarter of this year to US\$278m (S\$371m), 4.1 times the US\$68m recorded in the first quarter, the Singapore FinTech Association (SFA) and management consulting firm Oliver Wyman said. Although the Covid-19 pandemic resulted in a fall in overall fintech funding in Asia - particularly in China and India - Singapore's funding landscape has been less volatile, the report said. Fintech funding in Asia dropped to US\$2.4b in the second quarter, from US\$3.1b in the first. *(The Straits Times)*

Indonesia's Corporate News

- **BI calls for greater rate cuts for bank credit, more lending to support economic recovery**

Bank Indonesia (BI) is urging commercial banks to cut lending rates and accelerate credit disbursements to lift the economy out of recession as loan channeling shrank for the first time in at least two decades due to weak demand and the banks' risk aversion. BI Assistant Governor Aida S. Budiman said on Monday that banks should lower lending rates further to drive stronger recovery and to support the government and central bank stimulus. "Banks must lower credit rates to accelerate economic recovery and to solve the credit crunch," Aida told a BI discussion on economic and monetary policy outlook. She added that the weak demand for credit and the risk-averse behavior of banks needed addressing to boost economic activity. *(The Jakarta Post)*

- **Indonesia targets coal production of 550m tons in 2021**

The Energy and Mineral Resources Ministry has set Indonesia's coal production target at 550m tons for next year, a figure unchanged from this year, due to the raging pandemic. Energy ministry coal business director Sujatmiko told reporters at the 2020 Coal and Mineral Virtual Expo on Thursday that next year's target "takes into account economic recovery, following the COVID-19 pandemic, for both the domestic and export market." His words reflect many analysts' sentiment that, even though global coal demand and prices are expected to rebound starting next year, they will be nowhere close to 2019 levels, when the world was largely coronavirus-free. (*The Jakarta Post*)

Thailand's Corporate News

- **Bank of Thailand slows down baht appreciation**

Thailand's central bank intervened on Wednesday to slow down the appreciation of the baht currency, two foreign exchange traders said. The baht strengthened to trade at 29 baht per US dollar on Wednesday morning, before returning to levels of around 30 baht later in the day. Thai exporters on Tuesday called on the central bank to ensure that the baht did not appreciate beyond 30 baht per US dollar, saying it would impact competitiveness. (*Business Times*)

- **Central bank discounts AMC option**

The idea of setting up a national asset management company (AMC) is not needed as the current scale of non-performing loans (NPLs) can be managed with debt assistance measures on a case-by-case basis, says the Bank of Thailand. Commercial banks have continued to provide financial aid to customers who cannot repay their debts on a case-by-case basis following the expiration of the central bank's first-phase debt relief measures on Oct 22. Given the difficulties amid the Covid-19 pandemic, some businesses, particularly those in the tourism industry, have had to shutter their operations permanently or temporarily close as they await economic conditions to return to normal before being able to reopen. (*Bangkok Post*)

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Regional Banking peers comparison based on Bloomberg estimation

| Company Names | Local Share Price @ 11 December 2020 | Market Cap (USDm) | CY20 P/E (x) | CY21 P/E (x) | Current EPS | CY21 EPS | PBV (x) | CY20 ROE | CY21 ROE | Est. DPS (sen) | Est. Yield (%) | Historical 12 Mth Div Yield |
|------------------------------|--------------------------------------|-------------------|--------------|--------------|-------------|----------|---------|------------|-------------|----------------|----------------|-----------------------------|
| Indonesia | | | | | | | | | | | | |
| BANK CENTRAL ASIA TBK PT | 33,675 | 58609.2 | 34.3 | 27.8 | 1039.6 | 1160.3 | 4.6 | 13.7 | 15.5 | 43912.2 | 1.3 | 1.6 |
| BANK RAKYAT INDONESIA PERSER | 4,280 | 37266.7 | 27.0 | 16.9 | 263.7 | 283.0 | 2.7 | 9.8 | 14.9 | 11945.7 | 2.8 | 3.9 |
| BANK MANDIRI PERSERO TBK PT | 6,775 | 22318.7 | 18.6 | 12.8 | 515.2 | 586.1 | 1.7 | 9.1 | 12.6 | 27005.4 | 4.0 | 5.2 |
| BANK NEGARA INDONESIA PERSER | 6,575 | 8655.6 | 23.5 | 10.9 | 821.2 | 836.6 | 1.1 | 4.5 | 9.6 | 12474.7 | 1.9 | 3.1 |
| BANK DANAMON INDONESIA TBK | 3,320 | 2290.6 | 15.1 | 9.8 | 431.6 | 389.4 | 0.7 | 4.8 | 7.4 | 14028.4 | 4.2 | 5.6 |
| Simple Average | | | 23.7 | 15.7 | | | | 8.4 | 12.0 | | | 3.9 |
| Singapore | | | | | | | | | | | | |
| DBS GROUP HOLDINGS LTD | 25.06 | 47622.5 | 13.6 | 11.8 | 2.2 | 2.5 | 1.2 | 9.2 | 10.4 | 85.7 | 3.4 | 4.1 |
| OVERSEA-CHINESE BANKING CORP | 9.95 | 33283.9 | 13.3 | 10.6 | 1.1 | 1.1 | 0.9 | 7.1 | 8.6 | 32.3 | 3.2 | 4.4 |
| UNITED OVERSEAS BANK LTD | 22.77 | 28482.8 | 13.4 | 11.3 | 2.4 | 2.6 | 1.0 | 7.4 | 8.5 | 79.2 | 3.5 | 5.0 |
| Simple Average | | | 13.5 | 11.2 | | | | 7.9 | 9.2 | | | 4.5 |
| Thailand | | | | | | | | | | | | |
| SIAM COMMERCIAL BANK PUB CO | 91.5 | 10322.5 | 11.8 | 11.1 | 12.7 | 12.9 | 0.8 | 6.5 | 6.7 | 360.1 | 3.9 | 5.2 |
| BANGKOK BANK PUBLIC CO LTD | 131.5 | 8339.6 | 11.6 | 9.5 | 18.9 | 19.3 | 0.6 | 4.9 | 5.8 | 416.1 | 3.2 | 3.8 |
| KASIKORNBANK PCL | 121.5 | 9564.2 | 13.5 | 11.2 | 16.1 | 16.2 | 0.7 | 5.4 | 6.1 | 258.0 | 2.1 | 3.7 |
| KRUNG THAI BANK PUB CO LTD | 11.9 | 5525.6 | 9.7 | 9.4 | 2.1 | 2.1 | 0.5 | 5.0 | 5.1 | 41.8 | 3.5 | 6.3 |
| BANK OF AYUDHYA PCL | 27.3 | 6659.5 | 8.4 | 7.6 | 3.4 | 4.3 | 0.7 | 8.7 | 8.6 | 68.3 | 2.5 | 1.7 |
| Simple Average | | | 11.0 | 9.8 | | | | 6.1 | 6.5 | | | 4.1 |
| Regional Average | | | 16.5 | 12.4 | | | | 7.4 | 9.2 | | | 4.1 |
| Malaysia | | | | | | | | | | | | |
| MALAYAN BANKING BHD | 8.91 | 24727.9 | 15.9 | 14.2 | 0.7 | 0.7 | 1.2 | 7.6 | 8.2 | 33.6 | 3.8 | 4.4 |
| CIMB GROUP HOLDINGS BHD | 4.45 | 10901.7 | 26.6 | 11.9 | 0.5 | 0.5 | 0.8 | 2.9 | 6.3 | 7.9 | 1.8 | 2.7 |
| PUBLIC BANK BERHAD | 21.90 | 20989.7 | 18.1 | 16.1 | 1.5 | 1.4 | 1.8 | 10.5 | 11.2 | 48.7 | 2.2 | 1.8 |
| HONG LEONG BANK BERHAD | 19.00 | 10168.3 | 14.3 | 13.1 | 1.2 | 1.3 | 1.4 | 9.9 | 10.1 | 44.1 | 2.3 | 1.9 |
| AMMB HOLDINGS BHD | 3.71 | 2756.5 | 10.4 | 8.2 | 0.4 | 0.5 | 0.6 | 5.5 | 6.9 | 11.6 | 3.1 | 3.6 |
| RHB BANK BHD | 5.85 | 5791.6 | 11.3 | 10.1 | 0.6 | 0.6 | 0.9 | 8.0 | 8.5 | 21.3 | 3.6 | 3.2 |
| ALLIANCE BANK MALAYSIA BHD | 2.93 | 1119.8 | 11.5 | 9.9 | 0.3 | 0.4 | 0.8 | 6.6 | 7.4 | 7.8 | 2.7 | N/A |
| Simple Average | | | 15.4 | 11.9 | | | | 7.3 | 8.4 | | | 2.9 |

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Regional Plantation peers comparison based on Bloomberg estimation

| Company Names | Local Share Price @ 11 December 2020 | Market Cap (USDm) | CY20 P/E (x) | CY21 P/E (x) | Current EPS | CY21 EPS | PBV (x) | CY20 ROE | CY21 ROE | Best DPS (sen) | Est. Yield (%) | Historical 12 Mth Div Yield |
|------------------------------|--------------------------------------|-------------------|--------------|--------------|-------------|----------|---------|-------------|------------|----------------|----------------|-----------------------------|
| Indonesia | | | | | | | | | | | | |
| ASTRA AGRO LESTARI TBK PT | 11,900 | 1616.8 | 26.6 | 22.2 | 773.3 | 237.8 | 1.2 | 4.5 | 5.2 | 9134.3 | 0.8 | 0.8 |
| PP LONDON SUMATRA INDONES PT | 1,215 | 585.2 | 23.1 | 19.7 | 82.9 | 36.8 | 1.0 | 4.1 | 5.0 | 1497.4 | 1.2 | 1.2 |
| SAMPOERNA AGRO TBK PT | 1,730 | 230.8 | 12.6 | 11.8 | 109.3 | 66.0 | 0.8 | 5.8 | 5.9 | 1100.0 | 0.6 | N/A |
| EAGLE HIGH PLANTATIONS TBK P | 140 | 311.6 | N/A | 46.7 | N/A | N/A | 1.1 | -16.7 | 2.1 | N/A | N/A | N/A |
| BAKRIE SUMATERA PLANTATIO PT | 111 | 19.6 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Simple Average | | | 20.8 | 25.1 | | | | -0.6 | 4.6 | | | 1.0 |
| Singapore | | | | | | | | | | | | |
| WILMAR INTERNATIONAL LTD | 4.20 | 19850.2 | 14.9 | 14.0 | 0.2 | 0.2 | 1.2 | 8.0 | 8.1 | 12.7 | 4.0 | 3.2 |
| GOLDEN AGRI-RESOURCES LTD | 0.16 | 1480.6 | N/A | 23.3 | 0.0 | 0.0 | 0.4 | (0.9) | 0.8 | 0.4 | 3.4 | 3.7 |
| OLAM INTERNATIONAL LTD | 1.51 | 3608.3 | 9.4 | 8.9 | 0.1 | 0.2 | 0.9 | N/A | N/A | 7.5 | 5.0 | 5.3 |
| Simple Average | | | 12.2 | 15.4 | | | | 3.5 | 4.4 | | | 4.1 |
| Regional Average | | | 17.3 | 20.9 | | | | 0.8 | 4.5 | | | 2.8 |
| Malaysia | | | | | | | | | | | | |
| SIME DARBY BERHAD | 2.30 | 3862.7 | 14.3 | 13.5 | 0.1 | 0.1 | 1.1 | 7.4 | 7.3 | 10.4 | 4.5 | 4.3 |
| IOI CORP BHD | 4.48 | 6930.8 | 30.1 | 28.4 | 0.2 | 0.1 | 3.0 | 9.6 | 9.9 | 9.0 | 2.0 | 1.8 |
| KUALA LUMPUR KEPONG BHD | 23.76 | 6326.3 | 26.3 | 25.2 | 0.9 | 0.6 | N/A | 8.7 | 8.7 | 55.0 | 2.3 | 2.1 |
| GENTING PLANTATIONS BHD | 9.90 | 2192.9 | 35.1 | 29.6 | 0.3 | 0.2 | 1.9 | 4.6 | 5.3 | 14.1 | 1.4 | 1.6 |
| IJM PLANTATIONS BHD | 1.89 | 410.9 | 19.7 | 18.7 | 0.1 | 0.0 | 1.3 | 6.4 | 6.9 | 3.2 | 1.7 | 1.1 |
| TA ANN HOLDINGS BERHAD | 3.18 | 345.8 | 14.8 | 13.3 | 0.2 | 0.1 | 0.9 | 5.9 | 6.6 | 10.6 | 3.3 | 1.6 |
| Simple Average | | | 23.4 | 21.4 | | | | 7.1 | 7.4 | | | 2.1 |

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Regional Telco peers comparison based on Bloomberg estimation

| Company Names | Local Share Price @ 11 December 2020 | Market Cap (USDm) | CY20 P/E (x) | CY21 P/E (x) | Current EPS | CY21 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 | 22936.9 | 15.8 | 14.8 | 198.0 | 207.9 | 5.5 | 5.2 | 3.2 | 19.4 | 19.6 | 16268.2 | 5.0 | 4.7 |
| XL AXIATA TBK PT | 2,460 | 1859.2 | 16.4 | 20.1 | 3.6 | 61.3 | 4.4 | 4.1 | 1.3 | 7.7 | 5.1 | 3503.8 | 1.4 | 0.8 |
| INDOSAT TBK PT | 2,670 | 1024.2 | N/A | N/A | -345.6 | -242.4 | 3.5 | 3.3 | 1.2 | -6.4 | -5.4 | 0.0 | 0.0 | N/A |
| Simple Average | | | 16.1 | 17.5 | | | 4.5 | 4.2 | | 6.9 | 6.4 | | | 2.8 |
| Singapore | | | | | | | | | | | | | | |
| SINGAPORE TELECOMMUNICATIONS | 2.31 | 28206.4 | 18.6 | 14.7 | 0.2 | 0.2 | 12.9 | 12.4 | 1.4 | 7.5 | 9.5 | 10.9 | 4.7 | 4.6 |
| STARHUB LTD | 1.29 | 1669.4 | 15.4 | 15.5 | 0.1 | 0.1 | 6.6 | 6.6 | 7.2 | 31.6 | 28.7 | 6.5 | 5.0 | 5.4 |
| 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 | | | 17.0 | 15.1 | | | 9.8 | 9.5 | | 20.5 | 19.1 | | | 5.0 |
| Thailand | | | | | | | | | | | | | | |
| ADVANCED INFO SERVICE PCL | 189.0 | 18671.8 | 20.2 | 19.6 | 10.2 | 10.8 | 8.5 | 8.2 | 8.2 | 37.7 | 35.2 | 672.5 | 3.6 | 3.6 |
| TOTAL ACCESS COMMUNICATION | 38 | 2989.4 | 16.0 | 19.6 | 0.6 | 2.7 | 5.1 | 5.1 | 3.7 | 22.0 | 17.3 | 164.7 | 4.3 | 4.6 |
| Simple Average | | | 18.1 | 19.6 | | | 6.8 | 6.6 | | 29.9 | 26.2 | | | 4.1 |
| Regional Average | | | 17.1 | 17.4 | | | 6.7 | 6.4 | | 17.8 | 15.7 | | | 3.9 |
| Malaysia | | | | | | | | | | | | | | |
| MAXIS BHD | 5.05 | 9753.4 | 27.2 | 25.3 | 0.3 | 0.2 | 13.0 | 12.4 | 5.6 | 20.3 | 21.6 | 16.8 | 3.3 | 3.4 |
| AXIATA GROUP BERHAD | 3.87 | 8760.9 | 43.0 | 32.8 | 0.1 | 0.1 | 5.8 | 5.6 | 2.2 | 4.9 | 6.2 | 7.6 | 2.0 | 1.7 |
| DIGI.COM BHD | 4.14 | 7946.8 | 25.1 | 23.9 | 0.2 | 0.2 | 12.0 | 11.7 | 49.9 | 198.5 | 206.1 | 16.3 | 3.9 | 4.0 |
| TELEKOM MALAYSIA BHD | 5.18 | 4825.9 | 19.8 | 19.3 | 0.1 | 0.3 | 6.3 | 6.2 | 2.8 | 13.0 | 12.8 | 13.5 | 2.6 | 3.2 |
| Simple Average | | | 28.8 | 25.3 | | | 9.3 | 9.0 | | 59.2 | 61.7 | | | 3.1 |

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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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