

21 December 2020

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Singapore bank DBS starts currency and crypto exchange
- StarHub appoints new CEO after five-month global search

INDONESIA NEWS HIGHLIGHTS

- Three-way merger to create largest Islamic bank in Indonesia
- Bank Indonesia keeps key rates unchanged at final meeting of 2020

THAILAND NEWS HIGHLIGHTS

- CIMB Thai Bank targets 5% retail loan growth
- KBank seeks further land loan leverage

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,110.0	0.21%
USD/SGD	1.33	-0.70%
USD/THB	29.83	-0.68%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	2,849.0	0.97%
FSTFN	930.39	1.13%
FSTCG	459.16	1.42%
FSTTC	589.6	0.83%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	2,849.0	0.97%
JAKFIN	930.39	1.13%
JAKAGRI	459.16	1.42%
JAKINFR	589.6	0.83%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,482.4	-0.02%
SETBANK	343.1	-2.35%
SETAGRI	239.4	2.26%
SETCOMUN	141.7	0.17%



Singapore's Corporate News

▪ Singapore bank DBS starts currency and crypto exchange

A digital exchange, which is being touted as the first for trading fiat money and cryptocurrencies with backing from a traditional bank in Singapore, was launched on Friday. The full-service platform uses blockchain, or distributed ledger technology, to allow traders to exchange four currencies -- Singapore, U.S. and Hong Kong dollars, and the Japanese yen -- for four cryptocurrencies: Bitcoin, Ether, Bitcoin Cash and XRP. Hosted by Southeast Asia's largest lender, DBS Group Holdings, the DBS Digital Exchange will also function as a regulated platform for the issuance and trading of digital tokens backed by financial assets, such as shares in unlisted companies, bonds and private equity funds. (Source:Nikkei Asia)

▪ StarHub appoints new CEO after five-month global search

StarHub, the second biggest telecommunications firm here, has found a new chief executive officer (CEO) after a five-month global search. Nikhil Eapen, 48, will take up the post on Jan 1 next year, StarHub announced in a statement yesterday. Eapen, whose most recent position was with Singapore data firm ST Telemedia, replaces outgoing CEO Peter Kaliaropoulos, who left his post on October 31 to return to Australia for family reasons. StarHub said: "Eapen has 20 years of experience in the global ICT (information and communications technology) sector working with senior executive teams to drive growth and make synergistic investments in infrastructure and enterprise communications and technology, most recently building and acquiring cloud-centric platforms in IT, cyber security and enterprise software." (Source:Malay mail)

Indonesia's Corporate News

Three-way merger to create largest Islamic bank in Indonesia

Three state-owned Indonesian banks have announced their intention to merge and form the largest Islamic bank in the country: Bank Syariah Indonesia. Combining BNI Syariah, Bank Syariah Mandiri and BRI Syariah, the new organisation is expected to be formed in February 2021. Hery Gunardi, Head of Project Management Office for the Integration and Value Improvement of BUMN (state-owned) Sharia Banks, declared that the new entity's vision was to become both a regional and global top 10 Islamic bank within the next five years. "The presence of Indonesian Sharia Bank will be a milestone in the revival of the Islamic economy and finance in Indonesia," commented Gunardi, who is also President Director of Bank Syariah Mandiri. (Source:Fintech)

- **Bank Indonesia keeps key rates unchanged at final meeting of 2020**

Indonesia's central bank kept its key interest rates unchanged on Thursday, as expected, holding fire after providing five rounds of rate cuts to support the pandemic-hit economy this year. Bank Indonesia (BI) held the 7-day reverse repurchase rate at 3.75 per cent, the lowest since BI began using the instrument as its benchmark in 2016, in line with forecast by eighteen of 22 analysts polled by Reuters. It also kept its two other main rates, the deposit facility and lending facility rates, at 3.00 per cent and 4.50 per cent, respectively. (Source: *The BusinessTimes*)

Thailand's Corporate News

- **CIMB Thai Bank targets 5% retail loan growth**

CIMB Thai Bank (CIMBT) aims to expand retail loan growth by 5% next year, with a focus on mortgage and used-car loan expansions in the second half on expectations of an economic recovery. The bank forecasts Thailand's economic conditions will gradually improve, but the pace of recovery will be slow in the first half of 2021 as the tourism industry will be pressured by the persistent pandemic crisis. Thailand is expected to reopen for foreign tourists in the second half as greater clarity on vaccine distribution is expected. Domestic business activities are expected to improve in the second half, subsequently helping further propel economic recovery momentum, said Tan Keat Jin, head of consumer banking business. (Source: *Bangkok Post*)

- **KBank seeks further land loan leverage**

KBank made the request to the central bank because of the novel nature of the loan. The bank is offering land loans to high-end customers to circulate capital. KBank expects the existing THB15b allocated for land loans for investment will be fully withdrawn by this year-end after becoming the first Thai bank to offer this financial service two years ago. The product is offered through KBank Private Banking to high net worth customers whose assets under management (AUM) are at least THB50m. (Source: *Bangkok Post*)

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 20 Nov 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	34,000	59283.6	34.2	27.7	1039.6	1160.3	4.7	13.8	15.7	57940.0	N.A.	1.6
BANK RAKYAT INDONESIA PERSER	4,280	37335.2	27.0	17.1	263.7	283.0	2.7	9.7	15.0	4171.0	2.7	3.9
BANK MANDIRI PERSERO TBK PT	6,700	22112.2	18.3	12.7	515.2	586.1	1.7	8.8	12.6	35335.0	N.A.	5.3
BANK NEGARA INDONESIA PERSER	6,650	8770.4	31.6	11.8	821.2	836.6	1.1	3.4	9.1	20624.0	N.A.	3.1
BANK DANAMON INDONESIA TBK	3,340	2308.6	15.2	9.9	431.6	389.4	0.7	4.8	7.5	N.A.	N.A.	5.6
Simple Average			25.3	15.8				8.1	12.0			3.9
Singapore												
BANK CENTRAL ASIA TBK PT	34,000	59283.6	34.2	27.7	1039.6	1160.3	4.7	13.8	15.7	57940.0	N.A.	1.6
BANK RAKYAT INDONESIA PERSER	4,280	37335.2	27.0	17.1	263.7	283.0	2.7	9.7	15.0	4171.0	2.7	3.9
BANK MANDIRI PERSERO TBK PT	6,700	22112.2	18.3	12.7	515.2	586.1	1.7	8.8	12.6	35335.0	N.A.	5.3
BANK NEGARA INDONESIA PERSER	6,650	8770.4	31.6	11.8	821.2	836.6	1.1	3.4	9.1	20624.0	N.A.	3.1
Thailand												
SIAM COMMERCIAL BANK PUB CO	90.3	10266.7	11.6	10.9	12.7	12.9	0.8	6.5	6.7	355.0	N.A.	5.3
BANGKOK BANK PUBLIC CO LTD	125.0	7993.7	11.1	9.0	18.9	19.3	0.5	4.9	5.8	400.0	N.A.	4.0
KASIKORNBANK PCL	119.0	9445.9	13.2	10.8	16.1	16.2	0.7	5.4	6.3	350.0	N.A.	3.8
KRUNG THAI BANK PUB CO LTD	11.8	5525.1	9.7	9.4	2.1	2.1	0.5	5.0	5.1	N.A.	N.A.	6.4
BANK OF AYUDHYA PCL	26.8	6592.1	8.2	7.4	3.4	4.3	0.7	8.8	8.6	68.3	2.6	1.7
Simple Average			10.7	9.5				6.1	6.5			4.2
Regional Average			16.9	12.3				7.3	9.2			4.2
Malaysia												
MALAYAN BANKING BHD	8.46	23537.2	15.3	13.6	0.7	0.7	1.1	7.5	8.2	16.0	N.A.	1.6
CIMB GROUP HOLDINGS BHD	4.38	10756.7	26.2	11.7	0.5	0.5	0.8	2.9	6.3	8.9	N.A.	2.7
PUBLIC BANK BERHAD	20.64	19831.0	17.0	15.2	1.5	1.4	1.7	10.5	11.2	63.0	N.A.	1.9
HONG LEONG BANK BERHAD	18.58	9968.1	14.0	12.8	1.2	1.3	1.4	9.8	10.1	17.0	N.A.	1.9
AMMB HOLDINGS BHD	3.57	2659.1	10.0	7.9	0.4	0.5	0.6	5.5	6.9	N.A.	N.A.	3.7
RHB BANK BHD	5.39	5349.4	10.4	9.3	0.6	0.6	0.8	8.0	8.5	25.0	N.A.	3.4
ALLIANCE BANK MALAYSIA BHD	2.90	1111.1	11.4	9.8	0.3	0.4	0.7	6.6	7.4	7.8	2.7	N.A.
Simple Average			14.9	11.5				7.3	8.4			2.6

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 20 Nov 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	12,075	1643.6	27.0	21.6	773.3	237.8	1.2	4.4	5.2	10719.6	0.9	0.8
PP LONDON SUMATRA INDONES PT	1,270	612.8	24.3	19.1	82.9	36.8	1.0	4.1	5.1	1619.9	1.3	1.2
SAMPOERNA AGRO TBK PT	1,710	228.6	16.3	10.8	109.3	66.0	0.8	4.5	6.4	900.0	0.5	N.A.
EAGLE HIGH PLANTATIONS TBK P	143	318.8	N.A.	47.7	N.A.	N.A.	1.1	-16.7	2.1	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	117	20.7	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			22.5	24.8				-0.9	4.7			1.0
Singapore												
WILMAR INTERNATIONAL LTD	4.36	20715.8	15.5	14.4	0.2	0.2	1.3	8.0	8.1	16.0	N.A.	3.1
GOLDEN AGRI-RESOURCES LTD	0.16	1527.0	N.A.	40.1	0.0	0.0	0.4	(0.9)	0.8	0.3	N.A.	3.6
OLAM INTERNATIONAL LTD	1.55	3724.5	9.7	9.1	0.1	0.2	0.9	N.A.	N.A.	7.5	4.8	5.2
Simple Average			12.6	21.2				3.5	4.4			4.0
Regional Average			18.6	23.3				0.6	4.6			2.8
Malaysia												
SIME DARBY BERHAD	2.28	3838.6	14.2	13.3	0.1	0.1	1.1	7.4	7.3	2.6	4.7	4.4
IOI CORP BHD	4.40	6823.8	28.6	27.3	0.2	0.1	3.0	9.8	10.0	N.A.	N.A.	1.8
KUALA LUMPUR KEPONG BHD	24.08	6427.4	27.1	26.2	0.9	0.6	2.4	8.7	8.5	54.4	2.3	2.1
GENTING PLANTATIONS BHD	10.10	2242.7	35.8	30.2	0.3	0.2	1.9	4.6	5.3	14.1	1.4	1.5
IJM PLANTATIONS BHD	1.84	401.0	19.2	18.2	0.1	0.0	1.3	6.4	6.9	3.2	1.7	1.1
TA ANN HOLDINGS BERHAD	3.09	336.8	14.4	12.9	0.2	0.1	0.9	5.9	6.6	10.6	3.4	1.6
Simple Average			23.2	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 @ 20 Nov 2020	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY21 EPS	CY20 EV/EBIT DA	CY21 EV/EBIT DA	PBV (x)	CY20 ROE	CY21 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia														
TELKOM INDONESIA PERSERO TBK	3,510	24590.4	16.9	15.9	198.0	207.9	N.A.	5.5	3.4	19.5	19.8	N.A.	N.A.	4.4
XL AXIATA TBK PT	2,790	2112.4	17.7	23.3	3.6	61.3	4.3	4.4	1.4	8.0	5.4	N.A.	N.A.	0.7
INDOSAT TBK PT	4,560	1752.4	N.A.	N.A.	-345.6	-	N.A.	4.1	2.0	-6.6	-5.3	N.A.	N.A.	N.A.
Simple Average			17.3	19.6		242.4	4.3	4.7		7.0	6.6			2.6
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.33	28604.6	18.8	15.0	0.2	0.2	N.A.	12.5	1.4	7.3	9.4	N.A.	N.A.	4.5
STARHUB LTD	1.29	1678.0	15.2	15.5	0.1	0.1	N.A.	6.6	7.2	32.0	28.9	6.5	N.A.	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.	N.A.	N.A.	N.A.
Simple Average			17.0	15.3			N.A.	9.5		20.6	19.2			5.0
Thailand														
ADVANCED INFO SERVICE PCL	187.5	18655.0	20.0	19.5	10.2	10.8	N.A.	8.1	8.1	37.7	35.1	472.0	N.A.	3.6
TOTAL ACCESS COMMUNICATION	35.25	2792.7	14.8	18.2	0.6	2.7	5.0	4.9	3.5	22.0	17.3	183.0	N.A.	4.9
Simple Average			17.4	18.8			5.0	6.5		29.9	26.2			4.3
Regional Average			17.2	17.9			4.7	6.6		17.8	15.8			3.9
Malaysia														
MAXIS BHD	5.01	9700.1	26.8	24.9	0.3	0.2	N.A.	12.2	5.5	20.3	21.6	17.0	N.A.	3.4
AXIATA GROUP BERHAD	3.87	8782.6	43.0	32.8	0.1	0.1	5.5	5.6	2.2	4.9	6.2	2.3	N.A.	1.7
DIGI.COM BHD	4.18	8043.4	25.2	24.2	0.2	0.2	N.A.	11.8	50.4	198.5	206.1	16.0	N.A.	3.9
TELEKOM MALAYSIA BHD	5.41	5052.7	20.6	20.0	0.1	0.3	7.7	6.3	3.0	13.1	12.8	15.0	N.A.	3.1
Simple Average			28.9	25.5			6.6	9.0		59.2	61.7			3.0

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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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