By Goh Yin Foo I gohyf@kenanga.com.my ; Lim Khai Xhiang I limkx@kenanga.com.my

Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- **MAS and French central bank complete wholesale cross-border payment and settlement experiment using CBDC**
- **Singtel to 'exploit tailwinds of digitalisation' with strategic reset**

INDONESIA NEWS HIGHLIGHTS

- **Battle begins between incumbent banks and tech giant-backed digital banks**
- **Owners of RM22b tower Bersama weigh stake sale**

THAILAND NEWS HIGHLIGHTS

- **Banks set to offer digital statements**
- **BigPay Is Focused on Expanding Operations into Thailand, Following AirAsia's Acquisition of Gojek's Thai Division**

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,528.0	-0.03%
USD/SGD	1.4	0.33%
USD/THB	32.6	0.85%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,131.4	0.08%
FSTFN	1,040.4	-0.53%
FSTCG	466.3	-0.81%
FSTTC	577.2	-0.28%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,039.8	0.28%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,552.1	-1.67%
SETBANK	330.7	-4.68%
SETAGRI	314.8	-2.25%
SETCOMUN	141.3	-1.40%

Singapore's Corporate News

- **MAS and French central bank complete wholesale cross-border payment and settlement experiment using CBDC**

  The Monetary Authority of Singapore (MAS) and French central bank Banque de France announced on Thursday that they have successfully completed a wholesale cross-border payment and settlement experiment using central bank digital currency (CBDC). The experiment simulated cross-border transactions involving multiple CBDCs on a common network between Singapore and France, supported by JPMorgan's Onyx blockchain platform. CBDCs are digital currencies that are backed by central banks. Increasing attention has been paid to them for their potential to improve cross-border payments. *(The Business Times)*

- **Singtel to 'exploit tailwinds of digitalisation' with strategic reset**

  The headwinds and challenges brought on by Covid-19 have provided Singtel tailwinds of digitalisation that the telco intends to exploit to propel it forward, chairman Lee Theng Kiat and chief executive Yuen Kuan Moon said in the company's latest annual report. In the report published on Wednesday (July 7), Mr Yuen and Mr Lee noted that the pandemic has "pushed things over the technology tipping point, amplifying trends that are redefining the basis for success for (the telecommunications) industry" as the group's business processes moved online over the past 18 months amid lockdowns and physical distancing. *(The Straits Times)*

Indonesia's Corporate News

- **Battle begins between incumbent banks and tech giant-backed digital banks**

  Digital banking is transforming the traditional financial landscape. There are now 249 digital banking players globally, comprised of daring digital upstarts and transitioning legacy operators. Indonesia offers a fresh and hugely exciting opportunity for this expanding market, with significant unbanked populations and a growing appetite for digital financial service solutions. The impending release of digital banking regulations by the Financial Services Authority (OJK) could dictate the true value of this opportunity and define how fertile the ground is for digital banking in Indonesia. *(The Jakarta Post)*

- **Owners of RM22b tower Bersama weigh stake sale**

  The two largest shareholders of PT Tower Bersama Infrastructure are exploring the potential sale of the Jakarta-listed telecommunications company, according to people with knowledge of the matter. Private equity firm Provident Capital Indonesia and a subsidiary of investment company PT Saratoga Investama Sedaya have asked banks for proposals on a possible transaction for their stakes, said the people, who asked not to be identified as details are private. *(The Star)*

Thailand's Corporate News

- **Banks set to offer digital statements**

  The Bank of Thailand and three banking associations have built up a data ecosystem and plan to offer digital banking statements by January next year. The central bank yesterday signed an agreement on data ecosystem development with the Thai Bankers' Association, the Government Financial Institutions Association and the Association of International Banks, representing a combined 29 banks. Under the agreement, they will collaborate to develop a digital data ecosystem to provide consumers with more convenience, better security, low costs and less time spent on banking transactions. *(Bangkok Post)*

- **BigPay Is Focused on Expanding Operations into Thailand, Following AirAsia's Acquisition of Gojek's Thai Division**

  BigPay is focused on expanding its business operations into Thailand after Airasia's acquisition of Gojek's Thailand division via its digital unit in a deal valued at RM208m (approximately $50m). This move has been announced ahead of AirAsia's plans to offer a Super app in August 2021. The Edge reported that AirAsia Group's CEO Tan Sri Tony Fernandes noted that Gojek's investment is valued at around $40m, meanwhile, GoPay's is at $10m, and these will be transferred into shares for the AirAsia Super App (valued at $1b). *(CrowdFund Insider)*

Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 9 July 2021	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	30,100.0	51,233.4	24.2	20.5	1,039.5	1,160.3	4.2	15.8	16.9	56,317.3	1.9	1.8
BANK RAKYAT INDONESIA PERSER	3,800.0	32,353.1	15.1	12.0	263.7	283.0	2.4	14.3	16.5	11,897.9	3.1	2.6
BANK MANDIRI PERSERO TBK PT	5,775.0	18,605.5	11.0	8.6	515.2	586.1	1.5	12.4	14.4	26,304.0	4.6	3.8
BANK NEGARA INDONESIA PERSER	4,640.0	5,973.7	9.5	5.8	821.3	836.6	0.7	8.0	11.8	8,843.8	1.9	0.9
BANK DANAMON INDONESIA TBK	2,220.0	1,497.9	7.4	5.9	431.6	389.4	0.5	6.3	7.2	4,048.0	1.8	1.6
Simple Average			**13.4**	**10.6**				**11.4**	**13.3**			**2.2**
Singapore												
DBS GROUP HOLDINGS LTD	29.7	56,340.1	11.8	11.0	2.2	2.5	1.4	11.5	11.8	114.8	3.9	2.4
OVERSEA-CHINESE BANKING CORP	11.9	39,683.5	10.9	10.2	1.1	1.1	1.0	9.8	10.1	51.0	4.3	2.7
UNITED OVERSEAS BANK LTD	25.7	31,925.4	11.3	10.0	2.4	2.6	1.0	9.4	10.1	111.6	4.3	3.0
Simple Average			**11.4**	**10.4**				**10.2**	**10.7**			**2.7**
Thailand												
SIAM COMMERCIAL BANK PUB CO	92.0	9,606.0	9.7	8.8	12.7	12.9	0.7	7.6	8.0	413.8	4.5	2.5
BANGKOK BANK PUBLIC CO LTD	105.0	6,163.0	7.7	6.8	18.9	19.3	0.4	5.7	6.2	463.0	4.4	2.4
KASIKORNBANK PCL	114.0	8,305.5	7.8	7.2	16.1	16.2	0.6	7.7	7.8	359.6	3.2	2.2
KRUNG THAI BANK PUB CO LTD	10.2	4,383.5	7.8	6.7	2.1	2.1	0.4	5.2	5.8	45.9	4.5	2.7
BANK OF AYUDHYA PCL	30.0	6,785.5	8.2	8.7	3.4	4.3	0.7	8.9	8.0	66.8	2.2	1.2
Simple Average			**8.2**	**7.6**				**7.0**	**7.2**			**2.2**
Regional Average			**11.0**	**9.4**				**9.4**	**10.4**			**2.3**
Malaysia												
MALAYAN BANKING BHD	8.1	22,680.9	12.5	10.5	0.7	0.7	1.1	8.6	9.8	49.5	6.1	6.4
CIMB GROUP HOLDINGS BHD	4.5	10,727.3	10.7	8.8	0.5	0.5	0.8	7.8	8.3	19.8	4.4	1.1
PUBLIC BANK BERHAD	4.1	18,801.7	13.7	12.8	0.3	0.3	1.7	11.9	12.1	14.8	3.6	3.2
HONG LEONG BANK BERHAD	18.7	9,650.4	13.5	12.2	1.2	1.3	1.3	10.2	10.5	45.1	2.4	1.9
AMMB HOLDINGS BHD	2.9	2,271.6	7.2	6.6	0.4	0.5	0.6	8.2	8.4	7.9	2.7	2.5
RHB BANK BHD	5.3	5,095.8	8.4	7.6	0.6	0.6	0.8	9.0	9.5	27.4	5.2	3.4
ALLIANCE BANK MALAYSIA BHD	2.4	890.1	8.4	7.1	0.3	0.4	0.6	6.9	7.7	10.2	4.2	2.4
Simple Average			**10.6**	**9.4**				**8.9**	**9.5**			**3.0**

Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 9 July 2021	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	7,575.0	1,006.5	11.0	10.9	832.7	317.6	0.8	6.7	6.5	17,881.6	2.4	2.6
PP LONDON SUMATRA INDONES PT	1,050.0	494.6	9.3	9.8	82.9	36.8	0.8	7.9	7.4	3,768.3	3.6	1.4
SAMPOERNA AGRO TBK PT	1,790.0	233.6	5.6	5.9	109.3	66.0	0.9	13.3	11.2	N/A	N/A	N/A
EAGLE HIGH PLANTATIONS TBK P	85.0	185.0	N/A	N/A	N/A	N/A	1.3	N/A	N/A	N/A	N/A	N/A
BAKRIE SUMATERA PLANTATIO PT	104.0	18.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Simple Average			**8.6**	**8.8**				**9.3**	**8.4**			**2.0**
Singapore												
WILMAR INTERNATIONAL LTD	4.5	21,033.0	13.2	12.5	0.2	0.2	1.1	8.3	8.5	11.0	3.3	4.3
GOLDEN AGRI-RESOURCES LTD	0.2	2,065.3	6.5	6.5	0.0	0.0	0.5	7.2	6.6	0.8	4.9	2.2
OLAM INTERNATIONAL LTD	1.5	3,642.3	N/A	N/A	0.1	0.1	1.0	N/A	N/A	N/A	N/A	4.8
Simple Average			**9.9**	**9.5**				**7.7**	**7.6**			**3.8**
Regional Average			**9.1**	**9.1**				**8.7**	**8.0**			**3.1**
Malaysia												
SIME DARBY BERHAD	2.2	3,570.5	12.6	12.1	0.1	0.1	1.0	7.6	7.1	12.9	5.9	6.4
IOI CORP BHD	3.7	5,540.4	21.1	21.8	0.2	0.1	2.4	11.4	10.4	9.8	2.6	2.3
KUALA LUMPUR KEPONG BHD	19.8	5,098.8	18.2	18.9	0.9	0.6	1.9	10.7	9.8	56.8	2.9	2.8
GENTING PLANTATIONS BHD	6.8	1,464.1	18.8	19.8	0.3	0.2	1.3	5.6	5.9	17.9	2.6	3.1
IJM PLANTATIONS BHD	3.1	647.1	18.6	21.1	0.1	0.0	1.9	10.2	7.8	8.0	2.6	0.6
TA ANN HOLDINGS BERHAD	2.6	269.0	8.4	9.4	0.2	0.1	0.8	9.0	7.6	13.1	5.1	5.9
Simple Average			**16.3**	**17.2**				**9.1**	**8.1**			**3.5**

Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 9 July 2021	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	3,160.0	21,611.1	13.8	12.6	198.0	207.9	4.9	4.6	2.9	20.8	21.8	17,554.8	5.6	5.3
XL AXIATA TBK PT	2,600.0	1,925.0	31.4	22.3	4.1	61.3	4.4	4.2	1.4	4.5	5.8	2,544.0	1.0	1.2
INDOSAT TBK PT	6,075.0	2,279.0	98.3	37.9	-345.6	-242.4	4.7	4.4	2.7	6.4	6.8	19,789.0	3.3	N/A
Simple Average			**47.8**	**24.3**			**4.7**	**4.4**		**10.6**	**11.5**			**3.3**
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.3	27,604.2	16.4	14.2	0.2	0.2	12.4	11.8	1.4	8.9	10.0	10.3	4.6	4.7
STARHUB LTD	1.2	1,549.6	14.9	14.4	0.1	0.1	6.6	6.2	6.2	27.0	28.4	6.0	5.0	4.1
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			**15.7**	**14.3**			**9.5**	**9.0**		**19.5**	**19.2**			**4.4**
Thailand														
ADVANCED INFO SERVICE PCL	169.5	15,500.2	18.7	17.4	10.2	10.8	7.2	6.9	7.0	33.9	33.3	672.6	4.0	4.1
TOTAL ACCESS COMMUNICATION	30.0	2,184.3	17.3	17.5	0.6	2.7	4.9	4.7	3.5	17.5	18.8	160.5	5.4	10.0
Simple Average			**18.0**	**17.5**			**6.0**	**5.8**		**25.7**	**26.0**			7.0
Regional Average			**30.1**	**19.5**			**6.4**	**6.1**		**17.7**	**17.8**			**4.9**
Malaysia														
MAXIS BHD	4.4	8,252.9	24.0	22.0	0.3	0.2	11.4	10.9	4.9	20.3	22.1	17.6	4.0	3.8
AXIATA GROUP BERHAD	3.8	8,272.2	34.1	27.0	0.1	0.1	5.6	5.4	2.0	5.6	7.1	8.9	2.4	1.9
DIGI.COM BHD	4.2	7,865.0	28.3	26.8	0.2	0.2	12.8	12.5	55.8	194.6	198.9	15.0	3.5	3.5
TELEKOM MALAYSIA BHD	6.0	5,383.9	19.9	18.6	0.1	0.3	6.7	6.5	3.1	15.1	15.2	16.3	2.7	2.4
Simple Average			**26.6**	**23.6**			**9.1**	**8.8**		**58.9**	**60.8**			**2.9**

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.***

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)
Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my