

06 September 2021

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Australia, Malaysia, Singapore and South Africa launch central bank digital currency scheme
- Singtel joint venture to sell 4,000 telco towers in Indonesia for S\$580m

INDONESIA NEWS HIGHLIGHTS

- Indonesia's Central Bank issues new banking rules on mandatory MSME lending
- XL, Telkom begin work on Facebook-Google undersea data cables

THAILAND NEWS HIGHLIGHTS

- Thai crypto exchange Zipmex raises \$41m from Bank of Ayudhya, others
- Thai central bank and banker's association are offering more help for pandemic-hit debtors

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,263.0	-1.08%
USD/SGD	1.3	-0.36%
USD/THB	32.5	-0.12%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,083.9	0.10%
FSTFN	1,031.1	0.13%
FSTCG	452.4	0.72%
FSTTC	604.7	0.85%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,126.9	1.42%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,650.3	2.43%
SETBANK	360.7	0.00%
SETAGRI	330.4	1.31%
SETCOMUN	162.7	2.61%



Singapore's Corporate News

- **Australia, Malaysia, Singapore and South Africa launch central bank digital currency scheme**

Central banks in Australia, Singapore, Malaysia and South Africa will conduct a cross border payments trial using different central bank digital currencies (CBDC) to assess if this allows transactions to be settled more cheaply and easily, the banks said on Thursday. Many governments and central banks around the world are exploring the use of CBDCs, which are digital forms of existing currencies. Some, like China, are trialing retail-focused CBDCs designed to replicate cash in circulation, while others are considering using so-called wholesale CBDCs to improve the internal workings of their financial systems. *(Reuters)*

- **Singtel joint venture to sell 4,000 telco towers in Indonesia for S\$580m**

Singtel said its joint-venture company, Telekomunikasi Selular (Telkomsel) has entered into a sale-and-purchase agreement for the sale of 4,000 telecommunication towers to Dayamitra Telekomunikasi (Mitratel) for 6.2t rupiah (S\$580m). Mitratel is a subsidiary of Telkom Indonesia, which provides telecommunications infrastructure and has managed more than 24,000 telecommunication towers across Indonesia. As part of the transaction, Telkomsel, in which Singtel has a 35% interest, has also entered into a 10-year lease arrangement with Mitratel for rental of tower space, which will take effect from the transfer of the towers to Mitratel. *(The Straits Times)*

Indonesia's Corporate News

- **Indonesia's Central Bank issues new banking rules on mandatory MSME lending**

Indonesia's central bank has issued new rules making it easier for banks to meet requirements on supporting small and medium business, in a measure also aimed at bolstering an economic recovery from the COVID-19 pandemic, it said in a statement. The new rules replaced a 2015 regulation mandating banks to provide 20% of their total lending to micro, small and medium enterprises (MSMEs), which some banks had trouble meeting due to a lack of expertise in giving such loans. *(The Star)*

- **XL, Telkom begin work on Facebook-Google undersea data cables**

Top telecommunication firms PT XL Axiata and PT Telekomunikasi Indonesia (Telkom) have begun work on the Indonesian sections of Facebook's and Google's two undersea data cable projects dubbed Echo and Bifrost, which are the first to connect the main parts of Indonesia to the United States. An XL Axiata representative said the privately owned telco had begun constructing Echo's landing station in Karawang beach, West Java, while a Telkom representative said the state-owned telco was preparing to conduct an undersea route survey in the third quarter of this year. *(The Jakarta Post)*

Thailand's Corporate News

- **Thai crypto exchange Zipmex raises \$41m from Bank of Ayudhya, others**

Thai cryptocurrency startup Zipmex said on Tuesday it had raised \$41m from the country's fifth-largest lender, Bank of Ayudhya Pcl, as well as media firms, and plans to expand product offerings and its user base. The investment brings the company's total funds raised to \$52m. Japan's Mitsubishi UFJ Financial Group holds a 76.9% stake in Bank of Ayudhya (BAY). BAY's venture arm, Krungsri Finnovate, has invested in other startups like ride-hailing app Grab. *(Reuters)*

- **Thai central bank and banker's association are offering more help for pandemic-hit debtors**

Thailand's central bank and its bankers' association has announced they would offer more support measures for debtors affected by the coronavirus pandemic. "We want debtors, SMEs and individuals who were impacted to receive the necessary fixes in the face of uncertainty," central bank deputy governor Ronadol Numnonda told a news conference, adding that debt restructuring measures will help with liquidity. Commercial banks remain strong and able to support debtors he said, and measures will be fair to creditors and debtors and will avoid creating moral hazards, said Ronadol. *(The Star)*

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 3 Sept 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	33,000.0	57,043.8	27.2	23.1	1,039.5	1,160.3	4.3	15.6	16.6	54,424.1	1.6	1.6
BANK RAKYAT INDONESIA PERSER	3,930.0	33,980.7	16.8	12.9	263.7	283.0	2.4	13.5	16.1	11,361.5	2.9	2.5
BANK MANDIRI PERSERO TBK PT	6,125.0	20,040.2	11.8	9.4	515.2	586.1	1.5	12.3	14.3	27,306.3	4.5	3.6
BANK NEGARA INDONESIA PERSER	5,450.0	7,125.8	11.2	6.8	821.3	836.6	0.9	7.9	11.8	8,370.9	1.5	0.8
BANK DANAMON INDONESIA TBK	2,690.0	1,843.3	10.9	8.1	431.6	389.4	0.6	5.9	7.3	3,744.5	1.4	1.3
Simple Average			15.6	12.1				11.0	13.2			2.0
Singapore												
DBS GROUP HOLDINGS LTD	30.1	57,668.3	11.5	11.1	2.2	2.5	1.3	12.2	12.1	116.7	3.9	2.9
OVERSEA-CHINESE BANKING CORP	11.6	39,029.2	10.6	9.8	1.1	1.1	1.0	10.0	10.2	51.5	4.4	3.5
UNITED OVERSEAS BANK LTD	25.6	31,940.3	11.0	9.8	2.4	2.6	1.1	9.6	10.3	119.6	4.7	3.9
Simple Average			11.0	10.2				10.6	10.9			3.4
Thailand												
SIAM COMMERCIAL BANK PUB CO	104.6	11,088.6	10.9	10.0	12.7	12.9	0.9	7.8	8.1	387.3	3.7	3.5
BANGKOK BANK PUBLIC CO LTD	114.0	6,703.9	8.7	7.6	18.9	19.3	0.5	5.5	6.0	421.8	3.7	2.2
KASIKORNBANK PCL	122.5	8,941.5	8.6	7.9	16.1	16.2	0.6	7.5	7.8	336.5	2.7	2.0
KRUNG THAI BANK PUB CO LTD	11.2	4,822.3	8.4	7.4	2.1	2.1	0.5	5.3	5.7	41.5	3.7	2.5
BANK OF AYUDHYA PCL	32.0	7,251.5	8.1	9.5	3.4	4.3	0.8	9.7	7.6	61.2	1.9	1.1
Simple Average			8.9	8.5				7.2	7.0			2.3
Regional Average			12.0	10.3				9.5	10.3			2.4
Malaysia												
MALAYAN BANKING BHD	8.4	23,589.8	12.1	10.9	0.7	0.7	1.1	9.0	9.8	53.4	6.4	6.2
CIMB GROUP HOLDINGS BHD	5.0	11,986.1	10.7	9.3	0.5	0.5	0.8	8.3	8.5	20.2	4.1	1.0
PUBLIC BANK BERHAD	4.1	19,345.1	14.3	12.9	0.3	0.3	1.7	11.5	12.1	14.4	3.5	3.1
HONG LEONG BANK BERHAD	19.0	9,938.9	12.3	11.3	1.2	1.3	1.3	10.5	10.8	53.4	2.8	1.8
AMMB HOLDINGS BHD	3.3	2,607.1	8.0	7.4	0.4	0.5	0.7	8.3	8.6	9.6	2.9	N/A
RHB BANK BHD	5.5	5,389.8	8.9	7.9	0.6	0.6	0.8	8.9	9.5	27.7	5.0	3.2
ALLIANCE BANK MALAYSIA BHD	2.6	975.0	8.7	7.6	0.3	0.4	0.6	7.1	7.7	10.4	4.0	2.2
Simple Average			10.7	9.6				9.1	9.6			2.9

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 3 Sept 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	8,625.0	1,163.9	10.4	11.9	832.7	317.6	0.9	8.8	7.2	21,818.2	2.5	2.3
PP LONDON SUMATRA INDONES PT	1,085.0	528.6	8.4	8.7	82.9	36.8	0.8	9.8	9.0	4,090.3	3.7	1.8
SAMPOERNA AGRO TBK PT	1,800.0	238.5	N/A	N/A	109.3	66.0	0.8	N/A	N/A	N/A	N/A	N/A
EAGLE HIGH PLANTATIONS TBK P	75.0	165.8	N/A	N/A	N/A	N/A	1.3	N/A	N/A	N/A	N/A	N/A
BAKRIE SUMATERA PLANTATIO PT	106.0	18.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Simple Average			9.4	10.3				9.3	8.1			2.0
Singapore												
WILMAR INTERNATIONAL LTD	4.2	19,509.3	12.4	11.6	0.2	0.2	1.0	8.2	8.4	11.3	3.7	4.9
GOLDEN AGRI-RESOURCES LTD	0.2	2,270.8	6.9	7.8	0.0	0.0	0.5	7.1	6.1	0.8	4.5	2.0
OLAM INTERNATIONAL LTD	1.6	4,456.9	N/A	N/A	0.1	0.2	1.0	N/A	N/A	N/A	N/A	4.9
Simple Average			9.7	9.7				7.6	7.2			3.9
Regional Average			9.5	10.0				8.5	7.7			3.2
Malaysia												
SIME DARBY PLANTATION BERHAD	4.0	6,642.0	14.0	19.6	0.1	0.1	1.9	12.8	9.1	15.8	4.0	2.9
IOI CORP BHD	4.1	6,091.5	22.3	23.4	0.2	0.1	2.5	11.0	10.2	9.9	2.4	2.1
KUALA LUMPUR KEPONG BHD	21.5	5,592.3	17.7	19.8	0.9	0.6	1.9	11.7	9.9	64.3	3.0	2.6
GENTING PLANTATIONS BHD	7.5	1,630.3	19.1	20.6	0.3	0.2	1.4	6.9	5.8	20.2	2.7	2.8
IJM PLANTATIONS BHD	3.1	654.5	17.0	19.5	0.1	0.0	1.9	10.8	8.8	8.8	2.9	3.2
TA ANN HOLDINGS BERHAD	2.9	308.2	7.3	9.8	0.2	0.1	0.8	11.8	8.1	15.3	5.3	5.2
Simple Average			16.2	18.8				10.8	8.7			3.1

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 3 Sept 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	3,390.0	23,544.9	14.8	13.5	198.0	207.9	5.2	4.9	3.4	21.0	22.1	17,589.9	5.2	5.0
XL AXIATA TBK PT	2,660.0	2,000.1	23.0	17.3	4.1	61.3	4.5	4.2	1.5	6.2	7.8	3,565.4	1.3	1.2
INDOSAT TBK PT	6,300.0	2,400.2	87.8	32.0	-345.6	-242.4	4.2	3.9	2.0	19.3	6.2	1,858.0	0.3	N/A
Simple Average			41.9	20.9			4.6	4.4		15.5	12.0			3.1
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.4	29,296.0	17.1	14.5	0.2	0.2	12.9	12.4	1.5	8.4	9.6	10.1	4.2	3.2
STARHUB LTD	1.2	1,587.6	15.0	14.6	0.1	0.1	6.6	6.2	6.0	26.0	25.9	6.1	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			16.1	14.6			9.7	9.3		19.0	17.7			3.6
Thailand														
ADVANCED INFO SERVICE PCL	190.0	17,407.5	21.4	20.2	10.2	10.8	7.9	7.6	7.2	33.5	32.6	681.7	3.6	3.8
TOTAL ACCESS COMMUNICATION	38.5	2,808.4	22.2	21.6	0.6	2.7	5.6	5.4	4.2	18.1	19.7	187.6	4.9	8.2
Simple Average			21.8	20.9			6.7	6.5		25.8	26.2			6.0
Regional Average			28.8	19.1			6.7	6.4		19.4	17.7			4.2
Malaysia														
MAXIS BHD	4.6	8,763.0	25.5	23.7	0.3	0.2	11.8	11.4	5.1	20.0	21.7	17.7	3.8	3.7
AXIATA GROUP BERHAD	4.1	9,075.3	36.3	29.1	0.1	0.1	5.8	5.6	2.1	5.6	7.1	8.8	2.1	1.7
DIGI.COM BHD	4.4	8,274.1	29.6	28.1	0.2	0.2	13.2	12.9	56.5	192.4	194.8	14.9	3.4	3.3
TELEKOM MALAYSIA BHD	6.0	5,500.3	20.0	18.5	0.1	0.3	6.8	6.6	3.1	15.3	15.3	16.1	2.7	2.4
Simple Average			27.8	24.8			9.4	9.1		58.3	59.7			2.8

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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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