

26 June 2022

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## Research Highlights

### SINGAPORE NEWS HIGHLIGHTS

- Singapore's faster inflation adds pressure to tighten policy
- Singtel JV expects to raise up to \$826.8m in stock rights offer to expand network build

### INDONESIA NEWS HIGHLIGHTS

- Outlier Indonesia Holds Rate as It Sees Inflation Manageable
- Indonesia plans to hike tin royalty tariff, make it more progressive

### THAILAND NEWS HIGHLIGHTS

- Thailand central bank asked to ease impact of any rate hike, says finance minister
- Car manufacturing for export slides 40% amid dip in order.

#### Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,848.0	0.16%
USD/SGD	1.39	-0.31%
USD/THB	35.49	0.74%

#### Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,111.7	0.44%
FSTFN	1,020.82	-0.79%
FSTCG	437.52	-0.73%
FSTTC	643.6	3.61%

#### Indonesia

Indices	Today	1-Week Chg (%)
JCI	7,042.9	1.53%

#### Thailand

Indices	Today	1-Week Chg (%)
SET	1,568.8	0.60%
SETBANK	367.3	-1.43%
SETAGRI	264.7	-1.29%
SETCOMUN	179.3	0.41%



## Singapore's Corporate News

### ▪ Singapore's faster inflation adds pressure to tighten policy

Singapore's key inflation gauge accelerated for a third month to the fastest in almost 14 years, bolstering the case for further monetary policy tightening and stronger action to buffer consumers from the drag of rising prices. The central bank's closely watched core inflation print, which excludes private transport and accommodation, rose by 3.6% from a year ago in May, according to a joint statement on Thursday (June 23) from the Monetary Authority of Singapore (MAS) and the Ministry of Trade and Industry (MTI). That pace, the fastest since December 2008, matches the median estimate in a Bloomberg survey, and compares with 3.3% in April. (Source: *The Edge Markets*)

### ▪ Singtel JV expects to raise up to \$826.8 mil in stock rights offer to expand network build

Globe Board, a joint venture company (JVCo) of Singapore Telecommunications (Singtel), has approved a stock rights offer on June 20. The company's principal shareholders, Singapore Telecom International, a wholly-owned subsidiary of Singtel, and Ayala Corporation have both indicated their support for the offer. Under the offer, the company says it expects to raise up to 32b pesos (\$826.8m), which will be used for the expansion of the mobile and broadband network as well as debt repayment. (Source: *The Edge Singapore*)

## Indonesia's Corporate News

### ▪ Outlier Indonesia Holds Rate as It Sees Inflation Manageable

Indonesia's central bank held its benchmark interest rate at a record low again, saying inflation remains manageable as it cemented its place as an outlier on monetary policy. Bank Indonesia left the seven-day reverse repurchase rate unchanged at 3.5% on Thursday, as predicted by 24 of 33 economists surveyed by Bloomberg. The rest expected policy makers to kick off the monetary tightening cycle with a 25 basis-point hike. (Source: *Bloomberg*)

### ▪ Indonesia plans to hike tin royalty tariff, make it more progressive

Major tin exporter Indonesia is planning to raise the level of a royalty tariff imposed on the production of tin and bring in a progressive structure tied to international prices, a senior government official said on Tuesday. The plan was intended to increase government revenues from tin mining, director-general of mineral and coal at the energy ministry Ridwan Djamaluddin said in a parliamentary hearing. The current royalty tariff for tin is set at 3% and imposed on production but based on the sale price. Ridwan said the government wanted to charge higher tariffs when prices were rising. (Source: *Mining.com*)

## Thailand's Corporate News

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- **Thailand central bank asked to ease impact of any rate hike, says finance minister**

Thailand's finance minister said on Tuesday he had asked the central bank to minimise the impact of any interest rate hike, ensure enough liquidity in the banking system and maintain a stable baht currency. His comments came as most economists expect the Bank of Thailand (BOT) to raise the key interest rate at its next meeting on Aug. 10 to tame surging inflation. Finance Minister Arkhom Termpittayapaisith told reporters he had asked the BOT to talk to banks to help mitigate the impact of a hike in the policy rate on borrowers. (Source: *The Star*)

- **Car manufacturing for export slides 40% amid dip in order.**

Thailand's car manufacturing for export from January to May decreased by 40% year-on-year to 72,527 units due to sluggish purchase orders, particularly from the European and US markets, says the Federation of Thai Industries (FTI). In May, car production for export fell by 23% year-on-year to 13,925 units. The decrease was attributed to the prolonged semiconductor shortage and the economic slowdown in the US, European and Asian markets, said Surapong Paisitpatanapong, vice-chairman and spokesman for the FTI's automotive club. (Source: *The Edge*)

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## Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 19 Feb 2022	Market Cap (USDm)	CY21 P/E (x)	CY22 P/E (x)	Current EPS	CY22 EPS	PBV (x)	CY21 ROE	CY22 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>												
BANK CENTRAL ASIA TBK PT	7,475	62127.9	25.0	22.0	207.9	232.1	4.7	17.3	17.9	15633.6	2.1	1.9
BANK RAKYAT INDONESIA PERSER	4,340	44347.8	14.8	12.4	258.1	276.1	2.4	14.9	16.4	19866.5	4.6	4.0
BANK MANDIRI PERSERO TBK PT	8,300	26114.7	11.2	9.6	515.2	586.1	2.0	16.5	17.7	41332.3	5.0	4.3
BANK NEGARA INDONESIA PERSER	8,150	10247.2	9.6	7.7	821.3	836.6	1.2	12.3	13.7	20701.3	2.5	1.8
BANK DANAMON INDONESIA TBK	2,400	1581.5	6.2	N.A.	431.6	389.4	0.5	8.1	8.4	N.A.	N.A.	2.3
<b>Simple Average</b>			13.3	12.9				13.8	14.8			2.9
<b>Singapore</b>												
DBS GROUP HOLDINGS LTD	29.81	55339.5	10.4	8.9	2.2	2.5	1.4	12.8	14.2	141.8	4.8	4.6
OVERSEA-CHINESE BANKING CORP	11.33	36725.6	9.5	8.2	1.1	1.1	1.0	10.2	11.1	57.4	5.1	4.7
UNITED OVERSEAS BANK LTD	26.40	31890.4	10.1	8.3	2.4	2.6	1.0	10.4	12.0	131.1	5.0	4.5
<b>Simple Average</b>			10.0	8.5				11.1	12.4			4.6
<b>Thailand</b>												
SIAM COMMERCIAL BANK PUB CO	104.0	9872.8	8.7	8.0	12.7	12.9	0.8	8.9	9.2	463.0	4.5	3.9
BANGKOK BANK PUBLIC CO LTD	133.0	7157.7	8.2	7.5	18.9	19.3	0.5	6.1	6.4	519.4	3.9	2.6
KASIKORNBANK PCL	148.0	9886.4	8.3	7.6	16.1	16.2	0.7	8.5	8.8	449.1	3.0	2.2
KRUNG THAI BANK PUB CO LTD	15.4	6068.2	8.1	7.4	2.1	2.1	0.6	7.2	7.1	60.6	3.9	2.7
BANK OF AYUDHYA PCL	32.0	6636.3	8.4	7.8	3.4	4.3	0.7	8.4	8.7	79.8	2.5	2.7
<b>Simple Average</b>			8.3	7.7				7.8	8.0			2.8
<b>Regional Average</b>			<b>10.6</b>	<b>9.6</b>				<b>10.9</b>	<b>11.6</b>			<b>3.3</b>
<b>Malaysia</b>												
MALAYAN BANKING BHD	8.60	23431.6	12.0	10.3	0.7	0.7	1.2	9.5	10.8	55.7	6.5	6.7
CIMB GROUP HOLDINGS BHD	4.90	11682.3	9.8	8.1	0.5	0.5	0.8	8.2	9.5	24.7	5.0	4.7
PUBLIC BANK BERHAD	4.43	19572.8	14.8	12.3	0.3	0.3	1.8	11.7	13.1	15.3	3.5	3.4
HONG LEONG BANK BERHAD	20.16	9947.2	12.9	11.1	1.2	1.3	1.4	10.5	11.5	57.9	2.9	2.6
AMMB HOLDINGS BHD	3.73	2811.0	8.0	7.4	0.4	0.5	0.7	9.0	9.0	15.6	4.2	1.3
RHB BANK BHD	5.66	5426.5	8.7	7.3	0.6	0.6	0.8	9.3	10.6	34.6	6.1	7.1
ALLIANCE BANK MALAYSIA BHD	3.30	1162.9	7.7	7.2	0.3	0.4	0.8	9.9	10.2	19.7	6.0	5.6
<b>Simple Average</b>			10.6	9.1				9.8	10.7			4.5

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## Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 19 Feb 2022	Market Cap (USDm)	CY21 P/E (x)	CY22 P/E (x)	Current EPS	CY22 EPS	PBV (x)	CY21 ROE	CY22 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>												
ASTRA AGRO LESTARI TBK PT	9,800	1271.7	6.5	6.4	832.7	317.6	0.9	12.9	11.8	13820.0	1.4	4.7
PP LONDON SUMATRA INDONES PT	1,180	542.8	5.9	6.3	82.9	36.8	0.8	12.5	11.1	5820.0	4.9	1.7
SAMPOERNA AGRO TBK PT	2,100	257.5	N.A.	N.A.	109.3	66.0	0.8	N.A.	N.A.	N.A.	N.A.	6.4
EAGLE HIGH PLANTATIONS TBK P	70	148.8	N.A.	N.A.	N.A.	N.A.	1.2	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	123	20.7	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Simple Average</b>			6.2	6.4				12.7	11.5			4.3
<b>Singapore</b>												
WILMAR INTERNATIONAL LTD	4.05	18321.0	10.0	9.6	0.2	0.2	0.9	9.4	9.5	12.4	4.2	3.8
GOLDEN AGRI-RESOURCES LTD	0.25	2287.0	4.0	6.4	0.0	0.0	0.5	15.7	10.5	1.5	8.3	6.4
OLAM INTERNATIONAL LTD	1.54	4268.7	N.A.	N.A.	N.A.	N.A.	0.9	N.A.	N.A.	N.A.	N.A.	5.5
<b>Simple Average</b>			7.0	8.0				12.6	10.0			5.3
<b>Regional Average</b>			<b>6.6</b>	<b>7.2</b>				<b>12.6</b>	<b>10.7</b>			<b>4.8</b>
<b>Malaysia</b>												
SIME DARBY PLANTATION BERHAD	4.22	6642.9	10.3	15.5	0.1	0.1	1.7	17.5	10.9	23.1	5.5	4.8
IOI CORP BHD	3.84	5430.5	14.0	15.2	0.2	0.1	2.3	16.9	14.1	14.3	3.7	3.1
KUALA LUMPUR KEPONG BHD	22.38	5492.3	10.8	13.4	0.9	0.6	1.8	18.3	12.9	98.3	4.4	4.5
GENTING PLANTATIONS BHD	6.50	1327.4	10.1	13.3	0.3	0.2	1.1	10.2	7.3	32.8	5.0	4.6
TA ANN HOLDINGS BERHAD	4.24	425.1	5.2	7.4	0.2	0.1	1.1	21.5	12.8	31.6	7.5	3.5
<b>Simple Average</b>			10.1	13.0				16.9	11.6			4.1

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## Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 19 Feb 2022	Market Cap (USDm)	CY21 P/E (x)	CY22 P/E (x)	Current EPS	CY22 EPS	CY21 EV/EBITDA	CY21 EV/EBITDA	PBV (x)	CY21 ROE	CY22 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>														
TELEKOMUNIKASI INDONESIA PER	4,150	27717.7	15.6	14.3	198.0	207.9	5.6	5.4	3.2	20.8	21.4	19849.9	4.8	3.6
XL AXIATA TBK PT	2,630	1901.7	21.6	17.1	4.1	61.3	4.4	4.1	1.4	6.1	7.1	5494.1	2.1	1.9
INDOSAT TBK PT	6,625	3601.4	56.0	30.4	-345.6	-242.4	5.5	5.0	2.1	5.3	6.6	3050.7	0.5	26.4
<b>Simple Average</b>			31.1	20.6			5.2	4.9		10.8	11.7			10.6
<b>Singapore</b>														
SINGAPORE TELECOMMUNICATIONS	2.58	30734.9	17.2	14.8	0.2	0.2	13.2	12.7	1.5	8.6	9.7	11.4	4.4	2.7
STARHUB LTD	1.23	1536.3	19.5	15.2	0.1	0.1	6.8	5.8	5.5	17.7	23.8	5.4	4.4	5.2
<b>Simple Average</b>			18.4	15.0			10.0	9.3		13.1	16.7			3.9
<b>Thailand</b>														
ADVANCED INFO SERVICE PCL	202.0	16938.5	21.3	19.1	10.2	10.8	7.7	7.4	7.9	33.4	35.0	798.8	4.0	3.8
TOTAL ACCESS COMMUNICATION	46.25	3087.5	29.3	26.1	0.6	2.7	6.1	5.9	5.9	18.1	20.5	157.0	3.4	4.5
<b>Simple Average</b>			25.3	22.6			6.9	6.7		25.7	27.8			4.2
<b>Regional Average</b>			<b>25.8</b>	<b>19.6</b>			<b>7.1</b>	<b>6.6</b>		<b>15.7</b>	<b>17.7</b>			<b>6.9</b>
<b>Malaysia</b>														
MAXIS BHD	3.22	5736.1	19.4	17.1	0.3	0.2	8.8	8.5	3.8	19.1	22.1	17.9	5.6	5.6
AXIATA GROUP BERHAD	2.74	5723.4	20.0	17.1	0.1	0.1	4.7	4.5	1.5	5.5	7.1	10.6	3.9	3.5
DIGI.COM BHD	3.21	5680.9	23.1	19.7	0.2	0.2	9.8	9.5	44.1	167.6	188.5	13.9	4.3	4.5
TELEKOM MALAYSIA BHD	5.15	4423.7	17.2	14.9	0.1	0.3	5.4	5.2	2.6	14.3	15.2	15.9	3.1	2.5
<b>Simple Average</b>			19.9	17.2			7.2	6.9		51.6	58.2			4.0

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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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