

26 September 2022

By Raymond Choo Ping Khoon | pkchoo@kenanga.com.my

Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- DBS, UOB temporarily remove fixed rate home loans amid ongoing review
- Fibre broadband speeds to be boosted among upgrades to S'pore's digital connectivity

INDONESIA NEWS HIGHLIGHTS

- Indonesia central bank raises rates by 50 bps to head off inflation risks
- Indonesia state mining JV may terminate USD831.5m smelter contract

THAILAND NEWS HIGHLIGHTS

- Thai domestic vehicle sales, exports accelerate
- JAS shareholders give AIS acquisition moves the nod

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	15,038.0	0.55%
USD/SGD	1.43	1.70%
USD/THB	37.57	1.97%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,227.1	-1.26%
FSTFN	1,095.78	-0.91%
FSTCG	422.49	-1.25%
FSTTC	655.4	-1.60%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	7,178.6	0.14%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,631.7	0.08%
SETBANK	382.8	2.32%
SETAGRI	243.7	-0.21%
SETCOMUN	170.3	-0.79%

Singapore's Corporate News

- **DBS, UOB temporarily remove fixed rate home loans amid ongoing review**

At least two Singapore banks – DBS and UOB – have temporarily stopped offering fixed rate home loans as of Friday (Sep 23). DBS, Singapore's largest lender, has removed fixed rate home loans from its website. UOB said in response to queries that amid a rising rate environment, it is reviewing its fixed rate offerings and will be ceasing its existing two-year and three-year packages. Lenders have been making revisions to their home loan rates this year, as global central banks embark on a rate-hike race to tame inflation. *(Source: Channel News Asia)*

- **Fibre broadband speeds to be boosted among upgrades to S'pore's digital connectivity**

Digital connectivity helped Singaporeans get through the pandemic, and the country is now planning to boost fibre broadband speeds in homes to 10Gbps, from 1Gbps – the current standard among households here. This is among a series of upgrades to the country's digital connectivity infrastructure, which also include expanding its 5G ecosystem and investing in research on 6G, said Minister for Communications and Information on Monday (Sept 19). She did not give details of how or when the broadband upgrade will be rolled out, or how it will be funded. *(Source: The Straits Times)*

Indonesia's Corporate News

- **Indonesia central bank raises rates by 50 bps to head off inflation risks**

Indonesia's central bank increased interest rates by more than expected on Thursday (Sept 22) as it sought to rein in inflation after the government raised subsidised fuel prices earlier this month, while also supporting the rupiah currency. Bank Indonesia (BI) raised the 7-day reverse repurchase rate by 50 basis points to 4.25%. The rate decision comes after the government raised fuel prices by about 30.0% earlier this month, a move that BI Governor said would push headline inflation to peak at slightly above 6.0% and core inflation at 4.6% by year-end, before easing. *(Source: Reuters)*

- **Indonesia state mining JV may terminate USD831.5m smelter contract**

A joint venture between Indonesian state miners Aneka Tambang (Antam) and Inalum could terminate a contract to build an alumina smelter with its engineering, procurement and construction contractor, an official said on Tuesday (Sept 20), due to lack of progress. The contract for its USD831.5m smelter could be scrapped if the contractor had no agreement by October, the director of state mining holding firm Mining Industry Indonesia told a parliamentary hearing. *(Source: Reuters)*

Thailand's Corporate News

- **Thai domestic vehicle sales, exports accelerate**

Thailand's automotive manufacturing output rose 10.5% year on year to 1.2m vehicles during the January-August period, the Federation of Thai Industries' (FTI) Automotive Industry Club announced on Thursday (Sept 22). Club vice president and spokesman said August production alone reached 171,731 units, jumping 64.9% year on year, thanks to rising demand for cars and pickup trucks in both domestic and overseas markets. The eight months of 2022 saw domestic sales of 559,537 vehicles, increasing 19.6% year on year, with sales in August alone being 68,208 units, up 61.7% year on year. *(Source: The Star)*

- **JAS shareholders give AIS acquisition moves the nod**

Shareholders of Jasmine International Plc (JAS) have approved a deal in which Advanced Info Service (AIS) Plc will acquire its subsidiary Triple T Broadband (TTTBB), a fixed broadband operator, and buy 19.0% of Jasmine Broadband Internet Infrastructure Fund (JASIF) for THB32.4b in total. Shareholders with 5.3b shares in total attended the meeting to vote on the deal on Friday (Sept 23), according to a statement sent by JAS to the Stock Exchange of Thailand (SET). At least three-quarters of the shareholders were required to vote in favour in order to approve the deal. Of the shareholders in attendance at the meeting, 97.2% voted in favour of the proposed deal. *(Source: Bangkok Post)*

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 23 September 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
Indonesia												
BANK CENTRAL ASIA TBK PT	8,375	68350.1	27.9	24.6	207.9	232.1	5.1	17.3	17.8	15524.8	1.9	1.7
BANK RAKYAT INDONESIA PERSER	4,480	44951.0	14.4	12.4	258.1	276.1	2.4	15.4	16.7	21136.9	4.7	3.9
BANK MANDIRI PERSERO TBK PT	9,200	28423.3	11.4	10.1	515.2	586.1	2.1	17.2	17.9	41903.3	4.6	3.9
BANK NEGARA INDONESIA PERSER	9,000	11111.4	10.0	8.3	821.3	836.6	1.3	12.9	14.3	21451.7	2.4	1.6
BANK DANAMON INDONESIA TBK	2,670	1727.6	8.2	7.6	431.6	389.4	0.6	7.5	7.8	5600.0	2.1	2.1
Simple Average			14.4	12.6				14.1	14.9			2.7
Singapore												
DBS GROUP HOLDINGS LTD	33.40	60166.2	11.1	9.4	2.2	2.5	1.5	13.4	15.0	146.2	4.4	4.2
OVERSEA-CHINESE BANKING CORP	12.08	38005.7	9.5	8.4	1.1	1.1	1.0	10.9	11.6	59.8	5.0	4.6
UNITED OVERSEAS BANK LTD	27.14	31811.4	10.3	8.5	2.4	2.6	1.1	10.4	12.2	130.3	4.8	4.4
Simple Average			10.3	8.8				11.6	12.9			4.4
Thailand												
SIAM COMMERCIAL BANK PUB CO	108.5	9721.4	9.2	8.2	12.7	12.9	0.8	8.8	9.1	470.5	4.3	3.7
BANGKOK BANK PUBLIC CO LTD	140.5	7136.6	8.7	7.7	18.9	19.3	0.5	6.0	6.5	508.0	3.6	2.8
KASIKORNBANK PCL	151.5	9551.7	8.5	7.8	16.1	16.2	0.7	8.6	8.9	458.4	3.0	2.1
KRUNG THAI BANK PUB CO LTD	16.9	6285.1	8.0	7.3	2.1	2.1	0.7	7.9	8.0	68.3	4.0	2.5
BANK OF AYUDHYA PCL	31.8	6214.6	8.0	7.5	3.4	4.3	0.7	8.9	9.0	96.8	3.0	2.7
Simple Average			8.5	7.7				8.0	8.3			2.8
Regional Average			11.2	9.8				11.2	11.9			3.1
Malaysia												
MALAYAN BANKING BHD	8.69	22721.1	12.2	10.4	0.7	0.7	1.2	9.4	10.9	56.4	6.5	6.7
CIMB GROUP HOLDINGS BHD	5.39	12331.8	10.3	8.7	0.5	0.5	0.9	8.7	9.8	25.8	4.8	4.3
PUBLIC BANK BERHAD	4.34	18401.2	14.3	12.0	0.3	0.3	1.7	11.9	13.3	15.9	3.7	3.6
HONG LEONG BANK BERHAD	20.68	9791.9	11.3	10.5	1.2	1.3	1.4	11.7	11.6	66.8	3.2	2.6
AMMB HOLDINGS BHD	3.97	2871.8	8.2	7.6	0.4	0.5	0.8	9.3	9.3	15.9	4.0	1.3
RHB BANK BHD	5.67	5216.7	8.9	7.3	0.6	0.6	0.9	9.1	10.5	33.9	6.0	7.1
ALLIANCE BANK MALAYSIA BHD	3.60	1217.4	8.2	7.7	0.3	0.4	0.9	10.1	10.4	20.0	5.6	5.1
Simple Average			10.5	9.2				10.0	10.8			4.4

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 23 September 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
Indonesia												
ASTRA AGRO LESTARI TBK PT	8,900	1134.0	8.0	8.3	832.7	317.6	0.8	8.9	7.6	47917.4	5.4	5.2
PP LONDON SUMATRA INDONES PT	1,165	526.2	7.5	8.0	82.9	36.8	0.7	9.6	8.3	4350.0	3.7	4.4
SAMPOERNA AGRO TBK PT	2,200	264.9	N.A.	N.A.	109.3	66.0	0.8	N.A.	N.A.	N.A.	N.A.	6.1
EAGLE HIGH PLANTATIONS TBK P	68	141.9	N.A.	N.A.	N.A.	N.A.	1.2	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	128	21.2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			7.7	8.1				9.3	7.9			5.2
Singapore												
WILMAR INTERNATIONAL LTD	3.95	17274.5	9.5	9.3	0.2	0.2	0.9	9.4	8.8	12.9	4.7	4.2
GOLDEN AGRI-RESOURCES LTD	0.28	2441.0	3.8	5.8	0.0	0.0	0.5	13.4	8.2	1.8	9.4	5.8
OLAM INTERNATIONAL LTD	1.39	3738.5	N.A.	N.A.	0.1	0.1	0.8	N.A.	N.A.	N.A.	N.A.	6.1
Simple Average			6.7	7.6				11.4	8.5			5.4
Regional Average			7.2	7.8				10.4	8.2			5.3
Malaysia												
SIME DARBY PLANTATION BHD	4.33	6540.9	11.4	15.4	0.1	0.1	1.6	16.2	11.2	22.2	5.1	4.7
IOI CORP BHD	3.81	5170.1	15.9	18.6	0.2	0.1	2.2	13.4	11.0	12.7	3.3	3.7
KUALA LUMPUR KEPONG BHD	21.64	5096.3	10.1	12.8	0.9	0.6	1.7	17.3	12.4	98.7	4.6	4.6
GENTING PLANTATIONS BHD	6.16	1207.2	8.9	12.8	0.3	0.2	1.0	11.0	7.1	33.4	5.4	5.5
TA ANN HOLDINGS BERHAD	3.58	344.4	4.8	7.0	0.2	0.1	0.9	18.9	11.1	38.8	10.8	14.0
Simple Average			10.2	13.3				15.4	10.6			6.5

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 23 September 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
Indonesia														
TELKOM INDONESIA PERSERO TBK	4,380	28725.1	16.4	15.2	198.0	207.9	6.1	5.7	3.6	20.1	20.2	18017.8	4.1	3.4
PT XL AXIATA TBK	2,500	1775.0	19.6	15.7	4.1	61.3	4.5	4.2	1.3	6.5	7.3	5570.0	2.2	2.0
INDOSAT TBK PT	7,350	3923.3	24.4	33.4	-345.6	-242.4	5.6	5.1	2.1	4.8	6.2	10415.7	1.4	27.2
Simple Average			20.1	21.4			5.4	5.0		10.5	11.2			10.9
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.65	30618.3	17.9	15.2	0.2	0.2	13.4	12.8	1.6	8.6	9.6	11.3	4.3	3.5
STARHUB LTD	1.16	1405.8	18.1	14.1	0.1	0.1	6.9	6.0	5.2	20.2	24.4	5.4	4.7	5.5
Simple Average			18.0	14.7			10.1	9.4		14.4	17.0			4.5
Thailand														
ADVANCED INFO SERVICE PCL	193.0	15274.7	21.1	18.9	10.2	10.8	7.6	7.2	7.0	32.4	34.3	774.1	4.0	4.0
TOTAL ACCESS COMMUNICATION	45	2835.3	32.0	26.9	0.6	2.7	6.1	5.9	5.5	16.6	19.5	150.5	3.3	4.2
Simple Average			26.6	22.9			6.9	6.6		24.5	26.9			4.1
Regional Average			21.4	19.9			7.2	6.7		15.6	17.4			7.1
Malaysia														
MAXIS BHD	3.60	6157.3	22.0	19.5	0.3	0.2	9.5	9.2	4.3	18.9	21.8	19.2	5.3	5.3
AXIATA GROUP BERHAD	2.67	5352.1	19.2	16.2	0.1	0.1	5.2	5.0	1.5	6.8	7.9	10.2	3.8	2.1
DIGI.COM BHD	3.38	5740.3	25.6	21.0	0.2	0.2	10.3	9.4	46.9	163.3	182.2	13.4	4.0	4.0
TELEKOM MALAYSIA BHD	5.70	4715.9	17.1	15.0	0.1	0.3	5.7	5.5	2.7	16.0	16.6	17.4	3.1	2.6
Simple Average			21.0	17.9			7.7	7.3		51.2	57.1			3.5

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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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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