

28 November 2022

By Goh Yin Foo | gohyf@kenanga.com.my

Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Singapore core inflation eases for first time in eight months
- StarHub, Singapore Exchange in steady share buybacks

INDONESIA NEWS HIGHLIGHTS

- Indonesia central bank aims to prevent excessive bond yield rise in 2023- governor
- Nokia and Balitower partner to boost 5G services in Indonesia

THAILAND NEWS HIGHLIGHTS

- Thai central bank to deliver third straight 25bps hike on Nov. 30
- Car output on target despite flooding

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	15,673.0	-0.07%
USD/SGD	1.38	0.07%
USD/THB	35.74	-0.27%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,244.6	-0.85%
FSTFN	1,145.16	-1.73%
FSTCG	424.57	-1.42%
FSTTC	664.0	0.80%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	7,053.2	-0.41%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,620.8	0.21%
SETBANK	381.0	0.43%
SETAGRI	224.4	-2.31%
SETCOMUN	160.1	-2.19%

Singapore's Corporate News

▪ Singapore core inflation eases for first time in eight months

Singapore's key consumer price gauge rose 5.1% in October, slightly less than forecast and marking the first easing in eight months, official data showed on Wednesday, due to smaller rises in prices of utilities, retail, other goods and services. Analysts had said the reduced pace of increase should leave some space for the central bank to refrain from further tightening next year, and to focus more on dealing with the slowing economy. The core inflation rate - the central bank's favoured price measure which excludes private transport and accommodation - rose to 5.1% in October on a year-on-year basis, slower than the 5.3% seen in September. A Reuters poll of economists had forecast a 5.3% increase in October. *(Source: Reuters)*

▪ StarHub, Singapore Exchange in steady share buybacks

Telco StarHub has been steadily buying back shares in the fortnight after the telco reported its 3QFY2022 ended September earnings that drew mixed reactions from the market. The company generated higher revenue of \$590.8m in that period, up 14.2% y-o-y. However, earnings was down 32% y-o-y to \$27.4m as higher costs bite. The most recent buyback was on Nov 21 when StarHub bought back 41,200 shares at \$1.05. This brings the total number of shares bought back under the current mandate to nearly 2.8m shares or 1.6% of the total share base. Before this, StarHub on Nov 15, 16, 17 and 18 acquired a total of 1,185,000 shares at between \$1.04 and \$1.05. *(Source: The Edges Singapore)*

Indonesia's Corporate News

▪ Indonesia central bank aims to prevent excessive bond yield rise in 2023- governor

Indonesia's central bank will aim to ensure the rise in government bond yields in 2023 won't be excessive, hoping that the average 10-year bond yields could be below 7.9%, Governor Perry Warjiyo told a parliamentary hearing on Wednesday. Warjiyo said Bank Indonesia will do this via its "operation twist" - the bank's operation in the bond market where it sells short-dated government bonds to raise their yields and make them more attractive to foreign investors, while buying long-dated bonds to help the government control borrowing costs. *(Source: Reuters)*

▪ Nokia and Balitower partner to boost 5G services in Indonesia

Nokia has announced that Balitower, a leading provider of telecommunication tower and network infrastructure in Indonesia, is extending its relationship with Nokia by using Nokia mobile transport solutions and services to upgrade its operations and network architecture. The company is using Nokia's mobile transport solutions and services to modernize its IP network as part of a three-year nationwide project. The partners say the initiative will allow Balitower to increase network capacity and reliability to deliver expanded 5G services for their customers *(Source: Developing Telecoms)*

Thailand's Corporate News

- **Thai central bank to deliver third straight 25bps hike on Nov. 30**

The Bank of Thailand will raise interest rates by a modest quarter-point on Wednesday for a third straight meeting amid fragile tourism-reliant growth and signs inflation has started to ease, a Reuters poll of economists found. The widely-expected move, which would take the benchmark rate to only 1.3%, constitutes one of the tamest central bank tightening campaigns in the world, underscoring ongoing worries about growth in Southeast Asia's second-largest economy. Thailand's economy has lagged its regional peers and was not expected to return to pre-pandemic levels until early next year as its vital tourism sector, which makes up about 12% of output, has only just started to rebound. *(Source: Reuters)*

- **Car output on target despite flooding**

Flooding affected domestic car sales in October, with volume decreasing in many categories, but the drop will not cause Thailand's car manufacturing to fall short of its 2022 target, says the Federation of Thai Industries (FTI). Car sales managed to increase by 0.24% year-on-year to 64,618 units in October, said Surapong Paisitpatanapong, vice-chairman and spokesman for the FTI's Automotive Industry Club. Looking at the October figures, Mr Surapong said the sales decrease resulted from the floods, especially those upcountry, but in some categories like pickup passenger vehicles, the volume went up by 28.4% from the same period last year. *(Source: Bangkok Post)*

This section is intentionally left blank

28 November 2022

Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 25 November 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	8,975	71129.3	28.9	25.3	207.9	232.1	5.3	18.0	18.7	15748.5	1.7	1.6
BANK RAKYAT INDONESIA PERSER	4,750	46157.7	15.0	13.1	258.1	276.1	2.4	15.8	16.9	20467.6	4.3	3.6
BANK MANDIRI PERSERO TBK PT	10,175	30042.0	12.0	10.7	515.2	586.1	2.2	17.9	18.4	42622.8	4.2	3.6
BANK NEGARA INDONESIA PERSER	9,300	11056.6	10.0	8.4	821.3	836.6	1.3	13.5	14.4	22419.1	2.4	1.6
BANK DANAMON INDONESIA TBK	3,050	1870.4	9.3	8.4	431.6	389.4	0.6	7.5	8.3	5617.0	1.9	1.9
Simple Average			15.0	13.2				14.6	15.3			2.4
Singapore												
DBS GROUP HOLDINGS LTD	34.75	64472.4	11.1	9.0	2.2	2.5	1.6	13.8	15.9	151.6	4.4	4.2
OVERSEA-CHINESE BANKING CORP	12.25	39848.9	9.1	7.9	1.1	1.1	1.1	11.4	12.5	61.3	5.0	4.6
UNITED OVERSEAS BANK LTD	30.25	36721.8	10.9	9.2	2.4	2.6	1.2	11.1	12.4	133.3	4.4	4.0
Simple Average			10.4	8.7				12.1	13.6			4.2
Thailand												
SIAM COMMERCIAL BANK PUB CO	105.5	9875.0	8.9	8.0	12.7	12.9	0.9	8.8	9.3	458.3	4.4	3.9
BANGKOK BANK PUBLIC CO LTD	144.5	7650.9	9.0	7.8	18.9	19.3	0.5	6.0	6.6	530.3	3.7	2.8
KASIKORNBANK PCL	143.5	9463.5	8.0	7.2	16.1	16.2	0.7	8.5	8.9	438.3	3.1	2.3
KRUNG THAI BANK PUB CO LTD	17.6	6831.5	7.8	7.2	2.1	2.1	0.7	8.5	8.4	73.6	4.2	2.4
BANK OF AYUDHYA PCL	30.8	6369.2	7.9	7.2	3.4	4.3	0.7	8.9	9.1	95.0	3.1	2.7
Simple Average			8.3	7.5				8.2	8.5			2.8
Regional Average			11.4	9.9				11.5	12.3			3.0
Malaysia												
MALAYAN BANKING BHD	8.67	23330.6	12.4	10.7	0.7	0.7	1.2	9.5	10.7	56.1	6.5	6.7
CIMB GROUP HOLDINGS BHD	5.80	13809.0	11.2	9.3	0.5	0.5	1.0	8.7	9.9	26.3	4.5	4.4
PUBLIC BANK BERHAD	4.52	19586.2	14.9	12.5	0.3	0.3	1.8	11.8	13.4	16.1	3.6	3.5
HONG LEONG BANK BERHAD	20.84	10084.9	11.4	10.5	1.2	1.3	1.4	11.7	11.7	66.4	3.2	2.6
AMMB HOLDINGS BHD	4.03	2979.4	8.3	7.7	0.4	0.5	0.8	9.3	9.3	15.9	3.9	1.2
RHB BANK BHD	5.69	5395.1	9.0	7.4	0.6	0.6	0.9	9.0	10.6	33.8	5.9	7.0
ALLIANCE BANK MALAYSIA BHD	3.80	1313.3	8.6	8.0	0.3	0.4	0.9	10.3	10.5	20.6	5.4	4.9
Simple Average			10.8	9.4				10.0	10.9			4.3

28 November 2022

Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 25 November 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	8,375	1015.7	9.4	8.8	832.7	317.6	0.8	7.9	7.7	48060.0	5.8	5.3
PP LONDON SUMATRA INDONES PT	1,085	468.5	6.9	7.4	82.9	36.8	0.7	9.0	8.1	4350.0	4.0	4.7
SAMPOERNA AGRO TBK PT	2,150	247.4	N.A.	N.A.	109.3	66.0	0.8	N.A.	N.A.	N.A.	N.A.	10.5
EAGLE HIGH PLANTATIONS TBK P	68	138.3	N.A.	N.A.	N.A.	N.A.	1.1	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	145	23.0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			8.2	8.1				8.4	7.9			6.9
Singapore												
WILMAR INTERNATIONAL LTD	4.05	18264.1	8.4	9.5	0.2	0.2	0.9	11.1	9.0	13.1	4.5	4.1
GOLDEN AGRI-RESOURCES LTD	0.29	2624.4	3.3	6.7	0.0	0.0	0.5	20.3	7.0	2.3	11.1	5.6
OLAM INTERNATIONAL LTD	1.39	3819.0	N.A.	N.A.	0.1	0.1	0.8	N.A.	N.A.	N.A.	N.A.	6.2
Simple Average			5.9	8.1				15.7	8.0			5.3
Regional Average			7.0	8.1				12.1	8.0			6.1
Malaysia												
SIME DARBY PLANTATION BHD	4.33	6684.9	12.8	16.2	0.1	0.1	1.6	14.9	11.2	19.6	4.5	5.2
IOI CORP BHD	3.98	5515.7	17.2	19.0	0.2	0.1	2.3	13.2	11.3	12.1	3.0	3.5
KUALA LUMPUR KEPONG BHD	21.06	5068.9	12.7	14.9	0.9	0.6	1.6	12.4	10.1	77.9	3.7	4.7
GENTING PLANTATIONS BHD	6.16	1233.8	10.2	13.6	0.3	0.2	1.0	10.3	7.0	32.7	5.3	5.5
TA ANN HOLDINGS BERHAD	3.72	365.8	5.0	7.3	0.2	0.1	0.9	18.7	10.8	39.0	10.5	13.4
Simple Average			11.6	14.2				13.9	10.1			6.5

28 November 2022

Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 25 November 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	4,030	25193.8	15.8	14.3	198.0	207.9	5.7	5.4	3.2	19.7	20.4	16379.9	4.1	3.7
PT XL AXIATA TBK	2,210	1507.0	18.1	14.1	4.1	61.3	4.4	4.1	1.1	6.5	7.3	5587.9	2.5	2.3
INDOSAT TBK PT	6,050	3050.2	14.6	25.9	-345.6	-242.4	5.1	4.6	1.8	14.0	7.8	16733.5	2.8	33.6
Simple Average			16.1	18.1			5.0	4.7		13.4	11.8			13.2
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.70	32475.8	19.2	16.3	0.2	0.2	13.5	12.8	1.6	8.2	9.4	13.2	4.9	4.4
STARHUB LTD	1.07	1330.3	15.8	13.4	0.1	0.1	6.5	5.9	4.8	21.3	23.8	5.3	5.0	6.0
Simple Average			17.5	14.9			10.0	9.3		14.8	16.6			5.2
Thailand														
ADVANCED INFO SERVICE PCL	188.5	15659.4	21.2	19.1	10.2	10.8	7.6	7.2	7.2	31.5	33.3	749.6	4.0	4.1
TOTAL ACCESS COMMUNICATION	41.75	2761.2	33.5	28.8	0.6	2.7	5.8	5.6	5.5	14.5	17.7	146.1	3.5	4.6
Simple Average			27.3	23.9			6.7	6.4		23.0	25.5			4.3
Regional Average			19.7	18.8			6.9	6.5		16.5	17.1			8.4
Malaysia														
MAXIS BHD	3.97	6939.5	24.4	21.6	0.3	0.2	10.2	10.0	4.8	19.2	22.4	19.8	5.0	4.8
AXIATA GROUP BERHAD	3.03	6207.5	23.9	18.6	0.1	0.1	5.7	5.5	1.7	6.7	7.7	10.3	3.4	1.8
DIGI.COM BHD	3.98	6908.0	30.4	25.5	0.2	0.2	11.9	11.0	51.0	163.3	187.1	12.9	3.2	3.3
TELEKOM MALAYSIA BHD	5.54	4725.6	15.9	14.4	0.1	0.3	5.4	5.4	2.7	16.5	16.6	18.0	3.2	2.7
Simple Average			23.6	20.0			8.3	8.0		51.4	58.4			3.1

28 November 2022

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 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

