

30 January 2023

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- Digital red packets proving popular during CNY; SGD5.0m topped up in DBS QR gift cards over 2 days
- StarHub steps up network business with new multi-cloud architecture

INDONESIA NEWS HIGHLIGHTS

- BRI projects drop in credit growth, net interest margins
- Telkomsel-Indihome coordinate over fixed broadband services transfer

THAILAND NEWS HIGHLIGHTS

- Thailand raises key rate to 1.5%, signals more tightening
- Thailand car production rises 2.8% y/y in Dec, but sales drop

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,986.0	-0.59%
USD/SGD	1.31	-0.43%
USD/THB	32.80	0.33%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,394.2	3.05%
FSTFN	1,182.57	3.20%
FSTCG	449.32	0.95%
FSTTC	633.1	3.93%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,899.0	0.35%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,681.3	0.24%
SETBANK	399.3	2.75%
SETAGRI	251.9	5.05%
SETCOMUN	169.6	0.52%

Singapore's Corporate News

- **Digital red packets proving popular during CNY; SGD5.0m topped up in DBS QR gift cards over 2 days**

Latest figures from local banks indicate a rise in e-gifting solutions, with some banks seeing customer adoption hitting a record high over the Chinese New Year period. For example, DBS Bank saw 30.0% more unique users of its QR gift cards compared with 2022. These physical cards come with QR codes printed on them, which recipients scan to receive a pre-loaded amount. DBS said the total amount loaded in its QR gift cards is up 40.0% from 2022 over the festive period, with about SGD5.0m loaded onto the cards on the eve and first day of Chinese New Year in 2023. *(Source: The Straits Times)*

- **StarHub steps up network business with new multi-cloud architecture**

StarHub has kickstarted its journey to boost the delivery, scalability, and performance of its services while reducing operating costs by deploying its new low-latency multi-cloud architecture network design. Dubbed Cloud Infinity, the network design aims to enable the telco to improve customer experiences, launch new services quicker, and deploy more data security measures. According to StarHub, Cloud Infinity is uniquely conceptualised by the provider and is the first of its kind in the world. Crucially, it is intended to address challenges and new business opportunities using cloud-native simplified architecture, operating and delivery models. *(Source: Channel Asia)*

Indonesia's Corporate News

- **BRI projects drop in credit growth, net interest margins**

Bank Rakyat Indonesia (BRI) expects lower credit growth in the banking industry this year and a drop in net interest margins amid a possible global recession. The state-owned lender estimates credit growth in the range of 6.4 to 7.7%, down from 8.9 to 11.1% in 2022, while it sees net interest margins around 6 percent, lower than the 7.7 to 7.9% expected for 2022. The bank expects inflation to ease somewhat, with the consumer price index (CPI) seen to rise between 3.6 to 3.9%, down from the 5.5% annual increase seen in 2022. *(Source: The Jakarta Post)*

- **Telkomsel-Indihome coordinate over fixed broadband services transfer**

Cellular operator Telkomsel, state-owned telecommunication giant PT Telekomunikasi Indonesia's (Telkom's) subsidiary, revealed that it continues to coordinate with its holding company and Indihome regarding the plan to transfer fixed broadband services from Indihome to Telkomsel. "Currently, Telkomsel is intensively coordinating with Indihome and Telkom Group as the holding company," Telkomsel's Corporate Communications Vice President, stated here on Thursday (Jan 26) evening. The transfer of services is planned to be conducted, so that the Telkom Group can present the Fixed Mobile Convergence (FMC). *(Source: ANTARA News)*

Thailand's Corporate News

- **Thailand raises key rate to 1.5%, signals more tightening**

Thailand delivered its fourth straight interest-rate increase and signaled sustained monetary tightening ahead to ward off lingering price pressures as the economic recovery gathers pace from a tourism rebound. The Bank of Thailand's monetary policy committee voted unanimously to raise the one-day repurchase rate by 25 basis points to 1.50% on Wednesday (Jan 25). Output is already back to pre-pandemic levels, Assistant Governor said at a briefing. *(Source: Bloomberg)*

- **Thailand car production rises 2.8% y/y in Dec, but sales drop**

Car production in Thailand rose 2.8% in December from a year earlier to 158,606 units, after a 15.0% rise in the previous month, the Federation of Thai Industries (FTI) said on Tuesday (Jan 24). In 2022, car production increased 11.7% to 1.9m vehicles, a spokesperson for FTI's automotive industry division, told a news conference. In December, car exports rose 10.2% from a year earlier to 111,605 vehicles, he said. *(Source: Reuters)*

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 27 January 2023	Market Cap (USDm)	CY22 P/E (x)	CY23 P/E (x)	Current EPS	CY22 EPS	PBV (x)	CY22 ROE	CY23 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
BANK CENTRAL ASIA TBK PT	8,700	71623.7	24.0	21.8	207.9	232.1	4.9	18.9	18.8	18515.9	2.1	1.8
BANK RAKYAT INDONESIA PERSER	4,640	46963.7	14.2	12.6	258.1	276.1	2.4	16.3	17.1	21543.9	4.6	1.2
BANK MANDIRI PERSERO TBK PT	10,025	31243.0	11.8	10.5	515.2	586.1	2.2	18.4	18.7	50922.0	5.1	3.6
BANK NEGARA INDONESIA PERSER	9,550	11893.6	8.4	7.4	821.3	836.6	1.3	14.9	15.3	31701.3	3.3	1.5
BANK DANAMON INDONESIA TBK	2,710	1768.8	8.3	7.4	431.6	389.4	0.6	7.1	8.2	5617.0	2.1	2.1
Simple Average			13.3	11.9				15.1	15.6			2.0
Singapore												
DBS GROUP HOLDINGS LTD	35.97	70511.5	11.5	9.4	2.2	2.5	1.7	13.9	16.0	153.4	4.3	4.0
OVERSEA-CHINESE BANKING CORP	13.00	44502.2	9.6	8.3	1.1	1.1	1.2	11.6	12.7	62.9	4.8	4.3
UNITED OVERSEAS BANK LTD	30.19	38507.5	10.9	9.2	2.4	2.6	1.2	11.1	12.5	134.9	4.5	4.0
Simple Average			10.7	9.0				12.2	13.7			4.1
Thailand												
SIAM COMMERCIAL BANK PUB CO	108.5	11127.3	8.2	7.6	12.7	12.9	0.8	9.3	9.6	495.7	4.6	3.8
BANGKOK BANK PUBLIC CO LTD	162.5	9447.7	8.5	7.8	18.9	19.3	0.6	6.9	7.1	601.8	3.7	2.5
KASIKORNBANK PCL	147.5	10644.4	7.9	7.1	16.1	16.2	0.7	8.5	8.8	480.8	3.3	2.2
KRUNG THAI BANK PUB CO LTD	17.9	7619.7	7.1	6.9	2.1	2.1	0.7	8.9	8.9	82.4	4.6	2.3
BANK OF AYUDHYA PCL	32.3	7225.4	7.1	6.9	3.4	4.3	N.A.	9.1	9.2	107.0	3.3	2.6
Simple Average			7.8	7.3				8.5	8.7			2.7
Regional Average			10.6	9.4				11.9	12.5			2.8
Malaysia												
MALAYAN BANKING BHD	8.74	24841.6	12.4	10.7	0.7	0.7	1.2	9.5	10.8	55.8	6.4	6.6
CIMB GROUP HOLDINGS BHD	5.74	14434.7	11.0	9.4	0.5	0.5	0.9	8.7	9.9	26.6	4.6	4.5
PUBLIC BANK BERHAD	4.25	19451.9	13.8	11.9	0.3	0.3	1.7	12.1	13.3	16.4	3.9	4.6
HONG LEONG BANK BERHAD	20.80	10631.6	11.2	10.5	1.2	1.3	1.4	11.9	11.8	67.3	3.2	2.6
AMMB HOLDINGS BHD	4.11	3207.2	8.1	7.7	0.4	0.5	0.8	9.4	9.4	16.1	3.9	2.9
RHB BANK BHD	5.73	5738.6	8.9	7.5	0.6	0.6	0.9	9.3	10.5	33.1	5.8	7.0
ALLIANCE BANK MALAYSIA BHD	3.60	1314.1	8.1	7.6	0.3	0.4	0.9	10.4	10.5	20.7	5.8	6.2
Simple Average			10.5	9.3				10.2	10.9			4.9

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 27 January 2023	Market Cap (USDm)	CY22 P/E (x)	CY23 P/E (x)	Current EPS	CY22 EPS	PBV (x)	CY22 ROE	CY23 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
ASTRA AGRO LESTARI TBK PT	8,175	1050.8	9.1	8.4	832.7	317.6	0.7	8.0	7.7	41128.7	5.0	5.4
PP LONDON SUMATRA INDONES PT	1,060	483.0	7.4	8.0	82.9	36.8	0.7	9.0	7.8	5446.5	5.1	4.8
SAMPOERNA AGRO TBK PT	2,130	258.7	N.A.	N.A.	109.3	66.0	0.8	N.A.	N.A.	N.A.	N.A.	10.6
EAGLE HIGH PLANTATIONS TBK P	67	141.1	N.A.	N.A.	N.A.	N.A.	1.1	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	126	21.0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			8.3	8.2				8.5	7.8			6.9
Singapore												
WILMAR INTERNATIONAL LTD	4.10	19494.6	9.0	10.2	0.2	0.2	1.0	11.0	9.0	14.1	4.5	4.0
GOLDEN AGRI-RESOURCES LTD	0.25	2414.8	3.2	6.1	0.0	0.0	0.5	18.7	7.0	2.3	12.1	6.4
OLAM INTERNATIONAL LTD	1.60	4677.0	N.A.	N.A.	0.1	0.1	1.0	N.A.	N.A.	N.A.	N.A.	5.3
Simple Average			6.1	8.2				14.8	8.0			5.2
Regional Average			7.2	8.2				11.7	7.9			6.1
Malaysia												
SIME DARBY PLANTATION BHD	4.28	6979.3	13.1	16.7	0.1	0.1	1.6	13.8	10.3	19.3	4.5	5.2
IOI CORP BHD	3.89	5694.2	16.0	19.3	0.2	0.1	2.3	13.5	10.7	12.5	3.2	3.6
KUALA LUMPUR KEPONG BHD	21.78	5537.0	14.0	16.5	0.9	0.6	1.6	12.0	9.9	79.9	3.7	4.6
GENTING PLANTATIONS BHD	6.05	1279.9	10.1	13.7	0.3	0.2	1.0	10.0	7.1	31.0	5.1	5.6
TA ANN HOLDINGS BERHAD	3.50	363.5	4.5	7.6	0.2	0.1	0.9	19.8	11.0	43.3	12.4	11.4
Simple Average			11.6	14.7				13.8	9.8			6.1

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 27 January 2023	Market Cap (USDm)	CY22 P/E (x)	CY23 P/E (x)	Current EPS	CY23 EPS	CY22 EV/EBITDA	CY23 EV/EBITDA	PBV (x)	CY22 ROE	CY23 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia														
TELKOM INDONESIA PERSERO TBK	3,960	26197.8	15.8	14.2	198.0	207.9	5.6	5.3	3.2	19.5	20.5	16515.7	4.2	3.8
PT XL AXIATA TBK	2,290	2007.8	19.4	14.5	4.1	61.3	4.8	4.5	1.2	6.3	7.4	5313.5	2.3	2.2
INDOSAT TBK PT	6,000	3230.7	13.2	23.3	632.5	270.6	5.1	4.6	1.8	23.8	8.7	24803.0	4.1	4.1
Simple Average			16.2	17.3			5.2	4.8		16.5	12.2			3.4
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.55	32055.5	18.1	15.5	0.2	0.2	12.8	12.3	1.5	8.2	9.3	13.2	5.2	4.7
STARHUB LTD	1.06	1395.8	16.3	14.3	0.1	0.1	6.6	6.1	4.8	21.3	23.3	5.3	5.0	6.0
Simple Average			17.2	14.9			9.7	9.2		14.8	16.3			5.4
Thailand														
ADVANCED INFO SERVICE PCL	200.0	18117.7	22.8	20.5	10.2	10.8	8.0	7.6	7.6	31.1	32.5	729.6	3.6	3.8
TOTAL ACCESS COMMUNICATION	49.5	3569.9	41.7	35.0	0.6	2.7	6.4	6.3	6.6	13.9	17.7	139.2	2.8	3.8
Simple Average			32.2	27.8			7.2	6.9		22.5	25.1			3.8
Regional Average			21.0	19.6			7.1	6.7		17.7	17.1			4.1
Malaysia														
MAXIS BHD	3.99	7366.7	24.5	21.6	0.3	0.2	10.3	10.0	4.8	19.1	22.1	20.0	5.0	5.0
AXIATA GROUP BERHAD	3.05	6600.0	23.1	18.5	0.1	0.1	5.6	5.7	1.7	6.9	7.6	10.8	3.5	4.8
DIGI.COM BHD	4.27	11811.7	31.6	26.5	0.2	0.2	18.1	15.1	54.7	153.7	163.8	13.1	3.1	3.0
TELEKOM MALAYSIA BHD	5.21	4694.0	15.2	14.0	0.1	0.3	5.2	5.2	2.5	16.0	16.1	17.8	3.4	2.9
Simple Average			23.6	20.1			9.8	9.0		48.9	52.4			3.9

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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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