

13 March 2023

By Teh Kian Yeong | tehy@kenanga.com.my, Jack Lai Yuan Khai | jacklai@kenanga.com.my

Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- SGX CEO sees growing collaborations with China after reopening
- Inflation gives central banks a challenge to ease rate hikes

INDONESIA NEWS HIGHLIGHTS

- State-Owned Bank BNI Readies Financing Program for EVs
- Martabe gold mine operator aims to rehabilitate 4.7ha of land

THAILAND NEWS HIGHLIGHTS

- Thaicom mulls satellite-to-cellular service
- Mobile banking security rules toughened

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	15,450.0	0.98%
USD/SGD	1.35	0.37%
USD/THB	35.07	1.05%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,177.4	-1.69%
FSTFN	1,110.77	-1.38%
FSTCG	432.97	-0.60%
FSTTC	589.7	-0.67%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,765.3	-0.71%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,599.7	-0.45%
SETBANK	377.9	-1.10%
SETAGRI	238.0	-3.03%
SETCOMUN	167.0	0.10%

Singapore's Corporate News

- **SGX CEO sees growing collaborations with China after reopening**

China's reopening will help grow more opportunities for ETFs and other financial services for Singapore Exchange, the bourse's CEO said. At the CGS China-ASEAN Business Leaders Summit 2023, SGX's Group CEO said the further opening up of China's bond markets to international investors will create more room for collaboration between SGX and China. Currently, he said the bourse has 15% Greater China bond issuers. Amongst these partnerships, the CEO said there could be an increasing demand from investors to have opportunities in China's onshore bond markets. "We believe there are many more opportunities for SGX to play an active role in the internationalisation of China's bond markets, especially as China increases its pace in green finance," he said. *(Singapore Business Review)*

- **Inflation gives central banks a challenge to ease rate hikes**

The head of the Monetary Authority of Singapore (MAS) revealed that despite the news that the global headline inflation peaked at 5.6% in the fourth quarter of 2022 (Q42022), central banks are facing the challenge of securing a return without harming economic growth or financial stability. In his speech during the IMAS-Bloomberg Investment Coverage, MAS' Managing Director said that financial institutions such as the US Federal Reserves, the European Central Bank, and the Bank of England shifted their tightening to a more moderate pace. However, with inflation still well above targets, some market participants expected the cycle "will end soon," and central banks are "excessively optimistic" while easing their rate hikes. *(Singapore Business Review)*



Indonesia's Corporate News

▪ State-Owned Bank BNI Readies Financing Program for EVs

State-owned bank BNI recently announced that it had prepared a special financing scheme for people who wish to own electric vehicles or EVs. The Indonesian government is currently working on an EV ecosystem in a bid to reach net zero emissions by 2060 or sooner. Early this week, the government announced that it would provide Rp7m (around \$451k) in incentives for the purchase of new electric motorbikes. The Financial Services Authority (OJK) has also rolled out a number of incentives for the banking sector for EV purchases, as well as the upstream industry players. (*The Jakarta Globe*)

▪ Martabe gold mine operator aims to rehabilitate 4.7ha of land

The operator of the Martabe gold mine in Batang Toru district in South Tapanuli, North Sumatra, aims to rehabilitate 4.7 hectares of mining sites this year. Workers of PT Agincourt Resources, which manages the mine, have begun scattering seed balls, small bundles of seeds, clay and soil or compost, to reforest the mining sites. The company's environmental rehabilitation supervisor said that the seed balls, which are 20 to 30 centimeters in diameter, contained seeds of fast-growing plants. "The success rate of this method is about 80 percent," he told *The Jakarta Post*. (*The Jakarta Post*)

Thailand's Corporate News

▪ Thaicom mulls satellite-to-cellular service

SET-listed satellite operator Thaicom is eager to explore the potential of satellite-to-mobile phone service in Thailand through its partnership with satellite provider Globalstar, aiming to capitalise on this emerging trend. Its chief executive said Thaicom is monitoring the satellite-to-cellular trend in its efforts to explore new business opportunities in Thailand and Asean. He said he believes the trend is a game changer and could be a threat to mobile phone networks that rely on terrestrial connection. Global mobile phone vendors are capturing this trend. Currently, iPhone 14 users can utilise its Emergency SOS feature via satellite-to-text emergency services when they are out of cellular and WiFi coverage. (*The Bangkok Post*)

▪ Mobile banking security rules toughened

Biometric scans will be required for high-value mobile banking transactions as part of measures to protect consumers from cyber-risks, according to the Bank of Thailand. Banks must adopt the measures by June, the central bank said on Thursday. Biometric technology such as facial scans is already required for deposit account opening on mobile banking apps. Under the new measures, a facial scan is needed for: digital money transfers of more than 50,000 baht per transaction; transfers of more than 200,000 baht per day; and to change credit transfer amounts of more than 50,000 baht per transaction. The Bank of Thailand's governor said the central bank chose 50,000 baht and higher because the amount is a frequent target of fraudsters. (*The Bangkok Post*)



13 March 2023

Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 10 Mar 23	Market Cap (USDm)	CY22 P/E (x)	CY23 P/E (x)	Current EPS	CY23 EPS	PBV (x)	CY22 ROE	CY23 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
BANK CENTRAL ASIA TBK PT	8,450	68383.6	22.8	20.6	316.0	374.3	4.8	19.6	19.5	19286.1	2.3	1.8
BANK RAKYAT INDONESIA PERSER	4,820	47140.3	12.5	11.1	325.4	383.8	2.4	18.3	19.2	27737.3	5.8	1.2
BANK MANDIRI PERSERO TBK PT	10,375	31277.1	10.3	9.4	847.2	995.2	2.1	19.1	19.4	54520.2	5.3	3.5
BANK NEGARA INDONESIA PERSER	9,025	10921.3	7.8	6.9	945.0	1155.9	1.2	15.0	15.3	31608.2	3.5	1.6
BANK DANAMON INDONESIA TBK	2,800	1755.3	7.4	6.7	325.2	375.2	0.6	8.2	8.7	11360.0	4.1	2.0
Simple Average			12.1	11.0				16.0	16.4			2.0
Singapore												
DBS GROUP HOLDINGS LTD	33.18	63303.4	8.7	8.4	3.1	3.8	1.5	16.8	16.3	180.8	5.5	4.4
OVERSEA-CHINESE BANKING CORP	12.37	40951.1	8.0	7.7	1.4	1.5	1.0	12.5	12.4	76.6	6.3	4.6
UNITED OVERSEAS BANK LTD	28.68	35586.2	8.5	8.0	2.8	3.3	1.2	12.9	13.0	160.7	5.6	4.2
Simple Average			8.4	8.1				14.1	13.9			4.4
Thailand												
SCB X PCL	102.5	9811.7	7.6	7.0	11.9	13.2	0.7	9.4	9.7	499.4	4.9	4.1
BANGKOK BANK PUBLIC CO LTD	158.0	8661.7	8.1	7.4	16.1	19.4	0.6	7.1	7.3	602.0	3.8	2.6
KASIKORNBANK PCL	136.0	9068.1	7.3	6.5	17.9	18.2	0.6	8.1	8.7	479.2	3.6	2.5
KRUNG THAI BANK PUB CO LTD	17.0	6848.4	6.6	6.4	2.4	2.5	0.6	9.0	9.0	82.9	4.9	2.5
BANK OF AYUDHYA PCL	29.5	6185.1	6.6	6.3	4.1	4.4	0.6	8.8	8.9	106.5	3.7	2.9
Simple Average			7.2	6.7				8.5	8.7			2.9
Regional Average			9.4	8.7				12.7	12.9			2.9
Malaysia												
MALAYAN BANKING BHD	8.70	22733.5	10.7	10.2	0.7	0.8	1.2	10.7	10.9	61.6	7.3	6.9
CIMB GROUP HOLDINGS BHD	5.43	12758.6	8.6	7.9	0.5	0.6	0.9	10.1	10.3	32.6	6.1	4.9
PUBLIC BANK BERHAD	4.07	17372.4	11.2	10.8	0.3	0.4	1.6	13.3	13.0	18.2	4.5	4.2
HONG LEONG BANK BERHAD	20.40	9860.1	10.9	10.2	1.6	1.9	1.3	12.1	11.9	67.2	3.3	2.7
AMMB HOLDINGS BHD	3.87	2863.9	7.6	7.2	0.4	0.5	0.7	9.6	9.6	16.4	4.2	3.1
RHB BANK BHD	5.65	5337.1	7.4	6.9	0.6	0.8	0.8	10.7	10.9	43.4	7.7	7.1
ALLIANCE BANK MALAYSIA BHD	3.46	1188.6	7.7	7.4	0.4	0.4	0.8	10.4	10.4	20.8	6.0	6.5
Simple Average			9.2	8.6				11.0	11.0			5.0

13 March 2023

Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 10 Mar 23	Market Cap (USDm)	CY22 P/E (x)	CY23 P/E (x)	Current EPS	CY23 EPS	PBV (x)	CY22 ROE	CY23 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
ASTRA AGRO LESTARI TBK PT	8,100	1011.3	9.2	9.2	832.7	317.6	0.7	7.4	7.1	35901.2	4.4	5.5
PP LONDON SUMATRA INDONES PT	1,020	452.8	7.6	7.8	82.9	36.8	0.6	8.0	7.3	5310.8	5.2	5.0
SAMPOERNA AGRO TBK PT	2,120	248.5	N.M.	N.M.	109.3	66.0	0.8	N.M.	N.M.	N.M.	N.M.	10.7
EAGLE HIGH PLANTATIONS TBK P	62	129.2	N.M.	N.M.	N.M.	N.M.	1.0	N.M.	N.M.	N.M.	N.M.	N.M.
BAKRIE SUMATERA PLANTATIO PT	118	19.5	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Simple Average			8.4	8.5				7.7	7.2			7.1
Singapore												
WILMAR INTERNATIONAL LTD	3.94	18400.1	9.6	8.9	0.2	0.2	0.9	9.4	9.4	13.2	4.5	4.2
GOLDEN AGRI-RESOURCES LTD	0.29	2548.6	6.5	7.2	0.0	0.0	0.5	11.1	7.1	1.0	5.0	5.9
OLAM GROUP LTD	1.65	4599.0	N.M.	N.M.	0.1	0.1	0.9	N.M.	N.M.	N.M.	N.M.	5.3
Simple Average			8.1	8.0				10.2	8.2			5.1
Regional Average			8.2	8.3				9.0	7.7			6.1
Malaysia												
SIME DARBY PLANTATION BHD	4.25	6544.5	16.6	17.6	0.1	0.1	1.6	10.1	9.5	14.8	3.5	5.3
IOI CORP BHD	3.80	5278.3	15.4	18.5	0.2	0.1	2.1	13.8	10.8	13.2	3.5	3.7
KUALA LUMPUR KEPONG BHD	20.70	5011.3	13.1	15.3	0.9	0.6	1.6	12.2	10.1	78.9	3.8	4.8
GENTING PLANTATIONS BHD	5.96	1195.5	13.4	14.1	0.3	0.2	1.0	7.0	6.8	25.9	4.3	5.7
TA ANN HOLDINGS BERHAD	3.26	316.5	7.5	8.2	0.2	0.1	0.8	10.0	9.9	23.4	7.3	12.4
Simple Average			13.2	14.7				10.6	9.4			6.4

13 March 2023

Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 10 Mar 23	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	4,010	26106.3	16.1	14.5	251.5	207.9	5.8	5.4	3.2	19.4	20.3	16631.9	4.1	3.7
PERSERO TBK	2,070	1751.3	14.9	13.1	4.1	61.3	4.3	4.0	1.0	6.1	7.1	5698.7	2.8	2.5
PT XL AXIATA TBK	7,000	3659.4	22.2	16.1	632.5	270.6	4.8	4.5	2.0	9.0	10.2	12740.5	1.8	3.6
Simple Average			17.8	14.6			5.0	4.7		11.5	12.6			3.2
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.36	29114.1	17.4	14.9	0.2	0.2	12.3	11.7	1.4	7.9	9.0	13.1	5.5	5.0
STARHUB LTD	1.03	1325.4	15.4	12.9	0.1	0.1	6.1	5.5	5.4	22.6	25.5	5.4	5.2	6.2
Simple Average			16.4	13.9			9.2	8.6		15.2	17.3			5.6
Thailand														
ADVANCED INFO SERVICE PCL	209.0	18109.7	21.6	19.7	10.2	10.8	7.9	7.5	7.3	32.6	34.0	816.5	3.9	3.7
TOTAL ACCESS COMMUNICATION	52.25	N.M.	N.M.	N.M.	0.6	2.7	N.M.	N.M.	N.M.	17.0	20.3	163.3	N.M.	N.M.
Simple Average			21.6	19.7			7.9	7.5		24.8	27.2			3.7
Regional Average			17.9	15.2			6.9	6.4		16.4	18.1			4.1
Malaysia														
MAXIS BHD	3.93	6815.7	21.7	20.7	0.3	0.2	9.9	9.7	4.8	21.8	22.8	19.4	5.0	5.4
AXIATA GROUP BERHAD	3.10	6226.7	21.9	18.7	0.1	0.1	5.8	5.5	1.2	5.3	6.2	11.6	3.8	4.8
DIGI.COM BHD	4.17	10709.0	26.1	23.6	0.2	0.2	10.0	9.8	N.M.	12.0	52.5	14.8	3.6	3.0
TELEKOM MALAYSIA BHD	4.96	4188.4	13.9	13.4	0.1	0.3	4.8	4.8	2.4	15.8	14.7	18.1	3.7	3.1
Simple Average			20.9	19.1			7.6	7.5		13.7	24.1			4.0

13 March 2023

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