

07 October 2019

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Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- CapitaLand Mall Trust snags maiden SGD200.0m green loan from OCBC
- DBS working with taxman to offer Giro option for stamp duty payments from November

INDONESIA NEWS HIGHLIGHTS

- Indonesia central bank paves way for derivative clearing houses to reduce risks
- Pegadaian to invest IDR500.0b in fintech firms this year

THAILAND NEWS HIGHLIGHTS

- Thailand's Kasikornbank to give Shopee e-commerce merchants loans
- Thai Bank Is Open to Merger as It Grows Wealth Business

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,138.0	-0.25%
USD/SGD	1.38	-0.22%
USD/THB	30.45	-0.62%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,078.4	-1.51%
FSTFN	984.14	-1.34%
FSTCG	467.13	-2.58%
FSTTC	776.4	-0.69%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,061.3	-2.19%
JAKFIN	1,219.2	-2.92%
JAKAGRI	1,348.7	-0.52%
JAKINFR	1,202.7	-2.31%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,606.0	-2.30%
SETBANK	440.0	-4.67%
SETAGRI	172.3	-2.29%
SETCOMUN	174.3	-0.61%

Singapore's Corporate News

- **CapitaLand Mall Trust snags maiden SGD200.0m green loan from OCBC**

CapitaLand Mall Trust (CMT) has secured a SGD200.0m, five-year green loan from OCBC Bank, its manager announced on Tuesday (Oct 1). This mark's CMT's first foray into green financing where all proceeds will be used to finance or refinance properties within its portfolio that have achieved the BCA Green Mark certification. In support of the BCA's Green Building Masterplan, CMT is committed to achieving BCA Green Mark certification for all its operational properties by 2020. (Source: *The Straits Times*)

- **DBS working with taxman to offer Giro option for stamp duty payments from November**

The Inland Revenue Authority of Singapore (Iras) collected SGD4.6b from stamp duties - a tax levied on property transactions - in fiscal 2019 for the year ended March 31, 2019, but with most taxpayers paying for their stamp duties using cheques. DBS on Tuesday (Oct 1) said it will work with the taxman to smoothen the payments process by taking the process digital. From November, taxpayers will be able to set a Giro account online to make payments for their stamp duty. With that, they will be able to receive a stamp certificate through Iras' e-Stamping Portal instantly. (Source: *The Straits Times*)

Indonesia's Corporate News

- **Indonesia central bank paves way for derivative clearing houses to reduce risks**

Bank Indonesia has issued new rules which will allow companies and investors to set up clearing houses for interest rate and foreign exchange derivative transactions, to reduce the risk of default and improve market liquidity, officials said. The move is in response to a G20 resolution to control derivative risks after the 2008 global financial crisis, said Agusman, the executive director of the financial market deepening department at BI. In recent years, BI has been stepping up efforts to broaden and deepen financial markets in Southeast Asia's biggest economy, saying it could make the rupiah currency less volatile to global market moves and improve monetary policy transmission. (Source: *Reuters*)

- **Pegadaian to invest IDR500.0b in fintech firms this year**

State-owned pawnshop PT Pegadaian has set aside IDR500.0b (USD35.3m) from its own funds to invest in a number of local financial technology (fintech) companies this year. President director Kuswiyoto said in Jakarta on Monday that the funds would be invested in five fintech firms. "Hopefully we can start to inject them by the fourth quarter of this year," he told reporters in Jakarta. The fintech firms that the company was eyeing included a peer-to-peer lending firm, he said. "We want to invest in startups that provide loans because it is in line with our business," he said. However, Kuswiyoto refused to go into more detail as he said it was still being evaluated. (Source: *The Jakarta Post*)

Thailand's Corporate News

- **Thailand's Kasikornbank to give Shopee e-commerce merchants loans**

Thailand's second-largest lender, Kasirkonbank Plc (Kbank) will start giving digital loans to sellers on Sea Ltd's e-commerce business Shopee, in the bank's latest digital partnership. The tie-up will give online sellers access to loans of up to THB600,000 (USD19,570) and also offer advice and training, Kbank President, Patchara Samalapa, with sellers being able to obtain loans without submitting physical documents. "We will serve online sellers who want to equip themselves and expand their business," he said. Thai bank earnings have been under pressure from a digital transaction fee waiver last year and slowing loan growth. (Source: Reuters)

- **Thai Bank Is Open to Merger as It Grows Wealth Business**

Kiatnakin Bank Plc, one of Thailand's smallest publicly traded lenders, is open to a merger as competition from other banks and technology firms intensifies. The bank plans to expand its wealth management business, while being more cautious with automobile loans, one of its biggest lending areas, President Philip Chen Chong Tan said in an interview on Monday. Thailand's aging population has boosted demand from senior executives and retirees to manage their wealth, he said. (Source: Bloomberg)

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 4 October 2019	Market Cap (USDm)	CY19 P/E (x)	CY20 P/E (x)	Current EPS	CY19 EPS	PBV (x)	CY19 ROE	CY20 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
BANK CENTRAL ASIA TBK PT	30,225	52720.0	25.7	22.7	1039.6	1175.5	4.7	17.8	17.6	33956.5	1.1	1.1
BANK RAKYAT INDONESIA PERSER	3,950	34468.8	13.7	11.9	263.7	289.1	2.6	18.5	19.0	12692.4	3.2	3.3
BANK MANDIRI PERSERO TBK PT	6,400	21129.6	10.8	9.6	515.3	591.5	1.6	14.5	15.2	24055.6	3.8	3.8
BANK NEGARA INDONESIA PERSER	6,875	9070.4	8.1	7.0	821.2	848.1	1.1	13.8	14.3	22983.5	3.3	2.9
BANK DANAMON INDONESIA TBK	4,650	3215.2	11.0	10.0	431.6	423.3	1.1	11.9	9.9	13900.7	3.0	3.1
Simple Average			13.9	12.3				15.3	15.2			2.8
Singapore												
DBS GROUP HOLDINGS LTD	24.55	45446.4	10.1	9.9	2.2	2.4	1.3	12.8	12.6	123.1	5.0	4.9
OVERSEA-CHINESE BANKING CORP	10.62	33892.3	9.5	9.2	1.1	1.1	1.0	11.4	11.0	50.0	4.7	4.5
UNITED OVERSEAS BANK LTD	25.17	30427.3	9.9	9.7	2.4	2.5	1.1	11.4	11.2	124.3	4.9	5.0
Simple Average			9.8	9.6				11.9	11.6			4.8
Thailand												
SIAM COMMERCIAL BANK PUB CO	114.0	12707.4	9.2	9.0	12.7	12.4	1.0	10.7	10.4	605.9	5.3	4.8
BANGKOK BANK PUBLIC CO LTD	165.5	10370.7	8.6	8.0	18.9	19.2	0.7	8.6	8.7	697.8	4.2	3.9
KASIKORNBANK PCL	148.5	11667.0	9.0	8.3	16.1	16.4	0.9	10.0	10.1	441.3	3.0	2.7
KRUNG THAI BANK PUB CO LTD	16.9	7753.8	8.0	7.7	2.1	2.1	0.7	9.4	9.1	80.5	4.8	4.2
BANK OF AYUDHYA PCL	32.5	7847.9	7.6	8.2	3.4	4.3	0.9	11.8	10.5	114.3	3.5	2.6
Simple Average			8.5	8.3				10.1	9.8			3.7
Regional Average			10.9	10.1				12.5	12.3			3.6
Malaysia												
MALAYAN BANKING BHD	8.44	22667.5	11.8	11.4	0.7	0.7	1.2	10.4	10.3	56.6	6.7	6.8
CIMB GROUP HOLDINGS BHD	4.86	11294.7	9.5	9.0	0.5	0.5	0.9	9.2	9.2	26.3	5.4	5.3
PUBLIC BANK BERHAD	19.28	17882.2	13.4	13.0	1.5	1.4	1.8	13.2	12.7	69.8	3.6	3.6
HONG LEONG BANK BERHAD	16.02	8296.7	12.3	11.5	1.2	1.3	1.3	10.4	10.3	53.4	3.3	3.0
AMMB HOLDINGS BHD	3.97	2858.9	8.3	8.0	0.4	0.5	0.7	7.8	7.9	20.5	5.2	5.0
RHB BANK BHD	5.57	5336.4	9.2	8.7	0.6	0.6	0.9	10.0	9.9	24.4	4.4	4.6
ALLIANCE BANK MALAYSIA BHD	2.75	1017.1	8.7	7.4	0.3	0.4	0.7	8.6	9.5	15.1	5.5	6.1
Simple Average			10.5	9.9				9.9	10.0			4.9

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 4 October 2019	Market Cap (USDm)	CY19 P/E (x)	CY20 P/E (x)	Current EPS	CY19 EPS	PBV (x)	CY19 ROE	CY20 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
ASTRA AGRO LESTARI TBK PT	10,750	1463.8	25.3	15.3	773.3	424.6	1.1	4.0	6.4	25893.1	2.4	3.1
PP LONDON SUMATRA INDONES PT	1,195	576.8	28.7	17.5	75.4	41.7	1.0	3.6	5.4	2071.0	1.7	1.6
SAMPOERNA AGRO TBK PT	2,150	287.5	34.5	15.5	109.3	62.3	1.0	2.8	6.1	1000.0	0.5	N.A.
EAGLE HIGH PLANTATIONS TBK P	126	281.0	N.A.	N.A.	N.A.	N.A.	0.8	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	92	16.3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			29.5	16.1				3.4	6.0			2.4
Singapore												
WILMAR INTERNATIONAL LTD	3.61	16574.0	14.4	12.6	0.2	0.2	1.0	6.9	7.5	6.9	2.6	2.8
GOLDEN AGRI-RESOURCES LTD	0.22	2030.2	79.7	15.9	0.0	0.0	0.5	0.5	2.7	0.1	0.6	2.6
OLAM INTERNATIONAL LTD	1.81	4179.2	12.1	11.3	0.1	0.2	1.1	N.A.	N.A.	7.6	4.2	4.1
Simple Average			35.4	13.3				3.7	5.1			3.2
Regional Average			32.4	14.7				3.5	5.6			2.9
Malaysia												
SIME DARBY BERHAD	2.29	3720.8	15.7	14.6	0.1	0.1	1.1	6.4	6.6	9.2	4.0	4.4
IOI CORP BHD	4.30	6456.4	30.5	28.3	0.2	0.1	2.9	9.0	9.3	9.2	2.1	1.9
KUALA LUMPUR KEPONG BHD	21.24	5404.2	34.2	27.3	0.9	0.6	2.2	5.9	7.2	43.4	2.0	2.1
GENTING PLANTATIONS BHD	9.95	2132.8	45.9	32.3	0.3	0.2	1.8	3.7	5.3	13.2	1.3	1.2
IJM PLANTATIONS BHD	1.52	319.8	63.3	33.0	0.1	0.0	1.0	1.6	2.7	2.9	1.9	1.3
TA ANN HOLDINGS BERHAD	2.25	236.8	16.9	11.2	0.2	0.1	0.7	4.0	6.4	8.8	3.9	2.2
Simple Average			34.4	24.5				5.1	6.2			2.2

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 4 October 2019	Market Cap (USDm)	CY19 P/E (x)	CY20 P/E (x)	Current EPS	CY19 EPS	CY19 EV/EBITDA	CY20 EV/EBITDA	PBV (x)	CY19 ROE	CY20 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia														
TELEKOMUNIKASI INDONESIA PER	4,190	29364.7	19.3	17.2	198.0	216.9	7.1	6.4	4.4	20.0	21.1	16154.0	3.9	3.9
XL AXIATA TBK PT	3,350	2533.1	64.4	31.2	3.6	52.0	6.0	5.3	1.9	3.0	5.7	2809.0	0.8	N.A.
INDOSAT TBK PT	2,810	1080.3	N.A.	N.A.	-345.6	-343.8	5.1	4.5	1.4	-18.5	-21.7	898.3	0.3	N.A.
Simple Average			41.8	24.2			6.0	5.4		1.5	1.7			3.9
Singapore														
SINGAPORE TELECOMMUNICATIONS	3.10	36681.4	16.8	15.4	0.2	0.2	13.3	13.2	1.7	9.9	10.8	18.0	5.8	5.6
STARHUB LTD	1.29	1618.7	12.6	14.2	0.1	0.1	6.4	6.6	8.0	38.1	33.7	9.8	7.6	9.7
M1 LTD	N.A.	N.A.	N.A.	N.A.	0.1	0.1	N.A.	N.A.	N.A.	22.6	18.8	9.3	N.A.	N.A.
Simple Average			14.7	14.8			9.8	9.9		23.5	21.1			7.7
Thailand														
ADVANCED INFO SERVICE PCL	224.0	21863.0	20.8	19.4	10.2	10.8	9.6	9.1	10.3	50.5	46.9	765.3	3.4	3.2
TOTAL ACCESS COMMUNICATION	55.25	4294.6	21.5	20.6	0.6	2.6	6.9	6.5	5.1	24.9	22.9	176.4	3.2	2.3
Simple Average			21.2	20.0			8.2	7.8		37.7	34.9			2.7
Regional Average			25.9	19.7			7.8	7.4		18.8	17.3			4.9
Malaysia														
MAXIS BHD	5.46	10201.6	26.6	25.6	0.3	0.2	13.9	13.5	6.0	22.4	22.9	19.7	3.6	3.7
AXIATA GROUP BERHAD	4.27	9312.7	35.0	28.5	0.1	0.1	6.9	6.5	2.3	6.4	7.4	10.4	2.4	2.2
DIGI.COM BHD	4.67	8674.8	24.2	23.7	0.2	0.2	13.4	13.1	51.9	227.8	225.7	19.2	4.1	4.1
TELEKOM MALAYSIA BHD	3.46	3112.7	13.7	14.4	0.1	0.3	5.0	5.0	1.8	12.1	11.4	12.4	3.6	0.6
Simple Average			24.9	23.0			9.8	9.6		67.2	66.9			2.6

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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