

# CCB: China's policies to promote a stable economic growth

DIGITAL ENGAGEMENT TEAM

15 MARCH 2023

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	4.92
Latest Dividend	0.36
Dividend Ex-Date	29/6/2022
Indicated Dividend Yield	8.66%
14 Day RSI	46.89
Analysts 12M Target Price	6.40

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

**9/10**  
As of 14 Mar 2023

Refer to page 3 for indicator components

### China Construction Bank (939 HK) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 14 Mar 2023 closing

### KEY MARKET EVENTS

- 20 Mar**  
China PBoC Loan Prime Rate
- 23 Mar**  
US Fed Interest Rate Decision
- 29 Mar**  
US GDP 2022Q4 Release
- 31 Mar**  
China PMI Release (Mar)
- 03-05 Apr**  
China/HK Ching Ming Festival (HK: 05 Apr only)

### Hang Seng Index Price Chart



As of 14 Mar 2023 closing

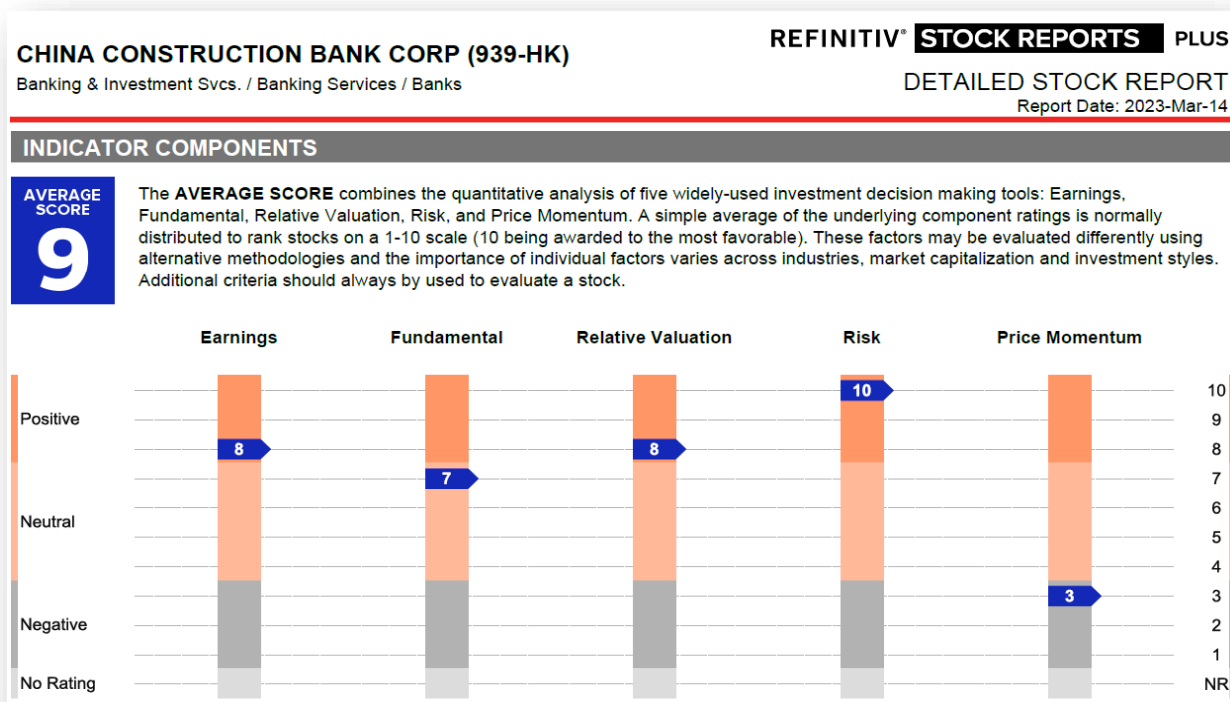
## Headline News & Information

- China Construction Bank Corporation provides banking services. The company offers deposits, loans, fund management, foreign exchange, and other services. China Construction Bank provides its services to individuals, enterprises, and other clients (Bloomberg)
- Next earning announcement on 29 Mar 2023 (Bloomberg)
- The dividend ex date is on 28 Jun 2023 with a forecasted dividend of CNY 0.38 (Bloomberg)
- China central bank ramps up fund injection via medium-term policy loans (15 Mar 2023, CNA)
  - China's central bank ramped up liquidity injections when rolling over maturing medium-term policy loans for a fourth month in a row, while keeping the interest rate unchanged, matching market expectations
  - The higher cash injection would ease liquidity pressure
- Govt lays out its economic plan for 2023 (05 Mar 2023, China Daily)
  - China has set its GDP growth target at around 5% for 2023 with intensified and more targeted macroeconomic policies to promote a stable economic growth
  - The country pledged to enhance the intensity and effectiveness of a proactive fiscal policy and to implement prudent monetary policy in a targeted way
  - China will also continue to encourage and support the development of the private sector and to intensify efforts to attract foreign investment

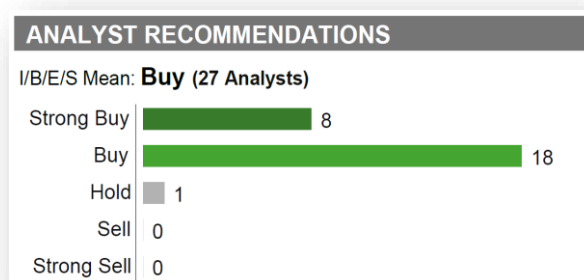
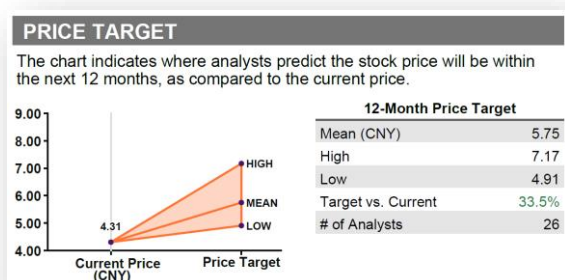
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares fell 3.5% in the past 5 days and are down 1% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 5.25 (Jan 2023)</li> <li>• 5.40 (May 2022)</li> <li>• 5.75 (Mar 2022)</li> </ul>	<ul style="list-style-type: none"> <li>• 4.78 (100 Day MA)</li> <li>• 4.40 (Oct 2022)</li> <li>• 4.15 (Nov 2022)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 14 Mar 2023

## HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (2023-03-14)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
9	939	4.92	-1.0%	5.1%	-12.6%	1.2T	3.7	3.5	9.1%	23.6%	5.2%	Buy	27	
10	5	53.65	-7.8%	11.7%	8.2%	1.1T	9.7	7.0	3.9%	16.5%	--	Buy	12	
9	1398	4.12	2.2%	7.3%	-10.4%	352.4B	3.9	3.6	8.8%	25.3%	4.6%	Buy	27	
5	2388	25.90	-2.3%	-1.3%	-8.5%	286.5B	12.3	9.9	4.4%	22.9%	--	Buy	13	
10	267	8.72	-3.5%	10.4%	0.23%	255.7B	3.7	3.4	7.5%	7.9%	--	Buy	5	
9	3988	2.92	-0.68%	6.2%	-1.0%	244.2B	3.7	3.5	9.3%	22.0%	6.7%	Buy	22	
4	11	117.20	-6.6%	-8.6%	-18.6%	226.4B	24.1	12.4	3.5%	19.8%	--	Hold	12	
8	2888	65.40	-5.6%	12.4%	31.9%	201.7B	10.7	7.4	2.2%	11.9%	--	Buy	10	
9	3968	39.40	-13.9%	-6.9%	-29.7%	182.3B	6.7	5.9	4.8%	27.2%	12.9%	Buy	29	
10	3328	4.73	-1.7%	7.0%	-9.2%	164.6B	3.8	3.7	9.2%	16.4%	7.2%	Buy	19	
8	1658	4.84	-3.0%	-0.21%	-18.1%	95.9B	5.6	5.0	6.3%	14.6%	12.1%	Buy	26	
8.3	Average	30.16	-4.0%	3.9%	-6.2%	392.0B	8.0	5.9	6.3%	18.9%	8.1%	Buy	18.4	

PEER COMPANIES			
11	Hang Seng Bank	2888	Standard Chartered
1398	Industrial and Commercial Bank	3328	Bank of Communications Co
1658	Postal Savings Bank of China	3968	China Merchants Bank Co
2388	BOC Hong Kong Holdings	3988	Bank of China
267	CITIC	5	HSBC Holdings

Source: REFINITIV STOCKREPORTS+, extracted 14 Mar 2023

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>73,181</b>	<b>44.96</b>	<b>5.74</b>	<b>6.45</b>	<b>0.64</b>	<b>0.67</b>	<b>6.29</b>
<b>CHINA CONSTRUCTION</b>								
939 HK	BANK-H	158,897	4.92	3.47	3.69	0.41	0.44	8.66
<b>AGRICULTURAL</b>								
1288 HK	BANK OF CHINA-H	150,479	2.78	3.48	3.44	0.39	0.38	8.71
<b>BANK OF COMMUNICATIONS</b>								
3328 HK	COMMUNICATIONS	49,960	4.73	3.57	3.87	0.33	0.36	8.79
<b>UNITED OVERSEAS BANK</b>								
UOB SP	BANK	34,555	27.82	9.68	11.31	1.15	1.15	4.85
KBANK TB	KASIKORNBANK PCL	8,728	127.00	8.41	9.07	0.60	0.72	3.15
<b>CHINA CITIC BANK CORP</b>								
998 HK	CORP	32,095	3.62	2.68	2.55	0.29	0.28	9.78
601398 CH	IND & COMM BK OF	218,295	4.41	4.50	4.92	0.51	0.56	6.65
000001 CH	PING AN BANK CO	36,280	12.87	5.85	7.39	0.68	0.81	2.21
NWG LN	NATWEST GROUP	31,851	271.00	7.34	8.51	0.81	0.70	5.08
<b>DBS GROUP HOLDINGS</b>								
DBS SP	HOLDINGS	61,839	32.33	10.15	12.03	1.46	1.51	4.64
<b>CHINA EVERBRIGHT BANK</b>								
601818 CH	BANK	22,011	3.04	3.96	4.15	0.41	0.43	6.61

Source: Bloomberg, extracted 14 Mar 2023 closing

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