

# China Unicom: Moving away from being the market laggards

DIGITAL ENGAGEMENT TEAM

08 MARCH 2023

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

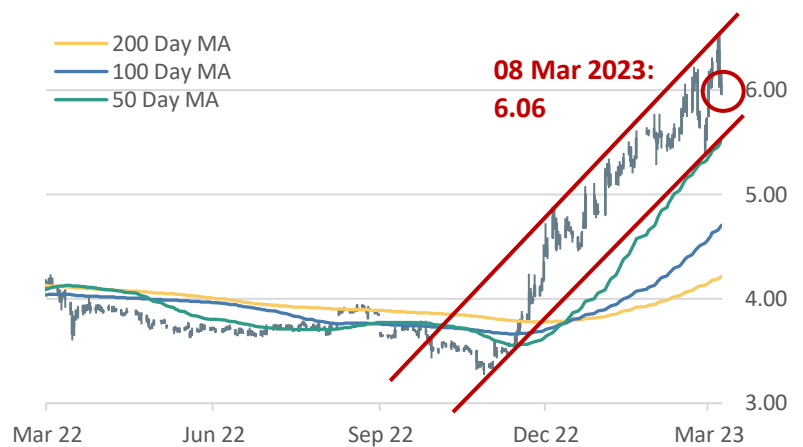
KEY METRICS	
Current Price	6.06
Latest Dividend	0.17
Dividend Ex-Date	1/9/2022
Indicated Dividend Yield	4.95%
14 Day RSI	57.09
Analysts 12M Target Price	7.18

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

**10/10**  
As of 08 Mar 2023

Refer to page 3 for indicator components

### China Unicom Hong Kong (762 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 08 Mar 2023 midday closing

### KEY MARKET EVENTS

- 14 Mar** US CPI Release (Feb)
- 15 Mar** China Industrial Production (Feb)
- 23 Mar** US Fed Interest Rate Decision
- 03-05 Apr** China Ching Ming Festival Holiday
- 07 Apr** US/HK/SG Good Friday Holiday

### Hang Seng Index Price Chart



As of 08 Mar 2023 midday closing

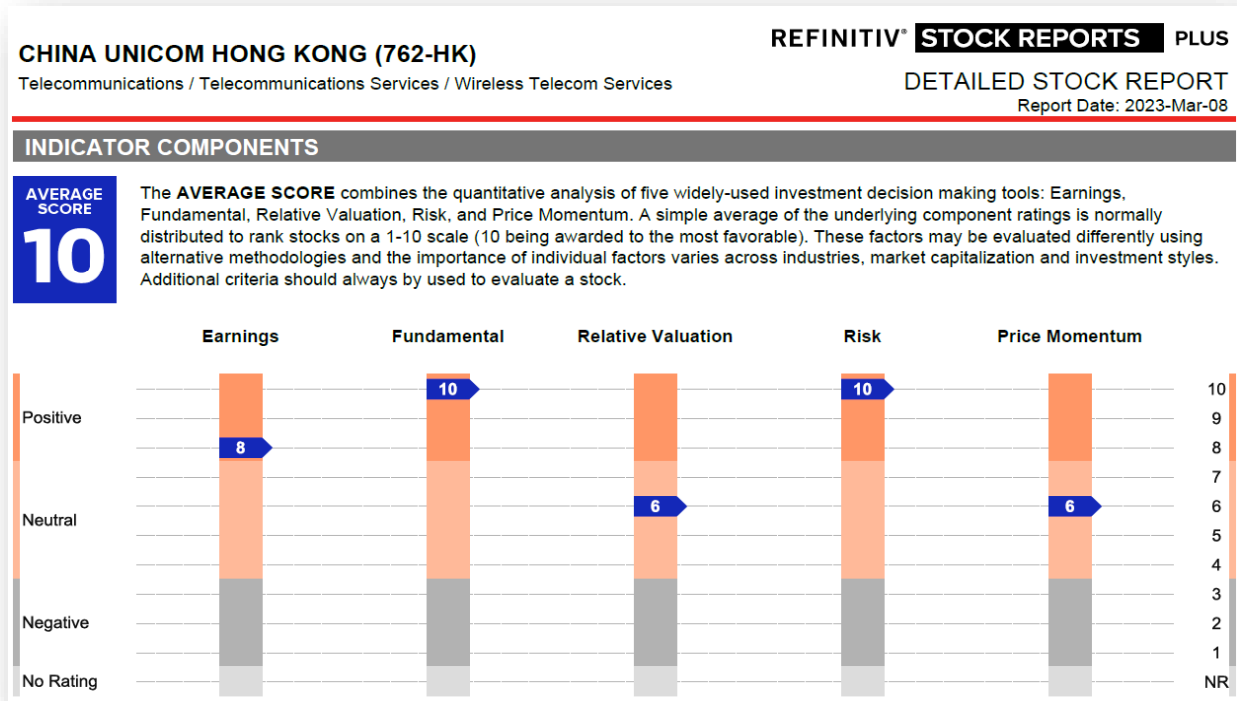
## Headline News & Information

- China Unicom (Hong Kong) Limited, through its subsidiaries, provides telecommunications services in the People's Republic of China. The company offers services includes cellular, paging, long distance, data, and Internet (Bloomberg)
- China's Big Telcos go from 'value destroyers' to world beaters as Beijing's grand tech plan triggers rare stock re-rating (06 Mar 2023, SCMP)
  - China Unicom, China Telecom and China Mobile had a combined 1.68 billion mobile-phone users at the end of 2022, according to China Merchant Securities. Their combined market value stood at 2.6 trillion yuan (US\$376.6B)
  - China's three telecom operators, perennial value destroyers in stock markets, are no longer market laggards
  - Tailwinds from Beijing's digitalisation plan and efforts to bolster global leadership in technology are giving Big Telcos a rare re-rating
- China Unicom proposes shared 5G ecosystem (01 Mar 2023, China Daily)
  - China Unicom called for more efforts to foster a 5G community featuring joint contributions and shared value, declaring it aims to work with all partners in nurturing a multi-win 5G ecosystem to unleash the potential of the digital economy
  - To accelerate the development of 5G in this context, efforts should be doubled in developing business-to-consumer and business-to-home applications
  - By dealing with common challenges such as standardization, costs and business models, the company hopes to be more deeply involved in the core process of manufacturing to enable the commercialization of 5G applications at a larger scale

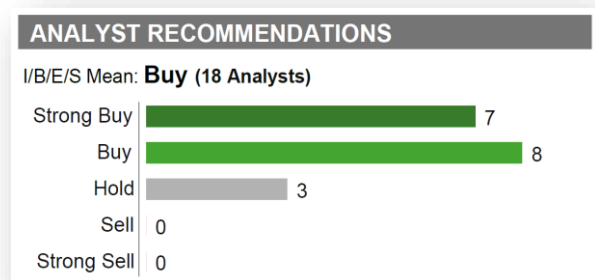
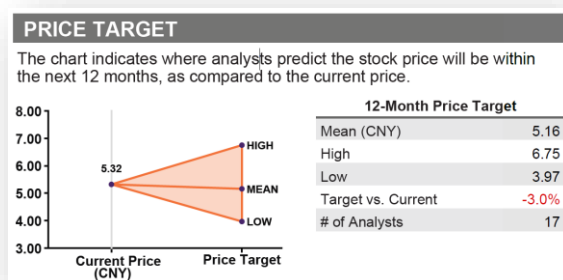
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares fell 0.3% in the past 5 days and are up 11% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 6.50 (Aug 2020)</li> <li>• 6.80 (Feb 2020)</li> <li>• 7.40 (Dec 2019)</li> </ul>	<ul style="list-style-type: none"> <li>• 5.52 (50 Day MA)</li> <li>• 4.50 (Dec 2022)</li> <li>• 4.00 (Aug 2022)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 08 Mar 2023

## HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (2023-03-07)	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	
NR	941	62.25	10.6%	20.5%	20.6%	1.3T	10.0	9.4	7.4%	13.7%	5.9%	Buy	20	
10	762	6.03	9.4%	34.6%	48.2%	191.9B	12.0	10.4	5.0%	4.9%	13.5%	Buy	18	
7	6823	10.42	-1.9%	9.7%	-1.5%	79.3B	16.1	15.9	7.2%	14.4%	--	Buy	10	
10	728	4.13	5.6%	29.5%	40.0%	58.6B	12.2	12.4	5.8%	5.8%	8.3%	Buy	20	
5	8	3.99	2.3%	14.7%	-7.4%	30.6B	201.0	74.4	9.5%	0.4%	--	Buy	5	
9	1883	2.94	2.8%	12.2%	6.5%	10.7B	10.0	--	7.8%	11.5%	--	Buy	2	
7	1310	5.72	4.6%	7.5%	-38.6%	7.3B	15.0	19.4	10.5%	4.8%	--	Hold	6	
8	315	4.93	-5.9%	16.5%	17.4%	5.8B	13.2	11.4	6.1%	6.1%	--	Buy	6	
8	1045	2.73	17.7%	33.2%	20.8%	2.4B	9.7	--	9.3%	28.3%	--	--	--	
5	3773	1.00	16.3%	33.3%	33.3%	407M	12.9	--	--	32.4%	--	--	--	
NR	8337	0.09	-37.8%	-41.8%	-60.0%	17M	--	--	--	-12.0%	--	--	--	
7.7	Average	9.48	2.1%	15.4%	7.2%	150.5B	31.2	21.9	7.6%	10.0%	9.2%	Buy	10.9	

PEER COMPANIES			
1045	APT Satellite Holdings	6823	HKT Trust and HKT
1310	HKBN	728	China Telecom Corp
1883	CITIC Telecom International	8	PCCW
315	Smartone Telecommunications	8337	Directel Holdings
3773	NNK Group	941	China Mobile

Source: REFINITIV STOCKREPORTS+, extracted 08 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>30,794</b>	<b>5,760.27</b>	<b>24.57</b>	<b>26.34</b>	<b>3.22</b>	<b>3.63</b>	<b>4.09</b>
762 HK	CHINA UNICOM HONG KONG	185,425	6.06	9.63	6.34	N/A	N/A	4.95
2412 TT	CHUNGHWA TELECOM CO LTD	234,136	118.50	25.20	25.30	2.41	2.44	3.97
941 HK	CHINA MOBILE LTD	1,355,180	62.00	9.06	7.46	0.92	0.72	7.47
728 HK	CHINA TELECOM	597,952	4.18	12.66	7.48	0.79	N/A	6.68
3682 TT	ASIA PACIFIC TELECOM CO	6,708	6.10	N/A	N/A	1.07	1.12	N/A
4904 TT	FAR EASTONE TELECOMM CO LTD	58,843	70.90	24.10	24.76	3.65	3.74	3.36
6823 HK	HKT TRUST AND HKT	79,436	10.00	16.20	15.47	2.18	2.11	7.11
215 HK	HUTCHISON TELECOMM HK	6,024	1.25	N/A	N/A	0.58	0.57	5.99
8 HK	PCCW LTD	30,881	3.99	N/A	N/A	5.56	4.33	9.53
3045 TT	TAIWAN MOBILE CO	88,201	98.40	25.19	25.83	4.30	4.47	4.37
315 HK	SMARTONE TELECOMM	5,532	5.00	12.95	11.51	1.06	0.93	6.00

Source: Bloomberg, extracted 08 Mar 2023 midday closing

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