

ENN Energy: China growing appetite for LNG buyer with long-term deals

DIGITAL ENGAGEMENT TEAM

24 FEBRUARY 2023

TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

KEY METRICS	
Current Price	117.50
Latest Dividend	0.64
Dividend Ex-Date	3/11/2022
Indicated Dividend Yield	2.34%
14 Day RSI	48.29
Analysts 12M Target Price	127.07

REFINITIV STOCKREPORTS+ AVERAGE SCORE
5/10 As of 24 Feb 2023

Refer to page 3 for indicator components

ENN Energy Holdings (2688 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 24 Feb 2023 closing

KEY MARKET EVENTS

- 28 Feb** US Goods Trade Balance (Jan)
- 01 Mar** China PMI Release (Feb)
- 03 Mar** US PMI Release (Feb)
- 07 Mar** China Trade Balance (Feb)
- 09 Mar** China CPI Release (Feb)

Hang Seng Index Price Chart



As of 24 Feb 2023 closing

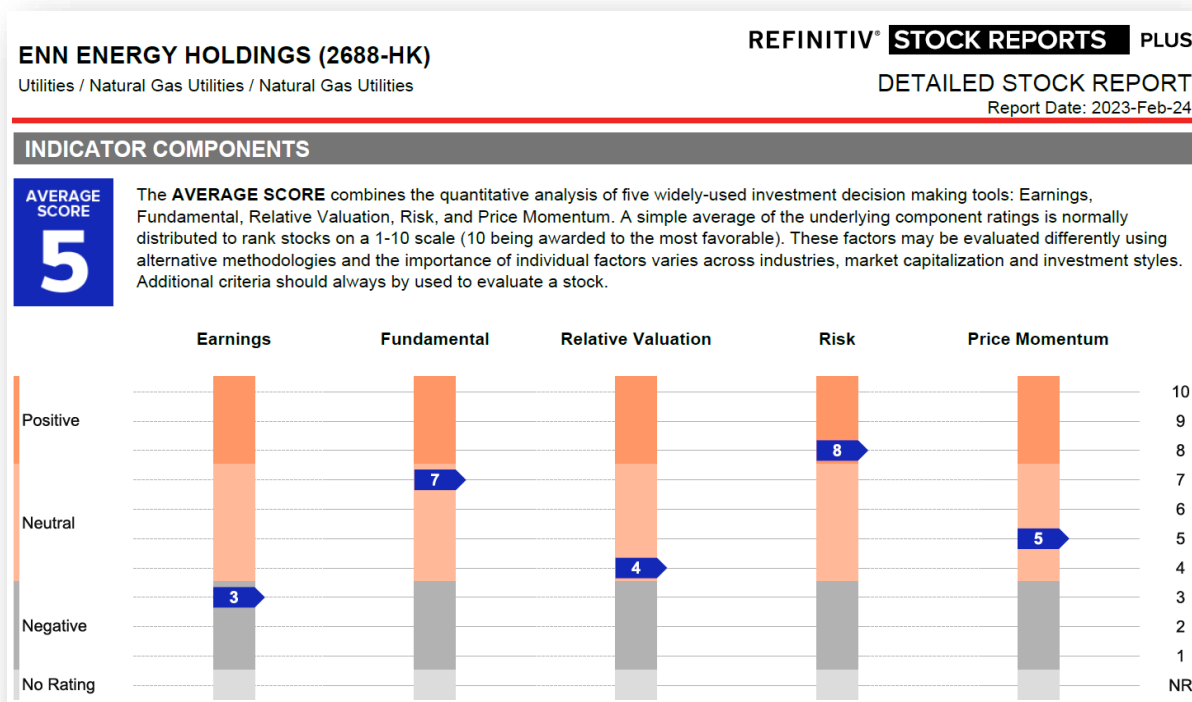
Headline News & Information

- ENN Energy Holdings Ltd distributes natural gas in China. The company, through its subsidiaries, invests in, operates, and manages gas pipelines, and sells and distributes piped and bottled gas in China (Bloomberg)
- China's growing appetite for LNG is a long-term concern for Europe (20 Feb 2023, Bloomberg)
 - Europe made it through winter without an energy crisis thanks to a helping hand from China
 - That assistance could turn into influence as China rushes to secure LNG for the coming years, signing the most long-term purchase agreements of any nation
 - China is estimated to have resold at least 5.5 million tons of LNG in 2022, according to ENN Energy's monthly research report in Jan 2023
 - That's equivalent to roughly 6% of total spot market volume, making the country an enormous swing supplier
- Gas shortages in China's Hebei province signal procurement, pricing challenges (10 Feb 2023, S&P Global)
 - Gas shortages in rural areas of China's northern Hebei province this winter pointed to the need for more progress in the country's gas market reforms
 - These rural areas in Hebei experienced severe natural gas shortages this winter, prompting angry responses from residents and forcing the local government to intervene to manage the supply, according to state media

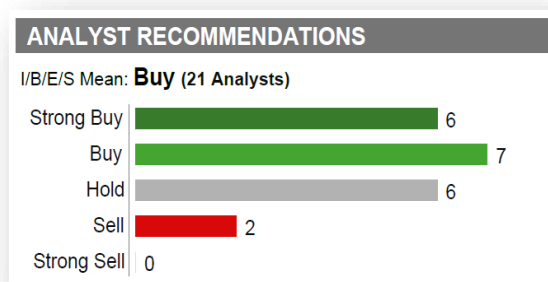
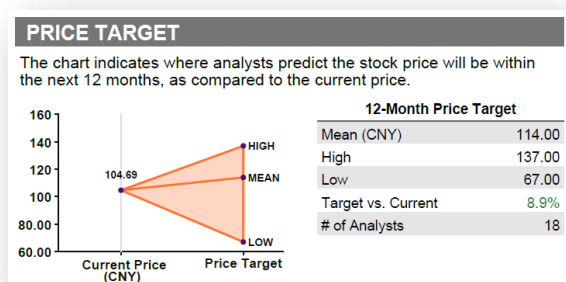
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
• Shares fell 0.9% in the past 5 days and are down 5.3% in the past 30 days	<ul style="list-style-type: none">• 126.00 (Jan 2023)• 133.00 (Jul 2022)• 151.00 (Jan 2022)	<ul style="list-style-type: none">• 106.90 (100 Day MA)• 95.00 (Oct 2022)• 81.00 (Nov 2022)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 24 Feb 2023

HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (2023-02-23)	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	
5	3	7.34	-4.4%	11.9%	-38.7%	139.2B	27.6	21.4	4.8%	7.1%	16.3%	Hold	9	
5	2688	119.20	-3.9%	15.5%	8.4%	134.1B	15.3	15.1	2.3%	6.4%	9.8%	Buy	21	
8	1193	35.35	5.7%	37.5%	-2.9%	77.5B	12.3	12.6	3.6%	6.7%	8.0%	Buy	20	
9	135	6.68	2.9%	25.3%	-8.2%	57.1B	2.2	8.3	3.8%	3.6%	-33.7%	Buy	16	
4	3633	5.45	-2.7%	-3.4%	-26.0%	15.3B	12.4	--	2.0%	6.3%	--	--	--	
5	1083	4.10	-2.4%	18.8%	-25.2%	12.8B	9.6	9.7	3.7%	7.8%	--	Buy	11	
7	956	3.60	-2.2%	9.4%	-25.9%	6.7B	6.0	6.0	6.7%	12.2%	--	Buy	8	
4	1600	5.09	8.3%	55.2%	-25.9%	5.3B	4.5	8.1	4.7%	8.4%	--	Buy	4	
1	6828	0.12	22.9%	38.8%	1.7%	2.4B	--	--	--	-20.5%	--	--	--	
8	2886	1.60	-4.2%	10.3%	-1.8%	2.2B	5.5	--	5.6%	7.7%	--	--	--	
1	931	0.36	2.9%	9.1%	4.3%	2.0B	--	--	--	-68.5%	--	--	--	
5.2	Average	17.17	2.1%	20.8%	-12.7%	41.3B	10.6	11.6	4.1%	-2.1%	0.09%	Buy	12.7	

PEER COMPANIES			
1083	Towngas Smart Energy Co	3	Hong Kong and China Gas Co
1193	China Resources Gas Group	3633	Zhongyu Energy Holdings
135	Kunlun Energy Co	6828	Beijing Gas Blue Sky Holdings
1600	Tian Lun Gas Holdings	931	China LNG Group
2886	Binhai Investment Co	956	China Suntien Green Energy

Source: REFINITIV STOCKREPORTS+, extracted 24 Feb 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 (%)
Average		7,270	45,672.28	15.07	19.67	1.94	2.14	2.78
2688 HK	ENN ENERGY HOLDINGS LTD	16,935	117.50	16.51	17.73	3.18	3.67	2.34
1193 HK	CHINA RESOURCES GAS GROUP LT	10,099	34.25	12.56	16.58	1.99	2.58	3.71
004690 KS	SAMCHULLY CO LTD	1,531	494,500	21.03	7.07	1.18	0.36	0.61
3 HK	HONG KONG & CHINA GAS	17,523	7.37	33.23	36.90	2.16	3.15	4.75
GAIL IN	GAIL INDIA LTD	8,171	102.90	5.59	9.34	1.07	1.28	0.65
9531 JP	TOKYO GAS CO LTD	8,229	2,553.00	4.99	9.75	0.76	0.81	2.55
9533 JP	TOHO GAS CO LTD	2,019	2,588.00	9.45	N/A	0.70	0.79	2.32
PGAS IJ	PERUSAHAAN GAS NEGARA TBK PT	2,425	1,525.00	7.33	N/A	0.92	0.94	8.16
600635 CH	SHANGHAI DAZHONG PUBLIC	1,181	3.15	N/A	N/A	N/A	0.60	1.59
600803 CH	ENN NATURAL GAS CO LTD-A	8,420	18.87	13.41	12.61	4.15	3.57	1.63
WWG GR	GELSENWASSER AG	3,440	945.00	26.59	47.36	3.30	5.82	2.24

Source: Bloomberg, extracted 24 Feb 2023 closing

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