

# Cathay Pacific: Charted a hopeful path to its pre-pandemic passenger capacity

DIGITAL ENGAGEMENT TEAM

20 JULY 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

KEY METRICS	
Current Price	8.41
Latest Dividend	N/A
Dividend Ex-Date	3/9/2021
Indicated Dividend Yield	N/A
14 Day RSI	54.91
Analysts 12M Target Price	9.40

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

**8/10**  
As of 20 Jul 2022

Refer to page 3 for indicator components

### Cathay Pacific Airways Ltd (293 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 20 Jul 2022 midday closing

### KEY MARKET EVENTS

- 25 Jul SG CPI Release (Jun)
- 27 Jul US Goods Trade Balance (Jun)
- 28 Jul US FOMC Interest Rate Decision
- 31 Jul China PMI Release (Jul)
- 03 Aug US PMI Release (Jul)

### Hang Seng Index Price Chart



As of 20 Jul 2022 midday closing

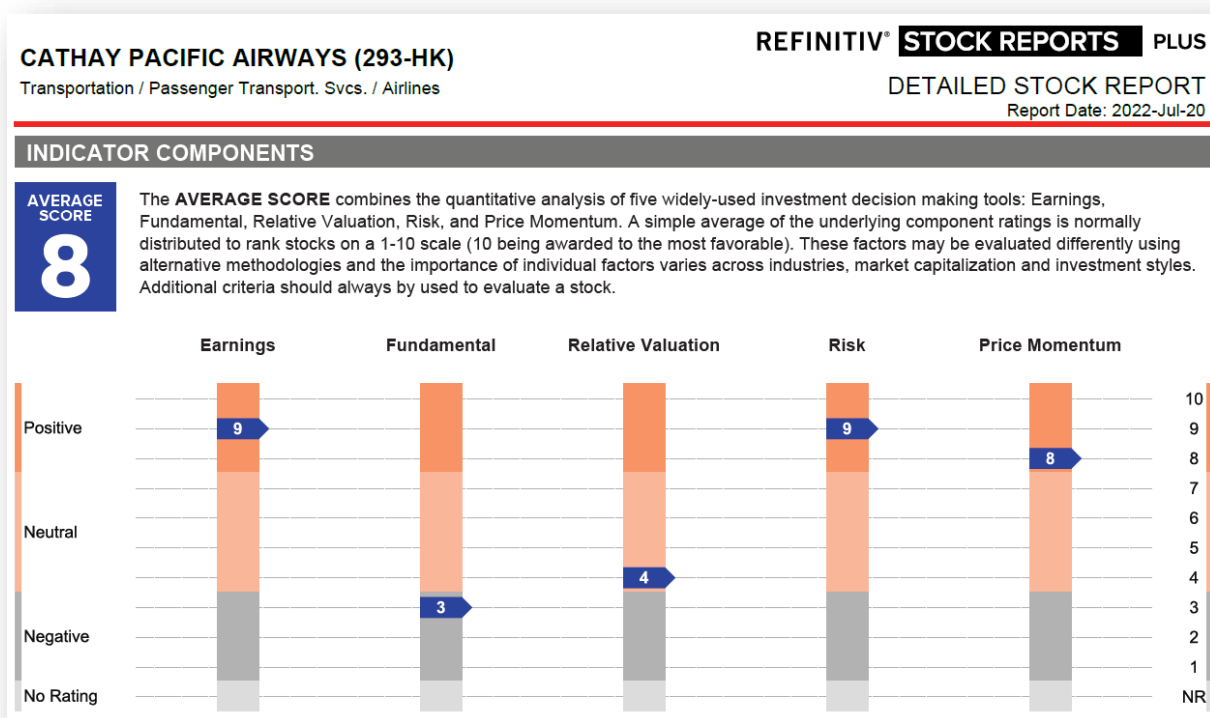
## Headline News & Information

- Cathay Pacific Airways Limited operates scheduled airline services. The company also provides related services, including airline catering, aircraft handling, and engineering. Cathay Pacific Airways serves clients worldwide (Bloomberg)
- Cathay Pacific charts hopeful course for Hong Kong (18 Jul 2022, Reuters)
  - Strict quarantine rules are keeping Hong Kong isolated but Cathay Pacific Airways is charting a hopeful path as it expects to restore 25% of its pre-pandemic passenger capacity by the end of 2022.
  - Its outperforming shares imply investors are optimistic about the US\$7 billion carrier and the Asian hub's ability to bounce back from a miserable period
  - A bailout backed by the Hong Kong government and shareholders has kept the company's debt in check
- Hong Kong leader John Lee vows to bring in new Covid measures, look at options to ease travellers' inconvenience (05 Jul 2022, South China Morning Post)
  - Health authorities will soon introduce new measures to protect residents at higher risk of Covid-19 infection, while considering options to reduce inconvenience for travellers, Hong Kong's new leader has pledged
  - Chief Executive John Lee Ka Chiu said the government was planning to reduce the quarantine period for incoming travellers, while at the same time controlling the risk of potential outbreaks to minimise the number of severe coronavirus cases

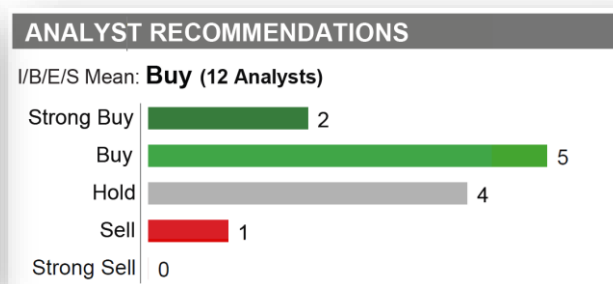
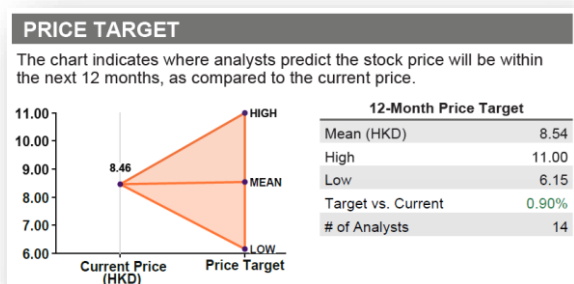
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares down 0.7% in the past 5 days and are up 9.9% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 8.80 (Jul 2022)</li> <li>• 9.20 (Feb 2020)</li> <li>• 9.50 (Sep 2020)</li> </ul>	<ul style="list-style-type: none"> <li>• 8.30 (Jul 2022)</li> <li>• 8.09 (50 Day MA)</li> <li>• 7.77 (100 Day MA)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 20 Jul 2022

## HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD
Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (2022-07-19)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	
7	66	41.35	1.6%	-2.0%	-7.2%	257.0B	26.9	20.5	3.1%	20.2%	-- Buy	10	
8	293	8.46	12.2%	12.4%	29.2%	53.3B	--	--	--	-12.1%	-- Buy	11	
6	753	6.47	20.9%	12.9%	17.2%	29.7B	--	--	--	-22.3%	-- Buy	16	
5	1055	4.53	15.9%	-1.3%	-3.2%	19.2B	--	--	--	-11.9%	-- Buy	14	
5	670	2.95	13.0%	11.3%	-8.1%	15.2B	--	--	--	-18.2%	-- Buy	16	
6	62	11.22	-5.7%	-14.7%	-25.2%	5.4B	21.1	--	4.5%	3.4%	-- --	--	
9	525	1.34	-5.0%	-2.2%	-4.3%	1.9B	--	--	--	-4.8%	-- Buy	5	
6	306	2.18	-2.2%	21.1%	-7.6%	1.0B	--	--	--	-11.6%	-- --	--	
2	254	0.14	3.0%	-10.5%	-82.1%	428M	1.6	--	--	38.3%	-- --	--	
NR	77	0.66	-2.9%	-2.9%	-7.0%	179M	--	--	--	-5.4%	-- --	--	
8	3399	0.80	9.6%	-12.1%	-48.1%	164M	--	--	--	-3.5%	-- --	--	
6.2	Average	7.28	5.5%	1.1%	-13.3%	34.9B	16.5	20.5	3.8%	-2.5%	-- Buy	12	

PEER COMPANIES			
1055	China Southern Airlines Co	62	Transport International
254	National United Resources	66	MTR Corp
306	Kwoon Chung Bus Holdings	670	China Eastern Airlines Corp
3399	Guangdong Yueyun	753	Air China
525	Guangshen Railway Co	77	Ams Public Transport Holdings

Source: REFINITIV STOCKREPORTS+, extracted 20 Jul 2022

## 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>5,938</b>	<b>1,382.62</b>	<b>6.21</b>	<b>217.90</b>	<b>2.83</b>	<b>1.31</b>	<b>3.53</b>
293 HK	CATHAY PACIFIC AIRWAYS	6,897	8.41	N/A	N/A	1.03	0.76	N/A
1055 HK	CHINA SOUTHERN AIRLINES CO-H	15,161	4.52	N/A	N/A	1.04	0.97	N/A
600221 CH	HAINAN AIRLINES HOLDING CO-A	6,794	1.38	6.60	N/A	9.57	N/A	N/A
603885 CH	JUNEYAO AIRLINES CO LTD-A	4,721	16.20	N/A	N/A	3.54	3.00	N/A
AEROMEX* MM	AEROMEXICO SAB DE GRUPO	1,380	207.52	N/A	N/A	N/A	N/A	N/A
2610 TT	CHINA AIRLINES LTD	4,681	23.55	10.20	217.90	1.83	1.82	3.53
601111 CH	AIR CHINA LTD-A	18,790	10.15	N/A	N/A	2.81	0.96	N/A
020560 KS	ASIANA AIRLINES	845	14,850	N/A	N/A	2.35	N/A	N/A
NAS NO	NORWEGIAN AIR SHUTTLE AS	874	9.29	1.00	N/A	2.64	N/A	N/A
AFLT RM	AEROFLOT PJSC	1,154	26.68	N/A	N/A	N/A	N/A	N/A
THYAO TI	TURK HAVA YOLLARI AO	4,020	51.10	7.06	N/A	0.67	0.36	N/A

Source: Bloomberg, extracted 20 Jul 2022 midday closing

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