

# ICBC: Become the most valuable Chinese brand

DIGITAL ENGAGEMENT TEAM

10 MAY 2023

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

KEY METRICS	
Current Price	4.61
Latest Dividend	0.30
Dividend Ex-Date	6/7/2023
Indicated Dividend Yield	7.46%
14 Day RSI	71.16
Analysts 12M Target Price	5.24

REFINITIV STOCKREPORTS+ AVERAGE SCORE
<b>7/10</b>
As of 09 May 2023

Refer to page 3 for indicator components

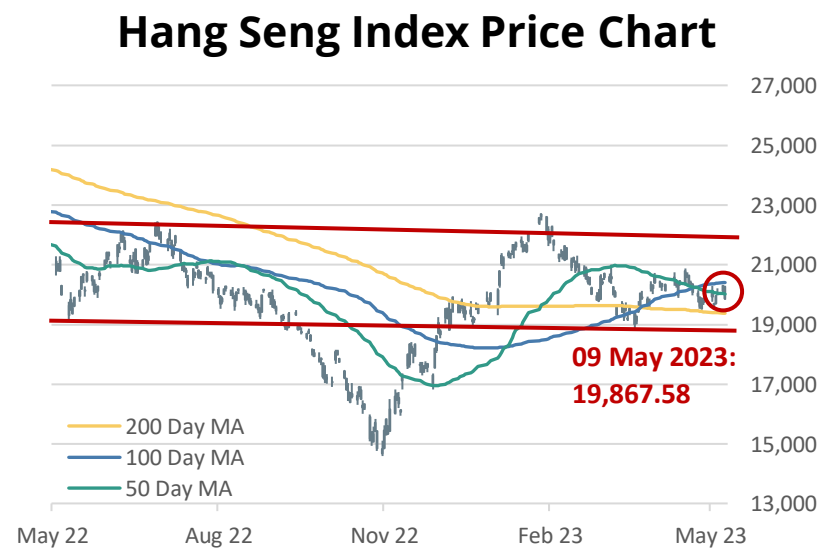


Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 09 May 2023 closing

### KEY MARKET EVENTS

- 16 May** Chinese Industrial Production (Apr)
- 23 May** SG CPI Release (Apr)
- 25 May** US GDP (QoQ) (Q1)
- 26 May** HK Buddha's Birthday Holiday
- 29 May** US Memorial Holiday



As of 09 May 2023 closing

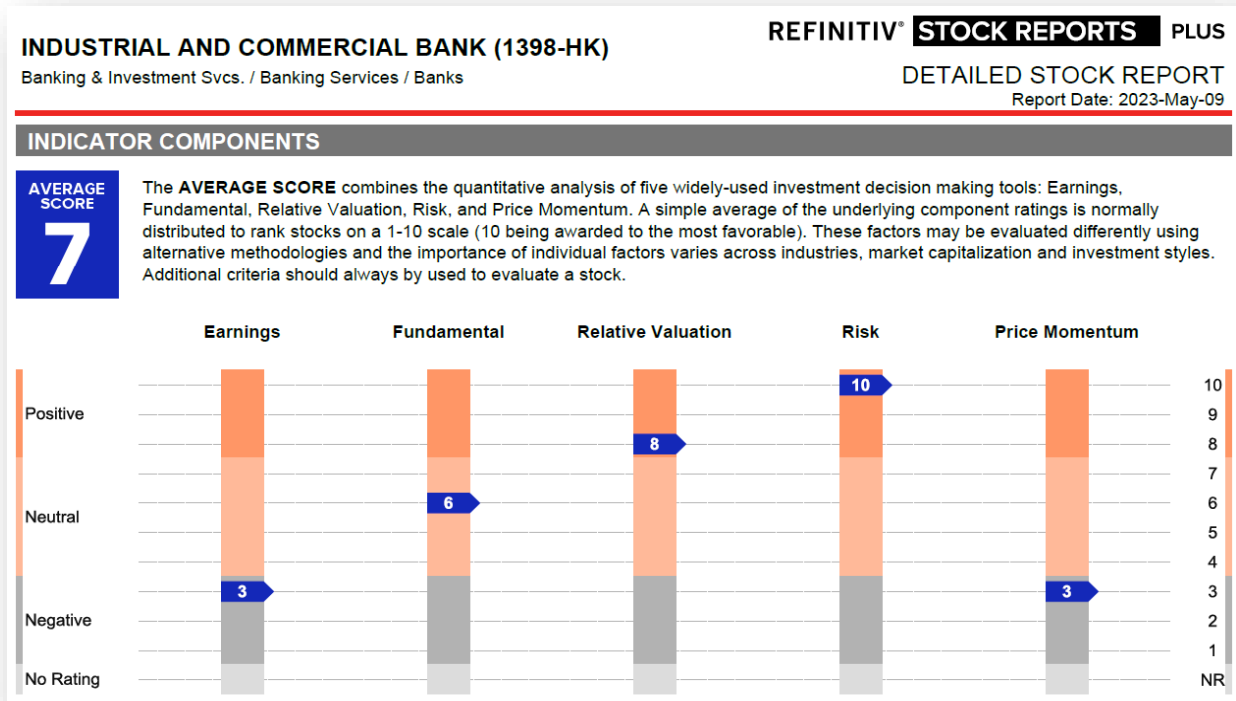
## Headline News & Information

- Industrial and Commercial Bank of China Limited provides banking services. The company offers deposits, loans, fund underwriting, foreign currency settlement, and other services. Industrial and Commercial Bank of China provides its services to individuals, enterprises, and other clients (Bloomberg)
- ICBC tops Chinese brand rankings (09 May 2023, China Daily)
  - Industrial and Commercial Bank of China has become the most valuable Chinese brand, according to consultancy Brand Finance.
  - A total of 78 Chinese banks were present this year's rankings. ICBC, China Construction Bank, Agricultural Bank of China and Bank of China delivered exceptional performances, ranking 1<sup>st</sup>, 3<sup>rd</sup>, 5<sup>th</sup> and 8<sup>th</sup> respectively in terms of brand value
- Chinese banks surge at pace not seen since 2015 as traders chase perennial laggards on valuation, SOE bets (10 May 2023, SCMP)
  - Investors have been snapping up Chinese banking stocks at a pace not seen since the 2015 market bubble in the hopes that lenders' profit growth will accelerate and government-led drives to boost valuations and improve efficiency at state-owned enterprises (SOEs) will underpin sentiment
  - Such a broad-based rally in banks, which have been market laggards over the past few years amid concerns about their asset quality, suggests they have become the new darlings of investors searching for fresh bets after their reopening plays fizzled out
  - Expectations have been growing that more banks will slash deposit rates this year to stem a decline in net interest margins, or the difference between lending and deposit rates, while the industry's 36% discount to book value on average makes these stocks appealing amid government calls for revaluing SOEs

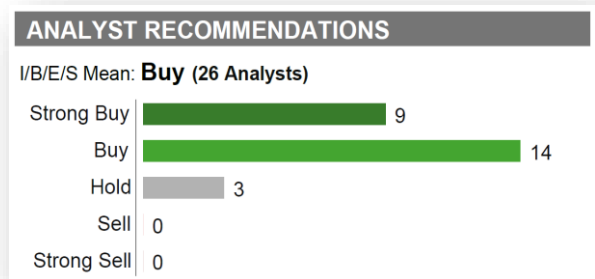
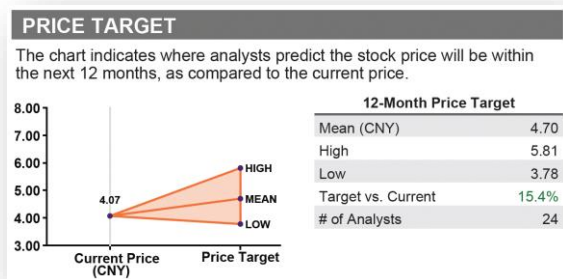
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
• Shares rose 9.8% in the past 5 days and are up 11% in the past 30 days	<ul style="list-style-type: none"> <li>• 4.80 (May 2022)</li> <li>• 4.90 (Feb 2022)</li> <li>• 5.10 (May 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• 4.10 (Apr 2023)</li> <li>• 3.90 (Feb 2023)</li> <li>• 3.60 (Oct 2022)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 09 May 2023

# HK Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in HKD	
Average Score	Ticker	PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (2023-05-09)	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	5.57	8.2%	11.6%	1.3%	1.3T	3.9	3.7	8.0%	23.9%	5.8%	Buy	25	
10	5	59.30	9.4%	2.2%	21.0%	1.2T	10.3	6.7	3.5%	16.5%	--	Buy	11	
7	1398	4.61	11.1%	13.8%	0.66%	388.0B	4.2	4.0	7.5%	24.2%	5.4%	Buy	26	
9	267	10.40	14.4%	14.0%	29.4%	301.4B	4.1	4.0	6.3%	7.6%	--	Buy	6	
9	3988	3.37	11.2%	13.1%	10.9%	273.4B	4.1	3.9	8.1%	21.6%	--	Buy	20	
6	2388	24.95	1.4%	-5.1%	-16.0%	259.6B	9.7	7.9	5.4%	24.4%	--	Buy	13	
5	11	114.50	2.0%	-8.7%	-18.3%	218.5B	23.3	11.9	3.6%	19.8%	--	Hold	12	
9	3328	5.48	10.5%	13.7%	5.2%	190.8B	4.3	4.1	7.8%	16.5%	--	Buy	19	
7	3968	40.80	4.2%	-13.0%	-7.4%	185.5B	7.0	6.1	4.6%	27.9%	12.9%	Buy	30	
8	2888	60.25	0.42%	-7.7%	10.4%	169.5B	9.2	6.2	2.4%	11.1%	--	Buy	10	
8	1658	5.37	13.3%	7.4%	-11.1%	107.0B	5.7	5.3	5.5%	14.5%	10.4%	Buy	26	
7.9	Average	30.42	7.8%	3.8%	2.4%	415.2B	7.8	5.8	5.7%	18.9%	8.6%	Buy	18	

PEER COMPANIES			
11	Hang Seng 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
2888	Standard Chartered	939	China Construction Bank Corp

Source: REFINITIV STOCKREPORTS+, extracted 09 May 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>73,700</b>	<b>49.23</b>	<b>6.73</b>	<b>7.76</b>	<b>0.90</b>	<b>0.85</b>	<b>6.36</b>
1398 HK	IND & COMM BK OF CHINA-H	256,095	4.61	4.07	4.66	0.46	0.53	7.46
SABB AB	SAUDI BRITISH BANK	20,327	37.10	13.43	19.76	1.39	1.47	3.99
939 HK	CHINA CONSTRUCTION BANK-H	180,307	5.57	3.84	3.55	0.44	0.42	7.92
CHILE CI	BANCO DE CHILE	11,328	89.50	6.54	6.93	1.92	1.85	9.59
3328 HK	BANK OF COMMUNICATIONS CO-H	59,634	5.48	4.07	3.56	0.42	0.34	7.72
MASQ UH	MASHREQBANK	6,556	120.00	5.11	7.35	1.08	0.91	7.44
1288 HK	AGRICULTURAL BANK OF CHINA-H	189,080	3.21	4.12	3.50	0.43	0.38	7.85
BPI PM	BANK OF THE PHILIPPINE ISLAN	8,529	105.00	11.79	12.51	1.63	1.38	1.85
DANSKE DC	DANSKE BANK A/S	17,617	138.60	N/A	N/A	0.72	0.61	N/A
UOB SP	UNITED OVERSEAS BANK LTD	35,608	28.15	8.60	10.77	1.03	1.15	4.80
600016 CH	CHINA MINSHENG BANKING-A	25,617	4.30	5.75	4.98	0.36	0.31	4.98

Source: Bloomberg, extracted 09 May 2023 closing

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