

DIVIDEND FORECASTING

Quarterly dividend update APAC

April – June 2022

Market news

We highlight the latest market news that could potentially or have already affected our dividend forecasts for the upcoming quarter.

Mainland China

- ▲ **Banks and Energy** are expected to deliver attractive dividend yield attributable to state-owned nature and stable dividend track record.
- ▼ **Property** players and big **technology** players are likely to experience earnings pressure due to stricter regulatory measures.

India

- ▲ Indian **IT companies** are in a sweet spot because of the world moving towards digitalization. Similarly, **metal** sector is gaining the advantage of increased demand worldwide.
- ▼ Change in Fed's stance about interest rates hike, RBI has to increase interest rates impacting companies cost of capital. We do not see near term impact on **bank** dividend payouts.

Thailand

- ▲ The year-end dividends for FY21 were already released in Q1 of this year. Dividends for Q2 payers are expected to remain stable. Companies to gain from rebounding demand. Indorama Ventures PCL and BTS Group Holdings are expected to maintain payout ratios.
- ▼ Semiconductor shortage continues to be a source of worry. Inflationary pressure putting a strain on profitability by driving up fixed costs. Dividends not likely to be affected at this point.

Singapore

- ▲ Further ease of pandemic-related restrictions are expected to benefit **travel and leisure** sectors as well as **REITs**
- ▼ Possibility of stagflation amid the interest hike with a slower economy growth

Malaysia

- ▲ **Telecom, Healthcare and Utilities** to be the top dividend contributing sectors in Q2. Overall demand recovers in tandem with improving economic conditions. Dividends expected to either remain stable or increase – Maxis Berhad, Petronas Gas Berhad.
- ▼ COVID-19 boom for **glove makers** comes to a halt as revenues get affected by a decline in average selling price and sales volume. FY'22 dividend growth normalized for Hartalega Holdings to reflect the pre-pandemic average growth rate.

Japan

- ▲ Increased dividends guided for **telecom** companies - Nippon Telegraph and Tel, Softbank (+4.5%YoY dividend growth for both). Mixed sentiment for **automakers** – good for Toyota (+11.1% YoY) and Mazda (Initiation) while Nissan and Mitsubishi continue with zero dividend.
- ▼ Chip shortage is likely to linger but has limited impact on guided dividends.

South Korea

- ▲ **7 more companies** including Shinhan Financial Group, Hanssem, Seegene, SK Hynix, SK telecom to initiate quarterly dividends
- ▼ Increasing manufacturing cost pressuring profitability of industrial players. Limited dividend risk at this point

Taiwan

- ▲ **Semiconductor** companies are expected to surf another wave of booming cycle due to global chip shortages.
- ▼ Central bank increased the policy rate by 25bps in response to US Fed's movement which adds cost of borrowing to companies with high CAPEX.

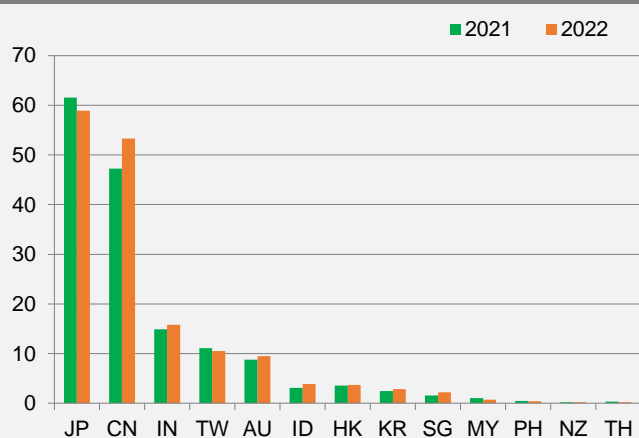
Australia

- ▲ **Miners** are expected to continue to ride on the elevated commodity prices including iron ore, copper and aluminum.
- ▼ **Retailers** are facing higher operational costs in face of inflation and labour shortages

Hong Kong SAR

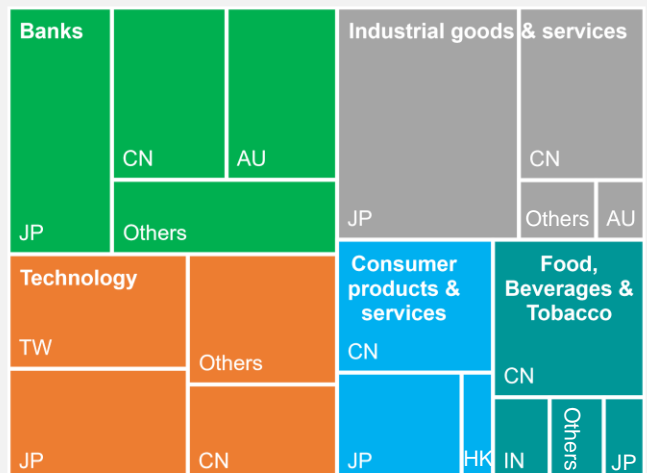
- ▲ Year-end financial results were released for most of companies in Q1. Notable names raise dividend payments in FY22 Q2 - **L.K Technology, China New Higher Education, Hang Seng Bank, Lenovo Group and Link REIT.**
- ▼ Due to strict quarantine policies in mainland China, audit work were left incomplete for some real estate companies. This has raised the market concerns for their debt positions as well. Noticeable companies include **Kaisa Group, Evergrand Holdings, Sunac Holdings and Shimao Group Holdings.**

Market breakdown of aggregate dividend to be announced in 2022 Q2 (in USD billion)



Note: Data as of 2022-03-28.
Source: IHS Markit

Sector breakdown of aggregate dividend to be announced in 2022 Q2



Note: Data as of 2022-03-28.
Source: IHS Markit

Dividend Index Points Focus



Mainland China, Hong Kong, India to enter peak season in Q2. Quieter quarter ahead for Japan and South Korea as the exchange-set ex-dates for year-end dividends (fell on the second last business day of March 2022 and December 2021 respectively) have passed.

Key DIPs contributor of HSI going ex in 2022 Q2

ISIN	Security Name	Type	Div Points	Ex-Date
CNE1000003G1	ICBC - H	FIN	45.2938	28-Jun-22
CNE1000001Z5	Bank Of China - H	FIN	36.3632	25-May-22
HK0941009539	China Mobile	FIN	26.9745	23-May-22
HK0000069689	AIA	FIN	23.6093	24-May-22
HK0883013259	CNOOC	FIN	22.5916	01-Jun-22
CNE1000003X6	Ping An - H	FIN	21.0996	01-Jun-22

Note. Data as of 2022-03-28 © 2022 IHS Markit

Source: IHS Markit

Hang Seng Index is expected to embrace its peak DIPs season in the upcoming quarter, mainly attributable to the Bank, Insurance and Energy sectors with Industrial Commercial Bank (1398.HK), Bank of China (3988.HK), AIA (1299.HK), CNOOC (0883.HK) and Ping An (2318.HK) as top dividend contributors.

For Real Estate sector, we label downside risks for a few names (1918.HK, 3883.HK and 2007.HK) with low confidence but the overall impact on DIPs for Hang Seng Index is limited as only Country Garden Holdings (2007.HK) is listed in the concerning index.

Key DIPs contributor of ASX 200 going ex in 2022 Q2

ISIN	Security Name	Type	Div Points	Ex-Date
AU000000NAB4	National Australia Bank	INT	7.6860	11-May-22
AU000000WBC1	Westpac Banking Australia New Zealand	INT	7.2338	19-May-22
AU000000ANZ3	Banking	INT	6.8667	09-May-22
AU000000MQG1	Macquarie Group	FIN	4.0920	16-May-22
AU000000TCL6	Transurban Grp	FIN	2.5995	29-Jun-22

Note. Data as of 2022-03-28 © 2022 IHS Markit

Source: IHS Markit

S&P ASX200 is expected to see a spike in DIPs in upcoming May as major banks, including ANZ.AX, WBC.AX, NAB.AX and MQG.AX, are scheduled to report their FY22 interim or final results and dividends. We expect the banks' upcoming dividends to hold steady and therefore flag the amount forecasts with medium confidence.

Key Amount Changes

Please find stock-level comments at <https://ebs.ihsmarket.com/>

Notable payout initiations/increases to be announced in 2022 Q2

ISIN	Name	FY end	Type	Announcement Date (E)	CCY	DPS (E)	yoy %	Amount confidence level
JP3386030005	JFE Hldgs	2022	FIN	06-May-22	JPY	80.0000	700.0%	High
JP3381000003	Nippon Steel Corp	2022	FIN	06-May-22	JPY	70.0000	600.0%	High
JP3362700001	Mitsui OSK Lines	2022	FIN	28-Apr-22	JPY	750.0000	455.6%	High
CNE100000V20	Chongqing Zhifei Biological Products - A	2021	FIN	28-Apr-22	CNY	1.9000	280.0%	Low
SG1S03926213	Mapletree Logistics Trust REIT	2022	Q4 PID	21-Apr-22	SGD	0.0234	219.7%	Medium
INE090A01021	ICICI Bank	2022	FIN	23-Apr-22	INR	6.0000	200.0%	Medium
INE522F01014	Coal India	2022	FIN	14-Jun-22	INR	10.0000	185.7%	Medium
TW0003034005	Novatek Microelectronics	2021	FIN	26-Apr-22	TWD	40.9000	162.2%	Medium
JP3787000003	Hitachi Construction Machinery	2022	FIN	27-Apr-22	JPY	26.0000	160.0%	
SG1T75931496	Singapore Telecommunications	2022	FIN	27-May-22	SGD	0.0620	158.3%	Low
SG1L01001701	DBS Group Holdings	2022	Q1	29-Apr-22	SGD	0.3600	100.0%	Medium
CNE100003662	Ampere Tech - A	2021	FIN	22-Apr-22	CNY	0.4700	95.8%	Medium
AU000000ALL7	Aristocrat Leisure	2022	INT	19-May-22	AUD	0.2800	87.4%	Medium
CNE100003RV9	Beijing Shanghai High-Speed Railway	2021	FIN	30-Apr-22	CNY	0.0600	82.4%	Medium
SG2C32962814	Mapletree Industrial Trust	2022	Q4 PID	26-Apr-22	SGD	0.0360	47.4%	Medium

Note. Data as of 2022-03-28

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Source: IHS Markit

Notable payout suspensions/decreases to be announced in 2022 Q2

ISIN	Name	FY end	Type	Announcement Date (E)	CCY	DPS (E)	yoy %	Amount confidence level	Drop Probability
CNE100001RQ3	Muyuan Foodstuff	2021	FIN	30-Apr-22	CNY	0.2800	-73%	Low	0.61
CNE0000001D4	Gree Electric Appliances Inc. Of Zhuhai - A	2021	FIN	30-Apr-22	CNY	1.3000	-57%	Low	0.33
MYL516800009	Hartalega Holdings	2022	3RD INT	02-May-22	MYR	0.1000	-44%	Medium	0.09
JP3592200004	Toshiba	2022	FIN	13-May-22	JPY	40.0000	-42.9%	High	0.34
JP3233250004	Japan Post Insurance	2022	FIN	13-May-22	JPY	45.0000	-40.8%	High	0.04
JP3502200003	Daiwa Securities Group	2022	FIN	28-Apr-22	JPY	15.0000	-40.0%	Medium	0.41
JP3900000005	Mitsubishi Heavy Industries	2022	FIN	10-May-22	JPY	45.0000	-40.0%	High	0.12
JP3358800005	Shimizu Corp ORD JPY NPV	4044	FIN	10-May-22	JPY	11.5000	-36.1%	High	0.02
INE481G01011	UltraTech Cement	2022	FIN	09-May-22	INR	25.0000	-32.4%	Medium	0.01
JP3700200003	Nippon Light Metal	2022	FIN	13-May-22	JPY	45.0000	-30.8%	High	0.17
INE029A01011	Bharat Petroleum	2022	FIN	26-May-22	INR	16.0000	-30.4%	Medium	0.73
JP3385820000	GS Yuasa Corp	2022	FIN	12-May-22	JPY	35.0000	-30.0%	High	0.00
JP3300200007	Konami Holdings Corp	2022	FIN	13-May-22	JPY	36.5000	-27.7%	High	0.16
JP3598600009	Toho	4044	FIN	13-Apr-22	JPY	27.5000	-26.7%	High	0.09
JP3756600007	Nintendo	2022	FIN	06-May-22	JPY	1080.0000	-23.4%	High	0.40

Note. Data as of 2022-03-28

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Source: IHS Markit

Risky Ex-dates

Please find stock-level comments at <https://ebs.ihsmarket.com/>

Key stocks with low ex-date confidence rank

ISIN	Name	FY end	Type	Announcement Date (E)	Ex Date (E)	Ex Date Confidence Rank
AU000000AMC4	Arcor PLC CDI	2022	Q3	05-May-22	25-May-22	Low
AU000000JHX1	James Hardie Industries Plc CDI	2022	FIN	18-May-22	02-Jun-22	Low
CNE000000040	Ping An Bank - A	2021	FIN	10-Mar-22	16-May-22	Low
CNE0000001D4	Gree Electric Appliances Inc. Of Zhuhai - A	2021	INT	14-Feb-22	07-Apr-22	Low
CNE000000JP5	Inner Mongolia Yili Industrial Group - A	2021	FIN	28-Apr-22	13-Jun-22	Low
CNE0000016J9	Wanhua Chemical Group - A	2021	FIN	15-Mar-22	25-Apr-22	Low
CNE0000018G1	China Petroleum & Chem - A	2021	FIN	28-Mar-22	16-Jun-22	Low
CNE0000018R8	Kweichow Moutai - A	2021	FIN	31-Mar-22	24-Jun-22	Low
CNE000001N05	Bank of China - A	2021	FIN	31-Mar-22	08-Jun-22	Low
CNE1000001Z5	Bank of China - H	2021	FIN	29-Mar-22	25-May-22	Low
CNE000001QZ7	Industrial Bank - A	2021	FIN	25-Mar-22	29-Jun-22	Low
CNE1000002Q2	China Petroleum & Chem - H	2021	FIN	25-Mar-22	08-Jun-22	Low
CNE1000008M8	China Pacific Insurance - A	2021	FIN	28-Mar-22	30-Jun-22	Low
CNE1000009Q7	China Pacific Insurance - H	2021	FIN	27-Mar-22	01-Jun-22	Low
CNE100000F46	China State Construction Engineering - A	2021	FIN	30-Apr-22	30-Jun-22	Low
HK0823032773	Link REIT	2022	FIN	06-Jun-22	20-Jun-22	Low
KYG6427A1022	NetEase	2022	Q1	18-May-22	09-Jun-22	Low

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Source: IHS Markit

Recent research reports/notes

How China's dividend factors in the Russia-Ukraine crisis

A mixed picture ahead as some sectors are poised to benefit from government supports according to the "two sessions", but concurrently also exposed to the risks from the Russia-Ukraine crisis. [Watch video here](#) and [Read here](#)

Dividend Intraday Alert: South Korea – Upcoming FY22 Q1 Dividends

At least six new stocks are expected to initiate quarterly dividend with ex-date 30-March 2022.

Recent single stock commentaries

James Hardie Industries (AU000000JHX1): to reinstate strong final dividends

Doosan Bobcat (KR7241560002): Now a Cash Cow

Bangkok Dusit Medical Services (TH0264A10Z04): Clear signs of recovery

Any questions?

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