



# Dividend Forecasting Bi-weekly Brief

02 August 2022

## APAC what to watch

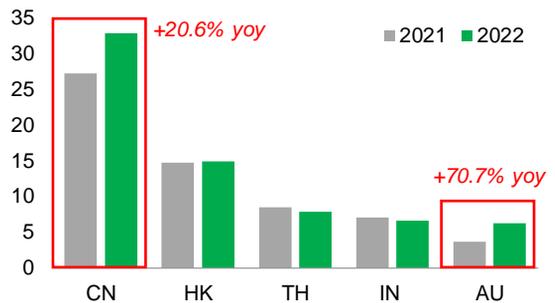
### **Australia: Soaring dividends amid high energy price under continued geopolitical tensions**

We expect Australia-based players to pay robust stream of dividends in reflection of historical result they have guided earlier. **Woodside Energy**, Australia's largest LNG operator is expected to pay at least USD 1.08 per share of interim dividend (up 260% yoy); **Santos** broke its half-year sales record of USD 3.8 billion, which is anticipated to be followed by USD 0.13 per share of interim dividend (up 136% yoy); **Whitehaven Coal** guided an AUD 3 billion profit from 200 million of last year as it's awaiting to resume the final dividend which was suspended in past two consecutive years. **New Hope** is another noteworthy coal player that is set to pay a hefty final dividend of AUD 0.43 (up 514% yoy) for the year ending in July 2022. The gradual phase out from Russian energy globally will place Australian players at advantage. The question would be to what extent will mainland China contribute to the soaring energy price in the 2H of 2022.

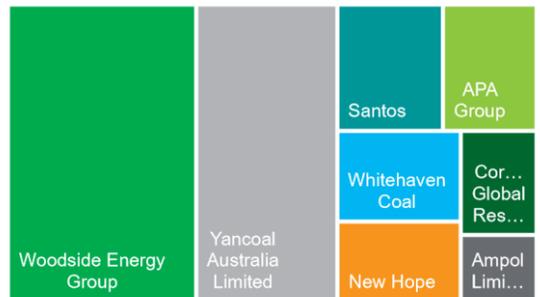
### **Mainland China: Robust dividends expected for major oil and gas players in 2H of this year**

Despite relatively lackluster 1H demand due to COVID-19 lockdowns, the 2H demand is expected to stay robust, mainly attributable to China's 7.2 trillion-yuan infrastructure stimulus to support a lockdown-ravaged economy and more frequent mass testing in major cities to stave off large-scale shutdowns. We forecast **PetroChina** and **CNOOC** to grow their FY22 dividends by around 30% yoy, while **Sinopec's** FY22 full-year payout to be nearly flat based on similar earnings level as that of last year. PetroChina has significantly benefited from better cost pass-through for residential gas due to China's soaring gas price. Sinopec, however, is expected to show flat earnings performance due to weaker-than-expected 1H refining and petrochemical margins. Energy security will be prioritized over transition to renewable energy for the time-being as the government retains an aggressive 5.5% GDP growth target this year which outline upbeat performance outlook for CN energy players. Yet these state-owned companies are likely to be caught in the mid/long-term conflict between the capital expenditures on low-carbon investments and government's dependence on oil and gas security, especially under current geopolitical uncertainties.

Market breakdown of aggregate dividend (Energy) in FY21 and FY22E (in USD billion)



Top 8 aggregate dividend (AU Energy) in FY22E (in USD billion)



Source: IHS Markit

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## APAC special reports



### **Hong Kong SAR Real Estate Dividend Outlook**

Despite a tough beginning, we forecast most market leader participants to keep the momentum and pay stable to rising dividends for FY22.

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### **CSI1000 Index Release**

We are expanding our coverage to provide dividend forecasts and dividend index points calculation on CSI1000 Index universe.

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