

Singtel: Share price reached a high in months on potential strategic changes

DIGITAL ENGAGEMENT TEAM

22 APRIL 2021

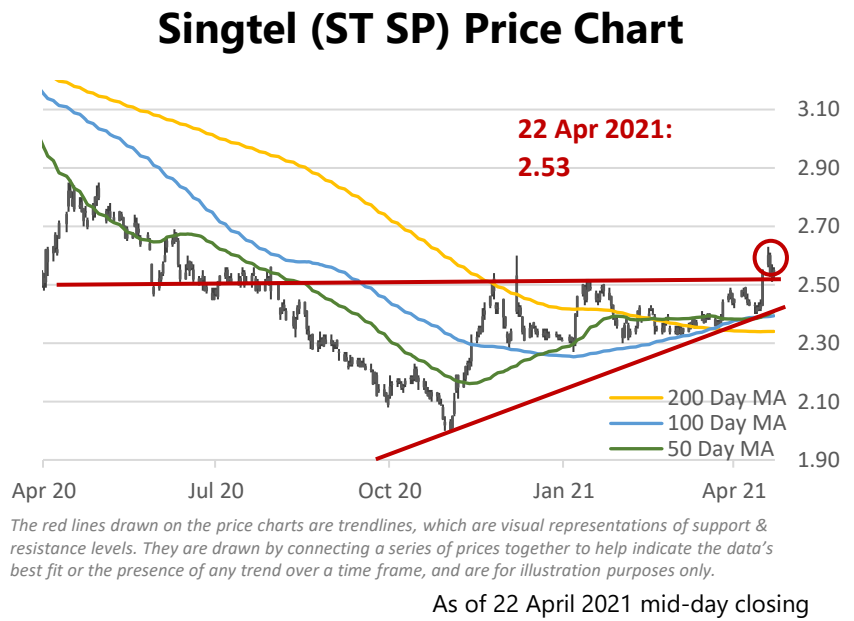
TRADING MATTERS SERIES: STOCK HIGHLIGHT

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

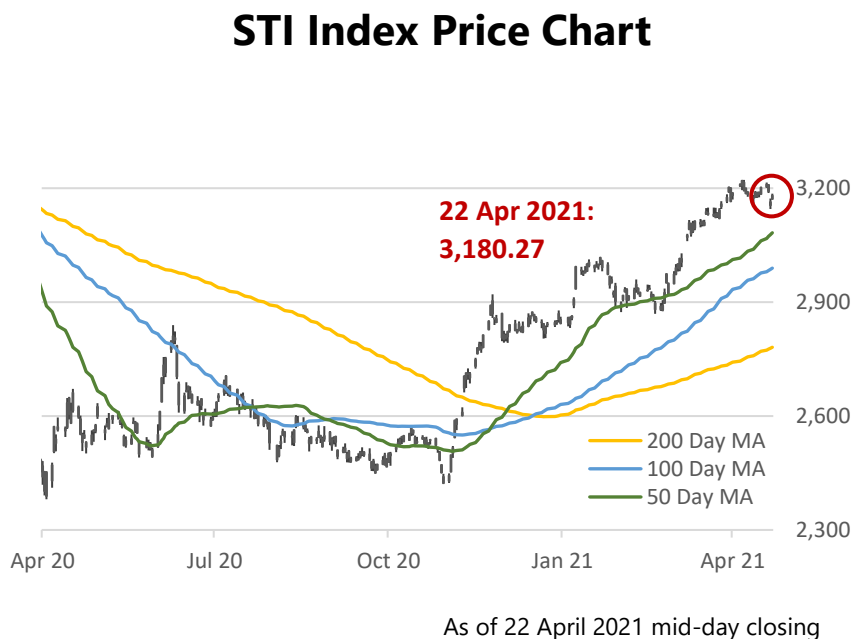
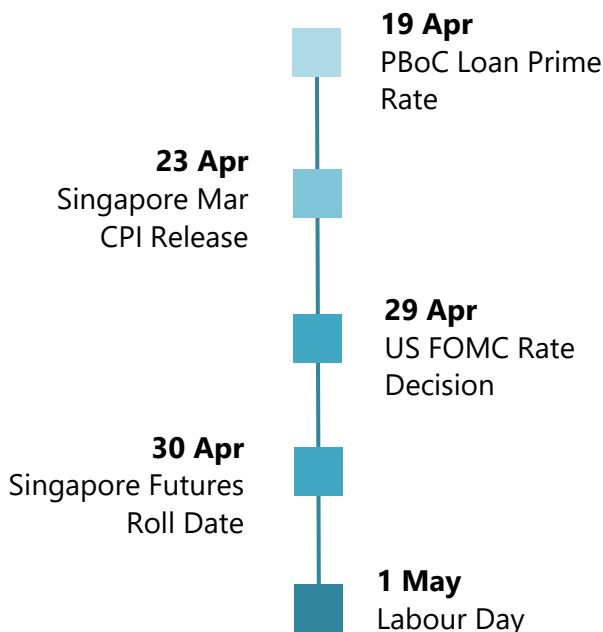
KEY METRICS	
Current Price	2.53
Latest Dividend	0.051
Dividend Ex-Date	26/11/2020
Indicated Dividend Yield	4.19%
RSI	61.25
Analysts 12M Target Price	2.89

REFINITIV STOCKREPORTS+ AVERAGE SCORE
6/10
As of 22 April 2021 mid-day closing

Refer to page 3 for indicator components



KEY MARKET EVENTS



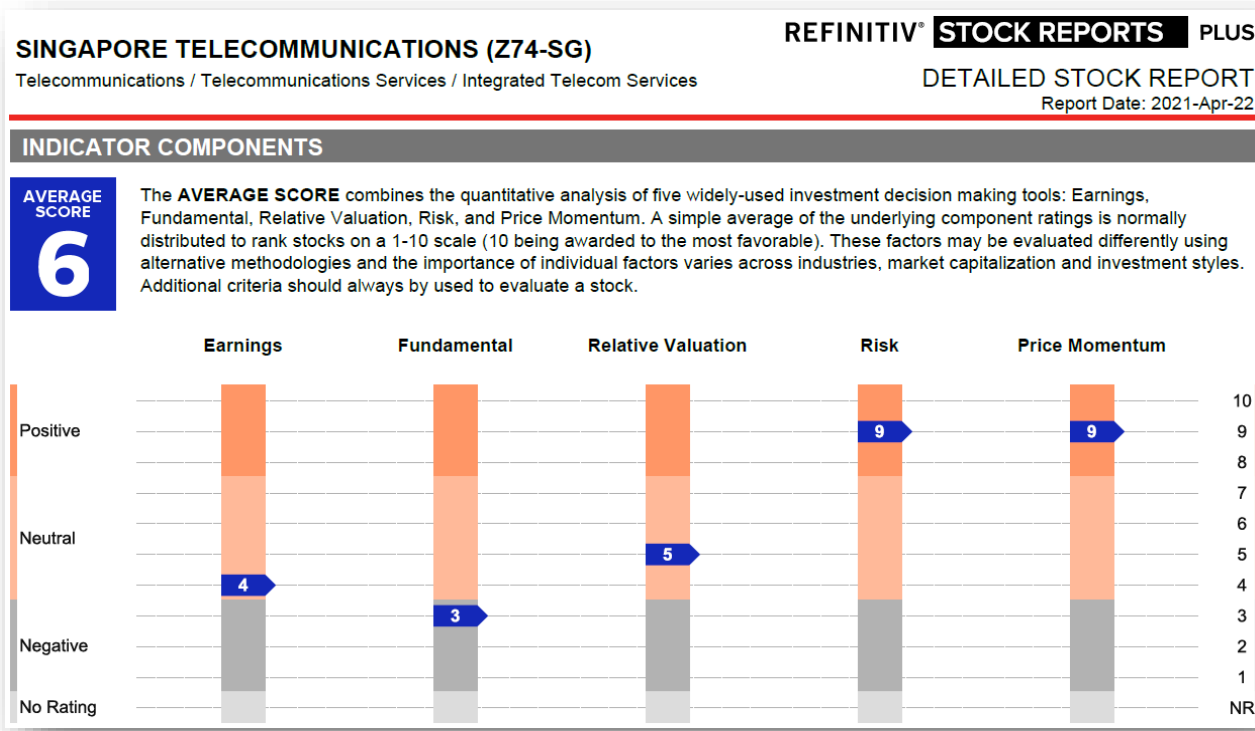
Market Commentary

- Thai billionaire plans S\$7.2 billion buyout of Singtel associate Intouch (The Straits Times, 19 Apr 2021)
 - Gulf Energy Development, controlled by billionaire Sarath Ratanavadi, offered to acquire Intouch Holdings, a Singtel associate company for as much as 169 billion baht (S\$7.2 billion)
 - Its offer price for Intouch's shares is 11% higher than Intouch's close price on 16 Apr 2021
 - Gulf Energy will also tender for 100% of Advanced Info Service, which is controlled by Intouch, subject to Gulf Energy securing at least 50% of Intouch
 - Singtel said it views its stakes in Intouch and Advanced Info as strategic investments, and "believe in the long term outlook of the businesses," and that it is reviewing its strategic options
- STI up 0.5% over the week; Singtel at 9-month high on possible strategic changes (The Straits Times, 16 Apr 2021)
 - Citi started a "positive catalyst watch" on the stock, saying that strategic changes could be announced when new chief executive Yuen Kuan Moon provides guidance as early as next month, when the telco announces its results
- Singtel associate Bharti Airtel unveils new corporate structure to focus on digital (Business Times, 15 Apr 2021)
 - New corporate structure to "sharpen (its) focus on digital", which will also enable it to unlock value, Bharti Airtel said in a statement
 - Airtel Digital Limited will be folded into Bharti Airtel under new structure
 - Bharti Airtel intends to house all telecom businesses under a newly-created entity, Airtel Limited

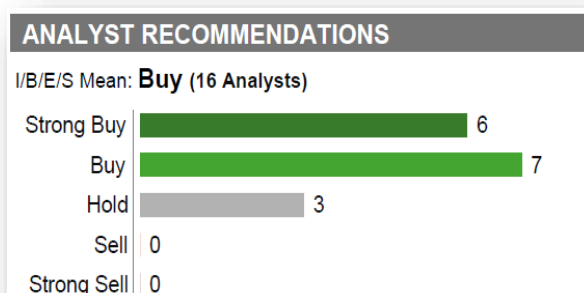
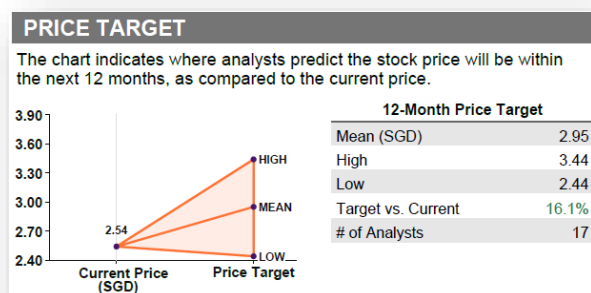
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> • Singtel's shares are up 4.1% in the past 5 days and rose 7.2% in the past 30 days 	<ul style="list-style-type: none"> • 2.850 (30 Apr 2020) • 2.690 (09 Jun 2020) • 2.610 (19 Apr 2021) 	<ul style="list-style-type: none"> • 2.500 (07 Jan 2021) • 2.420 (15 Apr 2021) • 2.300 (06 Jan 2021)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 22 April 2021 mid-day closing

Singapore Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS												Currency in SGD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (2021-04-21)	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
6	Z74	2.54	6.3%	2.0%	-7.6%	42.1B	38.3	14.6	4.2%	10.6%	3.2% Buy	15	
6	Z77	2.56	6.7%	2.4%	-6.9%	42.1B	39.0	--	4.1%	10.6%	-- --	--	
6	CJLU	0.96	0.5%	-0.5%	-3.0%	3.7B	48.0	40.0	5.3%	21.6%	13.3% Buy	8	
9	CC3	1.34	8.1%	0.0%	-4.3%	2.4B	15.5	16.0	3.7%	7.4%	-6.7% Hold	15	
5	42F	0.15	21.8%	5.8%	1218%	94M	--	--	--	-84.9%	-- --	--	
4	BAI	2.60	4.0%	101.6%	55.7%	33M	--	--	--	-1.1%	-- --	--	
NR	AWV	0.36	-2.7%	0.0%	26.8%	12M	9.4	--	3.5%	6.0%	-- --	--	
6	Average	1.50	6.4%	15.9%	182.7%	12.9B	30.0	23.5	4.2%	-4.2%	3.3% Buy	12.7	

Source: REFINITIV STOCKREPORTS+, extracted 22 April 2021 mid-day closing

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicate d Yield (%)
Average		22,373	31158.80	20.36	20.73	2.64	2.74	3.66

SINGAPORE TELECOMMUNICATIONS								
ST SP Equity		57,839	2.60	25.44		1.58	1.63	4.06
STH SP Equity	STARHUB LTD	3,218	1.38	15.52	13.96	7.06	6.90	3.62
CHINA UNITED NETWORK-A								
600050 CH Equity		36,144	4.23	23.61	30.04	0.87	1.06	1.56
TELECOM ARGENTINA S.A.-B								
TECO2 AR Equity		6,297	150.70	N/A		0.85	1.12	N/A
017670 KS Equity	SK TELECOM	39,116	301,000.00	14.71	15.80	0.90	0.69	3.32
OBEL BB Equity	ORANGE BELGIUM	2,848	22.00	24.42	28.10	2.15	1.87	2.27
T CN Equity	TELUS CORP	50,502	26.06	23.81	18.41	2.79	2.54	4.78
IAM MC Equity	MAROC TELECOM	24,639	139.30	22.58	37.36	9.63	2	2.88
030200 KS Equity	KT CORP	11,914	28,350.00	10.55	9.36	0.49	0.42	4.76
032640 KS Equity	LG UPLUS CORP	9,170	13,050.00	22.56	12.78	0.77	0.73	3.45
BATELCO BI Equity	BAHRAIN TELECOM CO	4,415.20	0.56	N/A		1.96		5.91

Source: Bloomberg, extracted 22 April 2021 mid-day closing

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