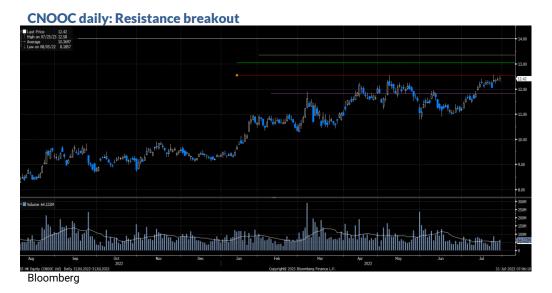
Technical Focus

Monday, 31 Jul, 2023

CNOOC Ltd

Expansion in Exploration and Production

- Regarded as the largest producer of offshore crude oil and natural gas in China and one of the largest independent oil and gas exploration and production companies in the world
- To explore oil and gas offshore in Tanzania and discovery of potentially large volumes of light oil in the southern Bohai Sea may boost production capacity.
- Prospects of tighter supplies due to product cut from OPEC+ members and escalating tension between Russia and Ukraine may keep crude oil prices elevated.
- Technically, traders may anticipate for a potential breakout above HKD12.55 to target the next resistances at HKD13.05-13.36 with long term target set at HKD14.00.



Trading Catalyst

- CNOOC Ltd (CNOOC) is regarded as the largest producer of offshore crude oil and natural gas in China and one of the largest independent oil and gas exploration and production companies in the world. The group mainly engages in exploration, development, production and sale of crude oil and natural gas.
- Going forward, CNOOC is planning to explore oil and gas offshore in Tanzania which is line with the initiative of the government-backed Tanzania Petroleum Development Corporation (TPDC) to accelerate the exploitation of its natural resources. Meanwhile, the discovery of potentially large volumes of light oil in the Bozhong 26-6 field in the southern Bohai Sea, off eastern China is expected to boost oil production capacity.
- We reckon that the prospects of tighter supplies due to product cut from OPEC+ members and escalating tension between Russia and Ukraine may keep crude oil prices elevated. Based on Bloomberg consensus estimates, CNOOC has a 95.7% Buy rating with an average 12-month target price of HKD14.96 (potential 20.5% upside from current share price) from 23 research houses.

M⁺Online Malacca Securities Sdn Bhd mplusonline.com/research-reports

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CNOOC LTD		
Last Price (HKD)	12.42	
5 Day Change (%)	1.5	
1 Day Range Percentile (%)	100.0	
5 Day Range Percentile (%)	69.2	
52Week Range Percentile (%)	77.2	
Volatility 30D	16.9	
EMA9, EMA20, EMA60 Trend	Consolidation	
Price vs. EMA20 (%)	2.0	
DMI DI+	25.6	
DMI DI-	17.3	
ADX	22.1	
Price Skew	DOWN	
RSI 14D	63.0	
RSI OB/OS	Positive	
Price vs. Bollinger Band (%)	81.1	
Bloomberg		

Financial snapshot			
FYE Dec	FY22	FY23f	FY24f
Revenue (HKD	422230.	382411.	383028.
m)	0	2	7
Net profit (HKD	141700.	122107.	123063.
m)	0	5	8
Shares (m)	44576.8	44576.8	44576.8
EPS (cent)	317.9	273.9	276.1
DPS (cent)	188.0	114.8	113.5
P/E (x)	3.9	4.5	4.5
DY (%)	15.1	9.2	9.1
Bloomberg			

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Technical Outlook

• Technically, price is on the recovery trend at the end-July 2023. Following the recovery in crude oil prices, price has advanced to tread near 2-months high. For now, traders may anticipate for a potential breakout above HKD12.55 to target the next resistances at HKD13.05-13.36 with long term target set at HKD14.00. Support is pegged at HKD11.82 and cut loss is located at HKD11.00.

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As of **Monday**, **31 Jul**, **2023**, the analyst(s), Kenneth Leong, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report: (a) nil.

Glossary	
Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day
Volatility 30D	logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the
EMA9, EMA20, EMA60 Trend	EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought. If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage