

## What's Hot Today:

### ► Autohome (2518.HK): 1Q24 beats expectations

Autohome announced its 1Q24 result with a revenue of RMB1609mn (+5% YoY) and a net profit of RMB380mn (-3% YoY), better than expected. By segments, although its media services dropped 9%, leads generation and online marketplace segment delivered a 7% and 13% growth in Q1, respectively. Profitability remained flat as OPM stood at 17.2%, par with last year. It is noted that the drop in net profit was mainly due to investment losses whereas the operating profit during the quarter was 5% higher YoY.

Our view: We think the headwinds remains for Autohome as competitors has dominated the short video traffic. The near term catalyst could be 1) shares buy back, 2) sales growth. The company is trading at 3.0x FY24E P/E. (Research department)

Fig 1: Autohome's Financials and forecast

(RMB mn)	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	7,237	6,941	7,184	7,462	7,773	8,130
YoY%	-16%	-4%	4%	4%	4%	5%
Gross Profit	6,189	5,706	5,772	5,995	6,243	6,543
GPM%	85.5%	82.2%	80.3%	80.3%	80.3%	80.5%
Operating Profit	1,782	1,248	1,137	1,215	1,354	1,407
OPM%	24.6%	18.0%	15.8%	16.3%	17.4%	17.3%
Net Profit	2,149	1,807	1,880	1,844	1,929	2,026
YoY%	-37%	-16%	4%	-2%	5%	5%
NPM%	29.7%	26.0%	26.2%	24.7%	24.8%	24.9%
EPS (RMB)	4.30	3.62	3.84	3.77	3.94	4.14
P/E	12.0	14.2	13.4	13.7	13.1	12.4

Source: Company reports, Bloomberg consensus, Sunwah Kingsway Research

Fig 2: Quarterly result summary

(RMB mn)	1Q23	2Q23	3Q23	4Q23	1Q24	YoY
<b>Revenue</b>	<b>1,534</b>	<b>1,833</b>	<b>1,906</b>	<b>1,911</b>	<b>1,609</b>	<b>4.9%</b>
Media services	361	532	477	500	327	-9.4%
Leads generation	681	760	830	841	726	6.7%
Online marketplace	492	541	599	569	555	13.0%
<b>Gross Profit</b>	<b>1,193</b>	<b>1,503</b>	<b>1,532</b>	<b>1,544</b>	<b>1,308</b>	<b>9.6%</b>
Gross margin	77.8%	82.0%	80.4%	80.8%	81.3%	3.5pp
SG&A	672	915	1,076	887	791	17.6%
R&D	324	313	355	356	336	3.6%
Operating profit	263	342	166	367	276	4.9%
Operating profit margin	17.2%	18.6%	8.7%	19.2%	17.2%	0pp
Interest income & Other gain	194	201	262	203	171	-11.7%
<b>Net Profit</b>	<b>393</b>	<b>491</b>	<b>564</b>	<b>432</b>	<b>380</b>	<b>-3.3%</b>
Net margin	25.6%	26.8%	29.6%	22.6%	23.6%	-2pp

Source: Company reports, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	18,537	1.2%	8.7%
HSCEI	6,560	1.6%	13.7%
HSCCI	3,816	1.9%	13.9%
CSI300	3,664	0.9%	6.8%
Shanghai A	3,307	0.8%	10.0%
Shanghai B	254	0.3%	10.0%
Shenzhen A	1,879	1.3%	-2.3%
Shenzhen B	1,128	0.4%	4.4%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	39,387	0.8%	4.5%
S&P 500	5,214	0.5%	9.3%
Nasdaq	16,346	0.3%	8.9%
NIKKEI Index	38,727	1.7%	15.7%
FTSE Index	8,381	0.3%	8.4%
CAC Index	8,187	0.7%	8.5%
DA-X Index	18,886	1.0%	11.6%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,346	1.6%	14.0%
STEEL (US\$/oz.)	2,136	0.5%	-4.0%
SILVER (US\$/oz.)	28	3.6%	19.2%
CRUDE OIL (US\$/bbl)	79	-11.8%	11.2%
COFFER (US\$/oz.)	9,904	-1.2%	15.7%
ALUMINIUM (US\$/oz.)	2,561	-0.3%	7.4%
PLATINUM (US\$/oz)	984	0.8%	-0.5%
ZINC (US\$/oz.)	2,909	-1.7%	9.5%
WHEAT (US\$/bu)	619	-0.8%	-1.3%
CORN (US\$/bu)	456	-0.4%	-7.3%
SUGAR (US\$/lb)	N/A	N/A	-3.6%
SOYBEAN (US\$/bu)	1,208	-1.6%	-7.7%
PVC (US\$/t)	N/A	N/A	17.2%
CRB	289	0.3%	3.0%
BDI			3.4%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.814	0.928	155.480	0.906	7.220
HKD	0.128		0.119	19.896	11.594	0.924
EUR	1.078	8.425		167.630	1.024	7.785
JPY	0.006	5.026	0.597		0.582	0.046
CHF	1.104	8.625	1.024	171.593		7.969
RMB	0.139	1.082	0.128	21.519	0.126	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland		83
Italy		139
Portugal		207
Spain		108
VIX		12

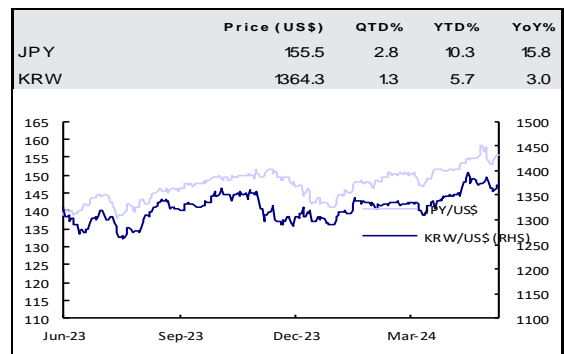
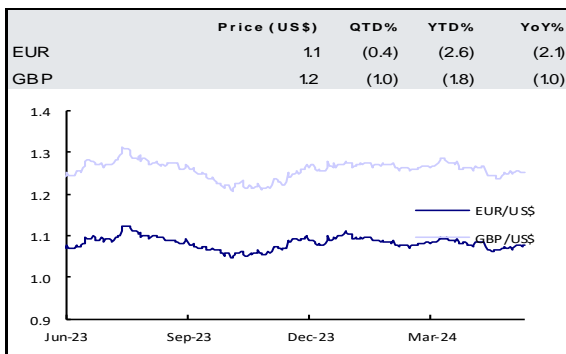
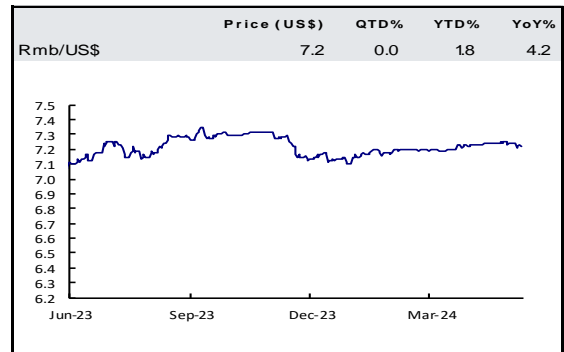
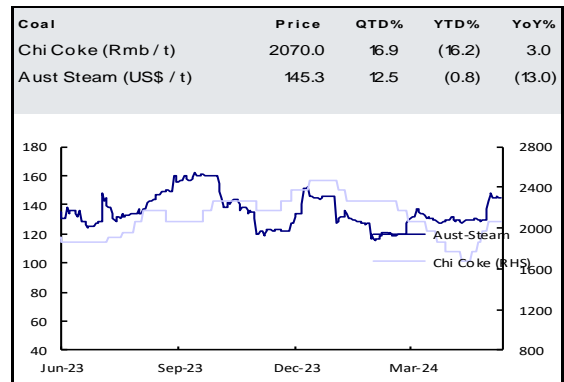
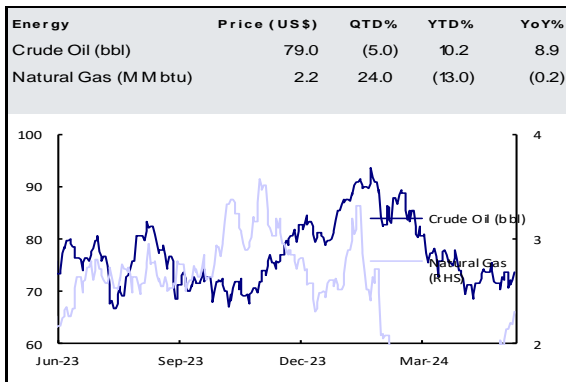
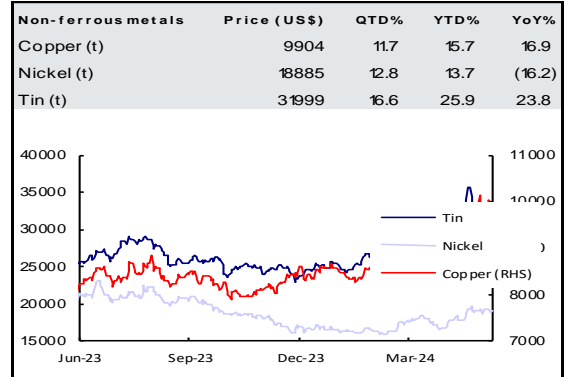
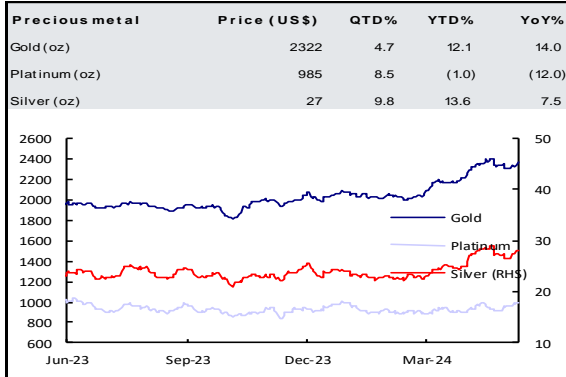
Source: Bloomberg

Date	Company	Analyst
29/02/2024	Xinyi Solar (968.HK)	Research Department
29/02/2024	Xinyi Energy (3868.HK)	Research Department
26/02/2024	Conant Optical (2276.HK)	Research Department
05/01/2024	Aeon Credit (900 HK)	Ensley Liu
13/10/2023	Aeon Credit (900 HK)	Howard Wong
17/04/2023	Xtep International (1368 HK)	Eason Cui
14/04/2023	Perfect Medical (1830 HK)	Research Department
03/04/2023	Meidong Auto (1268 HK)	Eason Cui
31/03/2023	Prosperous Industrial (1731 HK)	Research Department
28/03/2023	Yongda (3669 HK)	Eason Cui
17/03/2023	361 Degrees (1361 HK)	Eason Cui
13/03/2023	DONGFANG ELECTRIC (1072 HK)	Eason Cui
01/03/2023	Xinyi Energy (3868 HK)	Eason Cui
28/02/2023	Xinyi Glass (868 HK)	Ken Li
13/02/2023	Auto monthly update	Eason Cui
10/02/2023	Yuexiu Property (123 HK)	Ken Li
18/01/2023	Yongda (3669 HK)	Eason Cui
17/01/2023	Xtep (1368 HK)	Eason Cui
04/01/2023	Auto monthly update	Eason Cui
02/12/2022	Perfect Medical (1830 HK)	Research Department
01/12/2022	XPeng (9868 HK)	Eason Cui

Kingsway coverage list

Name	Ticker	Market Cap (HK\$m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend FY2	Absolute performance			Latest update date
								Hist	FY1	FY2		5D%	1M%	3M%	
HANG SENG INDEX	HSI		18,537.81	1.2				9.7	9.2	8.6	4.2%	1.8	8.2	17.7	
HANG SENG CHINA ENT IND	HSCEI		6,560.67	1.6				8.9	8.6	7.8	3.9%	1.9	9.0	23.6	
CSI 300 INDEX	SHSZ300		3,664.56	0.9				14.4	12.4	10.9	3.2%	1.1	4.6	8.9	
FUYAO GLASS	3606 HK	138,017	48.70	1.5	LONG	41.50	(14.8)	20.8	17.6	15.0	3.7%	4.2	19.7	32.9	1-Sep-20
BEUR	3718 HK	1,743	0.49	1.0	LONG	1.80	267.3	6.2	5.2	4.3	7.6%	0.0	2.1	1.0	30-Mar-21
BINJIANG SERVICES	3316 HK	5,141	18.60	3.4	LONG	23.50	26.3	9.6	8.0	6.6	8.9%	2.8	9.2	23.8	N/A
BYDE	285 HK	72,103	32.00	9.2	NEUTRAL	17.60	(45.0)	16.5	13.1	10.3	2.1%	18.1	14.5	11.5	N/A
CHINA LILANG	1234 HK	5,724	4.78	1.1	LONG	5.32	11.3	10.0	8.7	7.8	8.6%	0.8	(3.2)	18.1	N/A
CHINASOFT INTL	354 HK	13,450	4.73	2.4	LONG	12.80	170.6	16.9	13.3	10.2	2.2%	(3.9)	(1.7)	0.9	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,654	4.74	0.2	LONG	8.70	83.5	8.9	7.6	6.8	4.4%	(4.0)	(3.1)	14.8	26-Feb-20
DUIBA GROUP	1753 HK	372	0.35	0.0	LONG	5.55	1508.7	11.0	N/A**	N/A**	N/A**	9.5	9.5	53.3	N/A
EDVANTAGE GROUP	382 HK	2,877	2.52	1.6	LONG	4.50	78.6	4.0	3.6	3.4	8.6%	(0.4)	2.9	8.2	3-May-22
EVERGREEN PG	1962 HK	334	0.51	0.0	LONG	1.75	243.1	6.5	N/A**	N/A**	N/A**	0.0	7.4	(1.9)	26-Jan-21
HUAHONG SEMI	1347 HK	36,518	17.04	8.8	NEUTRAL	26.30	54.3	4.8	26.9	13.7	0.0%	7.0	9.4	14.4	29-Jul-21
KINGDEE INTL	268 HK	33,386	9.29	5.2	NEUTRAL	17.62	89.7	N/A**	N/A**	106.0	0.0%	(0.3)	8.1	20.5	20-Aug-20
MEIDONG AUTO	1268 HK	3,877	2.88	4.3	LONG	19.76	586.1	25.5	9.5	5.9	5.1%	(5.3)	(6.8)	13.4	3-Apr-23
MINGYUAN CLOUD	909 HK	5,547	2.82	5.2	NEUTRAL	28.00	892.9	N/A**	N/A**	N/A**	1.1%	(5.1)	17.5	36.9	N/A
PLOVER BAY TECH	1523 HK	3,159	2.87	(0.3)	LONG	1.70	(40.8)	14.4	12.2	10.8	1.0%	1.1	6.3	43.6	6-Aug-20
POU SHENG INTL	3813 HK	3,462	0.65	(1.5)	LONG	2.80	330.8	6.3	4.9	3.8	7.1%	0.0	0.0	6.6	16-Nov-20
Q TECH	1478 HK	4,395	3.71	6.0	NEUTRAL	4.97	34.0	49.3	13.9	9.5	0.6%	3.6	8.5	20.8	10-Aug-22
SUNNY OPTICAL	2382 HK	46,967	42.90	5.5	LONG	160.80	274.8	39.3	22.9	16.8	1.2%	7.4	5.7	(10.9)	17-Aug-22
TRYLY INTL	732 HK	2,877	0.91	1.1	LONG	2.80	207.7	10.9	N/A**	N/A**	N/A**	3.4	3.4	33.8	8-Apr-21
XINYI ENERGY	3868 HK	9,495	1.15	4.5	LONG	1.62	40.9	9.1	7.9	6.9	7.0%	1.8	0.0	10.6	29-Feb-24
XINYI GLASS	868 HK	42,414	10.04	3.3	LONG	18.60	85.3	7.8	7.3	7.4	7.0%	15.8	12.4	56.1	28-Feb-23
XINYI SOLAR	968 HK	52,212	5.86	5.8	LONG	7.20	22.9	12.5	10.0	7.8	6.0%	3.4	(8.4)	56.7	29-Feb-24
XTEP INTL	1368 HK	14,264	5.40	7.6	LONG	11.91	120.6	12.2	11.1	9.7	4.5%	5.5	13.2	39.2	17-Apr-23
YONGDA AUTO	3669 HK	4,183	2.17	2.8	LONG	6.73	210.1	6.8	5.9	4.5	9.3%	(0.9)	(3.6)	9.0	28-Mar-23
YUEXU PROPERTY	123 HK	20,368	5.06	3.9	LONG	13.00	156.9	5.3	5.2	5.1	7.5%	(1.7)	24.3	0.8	10-Feb-23
WEIMOB	2013 HK	4,985	1.62	5.2	LONG	14.40	788.9	N/A**	299.3	22.3	0.0%	1.9	13.3	(8.0)	25-Nov-21

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		9-May-24
PPI	MoM		14-May-24
Business Inventories	MoM		15-May-24
Retail Sales	MoM		15-May-24
CPI	MoM		15-May-24
Housing Starts / Building Permits	MoM		16-May-24
Industrial Production	MoM		16-May-24
Existing Home Sales	MoM		22-May-24
New home Sales	MoM		23-May-24
Durable Goods Orders	MoM		24-May-24
Consumer Confidence	MoM		28-May-24
Wholesale Inventories	MoM		30-May-24
GDP	QoQ		30-May-24
Personal Income & Spending	MoM		31-May-24
ISM Manufacturing PMI	MoM		3-Jun-24
Factory Orders	MoM		4-Jun-24
Trade Balance	MoM		6-Jun-24
Employment Report	MoM		7-Jun-24
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		10-May-24
PPI	MoM		11-May-24
CPI	MoM		11-May-24
Retail Sales	MoM		17-May-24
Industrial Production	MoM		17-May-24
PMI Manufacturing	MoM		31-May-24
Trade Balance	MoM		7-Jun-24
Foreign Exchange Reserves	QoQ		7-Jun-24
GDP	YoY		15-Jul-24

**Hong Kong Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		17-May-24
Unemployment Rate	MoM		20-May-24
CPI	MoM		23-May-24
Trade Balance	MoM		27-May-24
Retail Sales	MoM		31-May-24
Money Supply - M2	MoM		31-May-24
PMI	MoM		5-Jun-24
Foreign Currency Reserve	MoM		7-Jun-24
Producer Prices Index	QoQ		14-Jun-24
Industrial Production	QoQ		14-Jun-24
Composite Interest Rate	MoM		

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