

What's Hot Today:

▶ Jiumaojiu (9922.HK, HK\$2.92, HK\$4.12bn)

1H24 NP expected to drop 69.8% YoY

Jiumaojiu is a catering company operating a chain of over 700 restaurants across China. Recently, the company issued a profit warning, expecting its 1H24 net profit to drop by about 69.8% YoY to RMB67mn while revenue is expected to increase by 6.4% YoY to RMB3.06bn. The company attributed the weak earnings to 1) a high base in 1H23 due to post covid recovery and gov't's subsidy; 2) both ASP and table turn dropped due to less traffic; 3) cost control not able to offset revenue decline; 4) RMB40mn fixed asset impairment. By the end of 2023, JMJ had a total of 726 stores in operation, a net opening of 170 stores compared with 2022.

Our view: We are seeing weak consumption sentiment in Q2 due to the unfavorable macroeconomy. We believe the consumption confidence may take longer to recover, which may negatively affect the consumer sector. Looking ahead, we expect Chinese consumers to continue to focus on value-for-money products and be reluctant to discretionary spending. As such, we recommend investors be cautious on the catering sector, including JMJ and Haidilao. (Research Department)

Fig 1: Jiumaojiu's financial summary and forecast

(RMB mn)	2023	2024E	2025E	2026E
Revenue	5,986	7,193	8,592	9,843
Growth		20%	19%	15%
Gross profit	3,844	4,597	5,489	6,287
GPM	64.2%	63.9%	63.9%	63.9%
Operating profit	697	822	1,035	1,205
OPM	11.6%	11.4%	12.0%	12.2%
Net profit	501	490	612	738
Growth		-2%	25%	21%
NPM	8.4%	6.8%	7.1%	7.5%
EPS (RMB)	0.345	0.333	0.43	0.507
P/E (x)		8.2	6.3	5.4

Source: Company report, Bloomberg Consensus, Sunwah Kingsway Research

Fig 2: Haidilao's financial summary and forecast

(RMB mn)	2023	2024E	2025E	2026E
Revenue	41,453	46,521	50,636	54,875
Growth		12%	9%	8%
Gross profit	24,507	27,551	30,005	32,525
GPM	59.1%	59.2%	59.3%	59.3%
Operating profit	5,727	6,640	7,458	8,303
OPM	13.8%	14.3%	14.7%	15.1%
Net profit	4,499	5,070	5,701	6,343
Growth		13%	12%	11%
NPM	10.9%	10.9%	11.3%	11.6%
EPS (RMB)	0.83	0.921	1.034	1.149
P/E (x)		12.9	11.5	10.4

Source: Company report, Bloomberg Consensus, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	17,469	-0.9%	2.5%
HSCEI	6,194	-0.9%	7.4%
HSCCI	3,671	-0.9%	9.6%
CSI300	3,439	-2.1%	0.3%
Shanghai A	3,056	-1.6%	-0.3%
Shanghai B	230	-0.4%	-0.3%
Shenzhen A	1,638	-2.6%	-14.8%
Shenzhen B	1,127	-0.7%	4.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	40,358	-0.1%	7.1%
S&P 500	5,555	-0.2%	16.5%
Nasdaq	17,997	-0.1%	19.9%
NIKKEI Index	39,438	-0.4%	17.9%
FTSE Index	8,167	-0.4%	5.6%
CAC Index	7,598	-0.3%	0.7%
DA X Index	18,557	0.8%	10.8%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,409	0.5%	16.8%
STEEL (US\$/oz.)	2,037	0.6%	-8.4%
SILVER (US\$/oz.)	29	0.4%	22.9%
CRUDE OIL (US\$/bbl)	76	-14.4%	8.0%
COPPER (US\$/oz.)	9,166	-1.5%	7.1%
ALUMINUM (US\$/oz.)	2,295	-2.4%	-3.7%
PLATINUM (US\$/oz)	948	-0.2%	-4.6%
ZINC (US\$/oz.)	2,688	-3.2%	1.1%
WHEAT (US\$/bu)	542	-1.0%	-13.9%
CORN (US\$/bu)	417	0.5%	-17.2%
SUGAR (US\$/lb)	N/A	N/A	-11.6%
SOYBEAN (US\$/bu)	1,075	0.6%	-13.7%
PVC (US\$/t)	N/A	N/A	20.3%
CRB	280	-0.9%	3.0%
BDI			-9.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.810	0.921	155.590	0.891	7.275
HKD	0.128		0.118	19.922	11.414	0.932
EUR	1.085	8.476		168.880	1.034	7.894
JPY	0.006	5.020	0.592		0.572	0.047
CHF	1.122	8.761	1.034	174.560		8.162
RMB	0.137	1.074	0.127	21.394	0.123	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland		83
Italy		139
Portugal		207
Spain		108
VIX		14

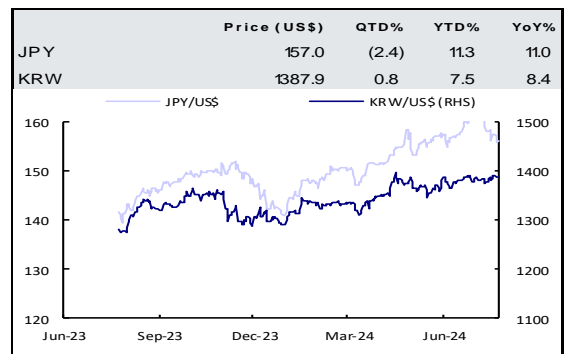
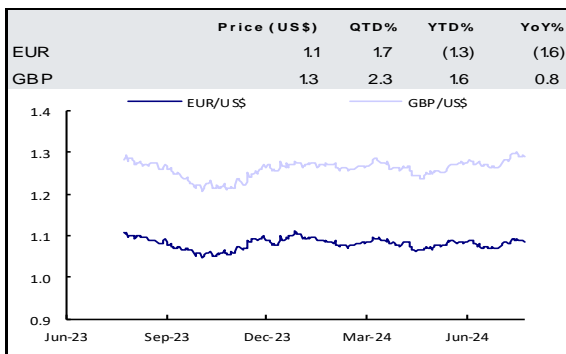
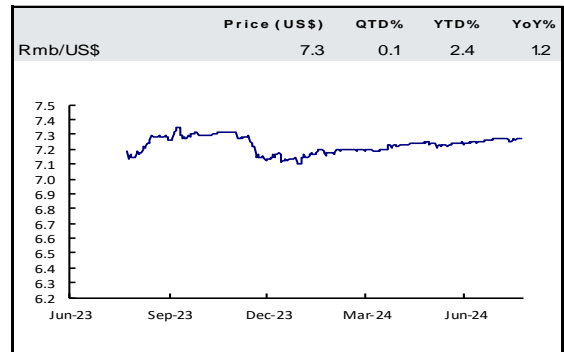
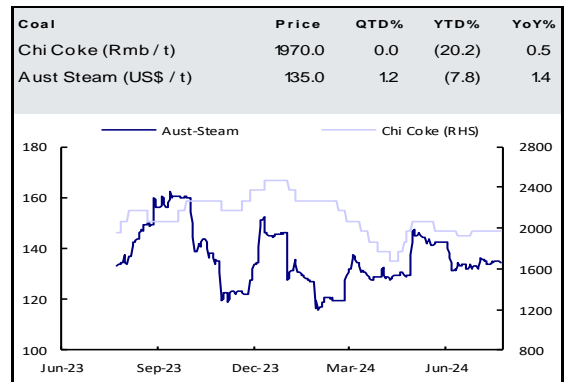
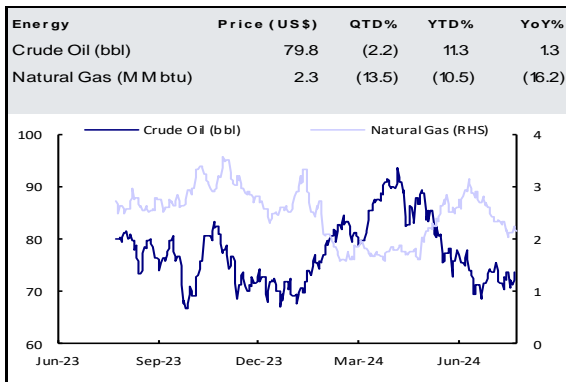
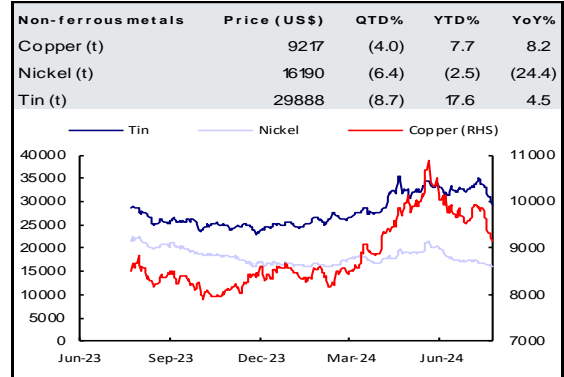
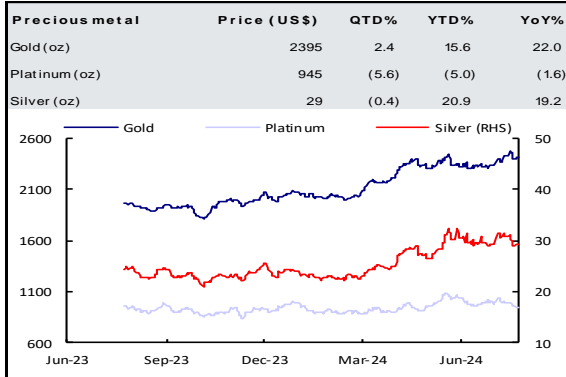
Source: Bloomberg

Latest Research Reports		
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		17,469.36	(0.9)				9.1	8.6	8.0	4.5%	(1.5)	(3.1)	1.6	
HANG SENG CHINA ENT IND	HSCEI		6,194.69	(0.9)				8.3	8.0	7.4	4.1%	(1.9)	(3.8)	1.5	
CSI 300 INDEX	SHSZ300		3,439.88	(2.1)				13.5	12.1	10.7	3.4%	(1.7)	(1.1)	(2.3)	
FUYAO GLASS	3606 HK	130,701	46.00	(1.8)	LONG	41.50	(9.8)	19.8	16.5	14.1	3.9%	(0.5)	5.9	9.5	1-Sep-20
BEUR	3718 HK	1,814	0.51	2.0	LONG	1.80	252.9	6.4	5.4	4.4	7.3%	2.0	0.0	5.2	30-Mar-21
BINJIANG SERVICES	3316 HK	4,511	16.32	0.5	LONG	23.50	44.0	8.5	11.7	9.9	10.2%	0.1	1.5	(0.7)	N/A
BYDE	285 HK	72,441	32.15	(4.7)	NEUTRAL	17.60	(45.3)	16.7	13.4	10.2	2.4%	(14.6)	(16.4)	32.0	N/A
CHINA LILANG	1234 HK	4,958	4.14	0.2	LONG	5.32	28.5	8.7	7.6	6.8	9.9%	(2.1)	(7.8)	(11.9)	N/A
CHINASOFT INTL	354 HK	11,047	3.99	(5.0)	LONG	12.80	220.8	14.4	12.1	9.5	2.5%	(8.1)	(1.0)	(15.0)	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	3,535	3.60	(1.1)	LONG	8.70	141.7	6.8	5.8	5.2	5.8%	(1.6)	2.6	(26.7)	26-Feb-20
DUIBA GROUP	1753 HK	302	0.28	(1.8)	LONG	5.55	1882.1	9.0	N/A**	N/A**	N/A**	0.0	(1.8)	(3.4)	N/A
EDVANTAGE GROUP	382 HK	2,513	2.20	0.0	LONG	4.50	104.5	3.5	3.2	3.0	9.7%	(0.5)	(1.3)	(6.4)	3-May-22
EVERGREEN PG	1962 HK	328	0.50	7.5	LONG	1.75	250.0	6.3	N/A**	N/A**	N/A**	12.4	6.4	6.4	26-Jan-21
HUAHONG SEMI	1347 HK	45,158	21.95	(7.0)	NEUTRAL	26.30	19.8	25.8	37.5	20.2	0.0%	(7.0)	(5.8)	49.9	29-Jul-21
KINGDEE INTL	268 HK	21,694	6.05	(2.6)	NEUTRAL	17.62	191.2	N/A**	N/A**	80.5	0.0%	(5.0)	(19.2)	(25.4)	20-Aug-20
MEIDONG AUTO	1268 HK	2,773	2.06	(1.4)	LONG	19.76	859.2	18.4	7.2	4.7	7.1%	(9.6)	0.5	(19.8)	3-Apr-23
MINGYUAN CLOUD	909 HK	3,727	1.91	(1.0)	NEUTRAL	28.00	1366.0	N/A**	N/A**	N/A**	1.6%	(9.5)	(5.0)	(10.1)	N/A
PLOVER BAY TECH	1523 HK	4,303	3.91	(0.5)	LONG	1.70	(56.5)	19.6	16.2	13.9	0.8%	2.9	17.1	43.8	6-Aug-20
POU SHENG INTL	3813 HK	3,142	0.59	0.0	LONG	2.80	374.6	5.8	4.8	3.9	6.8%	(3.3)	(4.8)	(4.8)	16-Nov-20
Q TECH	1478 HK	5,567	4.70	(2.5)	NEUTRAL	4.97	5.7	62.9	17.4	12.1	0.4%	(8.2)	13.0	41.1	10-Aug-22
SUNNY OPTICAL	2382 HK	52,113	47.60	(2.4)	LONG	160.80	237.8	44.0	23.2	17.7	1.2%	(9.0)	(3.4)	38.2	17-Aug-22
TRYLY INTL	732 HK	3,319	1.05	0.0	LONG	2.80	166.7	12.6	N/A**	N/A**	N/A**	(6.3)	12.9	29.6	8-Apr-21
XINYI ENERGY	3868 HK	7,596	0.92	(4.2)	LONG	1.62	76.1	7.3	6.5	5.7	8.7%	(9.8)	(10.7)	(12.4)	29-Feb-24
XINYI GLASS	868 HK	35,486	8.40	(0.7)	LONG	18.60	121.4	6.5	6.1	5.8	8.3%	(0.2)	(4.0)	3.3	28-Feb-23
XINYI SOLAR	968 HK	32,521	3.65	(1.9)	LONG	7.20	97.3	7.8	6.4	5.2	8.8%	(3.9)	(10.8)	(29.7)	29-Feb-24
XTEP INTL	1368 HK	12,482	4.72	(2.7)	LONG	11.91	152.3	10.8	9.6	8.3	5.5%	(0.6)	(1.0)	(1.5)	17-Apr-23
YONGDA AUTO	3669 HK	2,949	1.53	(1.3)	LONG	6.73	339.9	4.8	4.6	3.4	12.4%	(8.4)	(4.4)	(22.3)	28-Mar-23
YUEXU PROPERTY	123 HK	21,818	5.42	0.2	LONG	13.00	139.9	5.7	5.8	5.5	7.2%	1.1	1.5	38.6	10-Feb-23
WEIMOB	2013 HK	3,724	1.21	(13.6)	LONG	14.40	1090.1	N/A**	161.0	14.3	0.0%	(16.6)	(19.3)	(11.7)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Existing Home Sales	MoM		23-Jul-24
New home Sales	MoM		24-Jul-24
Wholesale Inventories	MoM		24-Jul-24
Initial Jobless Claims	WoW		25-Jul-24
Durable Goods Orders	MoM		25-Jul-24
GDP	QoQ		25-Jul-24
Personal Income & Spending	MoM		26-Jul-24
Consumer Confidence	MoM		30-Jul-24
ISM Manufacturing PMI	MoM		1-Aug-24
Factory Orders	MoM		2-Aug-24
Employment Report	MoM		2-Aug-24
Trade Balance	MoM		6-Aug-24
PPI	MoM		13-Aug-24
CPI	MoM		14-Aug-24
Business Inventories	MoM		15-Aug-24
Retail Sales	MoM		15-Aug-24
Industrial Production	MoM		15-Aug-24
Housing Starts / Building Permits	MoM		16-Aug-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Jul-24
Foreign Exchange Reserves	QoQ		7-Aug-24
Trade Balance	MoM		7-Aug-24
Money Supply - M2	MoM		9-Aug-24
PPI	MoM		9-Aug-24
CPI	MoM		9-Aug-24
Retail Sales	MoM		15-Aug-24
Industrial Production	MoM		15-Aug-24
GDP	YoY		18-Oct-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		25-Jul-24
Money Supply - M2	MoM		31-Jul-24
GDP	QoQ		31-Jul-24
Retail Sales	MoM		1-Aug-24
PMI	MoM		5-Aug-24
Foreign Currency Reserve	MoM		7-Aug-24
Unemployment Rate	MoM		16-Aug-24
CPI	MoM		20-Aug-24
Producer Prices Index	QoQ		12-Sep-24
Industrial Production	QoQ		12-Sep-24
Composite Interest Rate	MoM		

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