Morning Snapshot

Hong Kong & China Market Daily

What's Hot Today:

Pou Sheng (3813 HK, HK\$0.50, HK\$2.66bn) navigating with topline Challenges

1Q25 results in line. Pou Sheng International, a leading sportswear retailer mainly distributing Nike and Adidas, reported a 5.4% YoY decline in revenue to RMB5.1bn during the quarter. The drop was attributable to a 9% decline in offline retail offsetting the mid-double digit online growth. On a positive note, the pace of revenue decline has improved compared to FY24 Q1-Q2. However, profitability did not follow the same trend (see Fig.1-3). Gross profit stood at RMB 1.7bn, with a net profit of RMB148mn, down 6.8% and 18% YoY, respectively. Both GPM and NPM edged down 0.5ppts YoY to 32.7% and 2.9%, respectively.

Topline headwinds remain. April's sales registered a 15.3% YoY decline to RMB1.37bn. This represents a notable deterioration from Q1's 5.4% contraction, likely due to weaker consumption sentiment triggered by the U.S. tariff policies. Sportswear brands are expected to face pressure on inventory digestion in the near term. Nike indicated that it will increase the discount rate in 3Q25 to accelerate inventory clearance, which is expected to weigh on Pou Sheng's performance.

Enhancing online channel. Online sales were up 20% YoY in 1Q25, with livestreaming sales surging 230% YoY. Online contribution reached a historical high, to about 32% of the total revenue. The company continues to strengthen its online channel like cooperating with KOLs on Douyin livestreaming and operating multi brands on WeChat store. Looking forward, the Mgt expects online sales contribution to remain at around 30%.

Our view: Pou Sheng's sales is expected to remain under pressure in the near term due to inventory digestion. In FY24, its dividend payout ratio reached 60%, with an attractive yield of 10%. Given a solid net cash position of RMB2.6bn as at the end of 2024, the company expects continuous improvement on shareholder's return in the following years. The counter is currently trading at 0.28x PB with a forward FY25 PE of 5.0x. (Ensley LIU)

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14 May 2025

China & HK	Indices	CLOSE	1D	YTD
HSI		23,108	-1.9%	15.2%
HSCE		8,386	-2.0%	15.0%
HSCCI		3,819	-1.0%	1.0%
CSI300		3,896	0.1%	-1.0%
Shanghai A		3,537	0.2%	-2.5%
Shanghai B		260	-0.5%	-2.5%
Shenzhen A		2,092	-0.2%	2.2%
Shenzhen B		1,192	0.2%	-1.7%
Key Int'l Ind	lices	CLOSE	1D	YTD
Dow Jones		42,140	-0.6%	-0.9%
S&P 500		5,886	0.7%	0.1%
Nasdaq		19,010	1.6%	-1.6%
NIKKEI Index		38,288	0.3%	-4.0%
FTSE Index		8,602	-0.0%	5.3%
CAC Index		7,873	0.3%	6.7%
DAX Index		23,638	0.3%	18.7%
Commoditie	s	CLOSE	1D	YTD
GOLD	(US\$/oz.)	3,250	0.4%	23.6%
GOLD STEEL	(US\$/oz.) (US\$/oz.)	3,250 1,926	0.4% 3.8%	23.6% 7.9%
	,			
STEEL	(US\$/oz.)	1,926	3.8%	7.9%
STEEL	(US\$/oz.) (US\$/oz.)	1,926 32	3.8% 1.0%	7.9% 13.6%
STEEL SILVER CRUDE OIL	(US\$/oz.) (US\$/oz.) (US\$/bbl)	1,926 32 63	3.8% 1.0% 2.8%	7.9% 13.6% -11.3%
STEEL SILVER CRUDE OIL COPPER	(US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.)	1,926 32 63 9,599	3.8% 1.0% 2.8% 1.6%	7.9% 13.6% -11.3% 9.5%
STEEL SILVER CRUDE OIL COPPER ALUMINIUM	(US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.) (US\$/oz.)	1,926 32 63 9,599 2,490	3.8% 1.0% 2.8% 1.6% 3.0%	7.9% 13.6% -11.3% 9.5% -2.4%
STEEL SILVER CRUDE OIL COPPER ALUMINIUM PLATINUM	(US\$/oz.) (US\$/oz.) (US\$/obl) (US\$/oz.) (US\$/oz.) (US\$/oz.)	1,926 32 63 9,599 2,490 992	3.8% 1.0% 2.8% 1.6% 3.0% 0.9%	7.9% 13.6% -11.3% 9.5% -2.4% 9.0%
STEEL SILVER CRUDE OIL COPPER ALUMINIUM PLATINUM ZINC	(US\$/oz.) (US\$/oz.) (US\$/bb) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.)	1,926 32 63 9,599 2,490 992 2,705	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9%	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2%
STEEL SILVER CRUDE OIL COPPER ALUMINIUM PLATINUM ZINC WHEAT	(US\$/oz.) (US\$/oz.) (US\$/bb) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.)	1,926 32 63 9,599 2,490 992 2,705 501	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8%	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.2% -9.1%
STEEL SILVER CRUDE OIL COPPER ALUMINIUM PLATINUM ZINC WHEAT CORN	(US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.)	1,926 32 63 9,599 2,490 992 2,705 501 442	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8% -1.2%	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.2% -9.1%
STEEL SILVER CRUDE OIL COPPER ALUMINIUM PLATINUM ZINC WHEAT CORN SUGAR	(US\$/oz.) (US\$/oz.) (US\$/bb) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu)	1,926 32 63 9,599 2,490 992 2,705 501 442 NA	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8% -1.2% N/A	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.2% -9.1% -5.5%
STEEL SILVER CRUDE OIL COPPER ALLMINIUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN	(US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu) (US\$/bu)	1,926 32 63 9,599 2,490 992 2,705 501 442 N/A 1,072	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8% -1.2% N/A 0.1%	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.1% -5.5% 4.1%
STEEL SILVER CRUDE OIL COPPER ALLUMINIUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN PVC	(US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu) (US\$/bu)	1,926 32 63 9,599 2,490 992 2,705 501 442 NA 1,072 NA	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8% -1.2% N/A	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.1% -5.5% 4.1% -8.1%
STEEL SILVER CRUDE OIL COPPER ALLMINIUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN PVC CRB	(US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu) (US\$/bu)	1,926 32 63 9,599 2,490 992 2,705 501 442 NA 1,072 NA	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8% -1.2% N/A	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.1% -5.5% 4.1% -8.1% 3.0%
STEEL SILVER CRUDE OIL COPPER ALLMINIUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN PVC CRB	(US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu) (US\$/bu) (US\$/bu) (US\$/bu)	1,926 32 63 9,599 2,490 992 2,705 501 442 NA 1,072 NA	3.8% 1.0% 2.8% 1.6% 3.0% 0.9% 1.9% -0.8% -1.2% N/A	7.9% 13.6% -11.3% 9.5% -2.4% 9.0% -9.2% -9.1% -5.5% 4.1% -8.1% 3.0%

Exchange	e Rates					
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.797	0.894	147.480	0.840	7.205
HKD	0.128		0.115	18.916	10.767	0.924
EUR	1.119	8.721		164.960	1.065	8.058
JPY	0.007	5.287	0.606		0.569	0.049
CHF	1.191	9.288	1.065	175.669		8.576
RMB	0.139	1.082	0.124	20.472	0.117	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	18	-26.4%
Source: Bloomberg		

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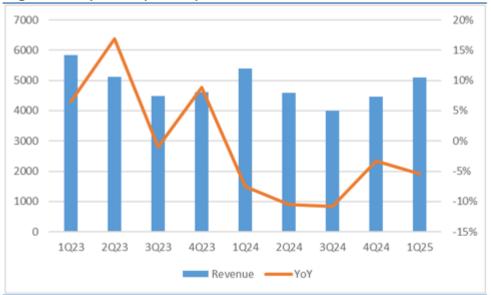


Fig 1: Quarterly revenue(RMB mn) and YoY

Source: Company Data, Sunwah Kingsway Research



Fig 2: Quarterly gross profit (RMB mn) and YoY

Source: Company Data, Sunwah Kingsway Research

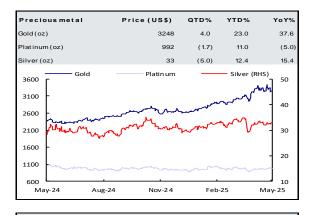




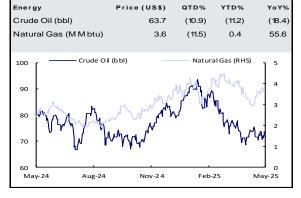
Fig 3: Quarterly operating profit (RMB mn) and YoY

Source: Company Data, Sunwah Kingsway Research

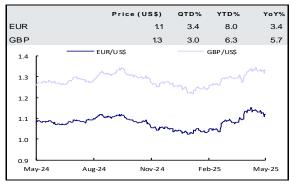




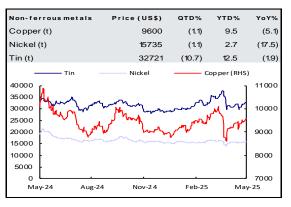
Market Watch – Major Commodities and Currencies

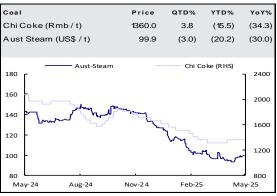


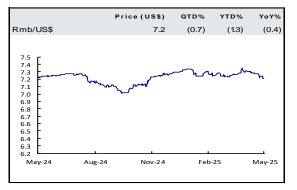




Source: Bloomberg









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US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
СРІ	MoM	0.00 2410	13-May-25
Initial Jobless Claims	WoW		15-May-25
PPI	MoM		15-May-25
Business Inventories	MoM		15-May-25
Retail Sales	MoM		15-May-25
Industrial Production	MoM		15-May-25
Housing Starts / Building Permits	MoM		16-May-25
Existing Home Sales	MoM		22-May-25
New home Sales	MoM		23-May-25
Durable Goods Orders	MoM		27-May-25
Consumer Confidence	MoM		27-May-25
GDP	QoQ		29-May-25
Wholesale Inventories	MoM		30-May-25
Personal Income & Spending	MoM		30-May-25
ISM Manufacturing PMI	MoM		2-Jun-25
Factory Orders	MoM		3-Jun-25
Trade Balance	MoM		5-Jun-25
Employment Report	MoM		6-Jun-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		14-May-25
Retail Sales	MoM		19-May-25
Industrial Production	MoM		19-May-25
PMI Manufacturing	MoM		31-May-25
Foreign Exchange Reserves	QoQ		7-Jun-25
Trade Balance	MoM		9-Jun-25
PPI	MoM		9-Jun-25
СРІ	MoM		9-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		16-May-25
Unemployment Rate	MoM		20-May-25
СРІ	MoM		22-May-25
Trade Balance	MoM		26-May-25
Money Supply - M2	MoM		30-May-25
Retail Sales	MoM		2-Jun-25
РМІ	MoM		4-Jun-25
Foreign Currency Reserve	MoM		6-Jun-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Composite Interest Rate	MoM		

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Name of listed corporation	cholders for the two previous trading days Name of substantial share holder	No. of shares bought/sold/involved	Average price per shar
BeiGene, Ltd.	HHLR Advisors, Ltd.	16,000,000(L)	HKD 130.0000
BeiGene, Ltd.	HHLR Fund, L.P.	16,000,000(L)	HKD 130.0000
Pacific Legend Group Ltd.	Accumulate More Profits Limited	9,800,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Best Ability Limited	10,000,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Easyknit International Holdings Limited	9,800,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Eminence Enterprise Limited	10,000,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Gainever Corporation Limited	10,000,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Gold Winner Investment Limited	9,800,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Hooper Christopher Geoffrey Douglas	9,800,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Hooper Ivan Geoffrey Douglas	9,800,000(L)	HKD 0.1000
Pacific Legend Group Ltd.	Magical Profits Limited	9,800,000(L)	HKD 0.1000
acific Legend Group Ltd.	Markson International Holding Limited	9,800,000(L)	HKD 0.1000
acific Legend Group Ltd.	The Winterbotham Trust Company Limited as trustee of The Magical 2	00(9,800,000(L)	HKD 0.1000
acific Legend Group Ltd.	Winterbotham Holdings Limited	9,800,000(L)	HKD 0.1000
hinese People Holdings Co. Ltd.	CIVIOS GROUP LIMITED	1,000,000(L)	HKD 0.0230
hinese People Holdings Co. Ltd.	LOFTY KEY LIMITED	1,000,000(L)	HKD 0.0230
hinese People Holdings Co. Ltd.	MO SHIKANG	1,000,000(L)	HKD 0.0230
hinese People Holdings Co. Ltd.	MOYUNBI	1,000,000(L)	HKD 0.0230
hinese People Holdings Co. Ltd.	RENOWN CITY HOLDINGS LIMITED	1,000,000(L)	HKD 0.0230
uoquan Food (Shanghai) Co., Ltd H Shares	招商銀行股份有限公司	6,366,400(L)	HKD 2.6206
uoquan Food (Shanghai) Co., Ltd H Shares	招銀國際資本管理(深圳)有限公司	6,366,400(L)	HKD 2.6206
uoquan Food (Shanghai) Co., Ltd H Shares	招銀國際金融控股有限公司	6,366,400(L)	HKD 2.6206
Suoquan Food (Shanghai) Co., Ltd H Shares	招銀國際金融有限公司	6,366,400(L)	HKD 2.6206
	招銀金融控股(深圳)有限公司		HKD 2.6206
Suoquan Food (Shanghai) Co., Ltd H Shares		6,366,400(L)	
Suoquan Food (Shanghai) Co., Ltd H Shares	重庆市招赢朗曜成长二期股权投资基金合伙企业(有限合伙)	6,366,400(L)	HKD 2.6206
lengan International Group Co. Ltd.	HUI CHING LAU	200,000(L)	HKD 22.3890
long Kong Exchanges and Clearing Ltd.	Chan Yiting Bonnie	1,631(L)	HKD 0.0000
egend Upstar Holdings Ltd.	Luck Gain Holdings Limited	380,000(L)	HKD 0.0831
egend Upstar Holdings Ltd.	TANG Mei Lai Metty	380,000(L)	HKD 0.0831
egend Upstar Holdings Ltd.	Wealth Builder Holdings Limited	380,000(L)	HKD 0.0831
egend Upstar Holdings Ltd.	WONG Kin Yip Freddie	380,000(L)	HKD 0.0831
leilleure Health International Industry Group Ltd.	Shunda Investment Limited	1,254,000(L)	HKD 0.3047
leilleure Health International Industry Group Ltd.	Zhongjia U-Home Investment Limited	1,254,000(L)	HKD 0.3047
leilleure Health International Industry Group Ltd.	Zhou Xuzhou	1,254,000(L)	HKD 0.3047
7 International Development Corporation Ltd.	Ching Man Chun Louis	1,197(L)	HKD 0.1750
PT International Development Corporation Ltd.	Marching Great Limited	1,197(L)	HKD 0.1750
Quam Plus International Financial Ltd.	HAN Xiaosheng	10,000(L)	HKD 0.1980
Quam Plus International Financial Ltd.	LAM Kin Hing Kenneth	10,000(L)	HKD 0.1980
Quam Plus International Financial Ltd.	Quam Tonghai Holdings Limited	10,000(L)	HKD 0.1980
Sino Land Co. Ltd.	Ng Chee Siong	50,000(L)	HKD 8.1580
inofert Holdings Ltd.	Wang Tielin	300,000(L)	HKD 1.1530

Source: HKEx



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