

What's Hot Today:

► Geely (175.HK HK\$19.74, HK\$199bn)

1Q25 profit doubled

1Q25 results inline with improved profitability. Revenue in 1Q25 increased by 24.5% YoY to RMB72.5bn. Gross profit was up 26% YoY to RMB11.4bn, maintaining a stable GPM of 16%. Excluding the one-off gains of RMB2.3bn, adjusted NPM amounted to RMB3.5bn, up 135% YoY, with a higher NPM of 4.8%, up 2.1ppts YoY, as cost control paid off. Selling expenses to sales ratio contracted by 2.1ppt YoY to 5.0%.

Higher sales volume but ASP under pressure. In 1Q25, total deliveries surged by 48% YoY to 704k units, reaching 26% of its FY25 target. All brands recorded positive growth, with Galaxy leading with a 214% increase, accounting for 40% of total. Zeekr and Lynk & Co, which focus on mid-high-end consumers and overseas market, increased by 25% and 19% YoY, respectively. Overseas sales growth moderated from the previous high level to 2% YoY, reaching 88k units, with the proportion further declining to 12.6%. Notably, overseas sales in April saw a 37% YoY contraction, the first monthly decline in nearly two years, primarily due to the US tariff policies. ASP showed a downtrend, which declined by 16% YoY to 106k, mainly due to higher proportion of Geely and Galaxy and price competition.

One Geely's strategy. Geely Auto plans to acquire all outstanding shares of Zeekr, in which it currently holds a 65.7% stake. Upon completion, Zeekr will become a wholly owned subsidiary of Geely Auto. Under Hong Kong accounting standards, Zeekr reported a net profit of RMB510mn in 1Q25, turning a loss into profit. This acquisition is expected to strengthen Geely's competitiveness in the global NEV market by improving resource efficiency and deepening brand synergies. While we believe the synergies are limited, as the scale effect of materials are already in place, and the growth pace of Zeekr has slowed down.

Our view: Given the ongoing strong sales performance, Geely is expected to maintain the momentum given the competitive pricings. Geely is trading at a 11.4x FY25 P/E, much lower than its peers like 26x of BYD and 17.8x of Li Auto. With the synergies from the acquisition of Zeekr and advanced position of EV market, the valuation discount of Geely is expected to narrow. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	23,345	-0.5%	16.4%
HSCFI	8,468	-0.5%	16.2%
HSCCI	3,834	-0.5%	1.4%
CSI300	3,889	-0.5%	-1.2%
Shanghai A	3,529	-0.4%	-3.0%
Shanghai B	259	0.2%	-3.0%
Shenzhen A	2,077	0.2%	1.5%
Shenzhen B	1,195	0.5%	-1.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	42,654	0.8%	0.3%
S&P 500	5,968	0.7%	1.3%
Nasdaq	19,211	0.5%	-0.5%
NIKKEI Index	37,965	-0.5%	-5.8%
FTSE Index	8,684	0.6%	6.3%
CAC Index	7,886	0.4%	6.9%
DA X Index	23,767	0.3%	19.4%

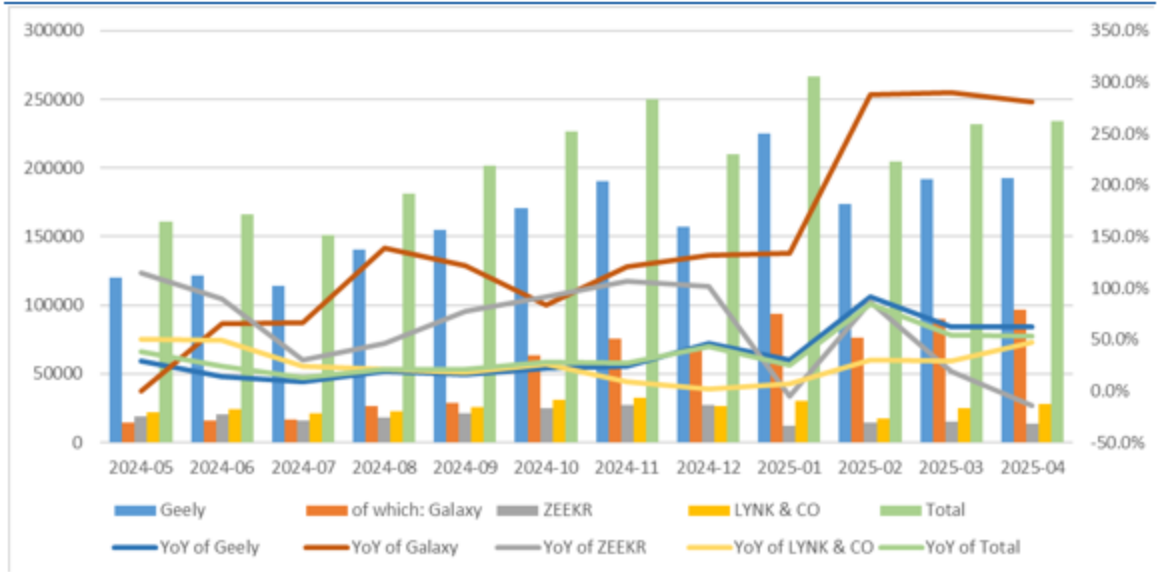
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,203	-1.1%	23.6%
STEEL (US\$/oz.)	1,919	0.1%	7.5%
SILVER (US\$/oz.)	32	-1.1%	12.5%
CRUDE OIL (US\$/bbl)	62	1.4%	-12.8%
COPPER (US\$/oz.)	9,447	-1.7%	7.7%
ALUMINIUM (US\$/oz.)	2,481	-1.9%	-2.7%
PLATINUM (US\$/oz.)	991	-0.3%	9.9%
ZINC (US\$/oz.)	2,691	-2.7%	-9.6%
WHEAT (US\$/bu)	525	-1.5%	-4.4%
CORN (US\$/bu)	443	-1.1%	-5.3%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,050	-0.1%	1.4%
PVC (US\$/t)	N/A	N/A	-8.1%
CRB	296	-0.8%	3.0%
BDI			39.2%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.814	0.896	145.700	0.838	7.214
HKD	0.128		0.115	18.642	10.719	0.923
EUR	1.116	8.724		162.640	1.069	8.042
JPY	0.007	5.366	0.615		0.575	0.049
CHF	1.194	9.329	1.069	174.145		8.601
RMB	0.139	1.083	0.124	20.228	0.116	

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	17	-21.3%

Source: Bloomberg

Fig 1: Sales volume and YoY



Source: Company Data, Sunwah Kingsway Research

Fig 2: Quarterly revenue (RMB mn) and YoY



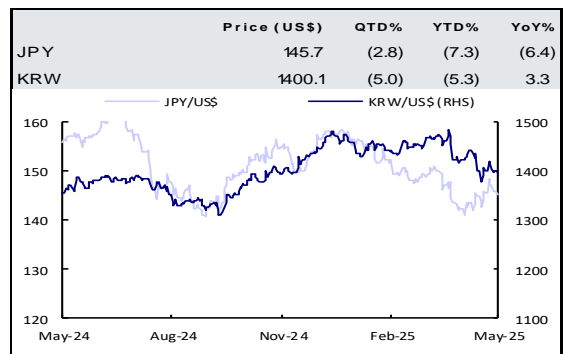
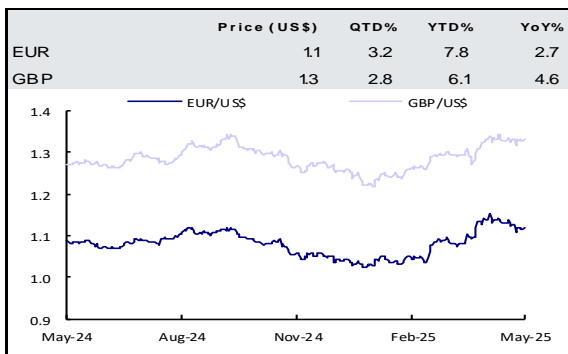
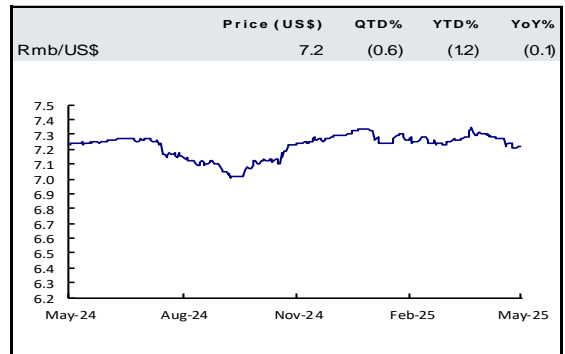
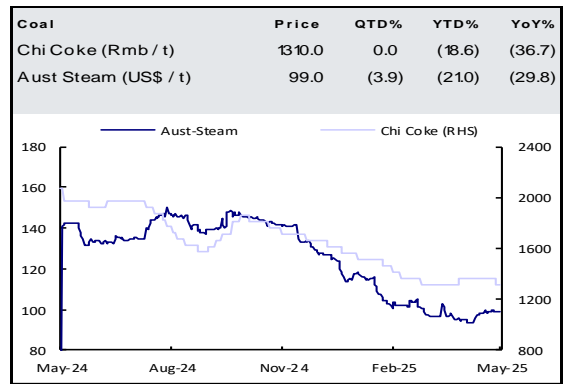
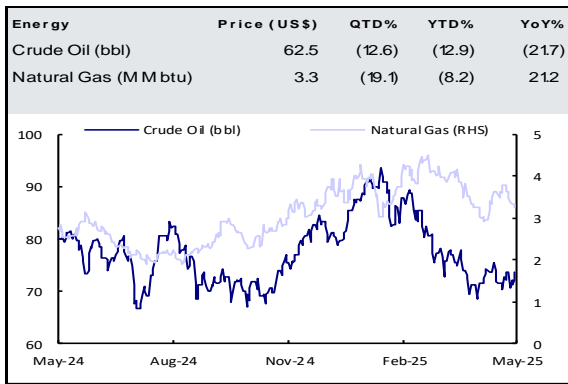
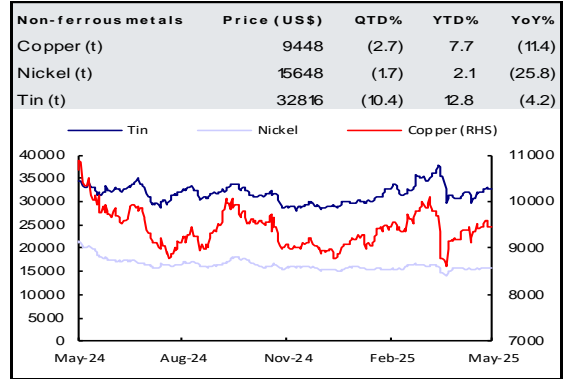
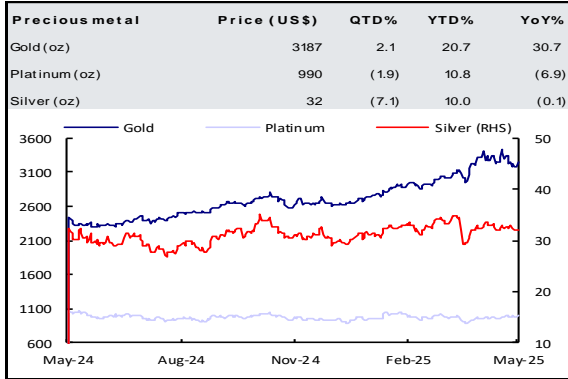
Source: Company Data, Sunwah Kingsway Research

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



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		22-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
CPI	MoM		11-Jun-25
PPI	MoM		12-Jun-25
Business Inventories	MoM		17-Jun-25
Retail Sales	MoM		17-Jun-25
Industrial Production	MoM		17-Jun-25
Housing Starts / Building Permits	MoM		18-Jun-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Money Supply - M2	MoM		9-Jun-25
Trade Balance	MoM		9-Jun-25
PPI	MoM		9-Jun-25
CPI	MoM		9-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		20-May-25
CPI	MoM		22-May-25
Trade Balance	MoM		26-May-25
Money Supply - M2	MoM		30-May-25
Retail Sales	MoM		2-Jun-25
PMI	MoM		4-Jun-25
Foreign Currency Reserve	MoM		6-Jun-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

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