

What’s Hot Today:

► **GDS (9698 HK, HK\$ 28.00, HK\$42.3bn)**

1Q25 Results

GDS Holdings reported strong financial results for the first quarter of 2025, with net revenue increasing by 12% YoY to RMB2.72bn. The company turned around to book a net profit of RMB764mn, compared to a net loss of RMB345mn in the same period last year, driven largely by a one-time gain of RMB1.06bn from its first data center ABS transaction in China. Adjusted EBITDA grew by 16.1% to RMB1.32bn with margins improving by 1.7ppts YoY to 48.6%. The results reflect steady growth in data center utilization and cost efficiencies, though the net income boost was partly due to non-recurring gains.

Higher utilization but price lower - Operationally, GDS saw a 6.7% YoY increase in total committed and pre-committed floor space to 649,561 sqm, while utilized area rose 14.6% YoY to 462,423 sqm. The utilization rate for operational space improved by 2.3 ppts YoY to 75.7%, indicating strong demand in Tier 1 markets, particularly from hyperscale customers and AI-related deployments. The company secured a major 152-megawatt hyperscale order across two sites, reinforcing its position in high-growth segments. However, pricing pressure was noted, with monthly service revenue per sqm declining 2.6% YoY.

Full-year target on track - Looking ahead, the Mgt maintained their full-year guidance, expecting revenue of RMB11.29–11.59bn and adjusted EBITDA of RMB5.19–5.39bn. Demand for AI infrastructure in China remains robust, though regulatory risks and potential chip supply constraints could impact near-term growth. The ABS transaction and plans for a REIT listing provide financial flexibility, but the deconsolidation of assets will reduce full-year EBITDA by ~RMB130mn. International expansion via DayOne (35.6% stake) is progressing, with 530MW committed and new projects in Thailand and Finland .

China & HK Indices	CLOSE	1D	YTD
HSI	23,827	0.6%	18.8%
HSCBI	8,660	0.8%	18.8%
HSCCI	3,940	0.7%	4.2%
CSI300	3,916	0.5%	-0.5%
Shanghai A	3,550	0.2%	-2.4%
Shanghai B	260	0.5%	-2.4%
Shenzhen A	2,102	0.0%	2.7%
Shenzhen B	1,200	0.5%	-1.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	41,860	-1.9%	-1.6%
S&P 500	5,844	-1.6%	-0.6%
Nasdaq	18,872	-1.4%	-2.3%
Nikkei Index	37,013	-0.8%	-7.2%
FTSE Index	8,786	0.1%	7.5%
CAC Index	7,910	-0.4%	7.2%
DAX Index	24,122	0.4%	21.2%

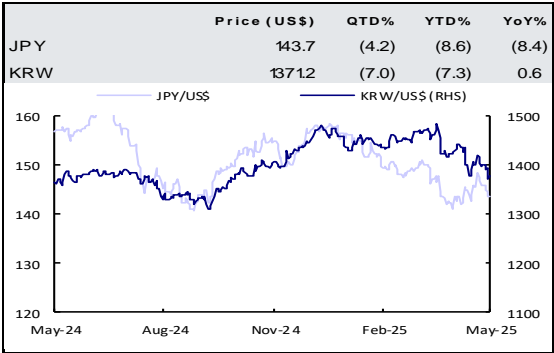
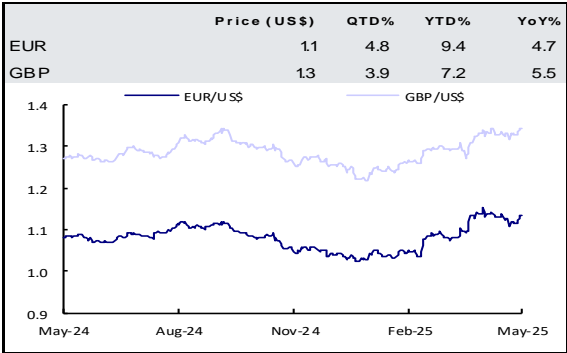
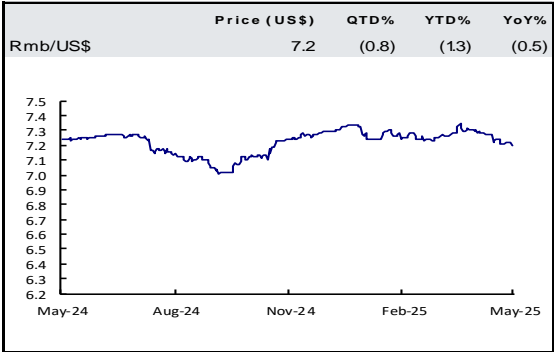
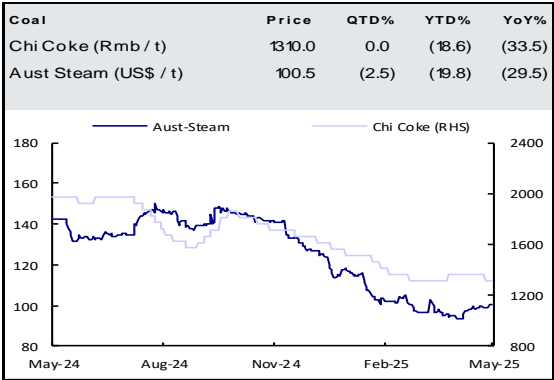
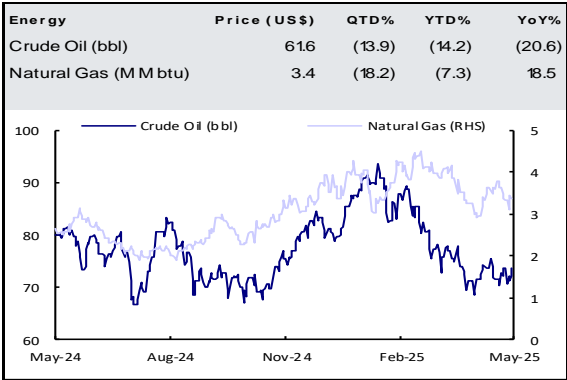
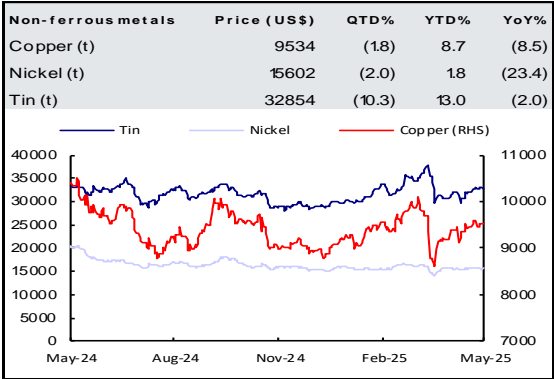
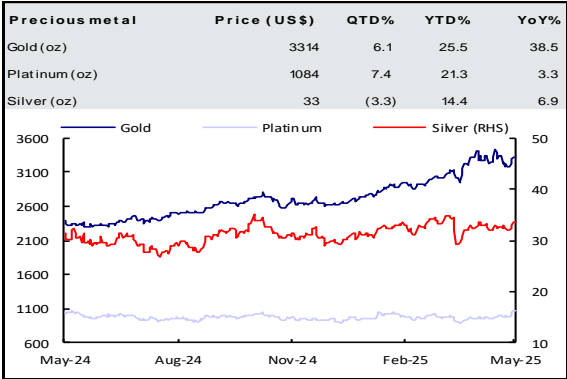
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,314	0.8%	26.6%
STEEL (US\$/oz.)	1,885	-1.9%	5.6%
SILVER (US\$/oz.)	33	0.9%	15.9%
CRUDE OIL (US\$/bbl)	61	-1.6%	-14.5%
COPPER (US\$/oz.)	9,533	0.1%	8.7%
ALUMINIUM (US\$/oz.)	2,471	0.9%	-3.1%
PLATINUM (US\$/oz)	1,077	1.8%	18.5%
ZINC (US\$/oz.)	2,693	0.6%	-9.6%
WHEAT (US\$/bu)	549	0.6%	-0.8%
CORN (US\$/bu)	461	1.4%	-1.7%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,062	0.9%	1.7%
PVC (US\$/t.)	N/A	N/A	-8.1%
CRB	298	0.8%	3.0%
BDI			34.4%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.832	0.883	143.680	0.826	7.202
HKD	0.128		0.113	18.344	10.537	0.920
EUR	1.133	8.874		162.790	1.070	8.163
JPY	0.007	5.451	0.614		0.574	0.050
CHF	1.211	9.490	1.070	174.055		8.729
RMB	0.139	1.088	0.123	19.947	0.115	

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	20	12.1%
Source: Bloomberg		

Our view – The company has strong presence in China where the demand for data center is still strong. Meanwhile, it has an international proxy for capturing the demand in the global market too. It has also demonstrated its financing ability by competing the first ever ABS of data center assets in China. GDS is currently trading at consensus forward EV/EBITDA of 14.6x.
(Howard Wong)

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
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
Retail Sales	MoM		16-Jun-25
Industrial Production	MoM		16-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Unemployment Rate	MoM		17-Jun-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

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