

What's Hot Today:

► Li Auto (2015 HK, HK\$108.20, HK\$231bn)

1Q25 inline, with softer outlook

1Q25 results inline. Revenue increased slightly by 1% YoY to RMB24.7bn, thanks to 15.5% growth in shipments. While ASP continued to face pressure, at RMB266k, down 12% YoY and 1% QoQ mainly due to fierce price war. GPM stood at 20.5%, down 10 bps YoY. Net profit amounted to RMB650mn, up 10%, with a stable NPM of 2.5%.

More ASP downside ahead. Last week, BYD offered 10 to 30% discounts on more than a dozen models under RMB150k. Then Geely Galaxy quickly joined the price cut, covering seven key models, slashing prices by RMB9k to RMB18k. Although BYD and Geely are trimming prices on low-end models, the market is concerned that other major automakers would likely follow suit, further deteriorating the ASP and margins across various price segments.

Li Auto lags behind the industry in deliveries growth. EV sales in China in 1Q25 increased by 47%, while the shipment of Li Auto was up only 15% to 92,864 units. In April, Li Auto's 32% growth still lagged behind the industry's 39%. Looking ahead, Li Auto will launch its first all-electric SUV Li i8 in July, which is a mid-to-large six-seater, targeting big families. However, it is believed that the Li i8 may face challenges from Xiaomi YU7, which is also targeting the same group of buyers and also scheduled to be released in June or July.

Our view: Given the rising competition and price war, the headwind of Li Auto remains. Despite that the BEV SUV Li i8 could help Li Auto strengthen its product mix, but as the target market is highly competitive, the sales outlook is uncertain. Its stock price has dropped 4% during the week, mainly due to fear of escalating price war. The counter is trading at 17x FY25 P/E.(Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	23,573	1.4%	17.5%
HSCBI	8,559	1.4%	17.4%
HSCCI	4,004	0.7%	5.9%
CSI300	3,858	0.6%	-1.9%
Shanghai A	3,525	0.7%	-2.5%
Shanghai B	260	0.9%	-2.5%
Shenzhen A	2,084	1.4%	1.8%
Shenzhen B	1,205	0.6%	-0.6%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	42,215	0.3%	-0.8%
S&P 500	5,912	0.4%	0.5%
Nasdaq	19,175	0.4%	-0.7%
NIKKEI Index	37,863	-1.5%	-5.1%
FTSE Index	8,716	-0.1%	6.6%
CAC Index	7,779	-0.1%	5.4%
DAX Index	23,933	-0.4%	20.2%

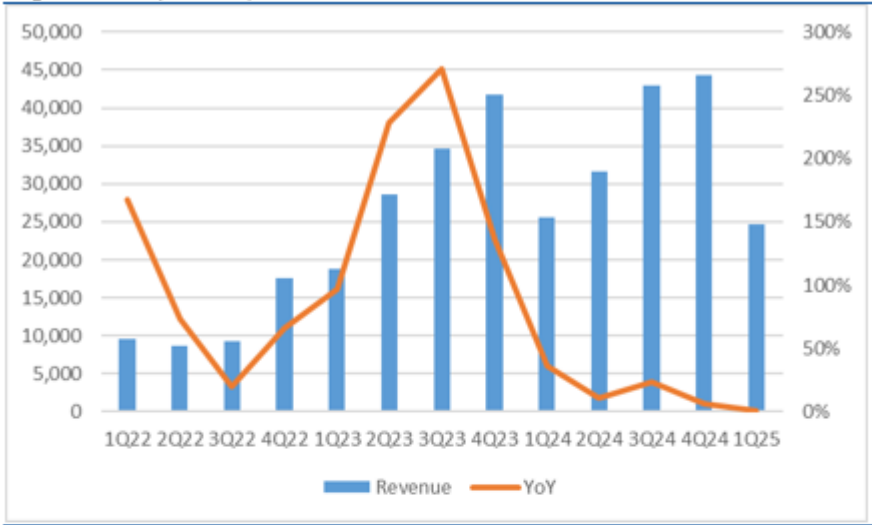
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,317	0.9%	26.2%
STEEL (US\$/oz.)	1,888	-1.4%	5.7%
SILVER (US\$/oz.)	33	1.0%	15.0%
CRUDE OIL (US\$/bbl)	60	-1.5%	-15.2%
COPPER (US\$/oz.)	9,568	-0.3%	9.1%
ALUMINIUM (US\$/oz.)	2,450	-1.4%	-4.0%
PLATINUM (US\$/oz)	1,086	0.4%	19.4%
ZINC (US\$/oz.)	2,675	-1.1%	-10.2%
WHEAT (US\$/bu)	534	0.7%	-2.8%
CORN (US\$/bu)	447	-0.9%	-4.6%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,051	0.3%	1.0%
PVC (US\$/t.)	N/A	N/A	-5.4%
CRB	290	-1.4%	3.0%
BDI			30.7%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.842	0.880	144.210	0.823	7.186
HKD	0.128		0.112	18.389	10.494	0.916
EUR	1.137	8.915		163.920	1.069	8.175
JPY	0.007	5.439	0.610		0.571	0.050
CHF	1.215	9.530	1.069	175.232		8.737
RMB	0.139	1.091	0.122	20.037	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	19	-8.1%

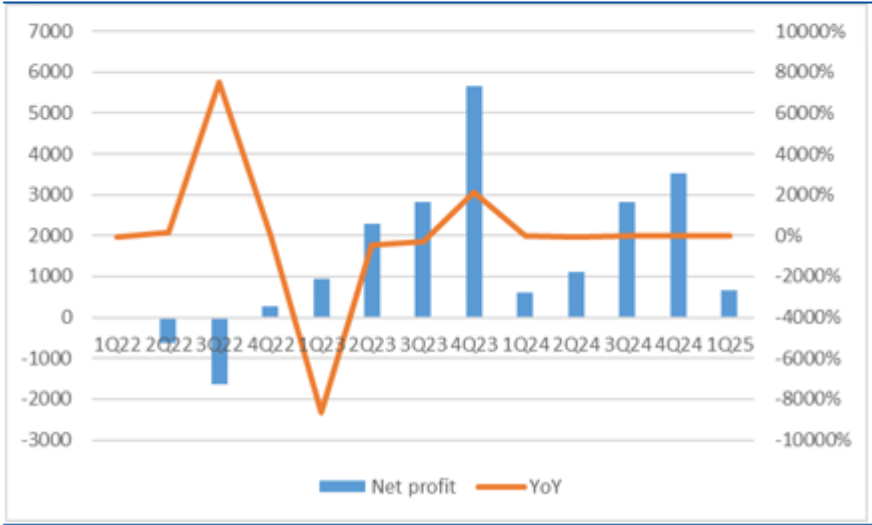
Source: Bloomberg

Fig 1: Revenue(RMB mn) and YoY



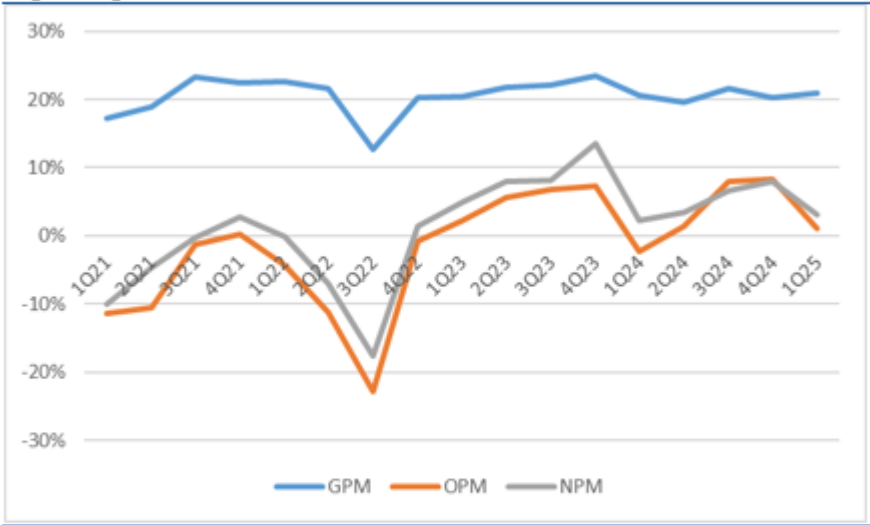
Source: Company Data, Sunwah Kingsway Research

Fig 2: Net profit(RMB mn) and YoY



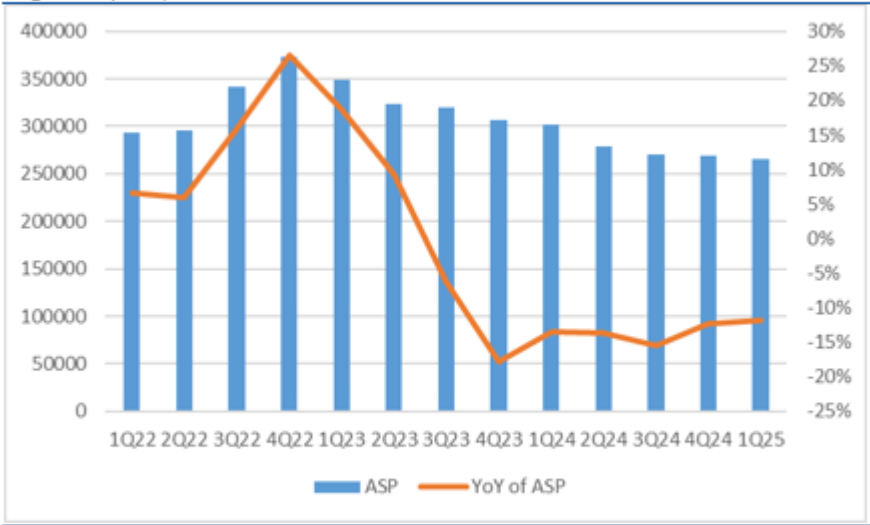
Source: Company Data, Sunwah Kingsway Research

Fig 3: Margins



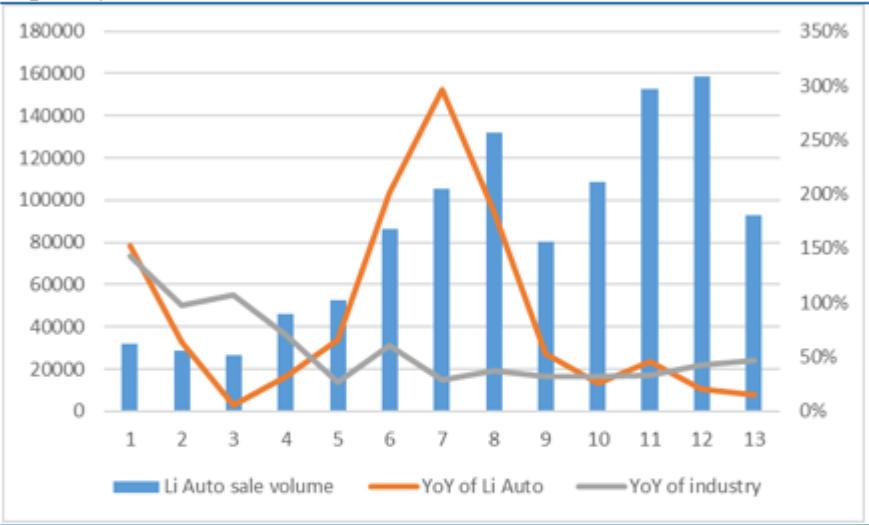
Source: Company Data, Sunwah Kingsway Research

Fig 4: ASP(RMB) and YoY



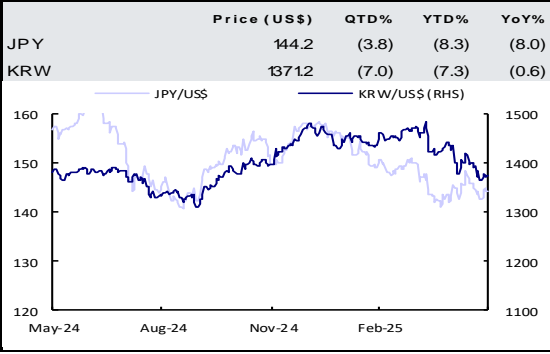
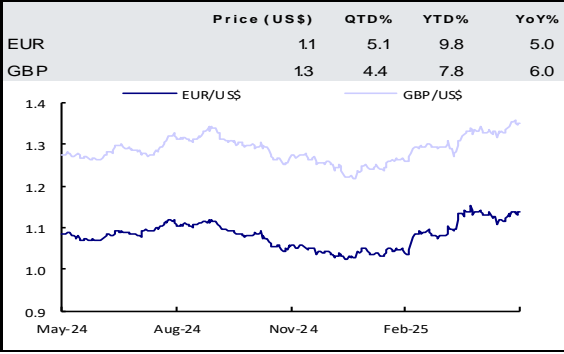
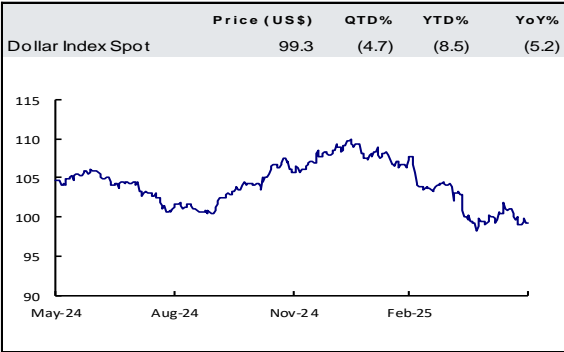
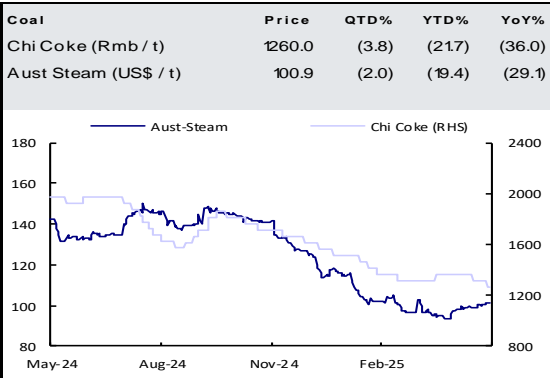
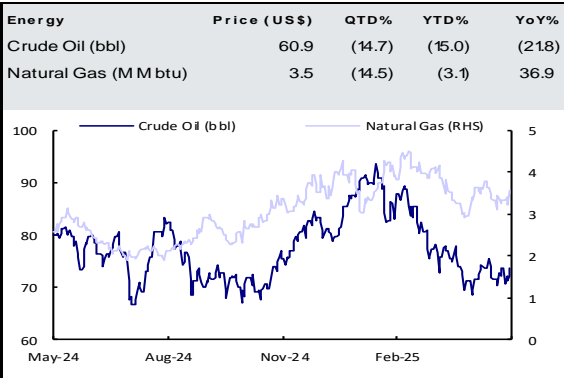
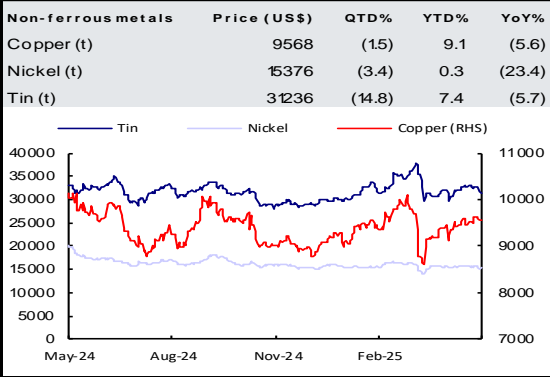
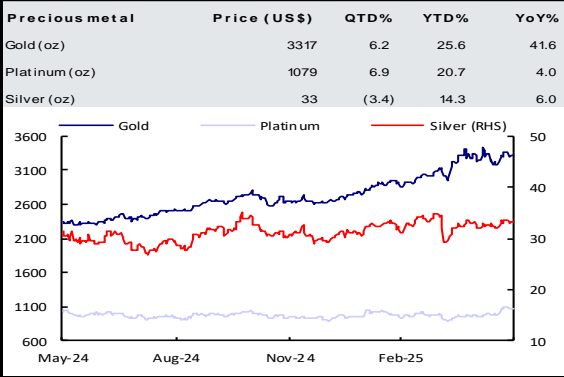
Source: Company Data, Sunwah Kingsway Research

Fig 5: Shipment 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		29-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
Durable Goods Orders	MoM		3-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
Existing Home Sales	MoM		23-Jun-25
Consumer Confidence	MoM		24-Jun-25
New home Sales	MoM		25-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
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
CPI	MoM		20-Jun-25
Trade Balance	MoM		26-Jun-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

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