

What’s Hot Today:

► China Auto Sector

Strong May sales

The NEV market in China remained robust in May, with several auto makers posting strong YoY growth despite some monthly fluctuations. **BYD (1211 HK, HK\$400.60, HK\$492bn)** and **Geely Auto (175 HK, HK\$17.74, HK\$179bn)** retained their commanding lead, while **Leapmotor (9863 HK, HK\$57.70, HK\$64bn)** recorded their highest sales level, doubling its May 2024 volumes.

Strong overseas sales for BYD, while Geely's NEV sales doubled YoY. BYD sales in May were largely flat from April, with overseas sales showing strong growth. It sold 382k vehicles in May, up 15.3% YoY, with 204k BEV and 172k PHEV. The overseas sales of BYD increased by 134% YoY to 89k, marking the sixth consecutive month of record-breaking sales. Geely sold 138k NEVs in May, up 135% YoY and 10% MoM. The Galaxy series remained the key driver, up more than 6x YoY to 102k units, while Lynk & Co delivered 17k units, and Zeekr contributed 19k.

EV start-ups: Leapmotor and HIMA hit record high, while XPeng and Nio saw MoM decline. Leapmotor led in three consecutive months, up 148% YoY and 10% MoM to 45k units in May, thanks to its new models. The company launched 2026 C10 SUV on May 10, solidifying its market position in the category of below RMB150k. Huawei-backed Harmony (HIMA) achieved 44.5k deliveries, up 45% YoY and 50% MoM, of which the Aito M9 was the top seller with 15k units. Li Auto climbed back to above 40k units after five months, up 17% YoY and 20% MoM to 40.8k, while Xiaomi showed steady performance with 28k deliveries in May, flat MoM. XPeng and NIO deliveries stood at 33.5k and 23k, down 4% and 3% MoM, respectively.

Our view: Given the new price war and subsidy in the near term, it’s believed that the overall sales volume could maintain the momentum yet at the cost of ASP and margins. We like BYD as it is likely to better navigate market competition due to the its scale, allowing more flexibility in setting prices. The ticker is trading at 27x FY25 PE. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	23,512	1.5%	17.2%
HSCBI	8,519	1.9%	16.9%
HSCCI	3,987	1.3%	5.5%
CSI300	3,852	0.3%	-2.1%
Shanghai A	3,523	0.4%	-4.4%
Shanghai B	255	-0.5%	-4.4%
Shenzhen A	2,072	0.5%	1.2%
Shenzhen B	1,186	0.3%	-2.2%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	42,519	0.5%	-0.1%
S&P 500	5,970	0.6%	1.5%
Nasdaq	19,398	0.8%	0.5%
Nikkei Index	37,776	0.9%	-5.3%
FTSE Index	8,787	0.1%	7.5%
CAC Index	7,763	0.3%	5.2%
DAX Index	24,091	0.7%	21.0%

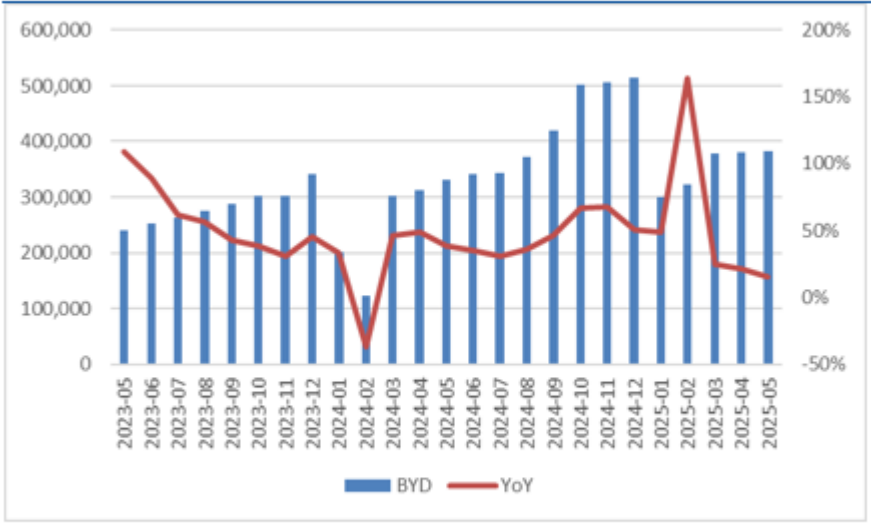
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,353	-0.8%	27.9%
STEEL (US\$/oz.)	1,939	4.0%	8.6%
SILVER (US\$/oz.)	34	-0.7%	19.7%
CRUDE OIL (US\$/bbl)	63	1.4%	-11.8%
COPPER (US\$/oz.)	9,634	1.4%	9.9%
ALUMINIUM (US\$/oz.)	2,463	0.8%	-3.4%
PLATINUM (US\$/oz)	1,079	1.1%	18.8%
ZINC (US\$/oz.)	2,706	3.3%	-9.1%
WHEAT (US\$/bu)	536	-0.6%	-3.0%
CORN (US\$/bu)	438	0.1%	-6.5%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,040	0.7%	0.5%
PVC (US\$/t.)	N/A	N/A	-5.4%
CRB	296	2.2%	3.0%
BDI			42.6%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.845	0.879	143.970	0.824	7.188
HKD	0.127		0.112	18.354	10.504	0.916
EUR	1.137	8.921		163.740	1.067	8.176
JPY	0.007	5.448	0.611		0.572	0.050
CHF	1.214	9.520	1.067	174.736		8.724
RMB	0.139	1.091	0.122	20.020	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	17	-6.7%

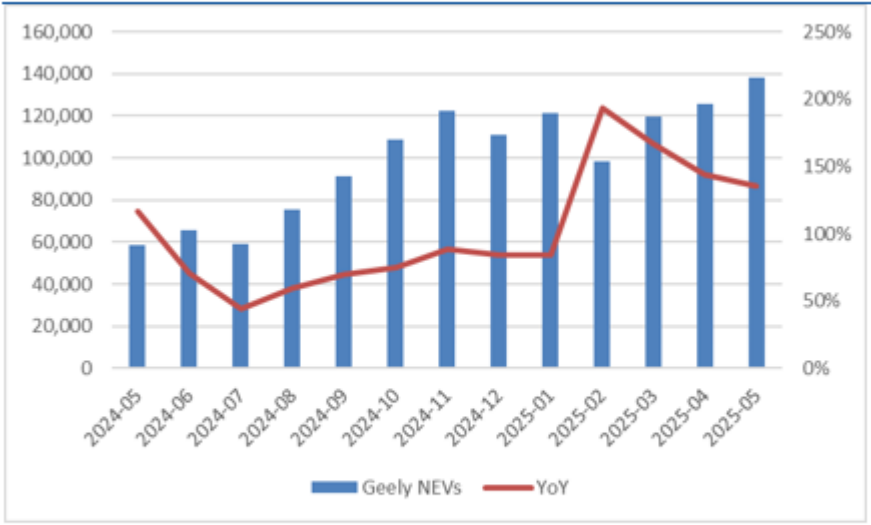
Source: Bloomberg

Fig 1: BYD maintained the momentum



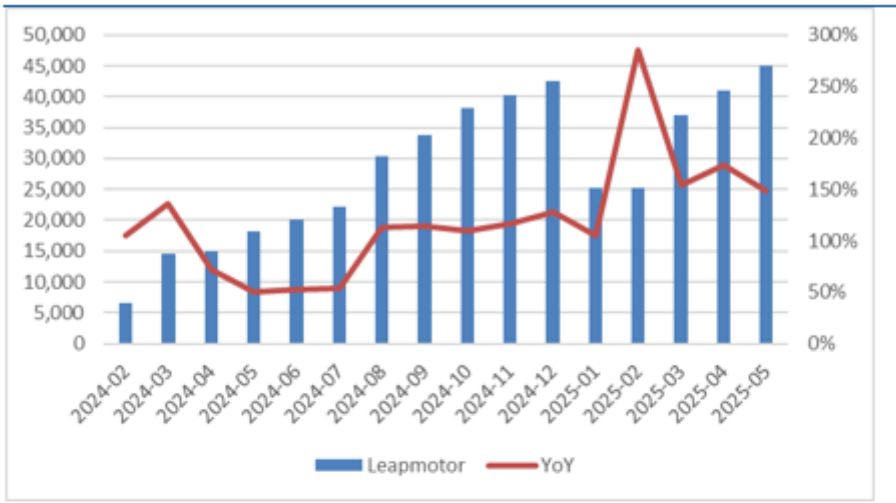
Source: Company Data, Sunwah Kingsway Research

Fig 2: Geely NEVs hit a record high



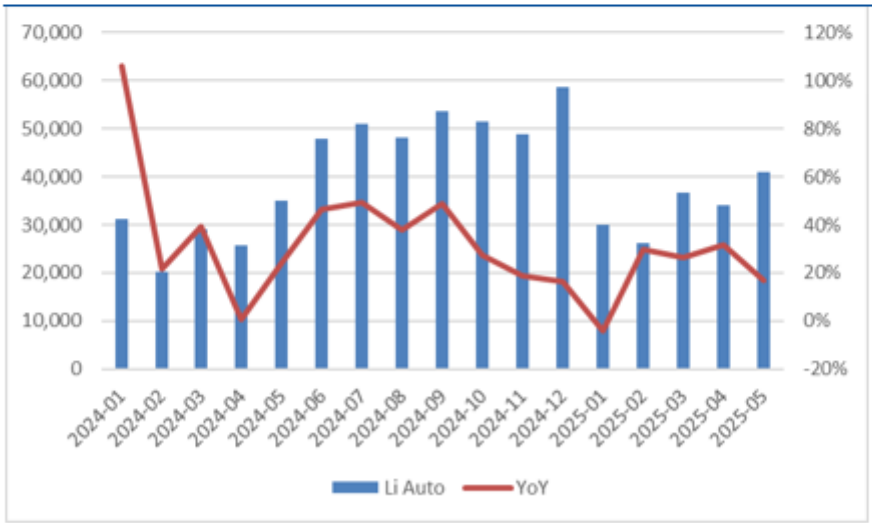
Source: Company Data, Sunwah Kingsway Research

Fig 3: Leapmotor delivers >100% YoY growth for 10 consecutive months, hit a record high



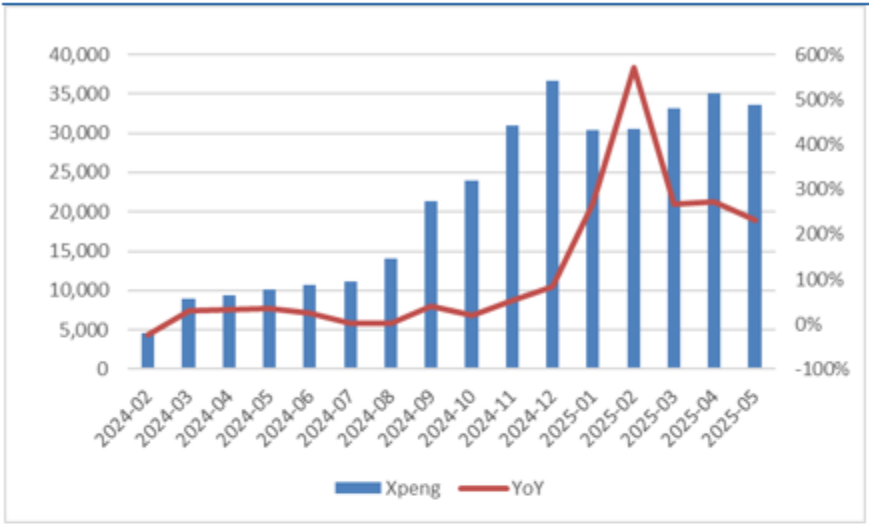
Source: Company Data, Sunwah Kingsway Research

Fig 4: Li auto was back to above 40k



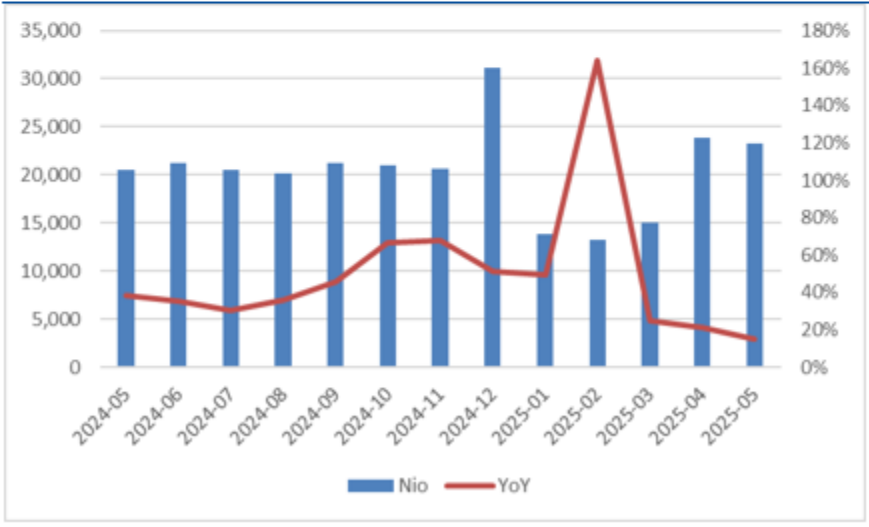
Source: Company Data, Sunwah Kingsway Research

Fig 5: Xpeng achieved 7th consecutive month of 30k+



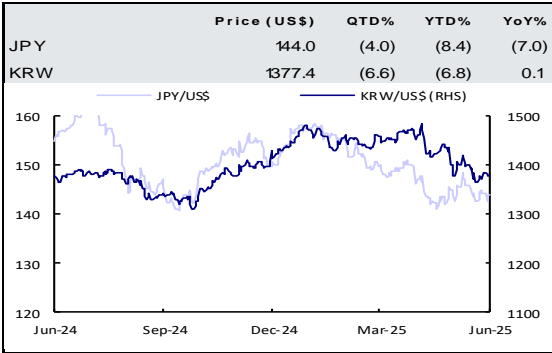
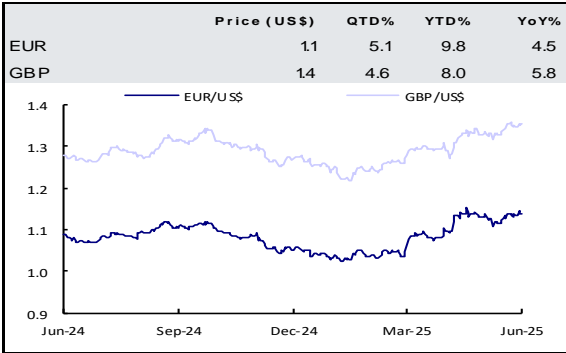
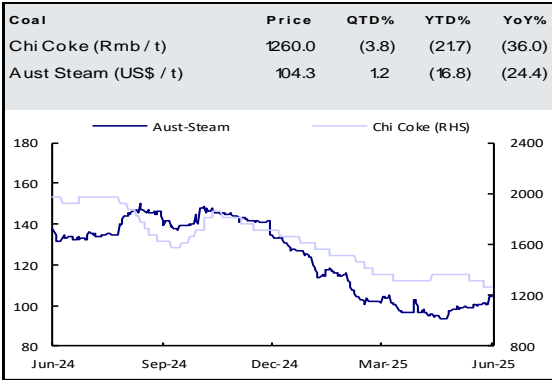
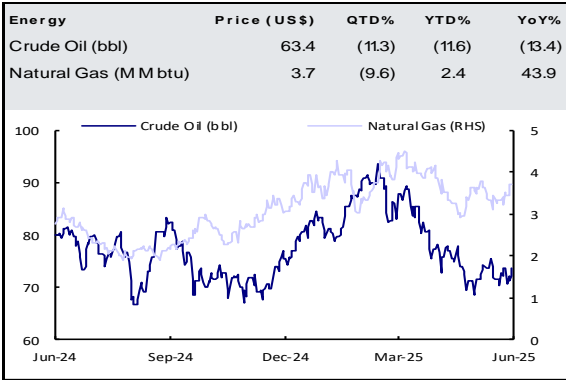
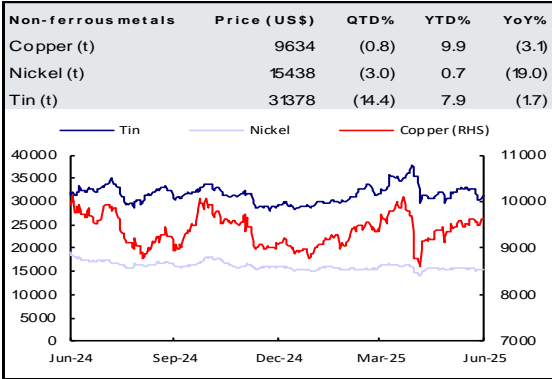
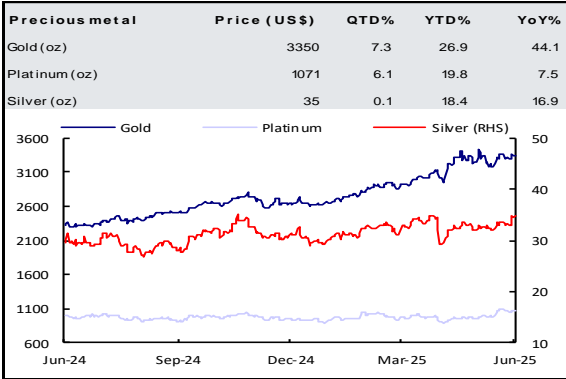
Source: Company Data, Sunwah Kingsway Research

Fig 6: the growth rate of Nio slowed down



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		3-Jun-25
Factory Orders	MoM		3-Jun-25
Trade Balance	MoM		5-Jun-25
Initial Jobless Claims	WoW		5-Jun-25
Employment Report	MoM		6-Jun-25
Wholesale Inventories	MoM		9-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
GDP	QoQ		26-Jun-25
Personal Income & Spending	MoM		27-Jun-25
ISM Manufacturing PMI	MoM		1-Jul-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
PMI Manufacturing	MoM		30-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Money Supply - M2	MoM		30-Jun-25
Retail Sales	MoM		2-Jul-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

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