

What’s Hot Today:

► Chow Tai Fook (1929 HK, HK\$12.28, HK\$122bn)

FY25 earnings beat, brand transformation continues

Revenue largely inline while earnings beat. CTF, a leading jewelry brand in Hong Kong and China, released its full year results ending March 2025 (“FY25”). Revenue dropped by 18% YoY to HK\$89.7bn. Despite the fluctuation in the topline, gross profit remained resilient, up 2% YoY to HK\$26.5bn, driven by improved product mix and higher gold prices. Net profit declined by 9% YoY to HK\$59bn, 7% above expectation, with a NPM of 6.8%. This decrease was mainly attributed to a 54% YoY jump in the unrealized loss on gold loans. CTF declared a final dividend of HK\$0.32 per share, driving the total dividend in FY25 to HK\$0.52, with a yield of 4.2%.

Steady improvement in SSS. Although full-year SSS (same store sales) in Mainland China /HK and Macau fell by 19%/26% YoY respectively, the decline in both regions in 2H25 narrowed by 10ppts compared to 1H25. For Apr-May 2025, the SSS decline in Mainland China further improved to LSD, while HK and Macau market turned positive. The Mgt expects the a LSD growth in overall SSSG in FY26.

Brand transformation continues. CTF demonstrated good progress of premiumization, as five new flagship stores showed better performance compared to normal POS. Hence, the Mgt plans to open 20 more flagship stores in FY26. Meanwhile, given the robust sales of fixed-price gold products such as Rouge Collection and Palace Museum Collection, each contributed more than HK\$4bn of sales in FY25. In April, another new product line, namely the CTF Joie Collection has been introduced to grasp the consumption trend.

Our view: Although CTF continues to experience stressed topline performance due to week consumption sentiment, the company works hard to improve profitability. Looking forward, further brand enhancement and product differentiation is expected to enhance SSSG improvement and relief POS pressure. The counter is trading at 19x FY26 P/E. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	24,035	-1.4%	19.8%
HSCBI	8,729	-1.5%	19.8%
HSCCI	4,067	-0.8%	7.6%
CSI300	3,892	-0.1%	-1.1%
Shanghai A	3,566	0.0%	-3.9%
Shanghai B	257	0.0%	-3.9%
Shenzhen A	2,121	0.2%	3.6%
Shenzhen B	1,172	-0.8%	-3.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	42,967	0.2%	1.0%
S&P 500	6,045	0.4%	2.8%
Nasdaq	19,662	0.2%	1.8%
NIKKEI Index	37,723	-1.2%	-5.4%
FTSE Index	8,884	0.2%	8.7%
CAC Index	7,765	-0.1%	5.2%
DAX Index	23,771	-0.7%	19.4%

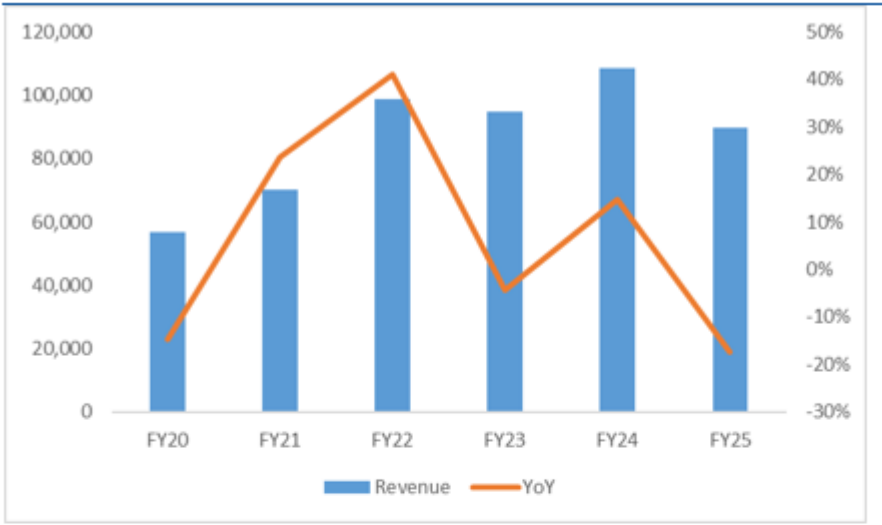
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,385	0.9%	30.1%
STEEL (US\$/oz.)	1,966	-1.7%	9.6%
SILVER (US\$/oz.)	36	0.2%	25.7%
CRUDE OIL (US\$/bbl)	68	-0.2%	0.3%
COPPER (US\$/oz.)	9,702	-0.6%	10.7%
ALUMINIUM (US\$/oz.)	2,517	1.0%	-1.3%
PLATINUM (US\$/oz)	1,298	3.1%	42.8%
ZINC (US\$/oz.)	2,642	-0.6%	-11.3%
WHEAT (US\$/bu)	526	-1.5%	-5.1%
CORN (US\$/bu)	440	0.2%	-0.6%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,027	-0.2%	0.3%
PVC (US\$/t.)	N/A	N/A	-6.8%
CRB	302	1.1%	3.0%
BDI			74.3%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.849	0.863	143.480	0.810	7.173
HKD	0.127		0.110	18.280	10.324	0.914
EUR	1.158	9.093		166.220	1.065	8.305
JPY	0.007	5.470	0.602		0.565	0.050
CHF	1.234	9.687	1.065	177.088		8.838
RMB	0.139	1.094	0.120	20.008	0.113	

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	-2.5%

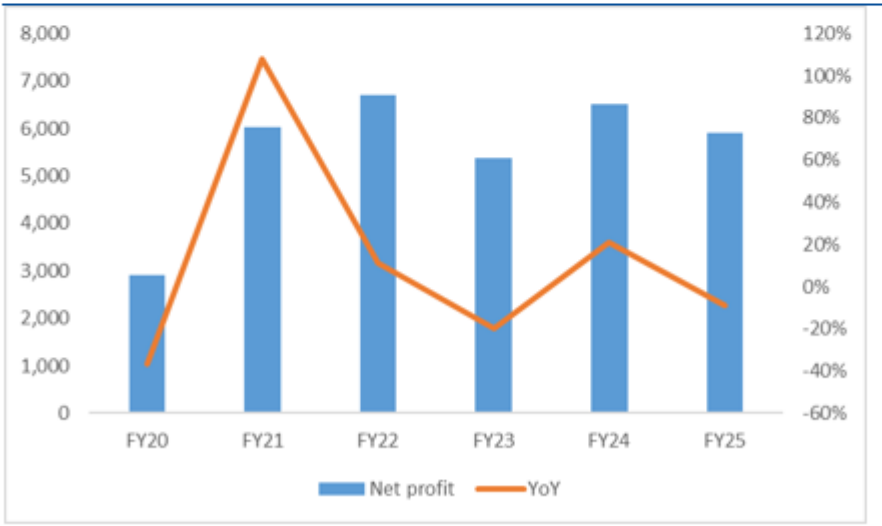
Source: Bloomberg

Fig 1: Revenue(HK\$ mn) and YoY



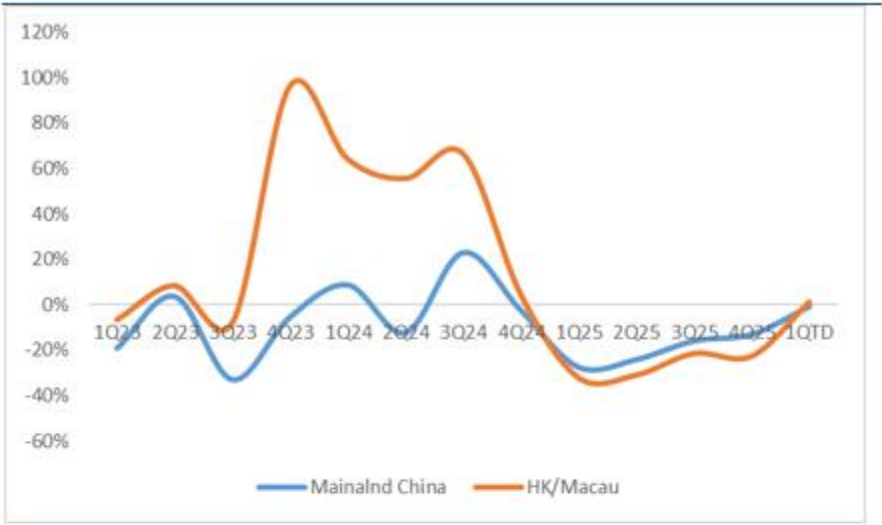
Source: Company Data, Sunwah Kingsway Research

Fig 2: Net profit(HK\$ mn) and YoY



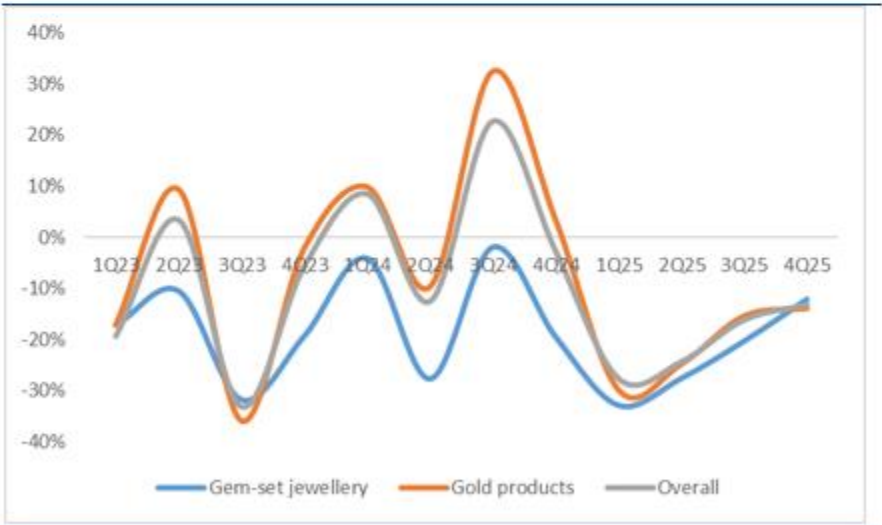
Source: Company Data, Sunwah Kingsway Research

Fig 3: SSSG (by region)



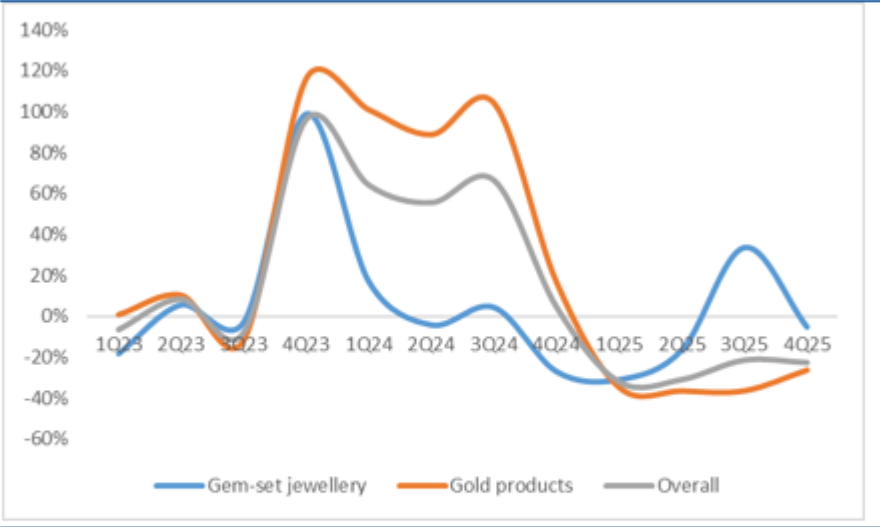
Source: Company Data, Sunwah Kingsway Research

Fig 4: SSSG (by product) - Mainland China



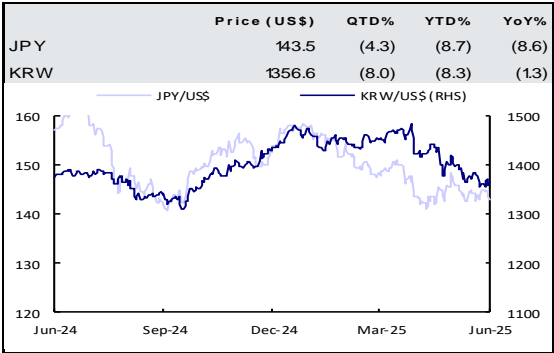
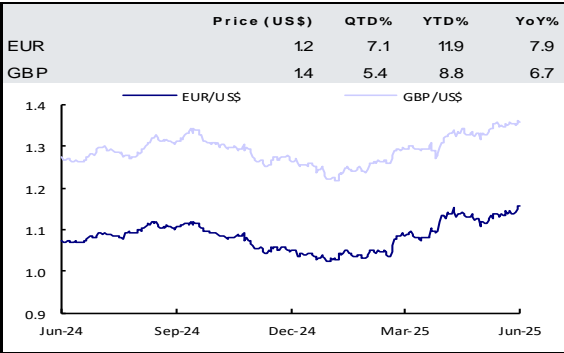
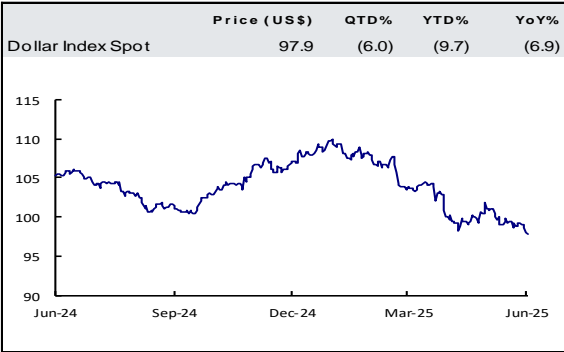
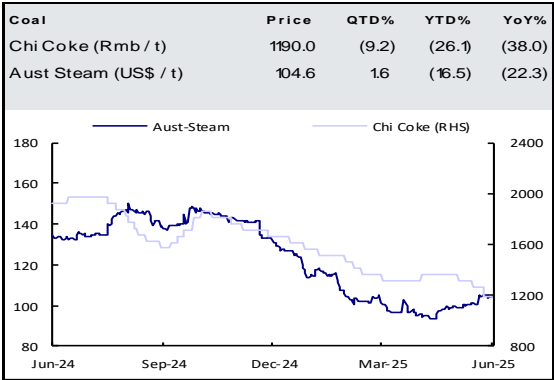
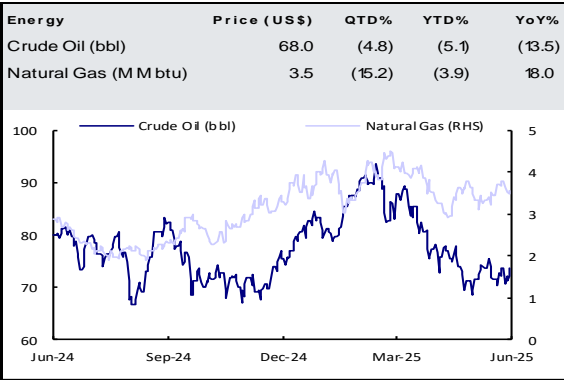
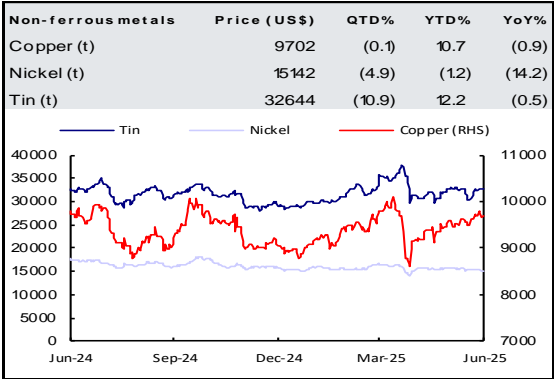
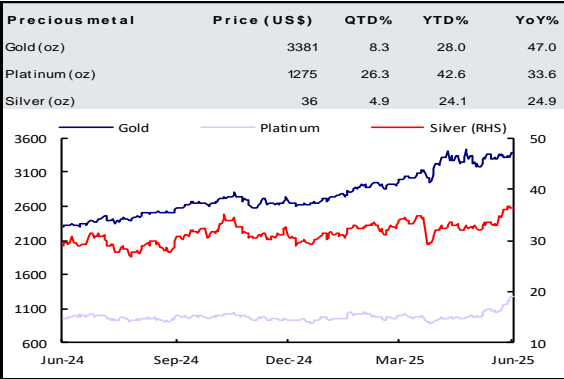
Source: Company Data, Sunwah Kingsway Research

Fig 5: SSSG (by product) – HK and Macau



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		12-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
Wholesale Inventories	MoM		26-Jun-25
Durable Goods Orders	MoM		26-Jun-25
GDP	QoQ		26-Jun-25
Personal Income & Spending	MoM		27-Jun-25
ISM Manufacturing PMI	MoM		1-Jul-25
Trade Balance	MoM		3-Jul-25
Factory Orders	MoM		3-Jul-25
Employment Report	MoM		3-Jul-25
CPI	MoM		15-Jul-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		12-Jun-25
Retail Sales	MoM		16-Jun-25
Industrial Production	MoM		16-Jun-25
PMI Manufacturing	MoM		30-Jun-25
Foreign Exchange Reserves	QoQ		7-Jul-25
PPI	MoM		9-Jul-25
CPI	MoM		9-Jul-25
Trade Balance	MoM		14-Jul-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
PMI	MoM		4-Jul-25
Foreign Currency Reserve	MoM		7-Jul-25
GDP	QoQ		31-Jul-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Composite Interest Rate	MoM		

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