

What’s Hot Today:

► **Perfect Medical (1830, HK\$1.70, HK\$2.14bn)**

Revenue downtrend stabilizing

Perfect Medical (PM) provides high-quality medical beauty treatments in Hong Kong and China. For the year ended March 2025, the company reported a 19.1% YoY revenue decline to HK\$1.13bn, attributed to outbound and more cautious consumer spendings. Average customer spending amounted to HK\$47k during the period for a 13% YoY decline from the previous HK\$54k. Despite stringent cost saving measures, OPM plunged by 5.1 ppts to 22.3% resulting in a 33% YoY drop in net profit to HK\$207mn.

A final dividend of 5.3 HK cents has been declared, bringing the full year dividend to 16.6 HK cents and a payout ratio of 100.6%. Notably, the company has achieved a payout ratio above 100% for ten consecutive years.

Proactive cost control - During the year, PM proactively implemented cost controls to mitigate tightening customer budgets. Total expenses stood at HK\$891mn, down by 13.4% YoY or HK\$137mn with all major cost components declining by low to mid-teen on a YoY basis. The company also took the opportunity to reshuffle some of its shop locations. For instance, PM will move its Tsim Sha Tsui outlet to a more prime location at a rental rate that is 30% lower.

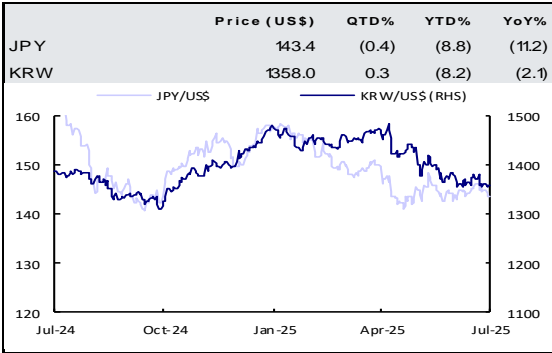
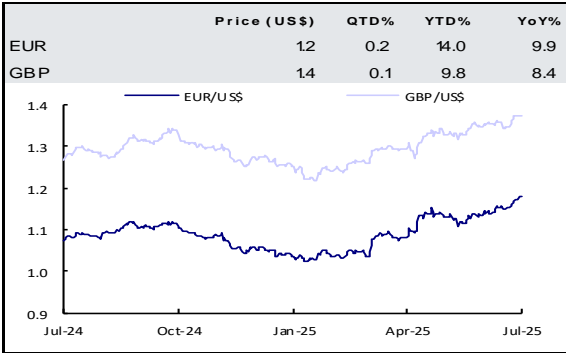
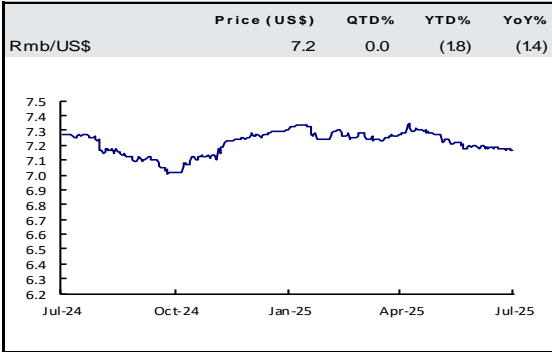
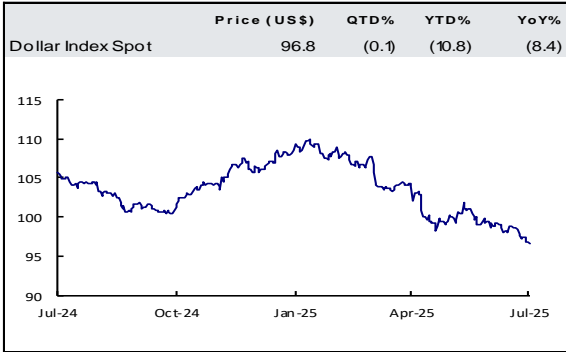
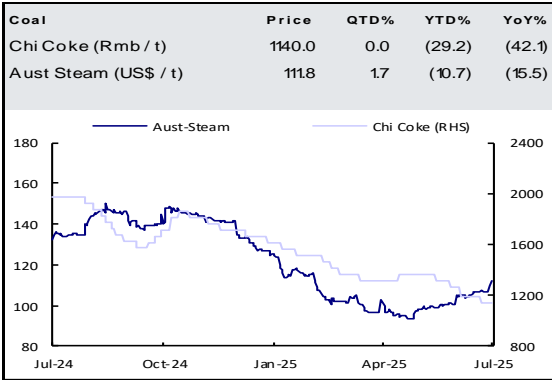
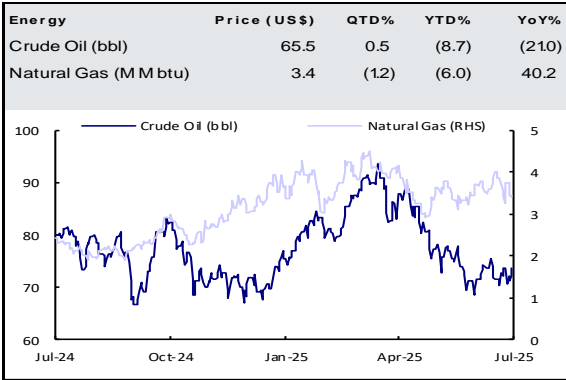
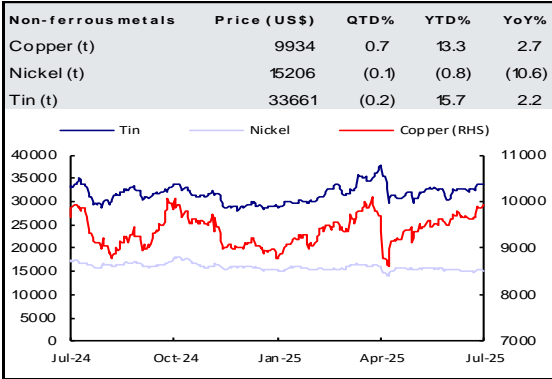
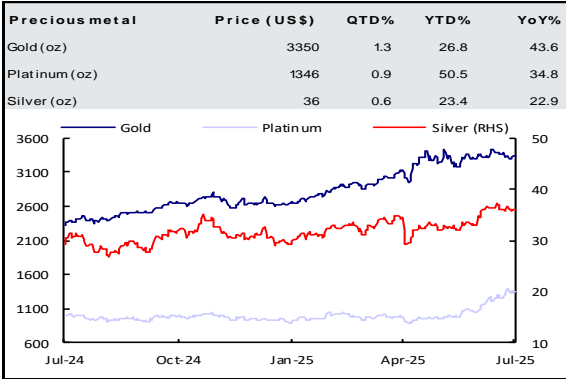
Expanding service scope – In response to shifting customer preferences, PM formed a JV with Korea’s Oracle to offer value-for-money Korean medical beauty services. The first location has opened with positive customer feedbacks. Meanwhile, its sleep therapy service Goku Spa has gained strong traction and is nearing breakeven.

Healthy financial position – Since its listing in 2012, PM has returned over HK\$3.28bn in dividends to shareholders. As of March 2025, the company had a net cash of HK\$394mn and was debt-free.

Our view – The Mgt believes the worst is over, noting that Hong Kong sales from April to June were flat YoY, compared to a double digit decline the previous year. If momentum sustains and costs remain controlled, the counter could be trading at around 10x PE with a nearly 10% yield. (Howard Wong)

China & HK Indices		CLOSE	1D	YTD		
HSI		24,072	-0.9%	20.0%		
HSCBI		8,678	-1.0%	19.0%		
HSCCI		4,049	-0.4%	7.1%		
CSI300		3,942	0.2%	0.2%		
Shanghai A		3,624	0.4%	-3.5%		
Shanghai B		258	0.0%	-3.5%		
Shenzhen A		2,174	0.2%	6.2%		
Shenzhen B		1,220	0.7%	0.6%		
Key Int'l Indices		CLOSE	1D	YTD		
Dow Jones		44,494	0.9%	4.6%		
S&P 500		6,198	-0.1%	5.4%		
Nasdaq		20,202	-0.8%	4.6%		
Nikkei Index		39,533	-1.1%	-0.9%		
FTSE Index		8,785	0.3%	7.5%		
CAC Index		7,662	-0.0%	3.8%		
DAX Index		23,673	-1.0%	18.9%		
Commodities		CLOSE	1D	YTD		
GOLD	(US\$/oz.)	3,338	1.1%	27.3%		
STEEL	(US\$/oz.)	2,022	0.9%	13.2%		
SILVER	(US\$/oz.)	36	-0.2%	24.9%		
CRUDE OIL	(US\$/bbl)	65	0.5%	-8.6%		
COPPER	(US\$/oz.)	9,934	0.6%	13.3%		
ALUMINIUM	(US\$/oz.)	2,598	0.1%	1.8%		
PLATINUM	(US\$/oz)	1,359	0.0%	50.2%		
ZINC	(US\$/oz.)	2,714	-2.3%	-8.9%		
WHEAT	(US\$/bu)	537	2.4%	-2.6%		
CORN	(US\$/bu)	406	-0.8%	-8.2%		
SUGAR	(US\$/lb)	N/A	N/A			
SOY BEAN	(US\$/bu)	1,027	0.0%	0.2%		
PVC	(US\$/t.)	N/A	N/A	-6.8%		
CRB		296	-1.2%	3.0%		
BDI				49.3%		
Exchange Rates						
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.850	0.847	143.420	0.791	7.166
HKD	0.127		0.108	18.269	10.079	0.913
EUR	1.181	9.268		169.330	1.071	8.441
JPY	0.007	5.474	0.591		0.552	0.050
CHF	1.264	9.924	1.071	181.295		9.039
RMB	0.140	1.095	0.118	20.063	0.111	
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				16		-3.7%
Source: Bloomberg						

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
ISM Manufacturing PMI	MoM		1-Jul-25
Trade Balance	MoM		3-Jul-25
Initial Jobless Claims	WoW		3-Jul-25
Durable Goods Orders	MoM		3-Jul-25
Factory Orders	MoM		3-Jul-25
Employment Report	MoM		3-Jul-25
Wholesale Inventories	MoM		9-Jul-25
CPI	MoM		15-Jul-25
PPI	MoM		16-Jul-25
Industrial Production	MoM		16-Jul-25
Business Inventories	MoM		17-Jul-25
Retail Sales	MoM		17-Jul-25
Housing Starts / Building Permits	MoM		18-Jul-25
Existing Home Sales	MoM		23-Jul-25
New home Sales	MoM		24-Jul-25
Consumer Confidence	MoM		29-Jul-25
GDP	QoQ		30-Jul-25
Personal Income & Spending	MoM		31-Jul-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Jul-25
Money Supply - M2	MoM		9-Jul-25
PPI	MoM		9-Jul-25
CPI	MoM		9-Jul-25
Trade Balance	MoM		14-Jul-25
Retail Sales	MoM		15-Jul-25
Industrial Production	MoM		15-Jul-25
GDP	YoY		15-Jul-25
PMI Manufacturing	MoM		31-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		2-Jul-25
PMI	MoM		4-Jul-25
Foreign Currency Reserve	MoM		7-Jul-25
Unemployment Rate	MoM		17-Jul-25
CPI	MoM		21-Jul-25
Trade Balance	MoM		28-Jul-25
GDP	QoQ		31-Jul-25
Money Supply - M2	MoM		31-Jul-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Composite Interest Rate	MoM		

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Source: HKEx

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