

What's Hot Today:

► China Solar Industry: Pricing still weak but expecting industry shake-up (Week 26, 2025)

The solar supply chain remained under pressure this week, with YTD price declines remaining significant. According to InfoLink data, polysilicon prices held at RMB34–36/kg, while TOPCon 183mm cell prices fell below RMB0.23/W, for a new low. Wafer prices hovered around cash cost levels, and module transaction prices continued to be weak. Structural oversupply and cautious downstream sentiment remained the dominant forces. Compared with the same period last year, prices for polysilicon, wafers, cells, and modules have declined by 12%, 26%, 21%, and 19%, respectively. While some upstream segments attempted a short-term price rebound, overall transaction activity remained subdued.

Upstream inventory still high: Mainstream polysilicon prices remained at RMB34–36/kg this week, with lower-quality granular silicon quoted below RMB30/kg. Although a few producers tried to raise prices slightly, downstream buyers continued to purchase only as needed, offering no support for higher prices. With hydropower capacity ramping up in July, leading producers expanded output, pushing monthly production back up to 110–115kt. Total polysilicon inventory exceeded 370kt, a new high for the year. Some manufacturers are stockpiling in anticipation of future policy interventions, further exacerbating the supply–demand imbalance. Wafer inventories stayed ample, a with 183mm mainstream products selling at RMB 0.85–0.88/piece, while some small-scale sellers priced as low as RMB0.83. Monthly wafer production remained at 56–57GW, but inventory was going slow as demand for 183N remained weak. Some producers shifted to 210R, yet as production scaled quickly, 210R prices fell to RMB1.00/piece. Overall the wafer inventory remained above 20bnpieces, with destocking pressure persisting.

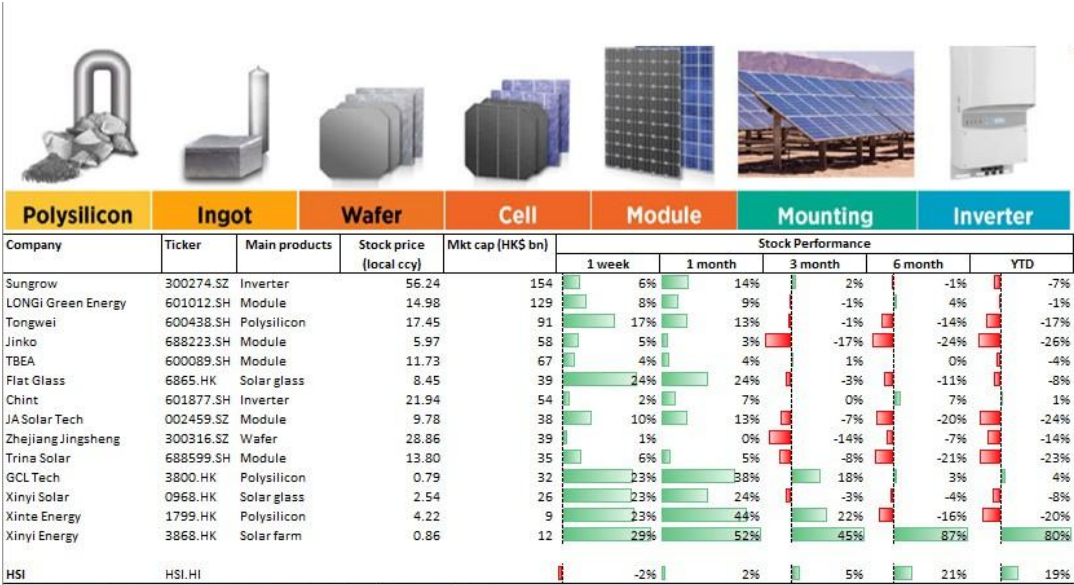
China & HK Indices		CLOSE	1D	YTD		
HSI		23,916	-0.6%	19.2%		
HSCEI		8,609	-0.5%	18.1%		
HSCCI		4,091	-0.1%	8.2%		
CSI300		3,982	0.4%	1.2%		
Shanghai A		3,640	0.3%	-3.0%		
Shanghai B		259	0.0%	-3.0%		
Shenzhen A		2,171	-0.4%	6.0%		
Shenzhen B		1,235	0.0%	1.9%		
Key Int'l Indices		CLOSE	1D	YTD		
Dow Jones		44,828	0.8%	5.4%		
S&P 500		6,279	0.8%	6.8%		
Nasdaq		20,601	1.0%	6.7%		
NIKKEI Index		39,757	-0.1%	-0.3%		
FTSE Index		8,822	-0.0%	8.0%		
CAC Index		7,696	-0.8%	4.3%		
DAX Index		23,787	-0.6%	19.5%		
Commodities		CLOSE	1D	YTD		
GOLD	(US\$/oz.)	3,337	0.3%	26.6%		
STEEL	(US\$/oz.)	2,116	4.7%	18.5%		
SILVER	(US\$/oz.)	36	0.3%	27.8%		
CRUDE OIL	(US\$/bbl)	67	-0.7%	-8.5%		
COPPER	(US\$/oz.)	9,864	-1.5%	12.5%		
ALUMINIUM	(US\$/oz.)	2,590	-1.1%	1.5%		
PLATINUM	(US\$/oz)	1,397	1.5%	53.2%		
ZINC	(US\$/oz.)	2,724	-1.2%	-8.5%		
WHEAT	(US\$/bu)	547	2.0%	-0.7%		
CORN	(US\$/bu)	420	0.5%	-7.7%		
SUGAR	(US\$/lb)	N/A	N/A			
SOYBEAN	(US\$/bu)	1,049	0.1%	0.8%		
PVC	(US\$/t.)	N/A	N/A	-6.8%		
CRB		299	1.3%	3.0%		
BDI			-0.5%	44.0%		
Exchange Rates						
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.849	0.849	144.470	0.794	7.166
HKD	0.127		0.108	18.408	10.119	0.913
EUR	1.178	9.246		170.170	1.069	8.440
JPY	0.007	5.434	0.588		0.550	0.050
CHF	1.260	9.884	1.069	181.888		9.016
RMB	0.140	1.096	0.118	20.163	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					17	7.1%
Source: Bloomberg						

Midstream sees smaller players cutting capacity: Cell prices continued to fall with 183mm TOPCon cells trading at RMB0.225–0.23/W, and 210RN/210N at RMB0.24–0.25/W, generally below cash cost. Weekly declines reached 3% for 183N and 4.6% for 210RN. Output stayed high (56–57GW), but terminal demand remained sluggish, leading to structural inventory buildup. Price competition intensified, and bargaining power increasingly shifted to downstream buyers. Module prices continued to trend down where 182mm dual-glass modules are trading at RMB0.64–0.67/W, with off-standard models dipping below RMB0.62/W. Monthly production was around 52–53GW, with new orders mainly flowing to Tier-1 manufacturers, while smaller firms struggled and began cutting capacity. In the overseas markets, European prices fell to USD0.083–0.085/W and U. prices held at USD0.27–0.30/W amid policy uncertainty. Overall, module prices remained under pressure, and industry-wide destocking continues.

Industry News: This issue of disorderly competition in the solar industry has been escalated. In June, the Central Financial and Economic Affairs Commission highlighted the need to combat “involution” and regulate low-price competition in manufacturing. On July 3, the Ministry of Industry and Information Technology (MIIT) convened a solar industry roundtable with 14 leading companies including LONGi and Tongwei. The meeting focused on improving market order, phasing out outdated capacity, and promoting quality-oriented and rational growth. It is also reported that manufacturers may face heavy fines for selling below costs. Industry leaders have already committed to reduce their output by 30% to stabilize prices. These policies have attracted strong market attention and may reshape competitive dynamics in the sector.

Our View: The sector has recently gained market attention as recent developments may speed up an industry shake-up. For instance, (1) July output is expected to drop to around 45GW as major solar glass producers will collectively cut their production by 30%; (2) the MIIT has called to reduce low-end capacity and more orderly competition. The market now expects a much more meaningful supply–demand improvement. We are constructive on GCL Technology (3800 HK, HK\$1.12, HK\$31.9bn) and Xinyi Solar (968 HK, HK\$2.88, HK\$26.1bn), a global leader in silicon wafer and solar glass, respectively, that are likely to benefit from industry consolidation and normalized product prices. (Research Department)

Figure 1 Solar Companies Stock performance



Source: Wind, Sunwah Kingsway Research, data as of July 4.

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Figure 2: Solar Price Tracker –Polysilicon

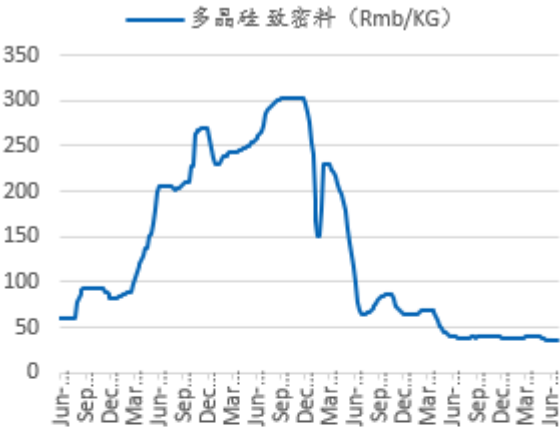


Figure 3: Solar Price Tracker – Mono Wafer

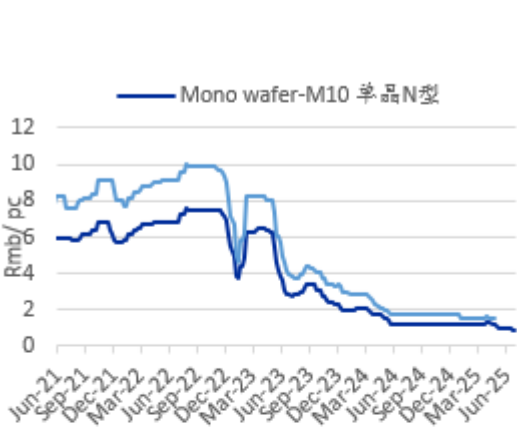


Figure 4: Solar Price Tracker –Mono Cell

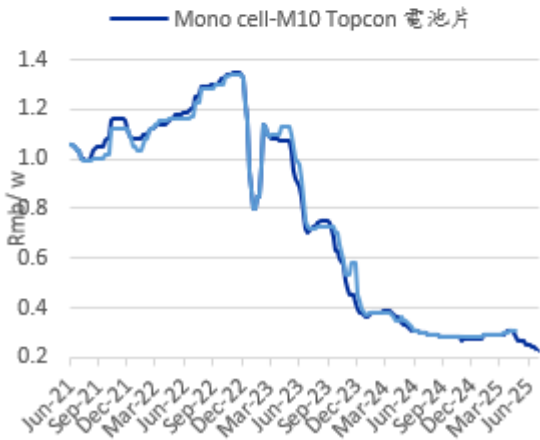
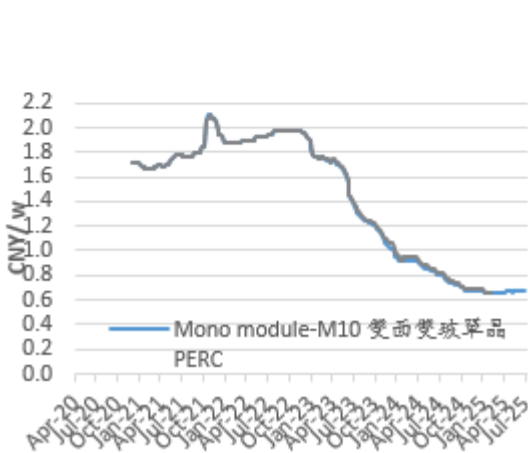
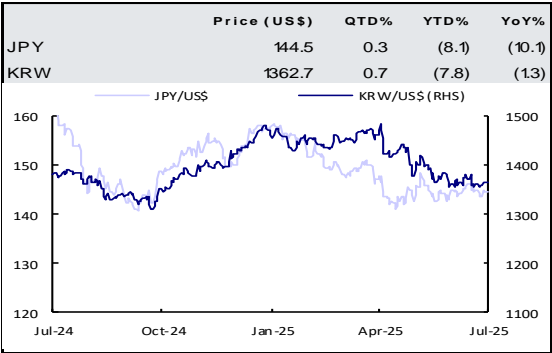
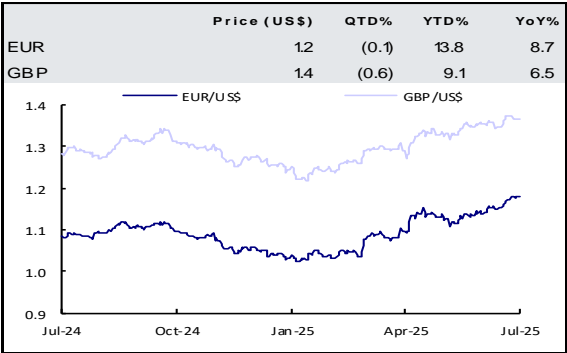
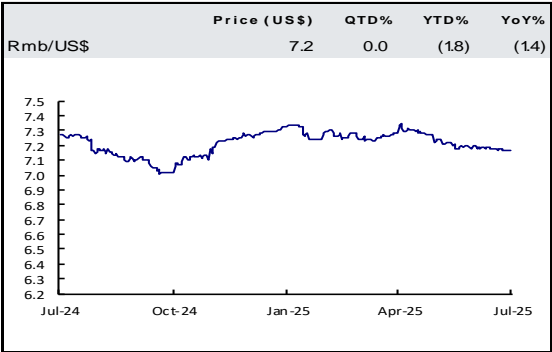
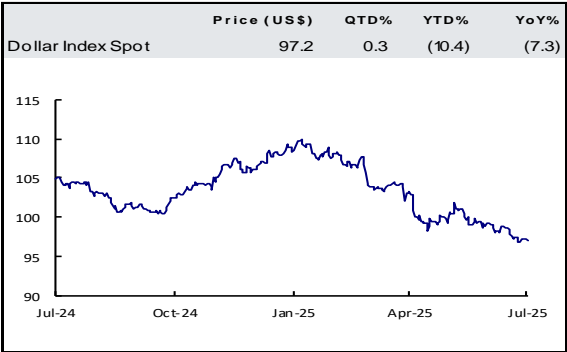
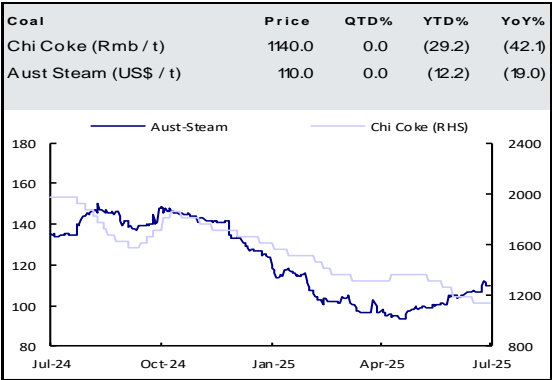
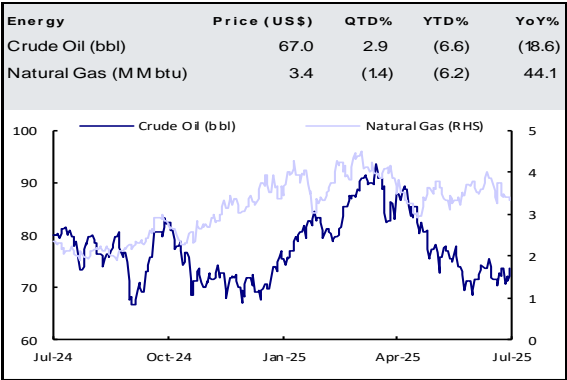
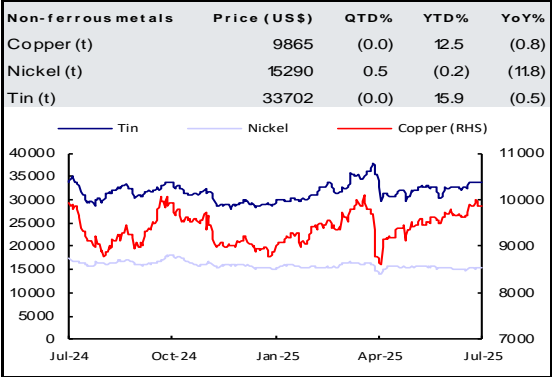
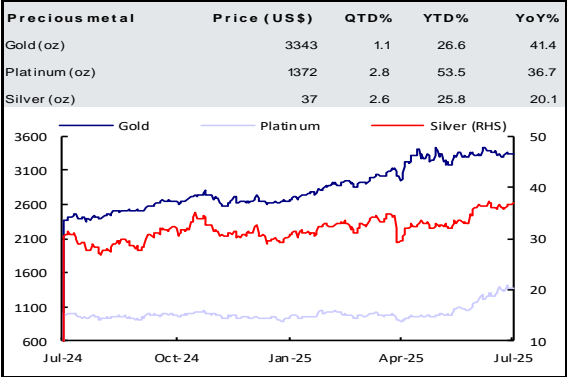


Figure 5: Solar Price Tracker – Mono module



Source: InfoLink, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Wholesale Inventories	MoM		9-Jul-25
Initial Jobless Claims	WoW		10-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
Durable Goods Orders	MoM		25-Jul-25
Consumer Confidence	MoM		29-Jul-25
GDP	QoQ		30-Jul-25
Personal Income & Spending	MoM		31-Jul-25
ISM Manufacturing PMI	MoM		1-Aug-25
Employment Report	MoM		1-Aug-25
Factory Orders	MoM		4-Aug-25
Trade Balance	MoM		5-Aug-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
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
Retail Sales	MoM		31-Jul-25
PMI	MoM		5-Aug-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Composite Interest Rate	MoM		

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