

## What's Hot Today:

► **Fast retail (6288 HK, HK\$24.65, HK\$783bn) quarterly growth rate slows down**

Fast Retailing who owns UNIQLO has released its 9M25 results. Although the Group delivered a record-high performance for the nine-month period, a softening trend emerged across individual quarters. Revenue growth decelerated sequentially, with quarterly growth of 10%, 14%, and 7.7% in Q1, Q2, and Q3 respectively. The company expects full-year revenue in FY25 to reach JPY3.4tn and a net profit of JPY410bn. This guidance implies that Q4 revenue is expected to grow 6% YoY to JPY783bn, while net profit may rise 20% YoY to JPY71bn. We believe Q4 guidance to be reasonable as North America and Europe offer substantial growth potential. However, it is also noted that the YoY growth pace of revenue may further moderate.

**3Q25 results remained robust.** Revenue in 3Q25 reached JPY826bn, up 8% YoY. GPM declined by 1.6ppts YoY to 54.9%, attributed to rising costs and aggressive discounting for spring merchandise. Notably, net profit dropped 10% YoY to JPY106bn, the first decline since 3Q23, dragged by lower GPM, coupled with 64% drop in financial income. In the first nine months, revenue totaled JPY2.6tn, up 11% YoY, with net profit of JPY339bn, up 8% YoY, both record highs.

**Market Divergence:** Greater China Underperformed, European Market Remained Strong. UNIQLO Japan maintained steady growth in 3Q25, rising 10% YoY. UNIQLO China saw a deepened downward trend, with revenue down 8% YoY in Q3. Meanwhile, the North America and Europe market sustained strong momentum, though the growth rates moderated to 23% and 29% respectively. The GU business registered LSD YoY growth. The topline proportion of UNIQLO Japan/ China / South Korea, Southeast Asia, India & Australia/North America/Europe amounted to 31%/18%/18%/8%/10%, respectively.

**Our view:** While the company's performance remained strong, signs of slowing has been observed in the quarterly numbers. This is particularly evident in the Greater China market, which accounts for 18% of total revenue. Demand in this region remains weak, believed to be due to budget alternatives. Moreover, it is also noted that other fast-fashion brands such as Gap and H&M saw their sales stall at LSD growth, with Zara even experiencing a decline. The softer demand is likely to have a knock-on effect on China's textile OEMs. Fast retail is trading at 35x FY25 P/E.(Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	24,028	0.6%	19.8%
HSCEI	8,668	0.8%	18.9%
HSCCI	4,169	1.5%	10.3%
CSI300	4,010	0.5%	1.9%
Shanghai A	3,679	0.5%	-2.0%
Shanghai B	261	0.4%	-2.0%
Shenzhen A	2,204	0.3%	7.7%
Shenzhen B	1,247	0.4%	2.9%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	44,650	0.4%	5.0%
S&P 500	6,280	0.3%	6.8%
Nasdaq	20,630	0.1%	6.8%
NIKKEI Index	39,607	-0.1%	-0.7%
FTSE Index	8,975	1.2%	9.8%
CAC Index	7,902	0.3%	7.1%
DA-X Index	24,456	-0.4%	22.8%

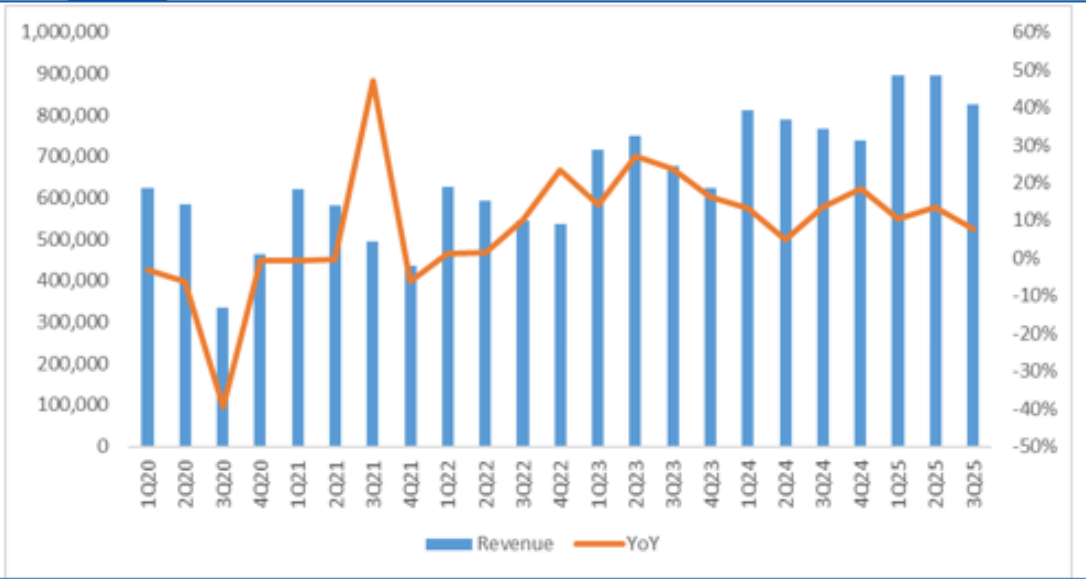
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,324	0.3%	27.1%
STEEL (US\$/oz.)	2,143	1.7%	20.0%
SILVER (US\$/oz.)	37	1.7%	28.4%
CRUDE OIL (US\$/bbl)	66	-2.6%	-6.8%
COPPER (US\$/oz.)	9,700	-0.9%	10.6%
ALUMINIUM (US\$/oz.)	2,607	0.8%	2.2%
PLATINUM (US\$/oz.)	1,366	1.2%	50.2%
ZINC (US\$/oz.)	2,777	2.1%	-6.8%
WHEAT (US\$/bu)	550	1.3%	-0.2%
CORN (US\$/bu)	416	0.2%	-6.3%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,013	0.6%	-1.1%
PVC (US\$/t.)	N/A	N/A	-6.8%
CRB	300	-0.6%	3.0%
BDI			42.7%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.850	0.855	146.260	0.797	7.178
HKD	0.127		0.109	18.631	10.152	0.914
EUR	1.170	9.185		171.140	1.073	8.393
JPY	0.007	5.368	0.584		0.545	0.049
CHF	1.255	9.849	1.073	183.492		9.011
RMB	0.139	1.094	0.119	20.372	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	15	-5.2%

Source: Bloomberg

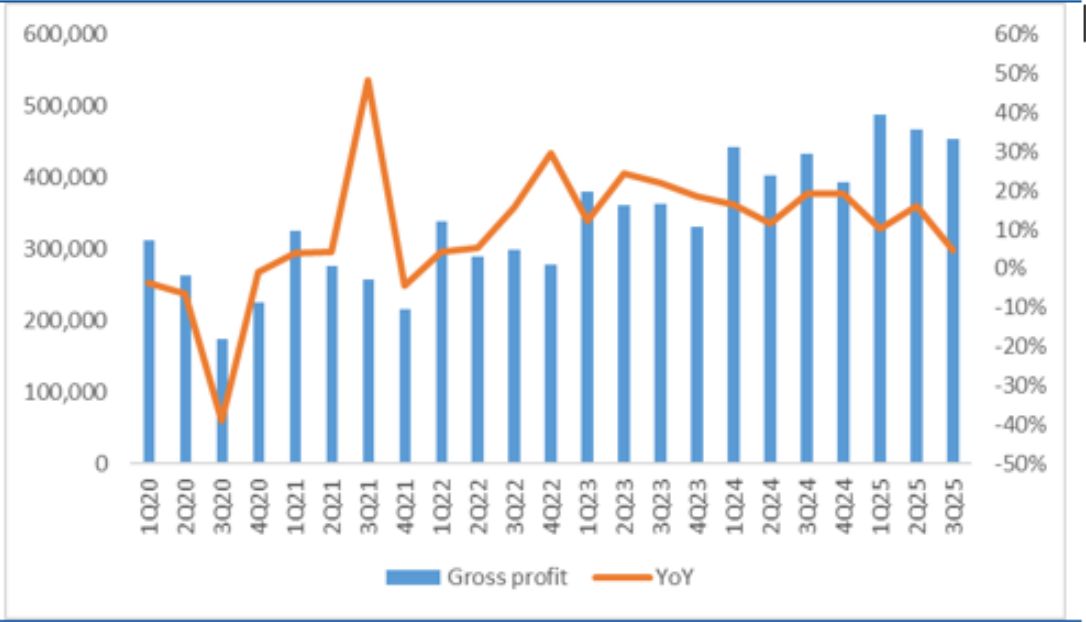
Fig 1: Revenue(JPY Mn) and YoY



Source: Company Data, Sunwah Kingsway Research

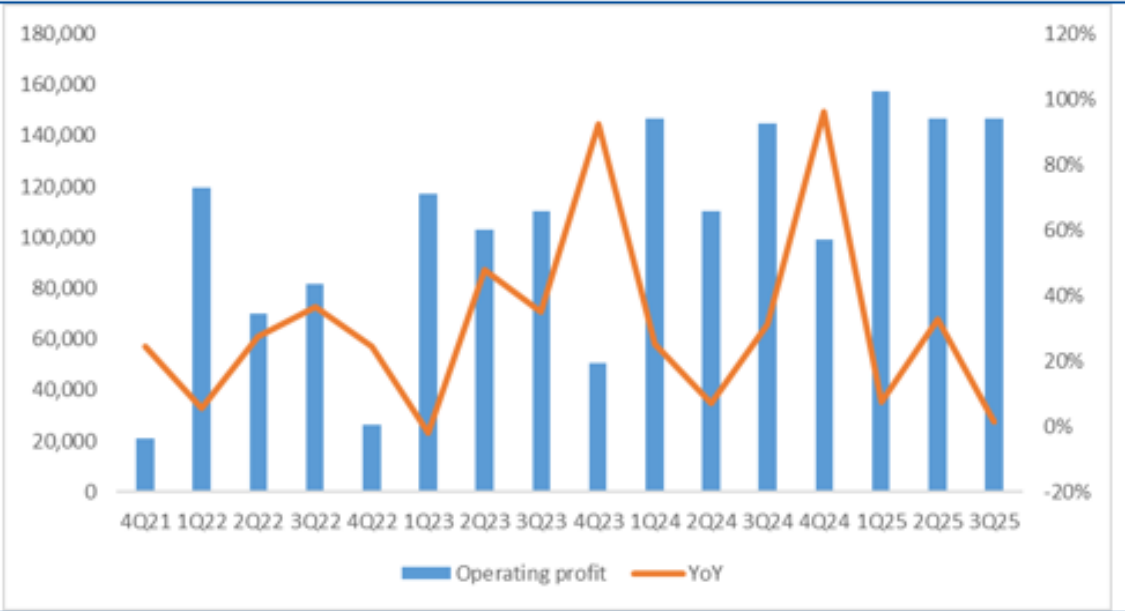


Fig 2: Gross profit(JPY mn) and YoY



Source: Company Data, Sunwah Kingsway Research

Fig 3: Operating profit(JPY mn) and YoY



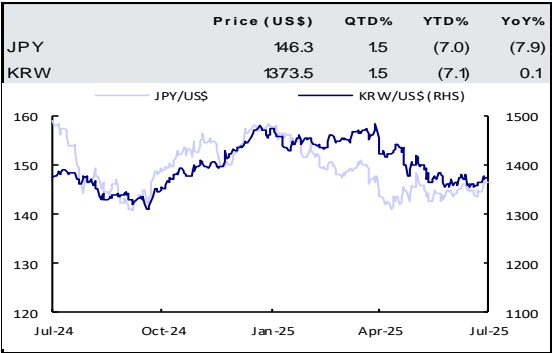
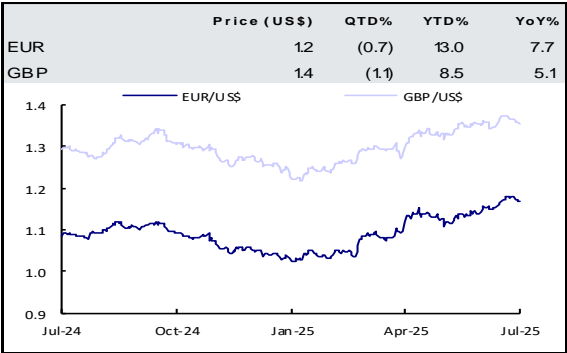
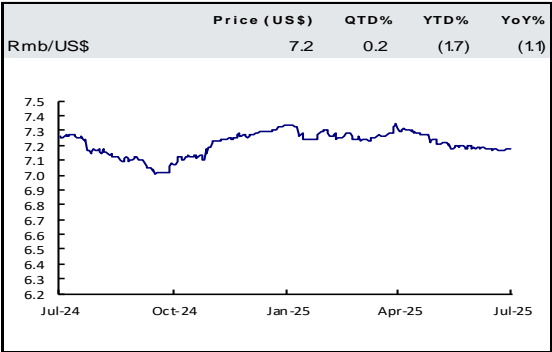
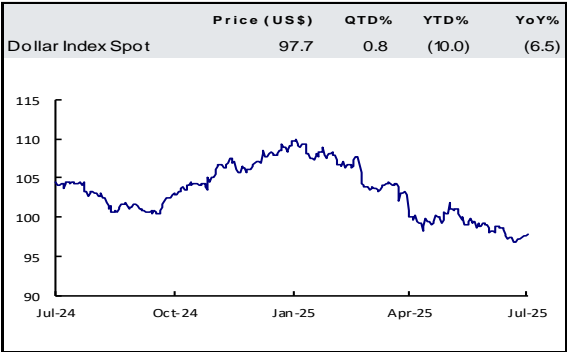
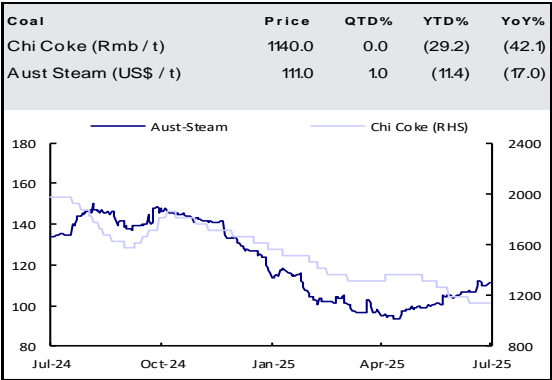
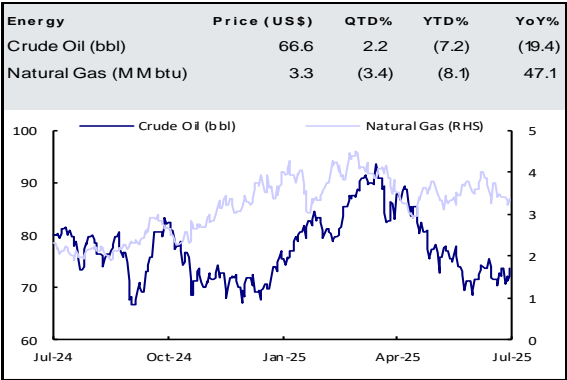
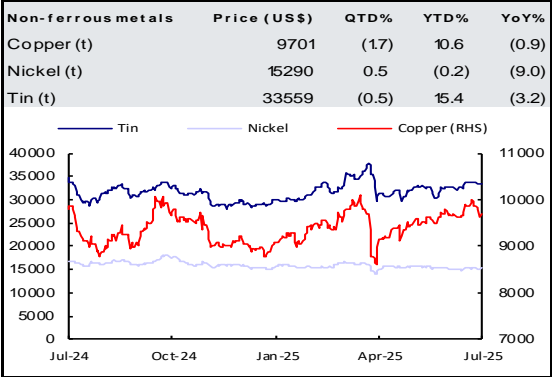
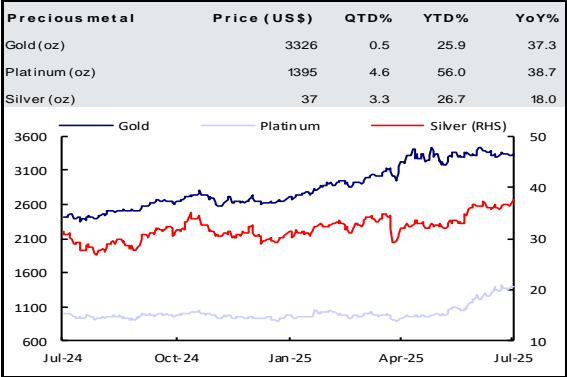
Source: Company Data, Sunwah Kingsway Research

Fig 4: Net profit(JPY mn) 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		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
Wholesale Inventories	MoM		29-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
Money Supply - M2	MoM		11-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
Foreign Exchange Reserves	QoQ		7-Aug-25
PPI	MoM		9-Aug-25
CPI	MoM		9-Aug-25

Hong Kong Economic Calendar

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

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