

## What's Hot Today:

### ► China Smartphone market: Q2 shipment dropped 4% YoY

**Softer shipment pace.** According to Canalys, smartphone shipments in mainland China fell by 4% YoY to 67.8mn units in 2Q25, ending a streak of 5 consecutive quarters of YoY growth. This decline could be attributed to: 1) fewer new models launched in Q2, as many brands rushed to release new models in 1Q25 to capitalize on the replacement demand driven by China's subsidy programs. 2) to maintain healthy inventory levels, some brands tightened Q2 shipments and accelerated inventory clearance during the 618 Shopping Festival. 3) since early June, several provinces including Guangdong, Jiangsu, Hunan and other regions have suspended subsidies or adjusted the scope of subsidies. In 1H25, total shipments remained largely flat YoY at 138mn units.

**Huawei regained the first position.** Huawei shipped 12.2mn units in 2Q25, up 15% YoY, with an 18% market share and returned to the top spot for the first time since 1Q24. It was driven by improved supply of its flagship model Mate 70, significant discounts on high-end models including the Pure series and Mate 70 lineup, and strong demand for its mid-range Nova 14. Benefiting from a robust performance during the 618 Shopping Festival, Vivo and Oppo secured the second and third positions, shipping 11.8mn and 10.7mn units respectively, down 10% and 5% YoY, respectively. Xiaomi delivered 10.4mn units in Q2, up 3% YoY, marking its eighth consecutive quarter of YoY growth, while Apple followed with 10.1mn units shipped.

**Our view:** Market demand remains weak, with growth still heavily reliant on price sensitive purchase. Although subsidy programs are set to resume in 2H25, promotional efforts may weaken as replacement demand has largely been satisfied.

In the high-end segment, models such as Huawei Mate series and Apple iPhone 16, stimulated sales through price reductions. While effective in the short term, this approach could put pressure on their upcoming flagship models. Meanwhile, mid-end brands focus on niche markets to differentiate themselves. Vivo and Oppo, emphasizing photography and gaming capabilities, a move that is expected to capitalize back-to-school smartphone demand in Q3. (Ensley LIU)

| China & HK Indices | CLOSE  | 1D    | YTD   |
|--------------------|--------|-------|-------|
| HSI                | 25,524 | -0.1% | 27.2% |
| HSCBI              | 9,145  | -0.3% | 25.5% |
| HSCCI              | 4,328  | 0.0%  | 14.5% |
| CSI300             | 4,152  | 0.4%  | 5.5%  |
| Shanghai A         | 3,784  | 0.3%  | 0.5%  |
| Shanghai B         | 268    | 0.3%  | 0.5%  |
| Shenzhen A         | 2,324  | 0.5%  | 13.5% |
| Shenzhen B         | 1,296  | -0.3% | 6.9%  |

| Key Int'l Indices | CLOSE  | 1D    | YTD   |
|-------------------|--------|-------|-------|
| Dow Jones         | 44,632 | -0.5% | 4.9%  |
| S&P 500           | 6,370  | -0.3% | 8.3%  |
| Nasdaq            | 21,098 | -0.4% | 9.3%  |
| NIKKEI Index      | 40,638 | -0.1% | 1.9%  |
| FTSE Index        | 9,136  | 0.6%  | 11.8% |
| CAC Index         | 7,857  | 0.7%  | 6.5%  |
| DA-X Index        | 24,217 | 1.0%  | 21.6% |

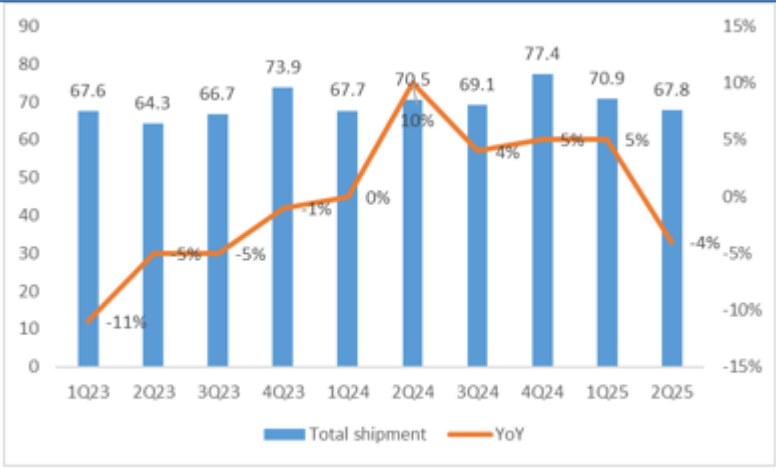
| Commodities          | CLOSE | 1D    | YTD    |
|----------------------|-------|-------|--------|
| GOLD (US\$/oz.)      | 3,326 | 0.4%  | 26.8%  |
| STEEL (US\$/oz.)     | 2,129 | -2.5% | 19.2%  |
| SILVER (US\$/oz.)    | 38    | 0.1%  | 32.1%  |
| CRUDE OIL (US\$/bbl) | 69    | 3.7%  | -3.5%  |
| COPPER (US\$/oz.)    | 9,798 | 0.3%  | 11.7%  |
| ALUMINIUM (US\$/oz.) | 2,605 | -1.1% | 2.1%   |
| PLATINUM (US\$/oz)   | 1,392 | -0.3% | 53.8%  |
| ZINC (US\$/oz.)      | 2,805 | -0.7% | -5.8%  |
| WHEAT (US\$/bu)      | 529   | -1.6% | -4.4%  |
| CORN (US\$/bu)       | 411   | -0.7% | -7.4%  |
| SUGAR (US\$/lb)      | N/A   | N/A   |        |
| SOYBEAN (US\$/bu)    | 1,009 | -0.2% | -1.7%  |
| PVC (US\$/t.)        | N/A   | N/A   | -8.1%  |
| CRB                  | 305   | 1.2%  | 3.0%   |
| BDI                  |       |       | 123.3% |

| Exchange Rates | USD   | HKD   | EUR   | JPY     | CHF    | RMB   |
|----------------|-------|-------|-------|---------|--------|-------|
| USD            |       | 7.850 | 0.866 | 148.460 | 0.806  | 7.177 |
| HKD            | 0.127 |       | 0.110 | 18.915  | 10.268 | 0.914 |
| EUR            | 1.155 | 9.064 |       | 171.420 | 1.075  | 8.289 |
| JPY            | 0.007 | 5.287 | 0.583 |         | 0.543  | 0.048 |
| CHF            | 1.241 | 9.739 | 1.075 | 184.176 |        | 8.915 |
| RMB            | 0.139 | 1.094 | 0.121 | 20.683  | 0.112  |       |

| 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      | -3.2% |

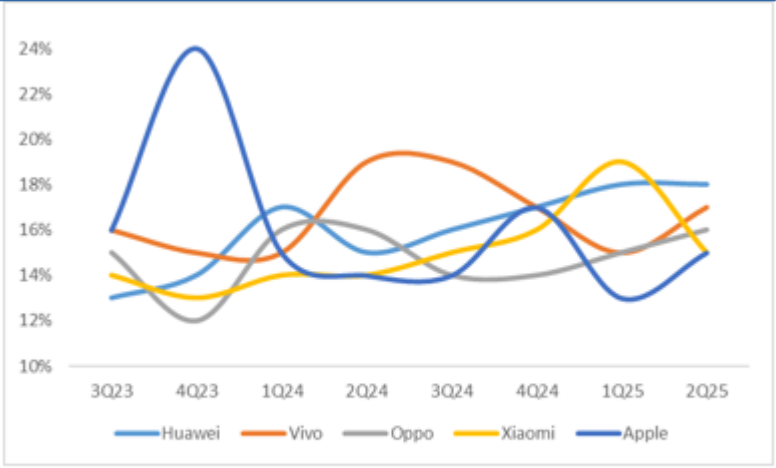
Source: Bloomberg

Fig 1: smartphone shipment(mn units) and YoY



Source: Canalys, Sunwah Kingsway Research

Fig 2: market share of each brand



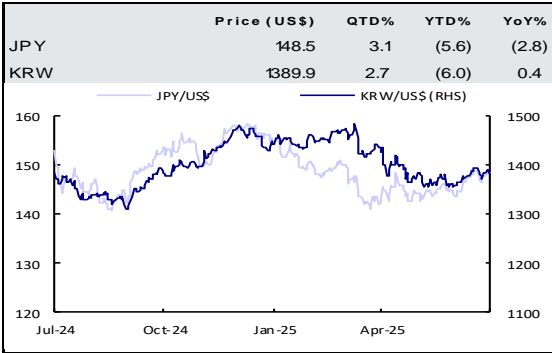
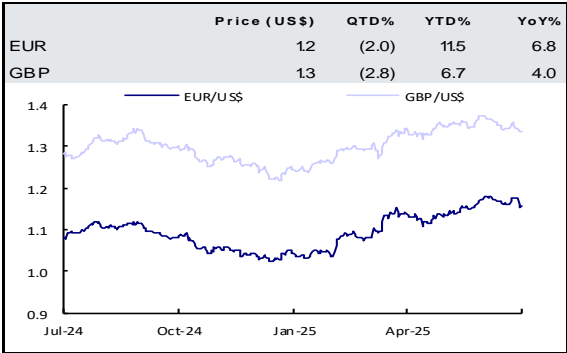
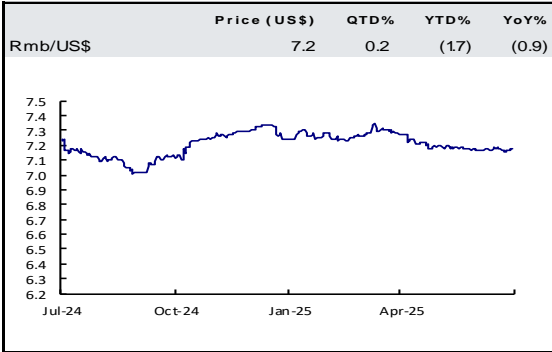
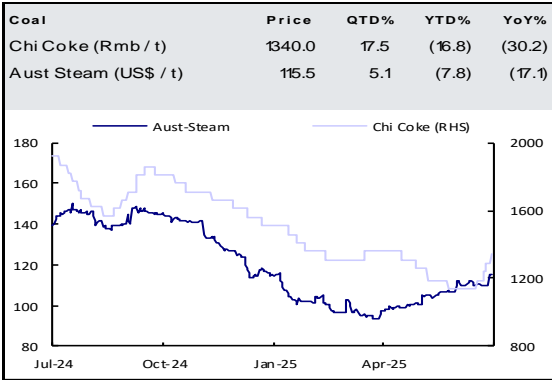
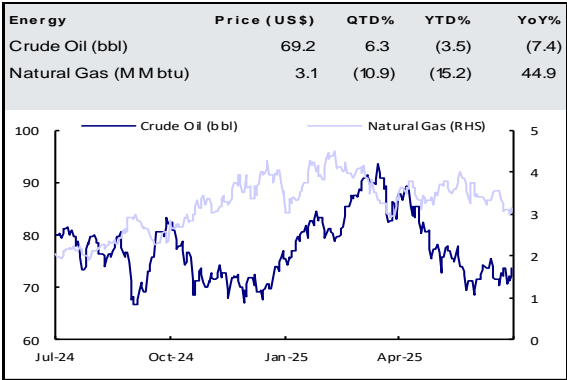
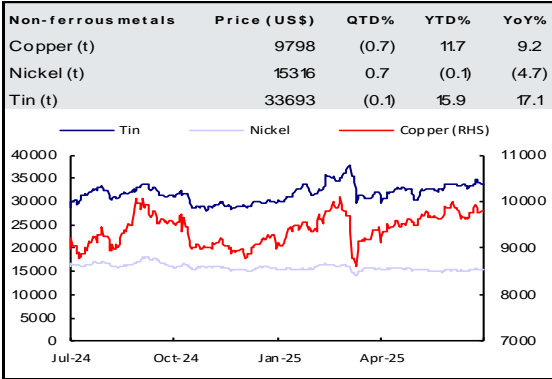
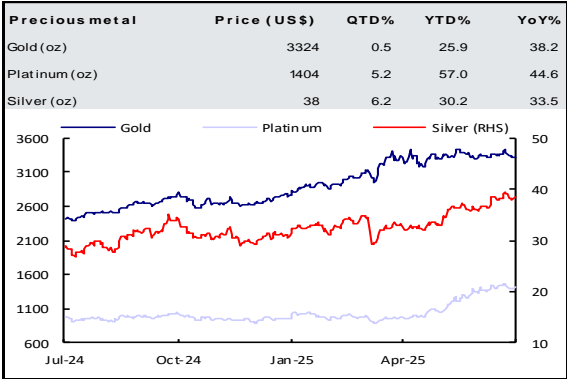
Source: Canalys, Sunwah Kingsway Research

Fig 3: 2Q25 performance review

| Brand  | 1Q25 Shlpments | 1Q25 Market Share | 2Q24 Shlpments | 2Q24 Market Share | YoY  |
|--------|----------------|-------------------|----------------|-------------------|------|
| Huawei | 12.2           | 18%               | 10.6           | 15%               | 15%  |
| vivo   | 11.8           | 17%               | 13.1           | 19%               | -10% |
| OPPO   | 10.7           | 16%               | 11.3           | 16%               | -5%  |
| Xiaomi | 10.4           | 15%               | 10             | 14%               | 3%   |
| Apple  | 10.1           | 15%               | 9.7            | 14%               | 4%   |
| Others | 12.7           | 19%               | 15.8           | 22%               | -20% |
| Total  | 67.8           | 100%              | 70.5           | 100%              | -4%  |

Source: Canalys, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

| Indicators                        | Freq | Obs Date | Expected Release Date |
|-----------------------------------|------|----------|-----------------------|
| Wholesale Inventories             | MoM  |          | 29-Jul-25             |
| Consumer Confidence               | MoM  |          | 29-Jul-25             |
| GDP                               | QoQ  |          | 30-Jul-25             |
| Initial Jobless Claims            | WoW  |          | 31-Jul-25             |
| Personal Income & Spending        | MoM  |          | 31-Jul-25             |
| ISM Manufacturing PMI             | MoM  |          | 1-Aug-25              |
| Employment Report                 | MoM  |          | 1-Aug-25              |
| Durable Goods Orders              | MoM  |          | 4-Aug-25              |
| Factory Orders                    | MoM  |          | 4-Aug-25              |
| Trade Balance                     | MoM  |          | 5-Aug-25              |
| CPI                               | MoM  |          | 12-Aug-25             |
| PPI                               | MoM  |          | 14-Aug-25             |
| Business Inventories              | MoM  |          | 15-Aug-25             |
| Retail Sales                      | MoM  |          | 15-Aug-25             |
| Industrial Production             | MoM  |          | 15-Aug-25             |
| Housing Starts / Building Permits | MoM  |          | 19-Aug-25             |
| Existing Home Sales               | MoM  |          | 21-Aug-25             |
| New home Sales                    | MoM  |          | 25-Aug-25             |
| Auto Sales                        | MoM  |          |                       |

China Economic Calendar

| Indicators                | Freq | Obs Date | Expected Release Date |
|---------------------------|------|----------|-----------------------|
| PMI Manufacturing         | MoM  |          | 31-Jul-25             |
| Foreign Exchange Reserves | QoQ  |          | 7-Aug-25              |
| Trade Balance             | MoM  |          | 7-Aug-25              |
| Money Supply - M2         | MoM  |          | 9-Aug-25              |
| PPI                       | MoM  |          | 9-Aug-25              |
| CPI                       | MoM  |          | 9-Aug-25              |
| Retail Sales              | MoM  |          | 15-Aug-25             |
| Industrial Production     | MoM  |          | 15-Aug-25             |
| GDP                       | YoY  |          | 20-Oct-25             |

Hong Kong Economic Calendar

| Indicators               | Freq | Obs Date | Expected Release Date |
|--------------------------|------|----------|-----------------------|
| 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              |
| Unemployment Rate        | MoM  |          | 19-Aug-25             |
| CPI                      | MoM  |          | 21-Aug-25             |
| Trade Balance            | MoM  |          | 26-Aug-25             |
| Producer Prices Index    | QoQ  |          | 15-Sep-25             |
| Industrial Production    | QoQ  |          | 15-Sep-25             |
| Composite Interest Rate  | MoM  |          |                       |

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