

What's Hot Today:

► **New Oriental Education (9901 HK, HK\$36.50, HK\$62bn)**

solid FY25 but prudent FY26 outlook

New Oriental Education (EDU), a leading private educational services provider in China, released a solid set of FY25 results. Revenue grew by 14% YoY to US\$4.9bn, largely inline with the expectation. Net profit stood at US\$372mn, up 20% YoY. Excluding impairment of goodwill of US\$60mn, adjusted net profit reached US\$432mn, 5% above the expectation. Adjusted NPM expanded 1.6ppts YoY to 8.8%, thanks to scale effect. For the quarter, Q4 revenue rose 9% to US\$1.2bn, while net profit stood at US\$7mn.

Education business beat yet with softer growth. Excluding revenue from Easy Buy, education service revenue rose by 19% YoY to US\$1.1bn in Q4, surpassing the previous guidance of 10%-13% YoY growth. However, the segment's growth pace has moderated compared to the 33.5%, 31.3%, and 21.2% increases recorded in Q1, Q2, and Q3 respectively. Among the segments, overseas test preparation and overseas study consulting businesses grew by 14.6% and 8.2% YoY respectively. The domestic test preparation business, which focuses on adults and university students, increased by 17.0% YoY, while new educational businesses saw a 32.5% YoY rise. Non-academic tutoring courses were offered in around 60 cities, attracting approximately 918k student enrollments in 4Q25, up nearly 2x QoQ.

Prudent guidance. The Mgt expects total net revenues for 1Q26 to range from US\$1.46bn to US\$1.50bn, representing a YoY growth of 2% to 5%. For FY26, total net revenues are projected to be in the range of US\$5.15bn to US\$5.39bn, reflecting a YoY increase of 5% to 10%, slightly below market expectations of 8%-12%. This gap is primarily dragged by the softer education service business. Meanwhile, EDU announced a new three-year shareholder return program, under which it plans to return no less than 50% of its earnings to shareholders via dividends or share buybacks.

Our view: After nearly two years of high growth, EDU saw a notable slowdown in its growth rate. More cautious than expected guidance for FY26 is likely to heighten market concerns. While new businesses have maintained steady growth, ongoing uncertainties in US study-abroad policies put pressure on its overseas education segment. Meanwhile, following Dong Yuhui's departure, revenue of East Buy has dropped 39% YoY. The counter is trading at 13.52x FY26E P/E. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	25,176	-1.4%	25.5%
HSCEI	9,038	-1.2%	24.0%
HSCCI	4,349	0.5%	15.0%
CSI300	4,151	-0.0%	5.5%
Shanghai A	3,790	0.2%	0.4%
Shanghai B	268	-0.0%	0.4%
Shenzhen A	2,307	-0.7%	12.7%
Shenzhen B	1,302	0.4%	7.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	44,461	-0.4%	4.5%
S&P 500	6,362	-0.1%	8.2%
Nasdaq	21,129	0.1%	9.4%
Nikkei Index	40,761	0.3%	2.2%
FTSE Index	9,136	0.0%	11.8%
CAC Index	7,861	0.1%	6.5%
DAX Index	24,262	0.2%	21.9%

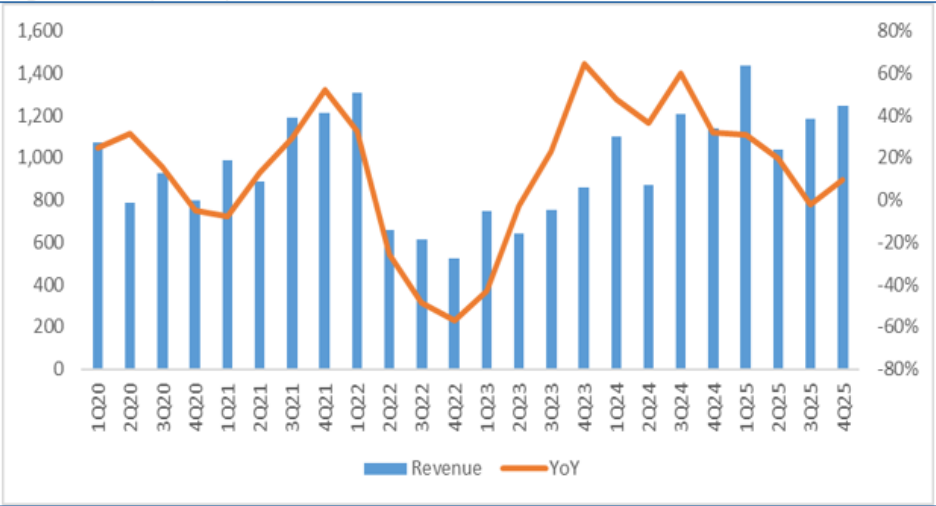
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,275	-1.5%	25.2%
STEEL (US\$/oz.)	2,102	-2.0%	17.7%
SILVER (US\$/oz.)	37	-2.8%	28.4%
CRUDE OIL (US\$/bbl)	70	1.1%	-1.9%
COPPER (US\$/oz.)	9,698	-1.0%	10.6%
ALUMINIUM (US\$/oz.)	2,601	-1.2%	1.9%
PLATINUM (US\$/oz.)	1,313	-5.7%	45.0%
ZINC (US\$/oz.)	2,785	-1.1%	-6.5%
WHEAT (US\$/bu)	523	-1.1%	-4.9%
CORN (US\$/bu)	412	0.3%	-7.0%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	995	-1.4%	-2.5%
P/C (US\$/t.)	N/A	N/A	-8.1%
CRB	305	0.6%	3.0%
BDI			111.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.850	0.877	149.510	0.815	7.197
HKD	0.127		0.112	19.046	10.384	0.917
EUR	1.141	8.954		170.510	1.076	8.224
JPY	0.007	5.250	0.586		0.545	0.048
CHF	1.227	9.631	1.076	183.413		8.839
RMB	0.139	1.091	0.122	20.748	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	15	0.7%

Source: Bloomberg

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



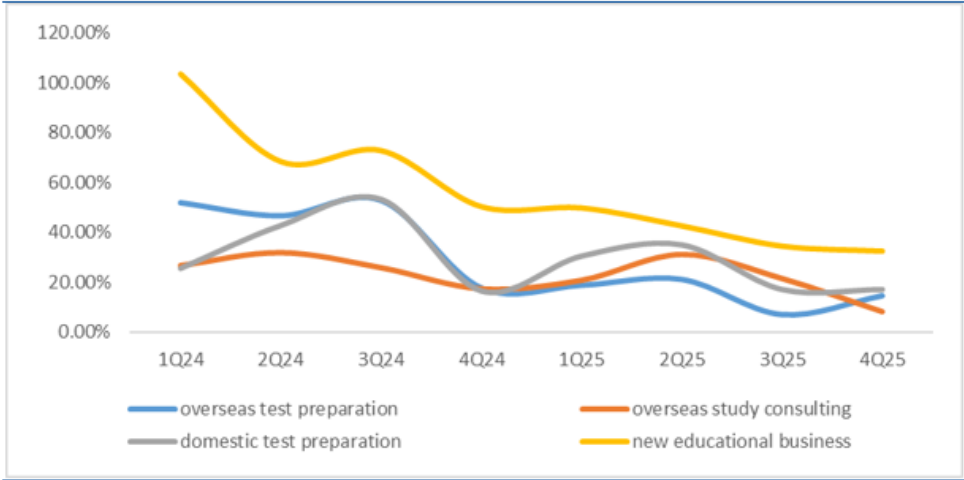
Source: Company Data, Sunwah Kingsway Research

Fig 2: Net profit and operating profit (US\$ mn)



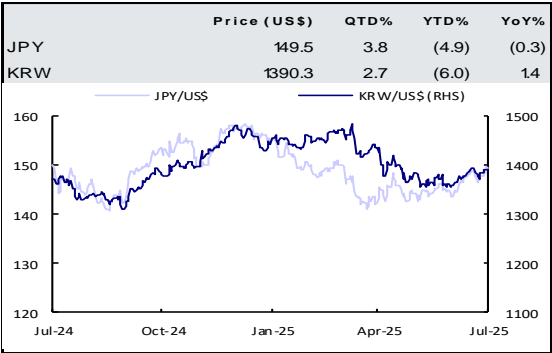
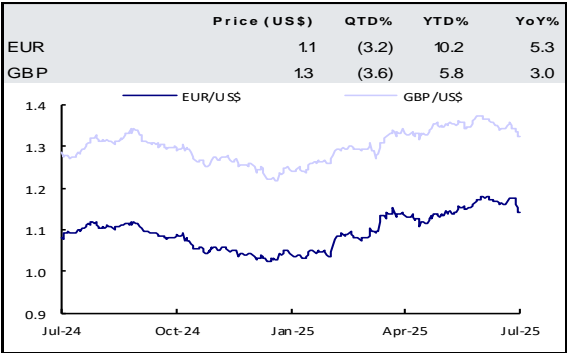
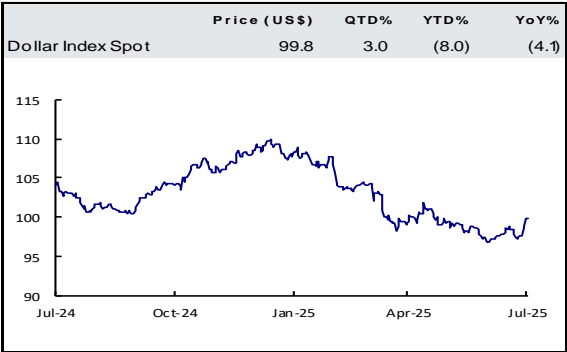
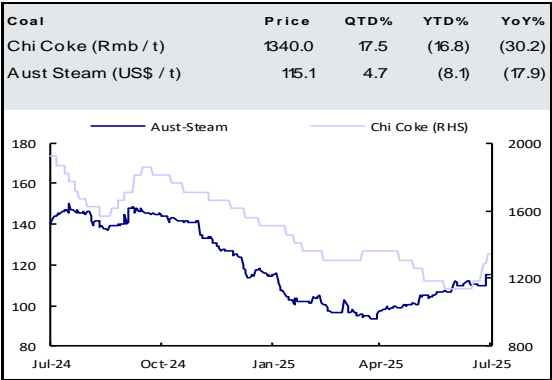
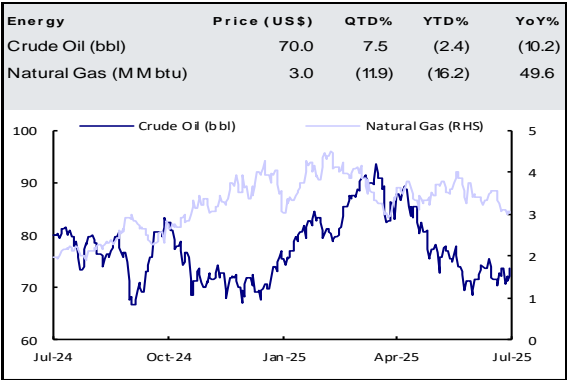
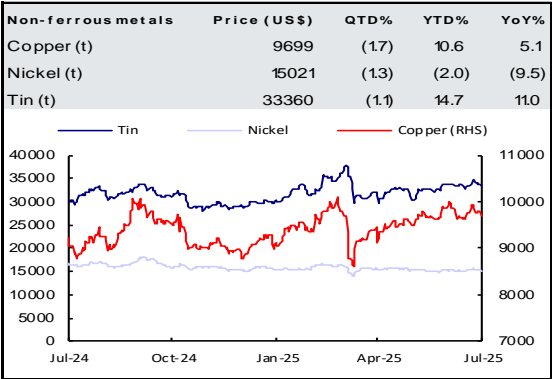
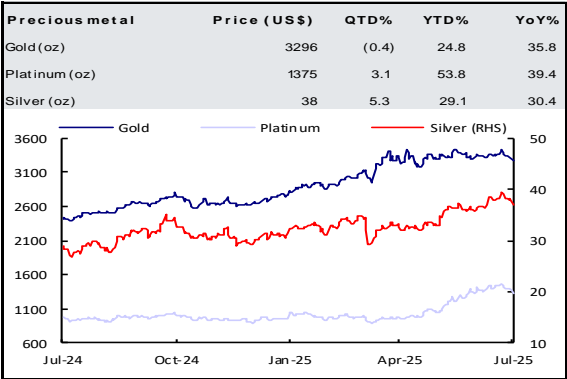
Source: Company Data, Sunwah Kingsway Research

Fig 3: Growth rate of each segment



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Wholesale Inventories	MoM		7-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
Consumer Confidence	MoM		26-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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