

Morning Snapshot

Hong Kong & China Market Daily

09 January 2026

What's Hot Today:

► China Autonomous Driving – Steer by Wire as a Core Control Layer

Steering-by-Wire (SBW) is growing from a premium feature to a core actuator for intelligent driving. As autonomy moves from “perception and planning” to “safe and stable control,” steering needs higher precision, faster response, and redundancy. SBW is likely to be an essential component in future L3+ vehicles.

SBW removes the mechanical link between the steering wheel and the steering rack which turns the road wheels. Sensors and ECU translate driver's input into electrical signals that command actuators to set wheel angles, improving response speed and control accuracy. China's GB 17675-2025 Basic Requirements for Automotive Steering Systems was issued on 2 Dec 2025 and will take effect on 1 Jul 2026, giving clearer compliance and safety requirements for this steering architecture. Along with the push toward autonomous driving, these factors are accelerating adoption.

Key Benefits: SBW offers benefits such as: **(1) Safety & space**, by removing the steering column improves crash design options and free up cabin space; **(2) Adaptive control & reduced road disturbance**, software can tune steering ratio, assist, and feel by speed and scenario, while filtering kickback for more stable handling; **(3) Enabler for ADAS/autonomy**, which supports high-precision steering control for functions like lane keeping and automated parking.

Possible Risks: Key risks primarily centered on electronic failure and latency, given that steering commands rely entirely on sensors, ECUs, power, and actuators. To counter these vulnerabilities, mitigation relies on a fail-operational redundancy architecture. This includes dual sensors/ECUs, redundant power supplies (e.g., 12V/48V plus backup), and redundant communication links, all of which are supported by real-time diagnostics and safe degraded modes to ensure continuous operation.

SBW has transitioned from a concept to practical application, with a growing number of OEMs deploying it in mass-production vehicles. This signals the industry's shift from validation to early-scale rollout. The table below summarizes representative models and their SBW implementations.

China & HK Indices	CLOSE	1D	YTD
HSI	26,149	-1.2%	2.0%
HSCEI	9,039	-1.1%	1.4%
HSCCI	4,094	-0.5%	2.0%
CS300	4,737	-0.8%	2.3%
Shanghai A	4,281	-0.1%	1.4%
Shanghai B	257	0.1%	1.4%
Shenzhen A	2,746	0.2%	3.7%
Shenzhen B	1,275	-0.4%	0.9%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,266	0.6%	2.5%
S&P 500	6,921	0.0%	1.1%
Nasdaq	23,480	-0.4%	1.0%
NIKKEI Index	51,587	0.9%	2.5%
FTSE Index	10,044	-0.0%	1.1%
CAC Index	8,243	0.1%	1.2%
DAX Index	25,127	0.0%	2.6%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,477	0.5%	3.4%
STEEL (US\$/oz.)	2,655	-0.6%	4.4%
SILVER (US\$/oz.)	76	-1.5%	6.2%
CRUDE OIL (US\$/bbl)	57	3.2%	1.4%
COPPER (US\$/oz.)	12,720	-3.9%	2.4%
ALUMINUM (US\$/oz.)	3,091	-1.2%	3.2%
PLATINUM (US\$/oz.)	2,278	-1.0%	8.5%
ZINC (US\$/oz.)	3,135	-3.6%	0.6%
WHEAT (US\$/bu)	518	1.5%	2.2%
CORN (US\$/bu)	446	0.5%	1.3%
SUGAR (US\$/lb)	63	-2.0%	-3.7%
SOYBEAN (US\$/bu)	1,061	0.5%	1.3%
PVC (US\$/t.)	4,933	-0.4%	0.0%
CRB	302	0.1%	3.0%
BDI		-3.0%	-5.4%

Exchange Rates					
	USD	HKD	EUR	JPY	CHF
USD	7.792	0.858	156,870	0.799	6.985
HKD	0.128		0.110	20,132	10.251
EUR	1.166	9.085		182,810	1.074
JPY	0.006	4.967	0.547		0.509
CHF	1.252	9.755	1.074	196,354	
RMB	0.143	1.116	0.123	22,464	0.114

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	3.3%

Source: Bloomberg

Tabel 1. Steering-by-Wire (SBW) Adoption in Production Vehicles

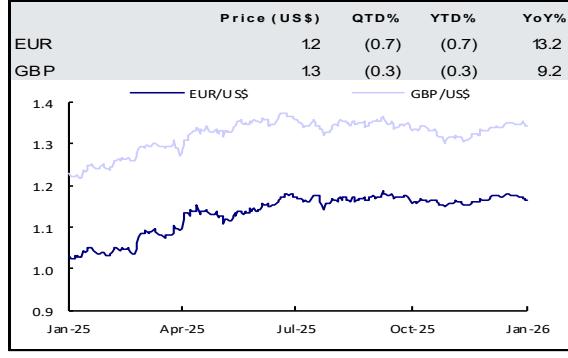
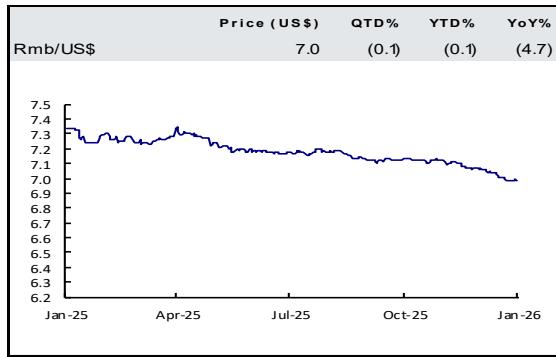
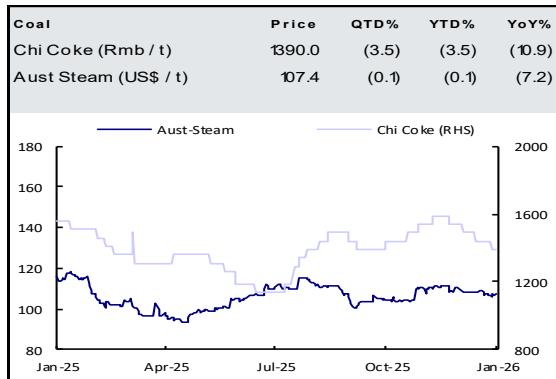
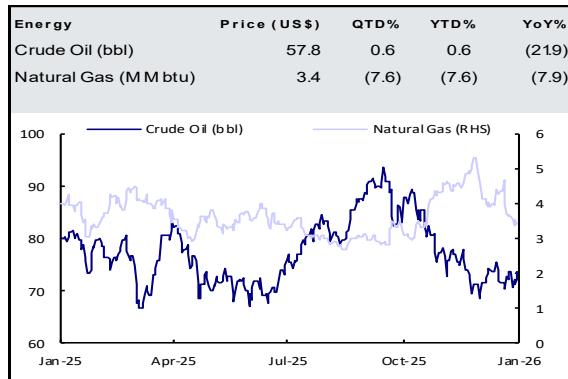
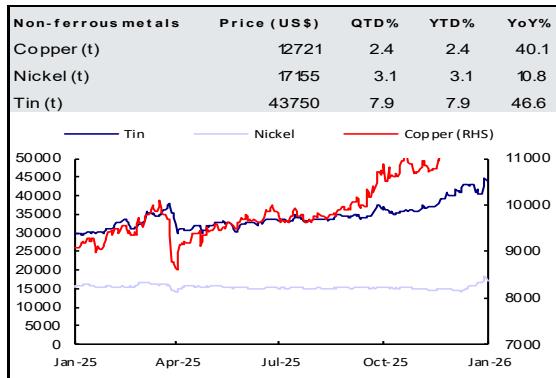
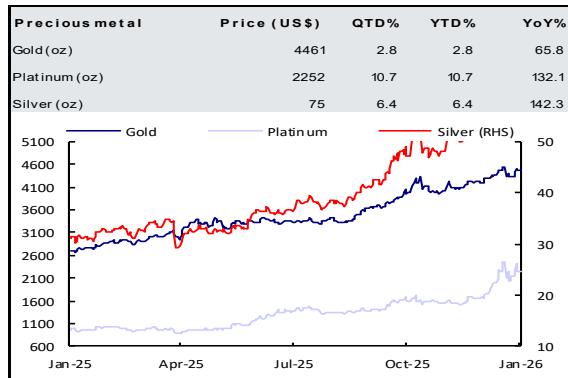
Car Brand	Model	Year	Features
Toyota	bZ4X	2022	Adopted One Motion Grip steer-by-wire system developed in-house by Toyota
Tesla	Cybertruck	2023	Tesla likely co-developed the steer-by-wire system with ZF
NIO	ET9	2024	Equipped with the latest generation steer-by-wire system developed by ZF

Source: Company Data, Sunwah Kingsway Research

Our View: SBW is still at early stage of adoption, with only a limited number of production models in the market and low penetration. China's SBW market was around RMB500mn in 2024, but it could see explosive growth supported by accelerating ADAS and autonomy upgrades and ongoing vehicle premiumization. Leading OEMs such as BYD, Xiaomi, and Geely are already stepping up investment and industrialization efforts, laying the groundwork for broader rollout.

We are positive on Nexteer (1316 HK, HK\$7.24, HK\$ 18.2bn), a pure-play steering-system supplier with EPS contributing over 60% of revenue. The company has advanced its SBW product development and has secured customer orders, leaving it well positioned to capture incremental content and volume as SBW penetration increases alongside higher-level ADAS and premium vehicle launches. The company is trading at 14x 2026E P/E.

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		8-Jan-26
Trade Balance	MoM		8-Jan-26
Wholesale Inventories	MoM		8-Jan-26
Housing Starts / Building Permits	MoM		9-Jan-26
Employment Report	MoM		9-Jan-26
CPI	MoM		13-Jan-26
Retail Sales	MoM		14-Jan-26
PPI	MoM		14-Jan-26
Existing Home Sales	MoM		14-Jan-26
Industrial Production	MoM		16-Jan-26
Personal Income & Spending	MoM		22-Jan-26
GDP	QoQ		22-Jan-26
Durable Goods Orders	MoM		26-Jan-26
Consumer Confidence	MoM		27-Jan-26
Factory Orders	MoM		29-Jan-26
ISM Manufacturing PMI	MoM		2-Feb-26
New home Sales	MoM		13-Jan-26
Business Inventories	MoM		14-Jan-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		9-Jan-26
PPI	MoM		9-Jan-26
CPI	MoM		9-Jan-26
Trade Balance	MoM		14-Jan-26
Retail Sales	MoM		19-Jan-26
Industrial Production	MoM		19-Jan-26
GDP	YoY		19-Jan-26
PMI Manufacturing	MoM		31-Jan-26
Foreign Exchange Reserves	QoQ		7-Feb-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		20-Jan-26
CPI	MoM		22-Jan-26
Trade Balance	MoM		27-Jan-26
Money Supply - M2	MoM		30-Jan-26
GDP	QoQ		30-Jan-26
Retail Sales	MoM		3-Feb-26
PMI	MoM		4-Feb-26
Foreign Currency Reserve	MoM		6-Feb-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

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Source: HKEx

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