

What's Hot Today:

► China Tourism - 2026 Spring Festival: Extended Holiday to Drive Consumption

The longest ever Spring Festival (aka Chinese New Year, CNY) holiday is approaching, a nine-day break from 15 to 23 Feb. This extended holiday is formed by swapping two Saturdays (14 & 28 Feb) with two working days (16 & 23 Feb), creating a more concentrated travel window.

Travel volume during “Chun Yun” is set to reach a new high. The 40-day travel peak commonly known as “Chun Yun” (春運) when people will travel across the country for the Spring Festival has begun on 2 Feb and runs through March 13. According to National Spring Festival Transportation Task Force, cross-regional passenger trips on the first day of Chun Yun (2 Feb which is also the 15th day before CNY) reached an estimated 188mn, up 13%YoY. It is expected that the total cross-regional passenger flows during the entire period will reach a record high of 9.5bn trips.

Private car travel is expected to remain the dominant mode of transport, accounting for roughly 80% of all trips. Railway passenger volume is forecast at 540mn, and 13.48mn per day on average, while air passenger traffic is estimated at 95mn, averaging 2.38mn per day, up 5.3% YoY. Both the total volume and peak daily figures are likely to exceed previous records.

Hotels see simultaneous volume and pricing strength. Multiple OTA platforms reported a notable surge in Spring Festival hotel bookings. According to Qunar data as of 14 Jan, bookings in major cities were up 70% YoY, with some niche destinations seeing increases of more than 100%. On the pricing front, hotel room rates during the holiday rose by about 50% YoY on average, with certain cities experiencing increases exceeding 100%. Mid-to-high-end hotels are increasingly favored by travelers, supporting robust overall demand.

Outbound travel demand remains strong. By combining the record-long holiday with annual leave, travelers can create a 15-day break by taking just five days off. This has further boosted outbound travel demand. According to Utour data, bookings for long-haul outbound products are strong, with traveler numbers up 60% YoY and product offerings up by 50% YoY. Short-haul outbound travel is even stronger with travelers surging 160% and product variety rising 60%.

China & HK Indices	CLOSE	1D	YTD
HSI	27,027	1.8%	5.4%
HSCEI	9,168	1.5%	2.9%
HSCCI	4,395	0.8%	9.5%
CSI300	4,719	1.6%	1.9%
Shanghai A	4,323	1.4%	4.5%
Shanghai B	265	0.9%	4.5%
Shenzhen A	2,825	1.9%	6.7%
Shenzhen B	1,250	0.5%	-1.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	50,135	0.0%	4.3%
S&P 500	6,964	0.5%	1.7%
Nasdaq	23,238	0.9%	-0.0%
NIKKEI Index	57,254	1.6%	13.7%
FTSE Index	10,386	0.2%	4.6%
CAC Index	8,323	0.6%	2.1%
DAX Index	25,014	1.2%	2.1%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,057	1.9%	16.3%
STEEL (US\$/oz.)	3,052	3.8%	20.0%
SILVER (US\$/oz.)	83	7.1%	14.2%
CRUDE OIL (US\$/bbl)	64	1.3%	12.0%
COPPER (US\$/oz.)	13,176	2.1%	6.1%
ALUMINIUM (US\$/oz.)	3,125	3.3%	4.3%
PLATINUM (US\$/oz)	2,122	1.0%	1.2%
ZINC (US\$/oz.)	3,375	2.2%	8.3%
WHEAT (US\$/bu)	528	-1.2%	4.3%
CORN (US\$/bu)	428	-1.4%	-2.6%
SUGAR (US\$/lb)	74	1.0%	
SOYBEAN (US\$/bu)	1,110	-0.1%	6.0%
PVC (US\$/t.)	4,993	0.1%	4.2%
CRB	311	0.6%	3.0%
BDI		-0.7%	2.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.816	0.839	155.880	0.766	6.921
HKD	0.128		0.107	19.948	9.804	0.886
EUR	1.191	9.312		185.710	1.095	8.247
JPY	0.006	5.013	0.538		0.492	0.044
CHF	1.305	10.200	1.095	203.441		9.029
RMB	0.144	1.129	0.121	22.528	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	6.2%

Source: Bloomberg

Hainan tourism momentum accelerates. As the first Spring Festival following Hainan's customs closure reforms, the nine-day holiday and seasonal demand for warmer destinations are driving a sharp rise in tourism activity. Haikou and Sanya rank among China's top 10 inbound travel destinations. OTA data indicate that Hainan's average daily air ticket orders are up 45% YoY while hotel bookings have doubled.

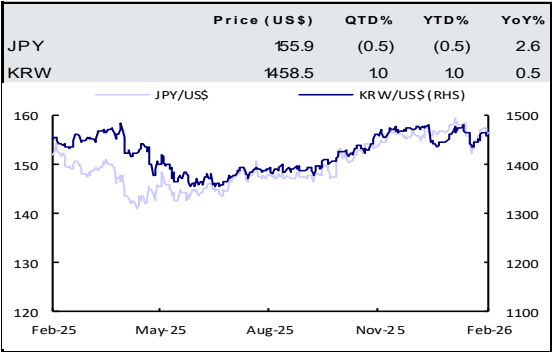
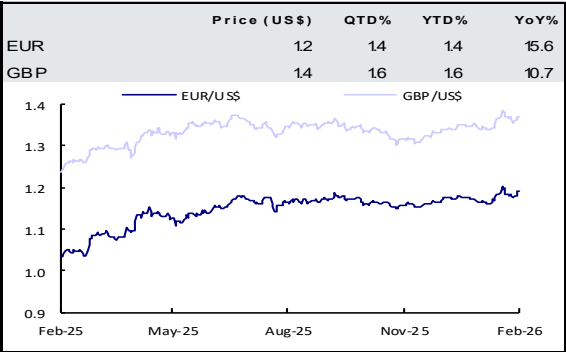
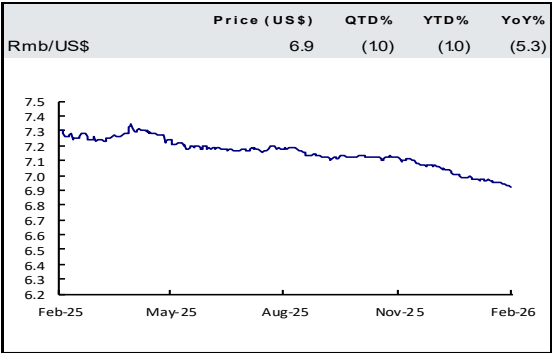
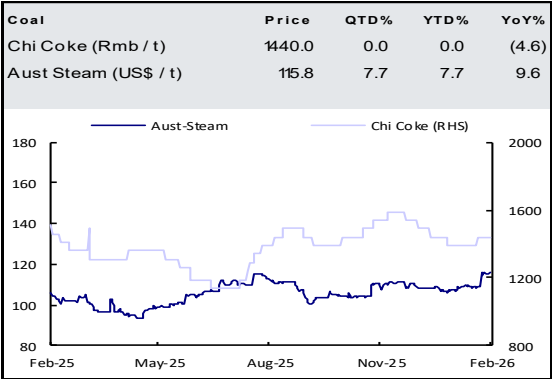
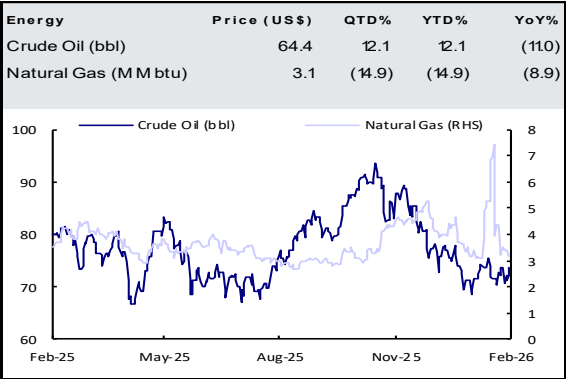
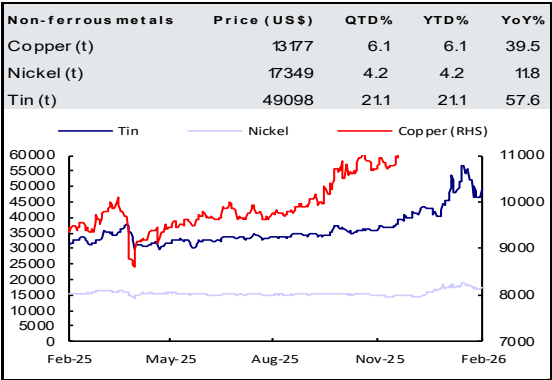
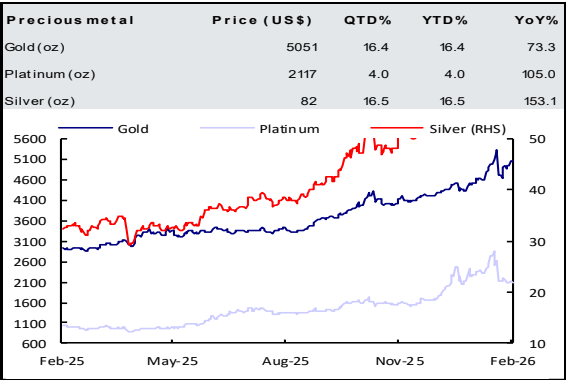
Our View: The extended Spring Festival holiday is expected to lengthen travel duration and increase tourism-related spending. Current indicators suggest strong outbound travel demand and likely a solid consumption momentum. Furthermore, the positive performance of equity markets in 2025 may generate a wealth effect that offers incremental support to discretionary and service spending. Overall, we maintained a positive outlook on consumer activity during this year's Spring Festival.

We have identified four companies that may benefit from the holiday spending.

- Trip.com (9961 HK, HK\$456.00, HK\$298bn), a leading OTA platform can benefit from robust travel and outbound tourism. It is trading at FY25E & 26E P/E of 9x & 14x, respectively.
- Huazhu (1179 HK, HK\$40.92, HK\$125.6bn), is a market-leading hotel chain focusing on the mid-to-high-end segment. It is well positioned to benefit from structural upgrading. It is trading at a FY25E & 26E P/E of 25x & 21x, respectively.
- CTG Duty-Free (1880 HK, HK\$101.70, HK\$210.4bn), is the dominant duty-free operator in Hainan with over 80% market share, leveraged to tourism momentum and duty-free spending. It is trading at a FY25E & 26E P/E of 50x & 37x, respectively.
- Haidilao (6862 HK, HK\$17.68, HK\$ 98.5bn), is a nationwide hot-pot restaurant chain with over 1,300 stores and a stable customer base. It is well-positioned to benefit from holiday dining demand. It is trading at a FY25E & 26E P/E of 20x & 18x, respectively.

(Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		10-Feb-26
Business Inventories	MoM		10-Feb-26
Employment Report	MoM		11-Feb-26
Initial Jobless Claims	WoW		12-Feb-26
Existing Home Sales	MoM		12-Feb-26
CPI	MoM		13-Feb-26
Housing Starts / Building Permits	MoM		18-Feb-26
Industrial Production	MoM		18-Feb-26
Durable Goods Orders	MoM		18-Feb-26
Wholesale Inventories	MoM		19-Feb-26
Trade Balance	MoM		19-Feb-26
GDP	QoQ		20-Feb-26
Personal Income & Spending	MoM		20-Feb-26
New home Sales	MoM		20-Feb-26
Factory Orders	MoM		23-Feb-26
Consumer Confidence	MoM		24-Feb-26
PPI	MoM		27-Feb-26
ISM Manufacturing PMI	MoM		2-Mar-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		9-Feb-26
PPI	MoM		11-Feb-26
CPI	MoM		11-Feb-26
PMI Manufacturing	MoM		4-Mar-26
Foreign Exchange Reserves	QoQ		7-Mar-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		20-Feb-26
CPI	MoM		25-Feb-26
GDP	QoQ		25-Feb-26
Trade Balance	MoM		27-Feb-26
Money Supply - M2	MoM		27-Feb-26
Retail Sales	MoM		4-Mar-26
PMI	MoM		4-Mar-26
Foreign Currency Reserve	MoM		6-Mar-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Alan Li

Email
howard.wong@sunwahkingsway.com
alan.li@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7306

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Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Guangdong
廣東新華滙富商業保理有限公司
2701, Dongshan Plaza,
69 Xianlie Middle Road, Yuexiu District
Guangzhou, 510095

Affiliated & Overseas Offices

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam