

What's Hot Today:

► China EV 2026: Rising Oil Prices Underpin Potential NEV Demand

Xpeng, Leapmotor, Geely and Chery released their Q4 2025 results last week. In short, driven by the front-loaded demand ahead of the reduction of subsidies in 2026, overall revenue expanded amid improved product mix and scale efficiencies. All four automakers delivered marginally better profitability, with a higher share of overseas sales, suggesting a recovery in operational performances.

Fig 1: YoY and HoH Comparison (RMB'bn)

RMB'bn	Xpeng			LeapMotor			Geely			Cherry		
	25Q4	YoY	QoQ	25Q4	YoY	QoQ	25Q4	YoY	QoQ	25Q4	YoY	QoQ
Total Revenue	22.3	38%	9%	21.0	56%	8%	105.8	22%	19%	85.5	-3%	17%
Gross Profit	17.5	27%	8%	3.2	78%	12%	17.8	19%	21%	12.0	23%	9%
OPEX	5.7	32%	15%	3.0	54%	8%	14.8	32%	34%	8.3	23%	23%
Core Operating Profit	-0.92	53%	-10%	0.16	T/A	430%	3.01	-20%	-18%	3.68	-20%	-18%
Net income	0.38	T/A	T/A	0.36	350%	140%	3.74	4%	-2%	4.65	60%	0%
Auto Revenue	19.1	30%	6%	21.0	56%	8%	105.8	22%	19%	85.5	-3%	17%
Auto GPM	13.0%	+3pct	+0.1pct	15.3%	+2pct	+0.5pct	16.9%	-0.5pct	+0.3pct	14.0%	+3pct	-1pct
Auto Sales (K)	116.2	27%	0%	201.0	66%	16%	854.4	24%	12%	752	-5%	9%
ASP (K)	164	5%	3%	105	-5%	-6%	124	-1%	6%	114	3%	7%
% of overseas	13%	+2.5pct	+3.7pct	15%	+5pct	+5pct	15%	+2pct	0pct	49%	+14pct	+1pct

Source: Company Data, Sunwah Kingsway Research

Geely (0175.HK, HK\$20.00, HK\$216bn) posted 4Q25 revenue of RMB106bn (+22% YoY, +19% QoQ), with GPM at 16.9%. Vehicle sales reached 854K units, with the NEV mix rising to 61% and overseas sales at 15%. A higher-end product mix lifted ASP 6% QoQ to RMB 124k, as ZEEKR's sales mix rose 2% QoQ to 9%. Core operating profit fell 18% QoQ to RMB3bn due to higher operating expenses, while net profit declined only 2% QoQ to RMB3.74bn supported by joint venture income.

Xpeng (9868.HK, HK\$71.60, HK\$137bn) posted 4Q25 total revenue of RMB22.3bn (+38% YoY, +9% QoQ), of which vehicle sales amounted to RMB19.1bn (+30% YoY, +5.7% QoQ). Vehicle sales volume was flat QoQ at 116k units, and the higher X9 mix (up 5pp QoQ to 9%) and stronger overseas sales ratio (up 3.7pp QoQ to 13.2%) lifted ASP to RMB164k, while vehicle GPM held steady at 13% QoQ amid rising unit costs. Other income (Volkswagen R&D services and overseas carbon credits) surged 36% QoQ to RMB3.2bn. Its high margin of 70.8% contributed roughly half of total gross profit, lifting the overall gross margin to 21.3%. Despite improved operation, the company still recorded a core operating loss of RMB0.92bn due to higher operating expenses. Supported by government subsidies and one-off gains, net profit turned positive at RMB0.38bn.

China & HK Indices	CLOSE	1D	YTD
HSI	24,382	-3.5%	-4.9%
HSCEI	8,307	-3.1%	-6.8%
HSCCI	4,140	-2.5%	3.1%
CSI300	4,418	-3.3%	-4.6%
Shanghai A	3,998	-3.6%	0.9%
Shanghai B	256	-1.5%	0.9%
Shenzhen A	2,595	-4.2%	-2.0%
Shenzhen B	1,180	-3.0%	-6.6%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,208	1.4%	-3.9%
S&P 500	6,581	1.1%	-3.9%
Nasdaq	21,946	1.4%	-5.6%
NIKKEI Index	52,463	1.8%	4.2%
FTSE Index	9,894	-0.2%	-0.4%
CAC Index	7,726	0.8%	-5.2%
DA-X Index	22,653	1.2%	-7.5%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,407	-1.9%	1.3%
STEEL (US\$/oz.)	2,651	0.5%	4.2%
SILVER (US\$/oz.)	69	1.8%	-4.8%
CRUDE OIL (US\$/bbl)	88	-10.4%	56.9%
COPPER (US\$/oz.)	12,167	0.2%	-2.1%
ALUMINIUM (US\$/oz.)	3,199	-1.6%	6.8%
PLATINUM (US\$/oz.)	1,880	-2.5%	-8.8%
ZINC (US\$/oz.)	3,077	0.2%	-1.3%
WHEAT (US\$/bu)	587	-1.3%	16.8%
CORN (US\$/bu)	459	-1.3%	2.9%
SUGAR (US\$/lb)	141	-7.2%	
SOYBEAN (US\$/bu)	1,163	0.2%	9.7%
PVC (US\$/t)	6,123	4.6%	45.8%
CRB	350	-3.7%	3.0%
BDI		-0.0%	9.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.834	0.861	158.440	0.786	6.883
HKD	0.128		0.110	20.225	10.040	0.879
EUR	1.161	9.098		183.990	1.095	8.008
JPY	0.006	4.944	0.544		0.496	0.044
CHF	1.272	9.962	1.095	201.477		8.758
RMB	0.145	1.138	0.125	22.964	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	26	11.2%

Source: Bloomberg

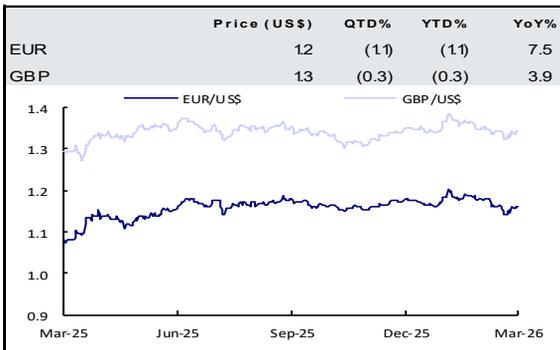
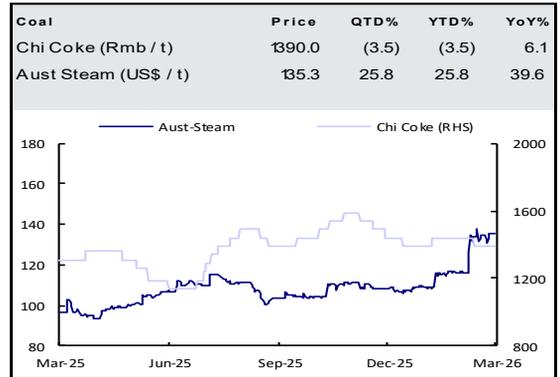
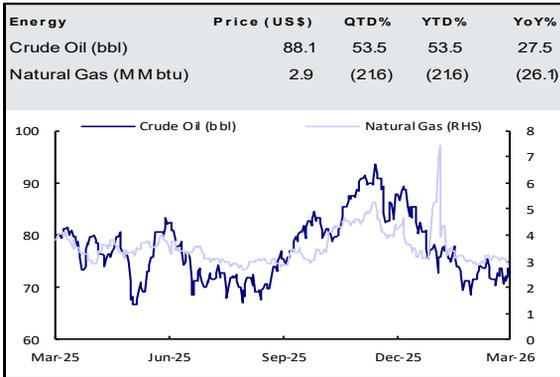
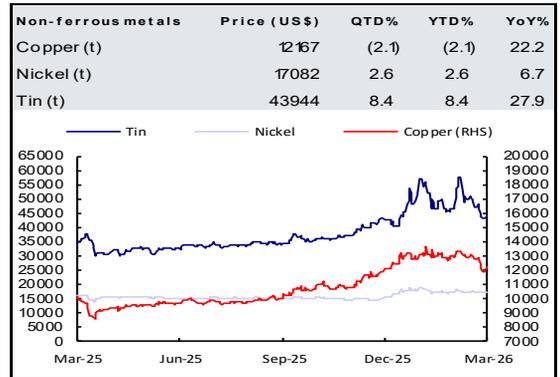
Leapmotor (9863.HK, HK\$45.02, HK\$64bn) posted 4Q25 revenue of RMB21bn (+56% YoY, +8% QoQ). Vehicle sales rose 16% QoQ to 201k units, while ASP declined 6% QoQ to RMB105k, as intensified promotions and a higher mix of low-priced models offset the uplift from overseas sales growth. Overall GPM improved 0.5pp QoQ to 15%, supported by continuous cost reduction from economies of scale, a higher overseas sales ratio (up 5pp QoQ to 15%) and a sharp increase in carbon credit income. Core operating profit surged 430% QoQ to RMB160mn, as improved operating leverage and efficiency outweighed higher expenses. Net profit reached RMB360mn, supported by increased investment income from joint ventures.

Chery (9973.HK, HK\$27.76, HK\$161bn) posted 4Q25 revenue of RMB85.5bn (-3% YoY, +17% QoQ). The sequential growth was driven by a 9% QoQ rise in vehicle sales to 752K units and a 7% QoQ increase in ASP to RMB 114k, supported by an improved overseas sales mix of 49%. Overall GPM declined 1% QoQ to 14%, mainly due to a higher proportion of lower-margin NEV models, which reached 39% of total sales. For full-year 2025, NEV GPM stood at 8.8%, compared with 15% for ICE vehicles. Core operating profit fell 18% QoQ to RMB3.68bn amid continuing rise in operating expenses, while net profit improved to RMB4.65bn.

Our views: Recent declines in the auto sector have largely priced in the impact of purchase tax resumption and reduced subsidies in 2026. Meanwhile, rising oil prices driven by the Iran conflict (China's 92-octane gasoline has risen above RMB 9 per liter following an increase of around RMB 0.9 per liter starting March 24, 2026.) is expected to stimulate NEV demand. Furthermore, Chinese NEVs have established core global competitive advantages, accompanied by sustained strong growth in overseas sales.

Against this backdrop, we are positive on Leapmotor, backed by high vertical integration and robust overseas channels; and Xpeng, with competitive VLA intelligent driving and accelerating overseas expansion. These two companies are trading at 0.4x and 1x FY26E EV/Revenue. (Research department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
ISM Manufacturing PMI	MoM		1-Apr-26
Retail Sales	MoM		1-Apr-26
Business Inventories	MoM		1-Apr-26
Trade Balance	MoM		2-Apr-26
Employment Report	MoM		3-Apr-26
Durable Goods Orders	MoM		7-Apr-26
Personal Income & Spending	MoM		9-Apr-26
PPI	MoM		14-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
New home Sales	MoM		5-May-26
Factory Orders	MoM		10-Apr-26
Initial Jobless Claims	WoW		26-Mar-26
Wholesale Inventories	MoM		9-Apr-26
CPI	MoM		10-Apr-26
Existing Home Sales	MoM		13-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	QoQ		9-Apr-26
Consumer Confidence	MoM		31-Mar-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
Money Supply - M2	MoM		9-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-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
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
Unemployment Rate	MoM		23-Apr-26
CPI	MoM		23-Apr-26
GDP	QoQ		5-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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