

What's Hot Today:

► China Robotaxis - Q4 profitable 'per-vehicle' in some cities

The Robotaxi sector is no longer a theme but already in large-scale commercial operation in China. Thanks to lower hardware costs and improved remote operator-to-vehicle ratios due to large fleet size, a profitable operation has been seen in certain large markets. Backed by cost and technological advantages, leading players are expanding globally, demonstrating that the business is viable and profitable at a commercial scale.

WeRide (800 HK, HK\$20.18, HK\$20.3bn): Ramping up its global rollout

The company's Robotaxi business generated a revenue of RMB50.6mn in 4Q25 (+66% YoY), accounting for about 16% of total revenue. The strong growth was supported by a rapidly increasing fleet. The global fleet reached 1,125 vehicles, with plans to scale to 2,600 by end-2026. Among that, over 800 vehicles will be running in Guangzhou and Beijing. Benefiting from platform integration with Tencent Mobility and Amap, registered users jumped more than 9x YoY in 4Q25. Currently, the platform records an average of 15 daily orders per vehicle and as high as 26 orders. The total cost of ownership (TCO) of Robotaxi has been reduced by 38% YoY. Going forward, the company targets to bring down the remote assistant-to-vehicle ratio to 1:40 from the current 1:10 that would further reduce the TCO.

The Middle East is the key overseas market with over 200 vehicles operating in Abu Dhabi and Dubai under an exclusive Uber partnership. As such, WeRide is receiving a US\$100 monthly subsidy per vehicle from Uber. In return, WeRide will give 21% of the fare revenue to Uber. The operation in Europe is still at small-scale testing stage in a few countries including Belgium, France and Spain. In Asia, it is partnering with Grab for robotaxi services in Singapore.

In terms of profitability, domestic per-vehicle losses stood at RMB20k-30k and is set to narrow to RMB18k in 2026 and break even by 2029. Given the higher fare per order in the overseas market, it is expecting the overseas operation to be profitable by end-2026. Currently, in the Middle East, revenue per order is about twice the fare in China. Assuming a daily revenue of about RMB800 and 300 days of operation per year can generate an annual revenue of approximately RMB240k per vehicle which is the expected breakeven point given the current assistant-to-vehicle ratio of no more than 1:2. Thus, the target of improving the assistant-to-vehicle ratio to 1:5 by the end of 2026 would certainly bring profitability.

China & HK Indices	CLOSE	1D	YTD
HSI	25,872	0.8%	0.9%
HSCEI	8,671	0.8%	-2.7%
HSCCI	4,332	0.9%	7.9%
CSI300	4,701	1.2%	1.5%
Shanghai A	4,222	1.0%	5.0%
Shanghai B	266	0.5%	5.0%
Shenzhen A	2,829	1.4%	6.9%
Shenzhen B	1,200	0.3%	-5.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	48,535	0.7%	1.0%
S&P 500	6,967	1.2%	1.8%
Nasdaq	23,639	2.0%	1.7%
Nikkei Index	58,566	1.2%	16.3%
FTSE Index	10,609	0.2%	6.8%
CAC Index	8,327	1.1%	2.2%
DAX Index	24,044	1.3%	-2.8%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,841	2.1%	11.8%
STEEL (US\$/oz.)	3,010	1.3%	18.4%
SILVER (US\$/oz.)	79	5.2%	10.9%
CRUDE OIL (US\$/bbl)	91	-7.9%	57.3%
COPPER (US\$/oz.)	13,284	3.4%	6.9%
ALUMINIUM (US\$/oz.)	3,563	1.8%	18.9%
PLATINUM (US\$/oz.)	2,106	1.6%	1.9%
ZINC (US\$/oz.)	3,342	0.3%	7.2%
WHEAT (US\$/bu)	592	1.7%	16.7%
CORN (US\$/bu)	452	0.3%	-0.1%
SUGAR (US\$/lb)	107	-2.3%	
SOYBEAN (US\$/bu)	1,172	-0.4%	9.3%
PVC (US\$/t)	5,034	-0.8%	70.8%
CRB	371	0.6%	3.0%
BDI			19.9%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.833	0.848	158.790	0.781	6.816
HKD	0.128		0.108	20.270	9.968	0.870
EUR	1.180	9.240		187.320	1.086	8.038
JPY	0.006	4.933	0.534		0.492	0.043
CHF	1.281	10.031	1.086	203.327		8.724
RMB	0.147	1.149	0.124	23.303	0.115	

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	18	-28.8%

Source: Bloomberg

In 4Q25, its total revenue amounted to RMB314mn (+123% YoY / +84% QoQ). Product revenue reached RMB 211mn (+309% YoY / +167% QoQ), accounting for 67% of total, driven by scaled deliveries of robotaxi and robobus. Service revenue stood at RMB103mn (+15% YoY / +12% QoQ), supported by intelligent data services and autonomous driving operation and technical support services, partially offset by lower ADAS R&D service revenue. Overall GPM declined from 36% to 28% YoY due to less sales of high-margin ADAS R&D services. Elevated R&D expenses of RMB411mn pushed operating expenses to RMB655mn, resulting in a core net loss of RMB565mn.

Fig 1: Revenue and YoY Change (RMB'mn)

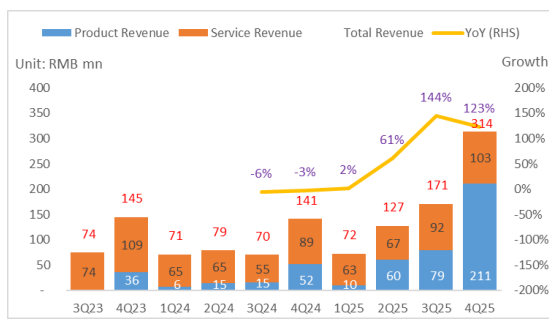
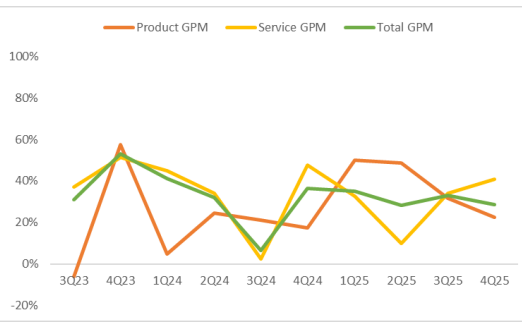


Fig 2: Gross Profit Margin

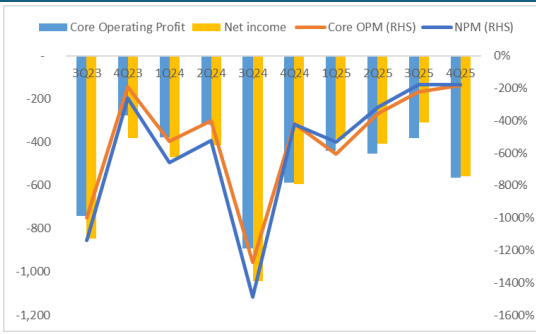


Source: Company Data, Sunwah Kingsway Research

Fig 3: Breakdown of OPEX (RMB'mn)



Fig 4: Breakdown of Profitability (RMB'mn)



Source: Company Data, Sunwah Kingsway Research

Pony AI (2026 HK, HK\$78.60, HK\$34bn): L4 Pioneer with Next-Gen Model & Per-Vehicle Profitability

Pony.ai's Robotaxi business has a fleet of over 1,400 vehicles across Beijing, Guangzhou, Shenzhen and Shanghai. It is expanding into Hangzhou and Changsha domestically and international markets such as Croatia and Singapore. Backed by PonyWorld 2.0, the system supports self-iteration and strong cross-city generalization, enabling navigation on complex roads without extensive local data collection, supporting faster geographic expansion. The company aims to cover over 20 cities (50% overseas) and grow its fleet to over 3,000 units by end-2026. Over half of its fleet will adopt an asset-light partnership with revenue sharing business model, where vehicles are owned by the partners and handle part of the local operation while Pony.ai provides the core autonomous driving technology.

Per-vehicle costs mainly include six-year hardware depreciation and operating expenses. The remote assistant-to-vehicle ratio currently stands at 1:30 and will be raised to 1:50 which means further reduction in unit operating costs. The seventh-generation Robotaxi achieved per-vehicle profitability within four months in Guangzhou and Shenzhen. In Shenzhen, it recorded a peak daily net revenue of RMB394 and 25 rides per vehicle. Partnering with Toyota on 1,000 autonomous vehicles and integrating with WeChat Mobility, Pony.ai's system performs reliably in complex and harsh conditions, enhancing user experience and pricing power. Its autonomous trucking business shares 80% of the Robotaxi technology stack, has reduced kit costs by 70%, launched fully driverless port operations, and targets mass production by end-2026.

Pony AI 4Q25 revenue from Robotaxi reached RMB47mn (+147% YoY / -2% QoQ), fueled by over 5x YoY fare growth due to a larger fleet size about 23% of total revenue. Meanwhile, Robotruck revenue stood at RMB92mn (+15% YoY / +12% QoQ) on the back of the partnership with Sinotrans. Overall GPM declined from 21% in 4Q24 to 13% due to the higher revenue mix from lower-margin robotruck business. Persistent R&D investment of RMB423mn pushed total operating costs to RMB543mn, resulting in a core net loss of RMB517mn. The reported net profit of RMB528mn is mainly attributable to the fair value gains on its investment in Moore Threads, a GPU developer.

Fig 5: Revenue and YoY Change (RMB'mn)

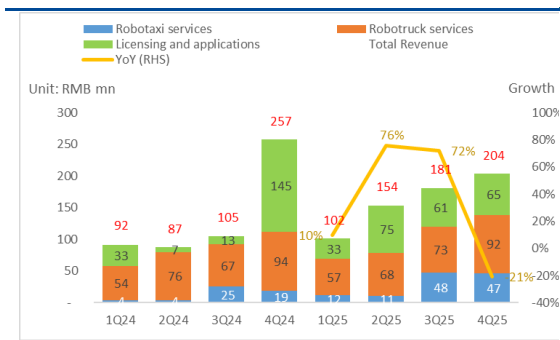
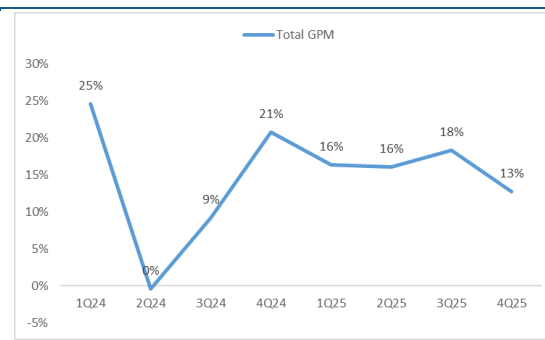


Fig 6: Gross Profit Margin



Source: Company Data, Sunwah Kingsway Research

Fig 7: Breakdown of OPEX (RMB'mn)

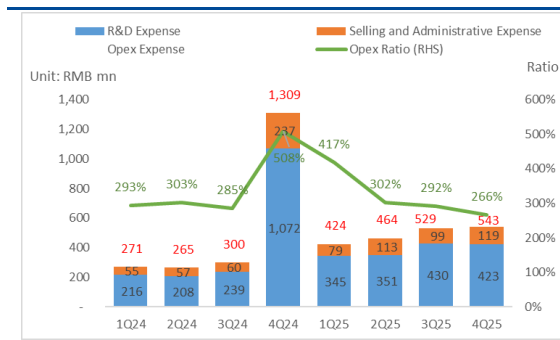
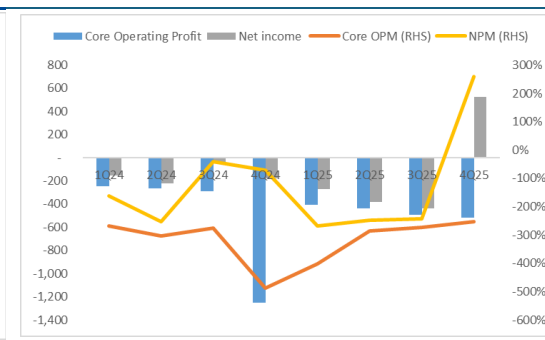


Fig 8: Breakdown of Profitability (RMB'mn)



Source: Company Data, Sunwah Kingsway Research

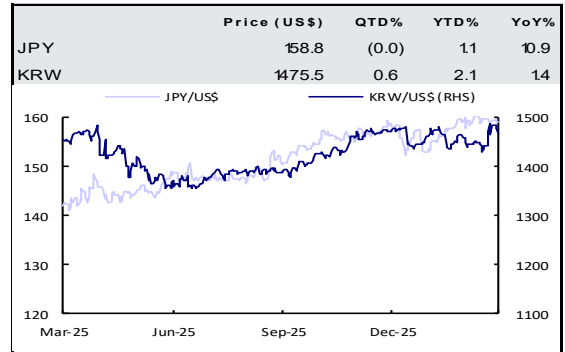
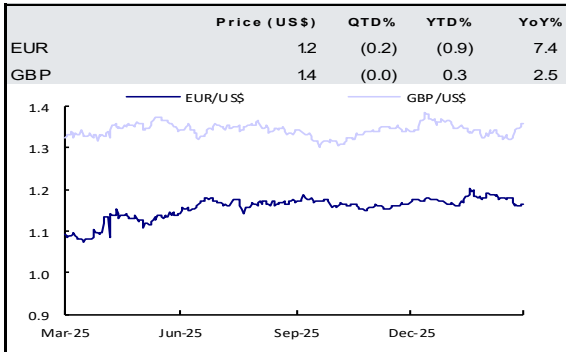
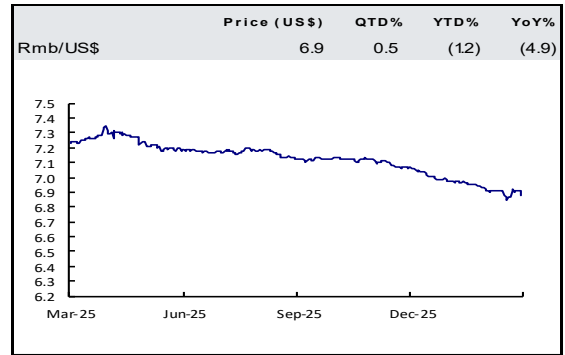
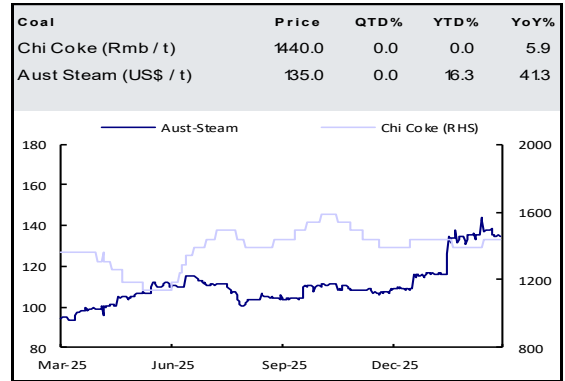
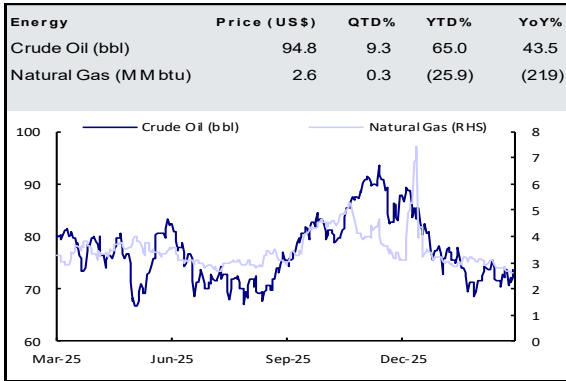
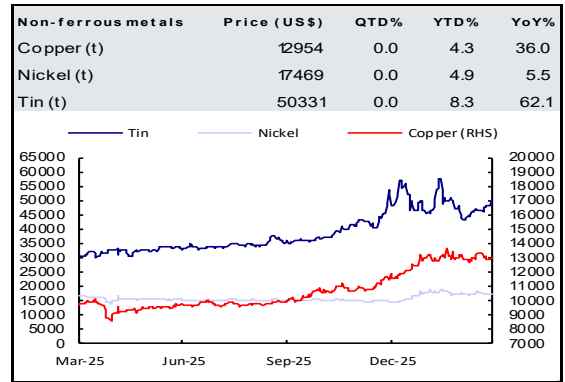
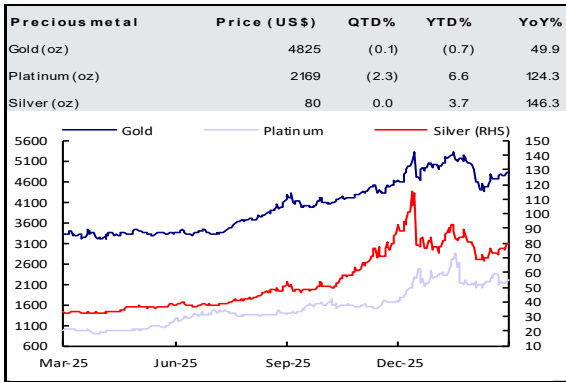
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Our views: Amid lower hardware costs and advancing technologies, leading Robotaxi players have achieved per-vehicle profitability given a scalable fleet size, confirming the business model is viable and also profitable. Looking ahead, further improvement in the remote assistant-to-vehicle ratio and lower hardware costs will likely make the business even more profitable. Although annual insurance premiums per vehicle now exceed RMB20k (nearly twice that of standard ride-hailing vehicles), they are also expected to decline as the technology matures.

We hold a more favorable view on Pony.ai in this sector. Its next-generation autonomous driving system delivers stronger generalization capability and faster deployment efficiency, enabling quicker expansion across multiple cities. It could support a remote operator-to-vehicle ratio of 1:30, well above the industry average, which in turn drives higher operational efficiency and lower unit cost thus better profitability. Supported by an asset-light framework with ride-hailing platforms and fleet operators, it can rapidly scale its fleet size and strengthen revenue growth. Although insurance mitigates part of the operational risk, potential safety incidents still warrant close monitoring given their possible regulatory, reputational and financial implications. The company is trading at 43x EV/Revenue FY26E. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PPI	MoM		14-Apr-26
Business Inventories	MoM		21-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
New home Sales	MoM		5-May-26
ISM Manufacturing PMI	MoM		1-May-26
Personal Income & Spending	MoM		30-Apr-26
Durable Goods Orders	MoM		29-Apr-26
Factory Orders	MoM		4-May-26
Initial Jobless Claims	WoW		16-Apr-26
Trade Balance	MoM		5-May-26
Wholesale Inventories	MoM		29-Apr-26
Employment Report	MoM		8-May-26
CPI	MoM		12-May-26
Retail Sales	MoM		21-Apr-26
Existing Home Sales	MoM		11-May-26
Industrial Production	MoM		16-Apr-26
GDP	QoQ		30-Apr-26
Consumer Confidence	MoM		28-Apr-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26
PMI Manufacturing	MoM		30-Apr-26
Foreign Exchange Reserves	QoQ		7-May-26
Money Supply - M2	MoM		9-May-26
Trade Balance	MoM		9-May-26
PPI	MoM		11-May-26
CPI	MoM		11-May-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		23-Apr-26
CPI	MoM		23-Apr-26
Trade Balance	MoM		28-Apr-26
Money Supply - M2	MoM		30-Apr-26
GDP	QoQ		5-May-26
Retail Sales	MoM		6-May-26
PMI	MoM		6-May-26
Foreign Currency Reserve	MoM		7-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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