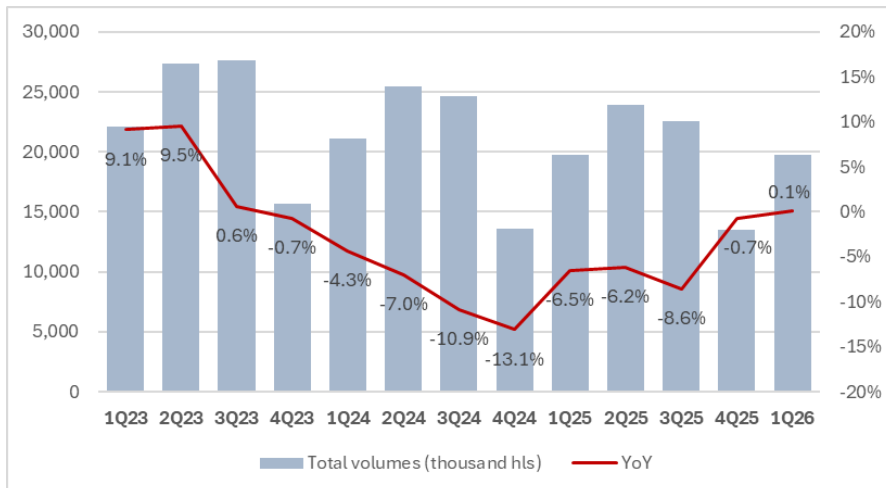


## What's Hot Today:

### ► Budweiser APAC (1876 HK, HK\$8.13, HK\$108bn) – China market shows signs of recovery

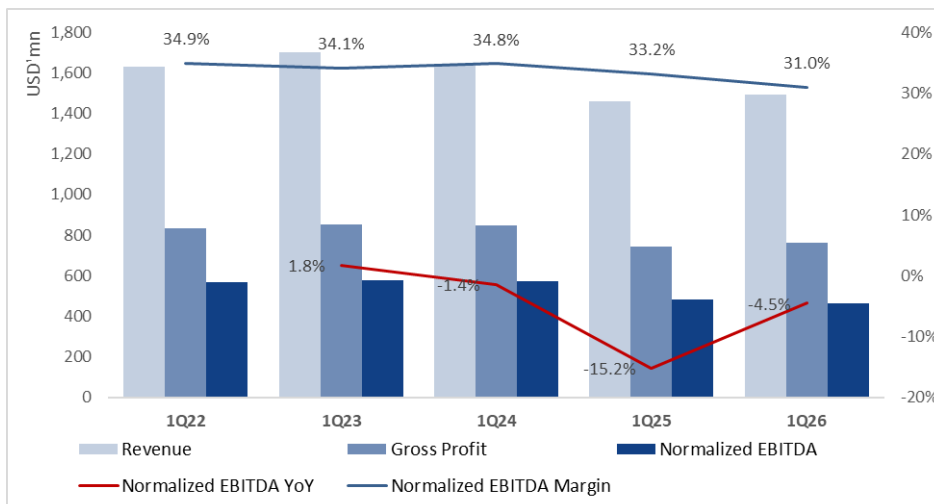
Volume turned positive YoY – Budweiser APAC, a leading brewery and distributor focused on the Asia-Pacific market, reported a resumption of volume growth in 1Q26 after consecutive YoY declines since 4Q23. The recovery was driven by strong double-digit revenue growth in India and a narrower volume decline in China on a sequential basis. However, this was partially offset by weaker performance in South Korea. As a result, group revenue and revenue per 100hl decreased by 0.7% and 0.8% respectively. Normalized EBITDA fell by 8.1% on an organic basis, with the corresponding margin contracting by 246 bps.

Fig 1: Slower volume decline



Source: Company Data, Sunwah Kingsway Research

Fig 2: Revenue and profit



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,898	-0.8%	1.0%
HSCXI	8,730	-0.5%	-2.1%
HSCCI	4,406	-0.1%	9.7%
CSI300	4,807	-0.1%	3.8%
Shanghai A	4,312	0.1%	10.8%
Shanghai B	281	1.5%	10.8%
Shenzhen A	2,905	0.1%	9.7%
Shenzhen B	1,182	-0.9%	-6.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,298	0.7%	2.6%
S&P500	7,259	0.8%	6.0%
Nasdaq	25,326	1.0%	9.0%
NIKKEI Index	59,513	0.4%	18.2%
FTSE Index	10,219	-1.4%	2.9%
CAC Index	8,062	1.1%	-1.1%
DA-X Index	24,401	1.7%	-0.4%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,556	0.8%	6.8%
STEEL (US\$/oz.)	3,195	1.7%	25.6%
SILVER (US\$/oz.)	72	0.1%	3.4%
CRUDE OIL (US\$/bbl)	102	-3.9%	76.0%
COPPER (US\$/oz.)	13,134	1.1%	5.7%
ALUMINIUM (US\$/oz.)	3,589	3.3%	19.8%
PLATINUM (US\$/oz.)	1,957	0.6%	-3.9%
ZINC (US\$/oz.)	3,370	0.3%	8.1%
WHEAT (US\$/bu)	616	-1.3%	21.6%
CORN (US\$/bu)	480	-1.2%	5.4%
SUGAR (US\$/lb)	117	2.1%	2.9%
SOYBEAN (US\$/bu)	1,211	-0.9%	12.9%
PVC (US\$/t)	5,293	0.8%	58.3%
CRB	398	1.3%	3.0%
BDI			45.4%

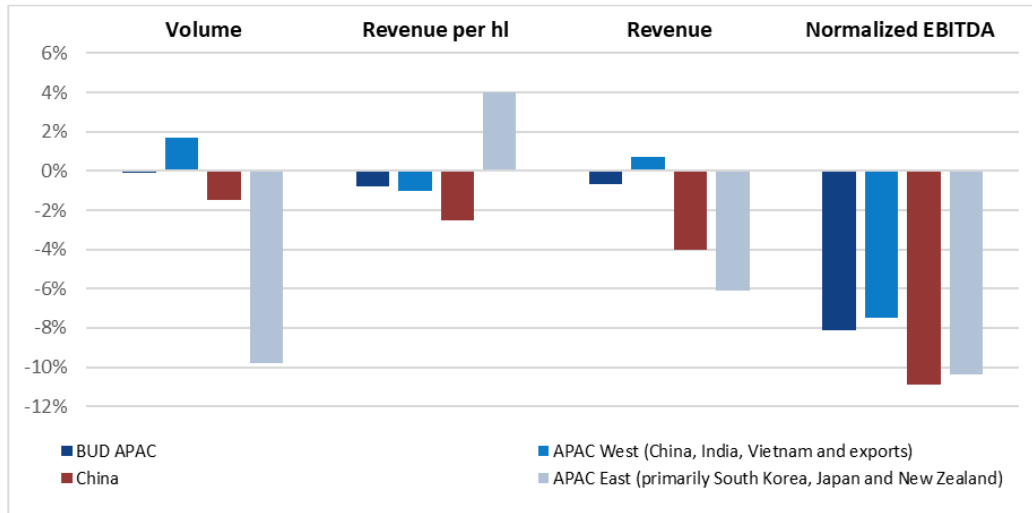
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.836	0.855	157.880	0.783	6.829
HKD	0.128		0.109	20.150	9.993	0.871
EUR	1.169	9.163		184.620	1.092	7.992
JPY	0.006	4.963	0.542		0.496	0.044
CHF	1.277	10.007	1.092	201.634		8.736
RMB	0.146	1.148	0.125	23.096	0.115	

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%
VX	17	-2.5%

Source: Bloomberg

**China market recovery drives APAC West improvement** – The results revealed divergent performance across key markets. The APAC West segment, which includes China, India and Vietnam and accounts for ~85% of total revenue, showed broad YoY improvement in revenue, revenue per hl, volume and normalized EBITDA (1Q26: +0.7% / -1.0% / +1.7% / -7.5% vs. 1Q25: -11.7% / -3.4% / -11.7% / -17.6%). This improvement was mainly driven by a narrower decline in China, supported by ongoing progress in in-home channel expansion, and strong momentum in India. In contrast, the APAC East segment acted as a drag, posting a significant downturn against a high comparable base in 1Q25. Except for revenue per hl, most key indicators turned negative, pointing to operational instability.

**Fig 3: YoY performance by region**

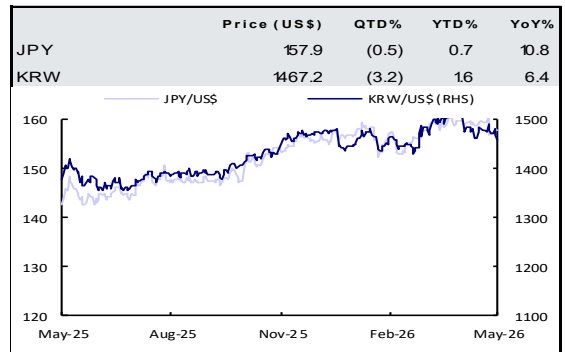
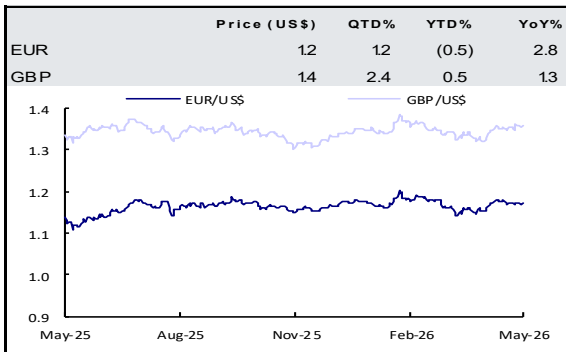
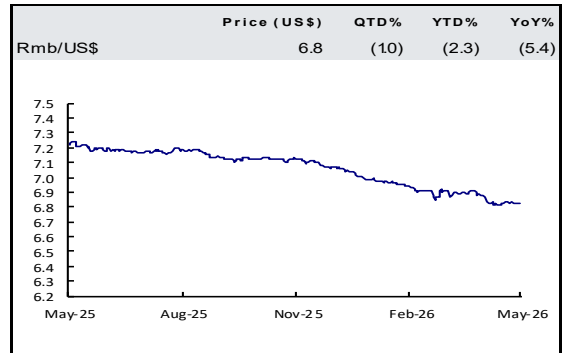
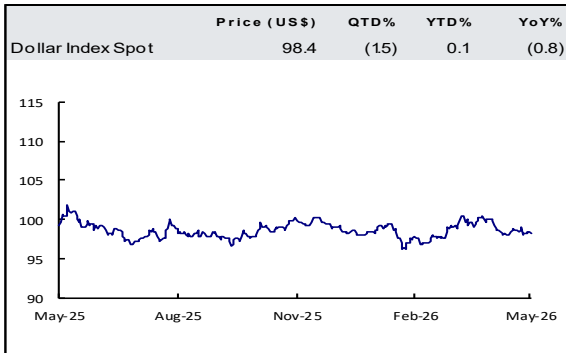
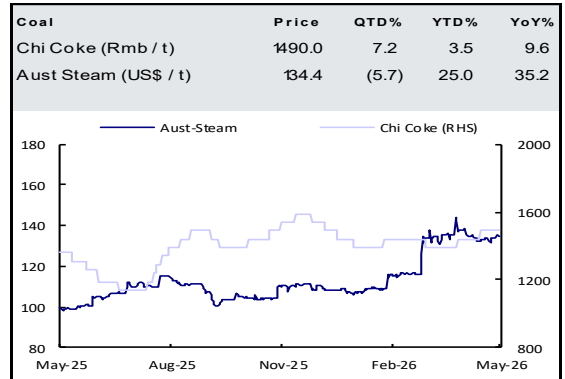
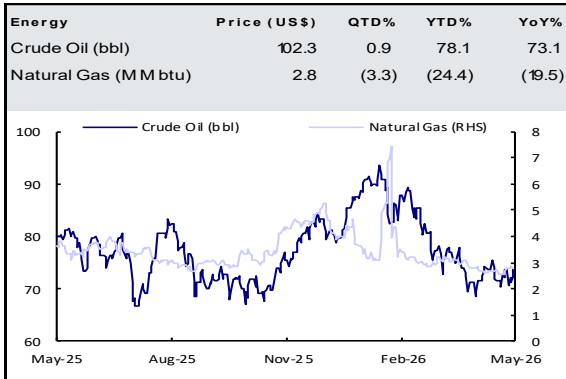
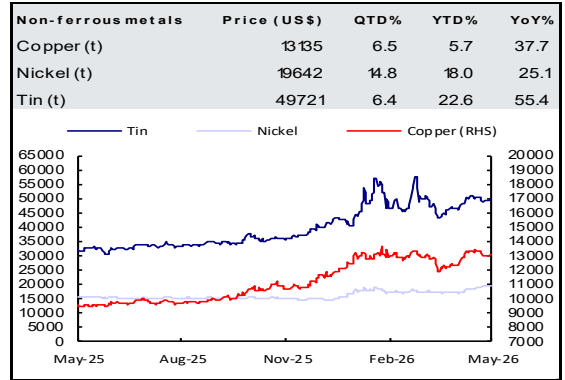
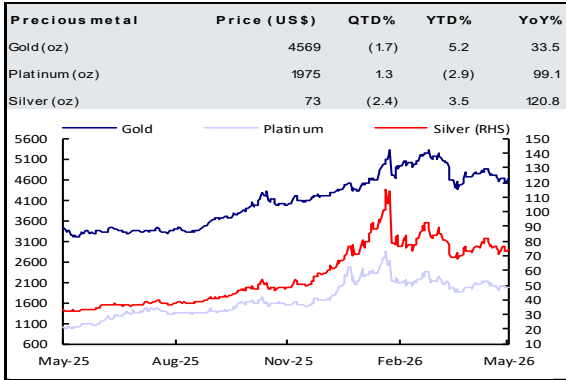


Source: Company Data, Sunwah Kingsway Research

**World Cup offers limited upside as near-term catalyst** – The World Cup typically drives an increase in beer sales and revenue. However, a key concern this year is that most matches fall between 3am and 10am of the China time zone, outside the traditional “drinking hours” for most. This could constrain the incremental volume upside. In particular, on-premise channel sales are likely to be affected, while in-home channels, including e-commerce platforms, instant retail and food delivery, are expected to be the primary drivers of incremental sales growth.

**Our view:** Budweiser APAC has now recorded YoY declines in volume, revenue, and normalized EBITDA for consecutive quarters since 1Q24, and a demand-driven recovery remains uncertain. That said, narrowing decline in China market provides early signs of stabilization. Looking ahead, the 2026 World Cup is expected to provide a boost to the industry, albeit with limited upside over the near term. Longer-term drivers include the company’s proactive channel shift and its continued expansion in India. The stock is currently trading at 20.3x FY26E P/E. (Research Department)

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
New home Sales	MoM		5-May-26
PPI	MoM		13-May-26
Business Inventories	MoM		14-May-26
Housing Starts / Building Permits	MoM		21-May-26
ISM Manufacturing PMI	MoM		1-Jun-26
Personal Income & Spending	MoM		28-May-26
Durable Goods Orders	MoM		28-May-26
Factory Orders	MoM		3-Jun-26
Initial Jobless Claims	WoW		7-May-26
Trade Balance	MoM		5-May-26
Wholesale Inventories	MoM		8-May-26
Employment Report	MoM		8-May-26
CPI	MoM		12-May-26
Retail Sales	MoM		14-May-26
Existing Home Sales	MoM		11-May-26
Industrial Production	MoM		15-May-26
GDP	QoQ		28-May-26
Consumer Confidence	MoM		26-May-26
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
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
Retail Sales	MoM		18-May-26
Industrial Production	MoM		18-May-26
PMI Manufacturing	MoM		31-May-26
GDP	YoY		15-Jul-26

**Hong Kong Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		6-May-26
PMI	MoM		6-May-26
Foreign Currency Reserve	MoM		7-May-26
GDP	QoQ		15-May-26
Unemployment Rate	MoM		19-May-26
CPI	MoM		21-May-26
Trade Balance	MoM		28-May-26
Money Supply - M2	MoM		29-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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