

## What's Hot Today:

### ► China consumer – Labour Day holiday has resilient travel demand, entertainment and quality segments take the lead

During 5-day Labour Day holiday, China's consumer market remained robust. Indicators showed moderate improvement across different sectors. According to Ministry of Transport, during the 5-day period, total volume of cross-regional passenger movements reached 1.5bn person-trips, with a daily average of 303mn, representing a YoY increase of 3.5%. Nationwide domestic tourist trips totaled 298mn, up 11.3% YoY and representing 119% of the same period in 2019. Domestic tourism revenue reached RMB302bn, a YoY increase of 14.7%, which is 24.3% higher than the level in the same period of 2019.

**Oil prices weigh on air travel** – Rising oil prices have led to a contraction in flight capacity and a sharp increase in airfares. During the holiday, total civil aviation passenger volume reached 10.5mn, down 5.7% YoY. Consistent with this decline, the average number of daily flights fell 2.6% YoY to ~15.7k. On the pricing front, the average price (including taxes) for a one-way domestic ticket stood at around RMB960, up 12% YoY. For international routes, the average one-way ticket price rose 9% YoY to about RMB1,750. Other transportation modes showed resilience. Railway/Highway passenger volume was up 4.6%/ 3.5% YoY, waterway passenger volume edged down 1.4% YoY.

**Sports and entertainment events emerge as a strong growth driver** – The "event economy" has proven highly effective in stimulating consumption. During the holiday, there were over 34.4k commercial events organized, generating revenue of RMB2.1bn, a sharp 37% YoY increase. Meanwhile, attendance at events grew 31% YoY. Importantly, the spillover effect is substantial, it is estimated that for every RMB spent on an event ticket generates an additional RMB4.8 in adjacent spending across catering, accommodation, and transportation.

**Fresh-drink market experienced broad-based strong growth** – Leading players such as Chagee, Chabaidao, and Nayuki generally recorded HDD to triple-digit sales increases, particularly in stores located at tourist attractions, transport hubs, and event venues. For instance, Chabaidao achieved double-digit sales growth in cities hosting popular events or performances, including Jiangsu and Beijing. Chagee reported over 16mn cumulative transactions across its national store network, representing a 48% sequential increase. Meanwhile, Nayuki saw sales at many of its stores surge by more than 7x compared with the pre-holiday period, with a single store selling over 1k cups per day.

China & HK Indices	CLOSE	1D	YTD
HSI	26,626	1.6%	3.9%
HSCEI	8,919	1.3%	0.1%
HSCCI	4,516	0.7%	12.5%
CSI300	4,900	0.5%	5.8%
Shanghai A	4,383	0.5%	11.2%
Shanghai B	282	-1.3%	11.2%
Shenzhen A	3,005	1.2%	13.5%
Shenzhen B	1,179	0.2%	-6.7%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,596	-0.6%	3.2%
S&P500	7,337	-0.4%	7.2%
Nasdaq	25,806	-0.1%	11.0%
NIKKEI Index	62,627	-0.3%	24.4%
FTSE Index	10,276	-1.5%	3.5%
CAC Index	8,202	-1.2%	0.6%
DAX Index	24,663	-1.0%	0.7%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,685	-0.1%	8.8%
STEEL (US\$/oz.)	3,212	0.5%	26.3%
SILVER (US\$/oz.)	78	1.4%	10.1%
CRUDE OIL (US\$/bbl)	94	-0.3%	68.7%
COPPER (US\$/oz.)	13,393	2.0%	7.8%
ALUMINIUM (US\$/oz.)	3,493	-2.7%	16.6%
PLATINUM (US\$/oz.)	2,030	-1.6%	-1.4%
ZINC (US\$/oz.)	3,458	2.6%	10.9%
WHEAT (US\$/bu)	601	-2.4%	18.7%
CORN (US\$/bu)	467	-0.2%	2.9%
SUGAR (US\$/lb)	109	-7.1%	
SOYBEAN (US\$/bu)	1,192	-0.2%	11.1%
PVC (US\$/t)	5,193	-2.1%	58.3%
CRB	387	-2.7%	3.0%
BDI			59.4%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.833	0.853	156.930	0.780	6.802
HKD	0.128		0.109	20.036	9.965	0.869
EUR	1.173	9.185		184.010	1.093	7.995
JPY	0.006	4.991	0.543		0.497	0.043
CHF	1.282	10.037	1.093	201.075		8.726
RMB	0.147	1.152	0.125	23.042	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	17	1.1%

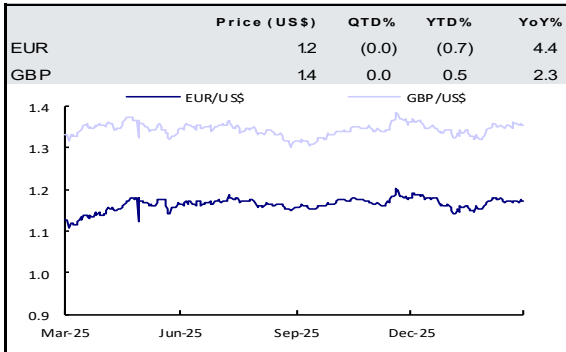
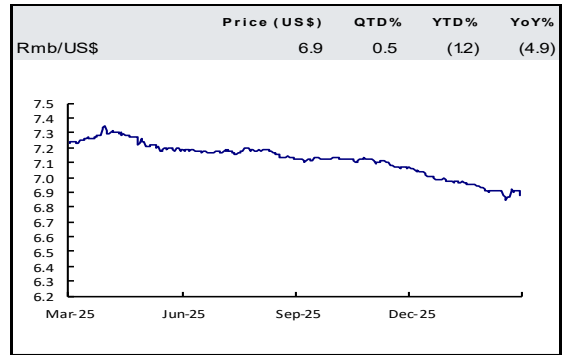
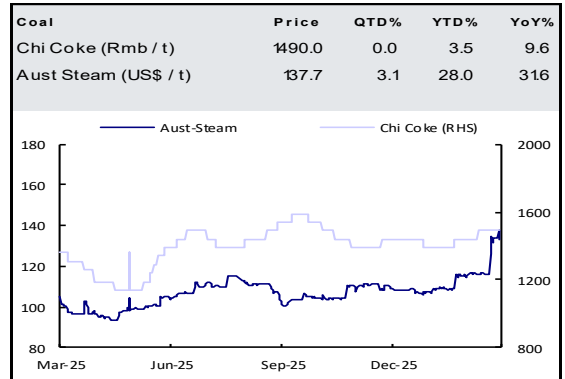
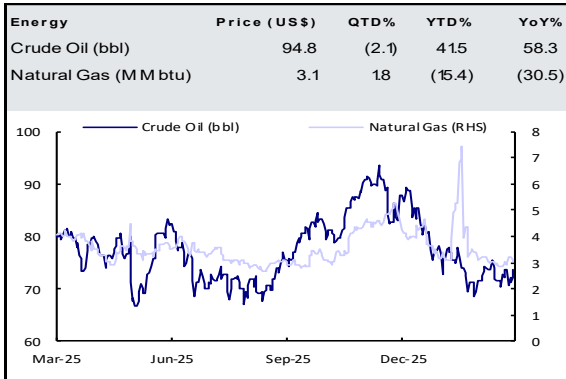
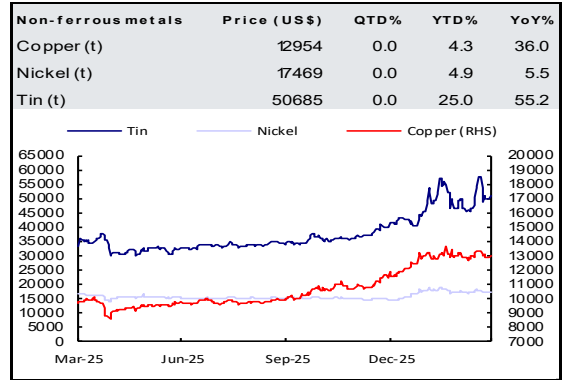
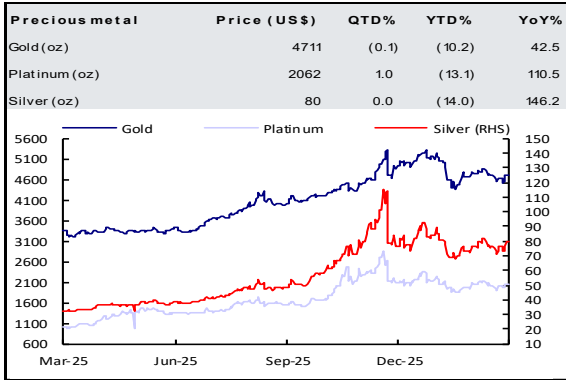
Source: Bloomberg

**Casual dining led catering consumption growth** – Nationwide catering sales increased by 31.4% YoY. Within the sector, casual dining recorded the fastest growth. Specifically, revenue from snack services rose 41.6% YoY, bar and tea house services surged 51.5% YoY, while full-service dining grew 26.8% YoY. Leading brands delivered particularly impressive results. Over the first three days of the holiday, Haidilao's more than 1,300 stores nationwide welcomed over 5 million customers in total. On the first day alone, reservations exceeded 25k tables. Meanwhile, store turnover rates in many locations rose by more than 20% YoY.

**The hotel industry showed quality-driven demand** – Nationwide, revenue per available room (RevPAR) increased slightly by 1% YoY, although occupancy came under some pressure. Against this backdrop, luxury hotels and those in first-tier cities outperformed the broader market, pointing to an ongoing shift toward higher-end consumption. Consumption upgrades also accelerated in lower-tier markets. For instance, bookings at high-star hotels in county-level areas grew by 34% YoY. Meanwhile, data from Trip.com revealed that, for the first time, the growth rate of travel activity in cities below the fourth tier surpassed that of first-tier cities. Overall, hotel consumption is shifting to being quality-focused.

**Our view:** As the key indicator of China's consumption dynamics, the tourism spending delivered moderate growth during the Labour Day holiday, despite growth rate slowing down compared with the high-base in 2025. We believe tourism demand remains resilient, particularly given the ongoing shift to quality-led consumption. Looking ahead, as the summer travel peak season approaches, we are more confident on the near-term performance of these names: Haidilao (6862.HK, HK\$17.32, HK\$96.5bn), Green Tea (6831.HK, HK\$9.41, HK\$6.34bn), Chagee (CHA.O, US\$10.99, US\$2.1bn), Chabaidao (2555.HK, HK\$5.96, HK\$8.81bn), HWORLD (1179.HK, HK\$38.36, HK\$118.0bn). They are currently trading at 15.5x/8.5x/7.8x/8.4x/18.6x FY26E P/E, respectively. (Research Department)

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
PPI	MoM		13-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		9-Jun-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
New home Sales	MoM		28-May-26
Business Inventories	MoM		14-May-26
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
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
Foreign Exchange Reserves	QoQ		7-Jun-26
GDP	YoY		15-Jul-26

**Hong Kong Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
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
Retail Sales	MoM		2-Jun-26
PMI	MoM		3-Jun-26
Foreign Currency Reserve	MoM		5-Jun-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

**Kingsway Research Team**

**Analyst**  
**Howard Wong**  
**Alan Li**

**Email**  
[howard.wong@sunwahkingsway.com](mailto:howard.wong@sunwahkingsway.com)  
[alan.li@sunwahkingsway.com](mailto:alan.li@sunwahkingsway.com)

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



**Disclaimer**

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

KFS and/or its affiliates beneficially own shares HAILAO INTERNATIONAL HOLDING LTD (6862.HK) .

Copyright 2026 Kingsway Group. All rights reserved.

**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

**Affiliated & Overseas Offices**

Guangdong  
廣東新華滙富商業保理有限公司  
601-5, Building 3  
130 Jiaoxi Road, Nansha District,  
Guangzhou, 511455, PRC