

What's Hot Today:

► Luk Fook (590 HK, HK\$20.50, HK\$12.0bn) – Expects FY26 NP to be up by 80-90%

Luk Fook is a leading gold and jewellery retailer in Hong Kong and China with over 3,000 shops. The company issued a profit alert indicating that its FY26 net profit will jump by 80-90% YoY largely due to better margins driven by higher gold prices and improved sales mix of fixed-price gold products. Based on the FY25 net profit of about HK\$1.10bn, it is estimated that its FY26E net profit will be in the range of HK\$1.98bn to HK\$2.09bn. The actual result is scheduled to be released on 25 Jun 2026.

Looking at its 4Q26 numbers, customers were still keen in purchasing gold products despite the sharp correction in gold price during the quarter. 4Q26 SSSG of gold sales stood at 42% and was the strongest quarter for the year. It is also noted that customers are adopting well to fixed price products, which consist of mostly cute and stylish designs to attract younger customers and gift purchase.

Quarterly sales performance, 1Q26 to 4Q26

	FY3/26	1QFY26	2QFY26	3QFY26	4QFY26
Retail sales value (RSV) YoY Chg					
Group		+13%	+18%	+26%	+19%
Hong Kong		+9%	+13%	+20%	+42%
Chinese Mainland		+14%	+20%	+26%	+8%
Same-store-sales (SSS) YoY Chg					
Overall		+5%	+10%	+15%	+33%
Gold		flat	+6%	+15%	+42%
Fixed-price gold		+73%	+67%	+32%	+20%

Source: company data

Our view: It is expected that the implementation of the new value-added tax policies on gold in the Mainland which widening product price differential between Hong Kong/Macau and the Mainland market will continue to benefit the retail performance of the Hon Kong/Macau market. Meanwhile, the company is still cautious about the Mainland market, closely monitoring the performance of the retail stores. On the other hand, it plans to accelerate overseas expansion with 20 new shops already opened during FY26. The counter is trading at an FY26E PE of no more than 6x.

China & HK Indices	CLOSE	1D	YTD
HSI	24,407	-0.6%	-4.8%
HSCEI	8,318	-0.1%	-6.7%
HSCCI	4,293	-1.0%	6.9%
CSI300	4,748	-1.1%	2.6%
Shanghai A	4,188	-0.4%	5.3%
Shanghai B	267	-2.0%	5.3%
Shenzhen A	2,813	-2.0%	6.2%
Shenzhen B	1,123	-0.4%	-11.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,918	-1.9%	3.9%
S&P500	7,266	-1.6%	6.2%
Nasdaq	25,169	-2.0%	8.3%
NIKKEI Index	62,962	-1.9%	25.1%
FTSE Index	10,254	0.3%	3.3%
CAC Index	8,161	-0.5%	0.2%
DAX Index	24,195	-1.0%	-1.2%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,072	-4.4%	-5.7%
STEEL (US\$/oz.)	3,267	-0.7%	28.5%
SILVER (US\$/oz.)	63	-3.1%	-11.3%
CRUDE OIL (US\$/bbl)	90	2.1%	60.7%
COPPER (US\$/oz.)	13,515	-0.7%	8.8%
ALUMINIUM (US\$/oz.)	3,466	-3.8%	15.7%
PLATINUM (US\$/oz.)	1,665	-3.7%	-19.2%
ZINC (US\$/oz.)	3,491	-1.3%	12.0%
WHEAT (US\$/bu)	587	0.4%	16.1%
CORN (US\$/bu)	446	0.3%	-2.8%
SUGAR (US\$/lb)	124	0.7%	
SOYBEAN (US\$/bu)	1,138	0.6%	7.2%
PVC (US\$/t)	4,690	-1.0%	49.2%
CRB	373	-1.0%	3.0%
BDI		-3.4%	50.1%

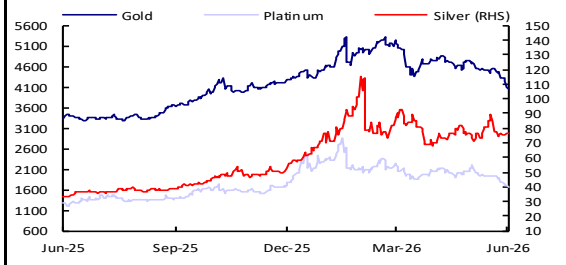
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.837	0.867	160.550	0.800	6.776
HKD	0.128		0.111	20.488	10.209	0.865
EUR	1.154	9.040		185.190	1.084	7.825
JPY	0.006	4.881	0.540		0.498	0.042
CHF	1.250	9.797	1.084	200.705		8.473
RMB	0.148	1.157	0.128	23.688	0.118	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	22	38.4%

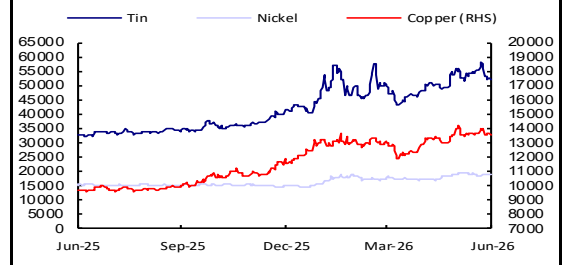
Source: Bloomberg

Market Watch – Major Commodities and Currencies

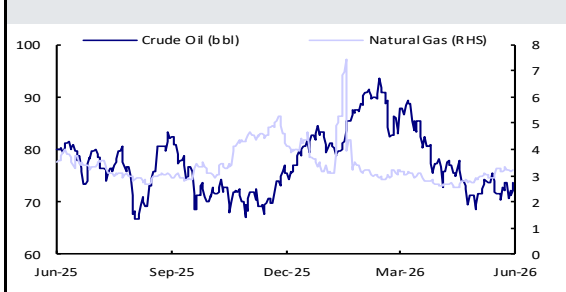
Precious metal	Price (US\$)	QTD%	YTD%	YoY%
Gold (oz)	4108	(11.6)	(5.4)	23.7
Platinum (oz)	1691	(13.3)	(16.9)	34.2
Silver (oz)	76	(4.9)	21.7	130.2



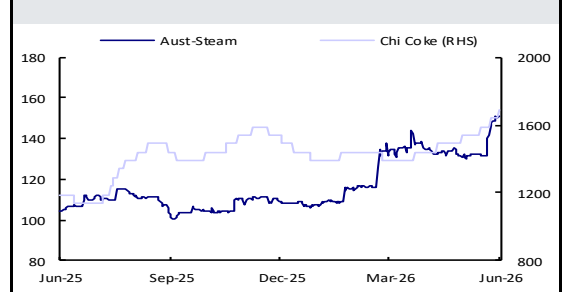
Non-ferrous metals	Price (US\$)	QTD%	YTD%	YoY%
Copper (t)	13516	9.6	8.8	40.1
Nickel (t)	18973	8.6	33.0	23.1
Tin (t)	51960	112	28.1	59.1



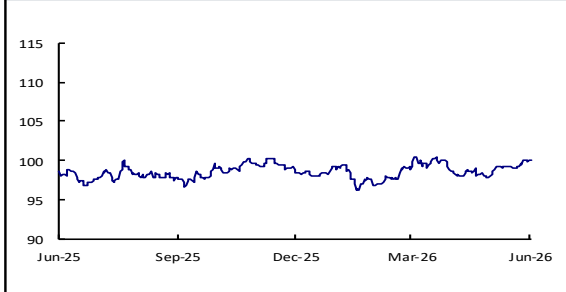
Energy	Price (US\$)	QTD%	YTD%	YoY%
Crude Oil (bbl)	90.0	(11.2)	56.8	32.1
Natural Gas (MM btu)	3.2	10.4	(13.6)	(9.2)



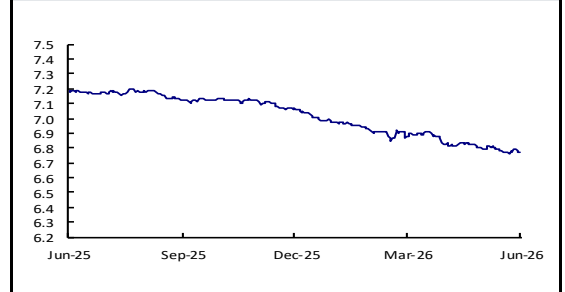
Coal	Price	QTD%	YTD%	YoY%
Chi Coke (Rmb / t)	1690.0	21.6	17.4	42.0
Aust Steam (US\$ / t)	151.0	6.0	40.4	44.5



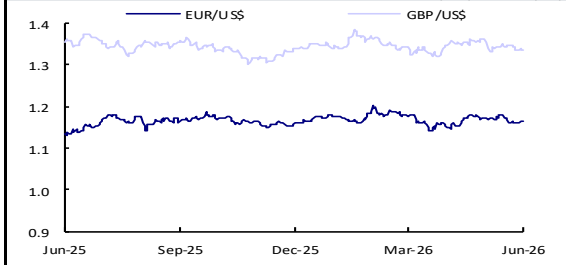
Dollar Index Spot	Price (US\$)	QTD%	YTD%	YoY%
	99.9	(0.0)	1.7	1.3



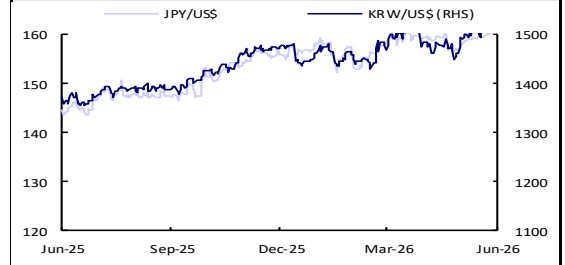
Rmb/US\$	Price (US\$)	QTD%	YTD%	YoY%
	6.8	(1.7)	(3.1)	(5.8)



EUR	Price (US\$)	QTD%	YTD%	YoY%
	1.2	1.1	(1.0)	2.7
GBP	Price (US\$)	QTD%	YTD%	YoY%
	1.3	1.1	(0.8)	(1.3)



JPY	Price (US\$)	QTD%	YTD%	YoY%
	160.6	1.2	2.5	11.1
KRW	Price (US\$)	QTD%	YTD%	YoY%
	1521.1	0.3	5.3	11.1



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		10-Jun-26
PPI	MoM		11-Jun-26
Housing Starts / Building Permits	MoM		16-Jun-26
Business Inventories	MoM		17-Jun-26
Retail Sales	MoM		17-Jun-26
New home Sales	MoM		24-Jun-26
GDP	QoQ		25-Jun-26
Personal Income & Spending	MoM		25-Jun-26
Durable Goods Orders	MoM		25-Jun-26
Consumer Confidence	MoM		30-Jun-26
ISM Manufacturing PMI	MoM		1-Jul-26
Employment Report	MoM		2-Jul-26
Trade Balance	MoM		7-Jul-26
Initial Jobless Claims	WoW		11-Jun-26
Wholesale Inventories	MoM		26-Jun-26
Factory Orders	MoM		2-Jul-26
Existing Home Sales	MoM		9-Jul-26
Industrial Production	MoM		15-Jun-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		11-Jun-26
Retail Sales	MoM		16-Jun-26
Industrial Production	MoM		16-Jun-26
PMI Manufacturing	MoM		30-Jun-26
Foreign Exchange Reserves	QoQ		7-Jul-26
PPI	MoM		9-Jul-26
CPI	MoM		9-Jul-26
Trade Balance	MoM		14-Jul-26
GDP	YoY		15-Jul-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Unemployment Rate	MoM		16-Jun-26
CPI	MoM		23-Jun-26
Trade Balance	MoM		25-Jun-26
Money Supply - M2	MoM		30-Jun-26
Retail Sales	MoM		2-Jul-26
PMI	MoM		6-Jul-26
Foreign Currency Reserve	MoM		7-Jul-26
GDP	QoQ		31-Jul-26
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst

Howard Wong

Alan Li

Amelia Deng

Email

howard.wong@sunwahkingsway.com

alan.li@sunwahkingsway.com

amelia.deng@sunwahkingsway.com

Phone No.

(852) 2283 7307

(852) 2283 7306

(852) 2283 7618

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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

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