

Morning Snapshot

Hong Kong & China Market Daily

07 January 2026

What's Hot Today:

► China Construction Machinery - Replacement & Exports

Drive Recovery

China is a core global market for construction machinery but the sector is highly cyclical. Domestic demand remains subdued, but a gradual normalization is taking shape, underpinned by decarbonization targets and faster adoption of intelligent technologies. Replacement-led upgrading is emerging as the key structural support for domestic demand. Meanwhile, overseas markets continue to strengthen, and Chinese OEMs are stepping up global expansion, with rising overseas revenue to offset domestic softness. Overall, the industry is transitioning from an investment-led domestic cycle to a growth framework anchored by technology upgrading and overseas expansion.

China market: Replacement and Upgrading Drive Rebound

According to Frost & Sullivan, China's construction machinery market contracted from a 2021 peak of US\$72.3bn to US\$23.4bn in 2024. However, the market is projected to grow at a 16% CAGR over 2024–2030 and potentially exceed US\$57bn by 2030. The recovery is expected to be replacement-led, with replacement demand rising from around 60% at present to 69% by 2030. Two factors driving a structural upgrade namely, energy efficiency and application of intelligent solutions. Both pointing towards higher productivity, more environmentally friendly, less labor dependence, and strengthen operational safety.

Export market: Rising Global Footprint

Similar to most industrial sectors in China, overseas markets are the key growth area. China Construction Machinery Industry Association data estimated that export value expanding from US\$20bn in 2020 to US\$50bn in 2024, with 2025E at US\$58bn. CCCME data further point to sustained momentum, with 11m25 exports reaching US\$53.8bn (+12.5% YoY) and November exports at US\$5.2bn, with YoY growth accelerating to 17%. The export structure remains well balanced: complete machines totaled US\$39.08bn (+12.5% YoY), accounting for 72.6% of exports, while parts and components reached US\$14.73bn (+12.4% YoY), representing 27.4%. Regionally, Asia remains the largest destination with a 41.9% share, followed by Europe (21.2%) and Africa (14.7%), while Latin America, North America, and Oceania contribute 11.0%, 7.5%, and 3.6%, respectively, underscoring broad-based market diversification.

China & HK Indices	CLOSE	1D	YTD
HSI	26,710	1.4%	4.2%
HSCEI	9,244	1.0%	3.7%
HSCCI	4,140	1.3%	3.1%
CS300	4,790	1.5%	3.5%
Shanghai A	4,282	1.5%	1.2%
Shanghai B	256	0.4%	1.2%
Shenzhen A	2,739	1.4%	3.4%
Shenzhen B	1,285	0.7%	1.6%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,462	1.0%	2.9%
S&P 500	6,944	0.6%	1.5%
Nasdaq	23,547	0.6%	1.3%
NIKKEI Index	52,387	-0.2%	4.1%
FTSE Index	10,122	1.2%	1.9%
CAC Index	8,237	0.3%	1.1%
DAX Index	24,892	0.1%	1.6%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,494	1.0%	4.0%
STEEL (US\$/oz.)	2,671	2.4%	5.0%
SILVER (US\$/oz.)	81	6.1%	15.0%
CRUDE OIL (US\$/bbl)	57	-2.0%	-2.7%
COPPER (US\$/oz.)	13,238	6.2%	6.6%
ALUMINUM (US\$/oz.)	3,129	3.8%	4.5%
PLATINUM (US\$/oz.)	2,446	7.5%	18.9%
ZINC (US\$/oz.)	3,251	4.0%	4.3%
WHEAT (US\$/bu)	510	0.8%	0.7%
CORN (US\$/bu)	444	1.5%	0.9%
SUGAR (US\$/lb)	64	-3.6%	-1.8%
SOYBEAN (US\$/bu)	1,056	1.0%	0.8%
PVC (US\$/t.)	4,874	2.4%	0.0%
CRB	302	1.4%	3.0%
BDI		-1.6%	-1.4%

Exchange Rates					
	USD	HKD	EUR	JPY	CHF
USD	7.789	0.856	156.650	0.796	6.984
HKD	0.128		0.110	20.115	10.216
EUR	1.169	9.104		183.100	1.075
JPY	0.006	4.971	0.546		0.508
CHF	1.257	9.788	1.075	196.866	
RMB	0.143	1.115	0.122	22.442	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	14	3.9%

Source: Bloomberg

It is also important to highlight that for A-share OEMs, the overseas revenue contribution rose from around 10% in 2020 to 45% in 2024, underscoring the transition from pure exports to full value-chain globalization, alongside deeper localization in overseas manufacturing and service coverage. This trend is also evidenced in the following tables. Table 1 presents a standardized 1H25 financial benchmark across companies, enabling an apples-to-apples assessment of scale, profitability and overseas contribution, while Table 2 maps each company's business profile and global footprint, highlighting differences in localization progress across manufacturing capacity and after-sales/service networks.

Table 1: 1H25 Financial Comparison (RMB bn)

Enterprise Name	25H1 Revenue (RMB bn)	YoY (%)	25H1 Overseas Revenue (RMB bn)	Overseas Revenue YoY (%)	Overseas Revenue Ratio (%)	GPM (%)	NPM (%)	Global Market Share (%)
XCMG Machinery	54.8	8.0	25.6	16.6	46.6	22.0	8.0	5.4
Sany Heavy	44.5	11.7	26.3	11.7	60.3	27.4	11.7	4.6
Zoomlion Heavy	24.9	1.3	13.8	15.0	55.6	28.1	11.1	2.4
Liugong Machinery	18.2	13.2	8.5	10.5	46.9	22.3	6.8	1.8

Source: Company Data, Sunwah Kingsway Research

Table 2: Business Profile & Global Reach

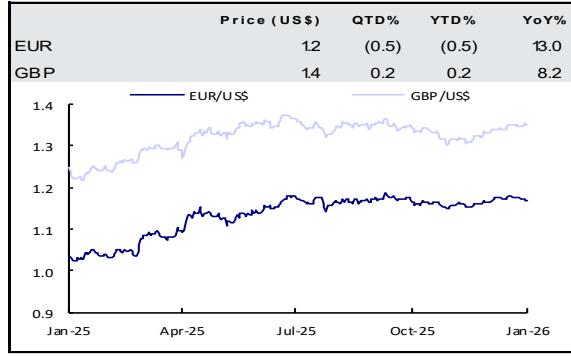
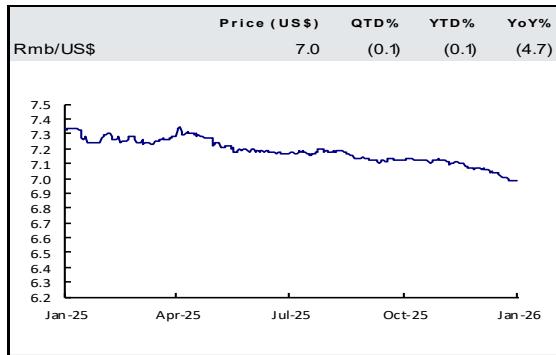
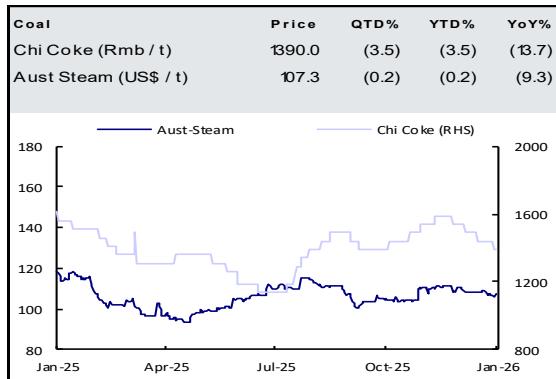
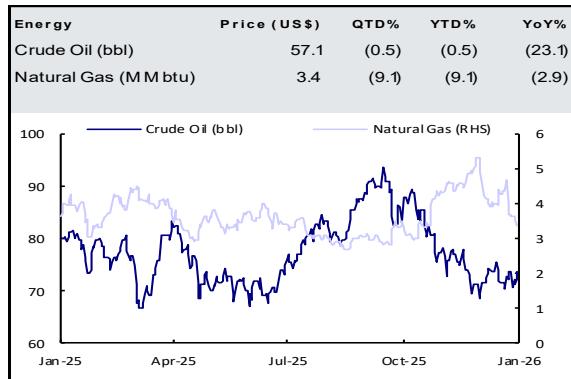
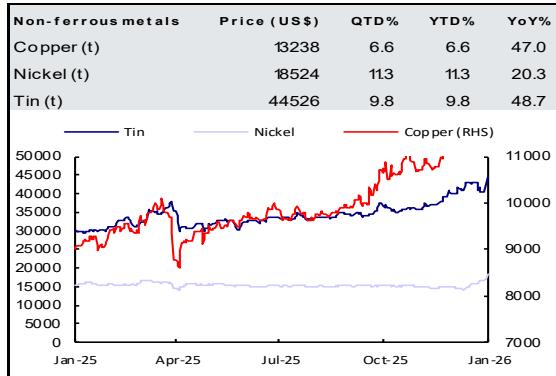
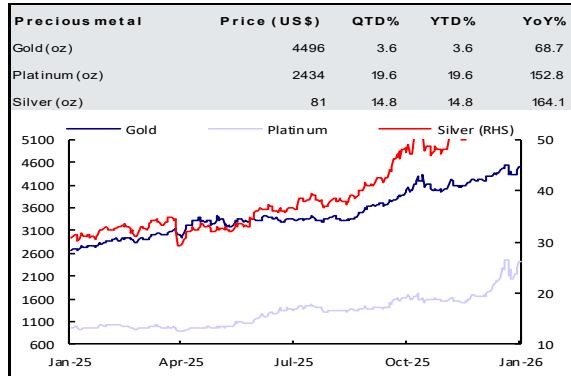
Company	Core Product / Focus	Key Overseas Footprint
XCMG Machinery	Leading in crane machinery.	50+ overseas subsidiaries, 2000+ service/parts outlets, covering 95% of Belt & Road countries.
Sany Heavy Industry	Full-range coverage of core construction machinery segments.	15 overseas manufacturing bases, 1200 service outlets; practices full-value-chain localization.
Zoomlion	Leading in concrete machinery; owns the world's highest straight-boom aerial work equipment.	Products exported to over 170 countries and regions.
Liugong Machinery	Focuses on medium and small-sized excavators.	Deep presence in Southeast & South Asia; 400+ dealers, 1300+ service outlets.

Source: Company Data, Sunwah Kingsway Research

Our views: the sector is approaching a cyclical trough after the post-infrastructure peak normalization in China. Domestic demand is supported by the rollout of major projects funded by ultra-long-term special government bonds and incremental policy tailwinds from large-scale equipment replacement programs. Overseas growth will be the key to mitigate domestic softness, as Chinese OEMs deepen localization by expanding overseas manufacturing footprints and strengthening after-sales and service networks. Global demand is underpinned by multiple catalysts: a potential easing cycle could improve North America's housing-related activity; lean channel inventories in Europe may drive a restocking cycle; and emerging markets retain structural upside, with Southeast Asia benefiting from ongoing urbanization and Africa seeing firmer mining and infrastructure capex amid higher commodity prices.

We prefer Sany Heavy Industry (6031 HK, HK\$22.66, HK\$16.3bn) and XCMG Machinery (000425 SZ, RMB11.76, RMB138.2bn), supported by their scaled and increasingly localized global platforms, structurally higher overseas revenue mix, robust balance-sheet capacity, and sustained technology and product competitiveness. These are trading at 17x and 14x 2026E P/E. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Housing Starts / Building Permits	MoM		9-Jan-26
PPI	MoM		14-Jan-26
ISM Manufacturing PMI	MoM		2-Feb-26
Personal Income & Spending	MoM		12-Jan-26
Durable Goods Orders	MoM		7-Jan-26
Factory Orders	MoM		7-Jan-26
Initial Jobless Claims	WoW		8-Jan-26
Trade Balance	MoM		8-Jan-26
Wholesale Inventories	MoM		8-Jan-26
Employment Report	MoM		9-Jan-26
CPI	MoM		13-Jan-26
Retail Sales	MoM		14-Jan-26
Existing Home Sales	MoM		14-Jan-26
Industrial Production	MoM		16-Jan-26
GDP	QoQ		22-Jan-26
Consumer Confidence	MoM		27-Jan-26
New home Sales	MoM		13-Jan-26
Business Inventories	MoM		14-Jan-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Jan-26
Money Supply - M2	MoM		9-Jan-26
PPI	MoM		9-Jan-26
CPI	MoM		9-Jan-26
Trade Balance	MoM		14-Jan-26
Retail Sales	MoM		19-Jan-26
Industrial Production	MoM		19-Jan-26
GDP	YoY		19-Jan-26
PMI Manufacturing	MoM		31-Jan-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		7-Jan-26
Unemployment Rate	MoM		20-Jan-26
CPI	MoM		22-Jan-26
Trade Balance	MoM		27-Jan-26
Money Supply - M2	MoM		30-Jan-26
GDP	QoQ		30-Jan-26
Retail Sales	MoM		3-Feb-26
PMI	MoM		4-Feb-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

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Notice of interest disclosure filed by substantial shareholders for the two previous trading days

Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
SSY Group Ltd.	Qu Jiguang	1,500,000(L)	HKD 2.9796
WMCH Global Investment Ltd.	Brilliant Light International Holdings Limited	9,036,000(L)	HKD 0.0500
WMCH Global Investment Ltd.	LIU Huanjin	9,036,000(L)	HKD 0.0500
Ausupreme International Holdings Ltd.	Beatitudes International Ltd.	15,000(L)	HKD 0.3050
Ausupreme International Holdings Ltd.	Choy Chi Fai	15,000(L)	HKD 0.3050
Ausupreme International Holdings Ltd.	Ho Ka Man	15,000(L)	HKD 0.3050
Glorious Sun Enterprises Ltd.	Yeung Chun Kam	36,000(L)	HKD 1.4100
Hengan International Group Co. Ltd.	Hui Ching Lau	200,000(L)	HKD 27.9498
HUAXIN BUILDING MATERIALS GROUP CO., LTD. - H Shares	Liu Fengshan	46,200(L)	HKD 18.6200
Jiangsu Expressway Co. Ltd. - H Shares	江苏交通控股有限公司	12,928,000(L)	HKD 9.9159
Jiangsu Expressway Co. Ltd. - H Shares	江苏云杉资本管理有限公司	12,928,000(L)	HKD 9.9159
New Gonow Recreational Vehicles Inc.	Dedao Trust Limited	17,785,816(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	MAO Wanly Holdings Limited	17,785,816(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	Snowy.M Holdings Limited	5,928,605(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	Snowy.M Holdings Limited	1,976,202(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	Snowy.M Holdings Limited	5,928,605(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	Snowy.M Holdings Limited	2,964,303(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	Snowy.M Holdings Limited	988,101(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	王丹红	17,785,816(L)	HKD 1.1100
New Gonow Recreational Vehicles Inc.	缪雪中	17,785,816(L)	HKD 1.1100
Shanghai Bio-heart Biological Technology Co., Ltd. - B - H Shares	Wang Philip Li	10,000(L)	HKD 6.1743
Shanghai Bio-heart Biological Technology Co., Ltd. - B - H Shares	Winning Powerful Limited	10,000(L)	HKD 6.1743
Shenghua Lande Scitech Ltd. - H Shares	Qian Xiaomei	2,545,000(L)	HKD 0.3274
Shenghua Lande Scitech Ltd. - H Shares	Xia Shilin	2,545,000(L)	HKD 0.3247
Shenghua Lande Scitech Ltd. - H Shares	Xia Yiping	2,545,000(L)	HKD 0.3274
Shenghua Lande Scitech Ltd. - H Shares	升洋有限公司	2,545,000(L)	HKD 0.3274
Shenghua Lande Scitech Ltd. - H Shares	德清汇升投资有限公司	2,545,000(L)	HKD 0.3274
Shenghua Lande Scitech Ltd. - H Shares	浙江升华控股集团有限公司	2,945,000(L)	HKD 0.3274
SSY Group Ltd.	Qu Jiguang	1,100,000(L)	HKD 2.8978
Synagistics Ltd.	Alibaba Group Holding Limited	13,517,500(L)	HKD 1.8665
Synagistics Ltd.	Alibaba Singapore Holding Private Limited	13,517,500(L)	HKD 1.8665
Synagistics Ltd.	Alibaba.com Holding Limited	13,517,500(L)	HKD 1.8665
Synagistics Ltd.	Alibaba.com International (Cayman) Holding Limited	13,517,500(L)	HKD 1.8665
Synagistics Ltd.	Alibaba.com Investment Holding Limited	13,517,500(L)	HKD 1.8665
Synagistics Ltd.	Alibaba.com Limited	13,517,500(L)	HKD 1.8665
Ten Pao Group Holdings Ltd.	Hung Kwong Yee	20,000(L)	HKD 2.1600
Tian Cheng Holdings Ltd.	LIN LIN	3,130,000(L)	HKD 0.1020
Tian Ge Interactive Holdings Ltd.	Fu Zhengjun	20,310(L)	HKD 0.6800
Tian Ge Interactive Holdings Ltd.	Hong Yan	20,310(L)	HKD 0.6800
Tian Ge Interactive Holdings Ltd.	Truesense Trading Limited	20,310(L)	HKD 0.6800
Tongguan Gold Group Ltd.	Jiang Wei	2,336,000(L)	HKD 2.8700
WuXi AppTec Co., Ltd. - A Shares	Li Ge	18,338,491(L)	CNY 88.4838
WuXi AppTec Co., Ltd. - A Shares	Liu Xiaozhong	18,338,491(L)	CNY 88.4838
WuXi AppTec Co., Ltd. - A Shares	Zhang Zhaohui	18,338,491(L)	CNY 88.4838
Yeahka Ltd.	LIU YINGQI	12,000(L)	HKD 8.1050

Source: HKEx

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