

What's Hot Today:

▶ AI Compute Leasing: Scarcity Drives Pricing Power

AI compute leasing is not just an AI-themed trade, but a real pricing story driven by tight high-end GPU supply. As Agentic AI, multimodal and coding models push token usage higher, computing demand is shifting from training to continuous inference. With H100/H200-class high-end GPUs still scarce, compute leasing providers are among the most leveraged beneficiaries of this shortage.

Compute Leasing Monetizes the GPUs: Unlike AIDC providers that earns service fees from offering data center space, power, cabinets, connectivity and basic operations, AI compute leasing providers deploy GPU servers in their own or third-party AIDC/IDC facilities, manage networking, scheduling and operations, and monetize GPU usage rights and compute services.

Business model is shifting from fixed rental fees to “capacity lock-in + usage-linked revenue.” Traditionally, compute leasing providers sign three-to-five-year contracts and charge monthly, annually, or by cluster, with revenue mainly driven by rental pricing, contract duration, GPU utilization and delivery scale. This model provides good revenue visibility but requires heavy upfront investment, with a time lag between order signing and earnings recognition.

The key change is that compute leasing providers have evolved from simple “compute lessors” into long-term infrastructure partners for model companies. As high-end GPUs remain scarce and token demand grows rapidly, model developers are now more willing to link part of the payment to token usage or other usage-based metrics, in addition to base fees, in exchange for stable and prioritized compute supply. This opens both revenue and margin upside to leasing providers. Base rents are to support asset payback and cash flow, while usage-linked revenue provides additional funding for faster expansion. Since AIDCs are largely fixed costs, incremental token-linked revenue can carry higher marginal profitability and translate more directly into profit growth.

GPU Residual Value Is Being Reassessed: While GPUs were previously viewed as fast-depreciating assets with limited book value after few years of use, strong inference demand and rising rental prices mean older cards can still support inference and light training workloads, preserving the value on these fully amortized assets. As this residual value becomes better recognized by lenders, financing conditions may improve. Together with higher rental prices and utilization, GPU asset returns and net margins have room to expand.

China & HK Indices	CLOSE	1D	YTD
HSI	25,679	-0.9%	0.2%
HSCEI	8,644	-1.3%	-3.0%
HSCCI	4,336	-0.0%	8.0%
CSI300	4,758	-0.3%	2.8%
Shanghai A	4,277	-0.2%	8.1%
Shanghai B	274	0.4%	8.1%
Shenzhen A	2,853	-1.1%	7.8%
Shenzhen B	1,184	-0.9%	-6.4%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	49,141	-0.1%	2.2%
S&P 500	7,138	-0.5%	4.3%
Nasdaq	24,663	-0.9%	6.1%
NIKKEI Index	59,917	-1.0%	19.0%
FTSE Index	10,332	0.1%	4.0%
CAC Index	8,104	-0.5%	-0.6%
DAX Index	24,018	-0.3%	-1.9%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,596	-1.8%	6.6%
STEEL (US\$/oz.)	3,128	1.0%	23.0%
SILVER (US\$/oz.)	73	-3.2%	2.4%
CRUDE OIL (US\$/bbl)	99	3.7%	72.8%
COPPER (US\$/oz.)	13,036	-2.1%	4.9%
ALUMINIUM (US\$/oz.)	3,538	-1.5%	18.1%
PLATINUM (US\$/oz.)	1,941	-2.2%	-5.3%
ZINC (US\$/oz.)	3,370	-2.9%	8.1%
WHEAT (US\$/bu)	649	4.4%	28.5%
CORN (US\$/bu)	475	1.3%	4.7%
SUGAR (US\$/lb)	110	-2.5%	
SOYBEAN (US\$/bu)	1,189	-0.2%	10.8%
PVC (US\$/t)	5,251	0.9%	62.5%
CRB	385	1.7%	3.0%
BDI			42.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.836	0.854	159.620	0.789	6.837
HKD	0.128		0.109	20.366	10.072	0.872
EUR	1.171	9.178		186.900	1.082	8.008
JPY	0.006	4.911	0.535		0.494	0.043
CHF	1.267	9.929	1.082	202.290		8.658
RMB	0.146	1.146	0.125	23.347	0.116	

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	-8.6%

Source: Bloomberg

A 10k-GPU cluster highlights the asset return potential of compute leasing: Based on market estimates, a 10k-GPU high-end compute cluster may require around RMB7bn in total investment at today's prices, including around RMB6bn for roughly 1,200 B300 servers and around RMB1bn for related infrastructure (optical modules, networking equipment, cluster networking). Funding could be highly leveraged, with around 10% equity capital supporting 90% bank loans or finance leases at an estimated borrowing cost of around 4%. If backed by a top internet or large model customer and secured by a five-year contract, annual rental cash flow could reach RMB1.4–1.5bn, implying a payback period of around three years.

DeepSeek V4 further supports high-end compute demand: While it has started to adapt to domestic AI chips, Nvidia's high-end GPUs still offer advantages in ecosystem, performance and precision support, including MXFP4. As V4 expands coding, Agentic AI, multimodal and enterprise use cases, token consumption could grow exponentially. Moreover, industry feedback suggests B300 server prices rose by about 50% in the past two months, but model and hardware efficiency gains could lift token processing capacity by multiple times. Thus, unit token costs may still decline, supporting continued investment and downstream customers' ability to absorb higher prices.

Our view: We expect compute leasing supply-demand to remain tight. While current share prices have largely priced in rental upside and potential business model upgrades, industry feedback suggests high-end compute resources may stay highly utilized over the next two to three quarters, with high-end GPU supply likely to remain constrained. Leading internet platforms and model companies are increasingly locking in capacity, as model capabilities can only translate into user growth and revenue with sufficient compute. This should continue to support server and compute leasing prices.

It is believed competitive barriers in compute leasing are rising rapidly: 1) companies need stable and compliant sourcing channels to secure high-end GPUs and support large-scale cluster orders; 2) they need fast delivery and cluster optimization capabilities, including access to scarce components such as GPUs, network cards, switches, optical modules and storage; 3) they need strong funding capability, as upfront procurement and delivery are highly dependent on financing. Only players with strong sourcing, delivery, operations and financing capabilities are likely to enter long-term partnerships with leading internet platforms and model companies.

We have identified a few listed compute leasing companies:

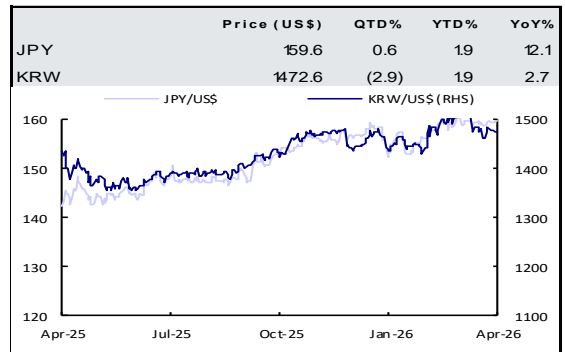
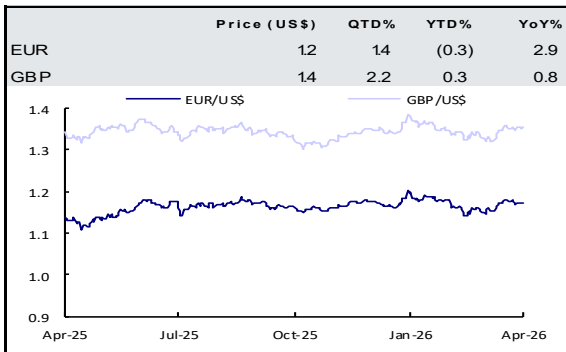
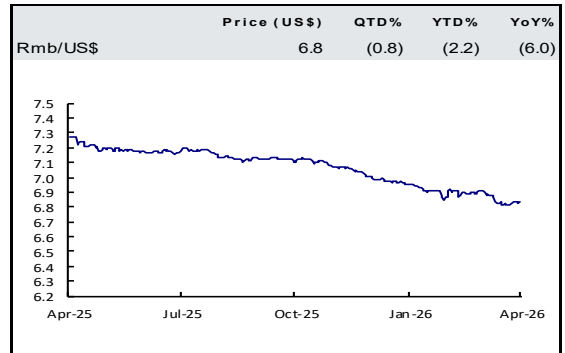
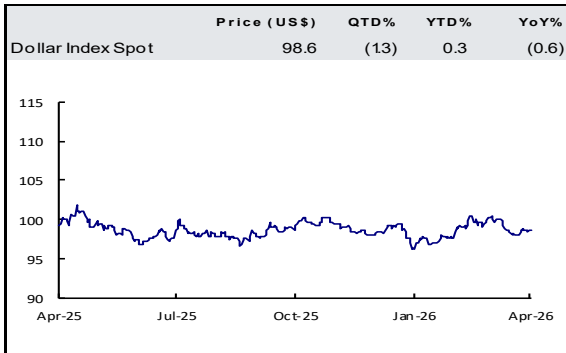
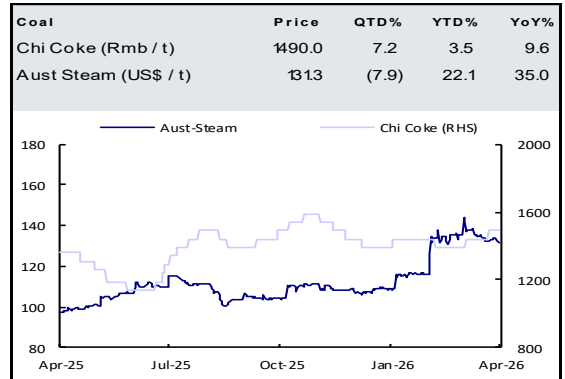
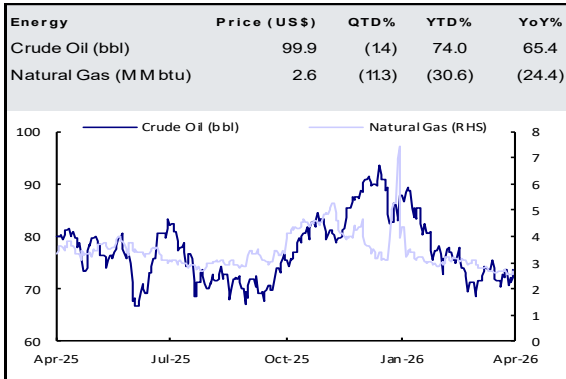
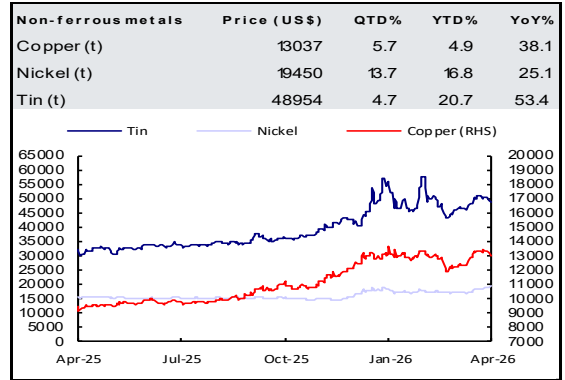
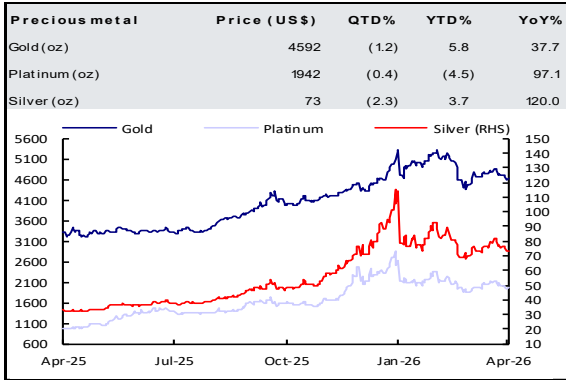
1) Xiechuang Data (300857 SZ, RMB264.18, RMB128bn): Market information suggests that the company has around 42k GPUs and 30kP of AI compute reserves, with Nvidia Jetson and Drive dual-platform authorization. In 1Q26, revenue rose 193% YoY to RMB6.09bn, while net profit increased around 3.4x YoY to RMB750mn. The counter is currently trading at 7.8x FY26E EV/Revenue.

2) Hongjing Technology (301396 SZ, RMB335.99, RMB51.6bn): It is estimated that the company has H800, H200 and B300 resources, with computing leasing contributing around 90% of revenue and backlog exceeding RMB16bn. The counter is currently trading at 17.4x FY26E EV/Revenue.

3) Litong Electronics (603629 SH, RMB119.35, RMB31.2bn): Market information suggests that it has around 15k self-owned GPUs and 18k leased GPUs, Preferred-level Nvidia partnership status in China, priority allocation for H100/B100/GB200, a RMB5bn long-term Tencent contract, and utilization locked through 2027. In 1Q26, revenue rose 42% YoY to RMB997mn, while net profit increased around 8.2x YoY to RMB271mn. The counter is currently trading at 9x FY26E EV/Revenue.

Overall, the key variable for compute leasing is whether high-end GPU scarcity can persist and continue to support rental upside, order lock-in and margin expansion. Key data points to monitor include GPU supply, rental pricing, order delivery, utilization and demand from major customers. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Consumer Confidence	MoM		28-Apr-26
Durable Goods Orders	MoM		29-Apr-26
Wholesale Inventories	MoM		29-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
Personal Income & Spending	MoM		30-Apr-26
Initial Jobless Claims	WoW		30-Apr-26
GDP	QoQ		30-Apr-26
ISM Manufacturing PMI	MoM		1-May-26
Factory Orders	MoM		4-May-26
Trade Balance	MoM		5-May-26
New home Sales	MoM		5-May-26
Employment Report	MoM		8-May-26
Existing Home Sales	MoM		11-May-26
CPI	MoM		12-May-26
PPI	MoM		13-May-26
Retail Sales	MoM		14-May-26
Business Inventories	MoM		14-May-26
Industrial Production	MoM		15-May-26
Auto Sales	MoM		

China Economic Calendar

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

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Unemployment Rate	MoM		19-May-26
CPI	MoM		21-May-26
Trade Balance	MoM		28-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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