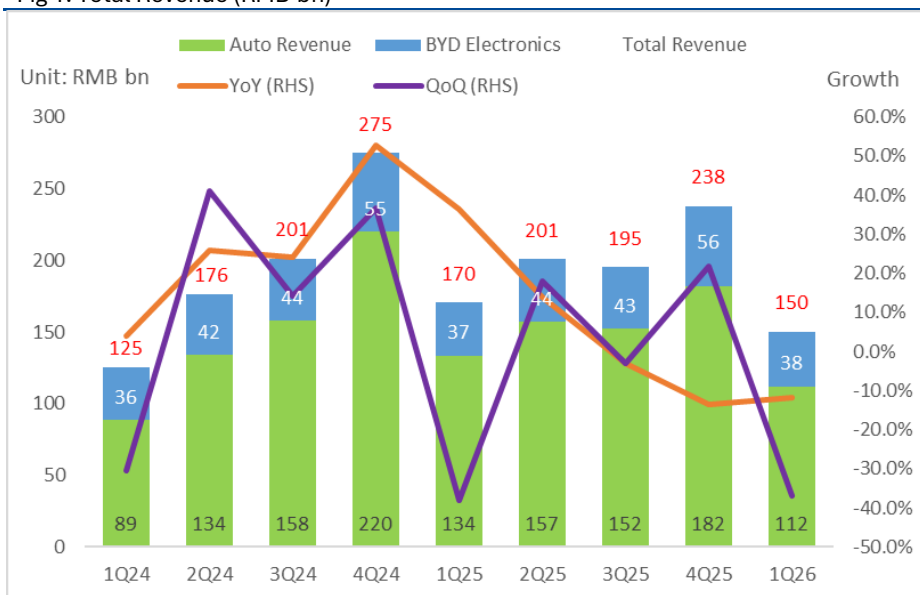


## What's Hot Today:

### ► BYD (1211.HK, HK\$108.30, HK\$987bn) Overseas Mix Drives Resilience

BYD reported 1Q26 revenue of RMB150.2bn (-11.8% YoY / -36.8% QoQ), with net profit of RMB4.08bn (NPM: 2.7% / -56.2% YoY). Earnings were pressured by weak domestic demand, intensified price competition and legacy model clearance, while FX losses and lower investment income further weighed on net profit. Positively, resilient overseas sales drove better mix, supporting QoQ improvement in ASP and automotive GPM, partly offsetting domestic weakness.

Fig 1: Total Revenue (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

**Overseas mix expansion supported ASP uplift:** Automotive revenue reached RMB112bn (-16.1% YoY / -38.4% QoQ), contributing 74% of total revenue and beating market expectations of RMB100bn. Total vehicle sales stood at 700k units (-30% YoY / -48% QoQ), with overseas sales at 321k units (+55.8% YoY / -8% QoQ), representing 46% of total volume, up 20% QoQ. Premium models (Yangwang, Denza and Fangchengbao) remained stable at 12% of sales. Higher overseas mix offset domestic weakness and legacy model discounts, which reflected demand pull-forward in late 2025 amid policy transition and promotional campaigns. ASP therefore rose 18.5% QoQ to RMB160k. Automotive GPM expanded by 1.8ppts QoQ to 23.4%, as lower volume diluted scale benefits and PHEV battery upgrades under the 2026 purchase-tax exemption rules lifted unit costs.

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%

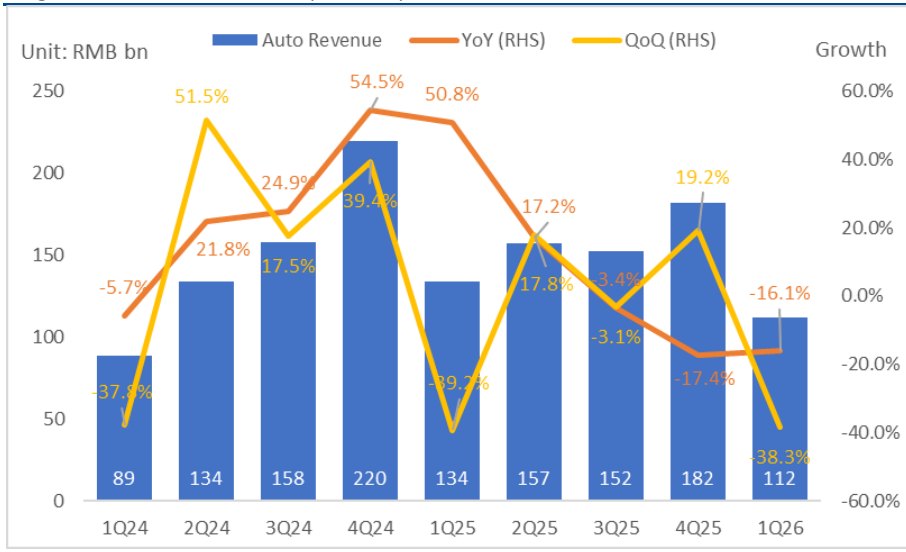
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,596	-1.8%	6.6%
STEEL (US\$/oz.)	3,128	1.0%	23.0%
SILVER (US\$/oz.)	73	-3.2%	2.4%
CRUDE OIL (US\$/bbl)	99	3.7%	72.8%
COPPER (US\$/oz.)	13,036	-2.1%	4.9%
ALUMINIUM (US\$/oz.)	3,538	-1.5%	18.1%
PLATINUM (US\$/oz.)	1,941	-2.2%	-5.3%
ZINC (US\$/oz.)	3,370	-2.9%	8.1%
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
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	17	-8.6%

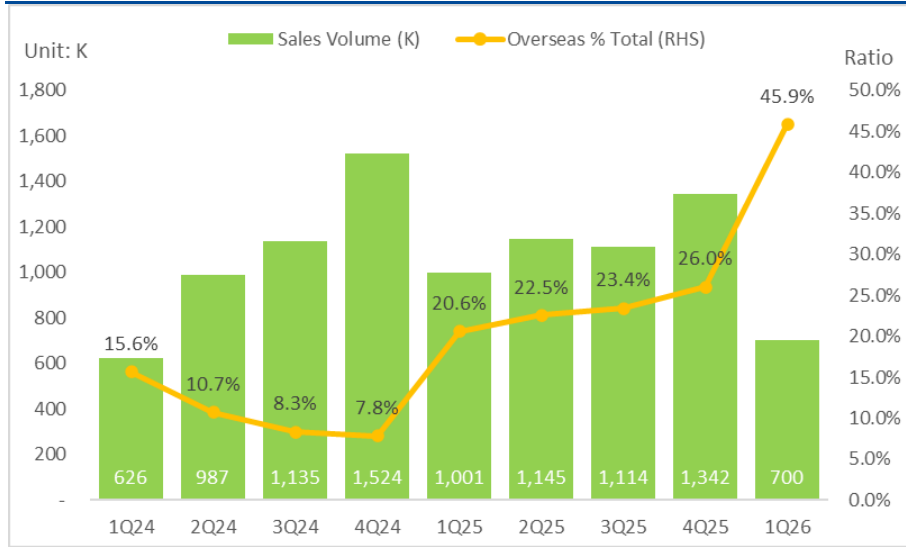
Source: Bloomberg

Fig 2: Automotive Revenue (RMB'bn)



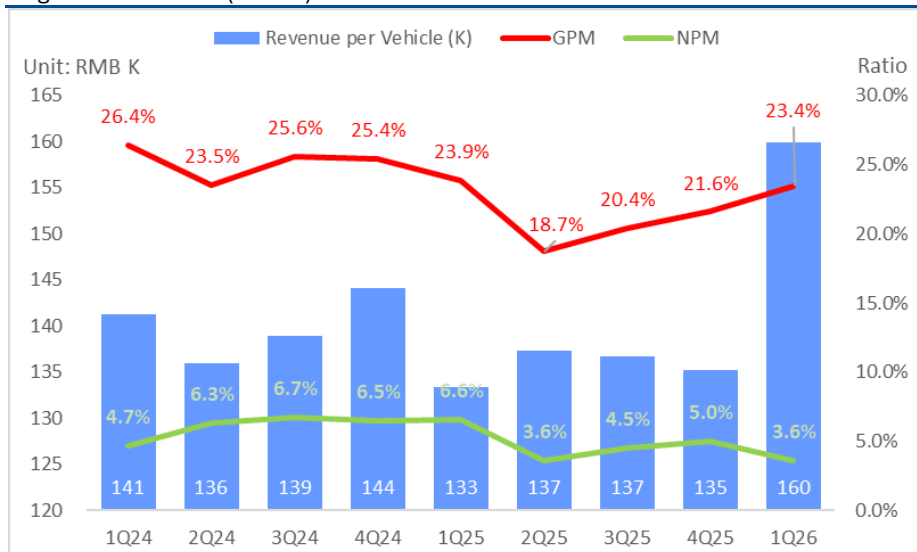
Source: Company Data, Sunwah Kingsway Research

Fig 3: Auto Sales Volume Units



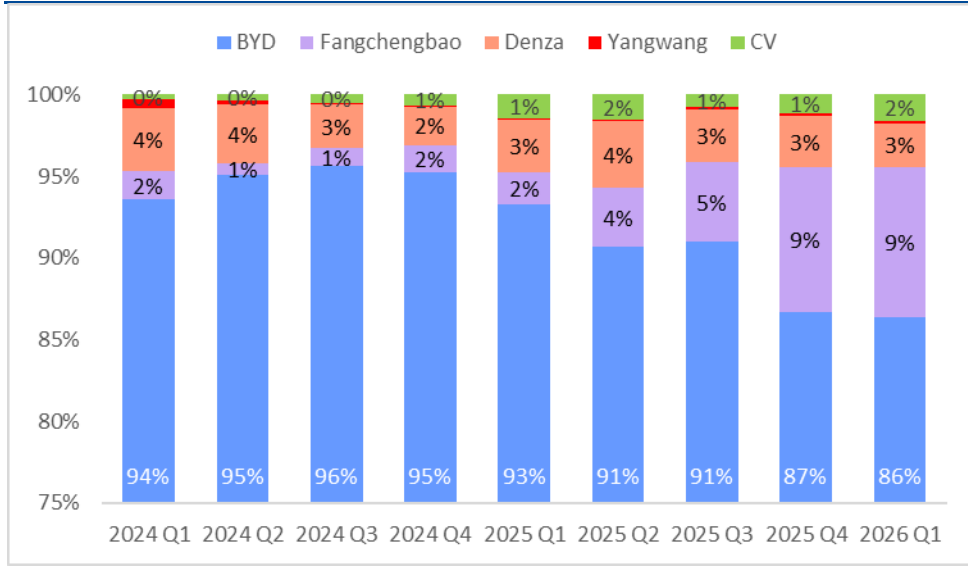
Source: Company Data, Sunwah Kingsway Research

Fig 4: Auto Per Car (RMB'K)



Source: Company Data, Sunwah Kingsway Research

Fig 5: Auto Product Structure

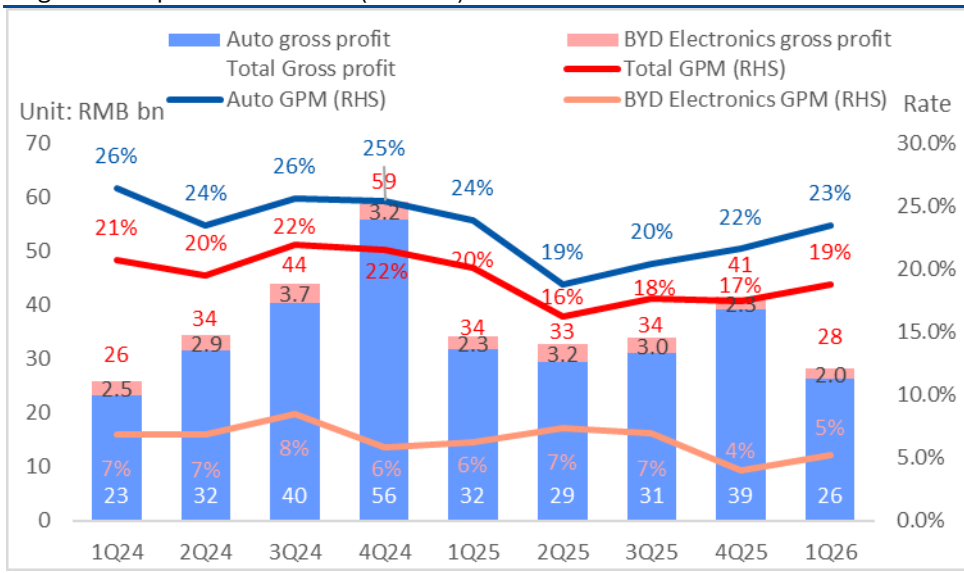


Source: Company Data, Sunwah Kingsway Research

**BYD Electronics (285.HK) slightly recovered:** BYD Electronics posted 1Q26 revenue of RMB38.2bn (+3.5% YoY), contributing 26% of group revenue, driven by NEV intelligent components and AI infrastructure demand.

**Mix improvement drove margin expansion:** Blended GPM rose for the fourth consecutive quarters to 18.8%, led by overseas mix improvement in auto segment. Overseas automotive gross profit is estimated to account for over 60% of total gross profit, indicating a shift from domestic scale-driven earnings to overseas high-margin contribution. BYD Electronics' GPM also recovered QoQ to 5.2%, providing additional support.

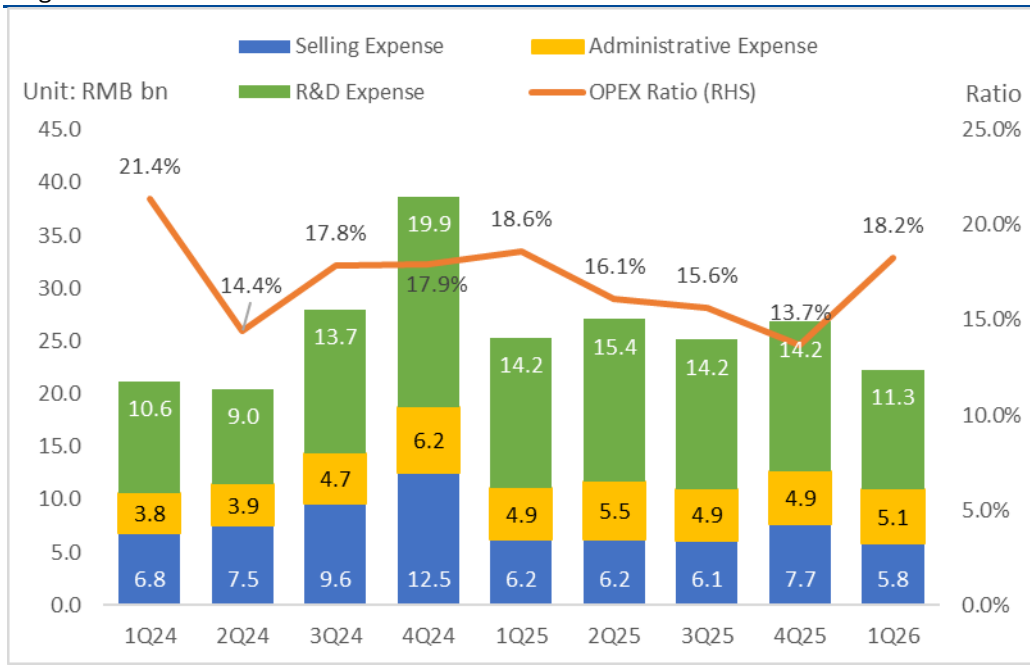
Fig 6: Gross profit Breakdown (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

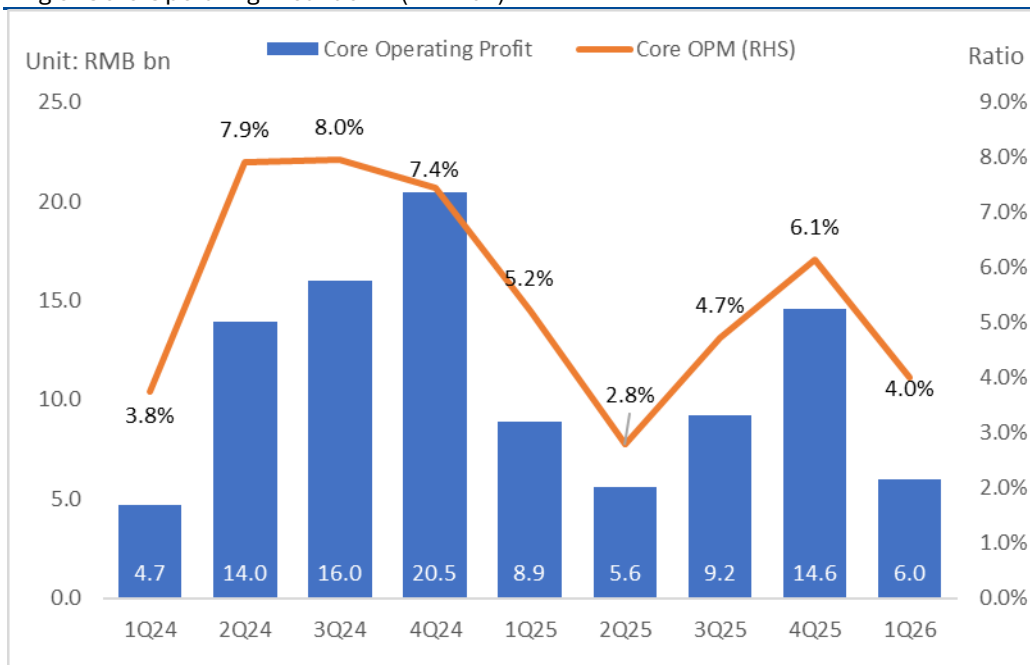
**Operating leverage and non-operating losses weighed on earnings:** Core operating profit reached RMB6bn (-29% YoY / +58% QoQ), with core OPM at 4%. Although R&D and selling expenses declined, overseas expansion lifted administrative expenses, while a lower revenue base pushed OPEX ratio to 18.2% (from 13.7% in 4Q25 Fig 7). Earnings pressure was therefore driven more by operating leverage than absolute cost expansion. Net profit fell to RMB4.08bn (-55.4% YoY), with NPM at 2.7%, mainly due to FX swinging from a RMB1.9bn gain in 1Q25 to a RMB2.1bn loss in 1Q26, creating a RMB4bn negative swing.

Fig 7: OPEX Breakdown



Source: Company Data, Sunwah Kingsway Research

Fig 8: Core Operating Breakdown (RMB'bn)



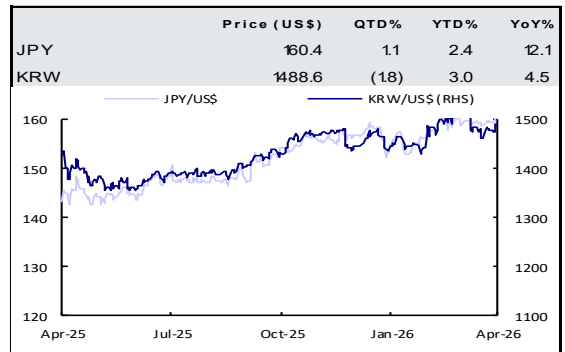
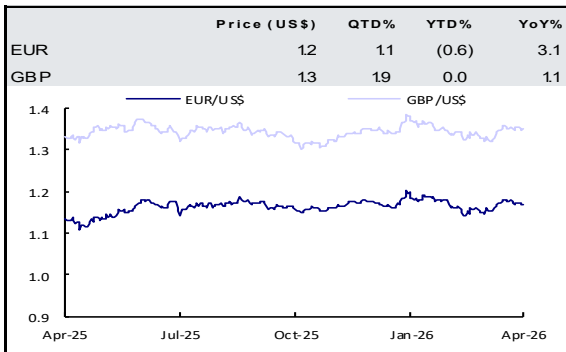
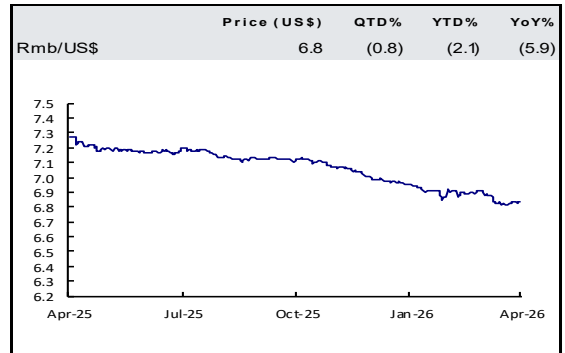
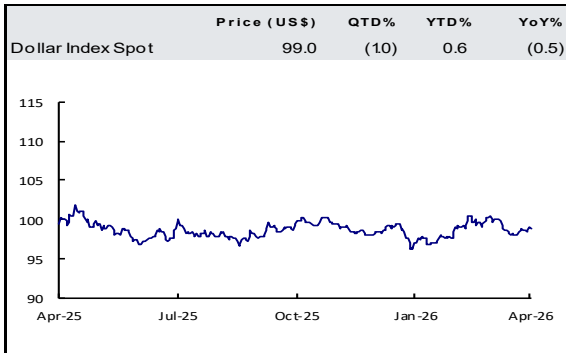
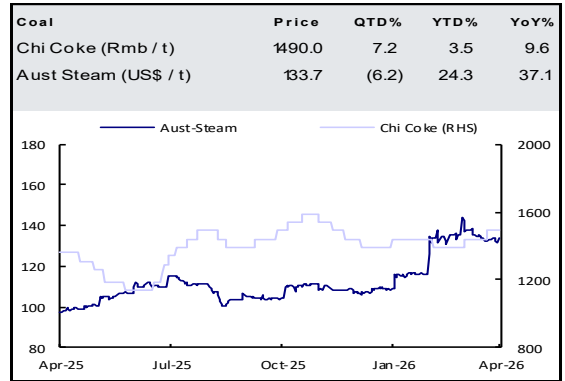
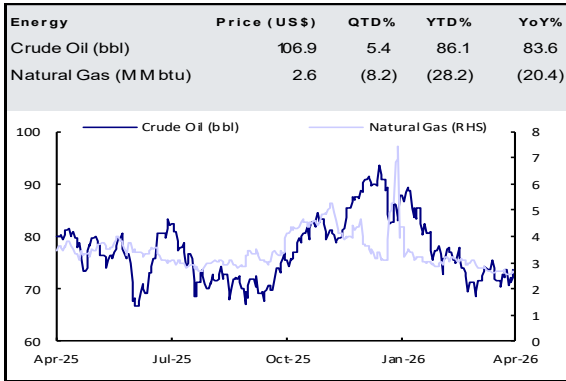
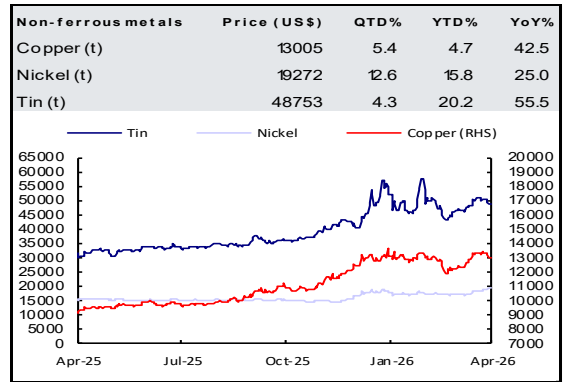
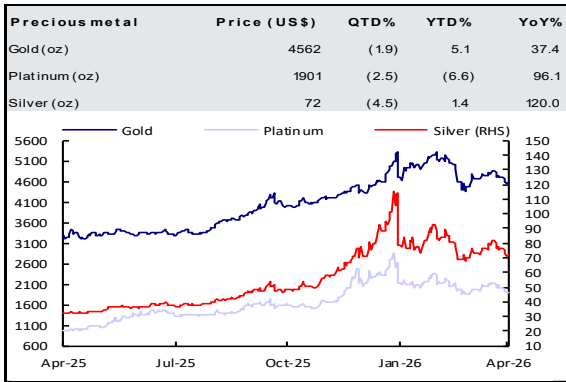
Source: Company Data, Sunwah Kingsway Research

**Our views:** We believe the market has largely priced in domestic sales pressure and intensifying competition, while core earnings quality remains intact. Excluding FX volatility, it is estimated that 1Q26 recurring automotive profit is at around RMB6bn, with per-vehicle profit of roughly RMB8.5k, up RMB2k YoY and RMB1k QoQ respectively. This highlights that overseas mix improvement and high margins continue to support earnings resilience. Overall, profit growth is increasingly driven by overseas structural shift rather than domestic volume expansion.

In the near term, although the second-gen Blade Battery has been launched and intelligent driving is planned for RMB100k–150k models, conversion into sales is unlikely until 2H26. BYD is not adopting aggressive pricing, and thus it is unlikely that the company will see any significant turnaround in domestic sales. Consequently, near-term earnings recovery still relies on overseas shipment growth and a rising export mix.

Furthermore, the second-gen Blade Battery will become a core competitive edge, strengthening both vehicle products and energy storage applications. With storage demand staying robust, BYD's storage shipments are expected to rise from 50GWh to 70GWh, reinforcing its first-tier position in battery manufacturing. The counter is trading at 20.5x FY26E P/E. (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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