Fast Take

China Aerospace & Defense

Equities

China

Aerospace

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HEADLINE

CZ-10B rocket successfully launched and recovered first stage booster on offshore platform today.

OUR TAKE

The mission marked China rocket industry's breakthrough of recovery technology, and global first net based system recovery.

We will organize a China Commercial Space Tour in Shanghai Jul 20-21, please contact your UBS sales representative to sign up.



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Valuation Method and Risk Statement

Key risks we see for China's aerospace sector include: 1) Development of the commercial aerospace industry in China is highly dependent on government policy support. Policy volatility, combined with constraints on low-Earth orbit (LEO) resources, pose significant risks to industry growth and visibility. 2) Uncertainty surrounding the progress in launch vehicle technology poses systemic risk across the industry. 3) Slower-than-expected cost reductions for satellite manufacturing and launch services could negatively impact industry development and delay the achievement of commercial viability.