HSBC Global Investment Research

18 August 2026

Equity Research Report

China Consumer Tracker

Overall consumption growth momentum remains weak; seeking alpha opportunities

Equities
Consumer

China

- Retail sales grew 0.6% y-o-y in July 2026, missing Bloomberg consensus (1.5%) and weaker than June (1.0%)
- We prefer stocks that could see sequential earnings improvement in 2H26 supported by dividends
- Stocks of the month: Weilong Delicious, Ninebot, and YUTO (all rated Buy)

July retail sales growth missed expectations. Despite further easier y-o-y base pressure, extreme weather and higher fuel costs have dampened summer travel, causing the y-o-y retail sales growth slowed to 0.6%, causing the y-o-y retail sales growth slowed to 0.6%, down from 1.0% in June, below the Bloomberg consensus (1.5%), indicating that overall consumption growth momentum remains weak. Retail sales of goods and catering income grew by 0.5% and 1.4% y-o-y, respectively. Of the 16 categories in retail sales of goods, eight declined y-o-y, mainly dragged by automobile (-17%), construction and decoration materials (-14.2%), sports and entertainment products (-10.6%) and gold, silver and jewellery (-10.1%). Notably, the drag of home appliances (down 1.9% y-o-y in July) on overall retail sales is marginally weakening on easier base. Telecommunication equipment continues to see the strongest y-o-y growth (20.4%), which could be partly due to price hikes in consumer electronics such as mobile phones.

Seeking alpha. We are positive on the snack retailer sector which could continue to see high growth. Meanwhile, we prefer stocks positioned to see sequential earnings improvement in 2H26e with dividend support. In addition, we also like companies expanding into new businesses with high growth potential (such as YUTO Packaging Technology) and home appliances companies with easier base pressure in 2H26e.

Stocks of the month. (1) Weilong Delicious: Weilong's 1H26 results were largely in line with market expectations. Meanwhile, it announced payout guidance over the next three years (2026-28). The stock is trading at a 7.8% 2026e dividend yield, which we believe is attractive. In addition, we expect earnings growth to improve in 2H26e vs 1H26 (1H26 net profit up by 4.6% y-o-y vs 2H26e net profit up by 14.4% y-o-y), as this year's channel adjustments mainly took place in 2Q and the negative impact may diminish in 2H26. Channel adjustments in 2Q26 have also brought some disruption on new product launches, and we expect accelerated new product launches in 2H26e. The stock is trading at a 12x 2026e PE. **(2) Ninebot Ltd:** Ninebot's 2Q26 results beat our expectation. We expect earnings to improve in 2H26e, driven by a lower y-o-y base, the upcoming peak season and continued margin recovery. The stock is trading at a 17.5x 2026e PE. **(3) YUTO Packaging Technology:** We continue to be positive on YUTO for the materialisation of orders and customer expansion in segments including liquid cooling and AI glasses components. Huayang which was acquired in 1Q26 will be consolidated in 2Q26 and could potentially contribute to results. The stock has seen a correction since 2Q26 due to the volatile AI hardware sector and is now trading at a 19x 2026e PE. See **valuation and risks** on *page 13*.

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YUTO Packaging Technology (002831 CH): Buy: Liquid cooling expansion lifts growth outlook, 25 June 2026

Charts navigation:

Exhibit 1. Valuation of our coverage

Company	Ticker	Rating	Mkt cap USDm	3M ADTV USDm	Price LC	TP LC	PE (x) 2026e	PE (x) 2027e	EPS y-o-y growth (%) 2026e	EPS y-o-y growth (%) 2027e	EPS CAGR (%) 2025-2027e	PEG 2026e	Dividend yield (%) 2026e
Baijiu													
Moutai	600519 CH	Buy	238,161	877	1293.09	1713.00	19.1	17.9	2.9	6.7	4.8	4.0	4.1
Wuliangye	000858 CH	Hold	41,491	409	72.55	68.00	17.7	15.5	77.9	14.2	42.5	0.4	7.1
Luzhou Laojiao	000568 CH	Hold	18,726	171	86.35	86.00	13.9	13.8	-15.4	0.4	-7.8		5.7
Fen Wine	600809 CH	Hold	21,379	198	118.94	126.00	13.8	13.3	-13.9	3.5	-5.6	-2.5	4.9
Yanghe	002304 CH	Hold	8,838	47	39.82	42.00	25.3	23.5	7.5	7.6	7.6	3.3	4.0
Beer													
CRB	0291 HK	Buy	9,162	30	22.16	33.70	10.9	10.4	69.4	4.0	32.7	0.3	5.1
Bud APAC	1876 HK	Hold	10,751	16	6.37	7.20	18.0	16.9	22.5	6.5	14.2	1.3	5.6
Tsingtao - A	600600 CH	Buy	10,474	58	52.11	69.00	15.0	14.5	3.6	2.9	3.2	4.6	4.7
Tsingtao - H	168 HK	Buy	7,629	20	43.88	57.40	10.9	10.6	3.6	2.9	3.2	3.4	6.4
CBC	600132 CH	Hold	3,065	30	42.98	45.70	18.0	17.5	-6.1	2.8	-1.7	-10.4	5.6
Yanjing	000729 CH	Buy	5,149	61	12.40	16.70	17.0	15.0	22.2	13.8	17.9	1.0	2.0
Food													
Haitian - A	603288 CH	Hold	30,534	111	35.42	39.70	26.3	24.0	11.9	9.8	10.9	2.4	4.0
Haitian - H	3288 HK	Hold	23,771	9	31.88	37.00	20.4	18.6	11.9	9.8	10.9	1.9	5.2
Yili Industrial	600887 CH	Buy	23,513	231	25.23	37.30	13.2	12.4	4.7	6.1	5.4	2.5	5.7
Weilong	9985 HK	Buy	2,652	5	8.56	10.70	11.5	10.5	9.3	9.7	9.5	1.2	7.8
Yankershop	002847 CH	Buy	1,930	31	48.48	63.90	15.4	13.1	14.4	18.1	16.3	0.9	3.9
Tingyi	322 HK	Hold	9,591	31	13.35	14.80	14.2	12.8	7.6	11.5	9.5	1.5	7.1
Uni-President	220 HK	Buy	4,324	11	7.86	8.90	14.1	12.5	1.0	12.6	6.7	2.1	7.1
Want Want	151 HK	Hold	4,896	6	3.26	3.20	10.9	11.5	-20.9	7.9	-7.6	-1.4	2.6
Eastroc - A	605499 CH	Buy	13,356	166	123.47	149.00	18.0	16.8	20.3	7.3	13.6	1.3	4.1
Eastroc - H	9980 HK	Buy	11,022	10	117.80	147.00	14.8	13.8	20.3	7.3	13.6	1.3	4.9
Wanchen	300972 CH	Buy	5,879	69	202.20	295.90	14.6	11.2	97.4	29.8	60.1	0.2	0.8
Busy Ming	1768 HK	Buy	11,471	18	413.20	494.10	20.4	15.8	59.0	29.6	43.5	0.5	0.7
Cosmetics													
Proya	603605 CH	Hold	3,318	52	56.87	67.00	14.4	13.2	4.6	8.7	6.6	2.2	3.7
Botanee	300957 CH	Hold	2,034	37	32.59	36.00	22.0	19.0	23.8	16.2	20.0	1.1	2.5
Jahwa	600315 CH	Hold	1,743	17	17.60	21.70	30.7	23.2	45.0	32.3	38.5	0.8	1.6
Light manufacturing													
Softcare	2698 HK	Buy	2,729	6	34.50	35.00	19.5	16.6	16.0	17.5	16.8	1.2	2.6
Man Wah	1999 HK	Hold	1,523	5	3.11	2.90	7.5	7.2	-11.7	3.9	-4.2	-1.8	6.9
Oppein Home	603833 CH	Hold	2,821	22	31.43	39.30	12.6	12.1	-18.7	4.4	-7.9	-1.6	5.6
Jason Furniture	603816 CH	Buy	3,219	30	23.60	38.90	10.2	8.9	17.0	14.3	15.6	0.7	6.7
Comix	002301 CH	Buy	846	23	7.93	9.60	31.4	24.8	140.8	26.4	74.5	0.4	3.1
M&G	603899 CH	Reduce	3,012	16	22.32	20.60	19.1	16.3	-8.9	17.4	3.4	5.6	4.1
Suofeiya	002572 CH	Hold	1,146	14	8.08	8.50	10.7	10.2	-22.6	4.0	-10.3	-1.0	8.0
Healthcare	603313 CH	Reduce	520	23	6.18	4.90	66.7	24.0	-639.1	177.6			0
YUTO	002831 CH	Buy	5,349	73	28.18	43.70	19.5	16.1	15.8	21.0	18.4	1.1	3.6
Holike	603898 CH	Reduce	516	10	11.67	6.70	60.3	36.5		65.0			0.7
Huali Industrial	300979 CH	Buy	5,848	15	34.01	47.00	13.1	10.4	-6.7	26.2	8.5	1.5	5.7
Weixing	002003 CH	Buy	1,762	16	10.06	12.20	18.2	16.1	1.9	12.7	7.2	2.5	5.1
Home appliances													
Midea - A	000333 CH	Buy	92,850	428	82.61	95.00	14.9	13.2	2.2	13.0	7.5	2.0	5.4
Midea - H	300 HK	Buy	92,843	80	95.50	110.00	14.8	13.1	2.2	13.0	7.5	2.0	5.4
Gree Electric	000651 CH	Buy	32,920	272	39.89	48.00	7.9	7.6	1.9	3.5	2.7	3.0	7.5
Roborock	688169 CH	Buy	4,330	117	113.24	144.00	16.8	12.6	28.5	32.7	30.6	0.5	0.6
Ecovacs	603486 CH	Hold	4,963	60	58.22	53.00	16.7	15.1	14.6	10.5	12.5	1.3	1.8
Ninebot	689009 CH	Buy	4,770	79	44.00	61.00	17.3	13.4	4.3	29.5	16.2	1.1	2.9
Aima	603529 CH	Buy	2,623	20	20.60	27.00	10.2	8.7	-14.0	17.0	0.3	35.8	5.4
Yadea	1585 HK	Buy	4,042	10	10.19	14.00	9.1	8.3	3.1	10.1	6.5	1.4	5.5
Ugreen	301606 CH	Hold	3,237	33	52.96	62.00	20.6	16.0	30.7	28.8	29.8	0.7	1.5
Robam	002508 CH	Hold	2,176	18	15.63	16.00	12.3	11.5	-4.4	7.2	1.2	10.1	6.1
Marssenger	300894 CH	Reduce	697	19	11.68	7.60				-46.2			0.0
Entive	300911 CH	Reduce	628	32	23.24	18.50		514.2					0.0
Hotel and travel													
Jinjiang Hotels	600754 CH	Buy	2,971	39	18.95	31.00	16.9	14.5	29.3	16.9	23.0	0.7	3.6
BTG Hotels	600258 CH	Buy	1,959	32	11.91	19.10	14.1	12.6	16.4	12.4	14.4	1.0	4.4

Note: Priced as of 17 August 2026.

Source: Bloomberg, Wind, HSBC Qianhai Securities estimates

Macro data tracker

Exhibit 2. Total retail sales rose 0.6% y-o-y in July 2026

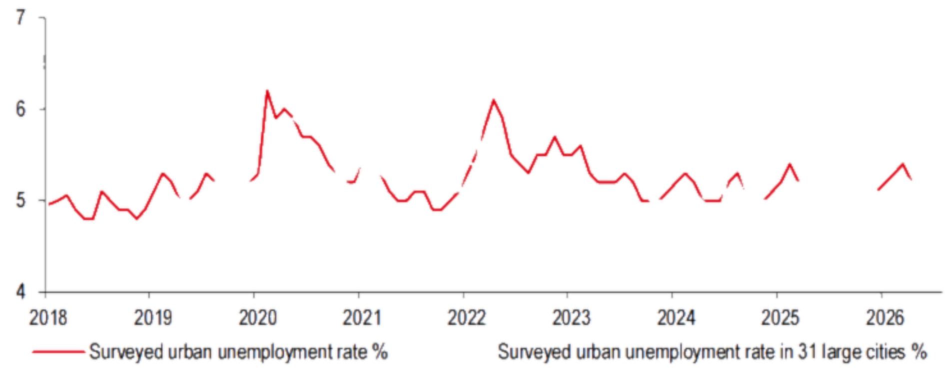
		2026 (%)					
	2025	Jan-Feb	Mar	Apr	May	Jun	Jul
Total retail sales	3.7	2.8	1.7	0.2	-0.6	1.0	0.6
Retail sales of goods	3.8	2.5	1.5	-0.1	-0.7	0.9	0.5
Catering income	3.2	4.8	2.9	2.2	0.6	1.2	1.4
Grain & oil, food	9.3	10.2	9.5	4.1	1.9	7.9	5.3
Beverages	1.0	6.0	8.2	3.6	6.1	5.8	3.5
Tobacco and liquor	2.7	19.1	7.7	11.7	4.8	12.1	6.0
Clothing, shoes, hats, and textiles	3.2	10.4	7.0	3.6	3.8	3.9	-1.0
Cosmetics	5.1	4.5	8.3	4.7	2.5	12.6	6.8
Gold, silver and jewelry	12.8	13.0	11.7	-21.3	-8.9	-3.4	-10.1
Daily necessities	6.3	6.6	4.6	3.5	1.6	3.9	1.8
Sports and entertainment products	15.7	4.1	-2.0	-8.0	-8.0	-2.2	-10.6
Household appliances and audiovisual equipment	11.0	3.3	-5.0	-15.1	-15.6	-8.7	-1.9
Traditional Chinese and Western medicines	1.8	0.7	5.7	4.2	4.0	4.4	6.7
Cultural and office supplies	17.3	5.8	15.0	-6.9	-1.5	12.7	7.4
Furniture	14.6	8.8	-8.7	-10.4	-8.7	-6.6	-8.8
Telecommunication equipment	20.9	17.8	27.3	6.2	0.7	16.5	20.4
Petroleum and products	-5.7	-9.7	0.1	-6.5	-3.2	-5.1	-7.6
Construction and decoration materials	-2.7	-2.2	-9.0	-13.8	-13.6	-10.5	-14.2
Automobile	-1.5	-7.3	-11.8	-15.3	-16.1	-16.1	-17.0

Source: National Bureau of Statistics, HSBC Qianhai Securities

Exhibit 3. CPI was up 0.5% y-o-y and down 0.1% m-o-m in July 2026

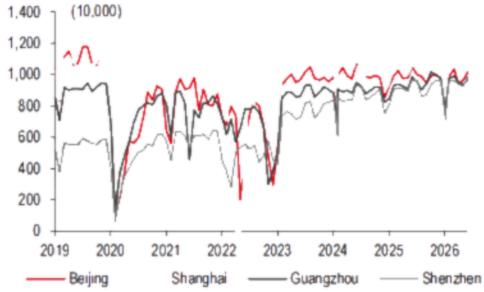
Source: National Bureau of Statistics, HSBC Qianhai Securities

Exhibit 4. Surveyed urban unemployment rate was flat y-o-y and up 0.2ppt m-o-m in July 2026



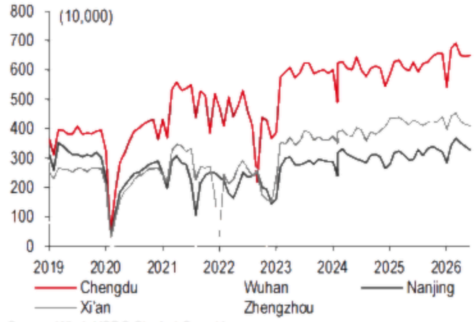
Source: National Bureau of Statistics, HSBC Qianhai Securities

Exhibit 5. Subway passenger volumes in tier-1 cities decreased 0.9% y-o-y in July 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 6. Subway passenger volumes in tier-2 cities increased 2% y-o-y in July 2026

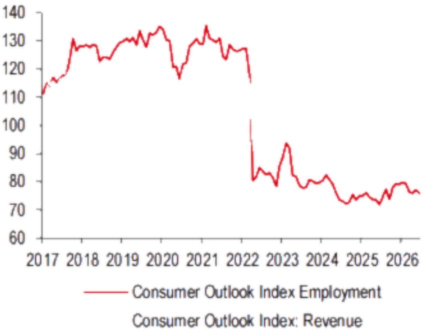


Source: Wind, HSBC Qianhai Securities

Exhibit 7. The consumer confidence index rose 1.5 y-o-y and fell 0.5 m-o-m in June 2026

Source: Wind, HSBC Qianhai Securities

Exhibit 8. The consumer outlook index rose 1.5 y-o-y and fell 0.9 m-o-m in June 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 9. Recovery in tourist spending during public holidays

	2024				2025				2026			
Holiday	Number of holiday days	Total spending RMBbn	Tourist traffic m	Average spending RMB	Number of holiday days	Total spending RMBbn	Tourist traffic m	Average spending RMB	Number of holiday days	Total spending RMBbn	Tourist traffic m	Average spending RMB
New Year	3*	80	135	591	1				3*	85	142	597
Chinese New Year	8	633	474	1335	8	677	501	1351	9	803	596	1348
Qingming	3	54	119	453	3	58	126	457	3	61	135	456
Labour Day	5	167	295	566	5	180	314	574	5	185	325	570
Dragon boat	3*	40	110	367	3*	43	119	359	3	46	124	359
Mid-Autumn	3	51	107	477	8	809	888	911	3			
National Day	7	701	765	916					7			
Holiday	Versus 2019 (%)								y-o-y (%)			
New Year		106%	109%	97%						6.3%**	5.2%**	1.1%**
Chinese New Year		108%	119%	91%		115%	126%	92%		18.7%	19.0%	-0.2%
Qingming		113%	112%	101%		120%	118%	102%		6.6%	6.8%	-0.2%
Labour Day		114%	128%	89%		123%	136%	90%		2.9%	3.6%	-0.7%
Dragon boat		103%	117%	88%		109%	127%	86%		4.0%	4.4%	-0.4%
Mid-Autumn		108%	106%	102%								
National Day		108%	110%	98%								

Source: Ministry of Culture and Tourism, HSBC Qianhai Securities

Note: *If a holiday is combined with weekends, the number of that holiday days includes the weekend of that week; **y-o-y growth of 2026 New Year is based on 2024 data.

Share performance and valuation

Exhibit 10. A-share sub-sector performance

	This month	Recent 1 month	Recent 3 months	YTD	Recent 1 year
CSI 300	3.33%	4.7%	-1.9%	2.4%	12.8%
Consumer Staples	-2.2%	3.8%	-4.1%	-12.4%	-13.9%
Consumer Discretionary	1.0%	5.1%	-11.6%	-15.4%	-10.8%
Baijiu	-1.7%	6.8%	-5.7%	-21.7%	-26.8%
Beer	-5.7%	-2.1%	-9.8%	-7.4%	-11.9%
Dairy	4.3%	10.4%	-6.4%	-11.0%	-11.2%
Soft drink	6.4%	16.5%	-5.5%	-8.5%	-6.0%
Condiment	2.7%	8.0%	-4.9%	-9.1%	-3.6%
Food	-0.5%	2.9%	-5.5%	-11.5%	-9.4%
Beauty & Personal care	-2.8%	3.2%	-9.3%	-20.6%	-28.0%
Household Product	7.2%	8.2%	-15.1%	-18.8%	-13.8%
Home Appliance	-3.8%	1.8%	-0.6%	-0.1%	-0.5%
Hotel & Tourism	1.0%	7.1%	-11.7%	-22.6%	-18.8%
Textile & Apparel	5.4%	7.3%	-6.7%	-5.8%	-2.2%

Source: Wind, HSBC Qianhai Securities

Note: Priced as of 17 August 2026; beer sector contains H-share listed companies.

Exhibit 11. H-share sub-sector performance

	This month	Recent 1 month	Recent 3 months	YTD	Recent 1 year
Hang Seng Index	-1.7%	3.6%	-0.9%	-0.7%	0.7%
Consumer Staples	-2.1%	1.8%	-4.4%	-11.0%	-16.2%
Consumer Discretionary	-1.0%	3.5%	-3.9%	-8.2%	-7.8%
Food & Beverage	-2.0%	1.7%	-3.5%	-6.8%	-9.9%
Beauty & Personal care	-4.7%	0.9%	-5.2%	-27.3%	-42.7%
Durable consumer goods	-0.1%	-0.6%	-14.8%	-24.9%	-26.0%
Home Appliance	-2.6%	4.7%	4.3%	-2.6%	-3.0%
Hotels, Dining and Leisure	5.1%	12.9%	-2.8%	-17.4%	-20.7%
Textile & Apparel	-2.5%	0.6%	-1.9%	-11.2%	-13.6%

Source: Wind, HSBC Qianhai Securities

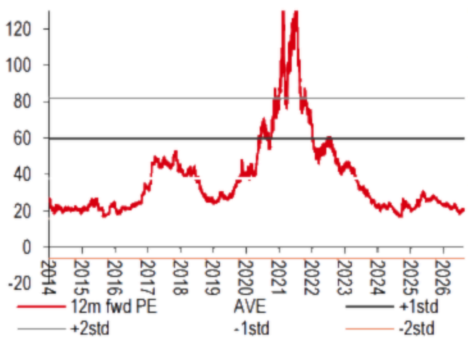
Note: Priced as of 17 August 2026

Exhibit 12. China: F&B's 12-month forward PE

Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 17 August 2026

Exhibit 13. China: Cosmetics sector's 12-month forward PE



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 17 August 2026

Exhibit 14. China: Furniture and household product's 12-month forward PE

Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 17 August 2026

Exhibit 15. China: Home appliances sub-sector's 12-month forward PE

Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 17 August 2026

Exhibit 16. China: Hotel and travel sub-sector's 12-month forward PE

Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 17 August 2026

Exhibit 17. China: Textile and apparel sub-sector's 12-month forward PE

Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 17 August 2026

Exhibit 18. Key events

Time	Event
7/17/2026	China International Electronic Commerce Centre encourages major lifestyle service platforms to launch the 8 August Service Consumption Festival. Themed "Quality Services for a Better Life," the festival primarily covers the summer months of July and August and extends into the traditional peak shopping season of September and October.
7/30/2026	The Politburo meeting called for stronger domestic demand and for boosting domestic demand via fiscal-monetary coordination.
7/31/2026	Domestic airlines cut fuel surcharge for passenger tickets sold on mainland China routes starting 5 August. The adjustment will reduce the surcharge by RMB10 on routes of up to 800 kilometers and by RMB30 on longer routes, compared with the current rates.
8/7/2026	Beijing issued the Notice on Further Optimisation and Adjustment of the Real Estate Policy, putting forward 7 policy measures in three aspects, including optimising housing purchase restriction policies (cutting the required social security or tax payment period for non-Beijing residents buying homes within the Fifth Ring Road from two years to one), improving housing gift policies, and increasing the support of housing provident fund, effective from 8 August 2026.
8/15/2026	China Consumers Association issued China Consumer Green Consumption Guide (2026 Edition), which outlines 50 practical action recommendations to encourage green consumption.
8/18/2026	The Ministry of Commerce and eight other government departments jointly issued a guideline to boost county-level consumption. The guideline calls for upgrading consumption channels in counties, driving innovation in business formats and brand building within the county-level commercial sector, and optimising the supply of goods and services at the county level, etc.

Source: gov.cn, xinhuanet.com, people.cn, finance.sina.com, cls.cn, Wind, HSBC Qianhai Securities

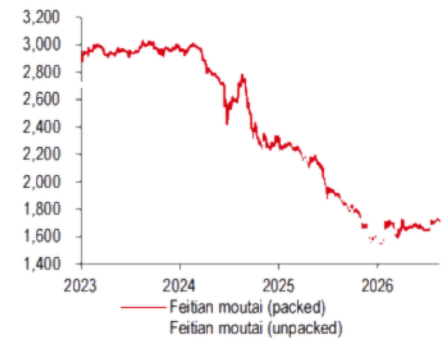
Subsector – Food & Beverage

Exhibit 19. China's alcohol and dairy production

	June	y-o-y (%)	Jan-June	y-o-y (%)
Dairy (10k tonnes)	264.5	4.5	1,518.4	5.8
Beer (10k kl)	404.9	-3.1	1,936.2	0.2
Baijiu (10k kl)	28.0	-9.1	167.9	-4.7

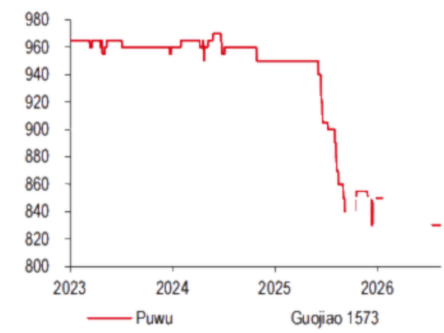
Source: Wind, HSBC Qianhai Securities

Exhibit 20. Wholesale prices of Kweichow Moutai (RMB/bottle)



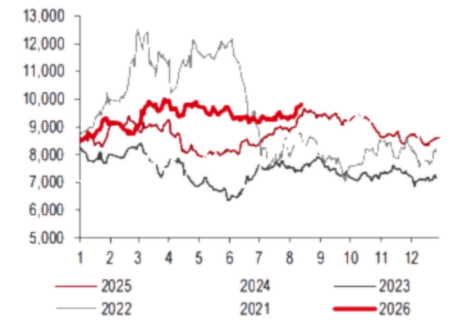
Source: Wind, Today's liquor prices, HSBC Qianhai Securities

Exhibit 21. Wholesale prices of Moutai/Wuliangye(RMB/bottle)



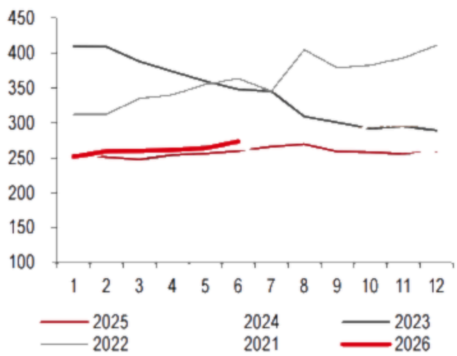
Source: Wind, Today's liquor prices, HSBC Qianhai Securities

Exhibit 22. Palm oil price (RMB/t) increased 6% y-o-y in July 2026



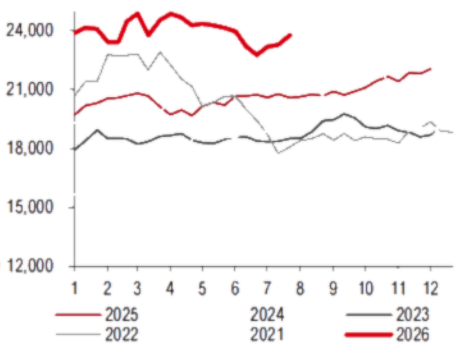
Source: Wind, HSBC Qianhai Securities

Exhibit 23. Imported barley price (USD/t) increased 5% y-o-y in June 2026



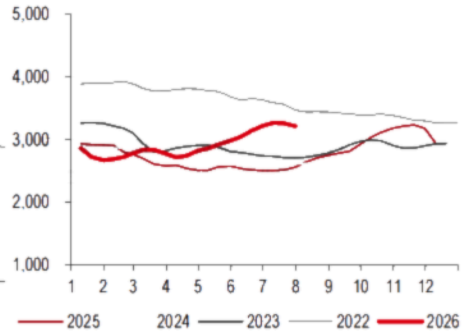
Source: Wind, HSBC Qianhai Securities

Exhibit 24. Aluminium ingot price (RMB/t) increased 11% y-o-y in July 2026



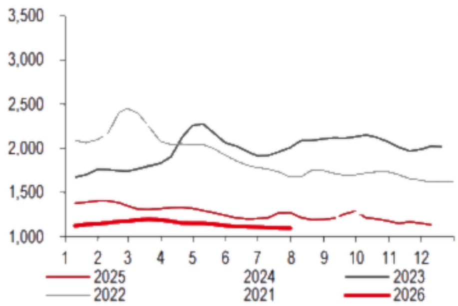
Source: Wind, HSBC Qianhai Securities

Exhibit 25. Corrugated paper price (RMB/t) increased 29% y-o-y in July 2026



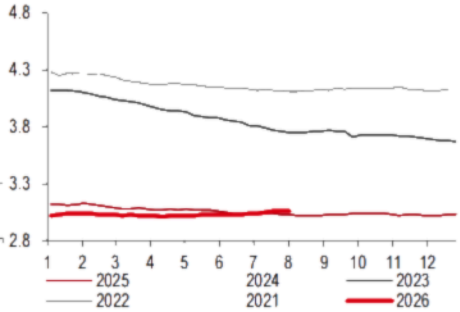
Source: Wind, HSBC Qianhai Securities

Exhibit 26. Float glass price (RMB/t) dropped 10% y-o-y in July 2026



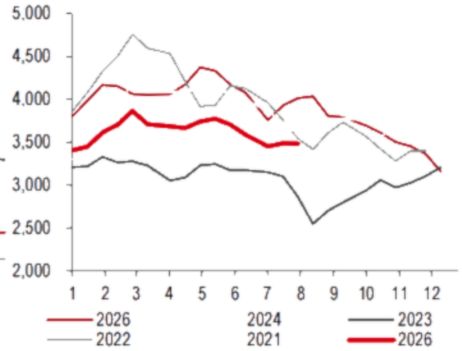
Source: Wind, HSBC Qianhai Securities

Exhibit 27. Raw milk price (RMB/kg) increased 0.5% y-o-y in July 2026



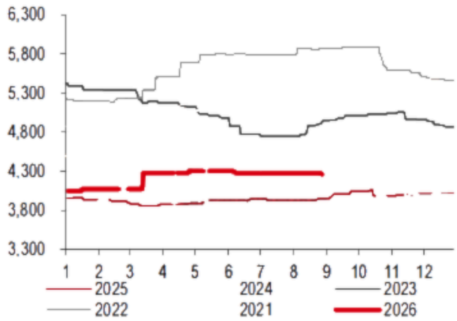
Source: Wind, HSBC Qianhai Securities

Exhibit 28. Whole milk powder price (USD/t) declined 10% y-o-y in July 2026



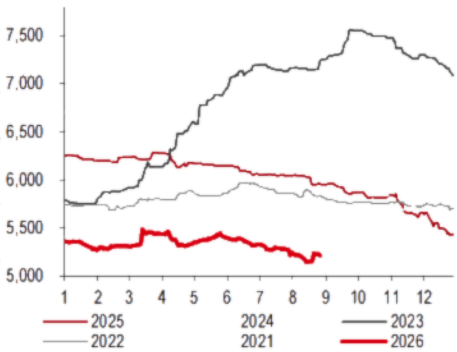
Source: Global Dairy Trade, HSBC Qianhai Securities

Exhibit 29. Soybean price (RMB/t) increased 9% y-o-y in July 2026



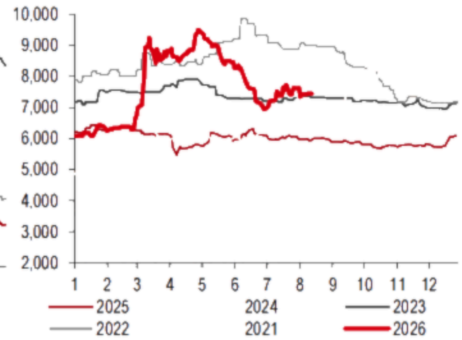
Source: Wind, HSBC Qianhai Securities

Exhibit 30. White sugar price (RMB/t) declined 13% y-o-y in July 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 31. PET price (RMB/t) jumped 22% y-o-y in July 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 32. Monthly cost trend for food and beverage

	Soybean	Sugar	Float glass	Aluminium	Corrugated paper	Palm oil	PET	Barley	Raw milk	Whole milk powder
2024	-12.9%	-3.5%	-18.2%	6.7%	-7.1%	9.2%	-5.9%	-23.0%	-13.5%	11.7%
1Q25	-16.4%	-7.4%	-31.2%	6.9%	-0.7%	18.0%	-13.4%	-10.2%	-13.9%	21.6%
2Q25	-10.7%	-8.3%	-24.7%	-1.7%	-3.7%	7.9%	-17.5%	-4.2%	-9.4%	25.1%
3Q25	-10.2%	-8.2%	-12.7%	5.9%	1.3%	15.8%	-12.8%	3.9%	-5.1%	17.0%
4Q25	-0.3%	-12.6%	-13.3%	4.6%	13.2%	-6.7%	-8.0%	1.2%	-3.0%	-7.9%
2025	-9.7%	-9.1%	-21.6%	3.9%	2.6%	7.9%	-13.1%	-2.5%	-8.0%	13.3%
1/2026	2.8%	-18.2%	-17.9%	20.5%	-5.9%	3.7%	-1.5%	-1.3%	-2.8%	-12.0%
2/2026	4.2%	-14.7%	-16.7%	14.4%	-5.7%	-1.1%	0.2%	3.4%	-2.4%	-12.0%
3/2026	9.5%	-13.3%	-10.2%	17.6%	4.9%	6.2%	32.4%	4.9%	-26.4%	-6.7%
1Q26	5.5%	-15.4%	-15.0%	17.5%	-2.4%	2.9%	10.2%	2.3%	-10.5%	-10.2%
4/2026	10.5%	-13.4%	-11.5%	23.9%	6.9%	14.0%	52.2%	2.7%	-1.8%	-10.7%
5/2026	9.5%	-16.4%	-11.4%	21.2%	13.3%	19.5%	48.3%	2.0%	-1.4%	-13.7%
6/2026	8.5%	-12.2%	-8.2%	15.8%	20.1%	13.4%	29.7%	5.3%	-0.4%	-11.6%
2Q26	9.5%	-14.0%	-10.4%	20.2%	13.4%	15.6%	43.2%	3.3%	-1.2%	-12.0%
7/2026	8.8%	-13.2%	-10.2%	11.5%	29.3%	6.5%	21.9%		0.5%	-9.7%

Source: Wind, Global Dairy Trade, HSBC Qianhai Securities

Subsector – Cosmetics

Exhibit 33. Top 20 GMV beauty brand ranking on Taobao & Tmall in July 2026

Ranking	Brand	Ranking	Brand
1	L'Oreal	11	Mistine
2	Estée Lauder	12	SkinCeuticals
3	Lancome	13	CPB
4	Chanel	14	La Roche-Posay
5	Proya	15	Kerastase
6	YSL	16	Olay
7	Winona	17	HR
8	Clarins	18	MGP
9	SK2	19	Shiseido
10	La Mer	20	Chando

Source: iqingyan.cn, HSBC Qianhai Securities

Note: Cells marked in red are domestic brands

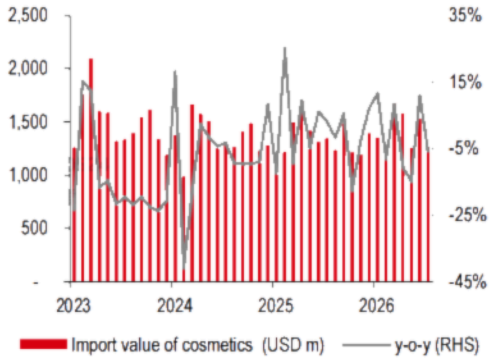
Exhibit 34. Top 10 GMV beauty brand ranking on Douyin in July 2026

Personal care		Facial care		Makeup and perfume	
Ranking	Brand	Ranking	Brand	Ranking	Brand
1	Kans	1	Kans	1	Dirovo
2	Chando	2	Guyu	2	Pramy
3	Guyu	3	Mistine	3	BABI
4	Mistine	4	Chando	4	MGP
5	EIIO	5	EIIO	5	Carslan
6	Kaweiduo	6	BUV	6	Socorskin
7	Sevengreen	7	Dr.Wen	7	Flower Lure
8	BYS	8	C-SHOW	8	Censto
9	RNW	9	Proya	9	DPDP
10	BUV	10	RNW	10	Flower Knows

Source: iqingyan.cn, HSBC Qianhai Securities

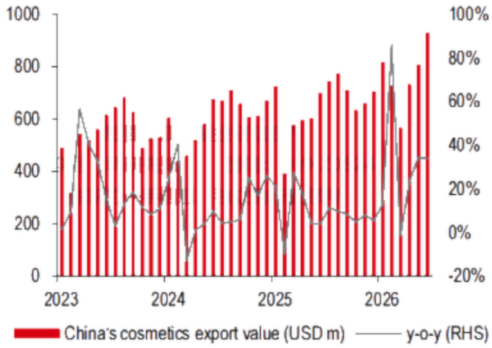
Note: Cells marked in red are domestic brands

Exhibit 35. Cosmetics imports (USDm) decreased 6% y-o-y in July 2026



Source: Wind, HSBC Qianhai Securities

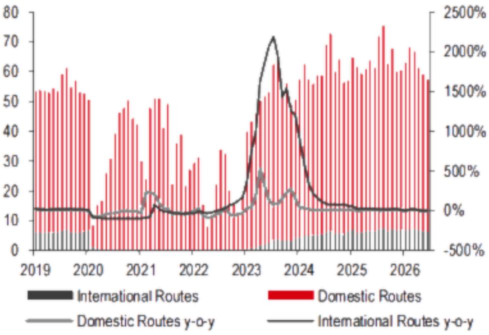
Exhibit 36. Cosmetics exports (USDm) increased 34% y-o-y in June 2026



Source: Wind, HSBC Qianhai Securities

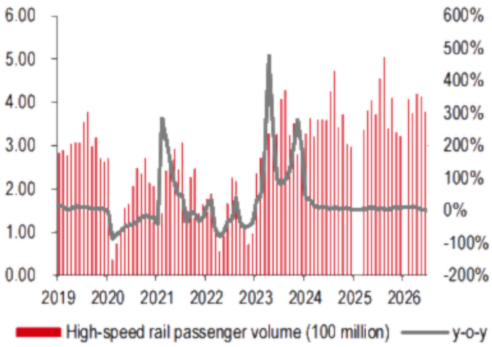
Subsector – Hotel & Tourism

Exhibit 37. Domestic civil aviation passenger traffic (million) dropped 7% y-o-y in June 2026



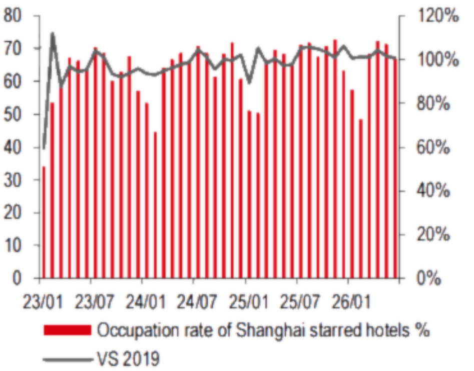
Source: Wind, HSBC Qianhai Securities

Exhibit 38. High-speed rail passenger volume increased 2% y-o-y in June 2026



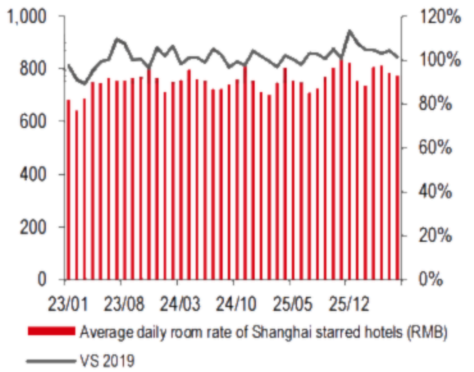
Source: Wind, HSBC Qianhai Securities

Exhibit 39. Occupation rates of starred hotels in Shanghai in June 2026 recovered to 101% of the same period in 2019



Source: Wind, HSBC Qianhai Securities

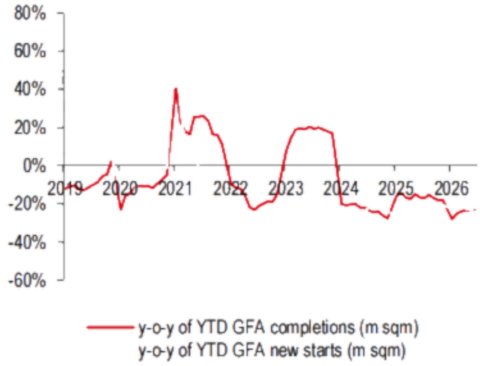
Exhibit 40. Average daily room rates of starred hotels in Shanghai in June 2026 recovered to 101% of the same period in 2019



Source: Wind, HSBC Qianhai Securities

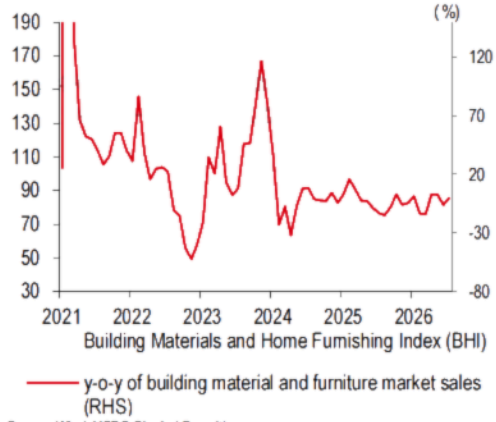
Subsector – Light manufacturing & furniture

Exhibit 41. In July 2026, housing completions decreased 23% y-o-y, and new starts fell 24% y-o-y



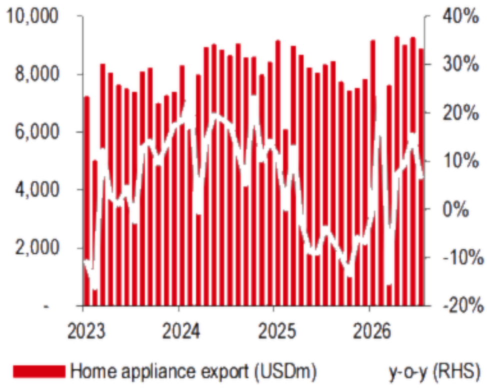
Source: Wind, HSBC Qianhai Securities

Exhibit 42. BHI decreased m-o-m in July 2026



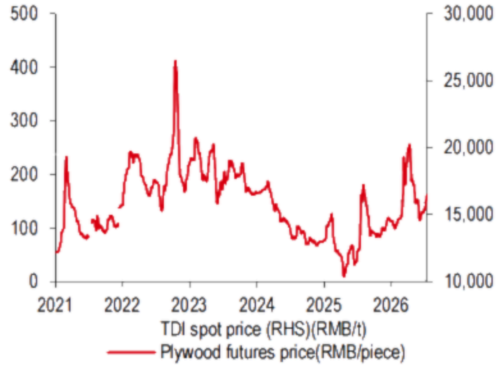
Source: Wind, HSBC Qianhai Securities

Exhibit 43. Furniture and component exports increased 11% y-o-y in July 2026 (USDm)



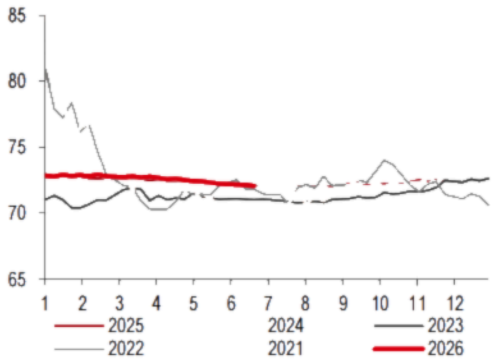
Source: Wind, HSBC Qianhai Securities

Exhibit 44. In July 2026, the TDI spot price dipped 1% y-o-y and the plywood futures price increased 13% y-o-y



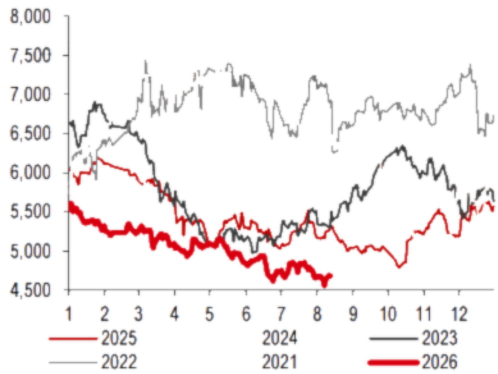
Source: Wind, HSBC Qianhai Securities

Exhibit 45. The average leather price index climbed 0.1% y-o-y in June 2026



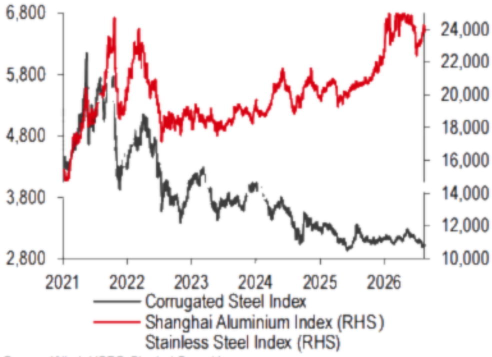
Source: Wind, HSBC Qianhai Securities

Exhibit 46. The paper pulp price (RMB/t) decreased 9% y-o-y in July 2026



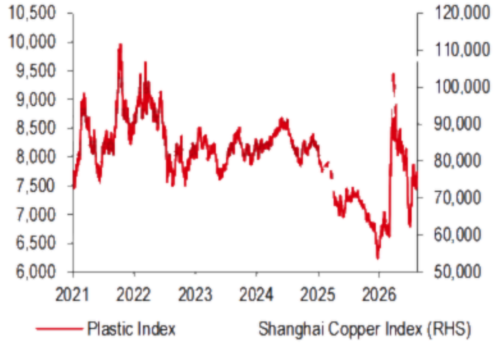
Source: Wind, HSBC Qianhai Securities

Exhibit 47. In July 2026, the corrugated steel index fell 3% y-o-y, the Shanghai Aluminium Index and Stainless Steel index increased 12% and 14% y-o-y, respectively



Source: Wind, HSBC Qianhai Securities

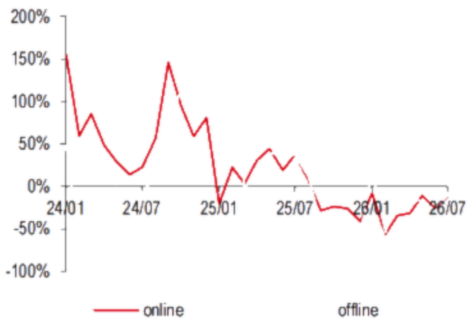
Exhibit 48. In July 2026, the plastic price index and the Shanghai Copper Index increased 1% y-o-y and 32% y-o-y, respectively



Source: Wind, HSBC Qianhai Securities

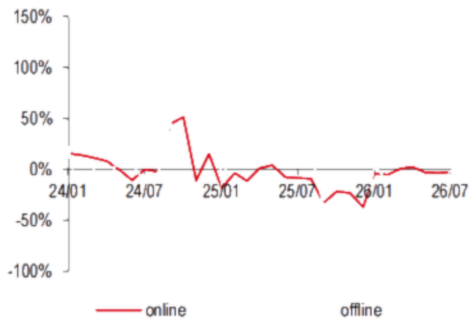
Subsector – Home appliances

Exhibit 49. In July 2026, online and offline air conditioner sales decreased 14% y-o-y and 15% y-o-y, respectively



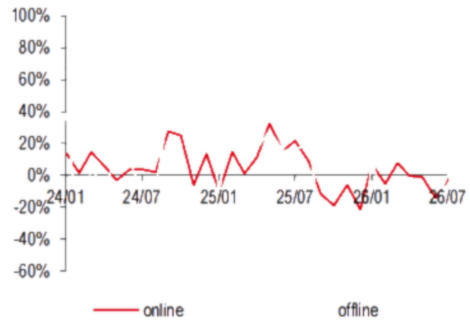
Source: AVC, HSBC Qianhai Securities

Exhibit 50. In July 2026, online and offline refrigerator sales decreased 3% y-o-y and 1% y-o-y, respectively



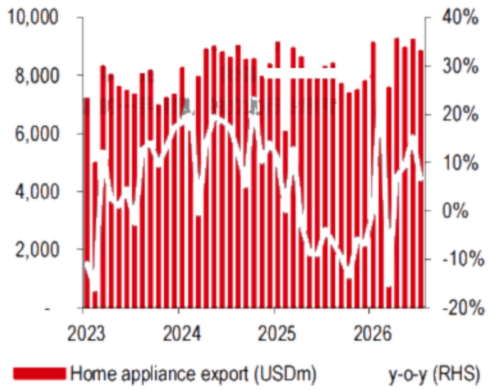
Source: AVC, HSBC Qianhai Securities

Exhibit 51. In July 2026, online and offline washing machines sales decreased 3% y-o-y and rose 0.3% y-o-y, respectively



Source: AVC, HSBC Qianhai Securities

Exhibit 52. Home appliance exports (USDm) increased 7% y-o-y in July 2026



Source: Wind, HSBC Qianhai Securities

Valuation and risks

		Valuation	Risks
Weilong 9985 HK **Buy**	Current price: HKD8.56 Target price: HKD10.70 Upside: 25.0%	We continue to use a DCF model to value the stock and keep our key assumptions unchanged, including a WACC of 8.5% and a perpetual growth rate of 2.0%. We apply HSBC Global Investment Research's end-2026 RMB- HKD forecast of 1.17 (unchanged). We keep our earnings estimates unchanged and derive our target price of HKD10.70 (unchanged), implying 25% upside. Therefore, we maintain our Buy rating on the stock. **Potential share price catalysts:** Successful new product expansion, capacity expansion, positive progress in overseas development, and cost pressure easing. **Katharine Song* (Reg. No. S1700517120001)** | kathy.l.h.song@hsbcqh.com.cn | + 86 21 5066 2007	**Key downside risks:** Food safety, intensifying competition, rising raw material prices, worse-than-expected category expansion, weaker-than-expected channel expansion, high governance concentration, and potential exclusion from the stock index.
Ninebot 689009 CH **Buy**	Current price: RMB44.00 Target price: RMB61.00 Upside: 38.60%	We continue to use a DCF model to value the stock and keep our key assumptions unchanged, including a WACC of 9.5% and a perpetual growth rate of 2.0%. We maintain our earnings estimates and derive our target price of RMB61.00 (unchanged), implying 39% upside from the current share price. Therefore, we maintain our Buy rating on the stock. **Potential share price catalysts:** Announcements of e2W sales volume milestones, new product launches and potential inclusion in the Stock Connect. **Li Quan* (Reg. No. S1700520030002)** | li.quan@hsbcqh.com.cn | + 86 755 8898 3471	**Key downside risks:** Uncertainties around amendments to e2W standards in China, weaker-than-expected overseas demand, higher-than-expected costs, tougher-than-expected competition, and worse-than-expected trade environment.
YUTO 002831 CH **Buy**	Current price: RMB28.18 Target price: RMB43.70 Upside: 55.1%	We continue to use a PE multiple to value the stock. We estimate YUTO's 2025-28e net profit CAGR at 19% (unchanged), above the 2021-25 net profit CAGR of 12% (average PE of 16x over the 2021-25 period). As such, we use a 25x (19%/12%*16=25) 2027e target PE (unchanged). Based on our 2027e reported EPS estimate of RMB1.75 (unchanged), we arrive at a TP of RMB43.70 (unchanged), implying an upside of c55%. Therefore, we maintain our Buy rating. **Potential share price catalysts:** Strong sales of Meta smart glasses; improvement in consumer sentiment on electronics; materialisation of liquid cooling orders; share buybacks. **Darron Xue* (Reg. No. S1700518110002)** | darron.xue@hsbcqh.com.cn | +86 755 8898 3407	**Key downside risks:** Fluctuations in raw material costs, lower-than-expected Apple sales, and worse-than-expected new business development.

Note: Priced as of 17 August 2026;

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Source: Wind, HSBC Qianhai Securities estimates