# China Equity Strategy

## Thematic Rotation into Financials, Commodities and Healthcare; Earnings-Backed Alpha Screen

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For September, we regard AI names to still be at attractive entry points, though the alpha set is broadening. We examine the investment opportunities in China equities via four lenses, namely price momentum, domestic mutual fund holdings, offshore positioning shifts and financial fundamentals. Our analysis is a two-track framework: for crowded sectors, the test is whether EPS growth can absorb valuation compression (a hurdle IT/AI currently clears); for under-owned sectors, it is whether earnings acceleration justifies a positioning rebuild. Our conclusions are twofold. **On AI, we remain constructive, favoring domestic AI supply chain players: Iluvatar CoreX (H), V-Test (A), JCET (A), AMEC (A), and NAURA (A). MXCN/CSI-300 IT sector FTM EPS growth stands at 46%/52%, enough to cushion any P/E compression from a bear-flattening UST curve** (Figure 6). **Beyond AI and high shareholder-return names, we also favor healthcare, brokers, shipping, ports, logistics, and chemicals. Our screen identifies A-shares with two consecutive quarters of accelerating earnings and improving OCF in 2Q26** (Figure 5).

- **Rebalancing continues into the less crowded, under-owned areas.** Investors we met in China and Singapore appeared midway through a portfolio rebalancing, with the majority actively seeking diversification. Gold, healthcare, and high yielders have become the default parking spots for incremental flows. The share of investors doing such rotation also raises the question of whether positioning is swinging to another extreme. The performance over the five trading days ending 1 Sep revealed a broadening of leadership, with the smartphone supply chain staying strong amidst Apple new product release on 9 Sep, while cloud computing, data centers, E-CNY and cybersecurity also caught up. In the non-AI space, entertainment and banks (notably SOE banks) stood out. We think themes such as entertainment, E-CNY and cybersecurity likely benefited from onshore investors` shift to small-cap to avoid selling pressure in mutual-fund crowded areas. Among the underperformers on past 5-day returns, energy storage and grid proxies got hurt by the US ban on China-made electrical equipment; healthcare gave back some of their previous gains; and traditional domestic demand names remain weak as evidenced by airlines, auto, domestic brands and retail in general.

- **Onshore mutual fund positioning: overlay the under-owned with EPS growth.** As of Q2 2026, onshore active mutual funds allocated 46% of their portfolios to IT, sitting 3.9SD above the historical mean—an extreme concentration unmatched by any other sector over the past decade (Figure 3 and Figure 4). This crowding reflects two reinforcing forces: fund managers actively adding to tech amid the AI and domestic semiconductor cycle, and tech-themed funds' AUM growing faster than peers, which mechanically lifts the sector's aggregate weight even without incremental buying decisions. On the other hand, consumer discretionary, staples and healthcare was at -3.3SD, -1.8SD, and -1.5SD below their respective historical means. While the former two are subject to concerns over weak domestic demand, healthcare became the easy choice supported by its healthy FTM EPS

**See page 13 for analyst certification and important disclosures, including non-US analyst disclosures.**

growth of c20%. Beyond healthcare, we see financials (at -1.1SD, in particular broker leaders) and industrials (at -0.9SD, transports as outperformers) also being supported by resilient EPS growth.

- **Offshore investor positioning & the impact of UST YTM increase on China equities.** JPM Asia Equity Strategy team notes that regional LO investors' key OWs are now in China EV/electrification (CATL the most OW stock in the region), consumer space (including Internet), as well as India banks and Korea holdcos and banks (Figure 28 - Figure 33). Key UWs were in Taiwan Financials, China Financials, most China small-caps, India Commodities, and now in Korea Tech. Amidst rising concerns over the AI trade, most of the allocation increases were in the form of trimming of UW positions, including several spaces in China (Financials, Tech and Defensives). Our regional strategists note that in the near term, a combination of (1)likely more restrictive monetary policy and tighter liquidity ahead, (2) worsening cycle indicators (QMI) in Asia, (3) risk aversion heading the into mid-term elections in the US, (4) a lack of new earnings catalysts until 3Q reports in October, and (5) poor seasonality offer reasons to be cautious over the coming weeks. Our study on the UST YTM yield increases' impact on China equities shows that FTM P/E multiples tend to contract during periods of bear flattener with UST 2Y YTM increasing faster than UST 10Y YTM, often amidst a policy rate hike cycle. That said, we also find that while valuation multiple contraction averaged -20% for MXCN, 1) high yielders together with healthcare, real estate and industrials tend to be less sensitive on FTM P/E contraction; and 2) outstanding FTM EPS growth can offset this at the sector level. Current consensus estimates on FTM EPS growth view IT (+46%) as the most likely sector to have EPS growth offsetting any P/E contraction.

- **Stock screens: four alpha clusters for 2H26.** To identify emerging potential fundamental winners for 2H26, we screen for A-shares with two consecutive quarters of accelerating earnings growth, simultaneous q-q and y-y acceleration in OCF in 2Q26 and market cap of >$1bn (Figure 5). The objective is to capture business cycles where improving demand, margin expansion and operating leverage are already converting into cash generation. The resulting screen highlights four distinct alpha opportunities. **First, AIDC build-out and rising technology sophistication**. Beyond volume growth, these companies are benefitting from higher product complexity, higher ASPs and better margins, including PCB, CCL, optical fibre and connectivity, optical laser chips, MLCC, and foundry. **Second, selected capex expansion**, including power/grid equipment, thermal management, battery equipment, and mining machinery, among others, though electrical equipment is now subject to the US ban on China-produced goods. **Third, improving pricing power and margin expansion across selected materials segments**, which is seen in wider chemical spreads, utilization recovery in battery separators, and product-mix upgrades in advanced materials exposed to AI and electronics demand. The common theme is a transition from industry destocking and excess capacity pressure towards a healthier supply-demand balance. **Fourth, operating leverage and yield expansion in high fixed-cost infrastructure assets**. Hydropower benefits from stronger generation volumes, railways from both passenger traffic recovery and fare optimization, and ports from throughput and pricing

improvement. This cohort's earnings acceleration is driven less by new capacity additions and more by higher asset utilization and revenue yield.

- **We maintain our OW China equities in our EM/Asia allocations and our end-2026 base case targets for the MXCN index and CSI-300 at 100 and 5,200, respectively,** underpinned by 14% and 25% consensus year-over-year EPS growth projections. Liquidity remains abundant, though yet to return to the excessive levels that we observed in June. Initial 2Q26 results show that AI remains a tier-1 growth theme outperforming the broad China equity space on financials. We believe such outperformance can support a rebound of the AI ecosystem in 3Q26, though liquidity turbulence could make the path choppy. For investors looking for diversification, our top picks in the non-AI fields include Meituan, Bank of China-H, Bank of Ningbo, CICC-H, Innovent, BYD-H and CR Land. Chinese policy makers' initiatives to balance equity issuance and buybacks may also lend support to the higher shareholder return theme in 2H26.

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## Figure 1: Thematic top/bottom performers on Aug 2026 return

| Theme | 5d price return | 1m price return | YTD price return | RSI 14d |
|---|---|---|---|---|
| CPO | 4.6 | 34.1 | 74.3 | 47.9 |
| PCB (A-shares) | 9.7 | 28.7 | 70.1 | 47.9 |
| Gold | -0.1 | 27.2 | 13.6 | 60.6 |
| CDMO | -3.9 | 24.8 | 52.5 | 58.5 |
| High US exposure | -3.3 | 19.4 | 60.9 | 63.6 |
| Rare earth (A-shares) | 2.6 | 18.5 | 21.5 | 47.9 |
| Healthcare leaders | -4.7 | 18.4 | 47.1 | 55.4 |
| Huawei supply chain | 9.4 | 17.4 | 27.9 | 57.8 |
| Smartphone supply chain | 7.7 | 17.3 | 43.2 | 47.9 |
| Nuclear fusion | 3.3 | 16.5 | -0.1 | 48.4 |
| Smartgrid | -3.4 | -3.6 | -8.8 | 47.9 |
| Domestic brands | -3.1 | -3.8 | -17.6 | 42.8 |
| Online gaming | 1.4 | -4.1 | -20.8 | 47.9 |
| Infrastructure | -1.3 | -4.3 | -8.2 | 38.0 |
| Solar | -3.0 | -4.4 | -35.9 | 47.9 |
| Retail | 0.5 | -6.6 | -21.7 | 37.3 |
| Auto | -4.5 | -9.3 | -25.3 | 37.3 |
| Pure EV | -2.4 | -9.5 | -27.6 | 39.9 |
| Internet | 0.6 | -10.0 | -29.0 | 32.6 |
| Airlines | -5.1 | -12.5 | -47.0 | 33.4 |

Source: Bloomberg Finance L.P. (31 Aug 2026)

## Figure 2: Thematic top/bottom performers on 5d return ending 1 Sep

| Theme | 5d price return | 1m price return | YTD price return | RSI 14d |
|---|---|---|---|---|
| Entertainment | 8.5 | 11.2 | -13.5 | 65.3 |
| Cybersecurity | 6.9 | 3.5 | -24.7 | 47.9 |
| Huawei supply chain | 6.1 | 15.0 | 25.4 | 57.8 |
| Cloud computing (A-share) | 6.0 | 4.0 | -9.8 | 47.9 |
| DeepSeek ecosystem | 5.1 | 0.2 | -20.9 | 47.9 |
| SOE banks | 4.3 | 4.2 | 19.1 | 73.9 |
| E-CNY | 4.2 | 6.8 | -31.0 | 47.9 |
| Quantum Computing | 4.0 | 12.2 | 23.0 | 47.9 |
| Autonomous driving | 3.9 | 4.6 | -11.6 | 47.9 |
| Coal | 3.6 | 11.1 | 25.5 | 67.1 |
| Retail | -3.2 | -8.3 | -23.1 | 37.3 |
| Domestic brands | -3.3 | -3.6 | -17.5 | 42.8 |
| Pharmaceuticals | -3.8 | -2.6 | -15.1 | 41.1 |
| Smartgrid | -4.6 | -4.4 | -9.5 | 47.9 |
| Pure EV | -4.8 | -9.9 | -27.9 | 39.9 |
| Biotech | -4.9 | 7.0 | 12.1 | 47.1 |
| Auto | -5.5 | -9.6 | -25.5 | 37.3 |
| Healthcare leaders | -5.8 | 18.5 | 47.2 | 55.4 |
| Airlines | -6.9 | -12.8 | -47.1 | 33.4 |
| Energy storage | -7.4 | -1.2 | -7.9 | 36.0 |

Source: Bloomberg Finance L.P. (1 Sep 2026)

## Figure 3: Onshore mutual funds' percentage sector positioning

| Sector | 06 '26 | 12 '25 | 06 '25 | 12 '24 | 06 '24 | 12 '23 | 06 '23 | 12 '22 | 06 '22 | 12 '21 | 06 '21 | 12 '20 | 06 '20 | 12 '19 | 06 '19 | 12 '18 | 06 '18 | 12 '17 | 06 '17 | 12 '16 | 06 '16 | 12 '15 | 06 '15 | 12 '14 | 06 '14 | 12 '13 | 06 '13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IT | 46 | 28 | 26 | 23 | 20 | 22 | 24 | 19 | 17 | 19 | 17 | 18 | 23 | 21 | 16 | 15 | 14 | 15 | 15 | 16 | 20 | 23 | 20 | 13 | 16 | 14 | 11 |
| Industrials | 12 | 15 | 14 | 15 | 15 | 14 | 15 | 17 | 16 | 16 | 14 | 13 | 10 | 10 | 9 | 11 | 9 | 13 | 14 | 18 | 17 | 16 | 16 | 15 | 14 | 15 | 13 |
| Materials | 11 | 14 | 8 | 8 | 9 | 9 | 9 | 11 | 15 | 15 | 13 | 12 | 6 | 7 | 5 | 6 | 9 | 10 | 10 | 10 | 11 | 9 | 7 | 7 | 6 | 6 | 5 |
| Healthcare | 9 | 13 | 15 | 14 | 14 | 18 | 15 | 16 | 14 | 13 | 16 | 14 | 21 | 13 | 12 | 12 | 14 | 9 | 11 | 11 | 11 | 10 | 11 | 9 | 16 | 15 | 14 |
| Cons Discre | 5 | 10 | 13 | 13 | 11 | 10 | 9 | 9 | 10 | 10 | 11 | 13 | 11 | 13 | 13 | 12 | 14 | 14 | 14 | 13 | 12 | 14 | 11 | 11 | 13 | 14 | 12 |
| Cons Staples | 3 | 5 | 7 | 7 | 8 | 10 | 9 | 12 | 11 | 10 | 11 | 13 | 13 | 12 | 16 | 11 | 11 | 10 | 6 | 5 | 6 | 4 | 4 | 5 | 7 | 9 | 8 |
| Financials | 2 | 3 | 4 | 4 | 3 | 3 | 2 | 2 | 3 | 4 | 5 | 5 | 3 | 8 | 10 | 10 | 6 | 9 | 8 | 5 | 4 | 4 | 6 | 16 | 4 | 5 | 6 |
| Energy | 1 | 1 | 1 | 2 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 2 |
| Utilities | 0 | 1 | 1 | 1 | 3 | 2 | 2 | 2 | 2 | 2 | 1 | 0 | 0 | 1 | 1 | 2 | 1 | 1 | 3 | 3 | 3 | 3 | 2 | 2 | 1 | 1 | 2 |
| Real Estate | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 4 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 7 | 3 | 3 | 6 |
| Comm Svs | 0.3 | 0.8 | 1.5 | 1.4 | 1.5 | 0.9 | 0.4 | 0.3 | 0.3 | 0.1 | 0.2 | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 | 0.2 | 0.8 | 0.7 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |

Source: Wind (2 Sep 2026)

## Figure 4: Onshore mutual funds' sector holding on standard deviation vs respective history

| Sector | 06 '26 | 12 '25 | 06 '25 | 12 '24 | 06 '24 | 12 '23 | 06 '23 | 12 '22 | 06 '22 | 12 '21 | 06 '21 | 12 '20 | 06 '20 | 12 '19 | 06 '19 | 12 '18 | 06 '18 | 12 '17 | 06 '17 | 12 '16 | 06 '16 | 12 '15 | 06 '15 | 12 '14 | 06 '14 | 12 '13 | 06 '13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IT | 3.5 | 1.2 | 0.9 | 0.5 | 0.0 | 0.3 | 0.6 | -0.1 | -0.4 | -0.1 | -0.4 | -0.2 | 0.6 | 0.1 | -0.5 | -0.8 | -0.9 | -0.7 | -0.7 | -0.5 | 0.1 | 0.5 | 0.1 | -0.9 | -0.5 | -0.9 | -1.3 |
| Industrials | -0.9 | 0.4 | -0.1 | 0.6 | 0.5 | 0.1 | 0.5 | 1.2 | 1.0 | 0.9 | 0.0 | -0.4 | -1.6 | -1.5 | -2.0 | -1.2 | -2.0 | -0.6 | 0.0 | 1.7 | 1.1 | 0.8 | 0.8 | 0.3 | 0.0 | 0.6 | -0.3 |
| Materials | 0.7 | 1.8 | -0.4 | -0.5 | 0.0 | 0.1 | 0.0 | 0.5 | 1.9 | 1.9 | 1.4 | 0.9 | -1.1 | -0.9 | -1.4 | -1.2 | 0.1 | 0.3 | 0.2 | 0.4 | 0.6 | 0.0 | -0.8 | -0.8 | -1.1 | -1.0 | -1.3 |
| Healthcare | -1.5 | -0.2 | 0.7 | 0.2 | 0.4 | 1.6 | 0.7 | 0.9 | 0.1 | -0.2 | 0.8 | 0.4 | 2.7 | 0.0 | -0.3 | -0.3 | 0.3 | -1.7 | -1.0 | -0.8 | -1.0 | -1.3 | -0.7 | -1.4 | 1.0 | 0.5 | 0.1 |
| Cons Discre | -3.3 | -0.9 | 0.5 | 0.6 | -0.5 | -1.0 | -1.1 | -1.1 | -0.5 | -0.9 | -0.2 | 0.5 | -0.2 | 0.6 | 0.5 | 0.2 | 1.2 | 1.0 | 1.2 | 0.9 | 0.1 | 1.2 | -0.1 | -0.4 | 0.7 | 1.0 | 0.1 |
| Cons Staples | -1.8 | -1.1 | -0.6 | -0.5 | -0.2 | 0.3 | 0.2 | 1.0 | 0.8 | 0.4 | 0.7 | 1.4 | 1.3 | 1.0 | 2.3 | 0.7 | 0.6 | 0.3 | -0.7 | -1.2 | -0.8 | -1.3 | -1.3 | -1.2 | -0.5 | 0.1 | -0.1 |
| Financials | -1.1 | -0.7 | -0.4 | -0.5 | -0.6 | -0.8 | -0.9 | -0.9 | -0.7 | -0.5 | -0.2 | 0.0 | -0.8 | 0.8 | 1.5 | 1.4 | 0.3 | 1.0 | 1.0 | -0.2 | -0.4 | -0.6 | 0.1 | 3.5 | -0.3 | -0.1 | 0.2 |
| Energy | -0.5 | -0.6 | -0.8 | 0.3 | 2.1 | 1.6 | 0.1 | 0.1 | -0.1 | -1.2 | -0.9 | -1.6 | -1.9 | -0.4 | -0.4 | 1.1 | 1.0 | 0.0 | -0.4 | 0.8 | 0.6 | -1.0 | -0.9 | 0.0 | 0.4 | 0.8 | 1.9 |
| Utilities | -1.4 | -1.2 | -0.8 | -0.1 | 1.9 | 0.3 | 0.4 | 0.1 | 0.0 | 0.6 | -1.2 | -1.5 | -1.6 | -0.9 | -0.5 | 0.9 | -0.2 | -0.3 | 1.4 | 1.2 | 1.9 | 3.2 | -0.1 | 0.5 | -0.6 | -0.3 | 0.3 |
| Real Estate | -1.0 | -0.9 | -0.7 | -0.7 | -0.7 | -0.8 | -0.8 | -0.5 | -0.5 | -0.6 | -0.8 | -0.7 | -0.5 | 0.9 | 0.5 | 0.9 | 0.1 | 0.2 | -0.2 | -0.3 | -0.2 | -0.1 | 0.4 | 3.1 | 0.6 | 0.8 | 2.5 |
| Comm Svs | -0.4 | 0.7 | 2.5 | 2.2 | 2.5 | 1.1 | -0.2 | -0.4 | -0.4 | -0.7 | -0.5 | -0.9 | -0.8 | -0.9 | -0.5 | -0.3 | -0.8 | -0.5 | 0.7 | 0.5 | -0.6 | -0.6 | -0.4 | -0.4 | -0.2 | -0.4 | -0.4 |

Source: Wind (2 Sep 2026)

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Figure 5: A-share stock screen ranked by YTD return: (1) two consecutive quarters of accelerating earnings growth, (2) simultaneous q-q and y-y acceleration in operating cash flow in 2Q26, (3) market cap > $1bn

| RIC Code | Name | Name | GICS Sector | Market cap (US$ bn) | YTD return (%) | FTM PE (x) | FY1 EPS growth (%) | Net profit q-q 1Q26 (%) | Net profit q-q 2Q26 (%) | OCF q-q 2Q26 (%) | OCF y-y 2Q26 (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 601869.SH | Yangtze Optical Fibre and Cable Joint Stock Co | 长飞光纤 | Information Technology | 24.2 | 251 | 30 | 832 | 44 | 391 | 95 | 197 |
| 688498.SH | Yuanjie Semiconductor Technology | 源杰科技 | Information Technology | 27.5 | 234 | 148 | 304 | 111 | 138 | 1030 | 597 |
| 300408.SZ | Chaozhou Three-circle (Group) | 三环集团 | Information Technology | 31.2 | 137 | 38 | 69 | 20 | 44 | 628 | 29 |
| 002859.SZ | Zhejiang Jiemei Electronic and Technology | 洁美科技 | Materials | 4.3 | 132 | 47 | 105 | 9 | 88 | 221 | 37 |
| 300285.SZ | Shandong Sinocera Functional Material | 国瓷材料 | Materials | 9.5 | 129 | 64 | 33 | 18 | 55 | 70 | 19 |
| 688347.SH | Hua Hong Grace Semiconductor | 华虹宏力 | Information Technology | 15.2 | 125 | 256 | 254 | 11 | 86 | 173 | 97 |
| 600183.SH | Shengyi Technology | 生益科技 | Information Technology | 52.2 | 104 | 35 | 115 | 30 | 84 | 322 | 44 |
| 601872.SH | China Merchants Energy Shipping | 招商轮船 | Energy | 22.1 | 101 | 11 | 135 | 2 | 52 | 46 | 124 |
| 001389.SZ | Delton Technology (Guangzhou) Inc | 广合科技 | Information Technology | 9.9 | 91 | 20 | 107 | 34 | 43 | 93 | 155 |
| 002768.SZ | Qingdao Gon Technology | 国恩股份 | Materials | 3.7 | 75 | 23 | 16 | 13 | 55 | 43 | 24 |
| 002648.SZ | Satellite Chemical | 卫星化学 | Materials | 14.3 | 59 | 9 | 101 | 36 | 94 | 236 | 115 |
| 300257.SZ | Kaishan Group | 开山股份 | Industrials | 2.7 | 30 | NULL | NULL | 33 | 40 | 693 | 9 |
| 002167.SZ | Guangdong Orient Zirconic Ind Sci & Tech | 东方锆业 | Materials | 1.9 | 29 | NULL | NULL | 44 | 196 | 310 | 18 |
| 001872.SZ | China Merchants Port Group | 招商港口 | Industrials | 8.4 | 29 | NULL | NULL | 41 | 46 | 113 | 24 |
| 603127.SH | Joinn Laboratories China | 昭衍新药 | Health Care | 4.2 | 28 | 67 | 82 | 10 | 114 | 158 | 238 |
| 300223.SZ | Ingenic Semiconductor Co., | 君正股份 | Information Technology | 9.7 | 25 | 25 | 388 | 165 | 175 | 243 | 188 |
| 301376.SZ | Zieli Home Furnishing Technology | 致欧科技 | Consumer Discretionary | 1.3 | 24 | 16 | 47 | 17 | 127 | 130 | 45 |
| 300739.SZ | Sunshine Global Circuits | 明阳电路 | Information Technology | 1.3 | 23 | NULL | NULL | 73 | 124 | 132 | 767 |
| 300820.SZ | Sichuan Injet Electric | 英杰电气 | Industrials | 1.9 | 20 | 33 | 45 | 22 | 66 | 216 | 112 |
| 300628.SZ | Yealink Xiamen Network Technology | 亿联网络 | Information Technology | 7.9 | 20 | 15 | 23 | 2 | 32 | 127 | 12 |
| 002222.SZ | Castech Inc | 福晶科技 | Information Technology | 4.7 | 18 | NULL | NULL | 8 | 77 | 213 | 175 |
| 002635.SZ | Suzhou Anjie Technology | 安洁科技 | Industrials | 1.5 | 13 | NULL | NULL | 226 | 270 | 180 | 40 |
| 002128.SZ | Inner Mongolia Dian Tou Energy Corp | 电投能源 | Energy | 13.7 | 10 | 8 | 39 | 54 | 64 | 111 | 174 |
| 600900.SH | China Yangtze Power | 长江电力 | Utilities | 103.4 | 10 | 19 | 8 | 7 | 18 | 6 | 2 |
| 000722.SZ | Hunan Energy Group Development | 湖南发展 | Utilities | 1.2 | 9 | NULL | NULL | 61 | 1214 | 1642 | 431 |
| 688578.SH | Shanghai Allist Pharmaceuticals | 艾力斯 | Health Care | 7.3 | 7 | 15 | 33 | 11 | 42 | 61 | 27 |
| 300726.SZ | Zhuzhou Hongda Electronics Corp | 宏达电子 | Information Technology | 3.3 | 5 | NULL | NULL | 27 | 40 | 1599 | 41 |
| 603055.SH | Zhejiang Taihua New Material Group | 台华新材 | Consumer Discretionary | 1.3 | 3 | 11 | 37 | 17 | 91 | 17 | 175 |
| 688617.SH | APT Medical Inc | 惠泰医疗 | Health Care | 5.3 | 1 | 29 | 28 | 16 | 34 | 86 | 28 |
| 688981.SH | Semiconductor Manufacturing International Corp | 中芯国际 | Information Technology | 47.8 | (0) | 101 | 96 | 11 | 128 | 205 | 121 |
| 301175.SZ | Beijing China Sciences Runyu Environmental Technology | 中科环保 | Industrials | 1.3 | (2) | 16 | 28 | 3 | 65 | 278 | 43 |
| 301029.SZ | Dongguan Yiheda Automation | 怡合达 | Industrials | 2.4 | (2) | 22 | 29 | 37 | 46 | 42 | 18 |
| 601816.SH | Beijing-Shanghai High Speed Railway | 京沪高铁 | Industrials | 35.7 | (3) | 16 | 10 | 10 | 15 | 42 | 15 |
| 688018.SH | Espressif Systems (Shanghai) Co., | 乐鑫科技 | Information Technology | 4.3 | (3) | 35 | 34 | 12 | 46 | 1920 | 75 |
| 002545.SZ | Qingdao East Steel Tower Stock | 东方铁塔 | Materials | 3.4 | (3) | NULL | NULL | 6 | 43 | 31 | 60 |
| 603235.SH | JiangXi Tianxin Pharmaceutical | 天新药业 | Consumer Staples | 1.6 | (7) | NULL | NULL | 12 | 17 | 80 | 53 |
| 601100.SH | Jiangsu Hengli Hydraulic Co., | 恒立液压 | Industrials | 20.3 | (8) | 34 | 21 | 1 | 20 | 42 | 30 |
| 603599.SH | Anhui Guangxin Agrochemical | 广信股份 | Materials | 1.4 | (10) | 9 | 47 | 15 | 27 | 12 | 106 |
| 002444.SZ | Hangzhou GreatStar Industrial | 巨星科技 | Consumer Discretionary | 5.4 | (11) | 11 | 15 | 45 | 53 | 988 | 70 |
| 002812.SZ | Yunnan Energy New Material (Group) | 恩捷股份 | Materials | 7.6 | (11) | 15 | 1,283 | 14 | 115 | 362 | 1011 |
| 603193.SH | Runben Biotechnology | 润本股份 | Consumer Staples | 1.3 | (12) | 20 | 22 | 9 | 228 | 11373 | 26 |
| 002703.SZ | Zhejiang Shibao | 浙江世宝 | Consumer Discretionary | 1.6 | (14) | NULL | NULL | 36 | 48 | 1741 | 1189 |
| 002511.SZ | C&S Paper | 中顺洁柔 | Consumer Staples | 1.4 | (17) | 18 | 37 | 16 | 20 | 6 | 411 |
| 603915.SH | Jiangsu Guomao Reducer | 国茂股份 | Industrials | 1.4 | (24) | 25 | 41 | 11 | 51 | 5115 | 102 |
| 601608.SH | CITIC Heavy Industries | 中信重工 | Industrials | 3.3 | (27) | 36 | 48 | 5 | 20 | 1788 | 304 |
| 603262.SH | TSI Group | 技源集团 | Consumer Staples | 1.2 | (29) | 43 | (5) | 34 | 119 | 269 | 88 |
| 002050.SZ | Zhejiang Sanhua Intelligent Controls | 三花智控 | Industrials | 20.0 | (35) | 29 | 8 | 13 | 20 | 26 | 73 |
| 300450.SZ | Wuxi Lead Intelligent Equipment | 先导智能 | Industrials | 7.6 | (36) | 17 | 53 | 7 | 36 | 127 | 91 |

Source: Wind (2 Sep 2026), J.P. Morgan.

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Figure 6: MXCN performance during selected periods of UST 10Y YTM rising by at least 50bps

| | Since 1990s | | | Since 2010 | | |
|---|---|---|---|---|---|---|
| ***FTM PE change*** | **Median** | **Bear steepener** | **Bear flattener** | **Median** | **Bear steepener** | **Bear flattener** |
| MSCI CHINA | 3.0 | 6.4 | -3.5 | -7.9 | 6.4 | 19.8 |
| IT | 6.1 | 8.2 | -14.3 | -7.2 | 6.1 | 21.7 |
| Energy | 9.1 | 9.5 | 0.7 | 5.6 | 9.1 | 25.0 |
| Financials | -0.6 | 2.6 | -3.8 | -3.5 | -1.8 | 10.7 |
| Industrials | 3.2 | 3.5 | 2.0 | -8.6 | -7.6 | 11.9 |
| Materials | 2.9 | 13.1 | -15.7 | -0.8 | 9.1 | 34.8 |
| Utilities | -3.3 | -3.0 | -5.7 | -6.7 | -3.5 | 10.0 |
| REALES | 3.8 | 13.0 | -2.9 | 3.8 | 13.0 | -2.9 |
| COMM Services | 0.0 | -0.2 | 0.3 | -7.5 | -6.5 | 32.4 |
| Cons Discr | 7.3 | 19.4 | 4.9 | 16.2 | 0.8 | 23.8 |
| Health Care | -3.2 | -3.4 | 5.9 | -3.3 | -3.4 | -1.4 |
| Cons Staples | 6.6 | 17.6 | -9.8 | -6.8 | 0.2 | 17.3 |

| | Since 1990s | | | Since 2010 | | |
|---|---|---|---|---|---|---|
| ***FTM EPS change*** | **Median** | **Bear steepener** | **Bear flattener** | **Median** | **Bear steepener** | **Bear flattener** |
| MSCI CHINA | 4.8 | 0.7 | 10.3 | 2.9 | 0.9 | 6.6 |
| IT | 5.5 | 6.6 | -5.6 | 12.8 | 15.2 | 10.4 |
| Energy | 0.5 | -3.3 | 24.9 | 5.9 | -6.7 | 63.4 |
| Financials | 5.1 | 1.2 | 8.7 | 6.7 | 1.2 | 8.3 |
| Industrials | 0.1 | 0.0 | 7.3 | -0.2 | 0.0 | -0.4 |
| Materials | 3.3 | -1.7 | 32.0 | 6.3 | -6.4 | 46.3 |
| Utilities | 2.5 | 3.7 | 1.2 | -0.1 | -0.6 | 8.3 |
| REALES | -3.9 | -15.9 | 0.9 | -3.9 | -15.9 | 0.9 |
| COMM Services | 3.4 | 2.1 | 6.2 | 2.7 | 3.4 | -11.0 |
| Cons Discr | -2.4 | 1.9 | -4.5 | -1.1 | 1.9 | -4.1 |
| Health Care | 2.0 | 2.0 | -0.3 | 4.6 | 6.4 | 2.9 |
| Cons Staples | 2.5 | 1.1 | 2.5 | -3.1 | -8.8 | 0.0 |

| | Since 1990s | | | Since 2010 | | |
|---|---|---|---|---|---|---|
| ***Price change*** | **Median** | **Bear steepener** | **Bear flattener** | **Median** | **Bear steepener** | **Bear flattener** |
| MSCI CHINA | 6.9 | 8.7 | 6.8 | -6.1 | -2.9 | -14.0 |
| Information Technology | 8.7 | 18.1 | -5.8 | 3.5 | 31.6 | -13.9 |
| Energy | 15.1 | 3.7 | 24.1 | 5.6 | 3.0 | 25.5 |
| Financials | 13.2 | 16.6 | 8.0 | -4.2 | -3.4 | -5.1 |
| Industrials | 6.4 | 6.4 | 3.2 | -6.7 | -4.9 | -12.4 |
| Materials | 8.6 | 15.9 | 7.5 | -5.9 | -3.6 | -10.7 |
| Utilities | 1.3 | 1.3 | 2.8 | -9.6 | -12.6 | -6.6 |
| REALES | -11.3 | 5.9 | -13.1 | -11.3 | 5.9 | -13.1 |
| COMM Services | 1.1 | 1.3 | 1.0 | -13.7 | -3.5 | -31.0 |
| Cons Discr | 2.8 | 7.3 | -3.5 | -13.3 | -1.7 | -28.8 |
| Health Care | -0.6 | -1.0 | 6.9 | -2.3 | -3.7 | 5.3 |
| Cons Staples | 10.6 | 9.4 | 12.6 | -18.2 | -17.5 | -21.7 |

Source: LSEG Workspace (3 Sep 2026), Wind (3 Sep 2026)

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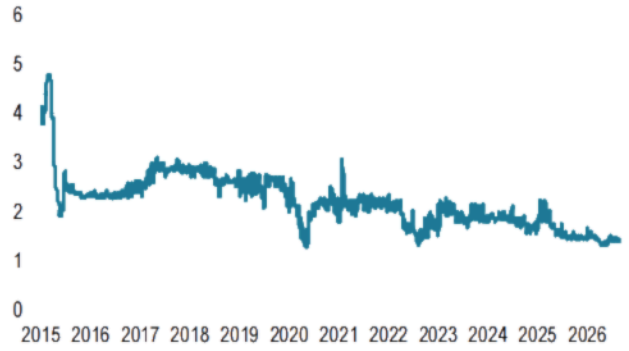




# Flows & Positioning

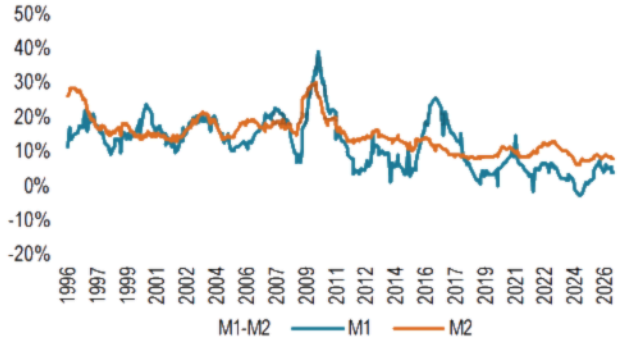
## 1. Macro indicators

Figure 7: Rolling 5-day DR007




Source: Wind (1 Sep 2026).

Figure 8: M1, M2, and M1-M2



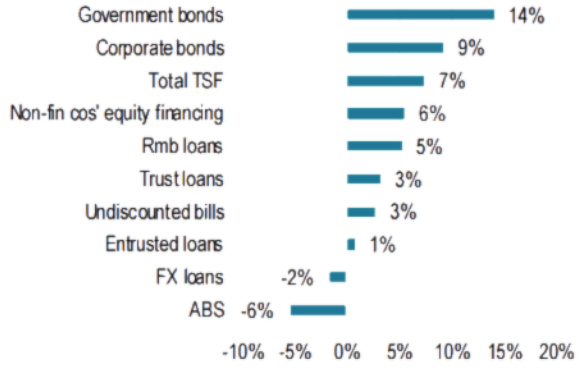

Source: Wind (1 Sep 2026).

Figure 9: China total social financing (TSF) balance y-y



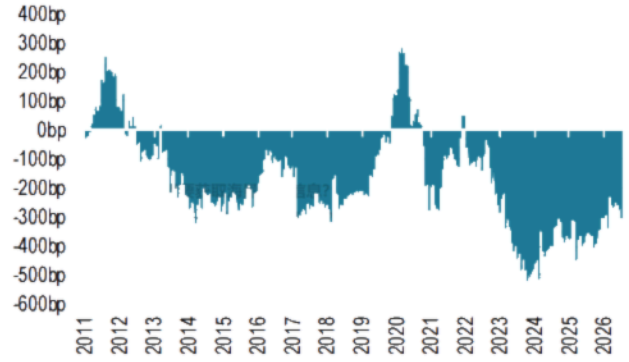

Source: Wind (1 Sep 2026).

Figure 10: China TSF balance y-y by segment in June



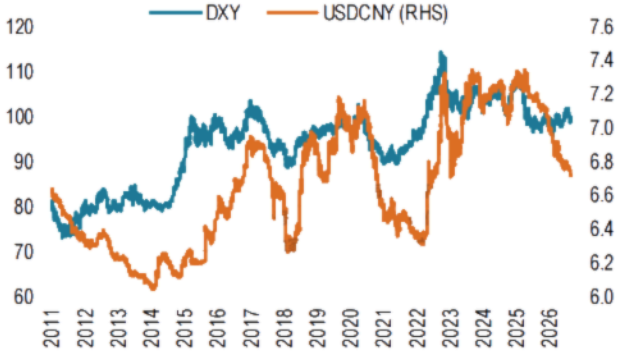

Source: Wind (1 Sep 2026).

Figure 11: China-US real 10-year government bond yield spread




Source: Wind (1 Sep 2026).

Figure 12: DXY and USD/CNY




Source: Wind (1 Sep 2026).

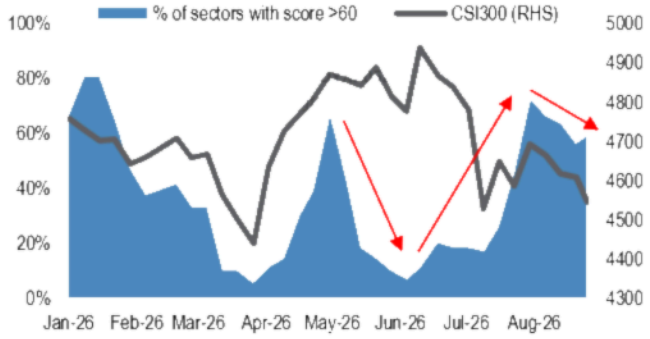
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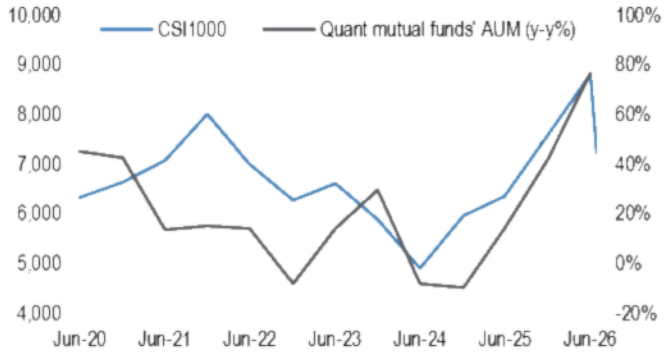
## 2. A-share flows and positioning

Figure 13: A-share L3 sector momentum tracker (Max=100, Min=0): As expected, the breadth of return leadership narrowed along with a softer market turnover




Source: Wind (02 Sep 2026).

Figure 14: Onshore quant mutual fund AUM vs. CSI1000




Source: Wind (28 July 2026).

Figure 15: A-share sector momentum tracker (Max=100, Min=0), ranked by the latest score. Improving momentum in upstream (paper, coal, chemicals, metals), and select consumer sectors (durables, leisure, and hog).

| Industry | Industry | 8/7/2026 | 9/2/2026 | change | Ticker | #1 stock by mkt cap |
|---|---|---|---|---|---|---|
| **Top 10** | | | | | | |
| Paper & Forest Products | 纸与林业产品 | 69 | 100 | 31 | 002078.SZ | Shandong Sun Paper Co Ltd |
| Building Products | 建筑产品Ⅲ | 23 | 100 | 77 | 603256.SH | Grace Fabric Technology Co Ltd |
| Household Durables | 家庭耐用消费品 | 55 | 100 | 45 | 603816.SH | Jason Furniture Hangzhou Co Ltd |
| Coal | 煤炭Ⅲ | 72 | 100 | 28 | 601088.SH | China Shenhua Energy Co Ltd |
| Basic Chemicals | 基础化工 | 55 | 94 | 39 | 600309.SH | Wanhua Chemical Group Co Ltd |
| Hotels, Restaurants & Leisure | 酒店、餐馆与休闲 | 84 | 94 | 10 | 600754.SH | Shanghai Jin Jiang International Hotels Co Ltd |
| Food Products | 食品 | 94 | 94 | 0 | 002714.SZ | Muyuan Foods Group Co Ltd |
| Precious Metals | 贵金属 | 84 | 92 | 8 | 601899.SH | Zijin Mining Group Co Ltd |
| Marine Transport | 海上运输Ⅲ | 80 | 86 | 6 | 601919.SH | COSCO Shipping Holdings Co Ltd |
| Other Metals & Mining | 其他金属与采矿 | 56 | 81 | 25 | 603993.SH | CMOC Group Ltd |
| **Bottom 10** | | | | | | |
| Industrials Conglomerates | 工业集团Ⅲ | 80 | 20 | (60) | 000009.SZ | China Baoan Group Co Ltd |
| Software | 软件 | 78 | 17 | (61) | 300033.SZ | Hithink RoyalFlush Information Network Co Ltd |
| Entertainment | 娱乐 | 83 | 17 | (66) | 002602.SZ | Zhejiang Century Huatong Group Co Ltd |
| Pharmaceuticals | 制药 | 92 | 16 | (76) | 688235.SH | BeOne Medicines AG |
| Electric Utilities | 电力 | 80 | 12 | (68) | 600900.SH | China Yangtze Power Co Ltd |
| Energy Equip & Svcs | 能源设备与服务 | 65 | 11 | (54) | 002353.SZ | Yantai Jereh Oilfield Services Group Co Ltd |
| Electrical Equipment | 电气设备Ⅲ | 55 | 5 | (50) | 300750.SZ | Contemporary Amperex Technology Co Ltd |
| Beverages | 饮料 | 100 | 5 | (95) | 600519.SH | Kweichow Moutai Co Ltd |
| Airlines | 航空客运Ⅲ | 74 | 0 | (74) | 601111.SH | Air China Ltd |
| Automobiles | 汽车 | 80 | 0 | (80) | 002594.SZ | BYD Co Ltd |

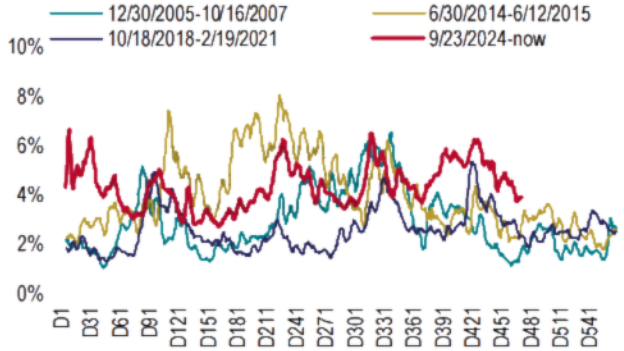
Source: Wind (02 Sep 2026).

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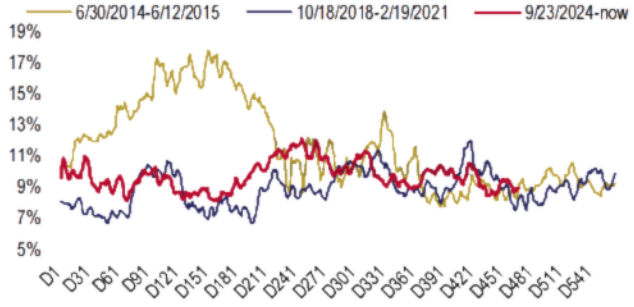


Figure 16: A-share velocity: 5-day rolling average



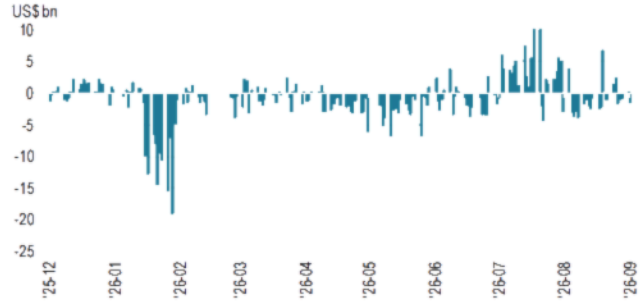

Source: Wind (1 Sep 2026)

Figure 17: Margin buy as % of A-share turnover: 5-day rolling average



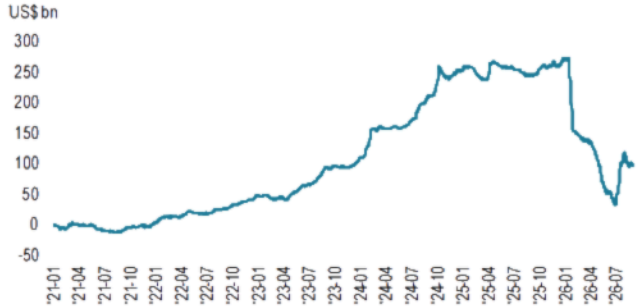

Source: Wind (1 Sep 2026)

Figure 18: A-share ETF daily inflows




Source: Wind (1 Sep 2026)

Figure 19: A-share ETF cumulative inflows



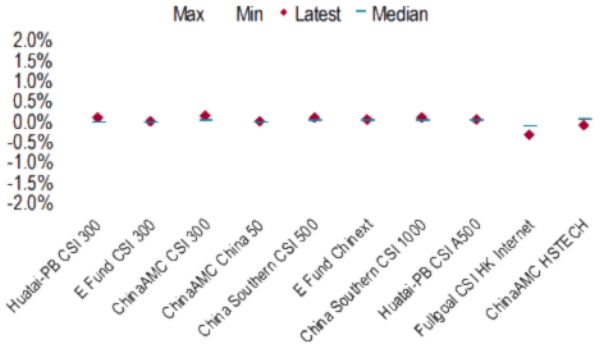

Source: Wind (1 Sep 2026)

Figure 20: 800-plus A-share ETFs' net flow by key benchmark

| Inflows in (Rmb bn) | 18 Dec 2023 - 9 Feb 2024 | 19 Feb 2024 - 9 Jan 2026 | Jul 2026 | Aug 2026 |
|---|---|---|---|---|
| CSI300 | 254.3 | 356.7 | 44.8 | -19.4 |
| SSE50 + A50 | 35.1 | 30.0 | 2.7 | -1.9 |
| A500 | 0.0 | 204.9 | 45.2 | -1.0 |
| CSI500 | 32.5 | 31.6 | 23.4 | -8.0 |
| CSI1000 | 29.8 | 58.0 | 45.0 | -30.2 |
| CSI2000 | 6.2 | -5.4 | 4.6 | 0.8 |
| Chinext | 24.6 | -15.1 | 41.6 | -6.1 |
| STAR | 9.4 | -71.0 | 59.3 | -1.9 |
| Yield | 12.2 | 60.5 | -3.0 | -10.4 |
| Consumers | -2.4 | 33.0 | -0.3 | -1.1 |
| Semis | -0.4 | -25.4 | 121.5 | 8.9 |
| IT hardware | 0.0 | 0.7 | 30.1 | -4.0 |
| Rest | -0.9 | 184.2 | 123.9 | -30.0 |
| TOTAL | 400.3 | 842.6 | 538.8 | -104.3 |

Source: Wind (1 Sep 2026).

Figure 21: Select A-share ETFs' premium/discount ratios



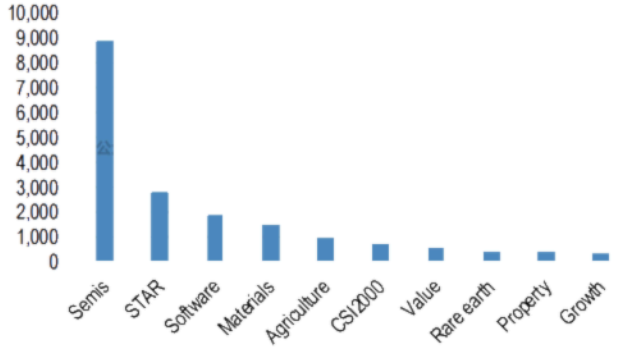

Source: Wind (1 Sep 2026).

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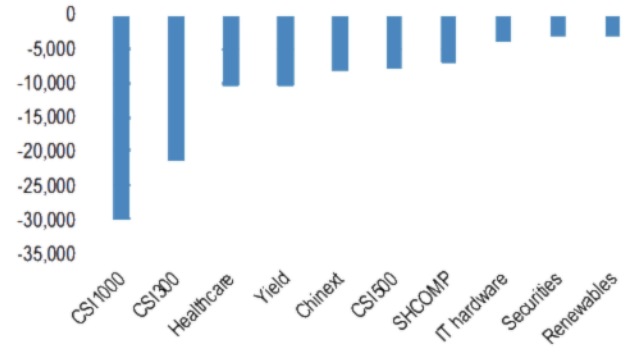


Figure 22: 800-plus A-share ETFs' top verticals of net inflow in Aug
(Rmb mn)




Source: Wind (1 Sep 2026).

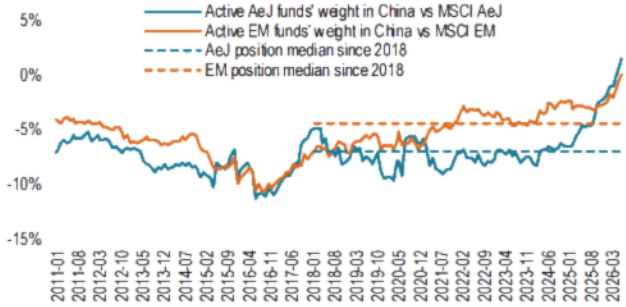
Figure 23: 800-plus A-share ETFs' top verticals of net outflow in Aug
(Rmb mn)




Source: Wind (1 Sep 2026).

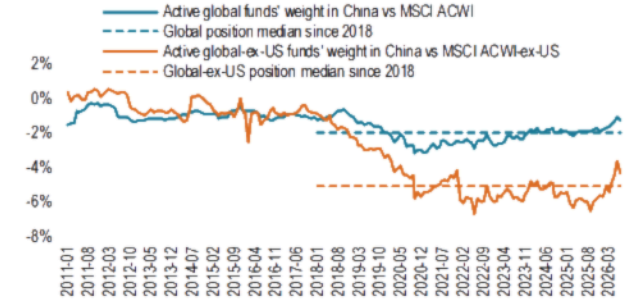
## 3. Offshore investors' positioning and flow in China equities

Figure 24: Active regional funds' position in China relative to MSCI benchmarks



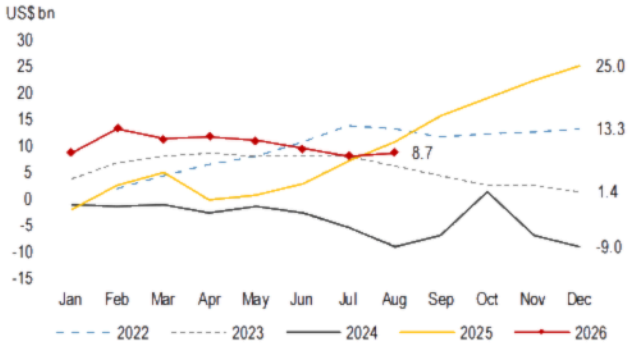

Source: EPFR Global (31 July 2026), MSCI (31 July 2026)

Figure 25: Active global funds' position in China relative to MSCI benchmarks




Source: EPFR Global (31 July 2026), MSCI (31 July 2026)

Figure 26: EPFR stock barometer tracked cumulative offshore fund flows into China equities YTD



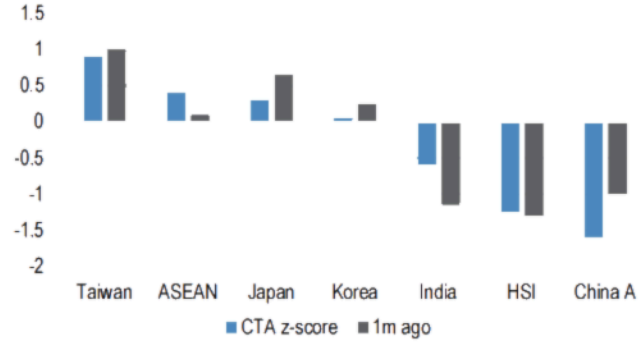

Source: EPFR Global (28 August 2026).

Figure 27: EPFR stock barometer tracked flow into China by sector

| US$ mn | 1 week | 4 weeks | 3 months |
|---|---|---|---|
| Communication Services | 12.0 | -11.9 | -790.3 |
| Consumer Discretionary | 73.5 | 64.2 | -1,063.7 |
| Consumer Staples | 8.6 | 28.4 | -32.6 |
| Energy | 20.5 | 55.0 | 93.1 |
| Financials | 74.9 | 279.8 | 139.0 |
| Health Care | 15.8 | 33.4 | 13.2 |
| Industrials | -23.1 | 31.7 | -193.2 |
| Information Technology | -78.6 | 79.8 | -255.5 |
| Materials | 19.1 | 103.5 | -14.9 |
| Real Estate | 7.2 | 14.2 | -8.8 |
| Utilities | 1.9 | 16.0 | -28.1 |
| TOTAL | 131.8 | 694.1 | -2,141.6 |

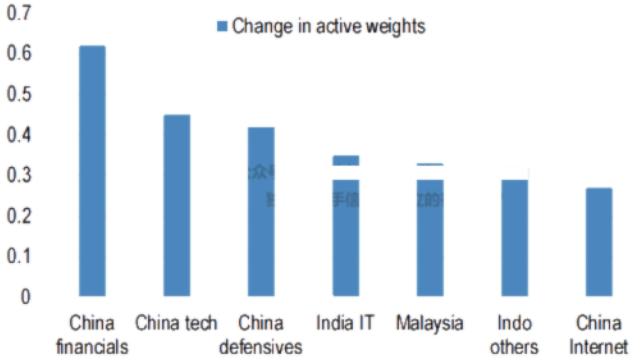
Source: EPFR Global (28 August 2026).

Figure 28: CTA positioning likely most shorts in China




Source: Bloomberg Finance L.P. (1 Sep 2026)

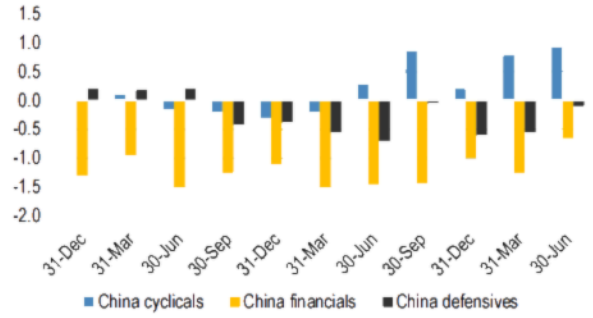
Figure 29: Biggest increases in LO investor allocation in 2Q26




Source: Bloomberg Finance L.P. (1 Sep 2026)

Figure 30: Various spaces in China continued to see improved allocations – in Financials as well as both Cyclicals and Defensive

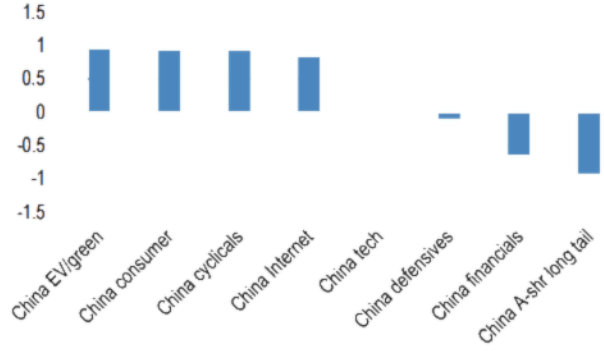
active weights




Source: Bloomberg Finance L.P. (1 Sep 2026)

Figure 31: EM/Asia LO investor allocations by category in China

active weights




Source: Bloomberg Finance L.P. (1 Sep 2026)

Figure 32: Top overweight (bps vs benchmark weight) stocks by EM/Asia LO investors – as of end June 2026

Allocation is ppts relative to benchmark weight

| Ticker | Name | Sector | Industry Group | Market | Allocation (ppts) | Performance YTD (%) |
|---|---|---|---|---|---|---|
| 300750 CH | CATL | Industrials | Capital Goods | CHINA | 1.23 | 3.2 |
| 700 HK | Tencent Holdings Ltd | Communication Services | Media & Entertainment | CHINA | 0.4 | -25.1 |
| 9999 HK | NetEase Inc | Communication Services | Media & Entertainment | CHINA | 0.39 | -13.3 |
| 2318 HK | Ping An Insurance Group | Financials | Insurance | CHINA | 0.37 | -14.5 |
| 002371 CH | NAURA Technology Group | Information Technology | Semiconductors & Semiconductor | CHINA | 0.32 | 62.1 |
| 000333 CH | Midea Group Co Ltd | Consumer Discretionary | Consumer Durables & Apparel | CHINA | 0.32 | 13.8 |
| 9988 HK | Alibaba Group Holding Ltd | Consumer Discretionary | Consumer Discretionary Distrib | CHINA | 0.29 | -22.5 |
| 688008 CH | Montage Technology Co Ltd | Information Technology | Semiconductors & Semiconductor | CHINA | 0.27 | 90.1 |
| 600031 CH | Sany Heavy Industry Co Ltd | Industrials | Capital Goods | CHINA | 0.26 | -6.2 |
| 2899 HK | Zijin Mining Group Co Ltd | Materials | Materials | CHINA | 0.26 | 4.7 |

Source: Bloomberg Finance L.P. (1 Sep 2026)

Figure 33: Top underweight (bps vs benchmark weight) stocks by EM/Asia LO investors – as of end June 2026

Allocation is ppts relative to benchmark weight

| Ticker | Name | Sector | Industry Group | Market | Allocation (ppts) | Performance YTD (%) |
|---|---|---|---|---|---|---|
| 1398 HK | Industrial & Commercial Bank o | Financials | Banks | CHINA | -0.26 | 17.4 |
| 3988 HK | Bank of China Ltd | Financials | Banks | CHINA | -0.24 | 21.7 |
| 1810 HK | Xiaomi Corp | Information Technology | Technology Hardware & Equipmen | CHINA | -0.23 | -30.5 |
| PDD US | PDD Holdings Inc | Consumer Discretionary | Consumer Discretionary Distrib | CHINA | -0.2 | -25.6 |
| 1347 HK | Hua Hong Grace Semiconductor | Information Technology | Semiconductors & Semiconductor | CHINA | -0.17 | 61.3 |
| 3690 HK | Meituan | Consumer Discretionary | Consumer Services | CHINA | -0.16 | -27.5 |
| 857 HK | PetroChina Co Ltd | Energy | Energy | CHINA | -0.15 | 17 |
| 1088 HK | China Shenhua Energy Co Ltd | Energy | Energy | CHINA | -0.13 | 15.2 |

Source: Bloomberg Finance L.P. (1 Sep 2026)

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## 4. 2Q26 earnings summary

Figure 34: MXCN FTM EPS revision

| | FTM EPS growth | FTM EPS growth revision | | FTM EPS integer revision | |
|---|---|---|---|---|---|
| | | Since end 2Q26 | Since 20 Sep 2024 | Since end 2Q26 | Since 20 Sep 2024 |
| Communication Services | 6% | -2.4% | -9.2% | -3.1% | 22.8% |
| Consumer Discretionary | 38% | 1.3% | 19.2% | 4.7% | -7.9% |
| Consumer Staples | 15% | -1.1% | 0.2% | 0.3% | -2.2% |
| Energy | 7% | -5.0% | 4.7% | -0.8% | -0.8% |
| Financials | 4% | 0.8% | -1.1% | 3.1% | 19.9% |
| Health Care | 16% | 2.5% | -6.9% | 8.3% | 35.8% |
| Industrials | 14% | -1.5% | 6.8% | 2.4% | -9.4% |
| IT | 46% | 5.5% | 22.7% | 11.0% | 37.6% |
| Materials | 23% | -10.4% | 1.9% | 0.3% | 89.1% |
| Utilities | 3% | 0.7% | -9.7% | -0.4% | -14.2% |
| Real estate | 15% | -1.8% | 13.6% | -0.1% | -27.2% |
| **MXCN** | **14%** | **-0.3%** | **2.8%** | **2.2%** | **8.7%** |

Source: MSCI (2 Sep 2026), LSEG Workspace (2 Sep 2026).

Figure 35: CSI-300 FTM EPS revision

| | FTM EPS growth | FTM EPS growth revision | | FTM EPS integer revision | |
|---|---|---|---|---|---|
| | | Since end-2Q26 | Since 20 Sep 2024 | Since end-2Q26 | Since 20 Sep 2024 |
| Communication Services | 14% | -6.9% | 22.2% | 1.4% | 53.5% |
| Consumer Discretionary | 13% | -0.5% | 22.6% | 5.5% | 54.2% |
| Consumer Staples | 22% | 7.8% | 32.0% | 5.2% | 8.7% |
| Energy | 12% | -3.6% | -10.9% | -3.4% | -23.6% |
| Financials | 6% | 0.0% | 10.9% | 5.2% | 26.1% |
| Health Care | 21% | -0.9% | 17.7% | 10.2% | 8.1% |
| Industrials | 25% | -0.1% | 14.5% | 11.6% | 43.7% |
| IT | 52% | -2.9% | 47.1% | 8.9% | 251.8% |
| Materials | 26% | -12.9% | -20.0% | 0.7% | 72.0% |
| Utilities | 6% | 2.4% | 37.4% | 6.4% | 47.9% |
| Real Estate | 60% | -3.6% | -148.0% | 18.7% | -159.6% |
| **CSI300** | **19%** | **-1.6%** | **15.8%** | **6.2%** | **41.2%** |

Source: Wind (2 Sep 2026)

Figure 36: MXCN 2Q26 earnings summary

| | *2Q26 Reporting Season* | | | | | | *% of Companies Beat/Miss* | |
|---|---|---|---|---|---|---|---|---|
| | *So Far Reported…* | | | | | | *2Q26 EPS* | |
| | # of Cos Rep | Total Cos | % of Cos Rep | Sales per share y-y | EPS y-y | NPM y-y (bps) | Beating | Missing |
| **MXCN** | **566** | **576** | **98.3%** | **12.2%** | **3.4%** | **-101** | **42%** | **54%** |
| **ex-Financials** | **481** | **491** | **98.0%** | **11.1%** | **-8.1%** | **-167** | **38%** | **57%** |
| **ex-Energy** | **548** | **557** | **98.4%** | **12.1%** | **2.3%** | **-118** | **41%** | **55%** |
| **Cyclicals** | | | | | | | | |
| Consumer Discretionary | 50 | 56 | 89.3% | 9.3% | -40.6% | -390 | 39% | 58% |
| Consumer Staples | 27 | 29 | 93.1% | 44.3% | -17.9% | -579 | 5% | 74% |
| Industrials | 80 | 80 | 100.0% | 5.1% | 2.4% | 4 | 32% | 66% |
| Materials | 76 | 76 | 100.0% | 13.8% | 67.5% | 306 | 30% | 70% |
| Real Estate | 11 | 11 | 100.0% | 7.3% | 5.6% | -20 | 57% | 43% |
| **Long Duration / Secular Growth** | | | | | | | | |
| Communication Services | 20 | 20 | 100.0% | 7.5% | 0.5% | -178 | 55% | 27% |
| Health Care | 45 | 45 | 100.0% | 11.8% | 28.0% | 109 | 33% | 67% |
| Information Technology | 130 | 130 | 100.0% | 14.4% | -5.1% | -105 | 47% | 49% |
| **Bond Proxy** | | | | | | | | |
| Energy | 18 | 19 | 94.7% | 14.2% | 38.1% | 84 | 62% | 38% |
| Financials | 85 | 85 | 100.0% | 18.0% | 23.8% | 125 | 58% | 38% |
| Utilities | 24 | 25 | 96.0% | 9% | -16% | -182 | 50% | 50% |

Source: Wind (31 Aug 2026), LSEG Workspace (31 Aug 2026)

Figure 37: CSI-300 2Q26 earnings summary

| | *2Q26 Reporting Season* | | | | | | *% of Companies Beat/Miss* | |
|---|---|---|---|---|---|---|---|---|
| | *So Far Reported…* | | | | | | *2Q26 EPS* | |
| | # of Cos Rep | Total Cos | % of Cos Rep | Sales per share y-y | EPS y-y | NPM y-y (bps) | Beating | Missing |
| **CSI-300** | **300** | **300** | **100.0%** | **4.0%** | **17.6%** | **126** | **40%** | **56%** |
| **ex-Financials** | **247** | **247** | **100.0%** | **0.4%** | **17.8%** | **108** | **38%** | **59%** |
| **ex-Energy** | **290** | **290** | **100.0%** | **3.5%** | **16.5%** | **123** | **39%** | **57%** |
| **Cyclicals** | | | | | | | | |
| Consumer Discretionary | 16 | 16 | 100.0% | -26.2% | -14.5% | 87 | 50% | 50% |
| Consumer Staples | 16 | 16 | 100.0% | -9.9% | -63.2% | -944 | 8% | 69% |
| Industrials | 58 | 58 | 100.0% | -0.1% | -0.9% | -4 | 26% | 70% |
| Materials | 34 | 34 | 100.0% | 18.5% | 89.6% | 415 | 36% | 64% |
| Real Estate | 4 | 4 | 100.0% | -20.3% | -79.4% | -339 | 33% | 67% |
| **Long Duration / Secular Growth** | | | | | | | | |
| Communication Services | 10 | 10 | 100.0% | 2.4% | 10.8% | 78 | 33% | 67% |
| Health Care | 18 | 18 | 100.0% | 5.8% | 0.3% | -85 | 31% | 69% |
| Information Technology | 68 | 68 | 100.0% | 15.4% | 98.2% | 403 | 48% | 50% |
| **Bond Proxy** | | | | | | | | |
| Energy | 10 | 10 | 100.0% | 14.5% | 57.4% | 220 | 63% | 38% |
| Financials | 53 | 53 | 100.0% | 23.4% | 17.3% | -138 | 53% | 44% |
| Utilities | 13 | 13 | 100.0% | -5% | -23% | -241 | 50% | 50% |

Source: Wind (18 Aug 2026), LSEG Workspace (18 Aug 2026)