CHINA WEEKLY KICKSTART

# Markets fell 1%-3% dragged by offshore tech; Major banks and insurers announced capital-injection plans; Both inflation and trade growth accelerated in August

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MXCN/CSI300 fell 3.0%/0.8% with offshore tech underperforming (HSTECH -5.5%) this week, while MXCN Banks reached new all-time highs. Regulators held a briefing on Sep 10 and unveiled the 15FYP for the financial sector, emphasizing capital market reform, support for innovation, long-term capital inflows and RMB internationalization. President Xi will visit India and attend the 18th BRICS Leaders' Summit on Sep 12-13. 8 major state-owned banks and insurers announced the capital injection plans totaling Rmb360bn, led by the Ministry of Finance. Haidilao announced that its co-founder and wife of its CEO sold approximately US$350mn of shares held through her trust. Southbound Connect had US$2.0bn inflows this week. Both inflation (CPI/PPI +0.8%/+3.8% yoy) and trade growth (exports/imports +24.9%/+28.2% yoy) both picked up in Aug.

**Performance (Pages 8-12)**

- H: Energy (2.6%) & Momentum (5.7%) outperformed, Real Estate (-2.8%) & New China (-2.7%) lagged
- A: Utilities (1.0%) & DY (2.1%) outperformed, Real Estate (-3.5%) & Growth (-2.3%) lagged

**Earnings and valuations (Pages 13-17)**

- MXCN/CSI300 12m forward P/Es are 10.2x/13.2x
- I/B/E/S consensus 2026/27E EPS growth is 17%/17% and 26%/16% for MXCN and CSI300, respectively
- Real Estate/Health Care were revised up the most off/onshore

**Flows (Pages 18)**

- Southbound: US$51bn ytd

**Key reports**

- China Musings: 2Q/1H26 Earnings Brochure: Where to find growth beyond AI?

**Policies and news**

- China will raise retail price on petrol and diesel starting Sep 12.

**Key charts**: 2Q/1H26 Earnings, Tax & Barometers

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

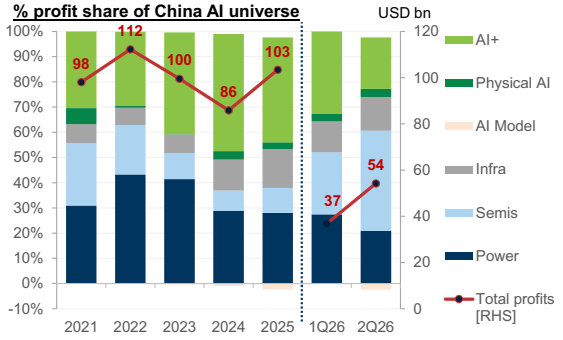
# Charts of the Week: 2Q/1H26 Earnings

**Exhibit 1: 45% of MSCI China index constituents beat prior consensus estimates in 2Q26, with IT and Health Care delivering the highest share of beats**

| 26Q2 Results | | | |
|---|---|---|---|
| Sector | % Beat | % In-Line | % Miss |
| Energy | 40% | | 60% |
| Materials | 46% | 23% | 31% |
| Industrials | 37% | 42% | 21% |
| Info Tech | 60% | 16% | 23% |
| Cons Disc | 34% | 31% | 34% |
| Cons Stap | 20% | 20% | 60% |
| Financials | 29% | 47% | 24% |
| Property | 20% | 80% | |
| Health Care | 63% | | 37% |
| Comm Serv | 33% | 42% | 25% |
| Utilities | | 50% | 50% |
| MXCN | 45% | 24% | 31% |

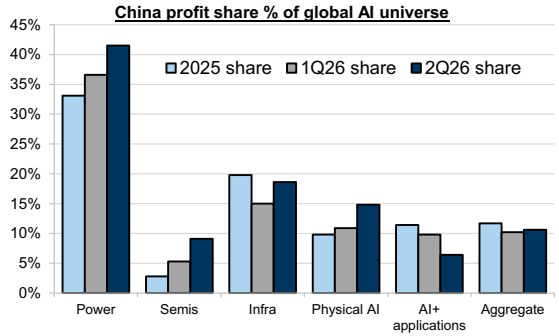
Source: FactSet, IBES, MSCI, Goldman Sachs Global Investment Research

**Exhibit 2: Within China's AI supply chain, the internal profit pool has further tilted toward hardware**



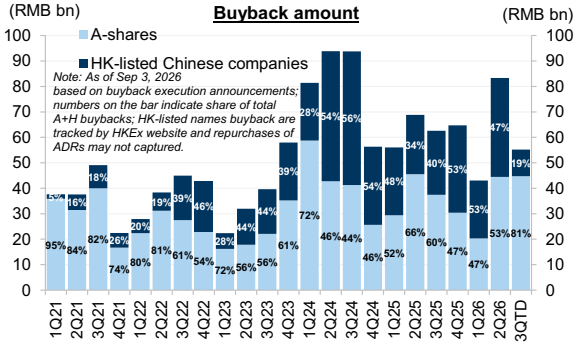

Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 3: China expanded its global AI profit share sequentially in 2Q26 across Power, Infrastructure, and Physical AI**



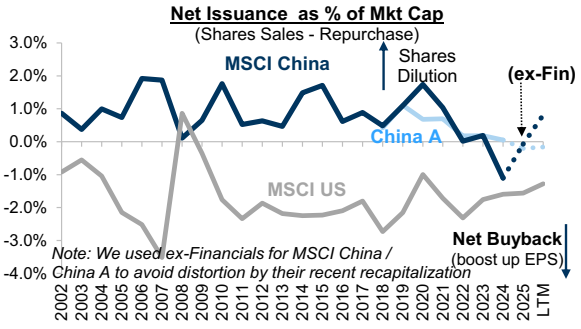

Source: FactSet, Goldman Sachs Global Investment Research

**Exhibit 4: Corporate buybacks remain active onshore but moderate offshore**



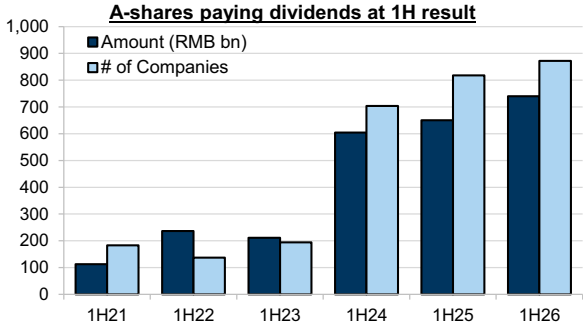

Source: Wind, FactSet, Goldman Sachs Global Investment Research

**Exhibit 5: Net issuance turns dilutive to EPS growth for MSCI China (ex-Financials) but stays accretive for A-shares (ex-Financials)**




Source: FactSet, MSCI, Goldman Sachs Global Investment Research

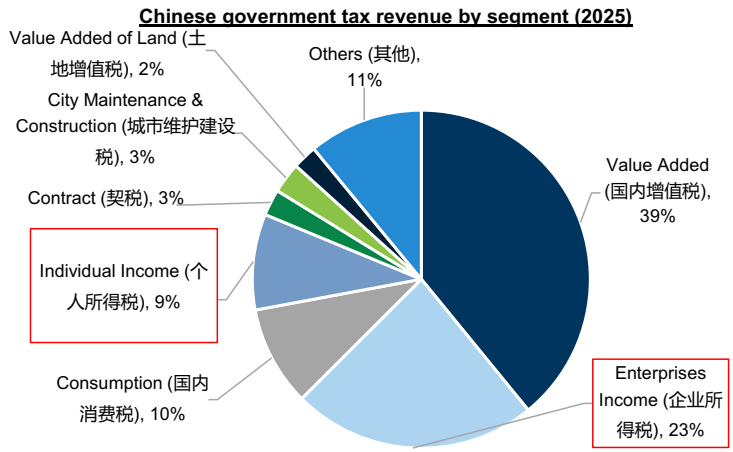
**Exhibit 6: More companies paid mid-term or special dividends in response to policy push since 2024**




Source: Wind, Goldman Sachs Global Investment Research

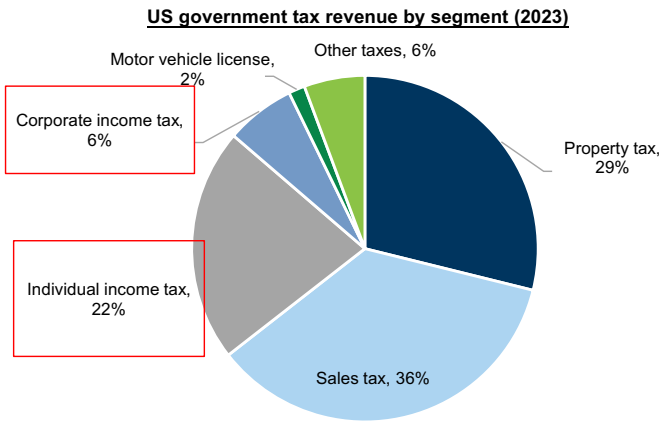
# Charts of the Week: Tax

**Exhibit 7: China's tax revenue structure is more reliant on corporate income taxes, which contribute 23% of total government tax revenue**



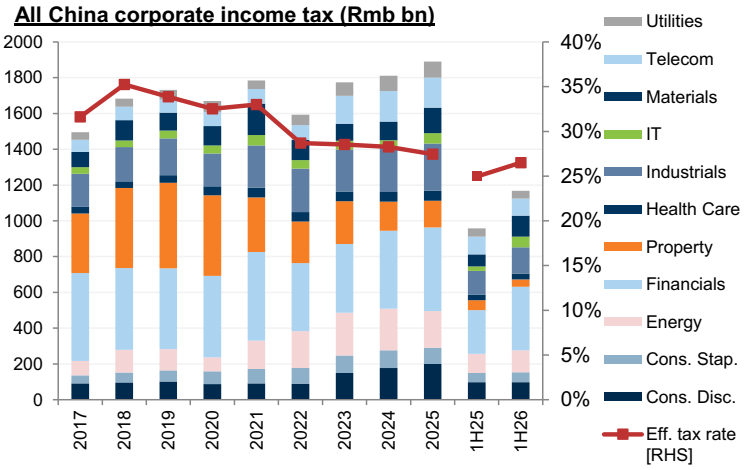

Source: CEIC, Goldman Sachs Global Investment Research

**Exhibit 8: US tax revenue is more reliant on individual income taxes, which contribute 22% of total government tax revenue**



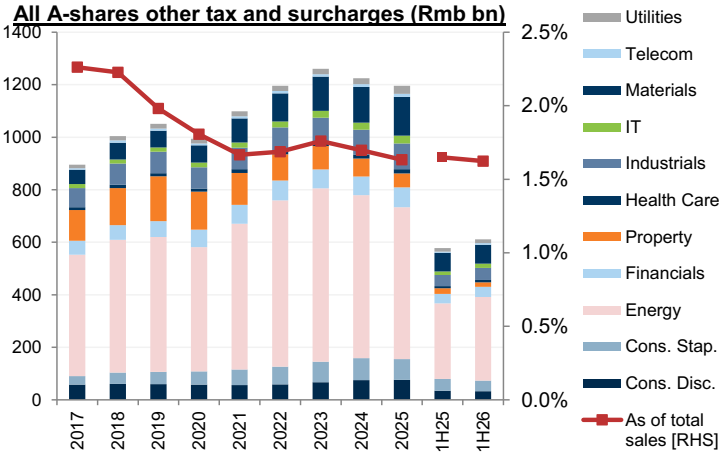

Source: Haver Analytics, Goldman Sachs Global Investment Research

**Exhibit 9: Corporate income tax grew over 20% yoy along with strong earnings growth and slightly higher effective tax rate yoy**




Source: Wind, FactSet, Goldman Sachs Global Investment Research

**Exhibit 10: Other tax and surcharges for the all A-shares universe remained broadly flat in 1H26**




Source: Wind, FactSet, Goldman Sachs Global Investment Research

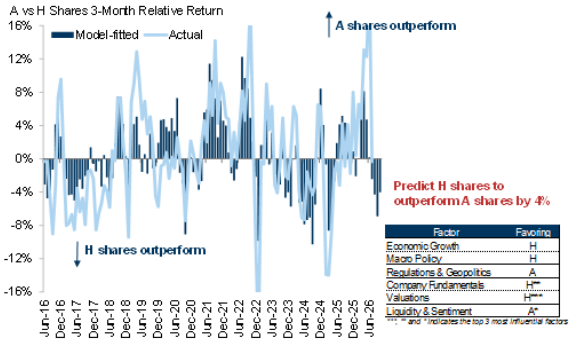
**Exhibit 11: We screen for offshore-listed Chinese POEs incorporated in the Cayman Islands or Bermuda that have delivered high dividend yields in recent years and feature concentrated shareholding structures**

| | | *>US$1bn* | *>5%* | *>30%* | *not in Mainland/HK* | |
|---|---|---|---|---|---|---|
| **BBG Ticker** | **Name** | **Mkt Cap (USD bn)** | **Median DY Since FY2023** | **% held by top 3 shareholders** | **Country/Region of Registration** | **VIE Structure** |
| **A list of offshore-listed POEs with high dividend yields in recent years and concentrated shareholding structures** | | | | | | |
| 1378 HK | China Hongqiao | 30.6 | 6.7 | 63 | Cayman Islands | |
| 1308 HK | SITC International | 15.6 | 5.3 | 51 | Cayman Islands | |
| 288 HK | WH Group | 11.6 | 8.5 | 38 | Cayman Islands | |
| 6862 HK | Haidilao | 7.3 | 7.7 | 38 | Cayman Islands | |
| 1364 HK | Guming | 7.2 | 5.5 | 70 | Cayman Islands | |
| 3998 HK | Bosideng | 6.4 | 6.2 | 53 | Cayman Islands | |
| 241 HK | Alibaba Health | 6.3 | 7.4 | 63 | Bermuda | √ |
| JOYY US | JOYY | 3.6 | 5.1 | 36 | Cayman Islands | √ |
| 1585 HK | Yadea Group | 3.5 | 5.7 | 63 | Cayman Islands | |
| 2367 HK | Giant Biogene | 3.5 | 5.2 | 55 | Cayman Islands | |
| 1044 HK | Hengan International | 3.2 | 7.2 | 45 | Cayman Islands | |
| 6186 HK | China Feihe | 3.0 | 10.4 | 51 | Cayman Islands | |
| 9896 HK | MINISO | 2.9 | 6.6 | 64 | Cayman Islands | |
| 2518 HK | Autohome | 2.7 | 8.3 | 44 | Cayman Islands | √ |
| CHA US | Chagee | 2.4 | 7.2 | 78 | Cayman Islands | |
| 6098 HK | Country Garden Services | 2.3 | 7.7 | 38 | Cayman Islands | |
| 1277 HK | Kinetic Development | 2.3 | 6.2 | 73 | Cayman Islands | |
| 9985 HK | Weilong | 2.3 | 5.3 | 78 | Cayman Islands | |
| 3933 HK | United Laboratories | 2.1 | 6.2 | 43 | Cayman Islands | |
| 2580 HK | Aux Electric | 2.0 | 12.6 | 82 | Cayman Islands | |
| 1579 HK | Yihai International | 1.9 | 6.1 | 40 | Cayman Islands | |
| 2869 HK | Greentown Service | 1.7 | 5.1 | 55 | Cayman Islands | |
| 9898 HK | Weibo | 1.6 | 10.9 | 64 | Cayman Islands | √ |
| 546 HK | Fufeng Group | 1.5 | 9.4 | 51 | Cayman Islands | |
| 1999 HK | Man Wah | 1.5 | 8.6 | 63 | Bermuda | |
| 1681 HK | Consun Pharmaceutical | 1.4 | 5.6 | 42 | Cayman Islands | |
| 3306 HK | JNBY Design | 1.3 | 7.2 | 61 | Cayman Islands | |
| 2128 HK | China Lesso | 1.3 | 6.0 | 72 | Cayman Islands | |
| 1368 HK | Xtep International | 1.2 | 7.9 | 57 | Cayman Islands | |
| 999 HK | Xiaocaiyuan | 1.2 | 6.0 | 70 | Cayman Islands | |
| 667 HK | China East Education | 1.1 | 6.5 | 71 | Cayman Islands | √ |
| 2391 HK | Tuya | 1.1 | 6.2 | 66 | Cayman Islands | √ |
| 2858 HK | Yixin Group | 1.0 | 11.6 | 52 | Cayman Islands | √ |

Source: Wind, Bloomberg, FactSet, Goldman Sachs Global Investment Research

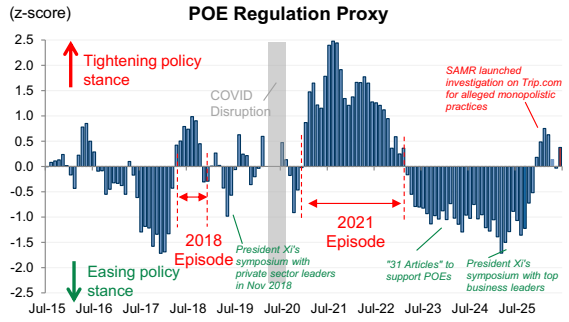
# Charts of the Week: Proprietary Models and Barometers

**Exhibit 12: Our A-H rotation model suggests that H shares are likely to modestly outperform A shares in the next three months**




Source: Bloomberg, FactSet, Goldman Sachs Global Investment Research

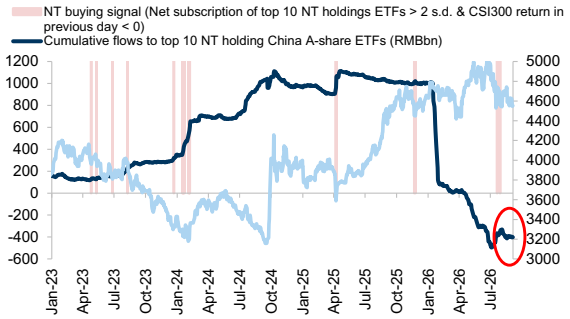
**Exhibit 13: Our news search-based proxy indicates that policy towards POEs is now in a slightly restrictive zone**




Note: POE Regulation Proxy reflects the text-mining results of news among POE-heavy sectors. Data points during Mar-Jun 2020 have been removed due to COVID disruptions. The latest bar shows the reading of Jun 2026

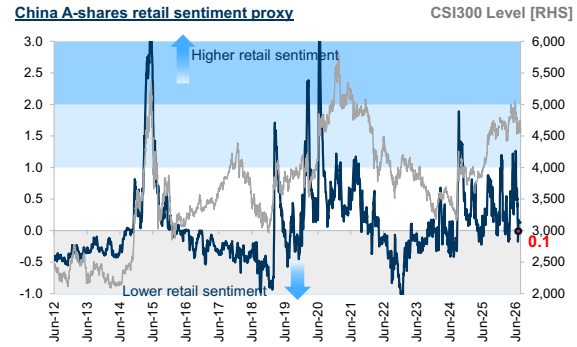
Source: Factiva, MSCI, Goldman Sachs Global Investment Research

**Exhibit 14: Our top 10 National Team favorite ETFs tracker**




Source: Wind, Goldman Sachs Global Investment Research

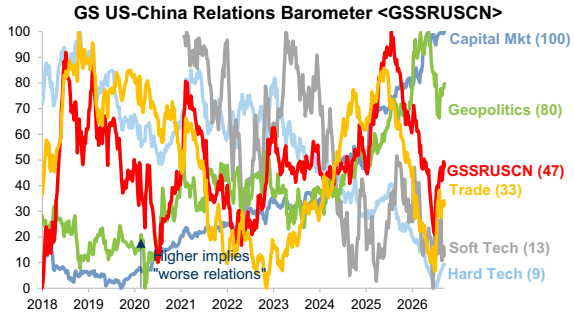
**Exhibit 15: Our revamped A-share Retail Sentiment Proxy is not stretched compared to previous periods of strong sentiment**




we now take 1Y average of z-scores for readings since 2023

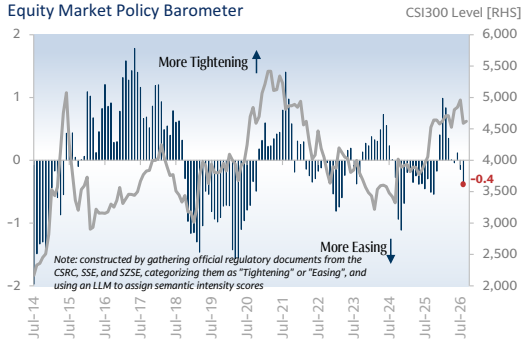
Source: Wind, CSF, SSE, SZSE, SIPF, ICBC, Goldman Sachs Global Investment Research

**Exhibit 16: US-China Relations Barometer (GSSRUSCN) at 47**




Source: Goldman Sachs Global Investment Research

**Exhibit 17: The equity market policy stance based on our Equity Market Policy Barometer**




Source: Wind, FactSet, Goldman Sachs Global Investment Research

# Goldman Sachs' China strategy and economic view at a glance

## Market stance

| Price | MSCI China | | CSI300 | | MSCI Hong Kong | |
|---|---|---|---|---|---|---|
| Current Level | 75 | | 4,548 | | 15,786 | |
| Index Target | 12M | 2027E | 12M | 2027E | 12M | |
| | 85 | 115 | 5,500 | 6,000 | 17,800 | |
| Potential Upside | 13% | 52% | 21% | 32% | 13% | |
| EPS Growth Forecast (%) | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E |
| GS Top Down | 8% | 12% | 20% | 13% | 10% | 7% |
| Consensus | 17% | 17% | 26% | 16% | 18% | 5% |
| Consensus Valuations | 2026E | 12M | 2026E | 12M | 2026E | 12M |
| P/E (X) | 11.7 | 10.4 | 14.8 | 13.2 | 14.8 | 14.3 |
| P/B (X) | 1.3 | 1.2 | 1.7 | 1.6 | 1.2 | 1.2 |
| D/Y (%) | 2.6 | 2.8 | 2.6 | 2.8 | 3.9 | 4.0 |

Source: Bloomberg, FactSet, Goldman Sachs Global Investment Research

## Sector stance

| Allocation | MSCI China Industry Group | 25-27E EPS CAGR | 26E P/E (X) | 26E P/B (X) | 26E PEG |
|---|---|---|---|---|---|
| Overweight | Materials | 45.0 | 11.1 | 2.1 | 1.0 |
| | Tech Hardware | 35.6 | 22.4 | 3.0 | 0.5 |
| | Capital Goods | 28.0 | 13.1 | 1.3 | 0.7 |
| | Retailing | 25.2 | 14.4 | 1.5 | 0.4 |
| | Insurance | 5.4 | 5.3 | 0.8 | 2.5 |
| Marketweight | Semis | 344.4 | 77.1 | 6.7 | 1.0 |
| | Autos | 56.2 | 17.5 | 1.9 | 0.3 |
| | Cons Svcs | 52.2 | 20.8 | 1.9 | 0.3 |
| | Div Financials | 22.5 | 8.4 | 0.8 | 0.8 |
| | HC Equip & Svcs | 20.3 | 28.1 | 3.4 | 1.9 |
| | Energy | 17.1 | 10.4 | 1.1 | 9.7 |
| | Banks | 8.8 | 6.5 | 0.6 | 0.7 |
| | Media & Ent | 8.7 | 12.9 | 2.1 | 1.2 |
| | Utilities | 3.3 | - | 1.0 | 1.4 |
| Underweight | Food Bev | 19.8 | 16.6 | 2.6 | 0.7 |
| | Telecom Svcs | 18.8 | 10.1 | 0.6 | 1.1 |
| | Cons Durables | 10.5 | 11.4 | 1.8 | 0.8 |
| | Real Estate | 9.9 | 12.4 | 0.6 | 0.6 |
| | Transportation | 8.3 | 10.8 | 1.1 | 4.3 |

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

## Global GDP and China macro forecasts

| GS Macro Forecasts | | | |
|---|---|---|---|
| **Real GDP (%, yoy)** | 2025 | 2026 | 2027 |
| China | 5.0 | 4.6 | 4.7 |
| United States | 2.1 | 2.1 | 2.1 |
| Europe | 1.3 | 0.8 | 1.2 |
| Japan | 1.2 | 0.8 | 1.2 |
| Asia-Pacific | 4.5 | 4.5 | 4.2 |
| World | 2.8 | 2.6 | 2.8 |
| World ex-China | 2.3 | 2.1 | 2.3 |
| **Output and Prices (%, yoy)** | | | |
| Industrial Production | 5.9 | 5.8 | 5.6 |
| CPI | 0.1 | 1.0 | 1.0 |
| Policy Rate | 1.4 | 1.4 | 1.3 |
| USDCNY | 7.00 | 6.70 | 6.41 |

Source: Goldman Sachs Global Investment Research

## China real GDP forecasts

| GS China Real GDP Forecasts | | YoY% | QoQ%, SAAR |
|---|---|---|---|
| 2023 | | 5.4 | |
| 2024 | | 5.0 | |
| 2025 | | 5.0 | |
| 2026 | | 4.6 | |
| 2027 | | 4.7 | |
| 2025 | Q1 | 5.4 | 4.5 |
| | Q2 | 5.2 | 4.9 |
| | Q3 | 4.8 | 4.5 |
| | Q4 | 4.5 | 4.5 |
| 2026 | Q1 | 5.0 | 5.3 |
| | Q2 | 4.3 | 3.6 |
| | Q3 | 4.6 | 5.0 |
| | Q4 | 4.6 | 4.5 |

Source: Goldman Sachs Global Investment Research

# Macro indicators summary

| Indicators | | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GS Proprietary Indicators** | | | | | | | | | | | | | | | | | | | |
| **Activity** | GS China CAI (% mom annualized) | 4.5 | 3.9 | 3.3 | 4.2 | 5.0 | 4.3 | 5.2 | 4.1 | 4.6 | 4.6 | 6.3 | 6.4 | 5.8 | 2.7 | 4.5 | 5.6 | 4.4 | - |
| **Money/Credit** | GS China FCI* | 102.4 | 101.9 | 101.7 | 101.5 | 101.3 | 101.4 | 101.5 | 101.7 | 102.0 | 102.0 | 102.1 | 102.1 | 102.7 | 102.7 | 102.7 | 103.2 | 103.4 | - |
| **Macro** | | | | | | | | | | | | | | | | | | | |
| **Activity** | Industrial Production (yoy %) | 7.7 | 6.1 | 5.8 | 6.8 | 5.7 | 5.2 | 6.5 | 4.9 | 4.8 | 5.2 | 6.3 | 6.3 | 5.7 | 4.1 | 4.5 | 5.3 | 4.5 | - |
| | FAI (yoy %) | 4.3 | 3.6 | 2.9 | 0.8 | (5.2) | (6.8) | (6.7) | (11.4) | (10.7) | (13.0) | 1.8 | 1.8 | 1.6 | (8.2) | (10.6) | (9.3) | (6.7) | - |
| | Retail Sales (yoy %) | 5.9 | 5.1 | 6.4 | 4.8 | 3.7 | 3.4 | 3.0 | 2.9 | 1.3 | 0.9 | - | 2.8 | 1.7 | 0.2 | (0.6) | 1.0 | 0.6 | - |
| **Trade** | Exports (yoy %) | 12.1 | 8.0 | 4.7 | 5.7 | 7.0 | 4.2 | 8.2 | (1.3) | 5.8 | 6.4 | 10.0 | 39.6 | 2.5 | 14.0 | 19.2 | 26.9 | 23.9 | 25.0 |
| | Imports (yoy %) | (4.3) | (0.3) | (3.3) | 1.3 | 4.2 | 1.7 | 8.0 | 1.8 | 2.6 | 6.4 | 26.9 | 14.6 | 28.3 | 25.3 | 27.3 | 35.8 | 27.6 | 28.2 |
| **Prices** | CPI (yoy %) | (0.1) | (0.1) | (0.1) | 0.1 | 0.0 | (0.4) | (0.3) | 0.2 | 0.7 | 0.8 | 0.2 | 1.3 | 1.0 | 1.2 | 1.2 | 1.0 | 0.5 | 0.8 |
| | PPI (yoy%) | (2.5) | (2.7) | (3.3) | (3.6) | (3.6) | (2.9) | (2.3) | (2.1) | (2.2) | (1.9) | (1.4) | (0.9) | 0.5 | 2.8 | 3.9 | 4.1 | 3.5 | 3.8 |
| **Activity Survey** | NBS Construction PMI | 53.4 | 51.9 | 51.0 | 52.8 | 50.6 | 49.1 | 49.3 | 49.1 | 49.6 | 52.8 | 48.8 | 48.2 | 49.3 | 48.0 | 48.8 | 49.0 | 47.0 | 46.9 |
| | NBS Manufacturing PMI | 50.5 | 49.0 | 49.5 | 49.7 | 49.3 | 49.4 | 49.8 | 49.0 | 49.2 | 50.1 | 49.3 | 49.0 | 50.4 | 50.3 | 50.0 | 50.3 | 49.2 | 49.8 |
| | Caixin Manufacturing PMI | 51.2 | 50.4 | 48.3 | 50.4 | 49.5 | 50.5 | 51.2 | 50.6 | 49.9 | 50.1 | 50.3 | 52.1 | 50.8 | 52.2 | 51.8 | 51.7 | 50.9 | 51.5 |
| | NBS Service PMI | 50.3 | 50.1 | 50.2 | 50.1 | 50.0 | 50.5 | 50.1 | 50.2 | 49.5 | 49.7 | 49.5 | 49.7 | 50.2 | 49.6 | 50.3 | 50.4 | 49.3 | 49.3 |
| **Money & Credit** | M2 Growth (yoy %) | 7.0 | 8.0 | 7.9 | 8.3 | 8.8 | 8.8 | 8.4 | 8.2 | 8.0 | 8.5 | 9.0 | 9.0 | 8.5 | 8.6 | 8.6 | 8.0 | 7.7 | - |
| | New RMB Loans (RMB bn) | 3640 | 280 | 620 | 2240 | (50) | 590 | 1290 | 220 | 390 | 910 | 4710 | 900 | 2990 | (10) | 520 | 1610 | (340) | - |
| | TSF Stock (yoy %) | 8.4 | 8.7 | 8.7 | 8.9 | 9.0 | 8.8 | 8.7 | 8.5 | 8.5 | 8.3 | 8.2 | 8.2 | 7.9 | 7.8 | 7.7 | 7.4 | 7.4 | - |
| **Industry** | | | | | | | | | | | | | | | | | | | |
| **Profits** | Industrial Profits (yoy %) | 3.4 | 3.1 | (7.7) | (4.7) | (0.5) | 17.9 | 22.5 | (8.2) | (14.2) | 4.6 | 15.3 | 15.3 | 17.1 | 25.7 | 21.9 | 18.1 | 10.6 | - |
| **Investment Related** | Infrastructure FAI (yoy %) | 10.5 | 6.8 | 5.5 | 3.2 | (4.3) | (8.3) | (8.1) | (13.7) | (12.4) | (16.2) | 7.3 | 7.3 | 5.8 | (5.6) | (11.5) | (9.4) | (7.0) | - |
| | Manufacturing FAI (yoy %) | 9.2 | 8.2 | 7.8 | 5.6 | (0.2) | (2.0) | (1.8) | (6.9) | (3.8) | (7.7) | 3.1 | 3.1 | 4.8 | (4.8) | (4.1) | (2.8) | (3.6) | - |
| | Excavator Sales (yoy %) | 18.5 | 17.6 | 2.1 | 13.3 | 25.2 | 12.8 | 25.4 | 7.8 | 13.9 | 19.2 | 49.5 | (10.6) | 26.4 | 29.8 | 36.2 | 35.3 | 13.9 | 19.3 |
| | Electricity Production (yoy %) | 1.8 | 0.9 | 0.5 | 1.7 | 3.1 | 1.6 | 1.5 | 7.9 | 2.7 | 0.1 | - | - | 1.4 | 2.6 | 4.2 | 2.0 | (0.1) | - |
| | Cement Production (yoy %) | 2.5 | (5.3) | (8.1) | (5.3) | (5.6) | (6.2) | (8.6) | (15.8) | (8.2) | (6.6) | - | - | (21.0) | (10.8) | (8.1) | (5.6) | (11.6) | - |
| | Steel Production (yoy %) | 4.6 | 0.0 | (6.9) | (9.2) | (4.0) | (0.7) | (4.6) | (12.1) | (10.9) | (10.3) | - | - | (6.3) | (2.8) | (2.7) | 0.4 | (3.6) | - |
| **Land & Housing** | Average Land Price (Nationwide, yoy %) | 32.8 | 14.9 | 32.1 | 19.6 | 12.6 | (19.5) | (5.0) | (12.1) | (15.7) | (10.7) | (18.0) | (14.1) | (27.5) | (13.0) | (10.9) | (2.8) | 21.7 | - |
| | Average Housing Price (70-City, yoy %) | (4.5) | (4.0) | (3.5) | (3.1) | (2.7) | (2.4) | (2.1) | (2.1) | (2.4) | (2.8) | (3.2) | (3.3) | (3.5) | (3.6) | (3.5) | (3.3) | (3.2) | - |
| | Property Sales (yoy %) | (2.3) | (7.1) | (7.1) | (11.5) | (14.1) | (14.8) | (12.4) | (25.1) | (26.1) | (24.2) | - | (20.2) | (13.9) | (8.0) | (9.8) | (15.5) | (10.3) | - |
| | Property FAI (yoy %) | (10.0) | (11.3) | (12.0) | (12.9) | (17.1) | (19.4) | (21.1) | (23.2) | (29.7) | (36.8) | (11.1) | (11.1) | (11.3) | (20.1) | (24.3) | (24.2) | (21.0) | - |
| **Retail** | Domestic Car Retail Volumes (yoy %) | 14.3 | 14.5 | 13.7 | 18.2 | 7.3 | 5.9 | 6.4 | (0.5) | (8.1) | (14.0) | (13.9) | (25.4) | (15.0) | (21.5) | (22.1) | (23.2) | (20.9) | - |
| | Online Retail Sales (yoy %) | 16.7 | 1.3 | (4.2) | 4.3 | (2.0) | 3.4 | 3.4 | 2.6 | (0.1) | 1.5 | - | 43.0 | 27.8 | 39.0 | 37.6 | 26.2 | 31.6 | - |
| | Express Delivery Sales (yoy %) | 10.4 | 10.8 | 8.2 | 9.0 | 8.9 | 4.2 | 7.2 | 4.7 | (3.7) | 0.7 | 14.4 | 0.0 | 4.7 | 6.3 | 9.5 | 7.7 | 8.1 | - |

Note: Green = Equal or above 3M moving average; Red = Below 3M moving average; * Higher means tighter financial conditions

Green: Number of data points above or below 3m trend
Red: Number of data points below 3m trend



Source: Wind, NBS, CEIC, Bloomberg, Goldman Sachs Global Investment Research

# Performance snapshot: Global markets, commodities, FX and rates

**Global Equities (Local Currency)**

| Index | Ticker | Level | Price Return (%) WTD | YTD | Total (US$) | RSI |
|---|---|---|---|---|---|---|
| MSCI EM | MXEF | 1,721 | (0.3) | 22.6 | 24.6 | 49.7 |
| MXAPJ | MXAPJ | 883 | (0.8) | 22.3 | 24.5 | 46.0 |
| MSCI AC World | MXWD | 1,136 | (1.5) | 12.0 | 13.4 | 36.1 |
| Nikkei 225 | NKY | 64,011 | (1.6) | 27.2 | 26.2 | 37.2 |
| NASDAQ | CCMP | 26,082 | (1.6) | 12.2 | 12.7 | 42.8 |
| Euro STOXX 50 | SX5E | 6,289 | (1.6) | 8.6 | 9.9 | 32.4 |
| S&P500 | SPX | 7,592 | (1.6) | 10.9 | 11.8 | 37.8 |

**China Major Indices (Local Currency)**

| Index | Ticker | Level | Price Return (%) WTD | YTD | Total (US$) | RSI |
|---|---|---|---|---|---|---|
| ChiNext | SZ399006 | 3,322 | 1.1 | 3.7 | 8.9 | 39.2 |
| CSI300 | SHSZ300 | 4,510 | (0.8) | (2.6) | 3.3 | 34.4 |
| SHCOMP | SHCOMP | 3,888 | (1.1) | (2.0) | 3.8 | 37.0 |
| STAR50 | STAR50 | 1,553 | (1.5) | 15.6 | 20.6 | 33.7 |
| MSCI China | MXCN | 73 | (3.0) | (11.9) | (10.9) | 29.6 |
| Hang Seng | HSI | 24,806 | (3.3) | (3.2) | (1.4) | 31.2 |
| HSCEI | HSCEI | 8,246 | (3.6) | (7.5) | (6.0) | 33.5 |
| HSTECH | HSTECH | 4,321 | (5.5) | (21.7) | (21.6) | 24.9 |
| MSCI Overseas China | MXOCN | 3,049 | (8.2) | (11.4) | (10.7) | 21.6 |

**Global Commodities**

| Commodity | Ticker | Level | Price Return (%) WTD | MTD | YTD | RSI |
|---|---|---|---|---|---|---|
| Brent | EUCRBRDT Comdty | 120 | 19.5 | 34.1 | 92.6 | 87.6 |
| WTI | CL1 Comdty | 102 | 12.0 | 19.5 | 78.5 | 81.2 |
| Steel (Rebar) | CDSPDRAV Index | 3,166 | 0.8 | 1.5 | (2.3) | 88.1 |
| Aluminum | LA1 Comdty | 3,316 | 0.5 | 2.2 | 11.3 | 56.1 |
| Palm Oil | KO1 Comdty | 4,598 | (0.2) | (0.6) | 15.0 | 42.7 |
| Thermal Coal | XW1 Comdty | 148 | (0.4) | 4.4 | 37.7 | 86.2 |
| Iron Ore | IORA Comdty | 99 | (1.2) | (1.1) | (3.5) | 50.0 |
| LME Copper | LMCADS03 Comdty | 14,234 | (1.3) | (0.4) | 14.6 | 45.2 |
| CMX Gold | GC1 Comdty | 4,374 | (1.5) | (1.6) | 0.8 | 40.7 |
| Baltic Dry Bulk | BDIY Index | 3,521 | (2.9) | 10.5 | 87.6 | 69.8 |

**Currencies / Rates**

| Currency/Rate | Level | Change (% for Currencies/Net for Rates) WTD | MTD | YTD | RSI |
|---|---|---|---|---|---|
| USDCNH | 6.8 | 0.6 | 0.5 | (3.2) | 38.1 |
| USDCNY | 6.8 | 0.6 | 0.5 | (3.4) | 31.1 |
| EURUSD | 1.2 | (0.0) | (0.1) | (1.1) | 47.0 |
| USD Index | 99.0 | (0.1) | (0.4) | 0.7 | 46.5 |
| AUDUSD | 0.7 | (0.6) | (0.1) | 7.3 | 49.9 |
| USDJPY | 154.4 | (1.2) | (3.3) | (1.5) | 29.2 |
| US Treasury 10Y | 5.0 | 0.18 | 0.2 | 0.8 | 76.4 |
| China 7D Repo | 1.4 | 0.02 | 0.0 | (0.8) | 48.7 |
| China 5Y Swap Rate | 1.5 | 0.00 | 0.0 | (0.1) | 63.3 |
| China 10Y Govt Bond | 1.7 | (0.00) | (0.0) | (0.2) | 49.2 |

Source: Bloomberg, Refinitiv, Data compiled by Goldman Sachs Global Investment Research

# Weekly performance summary

| Sectors (vs. MXCN) & Styles (China offshore) | Weekly Return |
|---|---|
| Price momentum (High vs Low) | 5.7% |
| Earnings revision (High vs Low) | 3.4% |
| Growth (High vs Low) | 2.8% |
| Energy | 2.6% |
| Beta (Low vs High) | 2.5% |
| Utilities | 1.9% |
| ROE (High vs Low) | 1.6% |
| GARP (High vs Low) | 1.5% |
| Industrials | 1.3% |
| Div yield + growth (High vs Low) | 1.1% |
| Financials | 0.9% |
| Information Technology | 0.8% |
| Dividend yield (High vs Low) | 0.6% |
| Communication Services | -0.3% |
| Sharpe ratio ( High vs Low) | -0.3% |
| Materials | -0.6% |
| Consumer Staples | -1.0% |
| Consumer Discretionary | -1.1% |
| Value (Cheap vs Expensive) | -2.1% |
| Balance sheet (Strong vs Weak) | -2.2% |
| New China vs Traditional China | -2.7% |
| Health Care | -2.7% |
| Real Estate | -2.8% |

| Sectors (vs. CSI300) & Styles (China onshore) | Weekly Return |
|---|---|
| Dividend yield (High vs Low) | 2.1% |
| Value (Cheap vs Expensive) | 1.8% |
| New China (ChiNext vs CSI300) | 1.6% |
| Size (CSI800 vs CSI100) | 1.4% |
| Div yield + growth (High vs Low) | 1.2% |
| Utilities | 1.0% |
| Energy | 0.9% |
| Price momentum (High vs Low) | 0.8% |
| Information Technology | 0.0% |
| Financials | -1.0% |
| Consumer Discretionary | -1.1% |
| Earnings Revision (High vs Low) | -1.1% |
| GARP (High vs Low) | -1.3% |
| Communication Services | -1.7% |
| Industrials | -1.7% |
| Growth (High vs Low) | -2.3% |
| Health Care | -2.4% |
| Materials | -2.5% |
| Consumer Staples | -2.9% |
| Real Estate | -3.5% |

Sectors | Styles

Source: FactSet, Wind, MSCI, Goldman Sachs Global Investment Research

## Weekly top and bottom performers in MSCI China

| | A | | | HK | | | ADR | | |
|---|---|---|---|---|---|---|---|---|---|
| | Ticker | Name | Weekly Return | Ticker | Name | Weekly Return | Ticker | Name | Weekly Return |
| Top 5 performer | 002916 CS | Shennan Circuit | 20% | 136 HK | HengTen Networks | 8% | IQ UW | iQIYI | 6% |
| | 002463 CS | WUS PRINTED CIRCUIT | 15% | 1138 HK | COSCO SHIP ENGY | 5% | ATHM UN | Autohome | -2% |
| | 300408 CS | Chaozhou Three-Circle | 15% | 2883 HK | Oilfield Services | 5% | YUMC UN | YUMC UN | -3% |
| | 300037 CS | Shenzhen Capchem | 14% | 1548 HK | Genscript Biotech | 3% | BZ UW | Kanzhun | -3% |
| | 300308 CS | Zhongji Innolight | 14% | 921 HK | Hisense Home Appliances | 3% | TME UN | Tencent Music | -4% |
| Bottom 5 performers | 300413 CS | Mango Excellent Media | -16% | 268 HK | Kingdee International | -15% | LEGN UW | Legend Biotech | -11% |
| | 002064 CS | Huafon Chemical | -11% | 6862 HK | Haidilao | -13% | TAL UN | TAL Education | -7% |
| | 601058 CG | Sailun Group | -10% | 881 HK | Zhongsheng Group | -12% | BEKE UN | KE Holdings, Inc. | -7% |
| | 601233 CG | Tongkun Group | -10% | 9926 HK | Akeso | -11% | QFIN UW | 360 DigiTech, Inc. | -7% |
| | 300124 CS | Inovance Technology | -10% | 2202 HK | China Vanke | -10% | PDD UW | PDD | -5% |

Source: FactSet

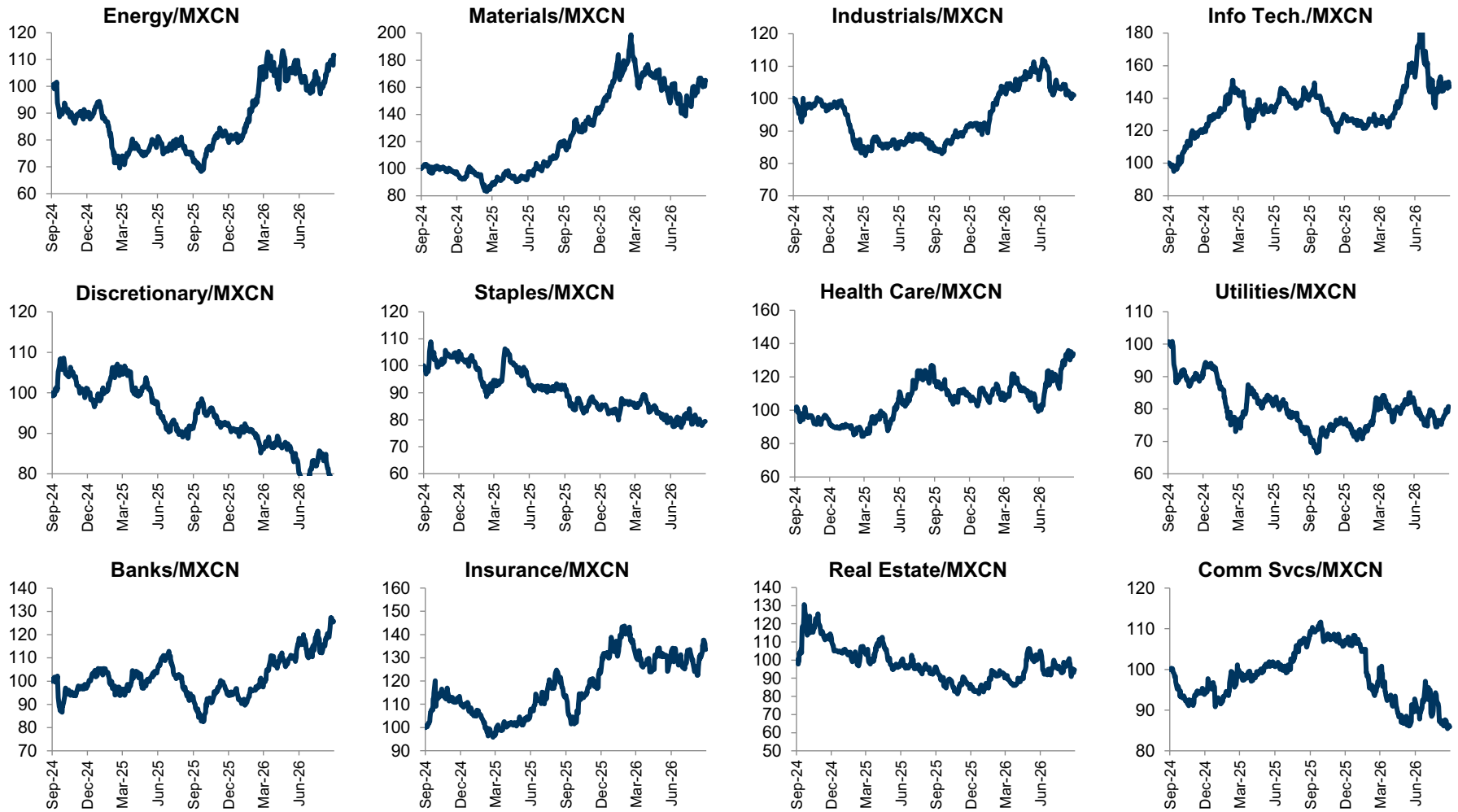
# Sector performance

| | | MSCI China | | | | | | | | | | CSI 300 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1W | MTD | Aug-26 | Jul-26 | Jun-26 | May-26 | Apr-26 | Mar-26 | Feb-26 | YTD | 1W | MTD | Aug-26 | Jul-26 | Jun-26 | May-26 | Apr-26 | Mar-26 | Feb-26 | YTD |
| | **Market** | **-3.0%** | **-3.8%** | **-0.4%** | **8.6%** | **-7.5%** | **-3.4%** | **3.5%** | **-7.2%** | **-5.9%** | **-11.9%** | **-0.8%** | **-2.5%** | **0.8%** | **-7.9%** | **1.8%** | **1.8%** | **8.0%** | **-5.5%** | **0.1%** | **-2.6%** |
| Cyclicals | Tech Hardware | -2.1% | -1.7% | 8.0% | -2.6% | -6.6% | 19.0% | 7.8% | -8.8% | -0.1% | 6.6% | 0.4% | -5.4% | 9.0% | -20.6% | 13.4% | 13.3% | 21.1% | -11.1% | 1.3% | 14.4% |
| | Semiconductors | -1.2% | -7.8% | 1.8% | -31.1% | 26.3% | 18.9% | 26.9% | -18.6% | -2.7% | 16.6% | -1.6% | -8.5% | 3.9% | -32.6% | 31.7% | 20.8% | 18.0% | -16.0% | -2.3% | 12.6% |
| | Capital Goods | -2.1% | -2.2% | -2.8% | 1.4% | -10.0% | 0.1% | 7.9% | -6.2% | 6.3% | -0.6% | -2.8% | -4.6% | -4.9% | -2.5% | -9.1% | -1.9% | 5.2% | -1.5% | 3.2% | -14.0% |
| | Consumer Services | -6.8% | -7.4% | -7.8% | 24.5% | -8.2% | -12.2% | 2.0% | -4.1% | -9.1% | -26.9% | -2.3% | -0.1% | -1.7% | 8.3% | -11.9% | -20.1% | -4.9% | -5.0% | 3.9% | -24.3% |
| | Retailing | -3.0% | -6.0% | -4.1% | 23.5% | -19.5% | -5.3% | 4.0% | -13.3% | -11.8% | -24.8% | -5.3% | -1.5% | -9.5% | 8.0% | -9.9% | -9.2% | -6.8% | -12.7% | -9.8% | -45.3% |
| | Consumer Durables | -3.8% | -3.7% | -6.6% | 11.3% | -7.7% | -6.0% | 3.7% | -14.5% | 5.2% | -17.5% | -1.7% | -1.4% | -3.4% | 14.9% | -5.8% | -1.6% | 5.0% | -4.3% | 0.0% | 0.1% |
| | Autos & Components | -5.1% | -6.0% | -9.6% | 15.4% | -16.5% | -10.7% | 0.1% | 4.7% | -0.8% | -27.9% | -1.8% | -1.8% | -7.4% | 13.0% | -13.4% | -8.8% | -1.3% | -2.6% | -0.5% | -26.0% |
| | Software & Services | -7.8% | -8.4% | 0.2% | 13.3% | -11.6% | -7.9% | 3.6% | -16.9% | -7.8% | -28.5% | -4.6% | -5.8% | -2.8% | 11.5% | -12.5% | -6.0% | 4.9% | -17.6% | -5.8% | -22.2% |
| | Media & Entertainment | -3.6% | -5.5% | -5.7% | 8.9% | -0.9% | -5.6% | -1.6% | -8.9% | -15.0% | -29.2% | -4.9% | -2.7% | -7.9% | 8.5% | -9.0% | -11.7% | -1.5% | -10.2% | -3.7% | -31.4% |
| | Commercial Services | -5.0% | -5.1% | -2.9% | 6.0% | -3.9% | -10.8% | -8.9% | -10.2% | 2.1% | -25.5% | -5.3% | -5.5% | -0.8% | 13.4% | -10.5% | -6.1% | -2.9% | -7.3% | -1.5% | -18.9% |
| | Transportation | -0.4% | -2.0% | -2.6% | 17.2% | -10.7% | -3.2% | 1.5% | -3.1% | 5.4% | -1.4% | -1.0% | -1.5% | -3.3% | 11.0% | -9.5% | -1.7% | -1.8% | -4.8% | 2.7% | -14.4% |
| Commods | Energy | -0.4% | -1.4% | 7.1% | 11.9% | -15.4% | -7.8% | 7.9% | 0.8% | 6.1% | 19.7% | 0.1% | -2.6% | 8.0% | 16.8% | -14.6% | -6.8% | 1.9% | 4.6% | 4.8% | 16.8% |
| | Materials | -3.6% | -5.2% | 5.5% | 8.1% | -11.9% | -8.5% | 3.9% | -18.2% | 3.5% | -11.1% | -3.3% | -6.0% | 4.0% | 0.4% | -6.2% | -11.8% | 8.2% | -13.0% | 3.6% | -9.7% |
| Financials | Banks | -0.7% | 1.9% | 2.7% | 13.9% | -5.1% | -2.5% | 2.6% | 4.6% | 0.0% | 17.9% | 0.2% | 2.4% | 0.3% | 11.3% | -5.7% | -2.5% | -1.2% | 4.2% | -0.6% | -0.4% |
| | Real Estate | -5.8% | -2.7% | -5.2% | 12.3% | -16.0% | 3.1% | 11.2% | -12.2% | -2.4% | -3.0% | -4.4% | 0.4% | -4.1% | 11.1% | -20.9% | -6.1% | 3.4% | -15.5% | -2.2% | -23.6% |
| | Insurance | -5.0% | -2.2% | -0.2% | 13.3% | -10.7% | -3.5% | 7.1% | -14.8% | -7.2% | -9.3% | -5.3% | -1.0% | 0.6% | 13.8% | -8.9% | -10.0% | 3.6% | -11.2% | -6.9% | -19.4% |
| | Diversified Financials | -5.2% | -5.2% | -0.5% | -0.1% | 4.1% | -2.4% | 8.8% | -13.6% | -3.2% | -12.7% | -4.1% | -4.2% | -1.5% | -2.5% | 9.4% | -4.2% | 6.7% | -12.4% | -2.6% | -14.0% |
| Defensives | Telecom | -0.3% | -1.0% | -8.9% | 13.8% | -11.2% | -10.4% | 3.8% | -4.6% | -1.2% | -22.3% | -1.6% | -1.4% | -0.2% | 15.4% | -11.9% | -0.3% | 3.7% | -4.2% | -3.2% | -7.0% |
| | Food Beverage & Tobacco | -3.9% | -3.2% | -4.6% | 13.5% | -11.2% | -6.4% | 0.1% | -3.3% | 2.0% | -13.5% | -3.7% | -1.2% | -4.3% | 13.2% | -11.3% | -6.9% | -2.3% | -1.6% | 1.2% | -15.3% |
| | Utilities | -1.1% | -1.1% | -1.0% | 10.2% | -16.7% | 2.2% | 1.1% | -3.2% | 2.5% | -5.9% | 0.1% | 1.9% | -3.1% | 7.6% | -7.1% | 3.2% | -0.7% | 4.3% | 0.8% | 3.8% |
| | Pharma & Biotech | -5.9% | -4.6% | 14.0% | 11.3% | -3.2% | -5.4% | 1.9% | -5.2% | 0.2% | 16.3% | -3.1% | -3.7% | 0.8% | 6.7% | 5.5% | -8.8% | 1.9% | -2.4% | 0.4% | 0.7% |
| | Health Care Equip & Svcs | -3.7% | -1.9% | -5.5% | 10.4% | -7.2% | -6.1% | -2.5% | -9.7% | 0.4% | -19.3% | -4.0% | -2.1% | -2.7% | 11.8% | -8.5% | -10.8% | 3.0% | -9.0% | -1.3% | -20.6% |

Note: Bottom-up calculation based on current constituents and weights. Light blue = top 5 outperforming industries, black = bottom 5 underperforming industries. Industries with number of stocks less than 5 for both markets are not covered.

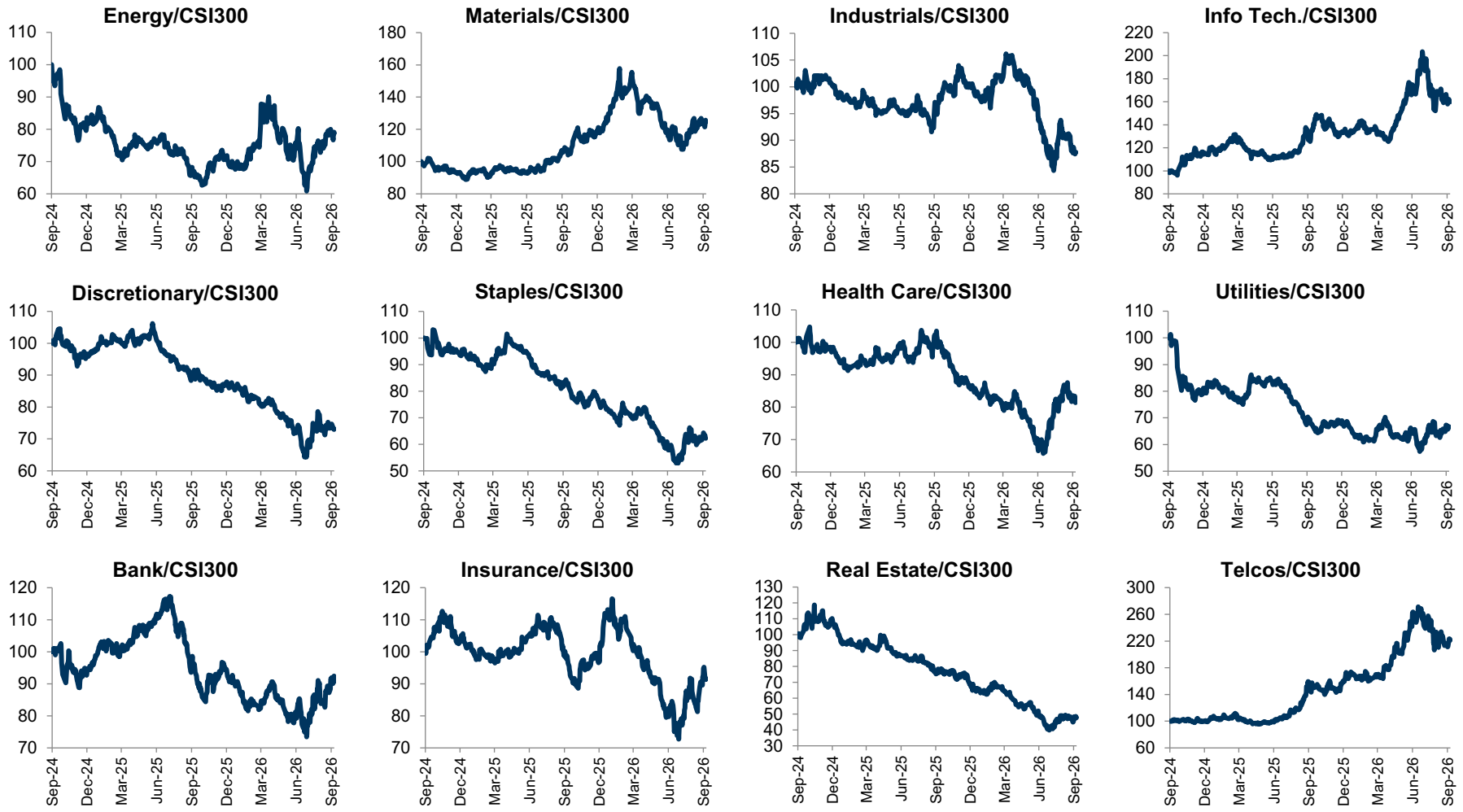
Source: Bloomberg, FactSet, MSCI, CSI

# Relative performance of offshore China sectors




Source: FactSet, MSCI

# Relative performance of onshore China sectors



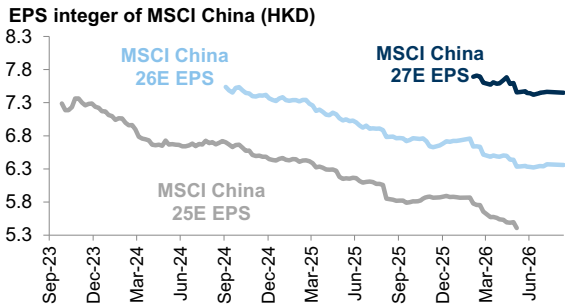

Based on CSI classification.

Source: Wind, CSI

# Earnings momentum and revisions

## EPS integer of MSCI China (HKD)

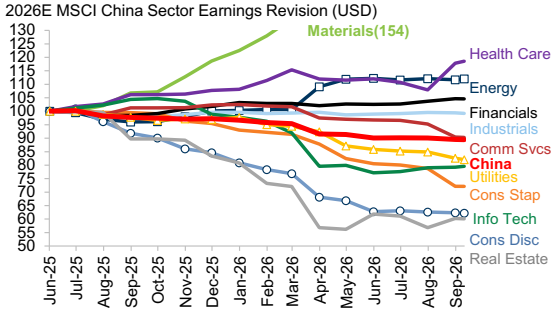
based on historical constituents; subject to index rebalancing




Source: FactSet, IBES, MSCI

## MSCI China sector earnings revision (USD)

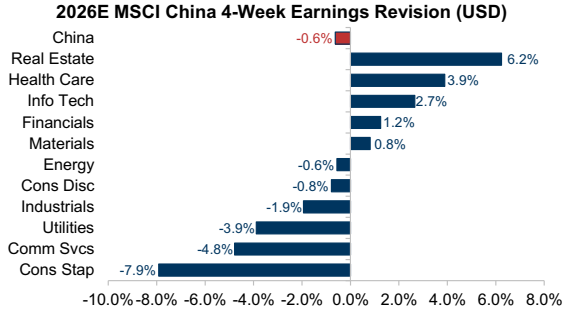
Based on latest index constituents




Source: FactSet, MSCI, Goldman Sachs Global Investment Research

## MSCI China 4-week sector earnings revision (USD)

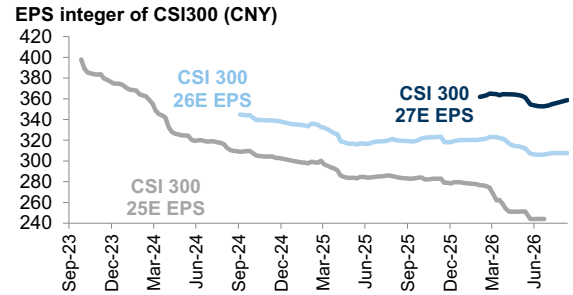
Based on latest index constituents




Source: FactSet, MSCI, Goldman Sachs Global Investment Research

## EPS integer of CSI300 (CNY)

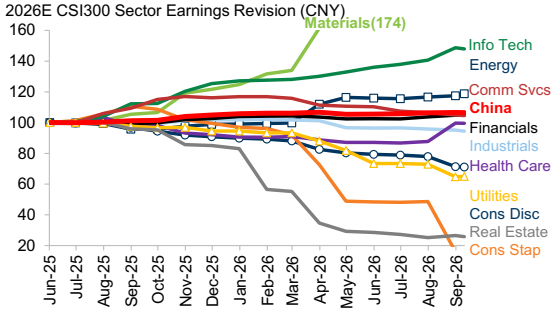
based on historical constituents; subject to index rebalancing




Source: FactSet, IBES, CSI300

## CSI300 sector earnings revision (CNY)

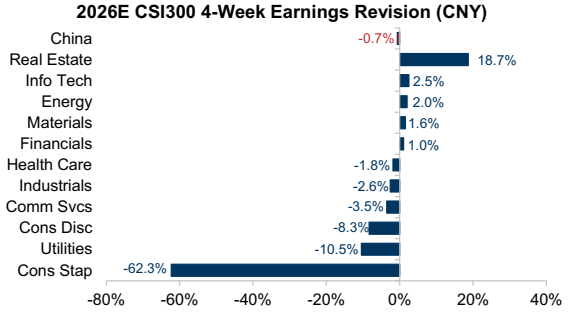
Based on latest index constituents




Source: FactSet, CSI, Goldman Sachs Global Investment Research

## CSI300 4-week sector earnings revision (CNY)

Based on latest index constituents

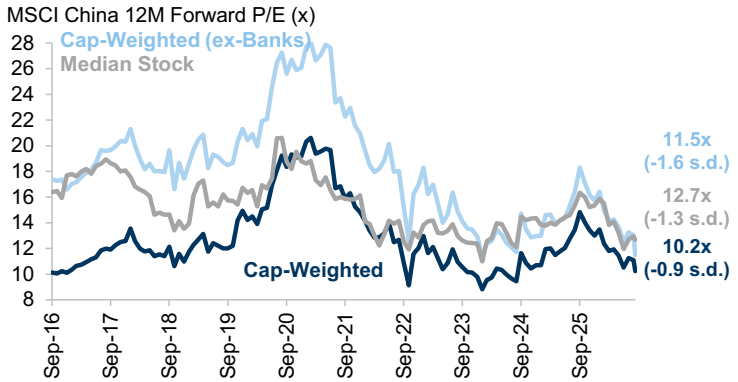



Cons Stap driven by Hog/Food Products.

Source: FactSet, CSI, Goldman Sachs Global Investment Research

# China valuations

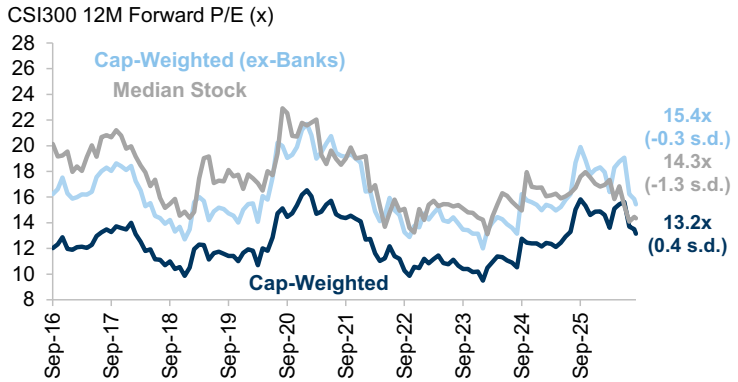
### 12-month forward P/E for MSCI China, past 10 years




Note: Based on latest constituents; z-score over past 10 years (monthly)

Source: FactSet, I/B/E/S, MSCI

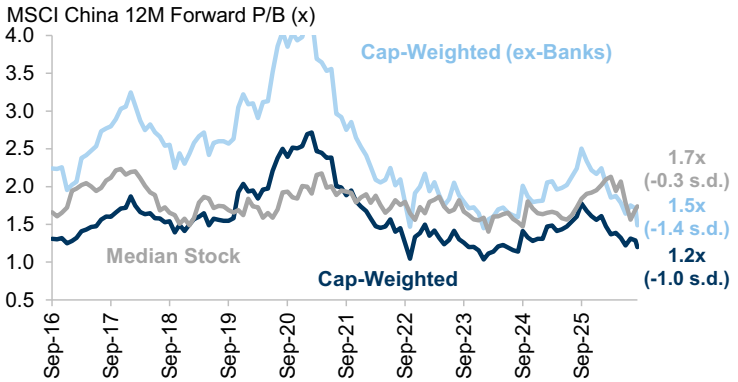
### 12-month forward P/E for CSI300, past 10 years




Note: Based on latest constituents; z-score over past 10 years (monthly)

Source: FactSet, I/B/E/S, CSI

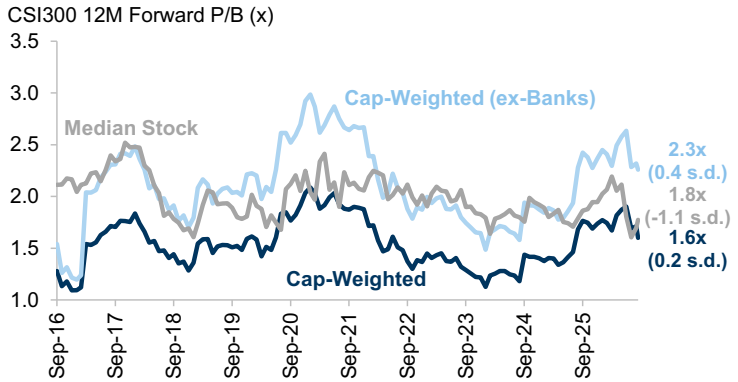
### 12-month forward P/B for MSCI China, past 10 years




Note: Based on latest constituents; z-score over past 10 years (monthly)

Source: FactSet, I/B/E/S, MSCI

### 12-month forward P/B for CSI300, past 10 years

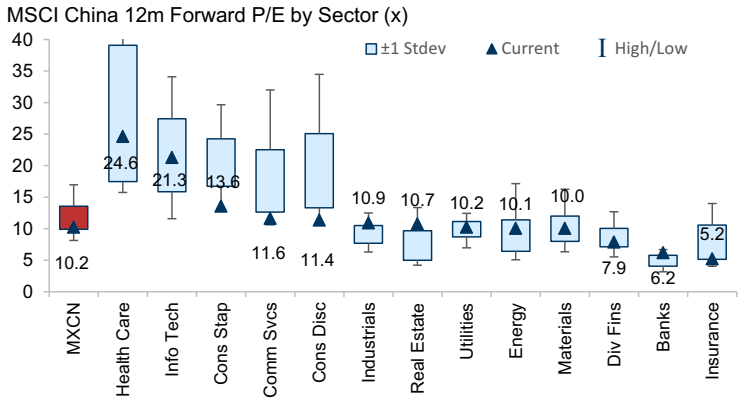



Note: Based on latest constituents; z-score over past 10 years (monthly)

Source: FactSet, I/B/E/S, CSI

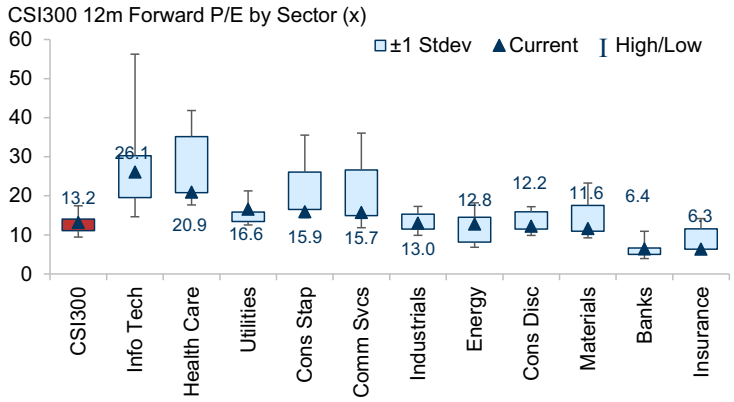
# Sector valuations

**Current 12-month forward P/E vs. 5-year range, based on MSCI China index**



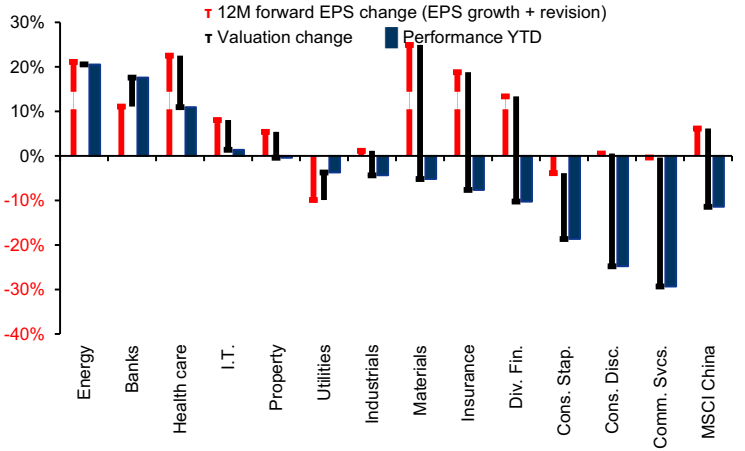

Source: FactSet, I/B/E/S, MSCI

**Current 12-month forward P/E vs. 5-year range, based on CSI300 index**



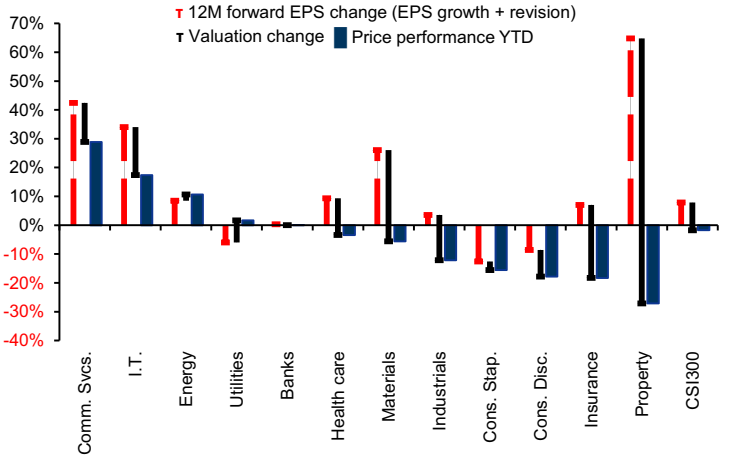

Source: FactSet, I/B/E/S, CSI

**Price performance, 12M forward earnings and valuation changes of MSCI China index YTD (HKD)**




Source: FactSet, IBES, MSCI

**Price performance, 12M forward earnings and valuation changes of CSI300 index YTD (CNY)**




Source: FactSet, IBES, CSI, Wind

## Sector valuations and EPS growth of MSCI China and CSI300 (based on bottom-up consensus median estimates)

Valuations and EPS growth of MXCN

| | P/E (X) | | P/B (X) | | EPS growth (%) | |
|---|---|---|---|---|---|---|
| | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E |
| **Energy** | 10.2x | 10.0x | 1.0x | 1.0x | 35.5 | 1.2 |
| **Materials** | 10.9x | 9.8x | 2.0x | 1.8x | 90.0 | 11.7 |
| **Industrials** | 12.2x | 10.6x | 1.3x | 1.1x | 28.2 | 14.9 |
| **Capital goods** | 12.9x | 10.7x | 1.3x | 1.1x | 36.5 | 20.1 |
| **Commercial services** | 13.0x | 10.8x | 2.2x | 2.0x | 15.4 | 21.1 |
| **Transportation** | 10.6x | 10.3x | 1.1x | 1.0x | 15.5 | 3.6 |
| **Cons Disc** | 15.1x | 10.5x | 1.6x | 1.4x | 19.3 | 43.6 |
| **Autos** | 17.1x | 11.4x | 1.8x | 1.6x | 60.9 | 50.6 |
| **Consumer Durables** | 11.2x | 9.8x | 1.8x | 1.6x | 6.4 | 15.0 |
| **Consumer services** | 20.2x | 11.9x | 1.9x | 1.6x | 36.8 | 69.3 |
| **Retailing** | 14.1x | 10.0x | 1.5x | 1.3x | 11.5 | 40.8 |
| **Cons Stap** | 15.9x | 13.0x | 2.3x | 2.1x | 14.3 | 22.3 |
| **Food/beverage/tobacco** | 16.4x | 13.3x | 2.6x | 2.4x | 15.7 | 24.0 |
| **Health Care** | 27.3x | 23.9x | 3.3x | 2.9x | 26.5 | 14.5 |
| **Health Care Equipment** | 10.6x | 9.5x | 1.0x | 0.9x | 11.0 | 11.9 |
| **Pharma Biotech** | 29.9x | 26.0x | 3.8x | 3.3x | 29.3 | 14.9 |
| **Financials** | 6.4x | 5.9x | 0.7x | 0.6x | 10.4 | 6.9 |
| **Banks** | 6.6x | 6.1x | 0.6x | 0.5x | 8.9 | 8.6 |
| **Insurance** | 5.3x | 5.2x | 0.9x | 0.8x | 9.0 | 2.4 |
| **Diversified Financials** | 8.5x | 7.7x | 0.8x | 0.8x | 36.5 | 10.1 |
| **Real estate** | 12.3x | 10.3x | 0.6x | 0.6x | 0.8 | 18.5 |
| **IT** | 29.7x | 19.4x | 3.4x | 2.9x | 41.9 | 52.8 |
| **Software** | -167.8x | 8651.7x | 2.8x | 2.7x | - | - |
| **Hardware** | 22.1x | 15.0x | 3.0x | 2.5x | 24.1 | 47.7 |
| **Semiconductors** | 78.9x | 43.3x | 6.7x | 6.0x | 989.2 | 82.3 |
| **Comm Svcs** | 12.6x | 11.4x | 2.0x | 1.7x | 6.9 | 10.9 |
| **Telecom Services** | 10.0x | 9.2x | 0.6x | 0.6x | 29.6 | 8.9 |
| **Media & Entertainment** | 12.6x | 11.4x | 2.1x | 1.8x | 6.5 | 10.9 |
| **Utilities** | 10.8x | 10.1x | 0.9x | 0.9x | -0.7 | 7.5 |
| **MXCN** | **11.6x** | **9.9x** | **1.3x** | **1.2x** | **17.4** | **17.2** |

Valuations and EPS growth of CSI300

| | P/E (X) | | P/B (X) | | EPS growth (%) | |
|---|---|---|---|---|---|---|
| | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E |
| **Energy** | 13.1x | 12.6x | 1.7x | 1.6x | 34.1 | 3.8 |
| **Materials** | 12.6x | 11.3x | 2.4x | 2.1x | 76.1 | 11.7 |
| **Industrials** | 15.0x | 12.5x | 1.6x | 1.4x | 19.4 | 20.1 |
| **Capital goods** | 14.7x | 12.2x | 1.7x | 1.5x | 23.1 | 20.9 |
| **Transportation** | 16.4x | 14.2x | 1.2x | 1.1x | 1.3 | 15.6 |
| **Cons Disc** | 13.6x | 11.8x | 1.7x | 1.6x | 3.5 | 14.8 |
| **Autos** | 17.1x | 13.3x | 1.5x | 1.4x | 4.5 | 28.7 |
| **Consumer Durables** | 11.2x | 10.5x | 2.0x | 1.9x | 1.8 | 6.6 |
| **Cons Stap** | 20.8x | 14.7x | 3.7x | 3.4x | -13.2 | 40.8 |
| **Food/beverage/tobacco** | 20.8x | 14.7x | 3.7x | 3.4x | -13.2 | 40.8 |
| **Health Care** | 23.4x | 20.2x | 3.4x | 3.0x | 33.9 | 16.1 |
| **Health Care Equipment** | 21.9x | 18.8x | 2.8x | 2.6x | 3.2 | 16.2 |
| **Pharma Biotech** | 24.0x | 20.6x | 3.6x | 3.2x | 48.6 | 16.0 |
| **Financials** | 7.5x | 7.1x | 0.7x | 0.7x | 7.9 | 5.2 |
| **Banks** | 6.6x | 6.3x | 0.6x | 0.6x | 3.1 | 5.4 |
| **Insurance** | 6.5x | 6.3x | 1.0x | 0.9x | 8.3 | 3.1 |
| **Real estate** | -9.6x | -24.2x | 0.5x | 0.5x | - | - |
| **IT** | 35.8x | 23.9x | 5.9x | 4.9x | 101.3 | 49.8 |
| **Software** | 58.3x | 46.0x | 4.5x | 4.1x | 10.7 | 26.8 |
| **Hardware** | 27.5x | 19.0x | 5.5x | 4.4x | 80.9 | 44.6 |
| **Telecoms** | 17.1x | 15.3x | 1.4x | 1.3x | 20.9 | 11.6 |
| **Media & Entertainment** | 17.2x | 16.5x | 0.9x | 0.9x | -8.2 | 3.8 |
| **Utilities** | 17.7x | 16.2x | 1.8x | 1.7x | -1.8 | 9.7 |
| **CSI300** | **14.8x** | **12.7x** | **1.7x** | **1.6x** | **25.3** | **16.8** |

*Note: As of Sep 10, 2026; Industry groups with number of stocks less than 5 are excluded.*

Source: FactSet, I/B/E/S, MSCI, CSI

# Regional valuations

## MSCI market and sector index valuations

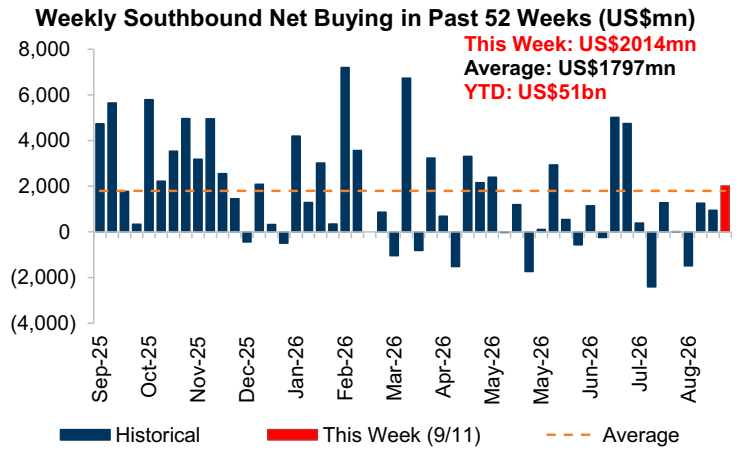
Based on bottom-up consensus median estimates

| | Local Currency | Bloomberg Ticker | Consensus Estimates | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | P/E (X) | | EPS Growth (%) | | P/B (X) | D/Y (%) | ROE (%) | EBIT Margin (%) | P/CF (%) |
| | | | 2026E | 2027E | 2026E | 2027E | 2026E | 2026E | 2026E | 2026E | 2026E |
| **China Onshore** | | | | | | | | | | | |
| **CSI300** | CNY | SHSZ300 | 14.8 | 12.7 | 25.3 | 16.8 | 1.7 | 2.6 | 12.0 | 14.8 | 11.4 |
| **CSI300 ex banks** | CNY | | 17.8 | 14.7 | 35.9 | 20.9 | 2.3 | 2.3 | 13.5 | 11.6 | 11.4 |
| **CSI500** | CNY | SH000905 | 22.4 | 18.2 | 51.6 | 23.3 | 2.2 | 0.8 | 10.0 | 8.9 | - |
| **CSI1000** | CNY | SH000852 | 27.7 | 20.9 | 47.5 | 32.3 | 2.4 | 1.6 | 9.1 | 7.8 | - |
| **Shanghai Composite** | CNY | SHCOMP | 14.0 | 12.6 | 20.8 | 11.3 | 1.4 | 2.9 | 10.4 | 13.2 | 10.0 |
| **Shenzhen Composite** | CNY | SZCOMP | 22.0 | 17.0 | 62.0 | 29.8 | 2.5 | 1.9 | 12.1 | 10.3 | 13.5 |
| **SME Composite** | CNY | SZSMEC | 21.4 | 16.4 | 44.5 | 31.1 | 2.6 | 1.7 | 12.5 | 10.2 | 13.4 |
| **ChiNext Composite** | CNY | SZ399102 | 28.9 | 21.0 | 68.3 | 37.9 | 4.3 | 1.2 | 16.0 | 12.8 | 20.4 |
| **China Offshore** | | | | | | | | | | | |
| **MSCI China** | HKD | MXCN | 11.6 | 9.9 | 17.4 | 17.2 | 1.3 | 2.6 | 12.1 | 14.2 | 8.9 |
| **MSCI China** | CNY | | 11.4 | 10.0 | 10.6 | 13.9 | 1.3 | 2.6 | 12.1 | 14.2 | 8.7 |
| **MXCN ex banks** | HKD | | 13.2 | 11.0 | 20.5 | 20.0 | 1.6 | 2.3 | 13.4 | 10.0 | 8.9 |
| **MXCN ex oils** | HKD | | 10.6 | 9.2 | 21.4 | 15.0 | 1.2 | 3.2 | 11.6 | 17.9 | 8.9 |
| **MXCN ex oils, telcos** | HKD | | 10.6 | 9.2 | 21.4 | 15.0 | 1.2 | 3.1 | 11.6 | 18.0 | 9.0 |
| **China H shares** | HKD | HSCEI | 10.5 | 9.1 | 14.5 | 15.8 | 1.1 | 3.2 | 11.1 | 16.2 | 8.0 |
| **Asia** | | | | | | | | | | | |
| **Hong Kong** | HKD | MXHK | 14.7 | 14.0 | 18.4 | 4.5 | 1.2 | 3.9 | 8.4 | 14.6 | 10.2 |
| **Hang Seng** | HKD | HSI | 11.6 | 10.2 | 15.7 | 14.2 | 1.2 | 3.2 | 11.2 | 15.9 | 8.5 |
| **Australia** | AUD | MXAU | 18.8 | 18.1 | 5.4 | 4.1 | 2.6 | 3.6 | 14.1 | 27.5 | 11.7 |
| **India** | INR | MXIN | 21.9 | 18.9 | 11.5 | 15.9 | 3.1 | 1.4 | 15.0 | 17.1 | 16.2 |
| **Indonesia** | IDR | MXID | 9.7 | 8.9 | 1.9 | 9.0 | 1.6 | 7.7 | 16.5 | 32.4 | 5.0 |
| **Japan** | JPY | MXJP | 17.2 | 15.1 | 21.1 | 14.1 | 1.9 | 2.0 | 11.7 | 11.9 | 12.1 |
| **Korea** | KRW | MXKR | 6.4 | 4.7 | 343.2 | 37.1 | 2.1 | 2.3 | 38.4 | 36.4 | 5.6 |
| **Malaysia** | MYR | MXMY | 14.6 | 13.7 | 9.2 | 6.3 | 1.5 | 4.3 | 10.7 | 26.5 | 9.4 |
| **Philippines** | PHP | MXPH | 11.2 | 10.2 | 3.4 | 10.4 | 1.6 | 3.3 | 14.9 | 32.4 | 9.0 |
| **Singapore Free** | SGD | SGY | 18.9 | 17.1 | 10.4 | 10.2 | 2.3 | 3.5 | 12.3 | 23.5 | 14.0 |
| **Taiwan** | TWD | MXTW | 22.4 | 17.4 | 65.1 | 29.0 | 5.5 | 1.7 | 27.1 | 16.5 | 20.0 |
| **Thailand** | THB | MXTH | 17.8 | 17.2 | 15.7 | 3.6 | 2.1 | 3.4 | 12.3 | 12.8 | 9.0 |
| **AC Asia Pacific** | USD | MXAP | 14.0 | 11.0 | 55.6 | 27.5 | 2.2 | 2.2 | 16.8 | 19.7 | 10.8 |
| **AC Asia Pacific ex Japan** | USD | MXAPJ | 13.0 | 9.9 | 74.8 | 30.2 | 2.3 | 2.3 | 19.6 | 23.5 | 10.3 |
| **AC Asia ex Japan** | USD | MXASJ | 12.4 | 9.4 | 82.7 | 32.2 | 2.2 | 2.2 | 20.1 | 23.2 | 10.1 |
| **AC Far East ex Japan** | USD | MXFEJ | 11.7 | 8.8 | 93.9 | 33.7 | 2.2 | 2.3 | 20.7 | 23.8 | 9.7 |
| **Global** | | | | | | | | | | | |
| **USA** | USD | MXUS | 21.7 | 18.7 | 32.2 | 16.1 | 5.4 | 1.1 | 26.8 | 19.8 | 17.6 |
| **Europe** | USD | MSDUE15 | 15.3 | 13.9 | 21.5 | 9.7 | 2.4 | 3.1 | 16.1 | 18.0 | 10.4 |
| **EAFE** | USD | MXEA | 16.0 | 14.4 | 19.3 | 11.7 | 2.2 | 2.8 | 14.4 | 16.7 | 10.9 |
| **World (developed mkt.)** | USD | MXWO | 19.8 | 17.3 | 27.9 | 14.5 | 3.9 | 1.6 | 20.9 | 18.8 | 15.2 |
| **Emerging Markets** | USD | MXEF | 11.9 | 9.3 | 73.8 | 28.3 | 2.2 | 2.5 | 20.8 | 23.6 | 9.3 |
| **AC World** | USD | MXWD | 18.3 | 15.6 | 34.6 | 17.1 | 3.6 | 1.7 | 20.9 | 19.7 | 14.2 |

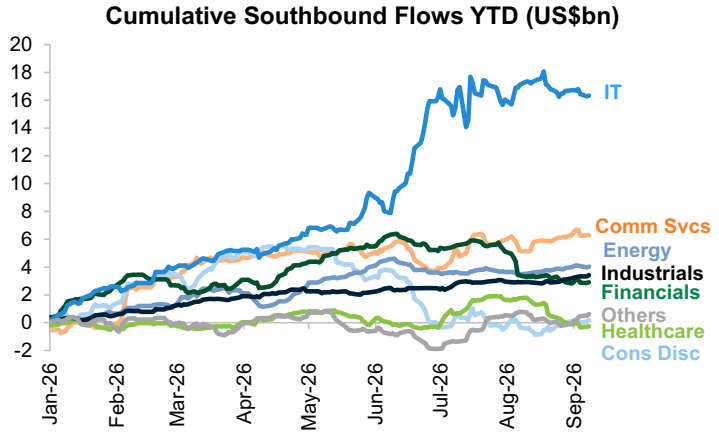
Note: As of Sep 10, 2026

Source: FactSet, I/B/E/S, MSCI, Worldscope

# Stock Connect weekly flows




Source: Wind

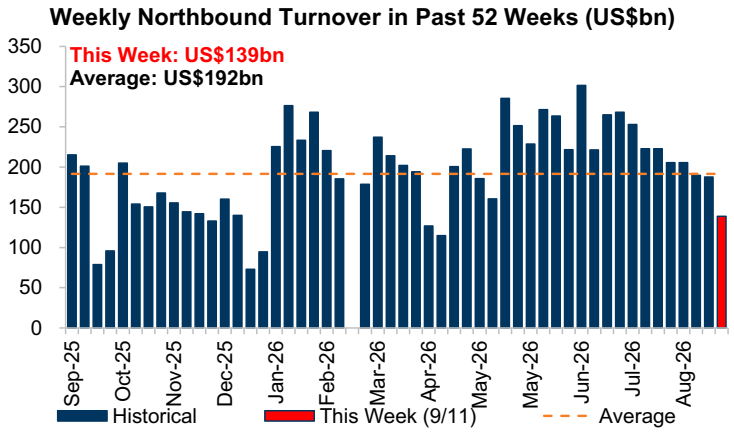



Source: Wind

| | Southbound | | |
|---|---|---|---|
| | Ticker | Name | Net buying (USD mn) |
| Top Buying | 3308 HK | Innolight | 206 |
| | 1810 HK | Xiaomi | 203 |
| | 1299 HK | AIA | 145 |
| | 6869 HK | Yangtze Optical Fibre and Cable | 109 |
| | 3808 HK | Sinotruk Hong Kong | 95 |
| Top Selling | 981 HK | SMIC | -424 |
| | 1347 HK | Hua Hong Semiconductor | -317 |
| | 1801 HK | Innovent Biologics | -231 |
| | 941 HK | China Mobile | -111 |
| | 1888 HK | Kingboard Laminates | -97 |
| | Ticker | Name | Ownership change (%) |
| Top Positioning Increase | 3308 HK | Innolight | 18.8% |
| | 9678 HK | Unisound AI Technology Co., Ltd. | 11.2% |
| | 2609 HK | Bayzed Health Group, Inc. | 7.1% |
| | 2591 HK | INNOGEN-B | 5.4% |
| | 2650 HK | Zhida Tech | 5.3% |
| Top Positioning Decrease | 2431 HK | Minieye Tech | -6.1% |
| | 2587 HK | HealthyWay | -5.1% |
| | 780 HK | Tongcheng-Elong | -3.4% |
| | 1347 HK | Hua Hong Semiconductor | -3.3% |
| | 189 HK | Dongyue | -3.2% |

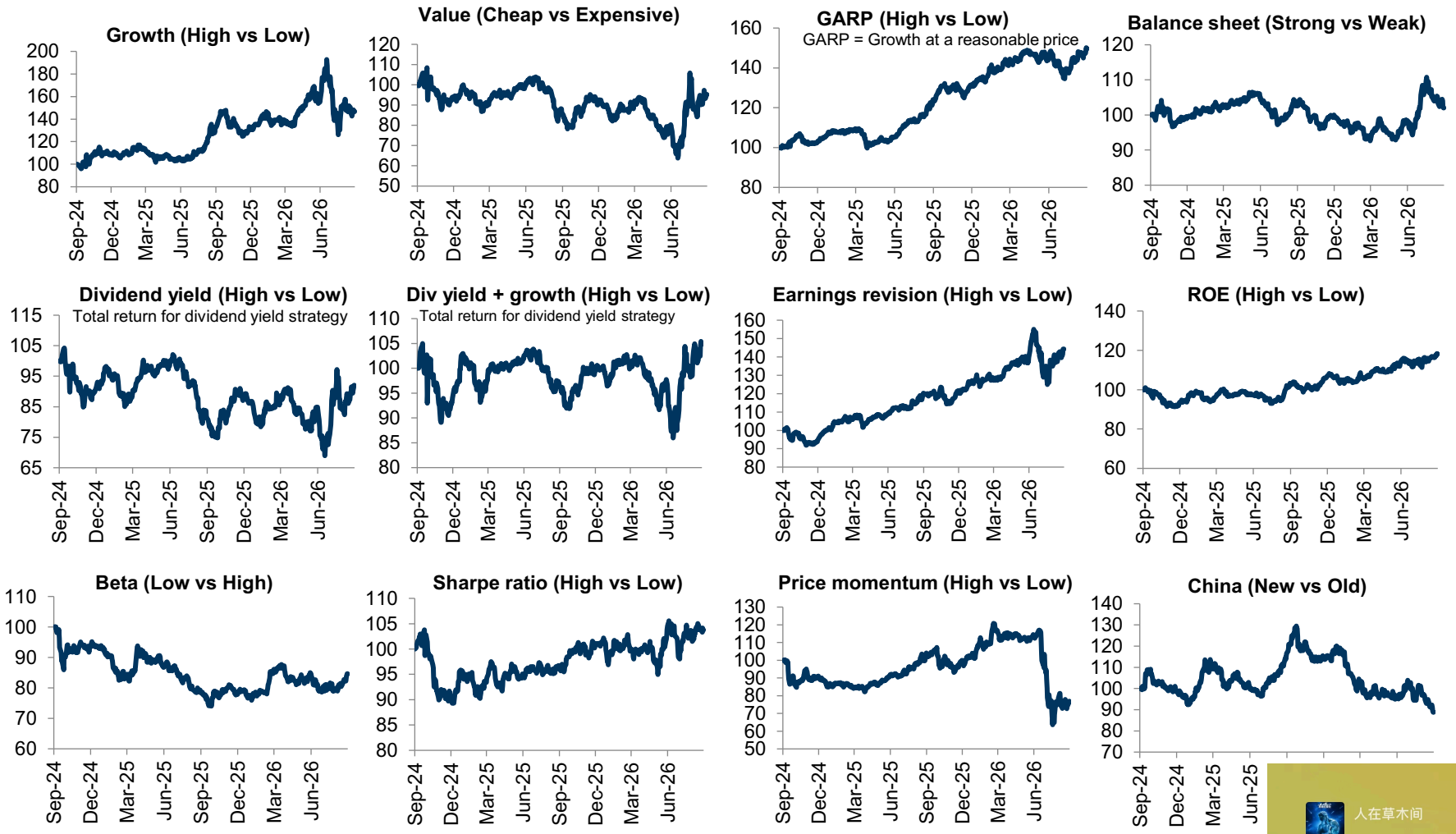
**Top buying and selling data is based on all Connect eligible stocks and positioning is as % of free-float; both are based on data from last Tues to this Tues due to time lag in HKEx data and southbound flows for the top 10 traded shares from this Wed to Friday.*

Source: Wind, FactSet, data compiled by Goldman Sachs Global Investment Research




Source: Wind

# Style investing monitor (China Offshore)

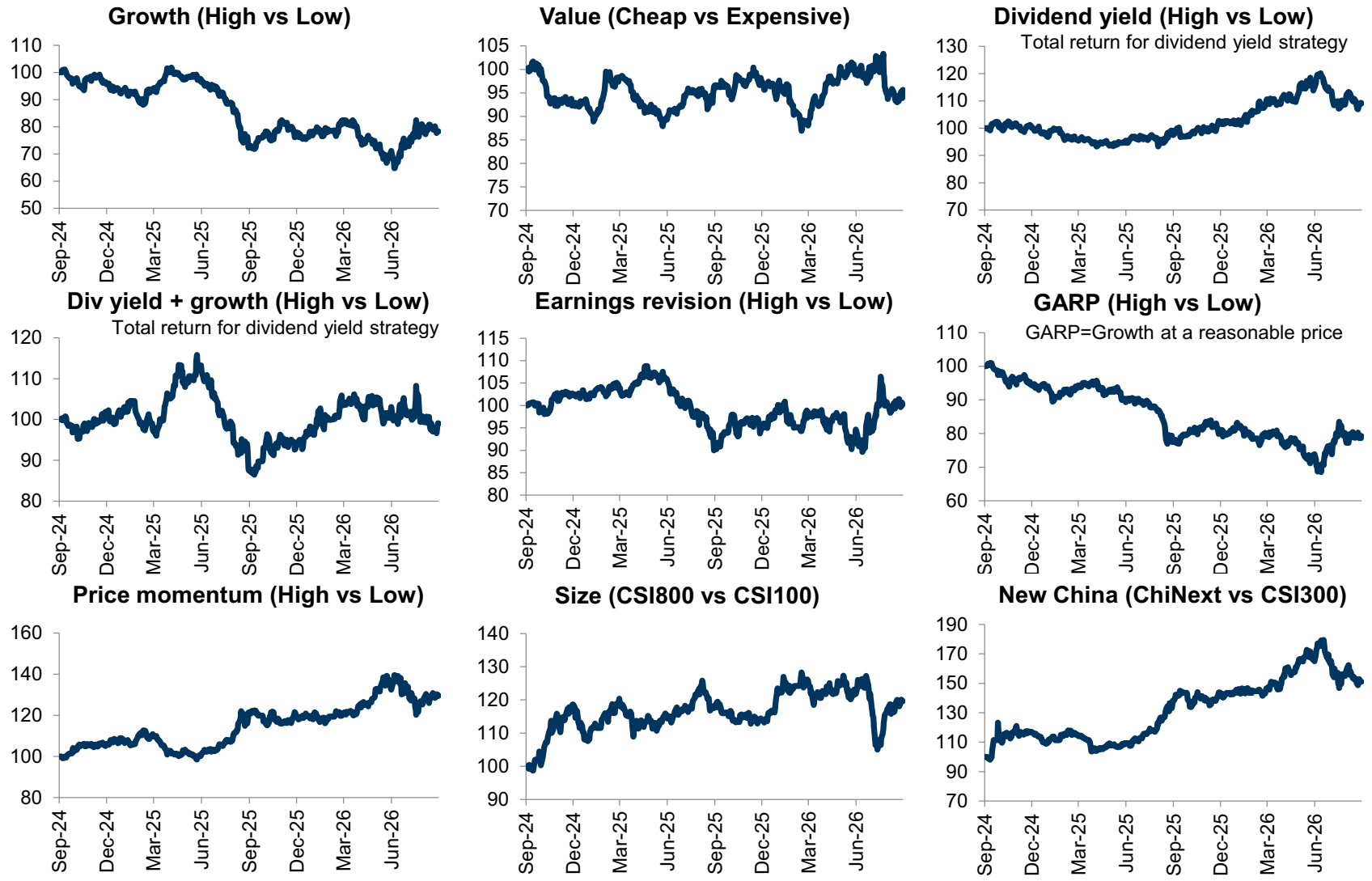



*Note: Constituents of MXCN are used for all strategies except the New vs Old which includes both A and H shares.*

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

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更多资料请加V

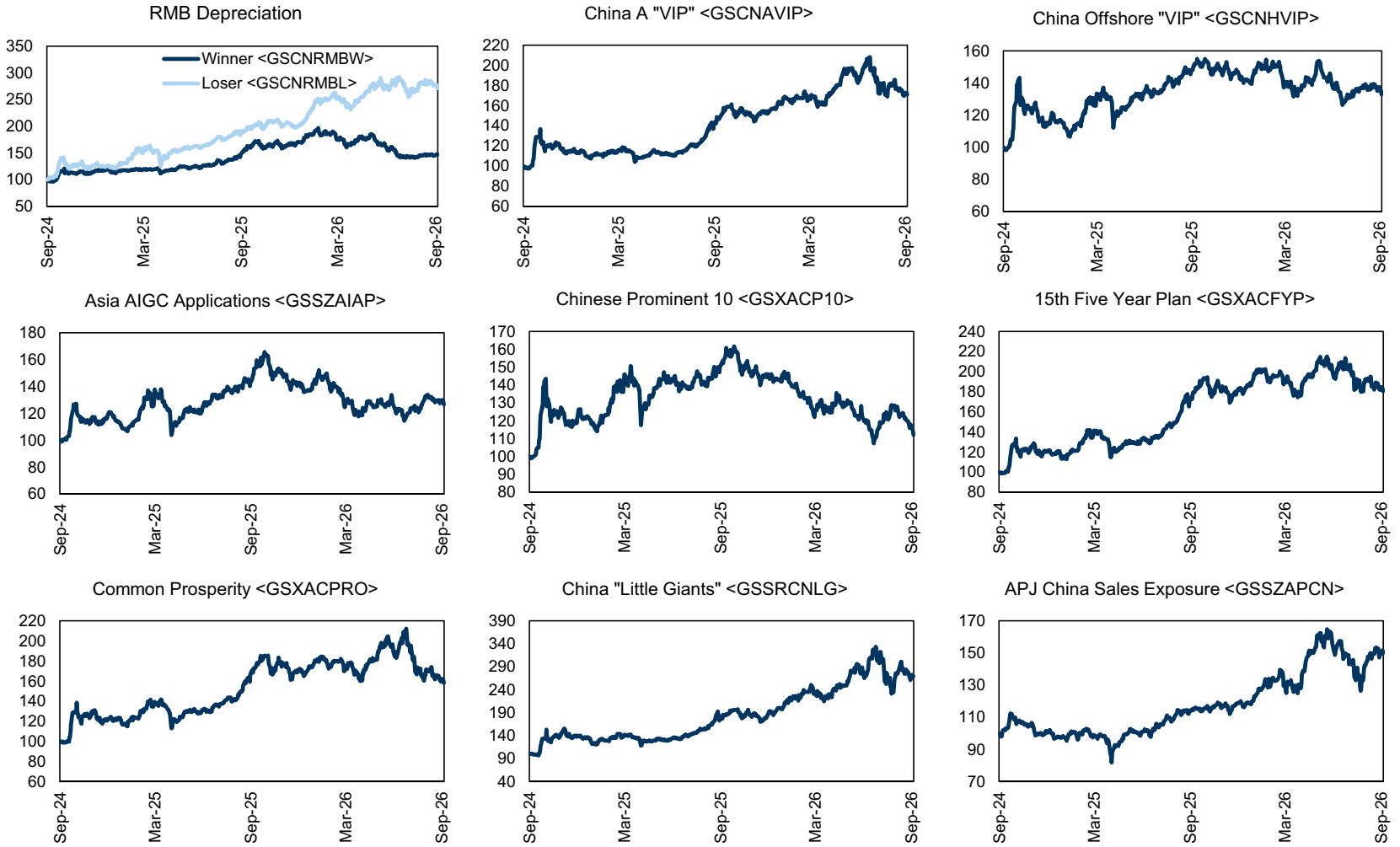
# Style investing monitor (China Onshore)




*Note: Constituents of CSI300 are used for all strategies except Size and New China strategies that use index as proxies.*

Source: Wind, FactSet, Goldman Sachs Global Investment Research

# China specific baskets performance

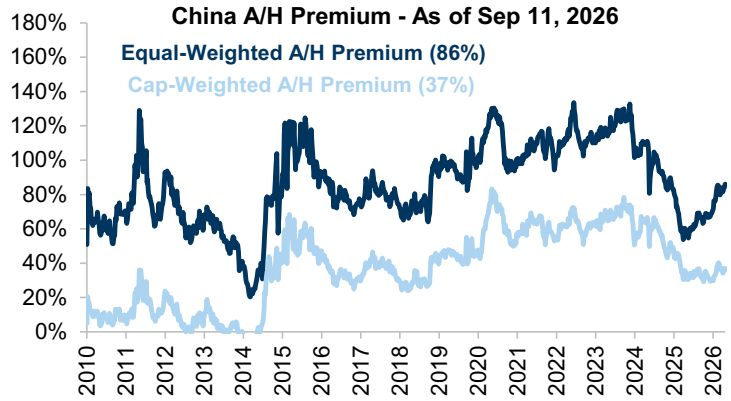



Note: "VIP" stands for "Very-Important Position"; Chinese Prominent 10 portfolio based on equal-weighted performance; APJ stands for Asia-Pacific ex-Japan

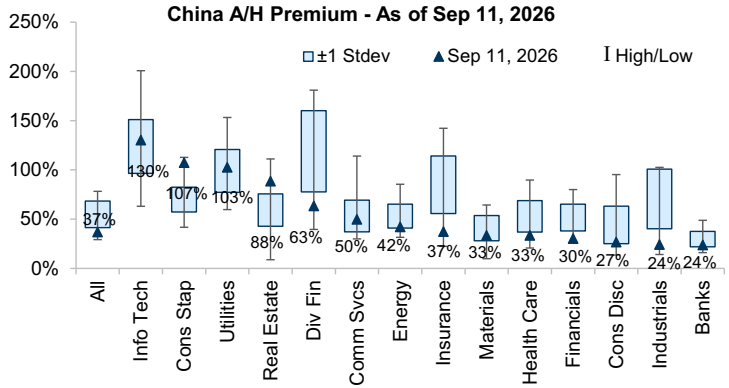
GSXACP10, GSXACFYP, GSXACPRO baskets developed by GBM.

Source: Goldman Sachs Global Investment Research, Goldman Sachs FICC and Equities

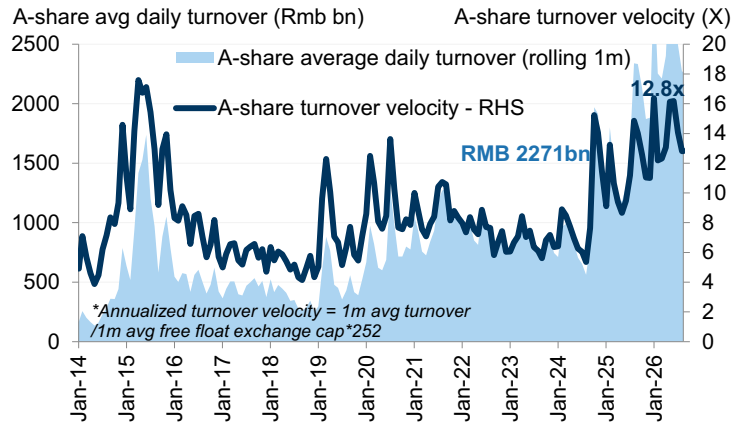
# A/H premium and A-shares liquidity



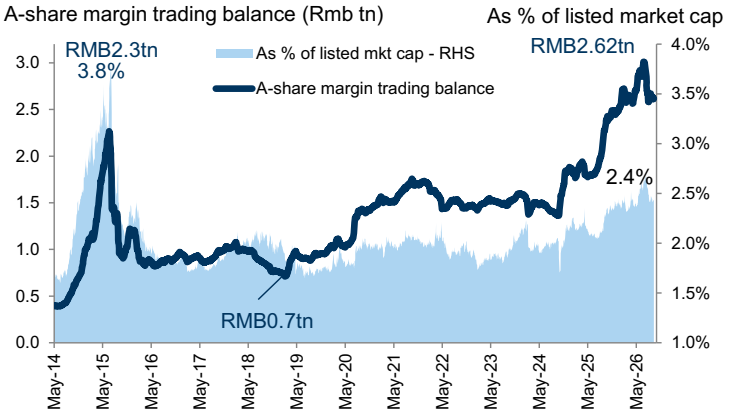

Source: FactSet, Wind




Source: FactSet, Wind




Source: Wind, Goldman Sachs Global Investment Research




Source: Wind, Goldman Sachs Global Investment Research

# Breakdown of the Chinese alphabet soup

| | # of active cos | US$ bn | | | | | Annualized Velocity--float (%) | % of 2025 GDP | |
|---|---|---|---|---|---|---|---|---|---|
| | | Share class market cap | Freefloat market cap | 6-month ADVT | Avg share class cap | Avg freefloat cap | | Share class mkt cap | Free float mkt cap |
| Domestic listed | 5,279 | 15,261 | 8,009 | 382.8 | 2.9 | 1.5 | 1,204 | 77.8% | 40.8% |
| A shares | 5,202 | 15,245 | 8,002 | 382.8 | 2.9 | 1.5 | 1,206 | 77.7% | 40.8% |
| *Shanghai* | 2,310 | 9,514 | 5,031 | 175.7 | 4.1 | 2.2 | 880 | 48.5% | 25.6% |
| *Shenzhen* | 2,892 | 5,732 | 2,971 | 207.1 | 2.0 | 1.0 | 1,757 | 29.2% | 15.1% |
| B shares | 77 | 16 | 8 | 0.03 | 0.2 | 0.1 | 115 | 0.1% | 0.0% |
| *Shanghai* | 41 | 11 | 5 | 0.02 | 0.3 | 0.1 | 103 | 0.1% | 0.0% |
| *Shenzhen* | 36 | 5 | 2 | 0.01 | 0.1 | 0.1 | 144 | 0.0% | 0.0% |
| Offshore listed | 1,581 | 4,640 | 1,770 | 25.5 | 2.9 | 1.1 | 363 | 23.6% | 9.0% |
| H shares | 516 | 1,437 | 332 | 9.9 | 2.8 | 0.6 | 751 | 7.3% | 1.7% |
| Red chips | 162 | 843 | 241 | 2.4 | 5.2 | 1.5 | 256 | 4.3% | 1.2% |
| H shares + red chips | 678 | 2,281 | 573 | 12.3 | 3.4 | 0.8 | 543 | 11.6% | 2.9% |
| P chips | 621 | 1,514 | 500 | 7.7 | 2.4 | 0.8 | 388 | 7.7% | 2.5% |
| HK-listed China offshore | 1,299 | 3,794 | 1,073 | 20.0 | 2.9 | 0.8 | 471 | 19.3% | 5.5% |
| US-listed China offshore | 236 | 796 | 675 | 5.4 | 3.4 | 2.9 | 200 | 4.1% | 3.4% |
| Singapore-listed China offshore | 46 | 50 | 22 | 0.09 | 1.1 | 0.5 | 100 | 0.3% | 0.1% |
| All China | 6,860 | 19,901 | 9,779 | 408.3 | 2.9 | 1.4 | 1,052 | 101.4% | 49.8% |
| SOEs (A shares) | 1,365 | 6,880 | 4,085 | 101.3 | 5.0 | 3.0 | 625 | 35.1% | 20.8% |
| SOEs (HK-listed China Offshore) | 216 | 1,329 | 499 | 4.2 | 6.2 | 2.3 | 213 | 6.8% | 2.5% |
| POEs (A shares) | 3,834 | 8,363 | 3,916 | 281.4 | 2.2 | 1.0 | 1,811 | 42.6% | 20.0% |
| POEs (HK-listed China Offshore) | 1,083 | 2,465 | 574 | 15.8 | 2.3 | 0.5 | 695 | 12.6% | 2.9% |
| MSCI China index | 523 | 11,257 | 6,347 | 153.2 | 21.5 | 12.1 | 608 | 57.4% | 32.3% |
| MSCI China A index | 407 | 7,977 | 4,864 | 120.6 | 19.6 | 12.0 | 625 | 40.6% | 24.8% |
| CSI 300 index | 300 | 7,255 | 4,498 | 88.8 | 24.2 | 15.0 | 497 | 37.0% | 22.9% |

*Note: As of Sep 10, 2026; (1) The total market cap of ADRs with secondary listing in HK (including shares traded in US and HK) are counted under the US-listed China offshore. (2) Free float market cap is estimated as total share class market cap times estimated free float ratio. (3) All China offshore China stocks are listed on the Hong Kong, US and Singapore exchanges only. (4) HK-HK stocks refer to stocks with the market in Hong Kong and listed on the Hong Kong exchange.*

Source: FactSet, Wind, Bloomberg, Goldman Sachs Global Investment Research