China Consumer Tracker

Recovery remains weak

Equities
Consumer

China

- Retail sales grew 0.4% y-o-y in August 2026 vs Bloomberg consensus of +0.8% and +0.6% in July
- After 1H26 results, we prefer the snack retail, e2W and dairy subsectors
- Stocks of the month: Yili, Ninebot, and YUTO (all rated Buy)

Retail sales decelerated again in August. Retail sales rose 0.4% y-o-y in August (vs Bloomberg consensus of +0.8% and +0.6% in July). Despite the easing y-o-y base pressure, retail sales growth slowed down again in August, indicating that consumption growth momentum remains weak. Of the subcategories in retail sales of goods, we saw the largest declines in automobile (-18.5%), gold, silver and jewellery (-17.5%), and construction and decoration materials (-11.8%); consumer staples remained stable: oil and foodstuffs (+4%), beverages (+4.9%), tobacco and liquor (+12.5%); telecommunication equipment (+27.3%) was still the biggest growth contributor; other key categories under national subsidies improved slightly: home appliances (2.3%), furniture (-7.9%). Service consumption continued to outperform goods consumption. In 8M26, revenue of retail sales of goods and food and beverage increased 1% and 2.4% y-o-y, respectively. Meanwhile, service retail sales rose 4.9% y-o-y in 8M26, outgrowing retail sales' 1.1%, but slowed from the 5% growth in 7M26.

After 1H26 results, we prefer the below subsectors. We stay positive on the strong growth of the snack retailer sector and expect the two leading companies to maintain a high store opening rate in August-September. At the same time, we think the e2W sector has passed the peak of operating pressure in 2Q26. With the peak season in 3Q26, and the low base after the implementation of the new national standard in September 2025, industry demand y-o-y will improve. Profits are expected to show resilience on economies of scale. We also like the dairy product sector with a stable recovery in operation and downside supports from dividends/buybacks. With the Mid-Autumn Festival peak season approaching, raw milk prices are rising, easing the industry price competition, which is positive for dairy product leaders.

Stocks of the month. (1) Yili: 2Q26 sales and core operating profit remained resilient, and we expect the slight growth trend in liquid milk in July-August to continue. We estimate that the company's inventory was optimised during the low season in 2Q26, which may help it better prepare for the 3Q26 peak season. With good earnings visibility, dividend and buyback also provide downside support: The stock is currently trading at 17/13x 2026/27e P/E, with 4.8%/4.4% 2026/27e dividend yield. Factoring in the share buyback and cancellation plan, the dividend yield reaches c6%. **(2) Ninebot:** 2Q26 results beat our estimates. We think the company's 2H26 results could show resilience as the y-o-y base gets easier, the industry enters its peak season, and margins continue to recover. The stock is currently trading at 15/11x 2026/27e forward P/E. **(3) YUTO:** The company's new business expansion exceeded expectations in 2Q26, offsetting the impact of the decline in consumer electronics paper packaging business. We remain positive on the company's expansion in liquid cooling over the medium and the long term. Potential share price catalysts include materialisation of liquid cooling orders and acquisition of Huayan's remaining shares. The stock is currently trading at 20.5/15x 2026/2027e forward P/E. See **valuation and risks** on *page 15*.

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Charts navigation:

Macro focus

Share performance and valuation

Subsector —— Food & Beverage

Subsector —— Cosmetics

Subsector——Hotel & Tourism

Subsector —— Light manufacturing & Furniture

Subsector —— Home appliances

Exhibit 1. Valuation of our coverage

Company	Ticker	Rating	Mkt cap USDm	3M ADTV USDm	Price LC	TP LC	PE (x) 2026e	PE (x) 2027e	EPS y-o-y growth (%) 2026e	EPS y-o-y growth (%) 2027e	EPS CAGR (%) 2025-27e	PEG 2026e	Dividend Yield (%) 2026e
Baijiu													
Kweichow Moutai	600519 CH	Buy	235,982	779	1277.96	1713.00	18.9	17.7	2.9	6.7	4.8	3.9	4.2
Wuliangye	000858 CH	Hold	40,050	368	69.85	68.00	18.2	15.5	66.4	17.1	39.6	0.5	7.4
Luzhou Laojiao	000568 CH	Hold	15,976	158	73.48	80.00	14.8	13.9	-32.4	6.1	-15.3		5.3
Shanxi Fen Wine	600809 CH	Hold	20,306	176	112.68	119.00	14.3	13.9	-21.5	3.0	-10.1		4.8
Yanghe Brewery	002304 CH	Hold	8,472	42	38.07	42.00	24.2	22.5	7.5	7.6	7.6	3.2	4.1
Beer													
CRB	0291 HK	Buy	7,570	33	18.30	30.60	9.7	9.1	55.9	6.9	29.1	0.3	6.2
Bud APAC	1876 HK	Hold	9,812	15	5.81	7.10	16.8	15.7	20.0	6.6	13.1	1.3	6.0
Tsingtao - A	600600 CH	Buy	10,237	49	50.80	63.70	15.2	14.9	-0.8	2.4	0.8	19.3	4.6
Tsingtao - H	168 HK	Buy	6,986	20	40.16	53.00	10.4	10.1	-0.8	2.4	0.8	13.1	6.7
CBC	600132 CH	Hold	2,758	25	38.58	45.70	16.2	15.7	-6.1	2.8	-1.7	-9.3	6.2
Yanjing	000729 CH	Buy	4,634	51	11.13	16.70	15.2	12.8	23.1	18.7	20.9	0.7	2.2
Food													
Haitian - A	603288 CH	Hold	29,515	105	34.15	39.70	25.4	23.1	11.9	9.8	10.9	2.3	4.1
Haitian - H	3288 HK	Hold	20,219	9	27.10	37.00	17.4	15.8	11.9	9.8	10.9	1.6	6.1
Yili Industrial	600887 CH	Buy	25,087	243	26.85	35.30	17.1	13.1	-13.9	30.6	6.0	2.8	4.8
Weilong	9985 HK	Buy	2,193	4	7.08	10.70	9.5	8.7	9.3	9.7	9.5	1.0	9.5
Yankershop	002847 CH	Hold	1,746	27	43.75	49.60	14.3	12.3	10.1	16.6	13.3	1.1	4.2
Tingyi	322 HK	Buy	8,641	29	12.02	14.80	12.8	11.5	7.6	11.5	9.5	1.3	7.8
Uni-President	220 HK	Buy	3,913	8	7.11	8.90	12.8	11.3	1.0	12.6	6.7	1.9	7.8
Want Want	151 HK	Hold	4,249	6	2.84	3.20	9.5	11.5	-20.9	7.9	-7.6	-1.2	3.0
Eastroc - A	605499 CH	Buy	12,215	146	112.63	149.00	16.4	15.3	20.3	7.3	13.6	1.2	4.5
Eastroc - H	9980 HK	Buy	9,362	10	100.00	147.00	12.6	11.7	20.3	7.3	13.6	0.9	5.8
Wanchen	300972 CH	Buy	5,212	63	178.80	295.70	12.9	9.9	96.8	30.1	60.0	0.2	0.9
Busy Ming	1768 HK	Buy	10,822	19	389.60	563.00	15.3	11.7	102.9	31.6	63.4	0.2	1.0
Cosmetics													
Proya	603605 CH	Hold	3,326	48	56.87	70.00	11.8	12.9	27.3	-8.4	8.0	1.5	4.4
Botanee	300957 CH	Hold	1,955	37	31.24	36.00	21.1	18.2	23.8	16.2	20.0	1.1	2.6
Jahwa	600315 CH	Hold	1,772	20	17.85	20.70	28.6	23.4	57.5	22.6	39.0	0.7	1.8
Light manufacturing													
Softcare	2698 HK	Buy	2,307	7	29.14	38.30	15.2	13.2	25.5	15.6	20.4	0.7	3.9
Man Wah	1999 HK	Hold	1,402	3	2.86	2.90	6.9	6.6	-11.7	3.9	-4.2	-1.6	7.5
Oppein Home	603833 CH	Reduce	2,643	20	29.54	22.60	18.0	21.0	-46.6	-14.4	-32.4	-0.6	4.1
Jason Furniture	603816 CH	Buy	3,209	30	23.47	38.90	10.1	8.9	17.0	14.3	15.6	0.6	6.8
Comix	002301 CH	Buy	847	20	7.92	9.60	31.3	24.8	140.8	26.4	74.5	0.4	3.1
M&G	603899 CH	Reduce	3,002	14	22.19	20.60	19.0	16.2	-8.9	17.4	3.4	5.6	4.1
Suofeiya	002572 CH	Hold	1,067	14	7.50	8.50	9.9	9.5	-22.6	4.0	-10.3	-1.0	8.6
Healthcare	603313 CH	Reduce	567	28	6.73	4.90	72.6	26.1	-639.1	177.6			0
YUTO	002831 CH	Buy	5,386	58	28.30	54.40	20.5	15.1	10.8	35.5	22.6	0.9	2.4
Holike	603898 CH	Reduce	488	10	11.00	6.50		38.8					
Huali Industrial	300979 CH	Buy	5,814	15	33.73	43.00	17.8	12.2	-32.2	46.3	-0.4	-42.7	5.5
Weixing	002003 CH	Buy	1,984	21	11.30	13.90	18.2	16.4	14.6	10.7	12.7	1.4	5.1
Home appliances													
Midea - A	000333 CH	Buy	97,821	394	86.80	97.00	16.6	13.7	-3.2	21.4	8.4	2.0	5.4
Midea - H	300 HK	Buy	97,285	70	100.00	113.00	16.5	13.6	-3.2	21.4	8.4	2.0	5.4
Gree Electric	000651 CH	Buy	32,029	276	38.71	45.00	8.1	7.8	-3.9	3.7	-0.1		7.4
Roborock	688169 CH	Buy	4,616	114	120.39	158.00	15.2	12.9	50.6	17.6	33.1	0.5	0.7
Ecovacs Robotics	603486 CH	Hold	4,275	51	49.95	56.00	13.4	12.4	23.2	7.6	15.1	0.9	2.2
Ninebot	689009 CH	Buy	4,076	78	37.50	61.00	14.8	11.4	4.3	29.5	16.2	0.9	3.4
AIMA	603529 CH	Buy	2,795	18	21.89	26.00	12.5	10.3	-25.6	20.8	-5.2		4.4
Yadea	1585 HK	Buy	3,451	12	8.70	14.00	8.6	7.6	-6.3	13.1	3.0	2.9	5.8
Ugreen	301606 CH	Hold	3,181	31	51.90	58.00	20.6	16.6	28.2	24.2	26.1	0.8	1.5
Robam	002508 CH	Hold	2,366	21	16.95	15.00	14.2	14.0	-10.4	1.6	-4.6		5.3
Marssenger	300894 CH	Reduce	604	19	10.10	7.00				-44.2			0.0
Entive	300911 CH	Reduce	770	47	28.44	17.00		-80.8					0.0
Hotel and travel													
Jinjiang Hotels	600754 CH	Buy	2,999	39	19.08	31.00	17.1	14.6	29.3	16.9	23.0	0.7	3.6
BTG Hotels	600258 CH	Buy	1,913	32	11.60	19.10	13.8	12.2	16.4	12.4	14.4	1.0	4.5

Note: Priced at close of 14 September 2026.

Source: Bloomberg, Wind, HSBC Qianhai Securities estimates

Macro data tracker

Exhibit 2. Total retail sales rose 0.4% y-o-y in August 2026

	2025	2026 (%)					
		Jan-Feb	Mar	Apr	May	Jun	Jul	Aug
Total retail sales	3.7	2.8	1.7	0.2	-0.6	1.0	0.6	0.4
Retail sales of goods	3.8	2.5	1.5	-0.1	-0.7	0.9	0.5	0.3
Catering income	3.2	4.8	2.9	2.2	0.6	1.2	1.4	1.1
Grain & oil, food	9.3	10.2	9.5	4.1	1.9	7.9	5.3	4.0
Beverages	1.0	6.0	8.2	3.6	6.1	5.8	3.5	4.9
Tobacco and liquor	2.7	19.1	7.7	11.7	4.8	12.1	6.0	12.5
Clothing, shoes, hats, and textiles	3.2	10.4	7.0	3.6	3.8	3.9	-1.0	-0.5
Cosmetics	5.1	4.5	8.3	4.7	2.5	12.6	6.8	4.9
Gold, silver and jewelry	12.8	13.0	11.7	-21.3	-8.9	-3.4	-10.1	-17.5
Daily necessities	6.3	6.6	4.6	3.5	1.6	3.9	1.8	1.8
Sports and entertainment products	15.7	4.1	-2.0	-8.0	-8.0	-2.2	-10.6	-4.8
Household appliances and audiovisual equipment	11.0	3.3	-5.0	-15.1	-15.6	-8.7	-1.9	2.3
Traditional Chinese and Western medicines	1.8	0.7	5.7	4.2	4.0	4.4	6.7	4.8
Cultural and office supplies	17.3	5.8	15.0	-6.9	-1.5	12.7	7.4	5.8
Furniture	14.6	8.8	-8.7	-10.4	-8.7	-6.6	-8.8	-7.9
Telecommunication equipment	20.9	17.8	27.3	6.2	0.7	16.5	20.4	27.3
Petroleum and products	-5.7	-9.7	0.1	-6.5	-3.2	-5.1	-7.6	-7.0
Construction and decoration materials	-2.7	-2.2	-9.0	-13.8	-13.6	-10.5	-14.2	-11.8
Automobile	-1.5	-7.3	-11.8	-15.3	-16.1	-16.1	-17.0	-18.5

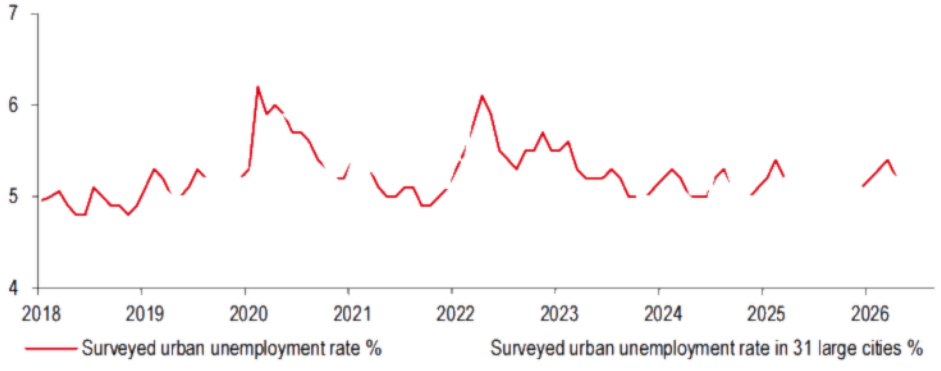
Source: National Bureau of Statistics, HSBC Qianhai Securities

Exhibit 3. CPI was up 0.8% y-o-y and 0.4% m-o-m in August 2026



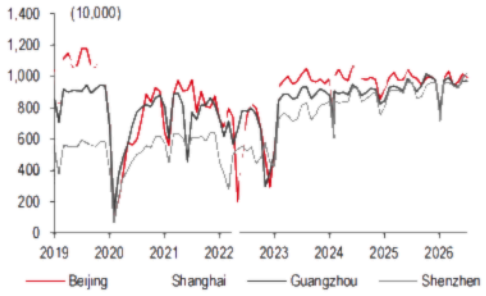
Source: National Bureau of Statistics, HSBC Qianhai Securities

Exhibit 4. Surveyed urban unemployment rate was flat y-o-y and up 0.1ppt m-o-m in August 2026



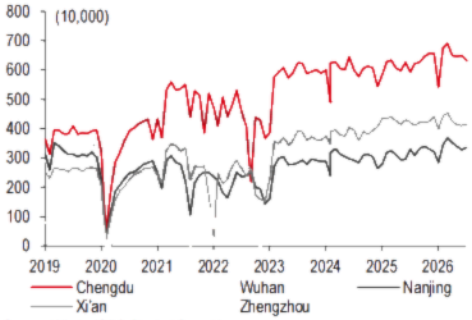
Source: National Bureau of Statistics, HSBC Qianhai Securities

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



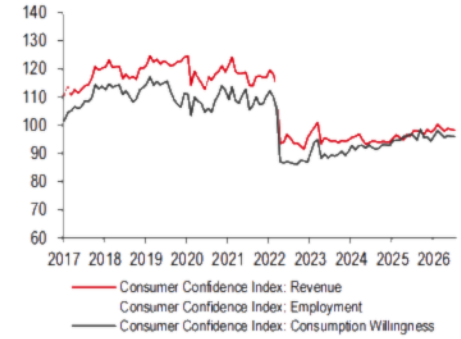
Source: Wind, HSBC Qianhai Securities

Exhibit 6. Subway passenger volumes in tier-2 cities increased 3% y-o-y in August 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 7. The consumer confidence index rose 0.2 y-o-y and fell 0.2 m-o-m in July 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 8. The consumer outlook index rose 0.4 y-o-y and fell 0.1 m-o-m in July 2026



Source: Wind, HSBC Qianhai Securities

Exhibit 9. Recovery in tourist spending during public holidays

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

Source: Ministry of Culture and Tourism, HSBC Qianhai Securities

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

Share performance and valuation

Exhibit 10. A-share sub-sector performance

	This month	Recent 1 month	Recent 3 months	YTD	Recent 1 year
CSI 300	-3.4%	-4.0%	-8.4%	-3.2%	-0.9%
Consumer Staples	-0.9%	-1.5%	-1.9%	-12.8%	-19.7%
Consumer Discretionary	-2.4%	-0.8%	-5.6%	-17.0%	-16.5%
Baijiu	-2.9%	-6.6%	-4.0%	-25.5%	-36.0%
Beer	-2.0%	-10.2%	-14.1%	-16.1%	-21.7%
Dairy	-0.8%	1.3%	5.6%	-11.0%	-14.2%
Soft drink	-4.5%	-11.9%	-6.7%	-20.5%	-21.9%
Condiment	1.2%	3.8%	2.1%	-7.0%	-5.7%
Food	0.3%	3.9%	5.6%	-8.8%	-12.8%
Beauty & Personal care	-2.6%	-2.8%	-5.0%	-23.0%	-32.9%
Household Product	-2.4%	1.0%	-4.3%	-19.5%	-17.4%
Home Appliance	-1.2%	2.9%	6.7%	2.7%	2.0%
Hotel & Tourism	-0.2%	2.3%	-1.6%	-20.5%	-24.0%
Textile & Apparel	-3.3%	-2.0%	-3.7%	-9.0%	-7.7%

Source: Wind, HSBC Qianhai Securities

Note: Priced as of 14 September 2026; beer sector contains H-share listed companies.

Exhibit 11. H-share sub-sector performance

	This month	Recent 1 month	Recent 3 months	YTD	Recent 1 year
Hang Seng Index	-2.5%	-0.8%	0.3%	-2.8%	-5.6%
Consumer Staples	-3.0%	-6.7%	-6.6%	-16.5%	-25.8%
Consumer Discretionary	-5.2%	-7.2%	-6.1%	-15.6%	-20.6%
Food & Beverage	-3.0%	-6.4%	-6.4%	-12.2%	-18.8%
Beauty & Personal care	-2.7%	-11.5%	-12.4%	-35.5%	-51.7%
Durable consumer goods	-6.8%	-5.3%	-13.5%	-29.3%	-28.2%
Home Appliance	-1.0%	0.2%	1.8%	-1.6%	-3.6%
Hotels, Dining and Leisure	-7.8%	-9.7%	-12.7%	-26.4%	-24.5%
Textile & Apparel	-3.3%	-1.6%	-6.2%	-13.0%	-18.0%

Source: Wind, HSBC Qianhai Securities

Note: Priced as of 14 September 2026

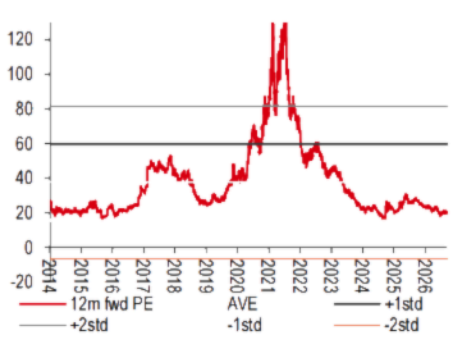
Exhibit 12. China: F&B's 12-month forward PE



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 14 September 2026

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



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 14 September 2026

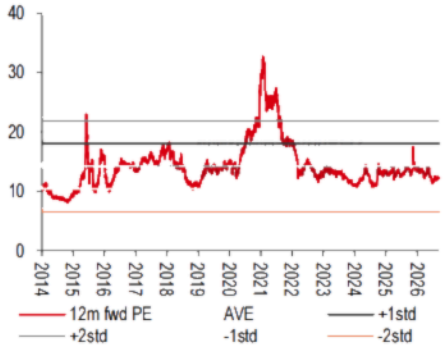
Exhibit 14. China: Furniture and household product's 12-month forward PE



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 14 September 2026

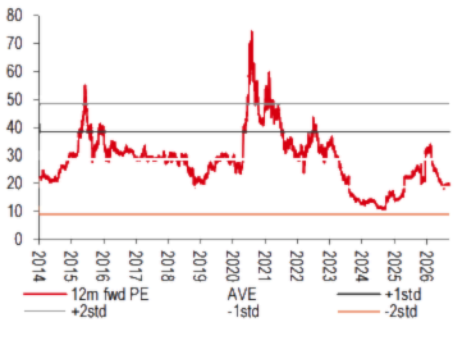
Exhibit 15. China: Home appliances sub-sector's 12-month forward PE



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014, priced as of 14 September 2026

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



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014; priced as of 14 September 2026

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



Source: Wind, HSBC Qianhai Securities

Note: Historical value traced back to 1 January 2014, priced as of 14 September 2026

Exhibit 18. Key events

Time	Event
08/20/2026	Shanghai Municipal Commission of Housing and Urban-Rural Development and five other departments jointly issued the Notice on Optimising Real Estate Policies and Measures of Shanghai, which introduces subsidies for mortgages for the first time and reduces the down payment ratio for second homes outside the Outer Ring Road to 15%.
08/21/2026	The State Council Information Office held a press conference with a focus on the start to the 15th Five-Year Plan. The spokesperson of the Ministry of Finance said that the policy that the domestic demand should be boosted by fiscal and financial synergy has been optimised, and will be implemented starting from August 1. The optimised policy includes three new measures: 1) expanding the scope of interest compensation; 2) increasing the number of business handling agencies; 3) raising the upper limit of the quota.
08/28/2026	The People's Bank of China and the National Financial Regulatory Administration jointly issued the Opinions on Improving Real Estate Credit Management to Establish a New Model of Real Estate Development, which proposes: 1) extending the maximum duration of individual mortgages to 40 years; 2) allowing interest rate changes or replacement for existing floating-rate mortgages through negotiation; 3) setting requirements for the timing of individual mortgage issuance; 4) allowing adjustment of repayments for those who face repayment difficulties through negotiation .
08/28/2026	The National Financial Regulatory Administration and the People's Bank of China released the Measures for Individual Mortgage Management (Pilot), which proposes that the ratio of monthly mortgage expenditure to income for borrowers should be below 50%.
08/31/2026	The Ministry of Commerce and six other departments issued the Opinions on Promoting the Expansion and Upgrading of Commodity Consumption, which proposes that by 2030, the total retail sales of consumer goods should reach cRMB60trn, with sustained sales growth in the trillion-yuan-level categories such as automobile, home appliances, communication equipment and textile & garment.
09/14/2026	The Ministry of Commerce and seven other departments issued the Plan for Promoting Smart Home Products Consumption, which proposes expanding the supply of high-quality smart home products.

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

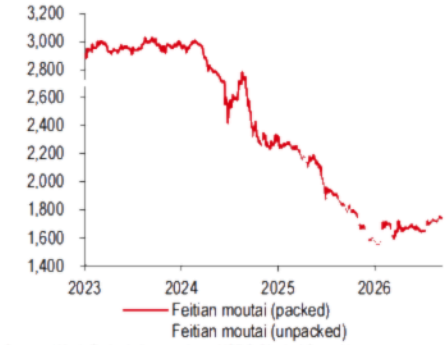
Subsector – Food & Beverage

Exhibit 19. China's alcohol and dairy production

	July	y-o-y (%)	Jan-July	y-o-y (%)
Dairy (10k tonnes)	239.8	8.4	1,758.1	5.0
Beer (10k kl)	340.3	-8.9	2,276.7	-1.6
Baijiu (10k kl)	19.7	-8.8	189.0	-4.4

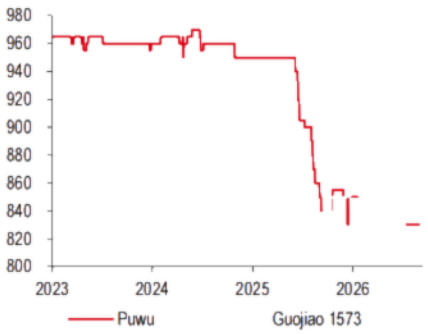
Source: Wind, HSBC Qianhai Securities

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



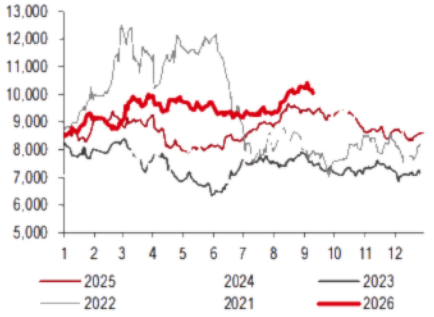
Source: Wind, Today's liquor prices, HSBC Qianhai Securities

Exhibit 21. Wholesale prices of Wuliangye/Guojiao 1573 (RMB/bottle)



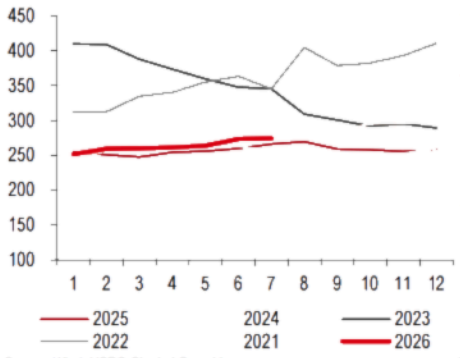
Source: Wind, Today's liquor prices, HSBC Qianhai Securities

Exhibit 22. Palm oil price (RMB/t) increased 5% y-o-y in August 2026



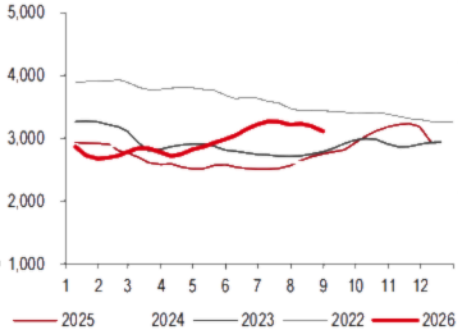
Source: Wind, HSBC Qianhai Securities

Exhibit 23. Imported barley price (USD/t) increased 3% y-o-y in July 2026



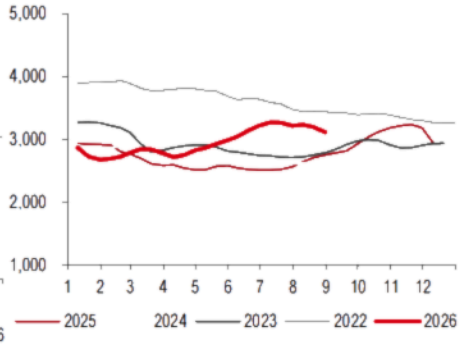
Source: Wind, HSBC Qianhai Securities

Exhibit 24. Aluminium ingot price (RMB/t) increased 16% y-o-y in August 2026



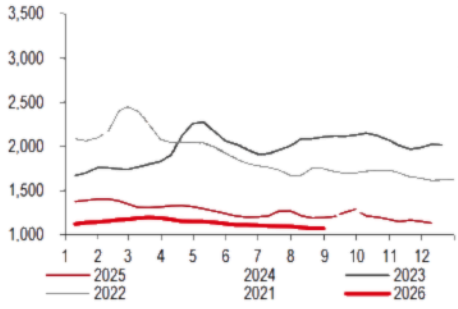
Source: Wind, HSBC Qianhai Securities

Exhibit 25. Corrugated paper price (RMB/t) increased 22% y-o-y in August 2026



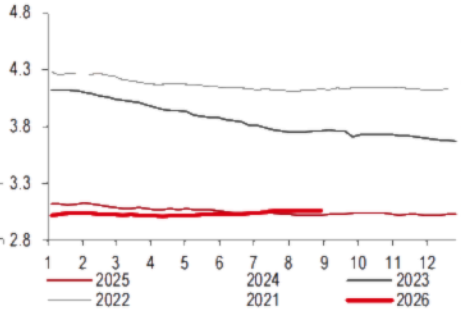
Source: Wind, HSBC Qianhai Securities

Exhibit 26. Float glass price (RMB/t) dropped 12% y-o-y in August 2026



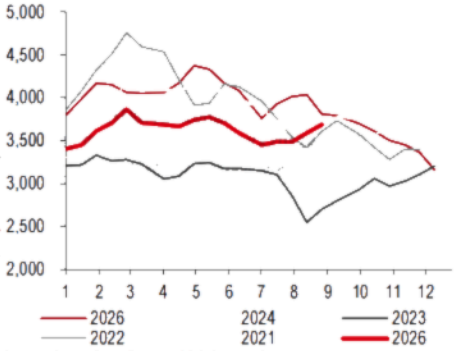
Source: Wind, HSBC Qianhai Securities

Exhibit 27. Raw milk price (RMB/kg) increased 1% y-o-y in August 2026



Source: Wind, HSBC Qianhai Securities

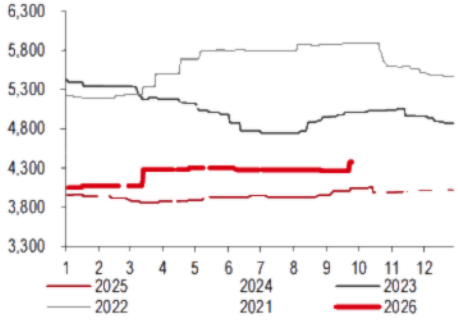
Exhibit 28. Whole milk powder price (USD/t) declined 12% y-o-y in August 2026



Source: Global Dairy Trade, HSBC Qianhai Securities

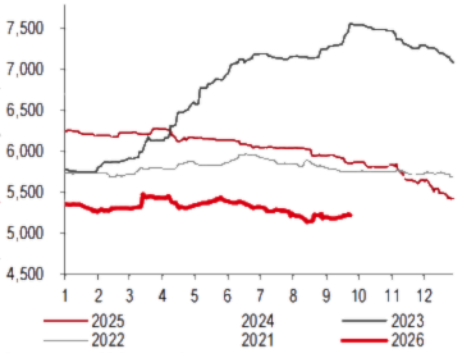
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Exhibit 29. Soybean price (RMB/t) increased 8% y-o-y in Augst 2026



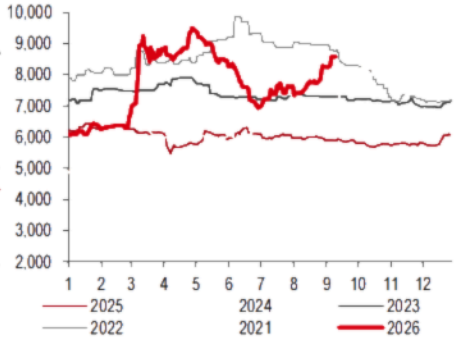
Source: Wind, HSBC Qianhai Securities

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



Source: Wind, HSBC Qianhai Securities

Exhibit 31. PET price (RMB/t) jumped 27% y-o-y in August 2026



资 Source: Wind, HSBC Qianhai Securities

Exhibit 32. Monthly cost trend for food and beverage

	Soybean	Sugar	Float glass	Aluminium	Corrugated paper	Palm oil	PET	Barley	Raw milk	Whole milk powder
2024	-12.9%	-3.5%	-18.2%	6.7%	-7.1%	9.2%	-5.9%	-23.0%	-13.5%	11.7%
1Q25	-16.4%	-7.4%	-31.2%	6.9%	-0.7%	18.0%	-13.4%	-10.2%	-13.9%	21.6%
2Q25	-10.7%	-8.3%	-24.7%	-1.7%	-3.7%	7.9%	17.5%	-4.2%	-9.4%	25.1%
3Q25	-10.2%	-8.2%	-12.7%	5.9%	1.3%	15.8%	-12.8%	3.9%	-5.1%	17.0%
4Q25	-0.3%	12.6%	-13.3%	4.6%	13.2%	-6.7%	-8.0%	1.2%	-3.0%	-7.9%
2025	-9.7%	-9.1%	-21.6%	3.9%	2.6%	7.9%	-13.1%	-2.5%	-8.0%	13.3%
1/2026	2.8%	-18.2%	-17.9%	20.5%	-5.9%	3.7%	-1.5%	-1.3%	-2.8%	-12.0%
2/2026	4.2%	-14.7%	-16.7%	14.4%	-5.7%	-1.1%	0.2%	3.4%	-2.4%	-12.0%
3/2026	9.5%	-13.3%	-10.2%	17.6%	4.9%	6.2%	32.4%	4.9%	-26.4%	-6.7%
1Q26	5.5%	-15.4%	-15.0%	17.5%	-2.4%	2.9%	10.2%	2.3%	-10.5%	-10.2%
4/2026	10.5%	-13.4%	-11.5%	23.9%	6.9%	14.0%	52.2%	2.7%	-1.8%	-10.7%
5/2026	9.5%	-16.4%	-11.4%	21.2%	13.3%	19.5%	48.3%	2.0%	-1.4%	-13.7%
6/2026	8.5%	-12.2%	-8.2%	15.8%	20.1%	13.4%	29.7%	5.3%	-0.4%	-11.6%
2Q26	9.5%	-14.0%	-10.4%	20.2%	13.4%	15.6%	43.2%	3.3%	-1.2%	-12.0%
7/2026	8.8%	-13.2%	-10.2%	11.5%	29.3%	6.5%	21.9%	3.1%	0.5%	-9.7%
8/2027	8.0%	-13.1%	-11.5%	15.5%	21.9%	4.9%	27.1%		1.3%	-12.1%

Source: Wind, Global Dairy Trade, HSBC Qianhai Securities



Subsector – Cosmetics

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

Ranking	Brand	Ranking	Brand
1	L'Oreal	11	SkinCeuticals
2	Estée Lauder	12	Winona
3	YSL	13	Olay
4	Lancome	14	Shiseido
5	Proya	15	Dior
6	SK2	16	CPB
7	La Mer	17	La Roche-Posay
8	Chanel	18	Clarins
9	Kérastase	19	Guyu
10	Helena Rubinstein	20	Pechoin

Source: iqingyan.cn HSBC Qianhai Securities

Note: Cells marked in red are domestic brands

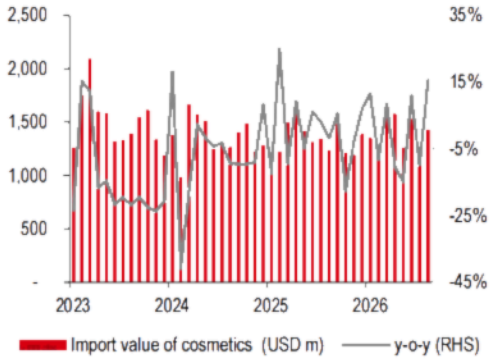
Exhibit 34. Top 10 GMV beauty brand ranking on Douyin in August 2026

Personal care		Facial care		Makeup and perfume	
Ranking	Brand	Ranking	Brand	Ranking	Brand
1	Kans	1	Kans	1	Dirovo
2	Chando	2	Chando	2	BABI
3	Proya	3	Proya	3	Maogeping
4	Guyu	4	Guyu	4	Carslan
5	Helena Rubinstein	5	Helena Rubinstein	5	YSL
6	L'Oreal	6	EIIO	6	Pramy
7	Estée Lauder	7	La Mer	7	Censto
8	Kaweiduo	8	Estée Lauder	8	Socorskin
9	La Mer	9	Forest Cabin	9	Flowerlure
10	EIIO	10	L'Oreal	10	Flower Knows

Source: iqingyan.cn HSBC Qianhai Securities

Note: Cells marked in red are domestic brands

Exhibit 35. Cosmetics imports (USDm) decreased 16% y-o-y in August 2026



Source: Wind, HSBC Qianhai Securities

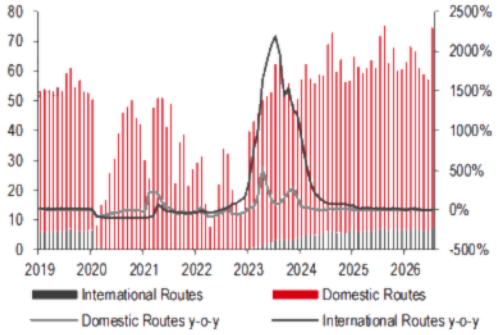
Exhibit 36. Cosmetics exports (USDm) increased 21% y-o-y in July 2026



Source: Wind, HSBC Qianhai Securities

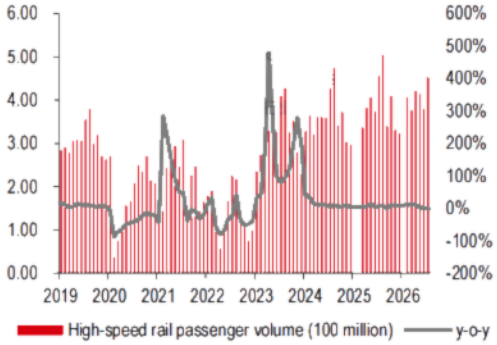
Subsector – Hotel & Tourism

Exhibit 37. Domestic civil aviation passenger traffic (million) increased 4% y-o-y in July 2026



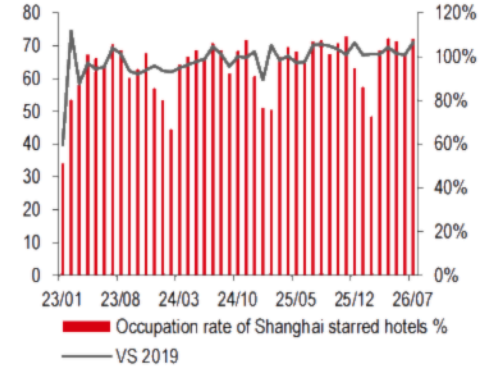
Source: Wind, HSBC Qianhai Securities

Exhibit 38. High-speed rail passenger volume decreased 1% y-o-y in July 2026



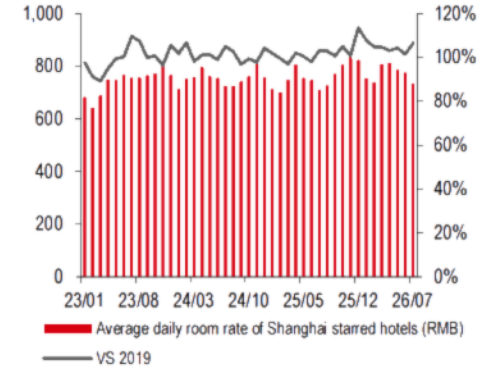
Source: Wind, HSBC Qianhai Securities

Exhibit 39. Occupation rates of starred hotels in Shanghai in July 2026 recovered to 107% of the same period in 2019



Source: Wind, HSBC Qianhai Securities

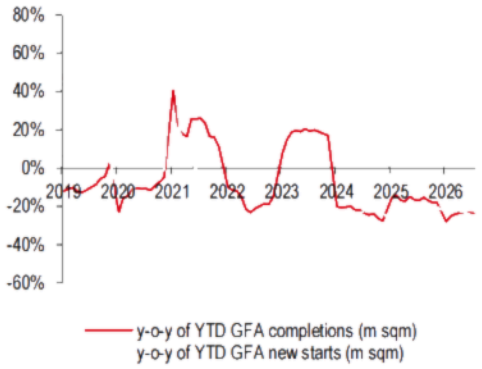
Exhibit 40. Average daily room rates of starred hotels in Shanghai in July 2026 recovered to 106% of the same period in 2019



Source: Wind, HSBC Qianhai Securities

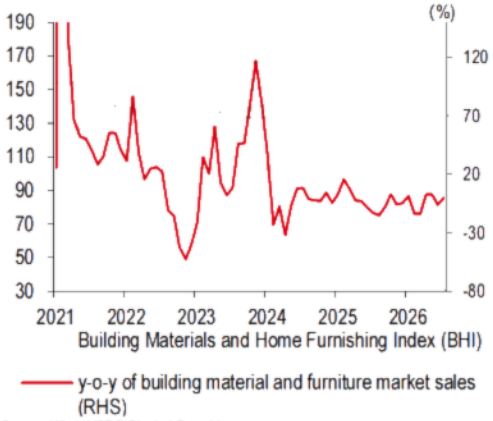
Subsector – Light manufacturing & furniture

Exhibit 41. In August 2026, housing completions decreased 24% y-o-y, and new starts fell 25% y-o-y



Source: Wind, HSBC Qianhai Securities

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



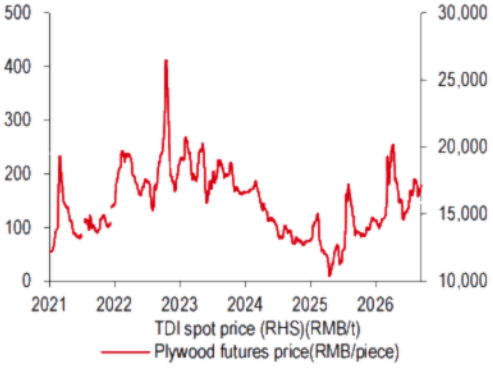
Source: Wind, HSBC Qianhai Securities

Exhibit 43. Furniture and component exports increased 12% y-o-y in August 2026 (USDm)



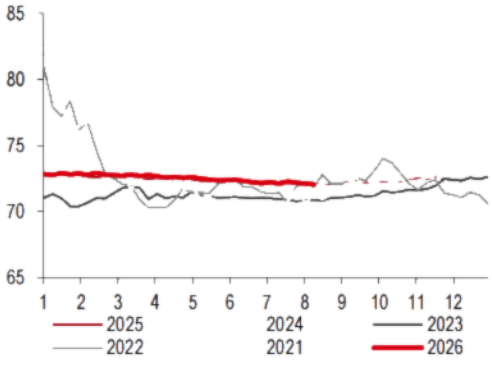
Source: Wind, HSBC Qianhai Securities

Exhibit 44. In August 2026, the TDI spot price increased 1% y-o-y and the plywood futures price increased 7% y-o-y



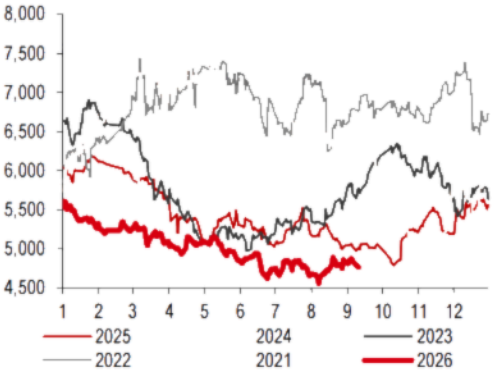
Source: Wind, HSBC Qianhai Securities

Exhibit 45. The average leather price index was flat y-o-y in August 2026



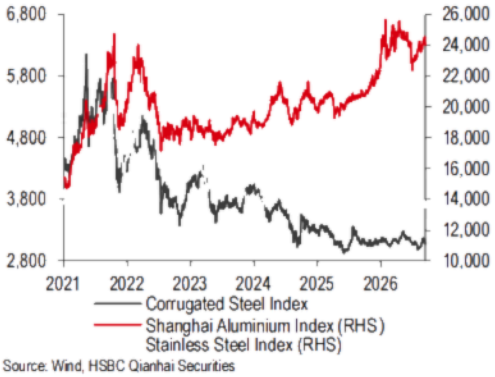
Source: Wind, HSBC Qianhai Securities

Exhibit 46. The paper pulp price (RMB/t) decreased 8% y-o-y in August 2026



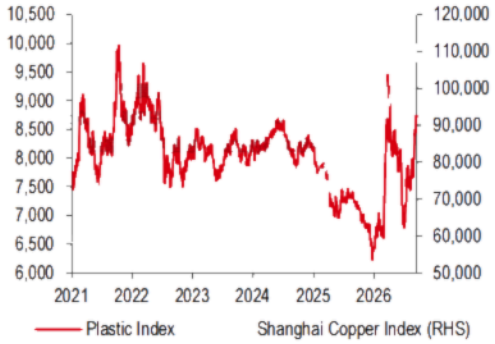
Source: Wind, HSBC Qianhai Securities

Exhibit 47. In August 2026, the corrugated steel index fell 5% y-o-y, the Shanghai Aluminium Index and Stainless Steel index increased 16% and 10% y-o-y, respectively



Source: Wind, HSBC Qianhai Securities

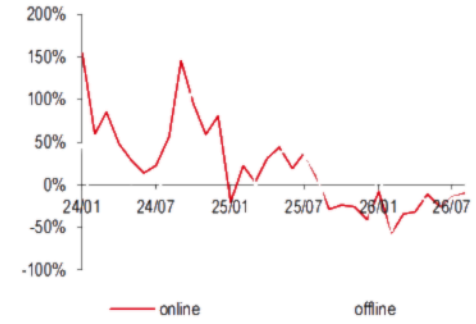
Exhibit 48. In August 2026, the plastic price index and the Shanghai Copper Index increased 5% y-o-y and 37% y-o-y, respectively



Source: Wind, HSBC Qianhai Securities

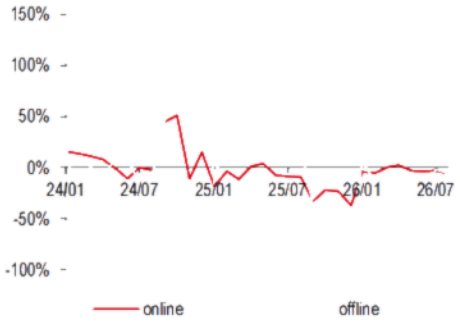
Subsector – Home appliances

Exhibit 49. In August 2026, online and offline air conditioner sales decreased 10% y-o-y and 12% y-o-y, respectively



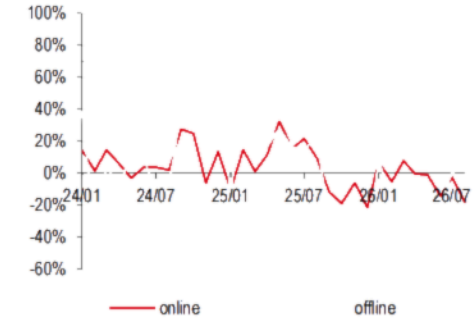
Source: AVC, HSBC Qianhai Securities

Exhibit 50. In August 2026, online and offline refrigerator sales decreased 7% y-o-y and 6% y-o-y, respectively



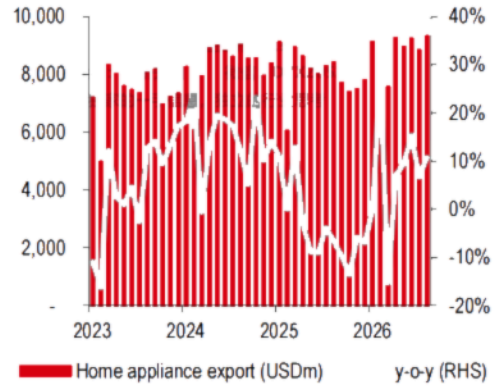
Source: AVC, HSBC Qianhai Securities

Exhibit 51. In August 2026, online and offline washing machines sales decreased 18% y o-y and 5% y-o-y, respectively



Source: AVC, HSBC Qianhai Securities

Exhibit 52. Home appliance exports (USDm) increased 11% y-o-y in August 2026



Source: AVC, HSBC Qianhai Securities

Valuation and risks

		Valuation	Risks
Yili Industrial 600887 CH **Buy**	Current price: RMB26.85 Target price: RMB35.30 Upside: 31.5%	We continue to use a DCF model to value the stock and keep our key assumptions unchanged, including a WACC of 9.3% and a perpetual growth rate of 2.0%. We keep our earnings estimates unchanged and derive our target price of RMB35.30 (unchanged), implying c31.5% upside. Therefore, we maintain our Buy rating on the stock. **Potential share price catalysts:** Seizing market share through new business, accelerated penetration of high-end products in low-end markets, better-than-expected product mix improvement, quicker than-expected ramp-up of new business/products, and faster-than expected recovery of raw milk prices.	**Key downside risks:** Slower-than-expected recovery of dairy demand, slower-than-expected recovery of raw milk prices, weaker-than-expected performances from new business/products, food safety risk, raw milk trade risk, financial risk, and M&A risk.
		Kathy Song* (Reg. No. S1700517120001) | kathy.l.h.song@hsbcqh.com.cn | + 86 21 5066 2007	
Ninebot 689009 CH **Buy**	Current price: RMB37.50 Target price: RMB61.00 Upside: 62.7%	We continue to use a DCF model to value the stock and keep our assumptions unchanged, including a WACC of 9.5% and a perpetual growth rate of 2.0%. We keep our earnings forecast unchanged and derive our target price of RMB61.00 (unchanged), implying c62.7% upside. Therefore, we maintain our Buy rating on the stock. **Potential share price catalysts:** Announcements of e2W sales volume milestones; new product launches; potential inclusion in the Stock Connect.	**Key downside risks:** Uncertainties around amendments to e2W standards in China; weaker-than-expected overseas demand; higher-than-expected costs; tougher-than-expected competition; worse-than-expected trade environment.
		Li Quan* (Reg. No. S1700520030002) | li.quan @hsbcqh.com.cn | + 86 755 8898 3471	
YUTO 002831 CH **Buy**	Current price: RMB28.30 Target price: RMB54.40 Upside: 92.2%	We continue to use a PE multiple to value the stock. We estimate YUTO's 2025-28e net profit CAGR at 22% (unchanged), above the 2021-25 net profit CAGR of 12% (average PE of 16x over the 2021-25 period). As such, we use a 29x (22%/12%*16=29) 2027e target PE (unchanged). Based on our 2027e reported EPS estimate of RMB1.87 (unchanged), we arrive at a TP of RMB54.40 (unchanged), implying an upside of c92.2%. Therefore, we maintain our Buy rating. **Potential share price catalysts:** Strong sales of Meta smart glasses; improvement in consumer sentiment on electronics; share buybacks of Huayan.	**Key downside risks:** Fluctuations in raw material costs, lower-than-expected Apple sales, and worse than-expected new business development.
		Darron Xue* (Reg. No. S1700518110002) | darron.xue@hsbcqh.com.cn | +86 755 8898 3407	

Note: Priced as of 14 September 2026.

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Source: Wind, HSBC Qianhai Securities estimates