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China Equity Strategy | Asia Pacific

10 Oversold Stocks to Watch

While volatility could persist near-term, improving risk-reward, stronger National Team support and oversold sentiment warrant selective positioning. We identify 10 fundamentally sound, oversold stocks with attractive entry points.

Purpose of this report: To identify stocks that have become oversold during the recent market correction but where we believe the underlying fundamentals remain solid, supported by resilient earnings, healthy balance sheets and/or sustainable shareholder returns.

Near-term volatility might remain but risk reward starts to improve, especially at stock level: We remain mindful of near-term volatility, particularly given lingering uncertainty around a lukewarm domestic macro, as well as concerns over yields, oil price, inflation and the post-US-midterm policy backdrop. Indeed, our broader stance remains cautious, and we would not interpret the recent sell-off alone as a signal to turn aggressively bullish.

However, risk-reward is improving significantly at the selected stock level due to:

- National Team stabilization efforts have stepped up meaningfully, suggesting incremental liquidity support, as discussed in our recent reports China Market-Wise: What Happened? What Next? (25 Oct 2026) and China Market-Wise: National Team Stepping Up - Implications (2 Nov 2026);
- Our A-share sentiment indicator has been below its 22% technical rebound threshold, a level that historically has pointed to the potential for a market rebound within the subsequent 1-2 months (China Equity Strategy: A-Share Sentiment Rebounds but Remains Below Rebound Threshold).
- After the acute correction in October, we see a meaningful number of fundamentally sound companies with valuations and entry points that have improved materially.

We believe this is the time for investors to do the homework, build the watchlist and selectively start positioning in high-quality names, rather than waiting for all uncertainties to clear. **We highlight 10 oversold or near-oversold stocks** based on the following criteria:

1) Market cap >US$2bn; Daily turnover for the last 3 months >US$2mn;

2) 2026E/2027E EPS growth >10%;

3) 14D RSI <40;

4) Net debt/Capital <1;

5) MS rating of Overweight.

Please see our stock list in the next section.

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the 2027 Extel Asia Research Survey. Voting opens 10 November 2026.

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Exhibit 1: 10 Stocks Most Oversold or Near Oversold Worth Watching

Ticker	Name	GICS Sector	14D RSI	Oversold	20D Stock Return	2026 EPS Growth	2027 EPS Growth	Market Cap (US$bn)	Daily Turnover (US$ mn)	Net Debt/Capital	TTM Dividend Yield (%)	Analyst
300308.SZ	Zhongji Innolight A	Information Technology	29.0	Oversold	(40.9%)	202.2%	104.0%	79.8	3,665.2	(1.6)	0.5	Meng, Andy
688256.SS	Cambricon Technologies A	Information Technology	36.5	Near Oversold	(24.7%)	91.5%	139.4%	72.3	1,662.6	(1.2)	0.1	Chan, Charlie
688041.SS	Hygon Information Technology A	Information Technology	31.6	Near Oversold	(29.3%)	59.2%	49.3%	59.2	707.3	(0.1)	0.1	Dai, Daisy
002475.SZ	Luxshare Precision Industry A	Information Technology	37.7	Near Oversold	(8.7%)	15.6%	18.7%	49.9	764.7	0.2	0.7	Meng, Andy
603986.SS	GigaDevice Semiconductor A	Information Technology	35.2	Near Oversold	(30.2%)	1,302.3%	29.8%	25.1	2,025.6	(2.8)	0.3	Yen, Daniel
300274.SZ	Sungrow Power Supply A	Industrials	39.0	Near Oversold	(6.6%)	15.1%	16.1%	18.0	677.7	(1.1)	1.7	Hou, Eva
2899.HK	Zijin Mining Grp Co Ltd H	Materials	30.7	Near Oversold	(15.1%)	60.2%	13.4%	20.8	237.5	0.1	3.4	Zhang, Rachel
1801.HK	Innovent Biologics	Health Care	32.6	Near Oversold	(18.4%)	74.5%	56.5%	17.7	174.2	(4.2)	0.0	Lin, Jack
600176.SS	China Jushi A	Materials	25.5	Oversold	(31.2%)	128.7%	86.9%	16.0	1,277.8	0.2	1.9	Zhang, Rachel
301511.SZ	Jiujiang Defu Technology	Industrials	20.0	Oversold	(47.9%)	1,419.0%	143.7%	2.7	426.3	0.6	0.4	Zhang, Rachel

are classified as "Near Oversold."