UOBKayHian

Country Daily | Greater China

Friday, 25 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51350.0	(0.3)	(0.8)	(3.9)	6.8
S&P 500	7704.1	(0.0)	0.9	0.7	12.5
FTSE 100	10680.0	(0.2)	(1.3)	(1.6)	7.5
AS30	8897.0	(0.7)	(0.2)	(5.1)	(1.4)
CSI 300	4439.2	(1.7)	(0.5)	(3.7)	(4.1)
FSSTI	5683.4	(0.5)	0.4	(0.9)	22.3
HSCEI	8266.0	(0.1)	1.1	(2.1)	(7.3)
HSI	24761.1	(0.3)	0.6	(3.0)	(3.4)
JCI	6298.6	(1.2)	(2.5)	(3.1)	(27.2)
KLCI	1672.3	(0.2)	(0.1)	(3.7)	(0.5)
KOSPI	7080.9	0.9	5.4	4.3	68.0
Nikkei 225	65514.0	0.8	3.2	(0.5)	30.1
SET	1602.6	(0.5)	1.2	0.4	27.2
TWSE	48024.6	(0.3)	3.8	3.7	65.8
BDI	3473	1.3	4.1	20.5	85.0
CPO (RM/mt)	4569	(1.0)	(1.6)	(2.5)	16.2
Brent Crude (US$/bbl)	107	3.4	1.7	15.7	75.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Aug Industrial Profits	China	28 Sep
2Q F BoP Current Account Balance	China	29 Sep
Sep PMI (Composite, Manufacturing, Non-manufacturing)	China	30 Sep
Sep RatingDog China PMI (Mfg, Composite, Services)	China	30 Sep
Aug Money Supply (M1, M2, M3)	Hong Kong	30 Sep

Top Stories

Sector Update | Automobile Page 2 →

- Three recent launches – BYD Denza Z9S, Geely Galaxy all-new E5, and XPeng G9L – have attracted high market attention. Competition has shifted from the vehicle to the network, favouring big OEMs as scale matters. Lithium carbonate recovered to Rmb128,900/tonne; CATL began trial cell production in Hungary. Maintain MARKET WEIGHT. Top BUYs: BYD, Geely, CATL, and Minth. Top SELL: Li Auto.

Sector Update | Consumer Page 5 →

- The 13-day holiday stretch is driving broad-based tourism demand, with domestic air ticket bookings up over 10% yoy. Hotel demand remains healthy, while Macau's National Day occupancy is expected to exceed last year's level despite Mid-Autumn visitor arrivals tracking only around the 8M26 average. Baijiu demand remains weak, but Moutai and the mass-market segment continue to show relative resilience. Maintain OVERWEIGHT. Our top picks are Anta, Atour, Midea and YUM China in consumer discretionary, and Mengniu in consumer staples.

Technical Analysis

HKT Trust and HKT | 6823 HK Page 8 →

- Support levels: HK$11.94/HK$11.30
- Resistance levels: HK$12.58/HK$12.71

Sichuan Kelun-Biotech Biopharmaceutical | 6990 HK Page 8 →

- Support levels: HK$423.60/HK$379.40
- Resistance levels: HK$502.00/HK$514.50

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

UOBKayHian

Sector – Update | Greater China

Friday, 25 September 2026

Automobile

China Auto Sector Weekly (19-25 Sep 26)

Highlights

- Three recent launches – BYD Denza Z9S, Geely Galaxy all-new E5, and XPeng G9L – have attracted high market attention.
- Competition has shifted from the vehicle to the network, favouring big OEMs as scale matters.
- Lithium carbonate recovered to Rmb128,900/tonne; CATL began trial cell production in Hungary.
- Maintain MARKET WEIGHT. Top BUYs: BYD, Geely, CATL, and Minth. Top SELL: Li Auto.

Analysis

- **New model launches:** Three recent launches – BYD Denza Z9S, Geely Galaxy all-new E5, and XPeng G9L – have attracted high market attention.
  - **Denza Z9S.** BYD opened Z9S pre-sales on 16 Sep 26 at Rmb319,800-389,800, and then launched the car on 23 Sep 26 at Rmb255,800-325,800, vs Xiaomi SU7's Rmb219,900-303,900, Luxeed S7's Rmb239,800-299,800, and Zeekr 001's Rmb269,800-329,800. The lower launch prices vs the pre-sales prices should be viewed as a normal market strategy, not a disguised discount. We expect Z9S to contribute steady-state monthly sales of 5,000 in 4Q26, vs August sales of 373,626 units.
  - **Geely Galaxy E5.** Geely launched the new Galaxy E5 on 23 Sep 26 at a limited-time starting price of Rmb97,800, vs old Galaxy E5's Rmb109,800, BYD Yuan Plus' Rmb119,800, Aion Y's Rmb109,800, Leapmotor C10's Rmb128,800, and Deepal S05's Rmb119,900. Additionally, the new Galaxy E5 has some features unseen in the old version: 800V platform, 6C charging at a peak 460 kW, and a LiDAR-based assisted-driving system. The old Galaxy E5 sold 4,617 units in Aug 26, vs a peak of 14,000 units, and we expect monthly sales of the new Galaxy E5 to exceed 10,000 units before end-26, vs August sales of 270,194 units.

Analyst(s)

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MARKET WEIGHT (Maintained)

Segmental Rating

Segment	Rating
OEMs	OVERWEIGHT (Maintained)
Auto parts	MARKET WEIGHT (Maintained)
Battery	MARKET WEIGHT (Maintained)
Battery materials	UNDERWEIGHT (Maintained)

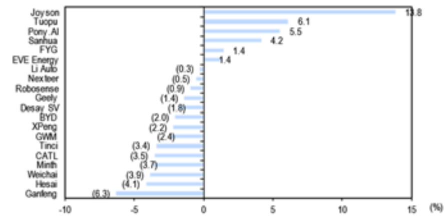
Source: Bloomberg, UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (lcy)	Target Price (lcy)
BYD	1211 HK	BUY	79.50	150.00
Geely	175 HK	BUY	15.78	29.00
CATL	300750 CH	BUY	293.50	585.00
Minth	425 HK	BUY	23.12	56.00
Li Auto	2015 HK	SELL	46.76	35.00

Source: Bloomberg, UOB Kay Hian

Weekly Stock Performance



Source: UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 24 Sep 26 (lcy)	Target Price (lcy)	Upside To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap. (lcy m)	Price/ NAV ps (x)
BYD – H	1211 HK	BUY	79.50	150.00	88.7	12/25	19.3	13.9	11.2	0.7	15.3	292,830	2.2
Geely	175 HK	BUY	15.78	29.00	83.8	12/25	9.6	8.4	6.6	3.3	17.8	170,200	2.2
Great Wall Motor - H	2333 HK	HOLD	7.29	9.90	35.9	12/25	5.5	5.9	4.8	3.1	10.2	16,730	0.6
Li Auto	2015 HK	SELL	46.76	35.00	(25.1)	12/25	184.8	58.3	72.0	0.0	2.0	97,495	1.2
XPeng	9868 HK	BUY	40.28	60.00	49.0	12/25	Loss	127.9	15.4	0.0	1.7	63,238	2.1
Fuyao Glass - H	3606 HK	BUY	54.80	84.00	53.3	12/25	13.4	12.5	10.4	5.3	27.2	33,250	2.9
Huizhou Desay SV	002920 CH	BUY	82.88	135.00	62.9	12/25	20.2	20.1	17.1	1.7	24.8	49,464	2.8
Minth	425 HK	BUY	23.12	56.00	142.2	12/25	8.4	8.0	6.8	3.6	11.7	27,085	0.9
Nexteer	1316 HK	BUY	4.69	11.40	143.1	12/25	14.8	11.3	10.1	4.0	6.2	11,771	0.7
Ningbo Joyson	600699 CH	BUY	22.62	25.00	10.5	12/25	23.9	17.9	15.7	1.1	9.9	31,570	1.7
Ningbo Tuopu	601689 CH	BUY	46.44	64.00	37.8	12/25	30.0	26.6	23.2	0.0	11.7	80,705	3.3
Pony AI	PONY US	BUY	7.26	15.00	106.6	12/25	Loss	Loss	Loss	0.0	n.a.	2,565	0.3
Weichai Power - H	2338 HK	HOLD	29.94	31.00	3.5	12/25	37.7	19.7	18.5	3.1	10.7	58,175	2.3
Zhejiang Sanhua	002050 CH	BUY	36.08	43.00	19.2	12/25	37.7	32.2	27.9	1.2	14.2	134,632	4.4
Hesai	2525 HK	BUY	15.96	29.00	81.7	12/25	35.4	31.8	19.2	0.0	5.9	16,617	1.8
RoboSense	2498 HK	BUY	16.12	33.00	104.7	12/25	Loss	72.8	16.8	0.0	2.4	7,591	1.7
CATL	300750 CH	BUY	293.50	585.00	99.3	12/25	18.6	14.2	10.7	3.5	20.8	1,287,585	3.4
EVE Energy	300014 CH	BUY	48.91	85.00	73.8	12/25	24.5	12.9	9.8	1.9	6.8	106,296	2.0
Ganfeng Lithium - H	1772 HK	BUY	31.24	75.00	140.1	12/25	35.3	17.1	10.5	1.2	(1.2)	15,092	1.1
Tinci Materials	002709 CH	BUY	31.76	54.00	70.0	12/25	44.9	12.6	10.6	2.4	5.4	64,745	2.8

Source: Bloomberg, UOB Kay Hian

- **XPeng G9L.** XPeng launched the G9L on 17 Sep 26 at Rmb241,800, about 7% below its pre-sale price, vs Tesla Model Y's Rmb249,900, Li Auto L6's Rmb249,800, Zeekr 7X's Rmb229,900, and Luxeed R7's Rmb259,800. It is reported that the model received over 30,000 orders within three days. We expect G9L to contribute 5,000 units of sales per month, vs XPeng's August sales of 39,107 units.

- **Charging: Competition has shifted from the vehicle to the network, favouring big OEMs as scale matters.** Shortly after BYD announced plans to build flash-charging stations, Geely also joined the 800V fast-charging race. Other OEMs will probably be forced to join the race. That shift favours large OEMs, because building a charging network requires scale: capital, grid access, buffer storage, land, partnerships, and enough vehicles on the road to make the investment pay off. Smaller OEMs cannot match that easily.
  - **Geely on 23 Sep 26 unveiled a charging station rated at a peak 2,250kW that charges a battery to 70% in 4 minutes 30 seconds.** Geely's launch of fast-charging stations closes the gap with BYD. BYD's Flash-Charging 2.0 delivers 1,500 kW per connector and takes five minutes.
  - **BYD on 24 Sep 26 opened its 2,000th highway flash-charging station,** three months ahead of schedule, out of 10,000 stations in total against a target of 20,000. The network has delivered 210m kWh to more than 1.83m users, nearly a third of whom drive other brands, so the spending earns a return beyond BYD's own fleet.

  The real cost of the 800V fast-charging lies in the charging network and in silicon carbide, not in the vehicle itself. A megawatt-class station requires grid capacity and buffer storage, so the critical questions are how many stations each company builds and who funds them. Silicon carbide underpins every 800V claim made this month. DigiTimes reported on 22 Sep 26 that Chinese wafer capacity has tightened due to demand from charging infrastructure and AI servers, pushing spillover orders to foundries in Taiwan. If wafer prices stop falling, the cost of the 800V architecture will be felt most acutely at entry price points, where a Rmb97,800 model carries much the same inverter content as a Rmb300,000 one.

- **CATL (300750 HK/BUY/Target: Rmb585) – Positive catalysts coming through.**
  - **CATL began trial cell production in Hungary.** CATL said on 22 Sep 26 that its Hungary plant had obtained every permit required for trial operations and had begun trial cell production that day. No mass-production date was given, and the plant will have a capacity of 100GWh. The progress of the Hungary plant boosts sentiments.
  - **The regulator pushed back on the debate over CATL substitution.** China Information Industry Net under the Ministry of Industry and Information Technology, pushed back on the CATL-substitution debate, warning EV low-price competition is spreading up the supply chain. The regulator opposes procurement-driven battery-chain repricing that sacrifices quality and safety.
  - **CATL's Jianxiawo lithium mine restarted its environmental impact assessment on 18 Sep 26**, after regulators withdrew an earlier acceptance notice in late-August. A safety permit was secured on 29 Jun 26, but restart is delayed due to environmental assessment. It remains unsure whether the Yichun government will accept it, and even if it does, mining and carbon reduction approvals remain.

- **Battery: Lithium carbonate has stopped falling and the futures discount to spot has closed.**
  - **The Jan 27 contract recovered to Rmb128,900/tonne and the basis narrowed to Rmb2,100.** The most-active LC2701 (Jan 27) lithium carbonate futures contract closed at Rmb128,900/tonne on 23 Sep 26, 3.9% above the Rmb124,020/tonne low on 16 Sep 26, with spot price at Rmb131,000/tonne. The contract's discount to physical material has narrowed to Rmb2,100/tonne, having been about three times as wide a

week earlier, which means the futures market has stopped discounting a balance weaker than the physical market has confirmed.

- **SMM inventory methodology change triggered the LC2701 futures sell-off.** Reported weekly inventory jumped from around 70,000 tonnes to 169,300 tonnes without adding real supply — only shifting perception. Ganfeng noted that true industry inventory is unknown and SMM estimates are subjective and may double-count. Actual available supply is far below book inventory, and spot supply-demand remains tight, with even low-quality lithium carbonate fully absorbed.
- **Lithium carbonate prices bottoming out.** Ganfeng expects a cut in lithium carbonate supply at around Rmb120,000/tonne (including 13% VAT; ex-VAT price at Rmb106,200) as marginal producers exit. Ganfeng's all-in cash cost exceeds US$10,000/tonne (equivalent to Rmb67,000/tonne) for the Salt Lake projects and higher for the spodumene ones. The smaller lithium carbonate producers have much higher cash costs, given the break-even lithium concentrate prices of US$1,500/tonne for Australian miners.
- **We expect lithium carbonate prices to rebound to Rmb150,000-160,000 in 4Q26,** driven by a visible decline in warehouse receipts as downstream restocking resumes after the National Day holiday. Maintain our earnings estimates and target price for Ganfeng, based on an ASP of Rmb142,000 (ex-VAT) in 2026-28.
- **Risks include China's renewable energy policies and Jianxiaowo mine**. China's energy storage policies, including the operation fees, renewable power tariffs and subsidies, are emerging as an overhang on lithium demand. CATL's Jianxiawo mine remains a wildcard of supply, as the mine accounts for 3-4% of global lithium supply at full capacity.

• **The next month: National Day sell-through, September figures, and the EU's position on plug-in hybrids.**
  - **Positive: The holiday follows four priced launches.** Denza's Z9S, XPeng's G9L, Geely's new Galaxy E5 and Fang Cheng Bao's Formula S are all on sale. The September delivery numbers on 1 Oct 26 will show whether the launch cohort converted its pre-orders.
  - **Negative: Whether launch-price discounting spreads through the holiday.** Tesla China is running cash incentives of Rmb5,000 on the Model 3 and Rmb10,000 on the Model Y. A response from the domestic brands during the holiday would affect 4Q26 margins rather than volumes, and the companies most exposed are those that have already priced a new model below pre-sale guidance.
  - **Watch the EU's position on plug-in hybrids.** The EU asked China on 18 Sep 26 to restrain its exports of plug-in hybrid electric vehicles (PHEV) voluntarily and the Ministry of Commerce refused the same evening. The definitive duties of Oct 24 apply to battery electric vehicles (BEV) only, which is why China's PHEV exports grew 163.1% yoy in August against 145.5% yoy for BEVs, and extending the duty would change the export case for BYD and Geely, whose overseas volumes are led by plug-in hybrids.

Valuation/Recommendation

• **Maintain MARKET WEIGHT** on China's auto sector. Our preference for segments in descending order is OEMs > auto parts > battery > battery materials.

• Top BUYs: BYD, Geely, CATL, and Minth. Top SELL: Li Auto.

Sector Catalyst/Risk

• **Catalysts:** Sep 26 deliveries; the CPCA Sep 26 retail figures in the second week of Oct 26; the Sep 26 battery installation ranking in mid-Oct 26; the EU's decision on whether to extend its duties to PHEVs; a mass-production date for CATL's Hungary plant; 3Q26 results from late-October.

• **Risks:** Launch pricing below pre-sale guidance spreading through 4Q; fluctuations in lithium carbonate prices; export barriers in Europe, Brazil and Mexico.

Consumer

China Consumer: 2026 Mid-Autumn And Golden Week Preview

Highlights

- The 13-day holiday stretch, supported by school autumn breaks in some regions, is creating the longest travel period of the year and is driving broad-based tourism demand. Domestic air ticket bookings for the holiday period are up more than 10% yoy, with long-haul routes outperforming.
- Hotel demand remains healthy, with H World reporting improving booking trends. Although Macau's daily visitor arrivals during the Mid-Autumn holiday are expected to be only in line with, or slightly above, the 8M26 average at the upper end of forecasts, hotel occupancy during the National Day holiday is expected to exceed last year's level, with over half the 36 luxury hotels at Macau casino resorts already sold out for at least five nights.
- For baijiu, industry insiders pointed to a weaker-than-usual holiday season. Nevertheless, the premium segment, particularly Moutai, has remained resilient, while mass-market products are benefitting from a shift toward at-home consumption and are seeing relatively stronger demand than the sub-premium segment. Maintain OVERWEIGHT. Our top picks are Anta, Atour, Midea and YUM China in consumer discretionary, and Mengniu in consumer staples.

Analysis

- **13-day holiday stretch supported by school autumn break, the longest of the year.** This year, the Mid-Autumn holiday falls on 25-27 September and the National Day holiday on 1-7 October, compared with the combined 1-8 October holiday period last year. Some regions have designated 28-30 September as a school autumn break period, effectively creating a 13-day holiday period, the longest of the year.
- **Baijiu seeing weaker-than-usual holiday demand, but premium segment remained resilient.** Industry insiders pointed to a weaker-than-usual holiday season. This year, several distilleries have shifted their focus from pushing inventories into channels to closely monitoring sell-through trends. Retail sell-through performance diverged across price segments ahead of the holiday. The premium segment, particularly Moutai, remained resilient. Feitian Moutai's retail price reportedly stayed firm at above Rmb1,800/bottle, compared with the official retail price of Rmb1,639/bottle on i-Moutai and Rmb1,766/bottle in offline stores.

  The wholesale market also showed signs of stabilisation. The latest wholesale prices for original case and unpacked Feitian Moutai stood at Rmb1,745/bottle and Rmb1,740/bottle, respectively, both largely flat mtd. Retail prices of Wuliangye 8th-generation and Guojiao 1573 stood at around Rmb820/bottle and Rmb900/bottle, respectively.

  In contrast, the sub-premium segment (Rmb300-800) continued to face pressure, while mass-market products (Rmb100-300) proved more resilient. This was mainly due to consumption demand shifting from banquet and business occasions to at-home consumption, driving consumers towards products in the Rmb100-300 price range.
- **Hotel booking trend remained solid.** As of 18 September, H World's Mid-Autumn holiday booking rate was 10ppt higher than the level recorded at end-August (28-30 August), while the National Day holiday booking rate continued to climb. Among tier 1 cities, Beijing ranked first in bookings, with strong demand also seen in tier 2 and 3 coastal cities. UrCove, a hotel brand jointly established by Hyatt Hotels and BTG Home Inn, reported yoy increases in both national average room rates and bookings per hotel. Inbound travel also provided incremental support, albeit modestly. According to Umetrip, inbound air ticket bookings for 25 September-7 October exceeded 1.11m, up about 6% yoy, with Shanghai, Beijing and Guangzhou ranking as the top destinations.

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OVERWEIGHT
(Maintained)

Segmental Rating

Segment	Rating
Apparel & textiles	MARKET WEIGHT (Maintained)
Broadline retail	MARKET WEIGHT (Maintained)
Household durables	OVERWEIGHT (Maintained)
Macau gaming	OVERWEIGHT (Maintained)
Restaurant	OVERWEIGHT (Maintained)
Specialty retail	MARKET WEIGHT (Maintained)
Baijiu	UNDERWEIGHT (Maintained)
Beer	MARKET WEIGHT (Maintained)
Dairy	OVERWEIGHT (Maintained)

Source: Bloomberg, UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (lcy)	Target Price (lcy)
Anta	2020 HK	BUY	71.95	112.20
Atour	ATAT US	BUY	32.25	47.10
Mengniu	2319 HK	BUY	17.72	24.40
Midea	000333 CH	BUY	82.65	112.60
Yum China	9987 HK	BUY	322.00	513.70

Source: Bloomberg, UOB Kay Hian

- **Macau – Daily visitor arrivals could be in line with or slightly above the 8M26 average at the upper end of forecasts.** The Macau Travel Industry Council (TICM) expects daily visitor arrivals to reach 110,000 -120,000 during the Mid-Autumn holiday. However, even at the upper end of this range, arrivals would only be in line with, or slightly above, the average daily level of 119,000 recorded during the first eight months of the year. The anticipated influx of visitors is also expected to support hotel demand, with tourism operators forecasting average occupancy of around 90% during the holiday.

  For the upcoming National Day holiday, Macau Hotel Association indicated that average booking levels had reached 60-70%, with traditional hotels in the New Outer Harbour Reclamation Area (NAPE) already 80% booked. The association expects the citywide occupancy rate to exceed the above-80% level recorded during last year's Golden Week.

  According to GGRAsia's survey of hotel booking platforms, 21 of the 36 luxury hotel brands at the six operators' resorts were sold out for at least five nights, and nine were sold out for all seven days, including Grand Lisboa Palace, The Karl Lagerfeld and Palazzo Versace Macau (SJM Holdings), Hotel Okura Macau, The Ritz-Carlton Macau, Raffles at Galaxy Macau, Capella at Galaxy Macau (Galaxy Entertainment Group), Paiza Lofts at The Parisian Macao and Paiza Grand at The Londoner Macao (Sands China).

  For the remaining available hotel inventory in Cotai, room rates generally peaked on 4 October, with most starting above MOP4,000 and reaching as high as MOP15,000. However, rates for the final two days of the holiday period (6-7 October) showed double-digit percentage declines yoy at some properties.
- **Tourism – Broad-based demand, with the extended break supporting long-haul travel.** As of 14 September, Umetrip reported that domestic air ticket bookings for 25 September-7 October had exceeded 8.58m, up more than 10% yoy. Among these, bookings for routes longer than 2,000km reached 1.74m, representing yoy growth of around 14% yoy. More than half of holiday travellers are planning trips lasting eight days or longer, providing support for long-haul travel demand.
- Meanwhile, the National Immigration Administration expects average daily border crossings of 2.25m during the Mid-Autumn holiday and 2.15m during the National Day holiday, compared with 2.04m per day recorded last year, implying growths of 10% and 5%, respectively. Umetrip also reported that outbound air ticket bookings for 25 September-7 October had exceeded 1.21m, up about 4% yoy.

Valuation/Recommendation

- **Maintain BUY on Anta (2020 HK).** Our DCF-based target price is HK$112.20, implying 19.2x 2026F PE and 17.7x 2027F PE. Anta stock currently trades at 11.8x 2026F PE and 10.9x 2027F PE.
- **Maintain BUY on Atour (ATAT US).** Our DCF-based target price is US$47.10, implying 20.4x 2026F PE and 16.8x 2027F PE. Atour currently trades at 14.0x 2026F PE and 11.6x 2027F PE.
- **Maintain BUY on Mengniu (2319 HK).** Our DCF-based target price is HK$24.40, implying 17.0x 2026F PE and 15.1x 2027F PE. Mengniu currently trades at 11.8x 2026F PE and 10.5x 2027F PE.
- **Maintain BUY on Midea (000333 CH).** Our SOTP-based target price is Rmb112.60, implying 18.4x 2026F PE and 17.3x 2027F PE. Midea currently trades at 13.5x 2026F PE and 12.7x 2027F PE.
- **Maintain BUY on YUM China (9987 HK).** Our DCF-based target price is HK$513.70, implying 23.8x 2026F PE and 20.8x 2027F PE. YUM China currently trades at 15.2x 2026F PE and 13.5x 2027F PE.

Peer Comparison

			Price	Target	Upside	Market	---------PE--------		---------P/B--------		EV/EBITDA		ROE	Yield
Company	Ticker	Rec	24-Sep-26	Price	to TP	Cap	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2026F
			(lcy)	(lcy)	(%)	(US$m)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
Anta Sports	2020 HK	BUY	71.95	112.20	55.9	25,657.86	11.8	10.9	2.3	2.1	5.3	4.7	20.9	3.9
Atour Lifestyle	ATAT US	BUY	32.35	47.10	45.6	4,401.00	14.0	11.6	6.0	4.5	8.1	6.3	46.6	3.3
Bud APAC	1876 HK	BUY	6.10	9.30	52.5	10,301.02	16.4	15.6	1.0	1.0	5.1	4.7	6.2	6.7
CR Beer	291 HK	BUY	18.71	28.60	52.9	7,739.79	10.0	9.4	1.5	1.4	4.6	4.0	15.6	5.5
CTG Duty-Free	601888 CH	BUY	51.46	77.10	49.8	15,705.92	21.5	19.1	1.8	1.7	8.4	6.9	8.6	1.9
Galaxy	27 HK	BUY	32.02	47.00	46.8	17,880.15	12.9	12.1	1.6	1.6	7.4	7.0	12.7	5.8
Haidilao	6862 HK	BUY	9.27	16.70	80.2	6,588.67	10.6	9.6	4.2	4.1	5.1	4.6	40.6	8.9
Haier Smart Home	6690 HK	BUY	20.04	28.30	41.2	26,396.35	8.6	7.7	1.3	1.2	5.7	5.1	14.3	6.8
Li Ning	2331 HK	BUY	12.30	21.80	77.2	4,054.02	11.3	10.2	0.9	0.9	1.5	1.2	8.6	4.5
Mengniu	2319 HK	BUY	17.72	24.40	37.7	8,747.01	11.8	10.5	1.4	1.3	4.2	3.6	12.0	4.3
Midea	000333 CH	BUY	82.65	112.60	36.2	93,736.61	13.5	12.7	2.7	2.6	12.7	11.9	20.3	5.5
Miniso	MNSO US	BUY	8.93	17.50	96.0	2,710.35	7.2	6.3	1.7	1.6	5.4	4.4	24.1	7.0
Moutai	600519 CH	HOLD	1,237.00	1,295.00	4.7	230,344.44	19.3	18.8	5.9	5.6	11.8	11.2	34.5	4.1
Sands China	1928 HK	BUY	12.04	20.30	68.6	12,425.31	10.5	9.7	8.4	7.7	8.2	7.8	81.7	9.2
Shenzhou	2313 HK	BUY	34.36	55.80	62.4	6,584.39	10.3	8.3	1.1	1.1	5.3	4.7	11.3	5.9
Tsingtao Brewery	168 HK	BUY	39.78	62.40	56.9	8,592.59	10.0	9.6	1.4	1.4	6.7	6.4	14.8	7.2
Wuliangye	000858 CH	HOLD	69.67	78.50	12.7	40,283.49	18.1	17.5	2.4	2.4	7.2	7.1	12.7	7.2
Xtep	1368 HK	BUY	3.46	5.60	62.1	1,240.20	7.1	6.6	0.8	0.7	2.4	2.1	11.6	8.0
Yili	600887 CH	BUY	26.90	32.40	20.4	25,345.87	14.1	12.7	3.0	2.8	10.5	9.7	21.7	5.3
YUM China	9987 HK	BUY	322.00	513.70	59.5	13,991.65	15.2	13.5	2.4	2.1	6.7	5.6	17.5	2.9

Source: Bloomberg, UOB Kay Hian

Technical Analysis

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HKT Trust and HKT (6823 HK)

Last price:	HK$12.29
Support levels:	HK$11.94/HK$11.30
Resistance levels:	HK$12.58/HK$12.71

Price executed a clear rejection at its previous price high resistance zone, resulting in the formation of a distinct lower high. The RSI has fallen below its neutral 50-midline and continues to slope downward. As long as counter-trend rallies remain strictly capped below this overhead resistance ceiling, we could expect continued downward expansion towards lower support targets.

Average timeframe: Around two weeks.

Sichuan Kelun-Biotech Biopharmaceutical (6990 HK)

Last price:	HK$466.00
Support levels:	HK$423.60/HK$379.40
Resistance levels:	HK$502.00/HK$514.50

Price executed a retest into its gap resistance zone, where overhead supply completely capped counter-trend advances. The RSI remains firmly established below its neutral 50-midline and continues to slope downward. As long as counter-trend rallies remain strictly capped below this gap resistance, we see a continued downward expansion towards lower support targets.

Average timeframe: Around two weeks.