UOBKayHian

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52925.2	(0.2)	1.2	4.0	10.1
S&P 500	7503.9	(0.4)	0.1	1.6	9.6
FTSE 100	10665.9	0.1	1.6	2.9	7.4
AS30	9004.7	(0.4)	0.2	1.7	(0.2)
CSI 300	4792.3	(1.0)	(3.8)	(0.5)	3.5
FSSTI	5342.2	1.6	3.3	5.8	15.0
HSCEI	7770.3	(0.5)	2.8	(7.9)	(12.8)
HSI	23496.9	(0.5)	2.7	(5.9)	(8.3)
JCI	5986.5	1.2	6.1	7.0	(30.8)
KLCI	1682.9	(0.0)	1.1	(0.6)	0.2
KOSPI	7656.3	(4.9)	(9.7)	(6.2)	81.7
Nikkei 225	68257.0	(2.1)	(2.6)	2.5	35.6
SET	1604.1	(0.8)	0.8	1.4	27.3
TWSE	45479.1	(2.3)	(1.4)	0.9	57.0
BDI	2875.0	2.8	15.0	(3.6)	53.2
CPO (RM/mt)	4459.5	0.0	(0.8)	(0.5)	13.4
Brent Crude (US$/bbl)	74.2	3.0	1.7	(20.3)	21.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Small & Mid-Caps Corporate Day	Singapore	09 Jul	09 Jul
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Jun Inflation (PPI, CPI)	China	09 Jul
Jun Money Supply (M2, M1, M0)	China	09-15 Jul
Jun Trade Balance, Exports, Imports	China	14 Jul
2Q GDP (YoY, YTD YoY, SA QoQ)	China	15 Jul
Jun Retail Sales	China	15 Jul
Jun Industrial Production	China	15 Jul
Jun Fixed Assets Ex Rural	China	15 Jul
Jun Surveyed Jobless Rate	China	15 Jul
Jun Unemployment Rate 3Mths	Hong Kong	16 Jul
Jun CPI Composite	Hong Kong	21 Jul
Jun Industrial Profits	China	27 Jul
Jun Trade Balance, Exports, Imports	Hong Kong	27 Jul
Jul PMI (Composite, Manufacturing, Non-manufacturing)	China	31 Jul
2Q A GDP (SA QoQ, YoY)	Hong Kong	31 Jul
Jun Money Supply (M1, M2, M3)	Hong Kong	31 Jul

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Top Stories

Sector Update | China Property Page 2

Rental yields in major cities improved in 1H26, supported by lower home prices and modest rental growth. Policy impact diverged across Tier 1 cities, with Beijing and Shanghai remaining resilient but Guangzhou and Shenzhen showing fading momentum. During the first week of July, new-home sales in 19 major cities increased 13% yoy. Second-hand home transactions in core cities continued to post strong sales growth. Meanwhile, overall housing prices continued to trend downwards. Maintain UNDERWEIGHT on China's property sector.

Technical Analysis

HBM Holdings | 2142 HK Page 5

Support levels: HK$10.65/HK$10.07
Resistance levels: HK$13.52/HK$14.98

Shanghai Conant Optical | 2276 HK Page 5

Support levels: HK$30.04/HK$26.50
Resistance levels: HK$38.64/HK$39.78

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.*

China Property

UNDERWEIGHT
(Maintained)

Second-hand Home Prices Continue To Decline While Rental Yields Improve In 1H26

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Highlights

- Overall, home sales momentum in Tier 1 cities moderated in Jun 26 after the earlier policy-driven rebound, while rental yields in core cities continued to recover, supported by lower home prices and modest rental growth.
- In the first week of July, new-home sales in 19 major cities grew 13% yoy. Second-hand home transactions in core cities continued to post strong sales growth. Meanwhile, overall housing prices continued to trend downwards.
- Maintain UNDERWEIGHT. Our top picks are COLI and CR Mixc.

Analysis

- **New-home sales growth in Tier 1 cities slowed down in Jun 26, as compared with Mar-May 26.** According to CRIC, new-home sales in Beijing/Shanghai/Guangzhou/Shenzhen changed by +3.6%/+0.5%/-6.9%/+16.6% yoy in Jun 26 while second-hand home transactions in Beijing/Shanghai/Shenzhen increased 9.8%/21.1%/12.6% yoy respectively. Although the pace of yoy growth moderated in most Tier 1 cities in June, Beijing and Shanghai continued to demonstrate relatively resilient primary and secondary-home sales following the policy easing. In contrast, sales momentum in Guangzhou and Shenzhen showed signs of moderation. Although Shenzhen continued to post relatively strong yoy sales growth, the pace of growth slowed markedly from May, suggesting that the initial policy-driven boost may be fading.
- **Rental yields in core cities continued to recover in 1H26.** For rental yields, the average rental yield in four Tier 1 and 10 Tier 2 cities stood at 2.1% and 2.7% respectively as at end-Jun 26. Rental yields in Beijing/Shanghai/Guangzhou/Shenzhen were 2.3%/2.1%/2.4%/1.7%, respectively. Meanwhile, average rents in Beijing/Shanghai/Guangzhou/Shenzhen changed by +5.7%/+5.7%/+3.7%/-0.5% ytd, respectively. Rental yields improved across all four Tier 1 cities compared with six months ago, supported by slightly lower home prices and modest rental growth. However, they remained below the average first-home mortgage rate of 3.06%.

Segmental Rating

Segment	Rating
China Property	UNDERWEIGHT (Maintained)
Property management	UNDERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (HK$)	Target Price (HK$)
COLI	688HK	BUY	12.36	19.57
CR Mixc	1209 HK	BUY	38.24	55.00

Source: Bloomberg, UOB Kay Hian

Impact Of Policy Easing On Shanghai's Monthly YOY Sales Growth

Source: UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 7 Jul 26 (HK$)	Target Price (HK$)	Upside To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2027F (%)	ROE 2026F (%)	Market Cap. (HK$m)	Price/ NAV ps (x)
China Resources Land Ltd	1109 HK	BUY	31.50	42.40	34.6	12/25	9.1	8.9	8.4	4.4	5.2	224,624.6	0.67
China Overseas Land	688 HK	BUY	12.36	19.57	58.3	12/25	9.5	9.6	9.2	4.2	3.2	135,278.8	0.31
Longfor Properties	960 HK	BUY	6.21	10.95	76.3	12/25	5.4	n.a.	n.a.	3.8	-0.9	44,074.9	0.25
Yuexiu Property	123 HK	BUY	3.51	4.80	36.8	12/25	49.1	30.4	30.7	1.3	0.3	14,129.1	0.23
CR Mixc Lifestyle	1209 HK	BUY	38.24	55.00	43.8	12/25	20.0	18.0	16.2	6.1	26.6	87,282.8	4.9
China Overseas Property Holdings	2669 HK	BUY	3.32	4.60	38.6	12/25	7.3	7.2	7.0	6.1	20.5	10,902.7	1.5

Source: UOB Kay Hian

Rental Yield (%) In Major Cities

(%)	BJ	SH	GZ	SZ	HZ	XM	NN	NC	CD	WH	Suzhou	CQ	CS	QD
2025-06	2.3	2.0	2.3	1.8	2.3	1.5	2.8	2.7	2.9	3.6	2.0	2.7	3.4	2.2
2025-12	2.1	2.0	2.2	1.7	2.1	1.5	2.9	2.9	2.7	2.9	2.1	2.9	3.5	2.0
2026-03	2.2	2.0	2.3	1.7	2.2	1.5	2.9	2.9	2.8	3.1	2.1	2.9	3.6	2.2
2026-06	**2.3**	**2.1**	**2.4**	**1.7**	**2.3**	**1.6**	**2.9**	**3.0**	**2.9**	**3.3**	**2.1**	**2.9**	**3.6**	**2.6**
ytd chg	0.2	0.1	0.2	0.0	0.2	0.1	0.1	0.1	0.2	0.4	0.1	0.0	0.1	0.6

Source: iFind, CREIC, UOB Kay Hian

Rental Data In Tier 1 Cities

Source	------------ CREIS* ------------				--------------- CityRE* -----------				-------------- Average ------------			
Average rent (Rmb/month/sqm)	BJ	SH	GZ	SZ	BJ	SH	GZ	SZ	BJ	SH	GZ	SZ
Jun-25	84.7	83.1	48.9	83.1	116.9	103.7	59.8	95.9	100.8	93.4	54.3	89.5
Dec-25	81.6	81.8	47.9	82.1	88.7	87.1	50.7	80.3	85.1	84.5	49.3	81.2
Mar-26	81.2	81.6	47.8	82.2	96.0	89.8	51.4	75.9	88.6	85.7	49.6	79.0
Jun-26	81.7	83.3	47.6	82.7	98.3	95.2	54.7	78.9	90.0	89.3	51.1	80.8
YOY (%)	-3.6	0.2	-2.7	-0.5	-16.0	-8.1	-8.5	-17.8	-10.8	-4.4	-5.9	-9.8
YTD (%)	0.1	1.8	-0.7	0.7	10.8	9.3	7.9	-1.7	5.7	5.7	3.7	-0.5

Source: iFind, CREIC, UOB Kay Hian

- **High-frequency data for the first week of Jul 26** showed that new-home sales in 19 major cities increased 13% yoy in Jul 26. Second-hand home transactions in core cities continued to post strong sales growth. Meanwhile, overall housing prices continued to trend downward.
  a) **New-home sales in 19 major cities increased 13% yoy in the first week of Jul 26.** Average daily new-home sales in Tier 1/2 cities rose by 9%/22% yoy, respectively. Among Tier 1 cities, Beijing, Shanghai, Guangzhou and Shenzhen recorded yoy sales changes of +14%, +18%, -14% and +64%, respectively.
  b) **Second-hand transactions in core cities continued to post resilient sales growth.** Average daily sales of second-hand homes (by number of units) in three Tier 1 cities and nine Tier 2 cities rose 23% and 13% yoy respectively. Beijing/Shanghai/Shenzhen saw their average daily second-hand home sales change by +27%/+27%/-1% yoy respectively in the first week of Jul 26.
  c) **Overall price trends remained on a downward trajectory.** According to the ICE Index updated on 5 July, average listing prices of second-hand homes in 100 major cities fell 0.1% wow and 0.5% mom. Among the four Tier 1 cities, the listing price indices of Beijing/Shanghai/Guangzhou/ Shenzhen fell 0.1%/0.0%/0.0%/0.1% wow, changed by -0.5%/+0.3%/-0.4%/-0.1% mom, and changed by -2.1%/+1.4%/-2.4%/-0.8% ytd respectively. Shanghai continues to lead in second-hand home listing prices.

First Week Of Jul 26 Daily New-Home Sales (GFA) Of Key Cities

GFA	------------- Tier 1 cities -------------				--------------------------------- Tier 2 cities -----------------------------					
(000 sqm)	BJ	SH	GZ	SZ	Wuhan	Qingdao	Suzhou	Fuzhou	Chengdu	Nanning
Jul 25	18	29	31	6	35	33	10	14	21	12
Jun 26	18	35	24	13	48	36	12	7	23	12
Jul 26	20	34	27	10	48	38	17	7	25	11
YoY	14%	18%	-14%	64%	38%	17%	77%	-50%	18%	-8%
MoM	15%	-4%	12%	-24%	0%	6%	41%	-2%	10%	-9%

Cities with relatively better yoy performance are highlighted in yellow
Source: iFind, UOB Kay Hian

Jul 26 Daily Secondary-Home Transactions (In Units) Of 12 Cities

Units	SH	BJ	SZ	HZ	NJ	QD	Suzhou	Wuxi	DG	XM	CD	FS
Jul 25	623	473	200	166	255	156	159	115	112	88	646	221
Jun 26	839	625	212	178	314	189	220	137	141	109	730	252
Jul 26	790	601	198	176	303	209	193	121	133	106	645	263
YoY	27%	27%	-1%	6%	19%	34%	22%	5%	19%	20%	0%	19%
MoM	-6%	-4%	-6%	-1%	-4%	11%	-12%	-12%	-6%	-2%	-12%	4%

Cities with relatively better yoy performance are highlighted in yellow
Source: iFind, UOB Kay Hian

Impact Of Policy Easing On Beijing's Monthly yoy Sales Growth

Source: UOB Kay Hian

Impact Of Policy Easing On Guangzhou's Monthly yoy Sales Growth

Source: UOB Kay Hian

Impact Of Policy Easing On Shenzhen's Monthly yoy Sales Growth

Source: UOB Kay Hian

- **Maintain UNDERWEIGHT on China's property sector.** We think that the recent stabilisation in the property markets of Tier 1 cities is still policy-driven, and that it is a bit too early to conclude that the market has already reached a definitive bottom. The unchanged five-year loan prime rates and continued tight fiscal policy for the property sector reinforce expectations that additional broad-based policy easing is unlikely in the near term. We will continue to monitor market developments closely.
- **Our top pick for the property segment is COLI,** an SOE developer with a strong pipeline and a 14% yoy growth in its 5M26 sales. It is trading at a low valuation of 0.29x 2026F P/B (1SD below mean) and 9.0x 2026F PE (0.2SD above mean).
- **Our top pick for the property management segment is CR Mixc,** for its strong recurring cash flow and margin resilience supported by high-end commercial properties. It is trading at 16.3x 2026F PE (near mean) with a 6.1% dividend yield (1SD above mean).

Sector Catalyst/Risk

- Stronger-than-expected fiscal and monetary easing.

HBM Holdings (2142 HK)

Source: TradingView

Last price: HK$11.43
Support levels: HK$10.65/HK$10.07
Resistance levels: HK$13.52/HK$14.98

Technical View:

Price has confirmed a base establishment at HK$9.46, and it subsequently managed to stay above the resistance-turned-support level after the breakout. The RSI rose steadily above its 50-neutral baseline. These favour a sustained upward extension, conditional on price preserving this breakout point on a daily closing basis.

Average timeframe: Around two weeks.

Shanghai Conant Optical (2276 HK)

Source: TradingView

Last price: HK$34.90
Support levels: HK$30.04/HK$26.50
Resistance levels: HK$38.64/HK$39.78

Technical View:

Price has stalled precisely at its previous resistance barrier, triggering an immediate reversal via yesterday's bearish engulfing pattern. This rejection is confirmed with the RSI curling lower underneath the 50-neutral threshold. With overhead sellers firmly in control of the order flow at this key structural peak, this strongly favours a near-term extension lower.

Average timeframe: Around two weeks.

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