UOBKayHian

Country Daily | Greater China

Wednesday, 23 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51863.7	(0.4)	(0.4)	(2.7)	7.9
S&P 500	7764.6	(0.0)	2.4	1.2	13.4
FTSE 100	10708.3	(0.3)	0.5	(1.0)	7.8
AS30	8951.0	0.4	1.1	(3.4)	(0.8)
CSI 300	4544.6	0.1	2.1	(1.6)	(1.8)
FSSTI	5723.8	0.9	1.5	0.6	23.2
HSCEI	8362.6	0.3	1.9	(3.1)	(6.2)
HSI	25087.8	0.2	1.7	(3.5)	(2.1)
JCI	6277.0	(1.7)	(2.8)	(3.8)	(27.4)
KLCI	1683.5	1.0	(0.9)	(3.1)	0.2
KOSPI	7017.9	0.1	5.9	1.5	66.5
Nikkei 225	65019.0	1.4	1.6	(0.8)	29.2
SET	1604.4	0.4	1.6	(0.6)	27.4
TWSE	47800.2	0.2	5.0	5.7	65.0
BDI	3432	1.0	2.1	20.8	82.8
CPO (RM/mt)	4601	(0.7)	(0.2)	(1.8)	17.0
Brent Crude (US$/bbl)	99	(1.1)	(8.7)	5.1	63.1

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
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 CPI Composite	Hong Kong	23 Sep
Aug Trade Balance, Exports, Imports	Hong Kong	24 Sep
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

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- The NBS published national second-hand transactions for the first time in its 8M26 release: second-hand contracted GFA of 549.2m sqm rose 10.6% yoy against residential new-home sales of 415.0m sqm, which declined 13.0% yoy. Land sales revenue fell 28.6% yoy in 8M26, and household medium-to-long-term loans continued contracting in Aug 26, leaving the 8M26 net increase 98% below last year's. Maintain UNDERWEIGHT.

Technical Analysis

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- Support levels: HK$34.40/HK$33.52
- Resistance levels: HK$43.50/HK$48.00

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- Support levels: HK$481.00/HK$312.60
- Resistance levels: HK$908.00/HK$971.00

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

NBS Publishes Inaugural Second-Hand Transactions Data; Household Mortgage Borrowing Is Still Shrinking

Highlights

- The NBS published national second-hand transaction data for the first time, which showed 10.6% yoy growth and a transaction volume 1.32x that of residential new homes in 8M26. Household medium-to-long-term loans continued contracting in Aug 26, leaving the 8M26 net increase 98% below that of last year.
- High-frequency data for 1-20 Sep 26 show that Tier 1 cities continue to lead the recovery. New-home sales in 19 major cities rose 5% yoy during 1-20 Sep 26, with the four Tier 1 cities up 17% yoy and Tier 2 and Tier 3 cities flat. Second-hand sales rose 13% yoy in three Tier 1 cities and turned positive at 4% yoy in nine Tier 2 cities. Second-hand listing prices in 100 cities fell 0.7% mom.
- Maintain UNDERWEIGHT. Our top picks are COLI and CR Mixc.

Analysis

- **NBS publishes national second-hand transaction data for the first time, with volumes already exceeding new-home transactions.** The NBS added second-hand transaction data to its 8M26 release on 15 Sep 26. National second-hand transactions came in at 549.2m sqm in 8M26, up 10.6% yoy, against residential new-home sales of 415.0m sqm, down 13.0% yoy. Second-hand transaction volume is 1.32x residential new-home volume, and we expect second-hand transactions to account for an increasingly larger share of the market. Our own 13-city sample, which counts transactions rather than floor area, rose 5.5% yoy in 8M26, with Shanghai, Foshan, Dongguan and Xiamen growing faster than the national 10.6%, while Hangzhou fell 11.2%.

8M26 Second-hand Transactions By City Vs The National Print

Units	SH	BJ	SZ	HZ	NJ	QD	SU	WX	DG	XM	CD	FS	DL	National
8M25	168.8	128.1	46.5	48.2	62.0	39.3	41.0	27.3	27.3	21.1	160.5	52.5	22.9	496.6
8M26	193.5	134.7	48.8	42.8	61.6	42.1	44.9	28.3	30.9	23.7	156.4	59.7	24.6	549.2
yoy	14.6%	5.2%	5.1%	-11.2%	-0.7%	7.2%	9.5%	3.8%	13.4%	12.3%	-2.5%	13.6%	7.3%	10.6%

*Source: iFind, NBS, UOB Kay Hian Note: (City figures are transaction counts in '000; SU = Suzhou, WX = Wuxi. Cities growing faster than the national 10.6% are highlighted in orange. *National = second-hand contracted GFA in m sq m, NBS/MOHURD)*

- **Land sales revenue fell 28.6% yoy in 8M26, and the narrowing is a base effect.** The Ministry of Finance reported Rmb1,375.3b of land transfer revenue in 8M26, down 28.6% yoy, against -30.8% yoy in 7M26 and -31.5% yoy in 1H26. In Aug 26, land sales alone reached Rmb202.2b, down 12.5% yoy. The narrower decline largely reflects a low base, as Aug 25 sales had fallen 13.7% mom.

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UNDERWEIGHT (Maintained)

Segmental Rating

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

Source: Bloomberg, UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (HK$)	Target Price (HK$)
COLI	688HK	BUY	12.43	19.88
CR Mixc	1209 HK	BUY	37.44	55.00

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 22-Sep-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	29.12	39.60	36.0	12/25	7.9	8.9	7.9	4.4	4.7	207,653.0	0.60
China Overseas Land	688 HK	BUY	12.43	19.88	59.9	12/25	9.0	10.1	9.3	4.0	2.7	136,044.9	0.30
Longfor Properties	960 HK	BUY	5.63	8.76	55.6	12/25	4.6	n.a.	n.a.	0.2	-1.9	39,958.4	0.21
Yuexiu Property	123 HK	BUY	3.25	4.50	38.7	12/25	43.2	45.4	35.9	1.1	0.5	13,062.4	0.21
CR Mixc Lifestyle	1209 HK	BUY	37.44	55.00	46.9	12/25	18.5	16.7	15.0	6.6	26.6	85,456.8	4.52
China Overseas Property Holdings	2669 HK	BUY	3.31	4.20	27.1	12/25	6.8	7.6	7.7	5.6	18.5	10,853.5	1.42

Source: Bloomberg, UOB Kay Hian

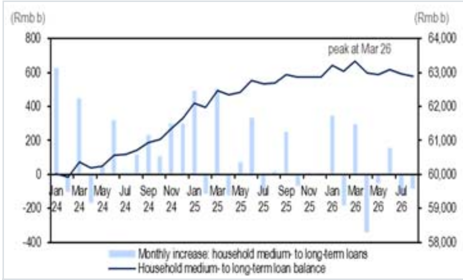
- **Medium-to-long-term household loans continued to contract in Aug 26, leaving the 8M26 net increase 98% below last year's.** The net increase was negative Rmb82.2b in Aug 26 against a positive Rmb20.0b a year earlier, and Rmb18.8b cumulatively in 8M26 against Rmb1,080.0b in 8M25, implying a 98% yoy decline. The sharp decline in net increase of long-term household loans is attributable: a) accelerated mortgage prepayment, with mortgage rates above 3% against deposit rates below 1.5%; and b) a rising share of full-payment deals - Guangzhou's mortgage-financed share of secondary transactions dropped to 35.6% in Aug 26 from 45.1% in Jun 26, while Shenzhen's full-payment share hit 25.3% in Aug 26, up 6.3ppt yoy. We read these shifts as buyers being mostly end-users purchasing for their own use, with limited investment demand, and continued deleveraging in household mortgage borrowing.
- **High-frequency data for 1-20 Sep 26 show Tier 1 cities still leading the recovery.** New-home sales in the four Tier 1 cities rose 17% yoy, while Tier 2 and Tier 3 sales were close to flat at -0.2% and -1% yoy respectively, with a similar movement in the second-hand market. The gain is still concentrated in Tier 1 cities.

a) **New-home sales in 19 major cities rose 5% yoy in 1-20 Sep 26.** Tier 1/2 cities changed by +17%/-0.2% yoy respectively, against +23%/-12% yoy in 1-13 Sep 26. Beijing/Shanghai/Guangzhou rose 26%/24%/3% yoy respectively, leaving Shenzhen as the only Tier 1 city with a decline. On a ytd basis, 19 major cities fell 4% yoy.

b) **Second-hand transactions stayed positive in Tier 1 cities and turned positive in Tier 2 cities.** In 1-20 Sep 26, average daily second-hand sales rose 13% yoy in three Tier 1 cities and 4% yoy in nine Tier 2 cities, against broadly flat in 1-13 Sep 26. Beijing/Shanghai/Shenzhen changed by +5%/+24%/0% yoy respectively. On a ytd basis, three Tier 1 cities rose 10% yoy while nine Tier 2 cities fell 4% yoy.

c) **Overall price trends remained on a downward trajectory, with Shanghai the only Tier 1 city still rising.** According to the ICE Index updated on 20 Sep 26, average listing prices of second-hand homes in 100 major cities fell 0.1% wow and 0.7% mom. Among the four Tier 1 cities, Beijing/Shanghai/Guangzhou/Shenzhen changed by -0.2%/+0.1%/-0.1%/-0.1% wow and by -3.9%/+1.5%/-4.0%/-1.9% ytd respectively; Shanghai leads Tier 1 cities in both monthly and ytd readings.

Monthly Increase: Household Medium- To Long-Term Loans



Source: NBS

1-20 Sep 26 Daily New-Home Sales (GFA) Of Key Cities

GFA	T1 cities				T2 cities					
(000 sqm)	BJ	SH	GZ	SZ	Wuhan	Qingdao	Suzhou	Fuzhou	Chengdu	Nanning
1-20 Sep 25	11	31	16	6	19	31	6	4	23	13
1-31 Aug 26	12	30	18	6	30	30	5	6	14	9
1-20 Sep 26	14	38	16	5	23	31	8	4	15	14
YoY	26%	24%	3%	-12%	18%	1%	29%	2%	-35%	10%
MoM	11%	29%	-11%	-8%	-24%	3%	56%	-34%	8%	58%

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

1-20 Sep 26 Daily Secondary-Home Transactions (In Units) Of 12 Cities

Units	SH	BJ	SZ	HZ	NJ	QD	Suzhou	Wuxi	DG	XM	CD	FS
1-20 Sep 25	661	549	204	155	229	149	137	105	109	73	688	248
1-31 Aug 26	746	503	175	145	260	159	171	97	135	82	576	239
1-20 Sep 26	822	577	204	164	254	154	180	111	141	86	632	250
YoY	24%	5%	0%	6%	11%	3%	32%	6%	30%	18%	-8%	1%
MoM	10%	15%	16%	14%	-3%	-3%	5%	14%	5%	4%	10%	5%

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

Valuation/Recommendation

- **Maintain UNDERWEIGHT on China's property sector.** We continue to prefer developers with low reliance on presale proceeds and strong Tier 1 exposure. Our top picks are COLI and CR Mixc.

- **CR Land's Aug 26 contracted sales rose 40.2% yoy in value and recurring income continued to grow steadily.** In Aug 26, CR Land recorded total contracted sales of Rmb18.50b on a total contracted GFA of 481,000 sqm, up 40.2% yoy in value and down 10.8% yoy in area. For 8M26, total contracted sales reached Rmb149.10b (+9.0% yoy) on 4,054,000 sqm (-20.8% yoy), which implies an ASP of Rmb36,779/sqm against about Rmb26,700/sqm in 8M25. Recurring income was Rmb4.57b in Aug 26, up 7.1% yoy, of which rental income from investment properties was Rmb3.02b, up 6.1% yoy; for 8M26, recurring income reached Rmb35.45b (+7.3% yoy) and rental income was Rmb23.75b (+11.0% yoy). CR Land's higher ASP was driven by a shift towards higher-tier cities, while recurring income continued to grow steadily.

Sector Catalyst/Risk

- Stronger-than-expected fiscal and monetary easing.

Technical Analysis

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Lenovo (0992 HK)

Last price:	HK$36.74
Support levels:	HK$34.40/HK$33.52
Resistance levels:	HK$43.50/HK$48.00

Price successfully defended its position above the resistance-turned-support zone, validating the newly converted boundary as a key demand floor. The RSI remains firmly established above its neutral 50-midline, reflecting sustained trend velocity. As long as price maintains above this core support anchor, we could see a continued upward expansion towards higher extension targets.

Average timeframe: Around two weeks.

Z.AI (2513 HK)

Last price:	HK$742.00
Support levels:	HK$481.00/HK$312.60
Resistance levels:	HK$908.00/HK$971.00

Price executed a precise retest and rejection at its support-turned-resistance zone, establishing the newly converted anchor as a dominant supply ceiling. The RSI maintains its position below the neutral 50-midline and continues to slope downward, signalling accelerating downward trend velocity. As long as counter-trend rallies remain strictly capped below this critical resistance anchor, we could expect continued downward expansion towards lower support targets.

Average timeframe: Around two weeks.