

Consumer

China Consumer: 2026 National Day Holiday Consumption Trend

Highlights

- During the National Day holiday (1-7 October), service consumption remained resilient. Tourism and entertainment revenue increased 24% yoy, supported by the extended Mid-Autumn and National Day holidays, which boosted long-distance travel and cross-province trips. Catering revenue rose 9% yoy, while economy hotel chains and homestays also delivered solid growth. Macau tourism remained robust, with daily visitor arrivals increasing 14% yoy and exceeding the official forecast by 9%.
- Household durables and audio-visual equipment consumption were the bright spots, with sales surging 40% yoy, driven by trade-in subsidies, new product launches and replacement demand. However, broader retail trends were lukewarm, with sales at key commercial districts rising only 5% yoy and Hainan duty-free per capita spending falling 10% yoy.
- Our top picks are Anta, Atour, Midea and YUM China in consumer discretionary, and Mengniu in consumer staples. Maintain OVERWEIGHT.

Analysis

- Baijiu – channel checks suggested an over 10% yoy decline in sell-through.** Liquor retailers in Chongqing and Chengdu reported that sell-through remained lacklustre during the Mid-Autumn and National Day holidays, with most stores recording yoy declines of more than 10% compared with the same period last year. By price segment, retailers indicated that unpackaged baijiu and products priced around Rmb100 were the best sellers, while demand for products in the Rmb400-500 price range was weak. Premium baijiu, particularly Moutai and Wuliangye, maintained relatively stable pricing, with limited promotional activity.

Meanwhile, online channels delivered steady growth, supported by holiday promotions and instant delivery services. JD Supermarket's liquor GMV grew 15% yoy during 20 August-25 September, with live-streaming sales up more than 29% yoy.

- Catering – sales revenue rose 9% yoy.** According to VAT invoice data from the State Taxation Administration, sales revenue from catering services expanded 9% yoy during the National Day holiday, with snack food and fast-food up 16% and 31% yoy, respectively.
- Hotel – demand for diversified accommodation picked up.** According to VAT invoice data from the State Taxation Administration, sales revenue from economy hotel chains and homestay services increased 6% and 13% yoy, respectively, during the National Day holiday.
- Household durables – retail sales rose 41% yoy.** According to VAT invoice data from the State Taxation Administration, retail sales of household durables and audio-visual equipment grew 40% yoy during the National Day holiday, supported by the release of trade-in subsidy funds ahead of the holiday, concentrated launches of new digital products and replacement demand. By category, retail sales of household durables, household audio-visual equipment (such as TVs), communication devices (such as smart phones and wristband), and kitchen and sanitary appliances jumped 41%, 37%, 120% and 52% yoy, respectively.
- Specialty retail – per capita spending fell 10% yoy.** According to Haikou Customs, during the National Day holiday, total offline duty-free sales in Hainan were Rmb855m, up 4% yoy on a daily average basis, while the number of shoppers was 123,000, up 14% yoy on a daily average basis. This implies per capita spending of Rmb6,951, down 10% yoy.
- Macau – daily arrivals increased 14% yoy and exceeded the official forecast by 9%; floor checks indicated HK\$1,000-2,000 baccarat tables**

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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	71.80	112.20
Atour	ATAT US	BUY	31.61	47.10
Mengniu	2319 HK	BUY	17.55	24.40
Midea	000333 CH	BUY	81.74	112.60
Yum China	9987 HK	BUY	323.80	513.70

Source: Bloomberg, UOB Kay Hian

dominated the mass market. According to provisional data from the Public Security Police Force, Macau welcomed approximately 1,143,000 visitors during the National Day holiday, averaging around 163,000 arrivals per day, up 14% yoy and 9% above the Macao Government Tourism Office's forecast of 150,000 daily arrivals. Combined with the Mid-Autumn holiday on 25-27 September, total visitor arrivals reached approximately 1,872,000 during 25 September-7 October, representing an average of around 144,000 arrivals per day.

According to GGRAsia's floor checks on 5 October, HK\$1,000 and HK\$2,000 baccarat tables were the dominant mass-market denominations across both the Macau Peninsula and Cotai. Minimum bet levels on Cotai casino main floors, including side bets, were generally higher than those at comparable Macau Peninsula properties. The checks also indicated that operators continue to optimise their baccarat side-bet offerings, with several casinos discontinuing Monkey no Monkey and Pairs+ side bets side bets, which had been approved in late-March and implemented around the Labour Day holiday, while Sands China has been promoting its newly launched distinct four-tier progressive jackpot feature across its Cotai properties.

- **Retail – sales at key commercial districts rose 5% yoy.** According to the Ministry of Commerce, footfall and sales at the 78 key monitored pedestrian streets (commercial districts) increased 3% and 5% yoy respectively during 1-6 October.
- **Tourism – extended holidays drove strong travel demand.** According to VAT invoice data from the State Taxation Administration, sales revenue from tourism and entertainment services rose 24% yoy during the National Day holiday, with travel agency services and amusement park revenue up 26% and 41% yoy, respectively. Data from Trip.com indicated that the extended Mid-Autumn and National Day long holidays encouraged longer-distance travel, with the proportion of cross-province trips increasing 6ppt yoy to 59%. According to the National Immigration Administration, cross-border trips during the National Day holiday reached 15.5m, averaging 2.2m per day, up 7% yoy. Foreign nationals made 0.7m inbound trips, up 5% yoy, of which 0.5m, or 74%, entered China under visa-free policies, up 9% yoy. Meanwhile, data from Trip.com indicated that inbound travel maintained strong momentum, with arrivals growing by double digits, led by Russia, followed by South Korea and Southeast Asia countries.

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 currently trades at 11.7x 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 13.6x 2026F PE and 11.3x 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 11.7x 2026F PE and 10.4x 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 13.4x 2026F PE and 12.6x 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 15.3x 2026F PE and 13.6x 2027F PE.

Peer Comparison

Company	Ticker	Rec	Price	Target	Upside	Market	PE		P/B		EV/EBITDA		ROE	Yield
			8-Oct-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	71.80	112.20	56.3	25,588.06	11.7	10.9	2.3	2.1	5.3	4.6	20.9	3.9
Atour Lifestyle	ATAT US	BUY	31.61	47.10	49.0	4,300.33	13.6	11.3	5.9	4.4	7.9	6.1	46.6	3.4
Bud APAC	1876 HK	BUY	5.74	9.30	62.0	9,686.91	15.4	14.7	1.0	1.0	4.7	4.4	6.2	7.1
CR Beer	291 HK	BUY	18.87	28.60	51.6	7,801.01	10.1	9.5	1.5	1.4	4.6	4.0	15.6	5.5
CTG Duty-Free	601888 CH	BUY	50.69	77.10	52.1	15,481.54	21.2	18.8	1.8	1.7	8.2	6.7	8.6	1.9
Galaxy	27 HK	BUY	30.64	47.00	53.4	17,098.65	12.4	11.5	1.5	1.5	7.0	6.6	12.7	6.0
Haidilao	6862 HK	BUY	9.24	16.70	80.8	6,559.61	10.6	9.5	4.2	4.0	5.1	4.6	40.6	9.0
Haier Smart Home	6690 HK	BUY	20.20	28.30	40.1	26,736.94	8.6	7.7	1.3	1.2	5.8	5.2	14.3	6.7
Li Ning	2331 HK	BUY	12.28	21.80	77.5	4,044.84	11.2	10.1	0.9	0.9	1.5	1.2	8.6	4.5
Mengniu	2319 HK	BUY	17.55	24.40	39.0	8,657.57	11.7	10.4	1.3	1.3	4.2	3.6	12.0	4.4
Midea	000333 CH	BUY	81.74	112.60	37.8	92,590.78	13.4	12.6	2.7	2.5	12.5	11.7	20.3	5.5
Miniso	MNSO US	BUY	9.07	17.50	92.9	2,752.84	7.3	6.4	1.7	1.6	5.5	4.4	24.1	6.9
Moutai	600519 CH	HOLD	1,255.79	1,295.00	3.1	234,188.73	19.6	19.1	6.0	5.6	12.0	11.4	34.5	4.0
Sands China	1928 HK	BUY	11.02	20.30	84.2	11,365.43	9.6	8.9	7.7	7.0	7.7	7.4	81.7	10.1
Shenzhou	2313 HK	BUY	34.42	55.80	62.1	6,591.69	10.2	8.3	1.1	1.1	5.2	4.7	11.3	5.9
Tsingtao Brewery	168 HK	BUY	40.02	62.40	55.9	8,674.44	10.0	9.7	1.5	1.4	6.8	6.5	14.8	7.2
Wuliangye	000858 CH	HOLD	70.14	78.50	11.9	40,615.15	18.3	17.6	2.4	2.5	7.3	7.2	12.7	7.1
Xtep	1368 HK	BUY	3.47	5.60	61.4	1,244.79	7.1	6.6	0.8	0.7	2.5	2.1	11.6	8.0
Yili	600887 CH	BUY	27.32	32.40	18.6	25,779.62	14.3	12.9	3.1	2.9	10.6	9.8	21.7	5.3
YUM China	9987 HK	BUY	323.80	513.70	58.6	13,983.66	15.3	13.6	2.4	2.1	6.7	5.6	17.5	2.9

Source: Bloomberg, UOB Kay Hian

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