国泰君安证券 GUOTAI JUNAN SECURITIES

Flash Note: Consumer Sector - Retailing

快讯：消费行业 - 零售

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Retail Sales Up 4.3% YoY in October, Missing Consensus

10月社会消费品零售总额同比上升4.3%，低于市场一致预期

- **In October 2020, nominal total retail sales of consumer goods reached RMB3.86 trillion, representing an increase of 4.3% YoY, which missed the mean market consensus figure compiled by Bloomberg by 0.7 ppts.** Analyzed by area, retail sales in urban areas and rural areas went up by 4.2% YoY and 5.1% YoY, respectively. Retail sales of enterprises above designated size increased 7.2% YoY and retail sales excluding automobiles rose by 3.6% YoY. Online retail sales of physical goods in Jan.-Oct. 2020 rose by 16.0% YoY and accounted for 24.2% of total retail sales of consumer goods. By category, food, apparel and household goods sales increased by 34.3% YoY, 5.6% YoY and 17.4% YoY, respectively.

- **Retail sales of goods of enterprises above designated size showed strong rebound in October.** Most of the categories recorded double-digit percentage growth during the period. In detail, within the necessities category, food sales increased by 8.8% YoY. Food CPI rose by 2.2% YoY in Oct. and pork price was down by 2.8% YoY. Narrowed food CPI partly affected food sales growth. However, beverages, apparel and household goods all recorded double-digit growth. Within consumption upgrade categories, sales of cosmetics and gold, silver and jewellery recorded strong YoY growth of 18.3% and 16.7%, respectively, implying rising consumption confidence. Communication goods sales growth rate turned positive and increased by 8.1% YoY. Within property-related categories, home appliances, furniture and building and decoration materials still faced challenges but all reported low-single digit percentage growth. Sales of automobiles rose by 12.0% YoY, supporting overall retail sales growth, while petroleum and related products was down by 11.0% YoY.

- Total retail sales of consumer goods has been continuously improving in recent months. Despite that total retail sales growth rate missed Bloomberg consensus in Oct., we noted that retail sales of goods of enterprises above designated size recorded faster growth and catering services turned positive for the first month in 2020. In addition, we saw that sales of cosmetics and gold, silver and jewellery performed well with improving consumption sentiment. Sales growth of most staple goods and discretionary goods accelerated during the period. We are of the view that domestic consumption has been recovering steadily, and retail sales is expected to continue to rebound in 4Q2020 with more promotion campaigns and subsidies from e-commerce platforms. We are positive on the consumer sector and maintain the rating of "Outperform" for retailing, apparel, food & beverage and household products categories. **We have "Accumulate" rating for Sun Art Retail (06808 HK) with a TP of HK$14.00 in the Consumer Sector – Retailing.**

- **2020 年 10 月，社会消费品零售总额为人民币 3.86 万亿元，同比名义上升 4.3%，低于彭博财经统计的市场平均预期 0.7 个百分点。**分地区来看，城市与农村区域零售额分别同比上升 4.2%及 5.1%。限额以上企业商品零售额同比上升 7.2%，除汽车以外的消费品零售额同比增长 3.6%。2020 年 1-10 月网上实物商品零售额同比增长 16.0%，占社会消费品零售总额的 24.2%。分品类，吃类、穿类和用类销售额分别同比上升 34.3%、5.6%和 17.4%。

- **10 月限额以上企业商品零售显示强劲复苏。**大多数品类在期内录得双位数增长。具体来看，生活必需品中，食品销售同比增长 8.8%。食品 CPI 在 10 月同比上升 2.2%，猪肉价格同比下降 2.8%。收窄的食品 CPI 部分影响了食品销售增速。然而，饮料、服装和日用品均录得双位数增长。在消费升级品类中，化妆品和金银珠宝销售额分别录得同比 18.3%和 16.7%的强劲增长，显示消费信心上升。通讯器材销售额增速转正，同比上升 8.1%。在地产相关品类中，家电、家具和装修建材仍面临压力，但均录得低单位数增长。汽车销售同比上升 12.0%，支撑社零总额增长，但石油及制品同比下降 11.0%。

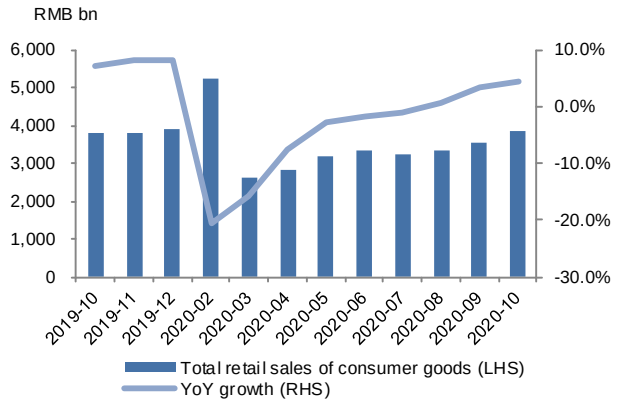
- 社零总额在近月来持续改善。尽管 10 月社零总额增速低于彭博一致预期，但我们注意到限额以上企业商品零售额取得较快增长，并且餐饮服务在 2020 年首次转正。此外，我们看到随着消费情绪改善，化妆品和金银珠宝表现良好。大多数必选和可选消费品的增长在期内加速。我们认为内需消费正在稳定复苏，并预期随着更多的促销活动和电商平台补贴，零售销售将会在 2020 年第 4 季度继续回暖。我们看好消费行业并维持零售、服装、食品饮料和日用品子行业“跑赢大市”评级。**我们给予消费-零售行业的高鑫零售(06808 HK)“收集”评级和 14.00 港元的目标价。**

Table-1: Breakdown of Total Retail Sales

Item	Oct. 2020 YoY (RMB bn)	Oct. 2020 YoY (%)	YTD 2020 YoY (RMB bn)	YTD 2020 YoY (%)
Total Retail Sales of Consumer Goods:	**3,858**	**4.3**	**31,190**	**-5.9**
- Retail Sales excluding Automobile	34,868	3.6	281,428	-6.0
- Retail Sales of the Enterprises (units) above Designated Size	1,310	7.1	11,189	-4.2
- Online Retail Sales of Physical Goods	-	-	7,562	16.0
Grouped by Different Areas				
-Urban	3,350	4.2	27,034	-6.0
-Rural	508	5.1	4,156	-5.4
-Catering Services	**437**	**0.8**	**2,960**	**-21.0**
-Retail Sales of above Designated Size Enterprise	91	6.1	639	-17.8
-Retail Sales of Goods	**3,420**	**4.8**	**28,230**	**-4.0**
-Retail Sales of above Designated Size Enterprise	1,218	7.2	10,550	-3.2
-Grain, Oil, Foodstuff	129	8.8	1,242	10.4
-Beverages	20	16.9	184	12.8
-Tobacco and Liquor	34	15.1	308	2.6
-Garments, Footwear, Hats, Knitwear	127	12.2	934	-9.7
-Cosmetics	28	18.3	257	5.9
-Gold, Silver & Jewellery	22	16.7	183	-9.8
-Household Products	57	11.7	515	7.4
-Household Appliances and AV Equipment	68	2.7	652	-7.0
-Chinese & Western Medicine	46	10.8	429	6.7
-Cultural and Office Appliances	29	11.7	268	4.5
-Furniture	16	1.3	124	-8.7
-Communication Appliances	46	8.1	418	7.3
-Petroleum & Related Products	154	-11.0	1,378	-16.1
-Automobile	371	12.0	3,047	-4.5
-Construction & Decoration Material	17	4.2	133	-6.2

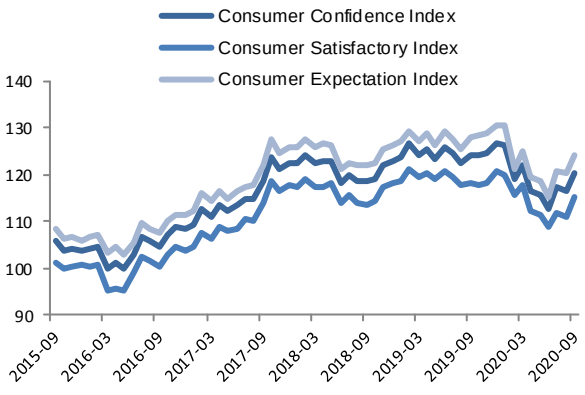
Source: National Bureau of Statistics of China.

Figure-1: Total Retail Sales of Consumer Goods and YoY Growth



Source: National Bureau of Statistics of China.

Figure-2: Consumer Confidence (%)



Source: National Bureau of Statistics of China.

Table-2: Consumer Sector Peers Comparison of Companies under Guotai Junan International Coverage

Company	Stock Code	Currency	Last price	PE (fiscal year)				PB (fiscal year)				ROE(%)	D/Y(%)	Market Cap
				19A	20F	21F	22F	19A	20F	21F	22F	20F	20F	HKD mil
Apparel														
Anta Sports	2020 HK	HKD	101.50	45.0	44.9	29.5	23.4	12.2	9.9	8.0	6.6	24.0	0.7	274,388
Xtep International	1368 HK	HKD	3.09	8.9	13.4	9.5	7.8	1.0	0.9	0.9	0.8	7.0	4.5	7,830
361 Degrees International	1361 HK	HKD	0.93	3.9	4.1	3.8	3.3	0.3	0.3	0.3	0.2	6.1	8.7	1,923
Li Ning	2331 HK	HKD	42.40	60.3	55.9	40.9	32.1	12.2	10.6	8.8	7.2	20.4	0.5	105,524
China Dongxiang	3818 HK	HKD	0.83	n.a.	11.8	10.1	8.9	0.4	0.4	0.4	0.4	3.5	3.1	4,885
Esprit	330 HK	HKD	0.89	n.a.	n.a.	n.a.	n.a.	0.3	0.6	0.4	0.4	(84.2)	0.0	1,680
Giordano International	709 HK	HKD	1.18	8.1	n.a.	14.8	9.1	0.7	0.8	0.8	0.8	(9.6)	4.2	1,862
Shenzhou International	2313 HK	HKD	135.00	35.1	32.5	27.2	23.5	7.2	6.1	5.4	4.8	19.9	1.6	202,935
China Lilang	1234 HK	HKD	5.03	6.5	7.9	6.2	5.7	1.5	1.4	1.2	1.1	17.3	8.6	6,023
Simple Average				24.0	24.4	17.8	14.2	4.0	3.4	2.9	2.5	0.5	3.6	
Weighted Average				43.3	41.5	30.0	24.3	10.1	8.4	7.0	5.9	21.1	1.2	
Food & Beverage														
China Foods	506 HK	HKD	2.67	15.8	14.0	11.8	10.2	1.5	1.3	1.3	1.2	9.7	2.4	7,469
China Mengniu Dairy	2319 HK	HKD	41.25	34.7	40.3	26.8	22.6	5.0	4.3	3.8	3.3	10.8	0.5	162,795
Tingyi	322 HK	HKD	13.70	20.4	16.9	16.9	15.5	3.5	3.3	3.1	2.9	19.4	5.1	77,054
Uni-President China	220 HK	HKD	7.23	20.1	17.1	16.2	15.2	2.0	2.0	1.9	1.9	11.5	5.6	31,229
China Modern Dairy	1117 HK	HKD	1.14	18.1	12.4	9.0	6.8	0.9	0.8	0.7	0.7	9.9	0.0	7,363
Tianyun International	6836 HK	HKD	1.18	6.0	8.0	6.5	5.5	1.2	1.0	0.9	0.8	12.2	3.8	1,153
China Resources Beer	291 HK	HKD	53.60	118.1	55.5	39.2	31.7	7.9	7.0	6.3	5.6	12.8	0.7	173,888
Cafe De Coral	341 HK	HKD	17.30	17.7	133.1	23.4	19.8	3.2	3.8	3.3	3.1	2.5	1.5	10,133
Vitasoy Intl Holdings	345 HK	HKD	32.45	49.5	64.4	55.0	45.3	10.9	11.0	10.4	9.2	17.0	1.4	34,555
Dali Foods Group	3799 HK	HKD	4.91	15.5	14.8	13.5	12.5	3.7	3.4	3.1	2.9	23.0	4.7	67,238
Simple Average				31.6	37.6	21.8	18.5	4.0	3.8	3.5	3.2	12.9	2.6	
Weighted Average				55.1	39.8	28.3	23.7	5.6	5.1	4.6	4.1	14.3	2.0	
Household Products														
Hengan Intl	1044 HK	HKD	56.50	15.2	12.1	11.6	10.9	3.4	3.0	2.7	2.5	24.5	5.6	67,217
Vinda International	3331 HK	HKD	21.55	22.6	13.9	13.2	11.8	2.7	2.4	2.1	1.9	18.0	2.2	25,842
Simple Average				18.9	13.0	12.4	11.4	3.0	2.7	2.4	2.2	21.2	3.9	
Weighted Average				17.2	12.6	12.0	11.2	3.2	2.8	2.6	2.3	22.7	4.6	
Retail														
Sun Art Retail	6808 HK	HKD	8.20	24.1	21.5	19.7	17.7	2.9	2.6	2.4	2.3	12.8	2.0	78,226
Chow Tai Fook Jewellery	1929 HK	HKD	9.36	32.3	21.4	17.4	14.8	3.6	3.4	3.3	3.1	16.3	3.6	93,600
Luk Fook	590 HK	HKD	19.58	13.2	12.8	9.9	8.6	1.1	1.1	1.0	0.9	8.5	4.4	11,496
Chow Sang Sang	116 HK	HKD	8.80	9.3	9.1	6.1	5.6	0.6	0.5	0.5	0.5	6.0	4.4	5,961
Samsonite International	1910 HK	HKD	12.14	16.7	n.a.	105.6	13.4	1.1	3.0	3.0	2.6	(69.2)	0.0	17,417
Haier Electronics	1169 HK	HKD	36.60	12.3	23.0	19.4	17.5	3.1	2.8	2.5	2.2	12.6	1.2	103,102
Skyworth Digital	751 HK	HKD	2.26	8.1	6.2	6.2	5.5	0.4	0.3	0.3	0.3	6.2	2.8	6,030
Simple Average				16.6	15.7	26.3	11.9	1.8	2.0	1.9	1.7	(1.0)	2.6	
Weighted Average				21.3	21.1	22.8	15.7	2.9	2.8	2.6	2.4	8.8	2.3	
E-commerce														
Alibaba	BABA US	USD	260.84	51.6	32.0	26.5	21.6	9.1	6.6	5.0	4.3	23.9	0.0	5,471,801
Jd.Com	JD US	USD	92.08	76.1	58.0	39.2	28.8	11.5	8.4	7.1	5.9	16.8	0.0	1,117,217
Pinduoduo	PDD US	USD	151.29	n.a.	n.a.	369.0	98.8	49.7	57.2	46.7	31.5	(26.7)	0.0	1,404,812
Vipshop	VIPS US	USD	23.03	26.4	18.5	15.3	13.5	4.9	3.6	3.0	2.5	23.0	0.0	120,942
Simple Average				51.4	36.2	112.5	40.7	18.8	18.9	15.4	11.0	9.3	0.0	
Weighted Average				55.2	36.1	87.4	35.8	16.4	15.5	12.5	9.2	14.2	0.0	

Source: Bloomberg, Guotai Junan International.

Company Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Buy	买入	Relative Performance >15%; or the fundamental outlook of the company or sector is favorable.
Accumulate	收集	Relative Performance is 5% to 15%; or the fundamental outlook of the company or sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the company or sector is neutral.
Reduce	减持	Relative Performance is -5% to -15%; or the fundamental outlook of the company or sector is unfavorable.
Sell	卖出	Relative Performance <-15%; or the fundamental outlook of the company or sector is unfavorable.

Sector Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Outperform	跑赢大市	Relative Performance >5%; or the fundamental outlook of the sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the sector is neutral.
Underperform	跑输大市	Relative Performance <-5%; or the fundamental outlook of the sector is unfavorable.

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