国泰君安证券 GUOTAI JUNAN SECURITIES

Flash Note: Automobiles & Components Sector

快讯：汽车及零部件行业

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Strong 3Q20 Sales Growth, Expected to Carry On in 4Q

2020年第三季度销量增长强劲，预计四季度将延续

- **Sales recovery continued.** According to the China Association of Automobile Manufacturers (CAAM), China vehicle sales in Sep. 2020 was up 12.8% yoy to 2.565 million units, with six consecutive months of growth. Growth has sped up by 1.2 ppts as compared to prior month. It is mainly driven by passenger vehicles (PV), which was up by 8.0% yoy, a 2.0 ppts improvement from prior month. By vehicle type, SUVs remained as the strongest vehicle type, with both volume and growth having outperformed. Sales of SUVs and sedans was up by 16.0% and 3.0% yoy, respectively (See Table-1 for sales details). On the other hand, commercial vehicle (CV) sales slightly slowed to an increase of 40.3% yoy amid entering into low season. However, the growth rate is still very strong, with logistic trucks having a 93.5% yoy increase. In terms of new energy vehicles (NEV), sales continued to recover, up by 67.7% yoy, and YTD sales decline has narrowed to 17.7% yoy.

- **Growth is expected to remain quite strong in 4Q20.** The rise in PV has been driving overall rather strong auto sales in 3Q20, recording a yoy increase of 13.7% (vs 2Q20 of 10.3% yoy), which is well above our previous expectation. Without other one-off factors (i.e. low base comparison and pent-up demand) that boosted auto sales as in 2Q20, we are turning more bullish on the sales outlook in 4Q20. Inventory pressure is not strong as noticed from Vehicle Inventory Alert Index, with reading of only 54.0% in Sep. 2020, which is 4.6 ppts below same period last year. Despite an increase from last month, but it aligned with historical pattern due to replenishment from dealers. All in all, we believe sales growth in 4Q20 will still be slowed mainly due to increasing base comparison, but could be looking for higher signal digit growth.

- **Geely Auto, Great Wall Motor and GAC shone in Sep. 2020.** Geely auto sales was up 11.0% yoy in Sep. 2020, thanks to the contribution of new models such as Haoyue and Lynk 05. Older models such as Boyue and New Emgrand remained above 20,000 units of sales. Meanwhile, Great Wall Motor sales increased by 17.8% yoy in Sep. 2020, mainly thanks to pick-up trucks. which increased 67.3% yoy. GAC sales increased 15.6% yoy as mainly contributed by GAC Toyota and Guangqi Honda, which both had yoy increases of over 20%.

- **NEV sales are looking to achieve super fast growth in 4Q20.** We expect sales of NEV to significant outperformed the market as supported by seasonality factor, stabilizing policy and a low base comparison. On 9 Oct. 2020, the State Council approved the long-term development plan of NEV. Full documents not yet been released, however, the State Council has reiterated the need to 1) develop vehicle operating systems and power batteries, 2) strengthen infrastructure construction such as charging and battery swap station, 3) strengthen international cooperation, and 4) increase policy support for the use of new energy vehicles in the public service sector.

- **Sector View:** We believe the better-than-expected sales indicates the recovery of the sector, and would rebuild investment sentiment. We believe market consolidation and consumption upgrade is underway. We like Geely Auto (00175 HK, “Accumulate”), Great Wall Motor (02333 HK, “Accumulate”) and Brilliance China (01114 HK, “Accumulate”). Our top pick is Geely Auto (00175 HK), with TP of HK$17.50. Our TP represents 16.8x 2021 PER and 15.0x 2022 PER. Short term catalysts for Geely Auto would be the successful listing on the Sci-Tech Board and a potential merger with Volvo.

- **销售情况继续恢复。**根据中国汽车工业协会的数据，2020 年 9 月中国汽车销量同比增长 12.8%至 256.5 万辆，保持连续六个月增长。与上月相比，增速增加了 1.2 个百分点。这主要由乘用车推动，乘用车同比增长 8.0%，比上月增加 2.0 个百分点。从车型看，SUV 仍然是最强劲的车型，在销量和增长方面均表现出色。SUV 和轿车的销售分别同比增长 16.0%和 3.0%（详细销售信息见表 1）。另一方面，由于进入淡季，商用车销量略有放缓，同比增长 40.3%。然而，商用车增长率仍然非常强劲，其中物流卡车同比增长 93.5%。在新能源汽车方面，销售继续复苏，同比增长 67.7%，年初至今的销量降幅收窄至同比 17.7%。

- **预计 2020 年第四季度的增长将保持强劲。**乘用车销量的上涨推动了 2020 年第三季度的整体汽车销量同比增长 13.7%（2020 年第二季度同比增长 10.3%），远高于我们之前的预期。尽管没有 2020 年第二季度的一次性刺激因素（较低的基数和被压抑的需

求），我们依然看好 2020 年第四季度的销售前景。车辆库存预警指数显示库存压力不强，2020 年 9 月仅为 54.0%，比去年同期低 4.6 个百分点。尽管与上个月相比有所增加，但是由于经销商的进货，它与历史走势保持一致。总而言之，我们认为 2020 年第四季度的销量增长仍将放缓，主要是由于基数较高，但可能会达到高单位数增长。

- **吉利汽车、长城汽车和广汽集团在 2020 年 9 月的表现出色。**吉利汽车的销量在 2020 年 9 月同比增长 11.0%，这要归功于豪越和领克 05 等新车型的贡献。博越和新帝豪等较旧的车型保持超过 20,000 台的销量。同时，长城汽车在 2020 年 9 月的销量同比增长 17.8%，这主要归功于皮卡车销量同比增长 67.3%。广汽集团的销量同比增长 15.6%，主要是由于广丰和广本这两个品牌的销量同比增长超过 20%。

- **新能源汽车的销售有望在 2020 年第四季度实现超快速增长。**在季节性因素、稳定政策和低基数的支撑下，我们预计新能源汽车的销量将大幅超过市场总体水平。2020 年 10 月 9 日，国务院批准了新能源汽车的长期发展规划。尽管尚未发布完整的文件，但它重申了 1）开发车辆操作系统和动力电池的需求，2）加强基础设施建设，例如充电和电池交换站，3）加强国际合作，4）增加公共服务部门使用新能源汽车的政策支持。

- **行业观点：**我们认为好于预期的销售情况表明该行业正在复苏，并将重振投资氛围。我们认为市场整合和消费升级正在进行中。我们偏好吉利汽车（00175 HK，“收集”）、长城汽车（02333 HK，“收集”）和华晨汽车（01114 HK，“收集”）。我们的行业首选是吉利汽车（00175 HK），目标价为 17.50 港元。我们的目标价相当于 16.8 倍 2021 年市盈率和 15.0 倍 2022 年市盈率。吉利汽车的短期催化剂将是在科创板的成功上市以及与沃尔沃的潜在合并。

Table-1: China Vehicle Sales (‘000 units)

	Sep-20	1-9M20	YoY	MoM	YTD YoY
Vehicle Sales	**2,565**	**17,116**	**12.8%**	**17.4%**	**-6.9%**
PV Sales	**2,088**	**13,376**	**8.0%**	**19.0%**	**-12.4%**
Sedan	958	6,222	3.0%	16.6%	-16.0%
MPV	112	661	-12.3%	12.3%	-32.7%
SUV	980	6,229	16.0%	22.8%	-5.5%
Cross-over	38	263	25.5%	9.5%	-7.9%
CV Sales	**477**	**3,741**	**40.3%**	**10.6%**	**19.8%**
Bus	43	295	12.8%	23.0%	-9.5%
Truck	434	3,445	43.8%	9.5%	23.2%
NEV Sales	**138**	**734**	**67.7%**	**26.2%**	**-17.7%**

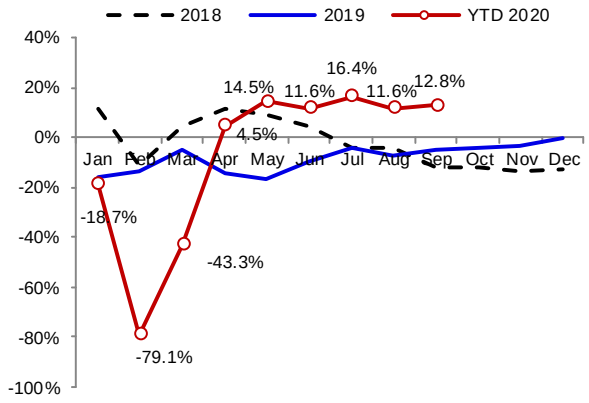
Source: CAAM, Guotai Junan International.

Table-2: Vehicle Sales of Major H-listed Automakers

	Sales (Units)					
Company	**Sep-20**	**Sep-19**	**yoy**	**YTD 2020**	**YTD 2019**	**yoy**
Dongfeng Motors (00489 HK)*	246,711	233,190	5.8%	1,638,857	1,828,499	-10.4%
Dongfeng Honda	74,604	60,222	23.9%	458,294	498,354	-8.0%
Dongfeng Nissan	1,010,998	102,312	888.2%	633,074	711,749	-11.1%
Dongfeng PSA	2,911	6,788	-57.1%	29,693	81,045	-63.4%
Dongfeng Liuzhou	14,508	15,037	-3.5%	113,039	107,660	5.0%
Dongfeng self owned brand	4,391	4,325	1.5%	39,195	40,450	-3.1%
Dongfeng CV	19,031	12,509	52.1%	145,674	122,408	19.0%
Geely Auto (00175 HK)	126,365	113,832	11.0%	875,472	958,110	-8.6%
BMW Brilliance (01114 HK)	56,350	46,492	21.2%	443,612	398,159	11.4%
Great Wall Motor (02333 HK)	117,812	100,019	17.8%	680,690	724,113	-6.0%
GAC (02238 HK)	218,042	188,632	15.6%	1,407,167	1,508,018	-6.7%
Guangqi Honda	87,789	72,136	21.7%	550,565	583,756	-5.7%
GAC Toyota	81,000	65,000	24.6%	543,449	496,224	9.5%
GAC Trumpchi	38,049	33,724	12.8%	236,831	277,198	-14.6%
GAC FCA	3,862	6,015	-35.8%	27,675	52,372	-47.2%
GAC Mitsubishi	7,030	11,501	-38.9%	46,711	96,414	-51.6%
BAIC (01958 HK)						
Beijing Benz	60,275	48,527	24.2%	443,813	425,233	4.4%
Beijing Hyundai	28,595	68,644	-58.3%	302,816	465,030	-34.9%

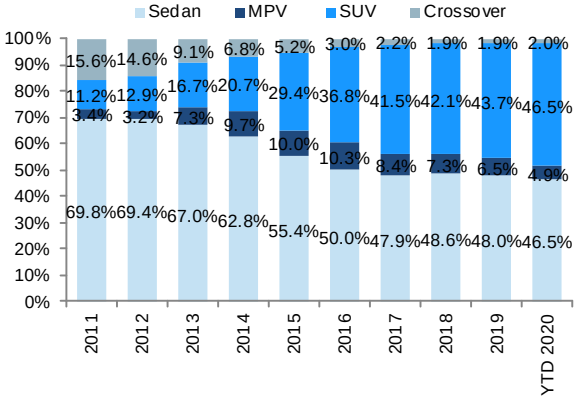
Source: CAAM, the Companies.
*Note *: Sales figures for Aug. 2020, as latest figures not yet announced as at distribution date of this report.*

Figure-1: China Auto Sales Growth



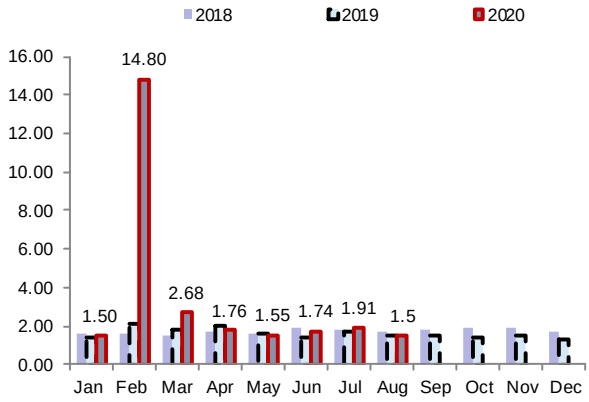
Source: CAAM, Guotai Junan International.

Figure-2: PV Sales Composition by Type



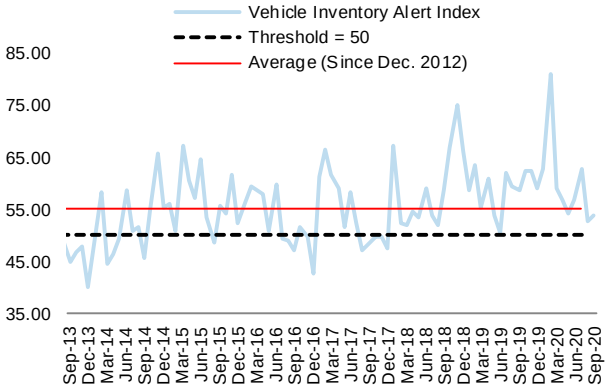
Source: CAAM, Guotai Junan International.

Figure-3: Inventory Coefficient



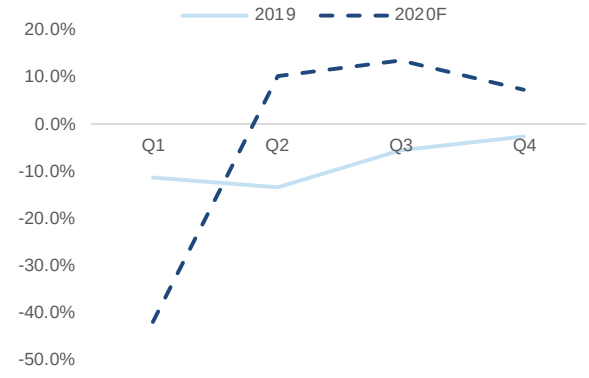
Source: China Automobile Dealers Association, Guotai Junan International.

Figure-4: Vehicle Inventory Alert Index



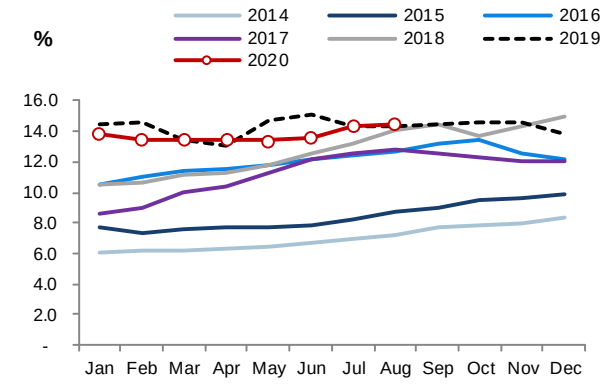
Source: China Automobile Dealers Association, Guotai Junan International.

Figure-5: Sales Expectation by Quarter



Source: CAAM, Guotai Junan International.

Figure-6: Discount Rate



Source: I.S. Engine, 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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