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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Recovery Momentum Continues

恢复势头持续

- **Sales continued to recover in May.** According to the China Association of Automobile Manufacturers (CAAM), China vehicle sales in May 2020 was up 14.5% yoy to 2.194 million units. Back-to-back growth has been recorded this month, up 2.6 ppts from last month. In particular, passenger vehicle sales was up by 7.0% yoy, the first month achieving yoy growth in 22 months. By vehicle type, sales of sedans was relatively flat but SUV sales was up by 20.1% yoy, indicating demand for SUVs remains the highest (see Figure-1 for sales details). On the other hand, commercial vehicle sales was up by 48.0% yoy, mainly driven by HDT sales, which was up 65.6% to 179,237 units, maintaining its sales momentum. In terms of new energy vehicles (NEV), sales continued to record significant drop at 23.5% yoy decline despite having narrowed from last month, and YTD sales was down by 38.7% yoy.

- **Expected to be a strong 2Q20.** We should see faster growth in 2Q20 relative to other quarters in 2020. Low base comparison will definitely play a bigger role as last year the early implementation of the China 6 emission standards impacted OEM sales as destocking pressure mounted, in which the impact mainly affected May and June. Meanwhile, we expect that the release of pent-up demand from the first quarter of this year as a result of the COVID-19 pandemic will pump up sales in 2Q20 as well. History has shown that sales in April and May will normally slow mom due to the seasonality effect. But the recent mom increase in April and May proves that demand in the first quarter is beginning to release. In terms of inventory, data shows that inventory pressure is easing, with the Vehicle Inventory Alert Index standing at 54.2%, down 2.6 ppts mom. Inventory coefficient also dropped both mom and yoy. Therefore, we expect that sales should be relatively better off in the coming two months. The ramping up of production will help OEMs to meet demand, as production growth (+18.2% yoy) in May was stronger than sales.

- **Sales performance from our covered companies was strong.** Thanks to the stronger emphasis on SUVs, self-owned brands of Geely Auto and Great Wall Motors sales was up by 20.5% yoy and 30.9% yoy, respectively. In particular for Great Wall Motors, sales was further boosted by strong sales of pickup trucks due to relaxation of driving restrictions in Chinese cities. Except for Guangqi Honda, Japanese brands are still strong; Dongfeng Honda, Dongfeng Nissan and GAC Toyota all maintained a strong recovery trend, recording double-digit percentage sales growth.

- **Sector view:** We believe that industry sentiment has improved as demand has been picking up, particularly for commercial vehicles. The current rating for the Automobiles & Components sector is "Neutral". Valuation has reverted back to its long-term average (PV segment), but we believe that the market will still allow for some premium for quality companies as market consolidation is happening. Our top pick is Geely Auto (00175 HK, "Accumulate"). We also favour Brilliance China (01114 HK, "Accumulate") and BAIC Motor (01958 HK, "Accumulate") due to its exposure in the premium segment.

- **5 月销售继续恢复。** 据中国汽车工业协会（CAAM）的数据，中国 2020 年 5 月份的汽车销量同比增长 14.5%至 219.4 万台。该月录得连续第二个月增长，较上月加快 2.6 个百分点。其中，乘用车销量同比增长 7.0%，为 22 个月来首次同比增长。按车型，轿车销量同比持平，但 SUV 销量同比增长达到 20.1%，显示 SUV 的需求仍然是最高的（详细销售信息见图-1）。另一方面，商用车销量同比增长 48.0%，主要是受重卡销量的推动，其中重卡销量同比增长 65.6%至 17.9 万辆，维持销售动能。在新能源汽车方面，销量继续录得 23.5%的同比大幅下降（尽管比上月收窄），而年初至今的销量同比下降 38.7%。

- **2020 年第 2 季度预计强劲。**相对于今年其他季度，我们应能看到 2020 年第 2 季度的增长更快。低基数肯定会发挥较大的作用，因为去年中国第六阶段排放标准提前实施，使去库存压力增加而影响了主机厂销售，其中影响主要集中在 5 月和 6 月。 同时，由于新型冠状病毒疫情，我们预计今年第 1 季度积压的需求将开始释放，有助 2020 年第 2 季度推动销售。历史数据显示，由于季节性因素，4-5 月通常会环比放缓。但最近销量在 4 月和 5 月的环比增加证明第 1 季度的需求正在释放。在库存方面，数据显示库存压力正在缓解，汽车库存预警指数为 54.2%，环比下降 2.6 个百分点。库存系数也环比和同比下降。因此，我们预计未来两个月的销售情况会相对较好。鉴于 5 月份的产量增长（同比增长 18.2%）好于销量，产能的增升也将帮助主机厂满足需求。

- **我们覆盖公司的销售表现强劲。**由于更加专注于 SUV，自主品牌吉利汽车和长城汽车的销量分别同比增长 20.5%和 30.9%。其中，长城汽车受惠于皮卡进城限制的放松，皮卡的强劲销量进一步拉动整体销量。除广汽本田外，日本品牌保持强劲，东风本田、东风日产和广汽丰田都保持了强劲的复苏趋势，销量录得两位数的增长。

- **行业观点：**随着需求的回升，尤其是对商用车的需求，我们认为行业情绪有所改善。当前汽车及零部件行业的评级为“中性”。估值已恢复至长期平均水平（乘用车板块），但随着市场整合的进行，我们认为市场仍会对优质公司给出溢价。我们的首选股为吉利汽车（00175 HK，“收集”）。我们也看好华晨汽车（01114 HK，“收集”）和北京汽车（01958 HK，“收集”），因为它们在豪华市场营运。

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

	May-20	1-5M20	YoY	MoM	YTD YoY
Vehicle Sales	2,194	7,957	14.5%	5.9%	-22.6%
PV Sales	1,674	6,109	7.0%	8.9%	-27.4%
Sedan	776	2,855	-0.9%	4.7%	-30.4%
MPV	81	278	-24.6%	33.7%	-51.5%
SUV	777	2,855	20.1%	11.3%	-20.2%
Cross-over	39	12	47.0%	7.6%	-27.5%
CV Sales	520	1,848	48.0%	-2.6%	-1.0%
Bus	38	142	7.3%	-1.5%	-15.2%
Truck	48	1,706	52.5%	-2.7%	0.4%
NEV Sales	82	289	-23.5%	12.2%	-38.7%

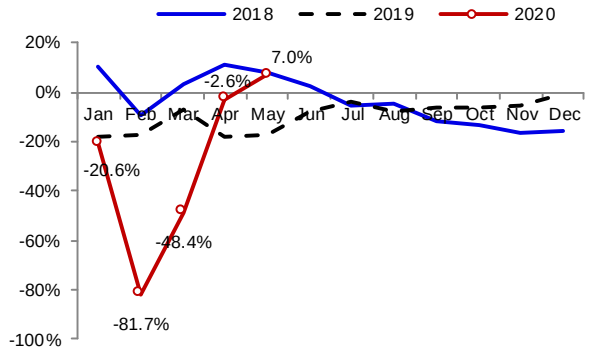
Source: CAAM, Guotai Junan International.

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

	Sales (Units)					
Company	**May-20**	**May-19**	**yoy**	**YTD 2019**	**YTD 2018**	**yoy**
Dongfeng Motors (00489 HK)	264,523	224,954	17.6%	871,324	1,126,465	-22.6%
Dongfeng Honda	73,708	63,045	16.9%	225,062	297,928	-24.5%
Dongfeng Nissan	98,818	89,466	10.5%	330,566	431,310	-23.4%
Dongfeng PSA	6,250	8,698	-28.1%	17,857	52,899	-66.2%
Dongfeng Liuzhou	17,007	11,103	53.2%	68,268	63,496	7.5%
Dongfeng self owned brand	5,403	3,390	59.4%	23,507	25,403	-7.5%
Dongfeng CV	25,288	16,524	53.0%	82,925	81,441	1.8%
Geely Auto (00175 HK)	108,822	90,309	20.5%	420,317	560,805	-25.1%
BMW Brilliance (01114 HK)*	56,204	47,329	18.8%	148,020	180,633	-18.1%
Great Wall Motors (02333 HK)	81,901	62,559	30.9%	313,061	430,239	-27.2%
GAC (02238 HK)	165,622	159,138	4.1%	637,992	810,590	-21.3%
Guangqi Honda	60,724	66,340	-8.5%	235,158	328,088	-28.3%
GAC Toyota	67,500	50,600	33.4%	253,707	255,724	-0.8%
GAC Trumpchi	26,643	27,953	-4.7%	111,382	142,823	-22.0%
GAC FCA	3,523	4,049	-13.0%	14,419	30,672	-53.0%
GAC Mitsubishi	7,001	10,012	-30.1%	22,673	52,029	-56.4%
BAIC (01958 HK)*						
Beijing Benz	49,966	44,159	13.2%	160,009	189,266	-15.5%
Beijing Hyundai	31,244	51,023	-38.8%	121,252	208,601	-41.9%

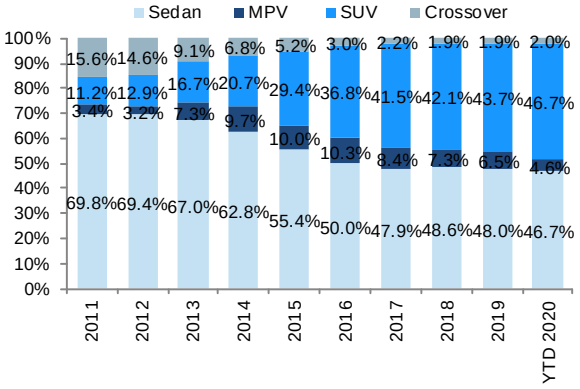
Source: CAAM, the Companies.
*Note *: Sales figures in Apr. 2020, as latest figures not yet announced as at distribution date of this report.*

Figure-1: China PV Sales Growth



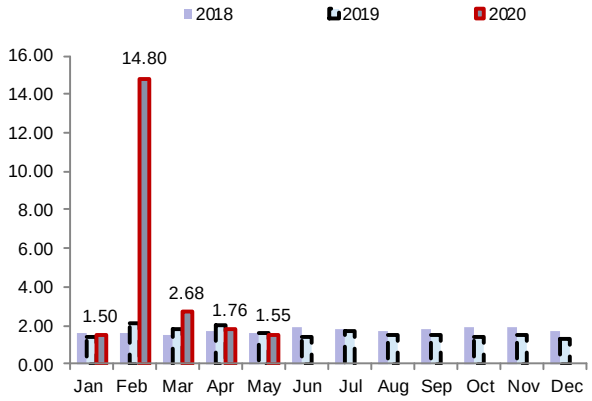
Source: CAAM, Guotai Junan International.

Figure-2: PV Sales Composition by Type



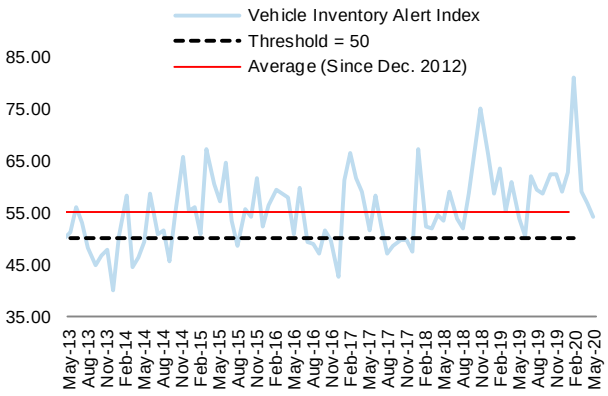
Source: CAAM, Guotai Junan International.

Figure-3: Inventory Coefficient



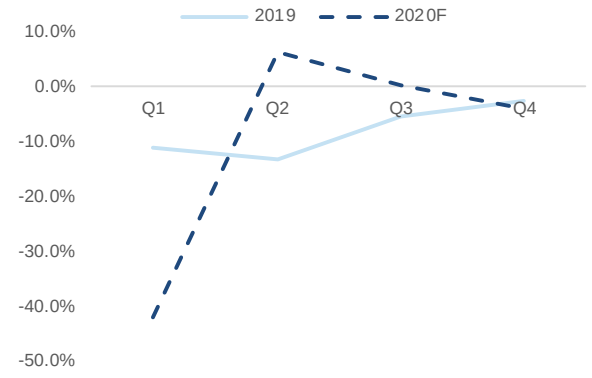
Source: China Automobile Dealers Association, Guotai Junan International.

Figure-4: Vehicle Inventory Alert Index



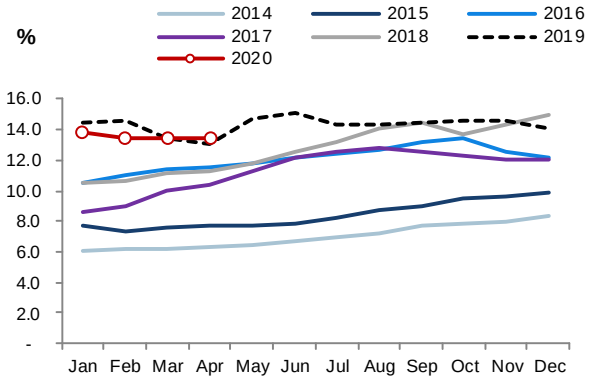
Source: China Automobile Dealers Association, Guotai Junan International.

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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