

Auto

Likely first MoM rise for Jul NEV retail since 2021

Chinese automakers including BYD, Great Wall, NIO, Xpeng, Li Auto, Xiaomi, Zeekr, Aion, Deepal, Leap, Neta and HIMA etc reported their Jul 2024 sales volumes on 1 Aug. Total sales volume combined rose 33% YoY (ranging from -22% to +950%) and remained flat MoM (ranging from -22% to +10%) in Jul.

- **Li Auto beat, NIO in line, Xpeng restocking.** Li Auto delivered about 51,000 units (+7% MoM) in Jul, a record high, better than our prior forecast. That may be driven by higher incentives. The company reported that the L6's deliveries continued to surpass 20,000 units. We estimate that its L8 has been regaining sales momentum. In addition to its gradual catch-up in autonomous driving, Li Auto has been accelerated its charging network building since Jun. Its number of super charging piles almost doubled in three months to 3,260 as of Jul 2024.

NIO delivered dropped 3% MoM to about 20,000 units in Jul, despite additional cash incentives last month, in line with our expectation. We still expect Aug-Sep to be a bit challenging for NIO, given that some demand could be pulled ahead in 2Q24 and the new Onvo L60 may start deliveries from Oct.

Xpeng delivered about 11,000 units (+4% MoM) in Jul, stronger than our prior forecast. About 30% of its deliveries were finished in the last three days of Jul, based on the insurance data during 1-28 Jul. That could indicate higher inventories at dealers. The *Mona M03* is scheduled to be rolled out in Aug, which could be vital for Xpeng's 4Q24 sales.

- **BYD and Leap hit all-time highs, Zeekr missed.** BYD's PV wholesale volume rose slightly MoM to about 0.34mn in Jul, a record high again, stronger than our prior expectation. Leap's wholesale volume rose by about 2,000 units MoM to about 22,000 units last month, a record high, with the new C16 ramping up. Zeekr's Jul deliveries fell 22% MoM to about 16,000 units, the largest MoM decline among the 12 brands/OEMs, largely due to the sales drop for the 001. HIMA's Jul deliveries fell 4% MoM to about 44,000 units, lower than Li Auto's for three months in a row.
- **NEV retail sales volume to rise 1% MoM in Jul.** We project NEV retail sales volume in Jul 2024 to rise 1% MoM to about 0.84mn units, with market share of about 48%, slightly better than our prior forecast. We estimate Tesla's retail sales volume in China to drop 20% MoM to about 47,000 units in Jul, despite new zero-interest auto finance incentives announced on 1 Jul 2024. With our gloomy sales forecast for China PVs in Aug and Sep, the key to China's NEV sales growth should lie on the market share gain.

Valuation Table

Units	Jul 2024	YoY %	MoM %	YTD	YTD YoY %
BYD	340,799	30.5%	0.2%	1,947,944	29.1%
Great Wall	24,145	-16.4%	-7.3%	156,158	28.0%
NIO	20,498	0.2%	-3.4%	107,924	43.9%
Li Auto	51,000	49.4%	6.8%	239,981	38.5%
Xpeng	11,145	1.2%	4.5%	63,173	20.5%
Xiaomi	>10,000	N/A	N/A	>37,828	N/A
Zeekr	15,655	30.0%	-22.1%	103,525	89.4%
Leap	22,093	54.1%	9.8%	108,789	84.9%
Neta	11,015	9.7%	7.9%	64,785	-10.6%
Aion	35,238	-21.7%	0.6%	212,604	-16.4%
Deepal	16,721	26.9%	0.4%	100,579	83.5%
HIMA	44,090	949.8%	-4.4%	236,283	648.4%

Source: Company data, CMBIGM estimates

OUTPERFORM (Maintain)

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Stocks Covered:

Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	26
Li Auto	2015 HK	BUY	101
NIO	NIO US	HOLD	5.6
Xpeng	XPEV US	HOLD	10
Xpeng	9868 HK	HOLD	39
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	14
GWM	601633 CH	BUY	32
BYD	1211 HK	BUY	262
BYD	002594 CH	BUY	285
GAC	2238 HK	BUY	5.5
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	2.7
Meidong	1268 HK	BUY	3
Minth	425 HK	BUY	21

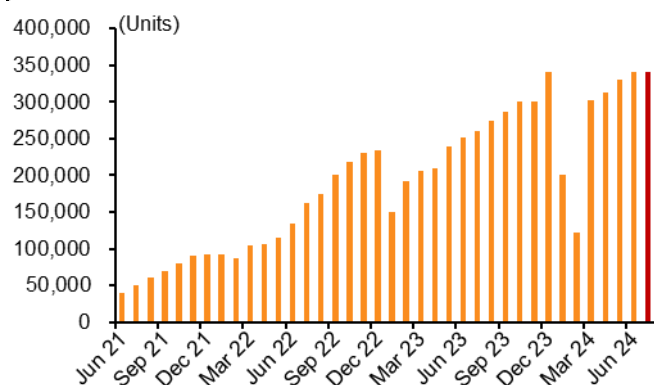
Source: Bloomberg, CMBIGM

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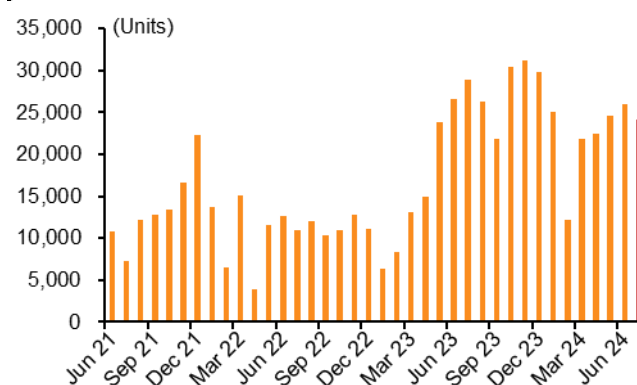
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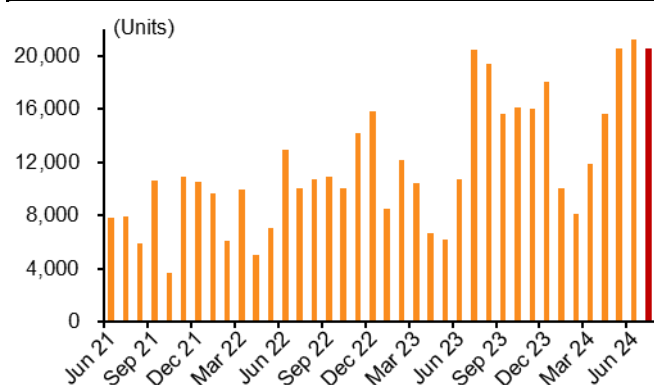
["China Auto Sector - Six NEV brands hit a record-high in Jun" – 2 Jul 2024](#)

Figure 1: BYD's monthly NEV delivery

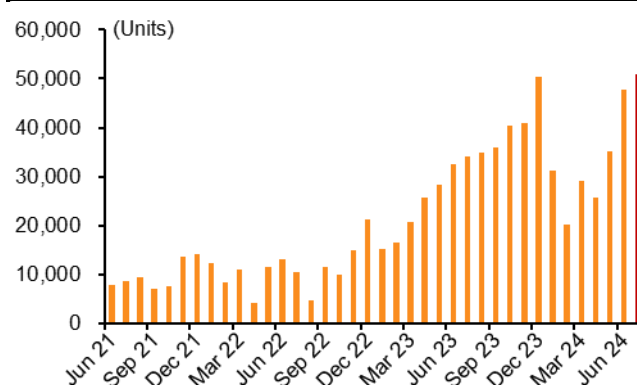
Source: Company data, CMBIGM

Figure 2: Great Wall's monthly NEV delivery

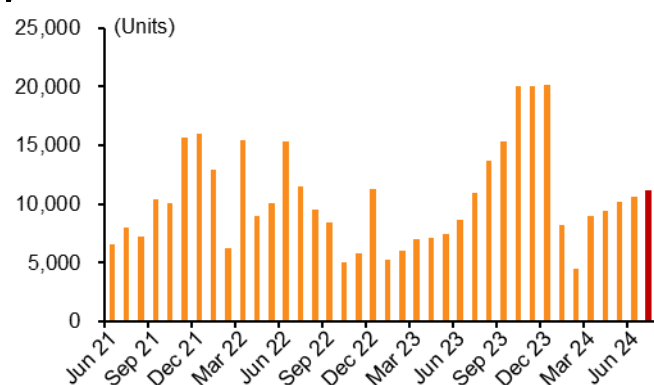
Source: Company data, CMBIGM

Figure 3: NIO's monthly delivery

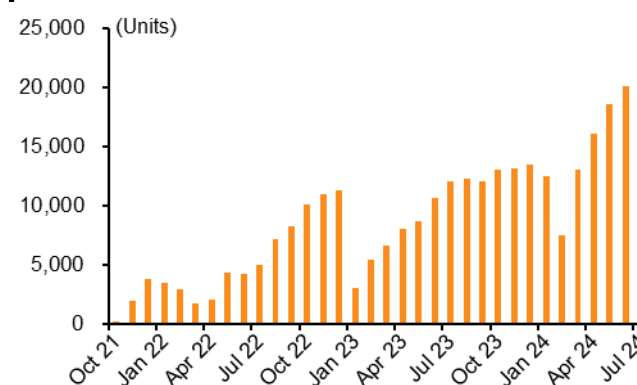
Source: Company data, CMBIGM

Figure 4: Li Auto's monthly delivery

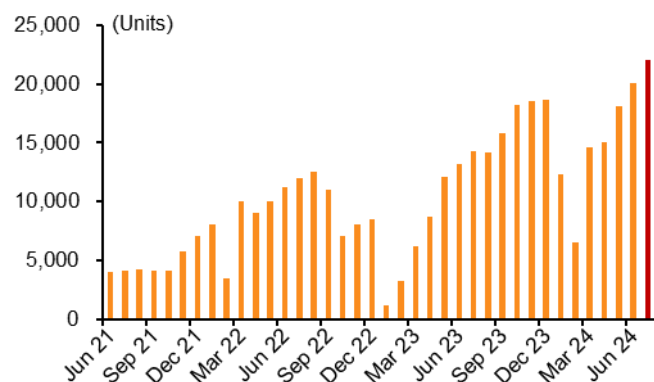
Source: Company data, CMBIGM

Figure 5: Xpeng's monthly delivery

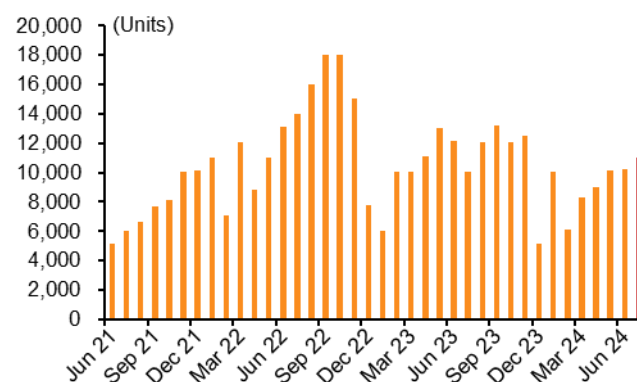
Source: Company data, CMBIGM

Figure 6: Zeekr's monthly delivery

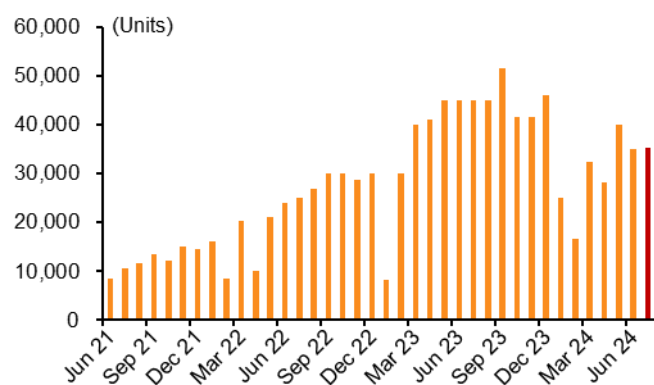
Source: Company data, CMBIGM

Figure 7: Leap's monthly delivery

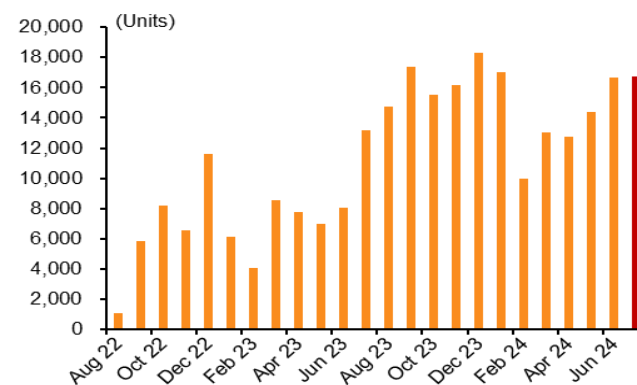
Source: Company data, CMBIGM

Figure 8: Neta's monthly delivery

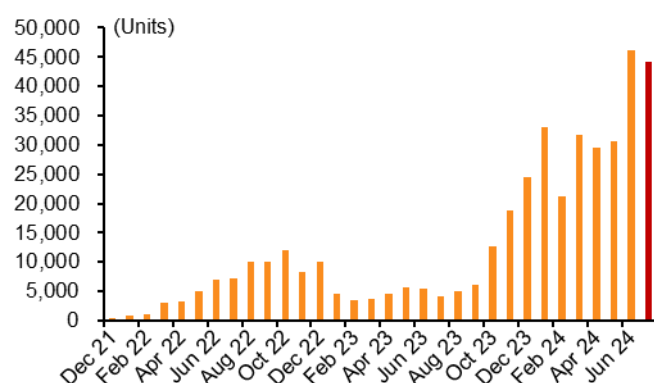
Source: Company data, CMBIGM

Figure 9: Aion's monthly delivery

Source: Company data, CMBIGM

Figure 10: Deepal's monthly delivery

Source: Company data, CMBIGM

Figure 11: HIMA's monthly delivery

Source: Company data, CMBIGM

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