

China Auto Sector

Jan NEV likely in line or slightly miss; Li Auto beat

OUTPERFORM
 (Maintain)

Nine new-energy vehicle (NEV) brands including BYD, NIO, Xpeng, Li Auto, Zeekr, Aion, Aito, Neta and Leap reported their Jan 2023 sales volumes on 1 Feb 2023. Sales volume of the nine brands combined rose 22% YoY (ranged from -86% to +449%) and dropped 42% MoM (ranged from -87% to -23%).

■ **Li Auto beat, NIO and Xpeng miss.** Li Auto delivered over 15,000 units in Jan 2023, exceeding some investors' expectation. Such sales volume once again underscored the strong order backlog as we noted before, especially for the L9. The 5-seat medium-to-large SUV L7 will be officially launched on 8 Feb 2023. We believe the key for Li Auto's sales volume in 2023 probably lies in how severe the sales cannibalization would be for the L9, L8 and L7.

NIO delivered about 8,500 units last month. Interestingly, its retail sales volume based on insurance data reached 9,700 units during 1-29 Jan 2023, the largest monthly gap in history. It could be an indication that the facelift for the ES8, ES6 and EC6 is around the corner.

Xpeng's Jan sales volume dropped 54% MoM to about 5,200 units, the most among the NEV trio. The G9 accounted for about 43% of sales volume last month. Xpeng announced price cuts for the aging G3, P5 and P7 on 17 Jan 2023, following Tesla's (TSLA US, NR) move. The new-generation P7 is planned to be rolled out in 1Q23.

■ **BYD restocking, tier-2 brands under larger pressure.** BYD's passenger NEV wholesale volume fell 36% MoM to about 150,000 units. That means BYD continued to push inventories to dealers with about 20,000 units in Jan 2023 on our estimates, given its exports of about 10,000 units. Aito, Aion, Zeekr and Leap posted MoM declines between 56-87%. Neta's wholesale volume fell 23% MoM because of its low comparison base in Dec 2022 after destocking.

■ **Jan NEV retail sales volume largely in line with our prior forecast.** We expect NEV retail sales volume in Jan 2023 to be in line or slightly lower than our prior forecast of 315,000 units, given a sales volume of about 270,000 units during 1-29 Jan 2023 (see Figure 10).

NEV sales volume for selected brands

Units	Jan 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	150,164	61.6%	-36.0%	150,164	61.6%
NIO	8,506	-11.9%	-46.2%	8,506	-11.9%
Li Auto	15,141	23.4%	-28.7%	15,141	23.4%
Xpeng	5,218	-59.6%	-53.8%	5,218	-59.6%
Zeekr	3,116	-11.7%	-72.5%	3,116	-11.7%
Leap	1,139	-85.9%	-86.6%	1,139	-85.9%
Neta	6,016	-45.4%	-22.8%	6,016	-45.4%
Aion	10,206	-36.3%	-66.0%	10,206	-36.3%
AITO	4,475	449.1%	-55.9%	4,475	449.1%

Source: Company data, CMBIGM

China Auto Sector

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Stocks Covered:

Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	44
Li Auto	2015 HK	BUY	172
NIO	NIO US	BUY	23
Xpeng	XPEV US	BUY	18
Xpeng	9868 HK	BUY	70
Geely	175 HK	BUY	16.5
GWM	2333 HK	BUY	13
GWM	601633 CH	BUY	32
GAC	2238 HK	BUY	8
GAC	601238 CH	BUY	16.7
Meidong	1268 HK	BUY	25
EVA	838 HK	BUY	3
BYD	1211 HK	HOLD	230
BYD	002594 CH	HOLD	240

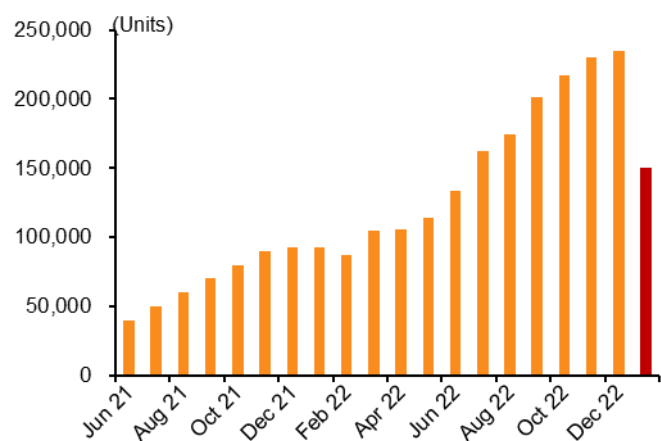
Source: Bloomberg, CMBIGM

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["China Auto Sector – Weak ending of 2022 provides a glimpse of hope" – 18 Jan 2023](#)

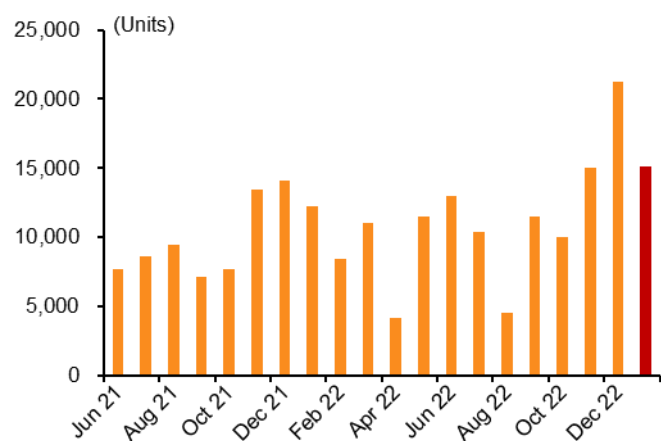
["China Auto Sector – 2023 Outlook: A critical year for long-term survival" – 7 Dec 2022](#)

Figure 1: BYD's monthly delivery



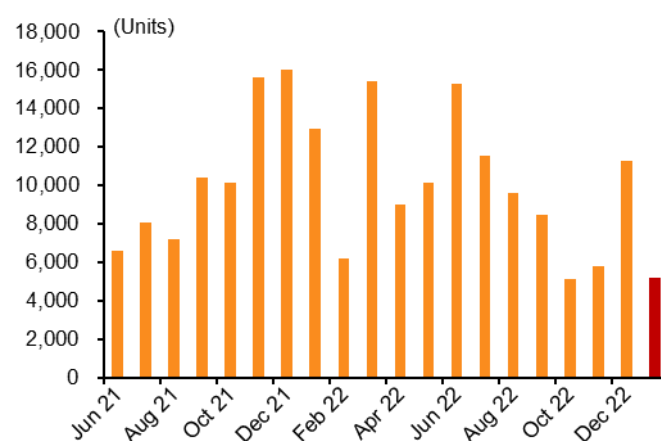
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Figure 2: Li Auto's monthly delivery



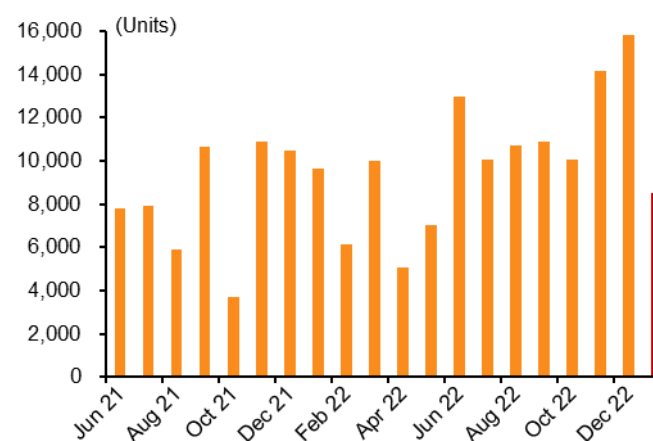
Source: Company data, CMBIGM

Figure 3: Xpeng's monthly delivery



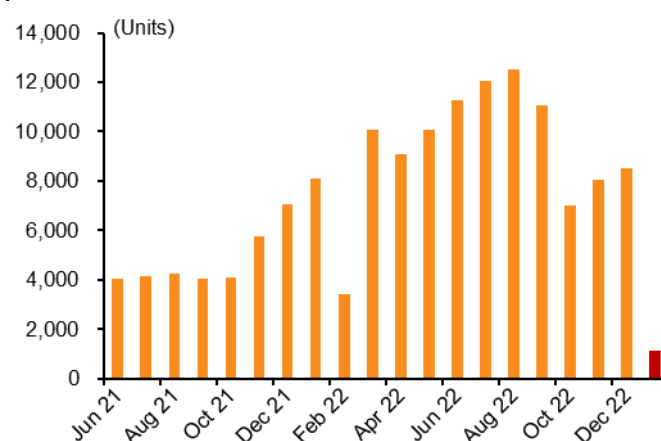
Source: Company data, CMBIGM

Figure 4: NIO's monthly delivery



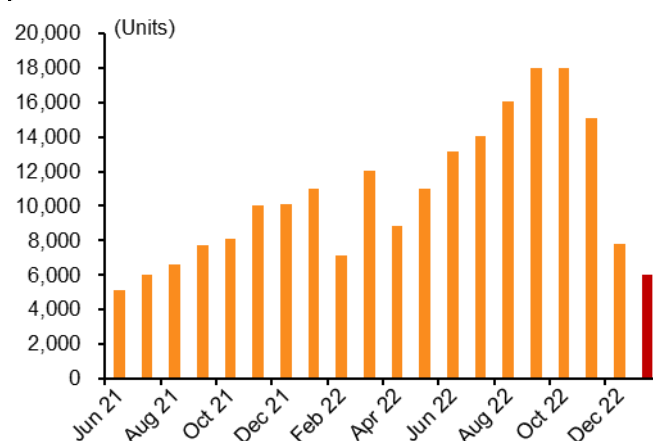
Source: Company data, CMBIGM

Figure 5: Leap's monthly delivery



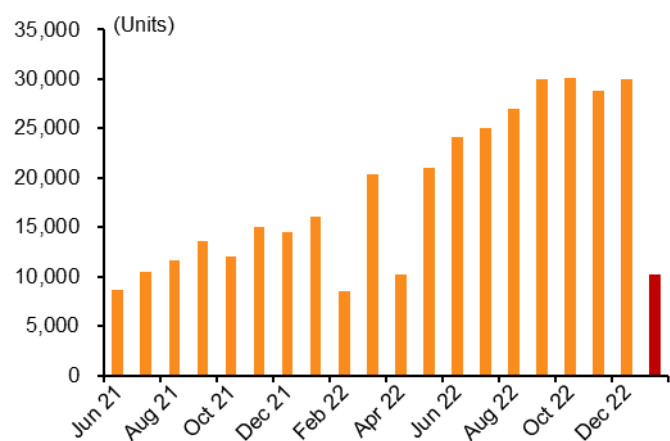
Source: Company data, CMBIGM

Figure 6: Neta's monthly delivery



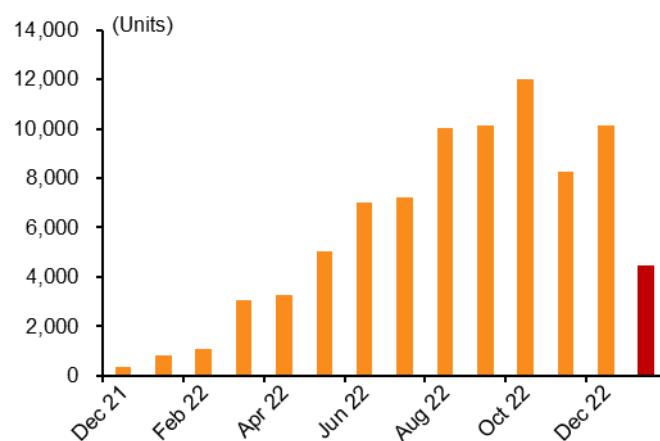
Source: Company data, CMBIGM

Figure 7: Aion's monthly delivery



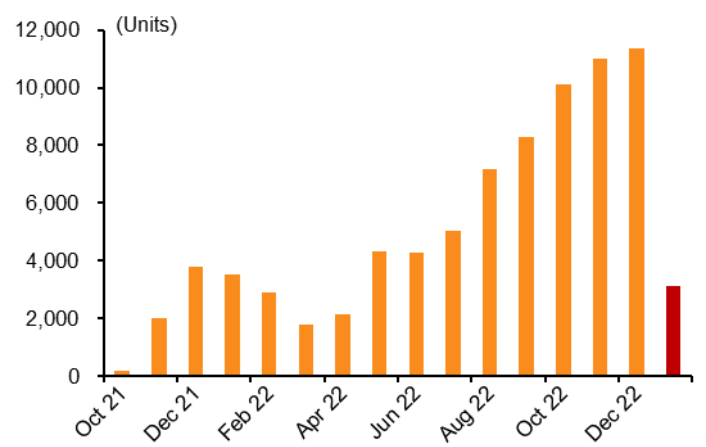
Source: Company data, CMBIGM

Figure 8: Aito's monthly delivery



Source: Company data, CMBIGM

Figure 9: Zeekr's monthly delivery



Source: Company data, CMBIGM

Figure 10: China weekly retail sales volume

	Total Locally-Produced			NEV		
	1-29 Jan 2023	Average daily sales YoY (%)	Average daily sales MoM (%)	1-29 Jan 2023	Average daily sales YoY (%)	Average daily sales MoM (%)
Chinese Brands	558,390	-39.0%	-49.6%	217,605	-14.2%	-60.9%
Geely (incl. Geometry)	64,215	-49.4%	-48.2%	4,132	-35.7%	-80.3%
Lynk & Co	8,561	-58.2%	-63.4%	1,004	-48.9%	-58.1%
Zeekr	3,840	20.1%	-63.0%	3,840	20.1%	-63.0%
Haval	38,351	-51.1%	-44.0%	613	N/A	-24.3%
Wey	509	-86.6%	-63.5%	397	-28.8%	-62.4%
Tank	7,401	-42.6%	-44.5%	-	N/A	N/A
ORA	2,489	-81.9%	-70.2%	2,489	-81.9%	-70.2%
Changan	92,872	-32.9%	-41.9%	14,300	65.9%	-61.8%
SAIC PV	24,592	-62.6%	-43.5%	2,185	-77.7%	-86.4%
Trumpchi	21,993	-41.0%	-40.8%	34	-93.1%	-59.6%
Aion	7,291	-31.3%	-68.5%	7,291	-31.3%	-68.5%
Voyah	1,003	-43.1%	-29.2%	1,003	-43.1%	-29.2%
BYD	110,509	33.7%	-45.2%	110,450	49.0%	-45.2%
Baojun	1,016	-89.9%	-54.6%	581	-60.5%	-59.0%
Wuling	33,676	-37.1%	-36.2%	16,528	-45.0%	-50.4%
Weltmeister	177	-93.2%	-64.9%	177	-93.2%	-64.9%
Neta	1,316	-85.8%	-93.6%	1,316	-85.8%	-93.6%
Leap	579	-91.9%	-95.8%	579	-91.9%	-95.8%
NIO	9,674	-1.1%	-27.3%	9,674	-1.1%	-27.3%
Lixiang	14,414	20.1%	-24.8%	14,414	20.1%	-24.8%
Xpeng	4,725	-62.3%	-55.1%	4,725	-62.3%	-55.1%
AITO	3,167	23301.5%	-68.5%	3,167	23301.5%	-68.5%
Arcfox	462	-43.6%	-69.2%	462	-43.6%	-69.2%
Hiphi	203	-61.8%	28.4%	203	-61.8%	28.4%
Foreign Brands	577,530	-49.9%	-49.5%	50,753	3.8%	-42.6%
VW	125,919	-43.0%	-53.4%	5,348	-51.2%	-59.7%
BMW	50,468	-42.1%	-18.6%	7,092	32.1%	-29.1%
Mercedes-Benz	43,732	-35.8%	-14.3%	2,914	-18.1%	-1.7%
Audi	32,273	-50.3%	-44.3%	1,072	153.8%	-37.7%
Toyota	83,858	-47.2%	-58.2%	781	-46.2%	-69.4%
Honda	54,138	-64.8%	-61.7%	2,016	31.2%	-58.3%
Nissan	44,324	-53.0%	-49.5%	558	-68.4%	-62.8%
Tesla	25,686	36.0%	-32.7%	25,686	36.0%	-32.7%
Cadillac	7,757	-61.9%	-61.9%	452	N/A	-20.0%
Buick	26,494	-66.7%	-53.4%	572	-78.3%	-89.9%
Chevrolet	8,991	-61.9%	-54.2%	145	-49.8%	-80.9%
Ford	11,161	-54.9%	-46.2%	154	7865.5%	-67.8%
Volvo	7,048	-44.0%	-57.0%	756	-25.2%	-55.4%
Land Rover	1,733	-49.5%	-44.2%	121	8.8%	-34.3%
Hyundai	19,222	-46.3%	-42.4%	-	-100.0%	-100.0%
Kia	5,512	-59.6%	-43.6%	47	-65.8%	-8.7%
Total Volume (excl. imports)	1,135,920	-45.1%	-49.6%	268,358	-11.3%	-58.4%

Source: IAC, CMBIGM estimates

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