

China Auto Sector

NEV sales volume MoM growth narrowed in Nov

Eleven Chinese automakers including BYD, Great Wall, NIO, Xpeng, Li Auto, Zeekr, Aion, Deepal, Neta, Leap and Aito reported their Nov 2023 sales volumes on 1 Dec 2023. Sales volume of the 11 automakers combined rose 49% YoY (ranging from -17% to +245%) and 2% MoM (ranging from -1% to +48%) in Nov. Seven out of the 11 automakers posted their all-time high sales volume in Nov.

- **Li Auto, Xpeng in line, NIO miss.** Li Auto recorded a sales volume of about 41,000 units in Nov 2023, in line with our prior expectation. Although its previous 4Q23 sales guidance implies 44,000-47,000 units in Dec 2023, the company strives for a 50,000-unit sales target in Dec 2023, which could indicate solid order backlog.

NIO's deliveries fell 1% MoM to about 16,000 units in Nov, weaker than our expectation again. It appears to us that another round of price cuts is one of few options for NIO to boost sales.

Xpeng's deliveries were flat MoM at about 20,000 units last month, in line with our prior forecast. Despite its sales push again at the end of the month, the G6's deliveries still did not hit 10,000 units. That increases our concerns about the G6's sales outlook in 2024. We are of the view that the X9's pre-sale price is a bit high for a new MPV player, as Xpeng needs to expand its customers from tech-savvy youth to broader family users when selling MPVs.

- **BYD, Great Wall, Zeekr, Leap and Aito's monthly sales volume hit all-time highs.** These five automakers' NEV sales volumes continued to hit all-time highs, the same as in Oct 2023, but with smaller MoM growth. BYD's MoM flat sales volume was a bit lower than expected, as the PHEV competition has been increasing. Aion appears to lose sales momentum with about 41,000 units in two months in a row after hitting 51,000 units in Sep 2023. The redesigned M7 continued to lift Aito's Nov sales to almost 19,000 units, the highest MoM growth among all the 11 automakers. We expect such trend to continue in Dec 2023.

- **Nov NEV retail sales volume likely in line.** We estimate that NEV retail sales volume in Nov could be in line with our prior forecast of 0.77mn units, based on NEV retail sales volume in the first 26 days of Nov. The NEV market share is likely to hit a historical high again. Tesla's retail sales volume in China could be close to 70,000 units in Nov on our estimates, the highest since Jul 2023.

NEV sales volume for selected OEMs

Units	Nov 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	301,378	31.1%	0.1%	2,672,728	64.7%
Great Wall	31,170	142.3%	2.3%	231,730	91.9%
NIO	15,959	12.6%	-0.7%	142,026	33.1%
Li Auto	41,030	172.9%	1.5%	325,677	190.7%
Xpeng	20,041	244.9%	0.2%	121,486	11.0%
Zeekr	13,104	19.0%	0.2%	105,209	73.6%
Leap	18,508	130.0%	1.7%	125,537	22.3%
Neta	12,506	-17.0%	3.5%	124,300	-13.8%
Aion	41,567	44.5%	0.2%	434,056	80.0%
Deepal	16,157	145.4%	4.2%	118,574	446.3%
AITO	18,827	127.9%	48.2%	74,118	9.1%

Source: Company data, CMBIGM

**OUTPERFORM
(Maintain)**

China Auto Sector

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Stocks Covered:

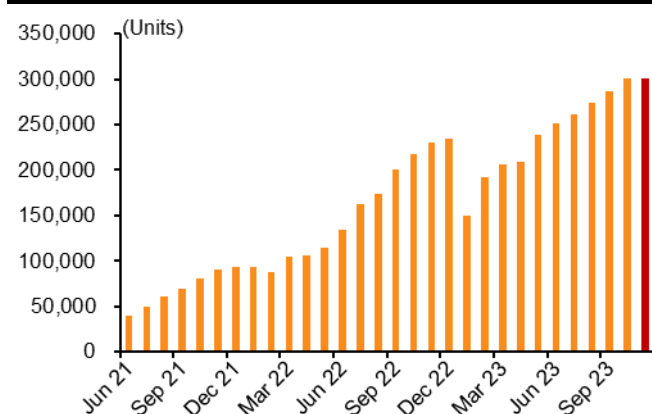
Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	50
Li Auto	2015 HK	BUY	194
NIO	NIO US	HOLD	10
Xpeng	XPEV US	HOLD	16
Xpeng	9868 HK	HOLD	62
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	13
GWM	601633 CH	BUY	32
BYD	1211 HK	BUY	290
BYD	002594 CH	BUY	300
GAC	2238 HK	BUY	6.5
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	5
Meidong	1268 HK	BUY	7.2

Source: Bloomberg, CMBIGM

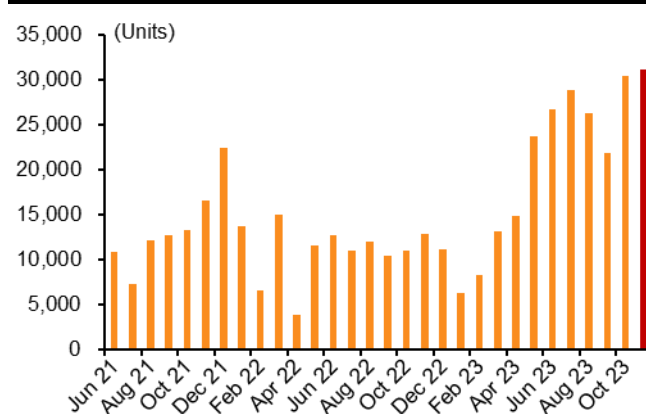
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["China Auto Sector – 2024 Outlook: Competition pushes technological advancement, overseas expansion" – 30 Nov 2023](#)

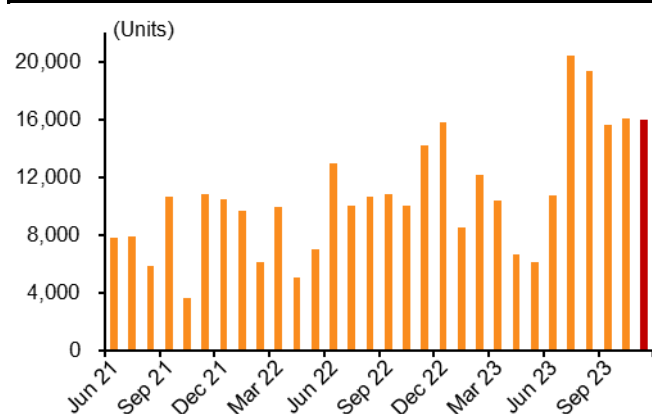
["China Auto Sector – NEV sales push at month-end leads to Oct beat" – 2 Nov 2023](#)

Figure 1: BYD's monthly NEV delivery

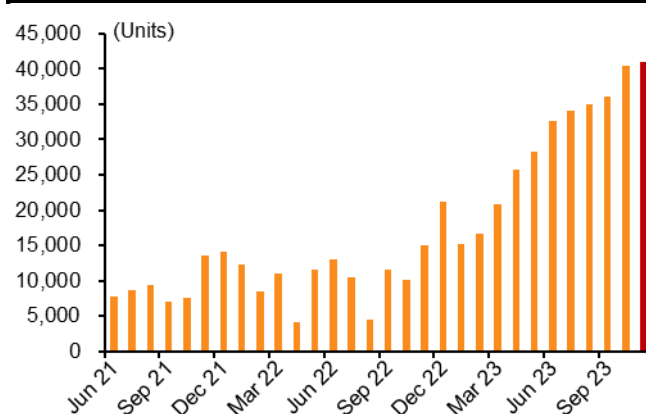
Source: Company data, CMBIGM

Figure 2: Great Wall's monthly NEV delivery

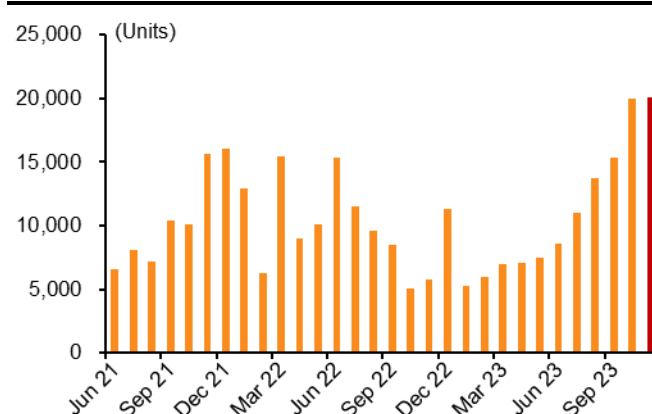
Source: Company data, CMBIGM

Figure 3: NIO's monthly delivery

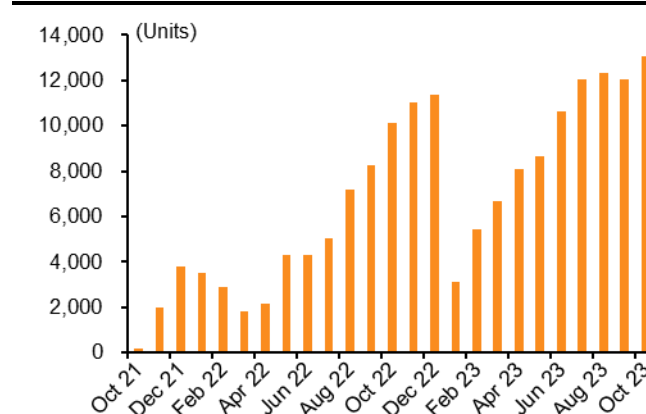
Source: Company data, CMBIGM

Figure 4: Li Auto's monthly delivery

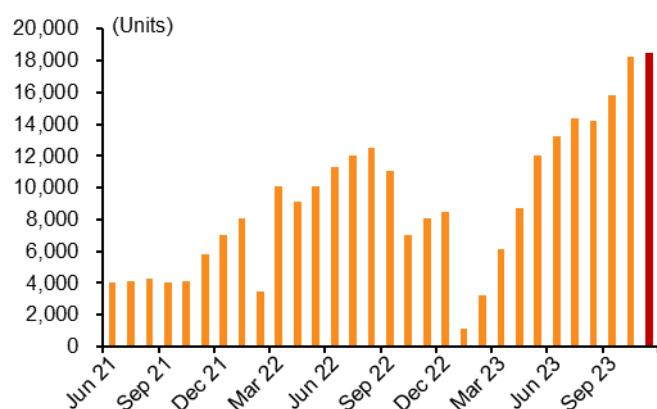
Source: Company data, CMBIGM

Figure 5: Xpeng's monthly delivery

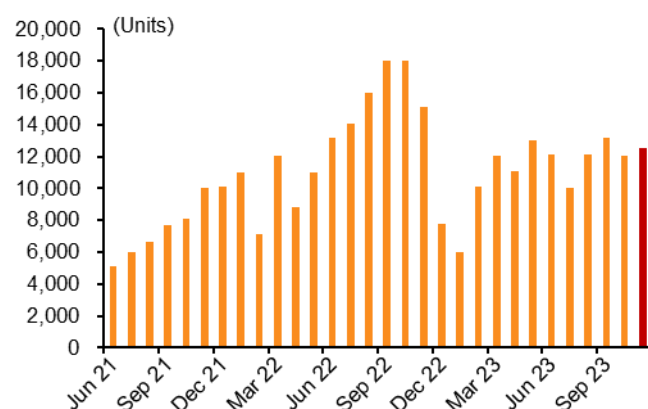
Source: Company data, CMBIGM

Figure 6: Zeekr's monthly delivery

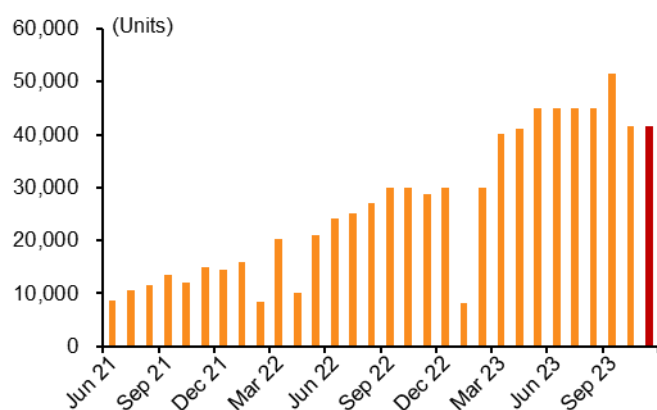
Source: Company data, CMBIGM

Figure 7: Leap's monthly delivery

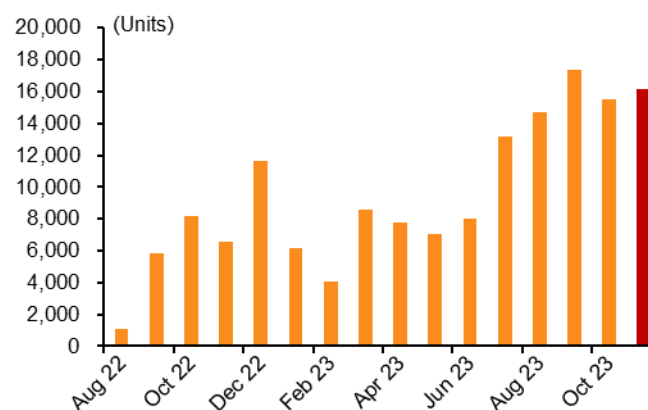
Source: Company data, CMBIGM

Figure 8: Neta's monthly delivery

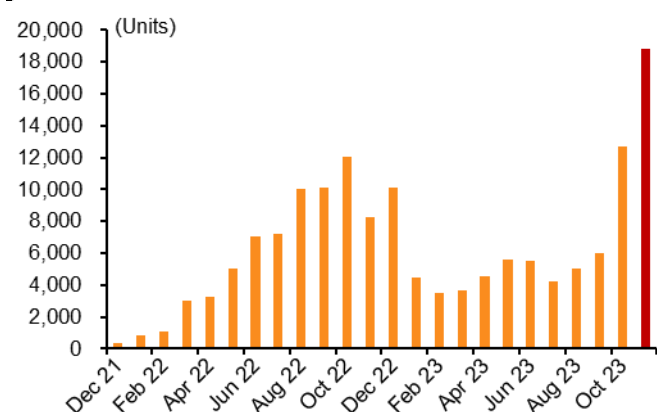
Source: Company data, CMBIGM

Figure 9: Aion's monthly NEV delivery

Source: Company data, CMBIGM

Figure 10: Deepal's monthly delivery

Source: Company data, CMBIGM

Figure 11: Aito's monthly NEV delivery

Source: Company data, CMBIGM

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