

China Auto Sector

Jul NEV: All-time high sales for seven brands

Nine Chinese automakers including BYD, Great Wall Motor, NIO, Xpeng, Li Auto, Zeekr, Aion, Neta and Leap reported their Jul 2023 sales volumes on 1 Aug 2023. Sales volume of the nine automakers combined rose 67% YoY (ranged from -28% to +228%) and 6% MoM (ranged from -17% to +91%) in Jul 2023.

- **NEV trio all beat our expectation by 1,000-2,000 units.** Li Auto recorded a sales volume of more than 34,000 units in Jul 2023, stronger than our previous forecast. We expect Li Auto's sales volume to be around 35,000 units during Aug-Sep 2023, given its capacity bottleneck indicated by management.

NIO posted the highest sales-volume MoM growth (+91%) again among the nine brands last month, with deliveries of over 20,000 units in Jul, the highest monthly volume in its history. The new *ES6's* sales volume exceeded 10,000 units in Jul, stronger than we had expected. We believe NIO's strong Jul sales was partly driven by the phase-out of service benefits (including free charging piles, NOP+, etc.) by 31 Jul. We estimate the *ET5* and *ET5 Touring* combined contributed less than 6,000 units in Jul.

Xpeng delivered a sales volume of about 11,000 units last month, or 28% MoM growth. The *G6's* deliveries were more than 3,900 units in Jul. Management expects the *G6's* monthly capacity to exceed 10,000 units from Oct 2023, which was a bit slower than we expected. We believe its partnership with VW may be of little help to its profits.

- **BYD, Aion, Zeekr, Great Wall and Leap's monthly NEV sales hit all-time high again.** BYD's passenger NEV wholesale volume rose 4% MoM to about 261,000 units last month. The MoM growth mainly came from exports. Aion's wholesale volume remained flattish MoM at 45,000 units in Jul amid inventory restocking again. The *Hyper GT's* wholesale volume was 2,011 units in Jul, as it just started deliveries on 25 Jul. The sales ramp-up of the Hyper series could be crucial to Aion's valuation, in our view. Great Wall's NEV wholesale volume rose 8% MoM to almost 29,000 units (Ora, Wey and Haval combined) in Jul 2023, driven by the *Tank 500 PHEV*. Leap also posted all-time high sales last month, aided by its *C11 EREV*.

- **Jul NEV retail sales volume largely in line.** We estimate China's NEV retail sales volume in Jul 2023 to be close to our prior forecast of 0.61mn units. Seven out of nine automakers above (except for Xpeng and Neta) posted the all-time high NEV sales last month, which had probably grabbed share from Tesla, as its Jul retail sales volume in China may be less than 35,000 units.

NEV sales volume for selected OEMs

Units	Jul 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	261,105	61.0%	3.7%	1,509,266	88.6%
Great Wall	28,896	162.8%	8.5%	121,965	63.5%
NIO	20,462	103.6%	91.1%	75,023	23.2%
Li Auto	34,134	227.5%	4.8%	173,251	144.6%
Xpeng	11,008	-4.5%	27.7%	52,443	-34.9%
Zeekr	12,039	139.7%	13.4%	54,672	127.5%
Leap	14,335	19.0%	8.5%	58,837	-8.1%
Neta	10,039	-28.5%	-17.3%	74,395	-3.6%
Aion	45,025	79.9%	0.0%	256,361	104.6%

Source: Company data, CMBIGM

OUTPERFORM (Maintain)

China Auto Sector

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Stocks Covered:

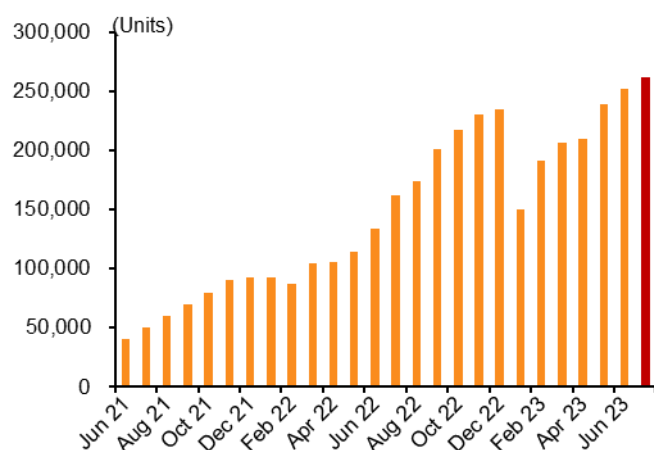
Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	44
Li Auto	2015 HK	BUY	172
Geely	175 HK	BUY	14.5
GWM	2333 HK	BUY	12
GWM	601633 CH	BUY	32
GAC	2238 HK	BUY	7
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	6.5
Meidong	1268 HK	HOLD	11
NIO	NIO US	HOLD	9.2
Xpeng	XPEV US	HOLD	9
Xpeng	9868 HK	HOLD	35
BYD	1211 HK	HOLD	240
BYD	002594 CH	HOLD	265

Source: Bloomberg, CMBIGM

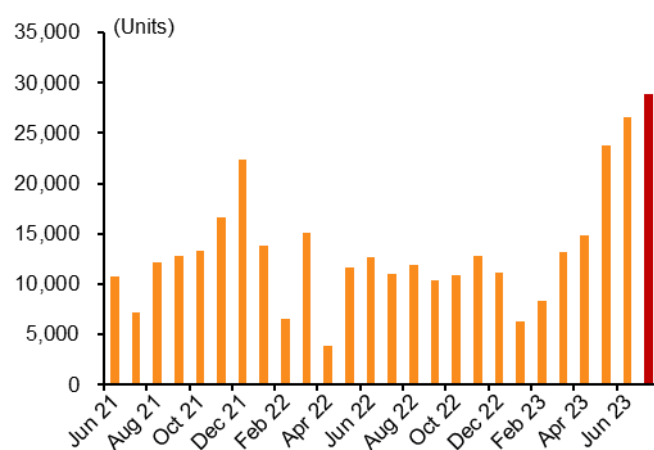
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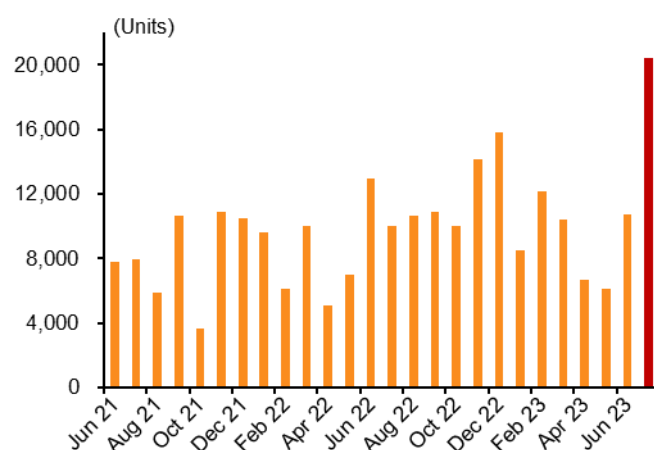
["China Auto Sector – China Auto Sector – All-time high sales for Li Auto, BYD, Aion, Leap" – 3 Jul 2023](#)

Figure 1: BYD's monthly NEV delivery

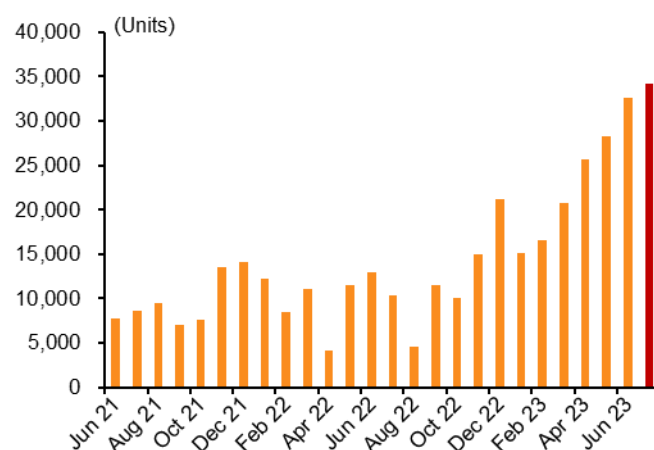
Source: Company data, CMBIGM

Figure 2: Great Wall's monthly NEV delivery

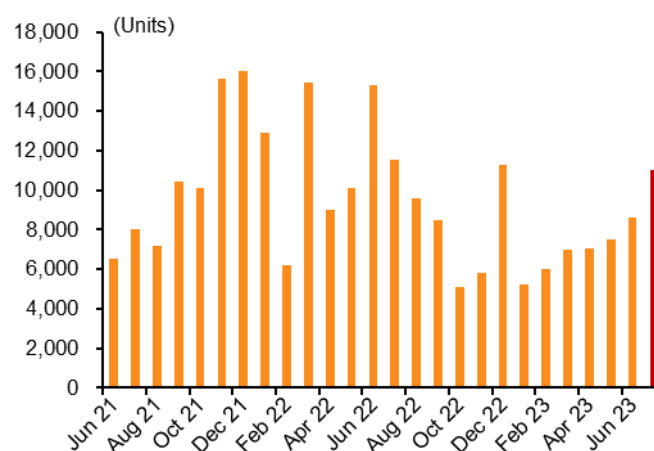
Source: Company data, CMBIGM

Figure 3: NIO's monthly delivery

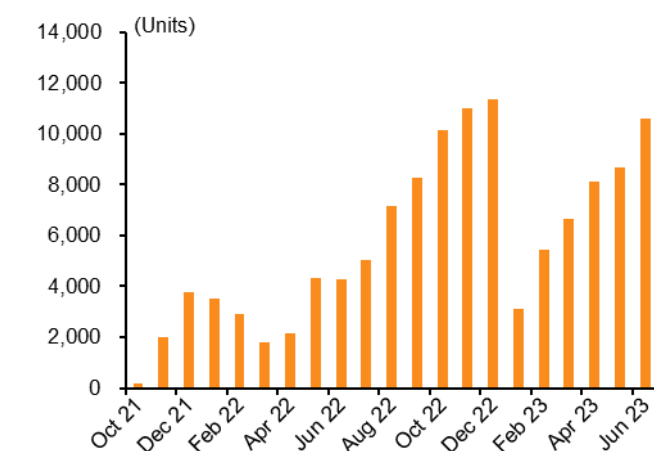
Source: Company data, CMBIGM

Figure 4: Li Auto's monthly delivery

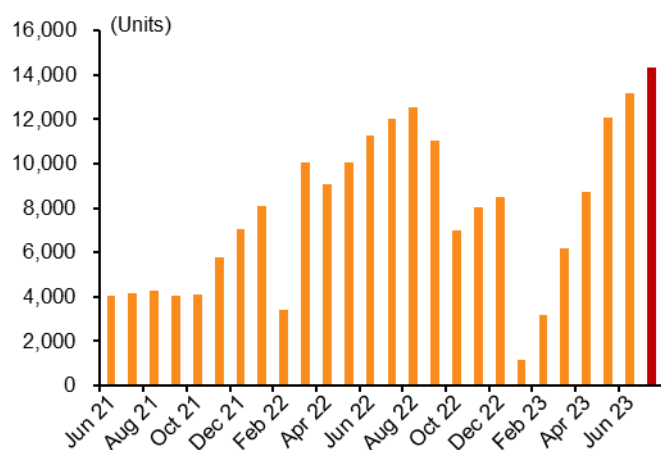
Source: Company data, CMBIGM

Figure 5: Xpeng's monthly delivery

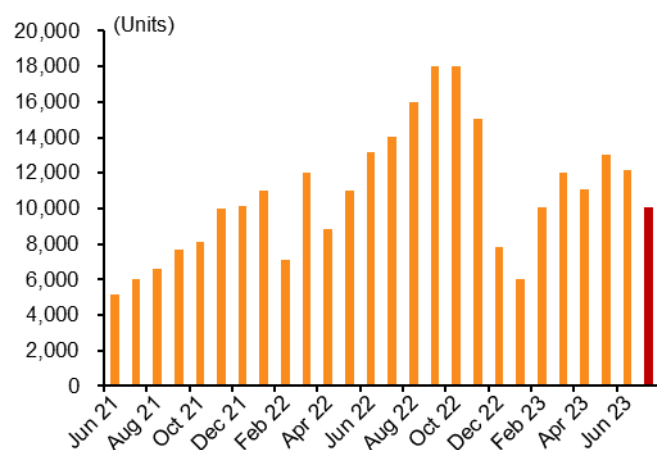
Source: Company data, CMBIGM

Figure 6: Zeekr's monthly delivery

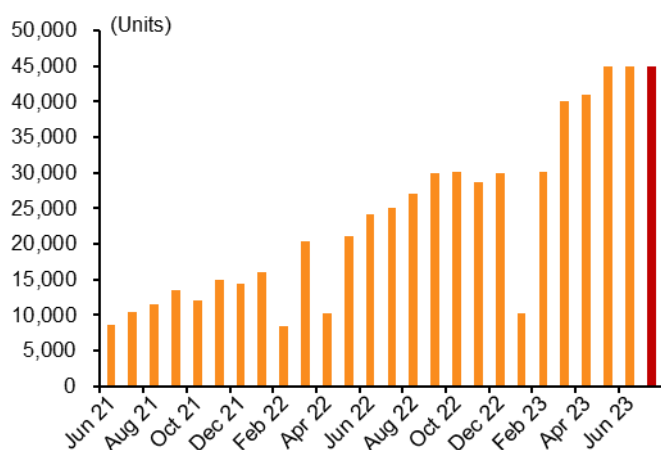
Source: Company data, CMBIGM

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 delivery

Source: Company data, CMBIGM

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