

# China Auto Sector

## In-line Aug NEV retail sales volume

Eleven Chinese automakers including BYD, Great Wall Motor, NIO, Xpeng, Li Auto, Zeekr, Aion, Deepal, Aito, Neta and Leap reported their Aug 2023 sales volumes on 1 Sep 2023. Sales volume of the 11 automakers combined rose 68% YoY (ranged from -50% to +1,218%) and 5% MoM (ranged from -9% to +24%) in Aug 2023.

- **NEV trio largely in line.** Li Auto's recorded a sales volume of almost 35,000 units in Aug 2023, with all three models surpassing 10,000 units. The price war has also pushed Li Auto to launch an insurance subsidy of RMB 10,000 per vehicle from 30 Aug. Its commute NOA is scheduled to be rolled out via OTA in 10 cities in Sep and 100 cities by the end of 2023.

NIO's deliveries fell 6% MoM to about 19,000 units in Aug, which was below investors' initial expectation of a MoM improvement, but slightly beat management's 3Q23 sales guidance during its 2Q23 earnings call.

Xpeng's deliveries rose 24% MoM to almost 14,000 units last month, the highest monthly figure this year. The G6's deliveries reached 7,000 units in Aug, implying MoM sales volume declines for Xpeng's other models. The facelifted G9, the P7i's new variants with LFP batteries and the new X9 MPV are scheduled to be launched in Sep, late Oct, and Dec 2023, respectively. In our view, Xpeng needs another volume contributor for the next-stage sales growth, apart from the G6. Its XNGP without HD map is scheduled to be released in Oct 2023.

- **BYD, Aion, Zeekr, and Deepal's monthly NEV sales hit all-time high again.** BYD's passenger NEV wholesale volume rose 5% MoM to about 274,000 units last month. The MoM growth mainly came from exports. Aion cut its inventories in Aug after restocking for four months in a row. The *Hyper GT*'s wholesale volume remained at about 2,000 units in Aug, as only one variant has been delivered so far, with other variants being scheduled from Sep.

- **Aug NEV retail sales volume largely in line.** We estimate China's NEV retail sales volume in Aug 2023 to be in line with or slightly higher than our prior forecast of 0.67mn units. We expect Tesla's deliveries to rise to about 68,000 units in Aug from 33,000 units in Jul, despite its production upgrade for the facelifted *Model 3*. Tesla unveiled the facelifted *Model 3* with an unexpected price hike of RMB 28,000 on 1 Sep 2023.

### NEV sales volume for selected OEMs

Units	Aug 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	274,086	57.5%	5.0%	1,783,352	83.0%
Great Wall	26,226	119.2%	-9.2%	148,191	71.2%
NIO	19,329	81.0%	-5.5%	94,352	31.9%
Li Auto	34,914	663.8%	2.3%	208,165	176.1%
Xpeng	13,690	42.9%	24.4%	66,133	-26.6%
Zeekr	12,303	71.7%	2.2%	66,975	114.7%
Leap	14,190	13.3%	-1.0%	73,027	-4.6%
Neta	12,103	-24.4%	20.6%	86,498	-7.2%
Aion	45,029	66.6%	0.0%	299,390	96.6%
Deepal	14,736	1218.1%	11.9%	69,534	6119.5%
AITO	5,018	-50.0%	19.5%	36,591	-2.4%

Source: Company data, CMBIGM

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### China Auto Sector

**SHI Ji, CFA**  
(852) 3761 8728  
shiji@cmbi.com.hk

**DOU Wenjing, CFA**  
(852) 6939 4751  
douwenjing@cmbi.com.hk

**GU Sijie**  
jasongu@cmbi.com.hk

### Stocks Covered:

Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	55
Li Auto	2015 HK	BUY	215
Geely	175 HK	BUY	14
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	5
Meidong	1268 HK	BUY	7.2
NIO	NIO US	HOLD	10
Xpeng	XPEV US	HOLD	14
Xpeng	9868 HK	HOLD	55
BYD	1211 HK	HOLD	240
BYD	002594 CH	HOLD	265

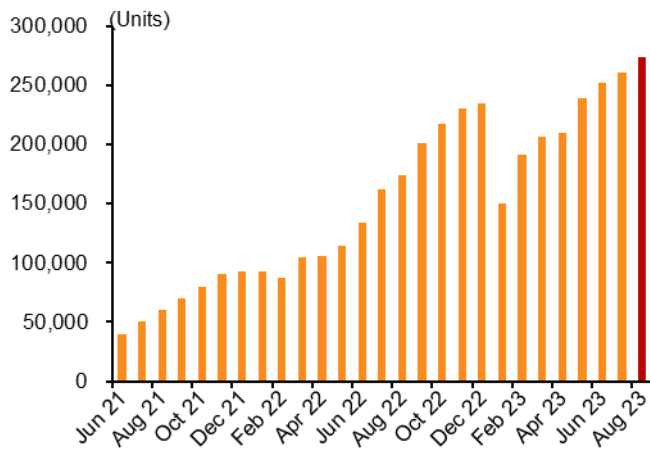
Source: Bloomberg, CMBIGM

### Related Reports:

["China Auto Sector – 2H23 auto sales could beat amid resilient Jul, Aug" – 25 Aug 2023](#)

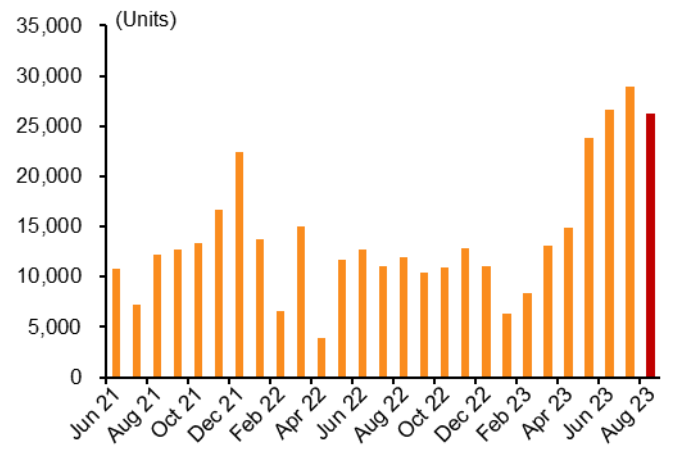
["China Auto Sector – Jul NEV: All-time high sales for seven brands" – 2 Aug 2023](#)

**Figure 1: BYD's monthly NEV delivery**



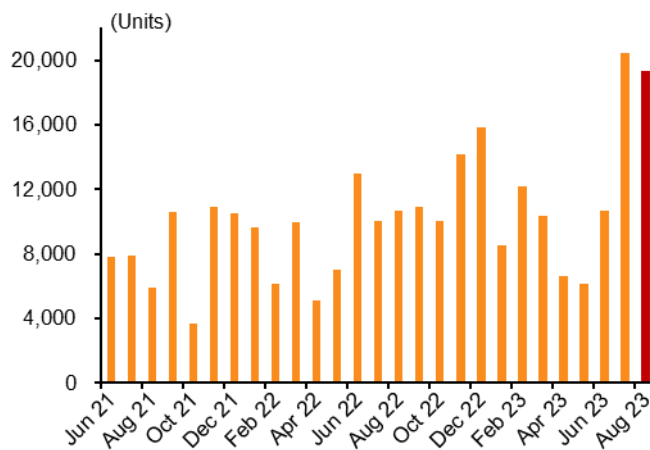
Source: Company data, CMBIGM

**Figure 2: Great Wall's monthly NEV delivery**



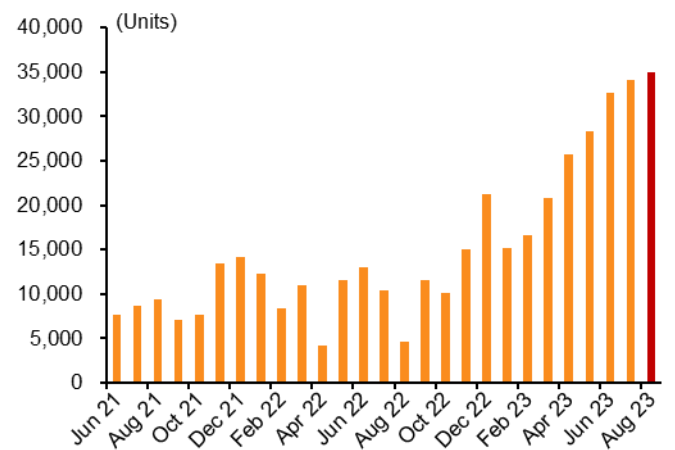
Source: Company data, CMBIGM

**Figure 3: NIO's monthly delivery**



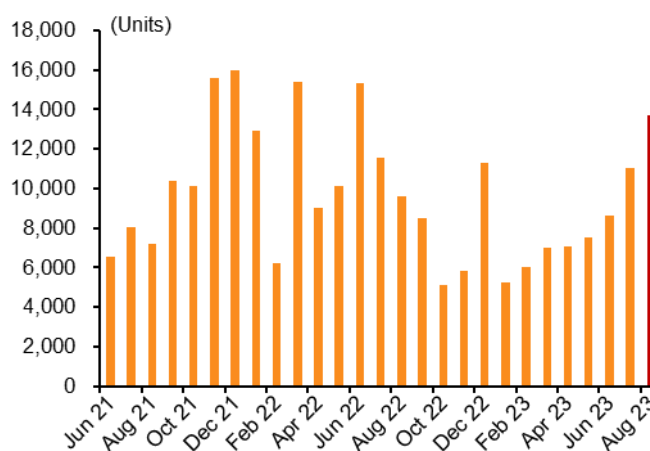
Source: Company data, CMBIGM

**Figure 4: Li Auto's monthly delivery**



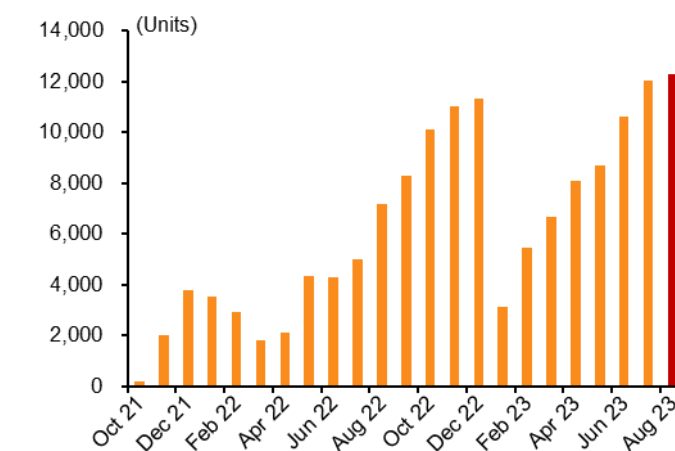
Source: Company data, CMBIGM

**Figure 5: Xpeng's monthly delivery**



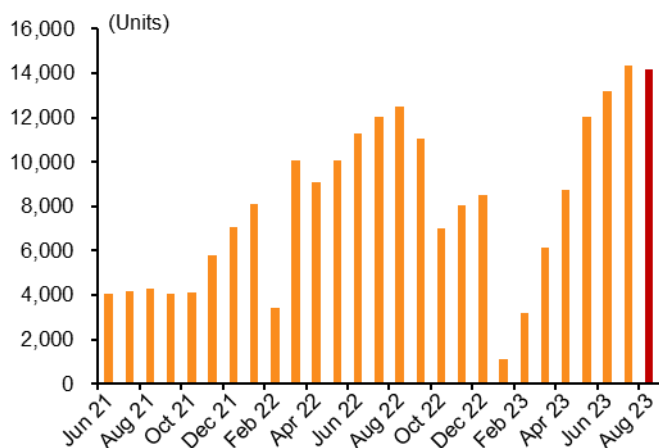
Source: Company data, CMBIGM

**Figure 6: Zeekr's monthly delivery**



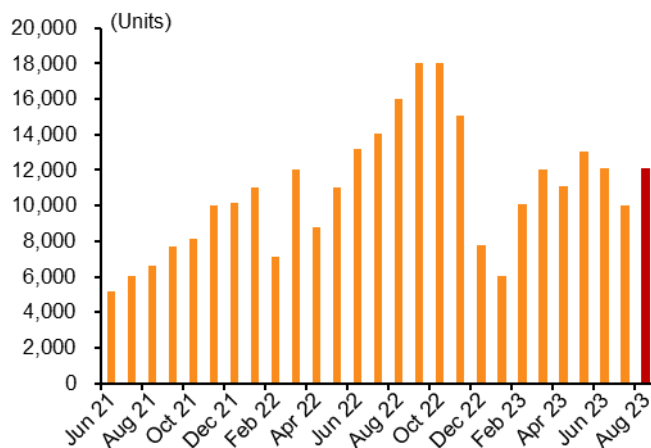
Source: Company data, CMBIGM

**Figure 7: Leap's monthly delivery**



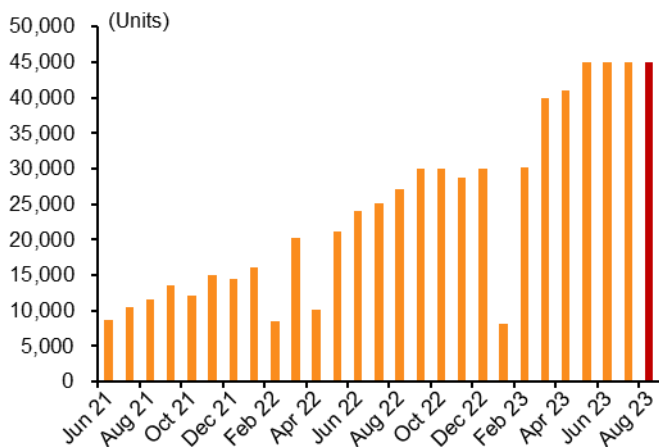
Source: Company data, CMBIGM

**Figure 8: Neta's monthly delivery**



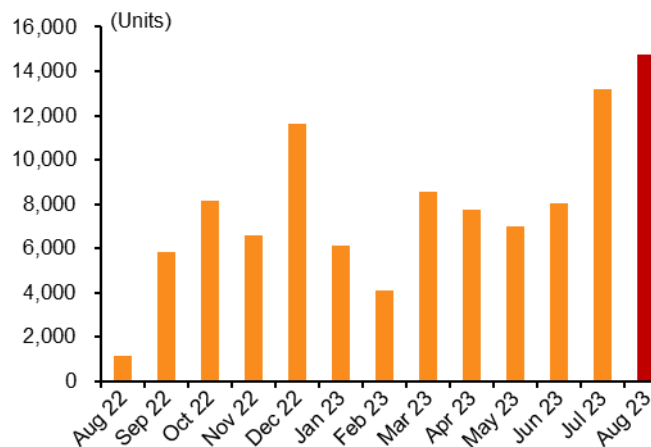
Source: Company data, CMBIGM

**Figure 9: Aion's monthly delivery**



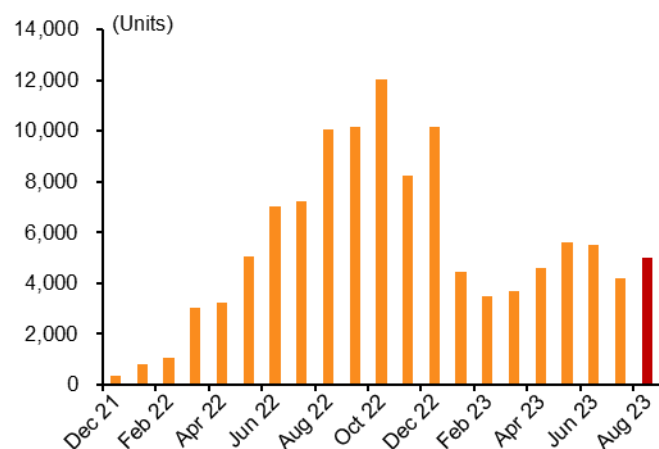
Source: Company data, CMBIGM

**Figure 10: Deepal's monthly delivery**



Source: Company data, CMBIGM

**Figure 11: AITO's monthly delivery**



Source: Company data, CMBIGM

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## *CMB International Global Markets Limited*

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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