

China Auto Sector

NEV sales push at month-end leads to Oct beat

Eleven Chinese automakers including BYD, Great Wall, NIO, Xpeng, Li Auto, Zeekr, Aion, Deepal, Neta, Leap and Aito reported their Oct 2023 sales volumes on 1 Nov 2023. Sales volume of the 11 automakers combined rose 54% YoY (ranging from -33% to +302%) and 6% MoM (ranging from -20% to 112%) in Oct. Seven out of the 11 automakers posted their all-time high sales volume in Oct.

- **Li Auto in line, NIO miss, Xpeng beat.** Li Auto recorded a sales volume of over 40,000 units in Oct 2023, in line with its new orders generated in Sep and production upgrade during the National Day holiday. It targets monthly sales volume of 50,000 units for the current three models on sale, which we think could give investors more confidence about its sales outlook in FY24E. Its FY23E sales volume could continue to beat our prior projection.

NIO's deliveries rose 3% MoM to about 16,000 units in Oct, weaker than our expectation. It appears to us that the company's attempt to revive sales by increasing sales personnel has not worked out yet.

Xpeng's deliveries rose 31% MoM to over 20,000 units last month, the highest in its history, and slightly higher than our prior projection. It seems that about 20% of Xpeng's sales volume in Oct was delivered in the last two days of month, based on the weekly insurance data. Despite that, the G6's deliveries still missed prior guidance of 10,000 units, although production hit the guidance. In our view, the key to the new X9, which is to debut at the Guangzhou Auto Show, still lies in pricing, 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 high.** BYD's passenger NEV wholesale volume rose 5% MoM to 301,000 units in Oct, in line with our estimate in last month's report. Aion's wholesale volume fell 20% MoM to about 42,000 units in Oct, likely due to destocking. Aito doubled its deliveries MoM to 12,700 units in Oct and its sequential sales growth looks likely to extend into Nov-Dec 2023, given its strong order backlog.
- **Oct NEV retail sales volume may beat.** Based on NEV sales volume for the 11 automakers, we think that China's NEV retail sales volume in Oct 2023 could beat our prior forecast of 0.72mn units, despite weak retail sales data during 1-29 Oct. We expect Tesla's deliveries to fall to about 33,000-35,000 units in Oct, as the new Model 3 just started deliveries in China in late Oct.

NEV sales volume for selected OEMs

Units	Oct 2023	YoY %	MoM %	YTD	YTD YoY %
BYD	301,095	38.4%	4.9%	2,371,350	70.3%
Great Wall	30,461	178.1%	39.3%	200,560	85.9%
NIO	16,074	59.8%	2.8%	126,067	36.3%
Li Auto	40,422	302.1%	12.1%	284,647	193.5%
Xpeng	20,002	292.1%	30.6%	101,445	-2.1%
Zeekr	13,077	29.2%	8.5%	92,105	85.7%
Leap	18,202	159.1%	15.2%	107,029	13.1%
Neta	12,085	-32.9%	-8.5%	111,794	-13.5%
Aion	41,503	38.1%	-19.6%	392,489	84.8%
Deepal	15,513	89.7%	-10.7%	102,417	577.4%
AITO	12,700	5.7%	111.7%	55,291	-7.3%

Source: Company data, CMBIGM

OUTPERFORM
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China Auto Sector

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Stocks Covered:

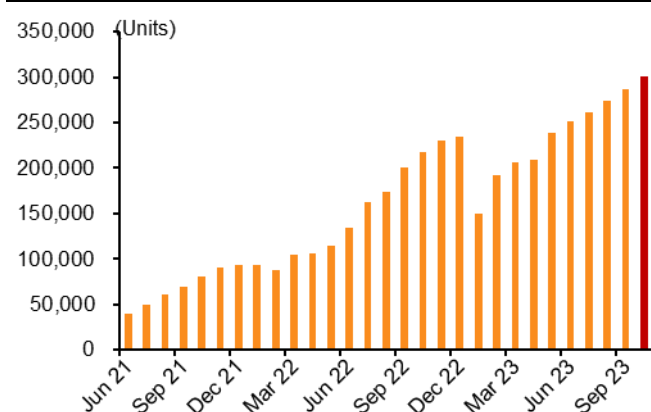
Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	55
Li Auto	2015 HK	BUY	215
NIO	NIO US	HOLD	10
Xpeng	XPEV US	HOLD	14
Xpeng	9868 HK	HOLD	55
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	13
GWM	601633 CH	BUY	32
BYD	1211 HK	BUY	290
BYD	002594 CH	BUY	300
GAC	2238 HK	BUY	6.5
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	5
Meidong	1268 HK	BUY	7.2

Source: Bloomberg, CMBIGM

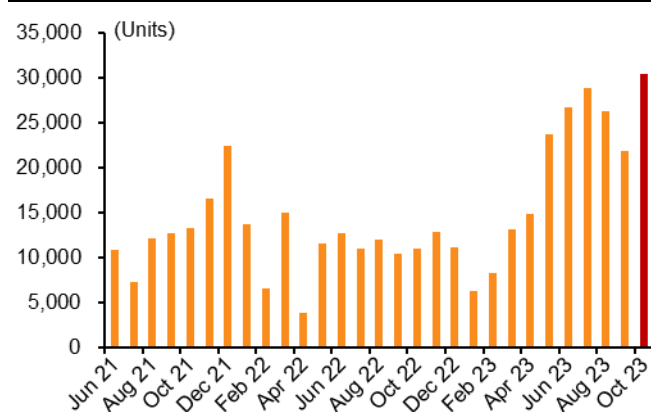
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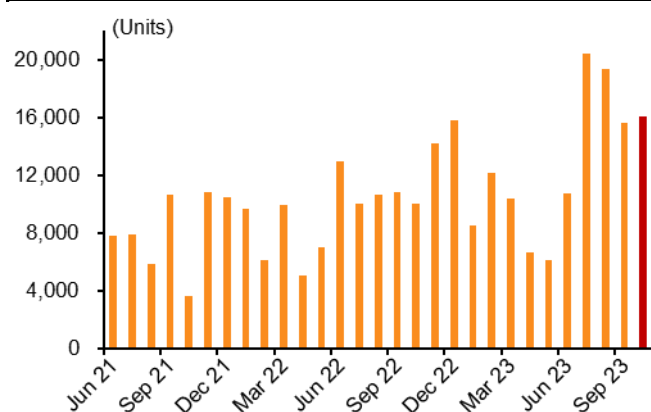
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Figure 1: BYD's monthly NEV delivery

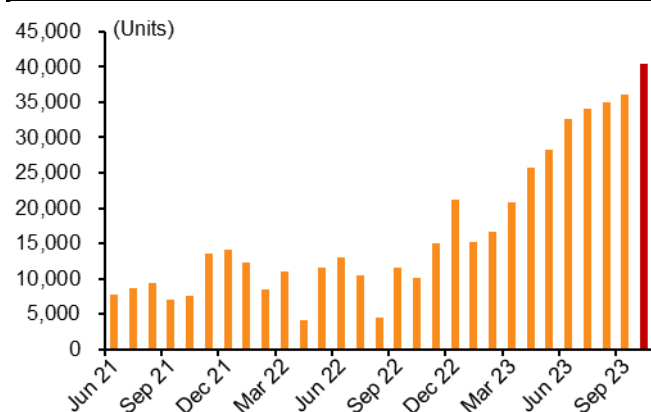
Source: Company data, CMBIGM

Figure 2: Great Wall's monthly NEV delivery

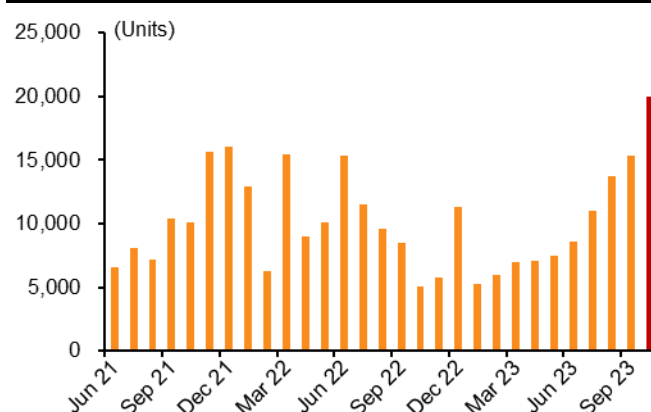
Source: Company data, CMBIGM

Figure 3: NIO's monthly delivery

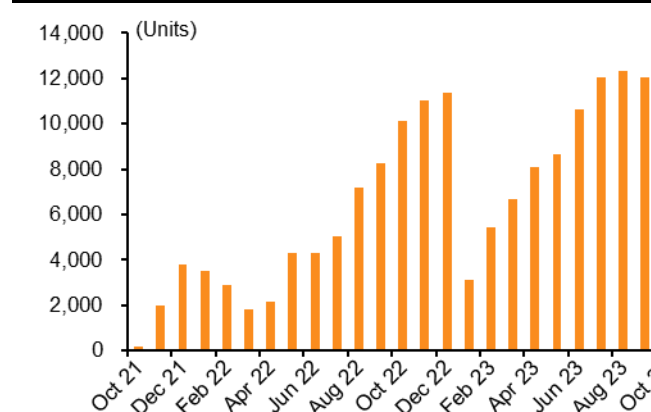
Source: Company data, CMBIGM

Figure 4: Li Auto's monthly delivery

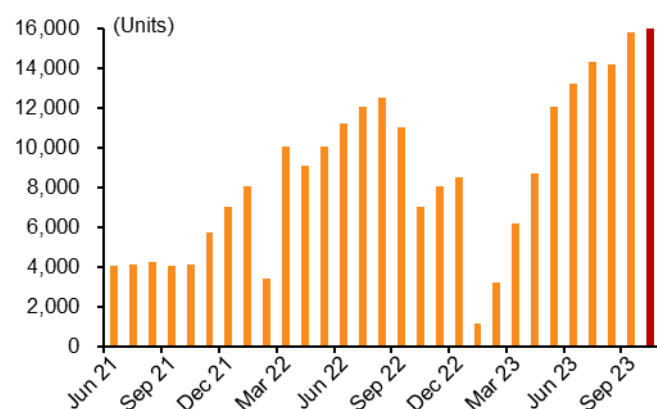
Source: Company data, CMBIGM

Figure 5: Xpeng's monthly delivery

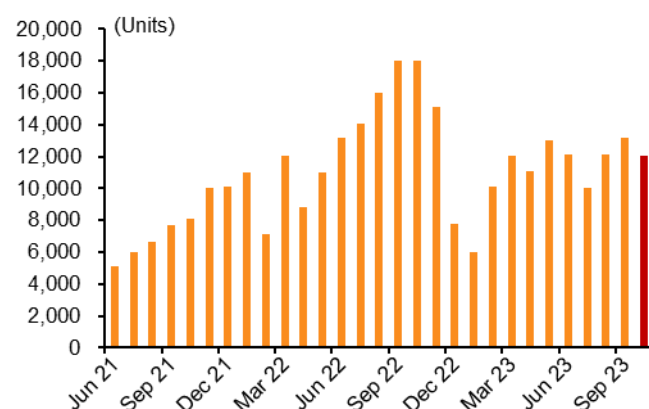
Source: Company data, CMBIGM

Figure 6: Zeekr's monthly delivery

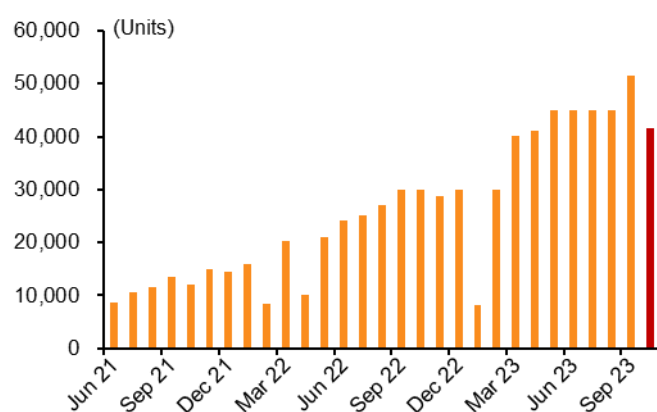
Source: Company data, CMBIGM

Figure 7: Leap's monthly delivery

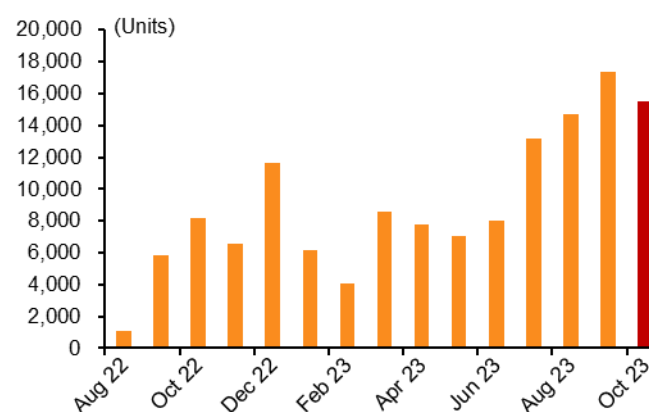
Source: Company data, CMBIGM

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

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