

China Auto Sector

Jun NEV sales volume to reach all-time high

Seven new energy vehicle (NEV) brands including NIO, Xpeng, Li Auto, Zeekr, Aion, Neta and Leap reported their Jun 2022 sales volume on 1 Jul 2022. Sales volume of the seven brands combined rose 136% YoY (ranged from +67% to +179%) and 25% MoM (ranged from -1% to +85%). Four (NIO, Leap, Neta and Aion) out of the seven recorded all-time high monthly deliveries in Jun 2022.

- **Xpeng, Li Auto in line, NIO beat.** Xpeng delivered 15,295 units in Jun 2022, making its 2Q22 sales volume of 34,422 units, slightly higher than its 2Q22 guidance of 31,000-34,000 units and in line with our prior forecast.

Li Auto's 13,024-unit sales volume in Jun is also in line with our expectation, making its 2Q22 deliveries almost 5,000 units higher than its upper bound of guidance of 24,000 units.

Despite our projection for NIO's Jun sales volume "to rise substantially MoM" made on 1 Jun 2022, its 12,961-unit deliveries in Jun are still about 2,000 units higher than our expectation.

- **All-time high sales for Aion, Neta and Leap.** Sales volume of three brands rose 12-20% MoM, respectively, last month. **We expect Aion's monthly wholesale volume to remain at around 25,000 units** (its current maximum capacity) **in the next few months** until its second plant to start production in Oct 2022, given its current order backlog (we estimate to be slightly higher than two months).

Zeekr's Jun deliveries were flat MoM, in line with our prior forecast, as we noted its "supply chain and manufacturing capabilities could be caps for sales volume in 2022" on 1 Jun 2022. Despite a possible MoM decline for new orders in Jun on our estimates, we estimate that Zeekr still has sufficient orders backlog given its supply constraints.

- **We project industry-wide NEV wholesale volume to exceed 0.5mn units in May, the highest in history.** We estimate the industry-wide NEV retail sales volume in Jun 2022 to be around 0.49mn units, or about 27% market share (see page 3 for our weekly retail sales volume). We estimate Tesla's (TSLA US, NR) production volume to be about 73,000 units last month, with minimal exports. With our assumption of reasonable inventory restocking for NEVs, we project China's NEV wholesale volume to be around 0.52mn units in Jun 2022, the highest in history, and 4% higher than our prior forecast.

NEV sales volume for selected brands

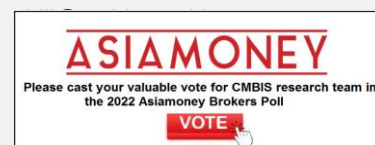
Units	Jun 2022	YoY %	MoM %	YTD	YTD YoY %
NIO	12,961	66.7%	84.5%	50,827	22.0%
Li Auto	13,024	68.9%	13.3%	60,403	100.3%
Xpeng	15,295	133.0%	51.1%	68,983	124.4%
Zeekr	4,302	N/A	-0.6%	19,010	N/A
Leap	11,259	178.0%	11.8%	51,994	247.6%
Neta	13,157	156.1%	19.5%	63,131	199.1%
Aion	24,109	179.1%	14.5%	100,253	133.1%

Source: Company data, CMBIGM

OUTPERFORM
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China Auto Sector

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Stock Coverd

Name	Ticker	Rating	TP (LC)
Xpeng	XPEV US	BUY	60
Xpeng	9868 HK	BUY	234
NIO	NIO US	BUY	45
Li Auto	LI US	BUY	48
Li Auto	2015 HK	BUY	187.2
GWM	2333 HK	BUY	20
GWM	601633 CH	BUY	59
GAC	2238 HK	BUY	12
GAC	601238 CH	BUY	18.4
EVA	838 HK	BUY	3
Meidong	1268 HK	BUY	48
BYD	1211 HK	HOLD	255
BYD	002594 CH	HOLD	270
Geely	175 HK	HOLD	13.5

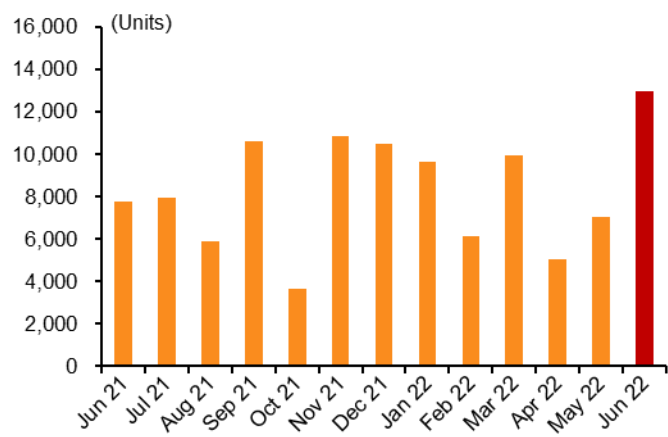
Source: Bloomberg, CMBIGM

Related Reports:

["China Auto Sector – Strong NEV sales recovery in May" – 2 Jun 2022](#)

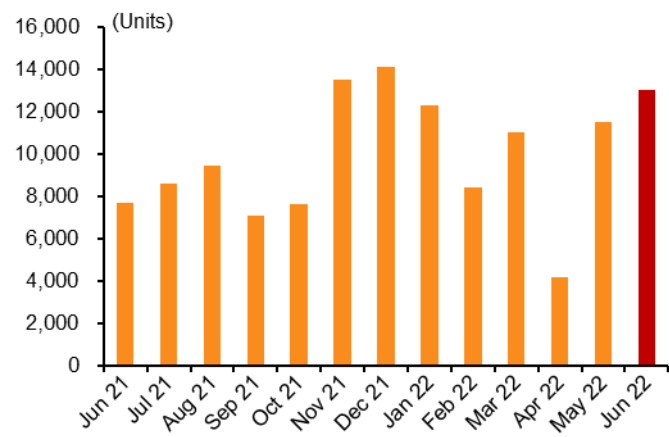
["China Auto Sector – We expect June wholesale to rise double-digit" – 14 Jun 2022](#)

Figure 1: NIO's monthly delivery



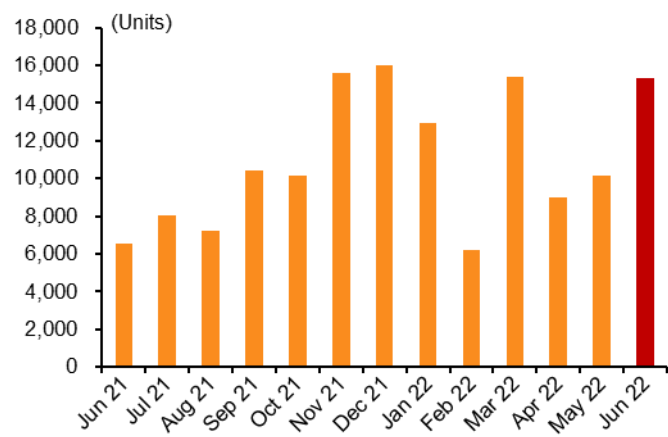
Source: Company data, CMBIGM

Figure 2: Li Auto's monthly delivery



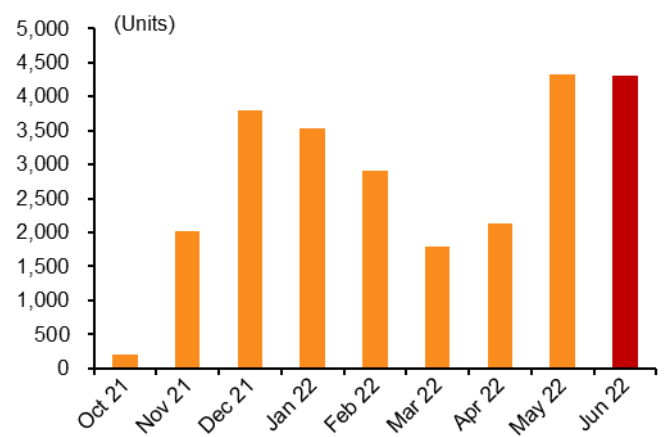
Source: Company data, CMBIGM

Figure 3: Xpeng's monthly delivery



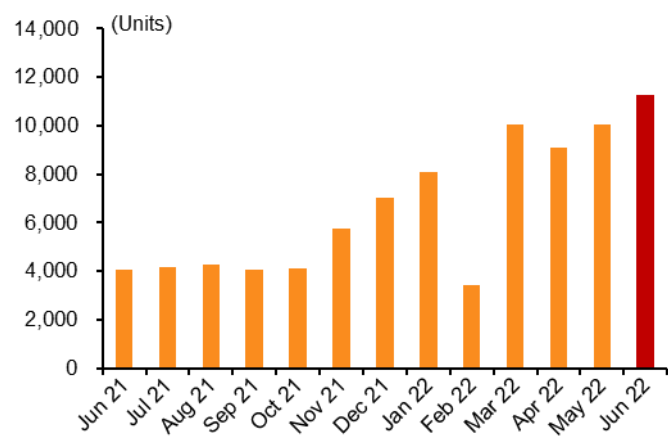
Source: Company data, CMBIGM

Figure 4: Zeekr's monthly delivery



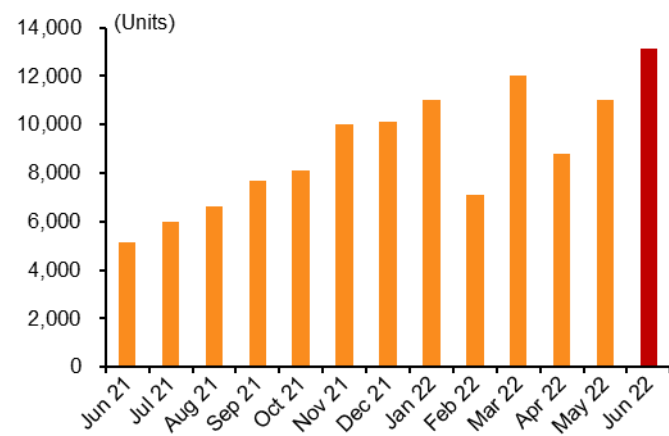
Source: Company data, CMBIGM

Figure 5: Leap's monthly delivery



Source: Company data, CMBIGM

Figure 6: Neta's monthly delivery



Source: Company data, CMBIGM

Figure 7: China weekly retail sales volume

	Total Locally-Produced			NEV		
	1-26 Jun 2022	Average daily sales YoY (%)	Average daily sales MoM (%)	1-26 Jun 2022	Average daily sales YoY (%)	Average daily sales MoM (%)
Chinese Brands	612,522	18.2%	38.3%	301,395	118.3%	41.9%
Geely (incl. Geometry)	59,749	-6.6%	38.0%	8,206	113.4%	44.6%
Lynk & Co	12,465	-15.3%	48.5%	2,079	233.7%	44.1%
Zeekr	2,354	N/A	-0.6%	2,354	N/A	-0.6%
Haval	30,755	-28.0%	32.5%	-	N/A	N/A
Wey	2,330	-35.6%	30.1%	370	3101.9%	-14.0%
Tank	8,610	46.4%	45.0%	-	N/A	N/A
ORA	7,722	8.5%	16.9%	7,722	8.5%	16.9%
Changan	75,459	4.4%	32.8%	12,174	94.0%	41.6%
SAIC PV	25,233	-21.6%	56.3%	5,525	-21.8%	173.1%
Trumpchi	22,940	1.2%	26.2%	217	-71.0%	50.5%
Aion	17,139	101.3%	126.3%	17,139	101.3%	126.3%
Voyah	805	7499.7%	44.9%	805	7499.7%	44.9%
BYD	103,922	144.3%	34.7%	103,091	247.7%	35.8%
Baojun	3,895	-73.5%	27.5%	2,460	93.8%	41.3%
Wuling	56,704	10.4%	35.8%	33,938	37.8%	38.8%
Weltmeister	2,944	-2.6%	31.5%	2,944	-2.6%	31.5%
Neta	9,600	220.8%	48.9%	9,600	220.8%	48.9%
Leap	8,426	169.1%	42.0%	8,426	169.1%	42.0%
NIO	9,171	49.5%	109.7%	9,171	49.5%	109.7%
Lixiang	10,194	52.2%	21.0%	10,194	52.2%	21.0%
Xpeng	12,106	127.4%	112.1%	12,106	127.4%	112.1%
AITO	4,154	N/A	68.1%	4,154	N/A	68.1%
Arcfox	561	253.1%	14.1%	561	253.1%	14.1%
Hiphi	192	45.5%	-18.8%	192	45.5%	-18.8%
Foreign Brands	857,063	10.9%	63.2%	93,739	151.0%	276.5%
VW	165,461	5.4%	69.3%	14,764	257.9%	121.8%
BMW	46,542	-6.9%	31.9%	3,398	-4.1%	55.3%
Mercedes-Benz	46,621	13.6%	57.6%	3,030	515.8%	76.3%
Audi	52,653	9.6%	85.5%	589	-36.2%	121.5%
Toyota	149,914	41.8%	53.7%	780	-48.3%	2.8%
Honda	106,261	20.1%	33.8%	1,576	215.9%	58.6%
Nissan	63,521	-4.2%	48.9%	2,430	10414.4%	74.7%
Tesla	62,407	173.4%	650.7%	62,407	173.4%	650.7%
Cadillac	13,035	-20.9%	67.0%	19	N/A	N/A
Buick	43,856	-18.0%	66.4%	2,532	37.6%	110.0%
Chevrolet	13,442	-17.2%	57.4%	603	196.8%	119.9%
Ford	16,816	65.9%	57.9%	538	11073.8%	6.1%
Volvo	10,385	-13.8%	82.3%	650	31.1%	116.5%
Land Rover	2,375	-3.5%	56.0%	203	139.6%	37.4%
Hyundai	17,121	-31.8%	55.7%	24	-95.1%	1.5%
Kia	7,993	-23.3%	40.8%	32	-70.3%	441.5%
Total Volume (excl. imports)	1,469,585	13.8%	51.8%	395,134	125.3%	66.5%

Source: IAC, CMBIGM estimates

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