



Hong Kong | Retail

3 October 2025

August retail sales beat estimates, Luxury items up 16.4% YoY

HK retail sales grew at their fastest pace in 20 mths in Aug, up 3.8% YoY

Hong Kong's August retail print offers the clearest evidence yet that the sector is stabilising after a choppy first half. According to the Census and Statistics Department's advance estimates, total retail sales rose 3.8% YoY to HK\$30.3bn, the strongest annual growth rate in 20 months and ahead of market expectations. July's value growth was revised to 1.8% YoY, reinforcing the sense of a sequential improvement through the summer. The outturn was underpinned by a sharp rebound in high-ticket discretionary categories and a steady uplift in online, while official commentary linked the momentum to firmer local consumer sentiment, inbound tourism recovery, and the government's "mega-events" push. Still, the YTD picture remains cautious: for the first eight months of 2025, retail sales value fell 1.9% YoY and volume declined 3.1% YoY, underscoring that August marks stabilisation rather than a full-fledged recovery.

Sales of jewellery, watches and clocks, and valuable gifts up 16.4% YoY

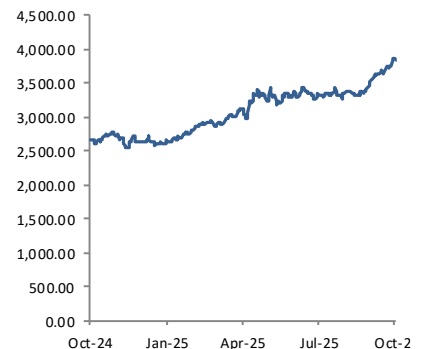
Category mix shows where demand is returning and where it remains soft. Sales of jewellery, watches and clocks, and valuable gifts rose 16.4% YoY in August, outpacing the market and benefitting from price-led support in gold as well as improving tourist flows. "Other consumer goods not elsewhere classified" climbed 14.2% and medicines and cosmetics advanced 5.0%. By contrast, supermarkets fell 0.8%, food, alcoholic drinks and tobacco declined 3.6% YoY, furniture and fixtures contracted 3.9%, and fuels dropped 11.4%, pointing to continued pressure in staples and home-related categories amid substitution toward cross-border purchases and services. The online channel remained a structural bright spot: provisional August e-commerce sales rose 8.9% YoY to HK\$2.6bn, lifting online penetration to 8.4% of total retail sales.

Visitor arrivals reached 5.15m in Aug, a post-pandemic monthly high

Tourism dynamics increasingly underpin the sector's trajectory. Visitor arrivals reached 5.15m in August, up 16% from July and setting a new post-pandemic monthly high; cumulative arrivals for the first eight months rose 12% YoY to 33m. The government highlighted the combined effect of sustained visitor growth and the mega-events calendar in supporting footfall and spending. Early reads for the eight-day National Day "Golden Week" are constructive: official figures show 232,751 Mainland tourist arrivals on the first day, up 5% YoY, while industry surveys indicate 82% of retailers are optimistic about holiday sales. Operators report heavier traffic in core shopping districts such as Tsim Sha Tsui, robust demand for sightseeing experiences, and a healthy mix of day-trippers from Shenzhen and longer-haul visitors arriving via high-speed rail from provinces including Hunan and Hubei; the latter are expected to stay one to two nights and contribute higher per-capita spend. Policy-driven stimuli are also adding incremental lift at the margin, exemplified by the 50% cinema ticket subsidy on National Day that drew 153,647 admissions across 52 theatres and generated HK\$6.38m in box office.

Suggest investors focus on the recovery of HK Watch and Jewellery sector

Our sector view tilts cautiously constructive into October, with Golden Week, the Mid-Autumn Festival timing (October 6 falling within the holiday window), and a modest market rebound creating a near-term tailwind for tourist-sensitive categories. Jewellery retailers cite the wedding season and tourist mix as catalysts, while cosmetics players expect single-digit growth through the holiday. That said, we do not extrapolate August's beat: the YTD decline in value and volume, plus lingering headwinds from outbound travel by local households and persistent northbound spending leakage, argue for a measured recovery path. We think investors should focus on names with exposure to high-ticket discretionary and tourist-led baskets, such as the Watch & Jewellery retail sector. In short, August confirms stabilisation and improving momentum at the top end of the basket, but a broad-based recovery will require multiple months of positive value and volume prints and continued support from tourism and experience-led consumption.

Gold Spot \$/Oz

Source: Bloomberg

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Figure 1 HK Luxury Sector peers (closing price as of 3 Oct 2025)

Company	Ticker	Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)		FY1-FY3 EPS Cagr (%)	FY1 PEG (x)	Div Yld (%)		P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
					FY1	FY2			FY1	FY2	Hist	FY1	Hist	FY1		1-mth	3-mth	12-mth
HSI		27,141			13.3	11.8	11.4	1.16	2.9	3.1	1.46	1.41	10.7	10.3		7.1	12.8	22.7
HSCEI		9,658			12.5	10.9	12.9	0.97	2.6	2.8	1.39	1.34	11.5	10.6		6.7	11.7	22.0
CSI300		4,641			16.4	14.4	12.8	1.28	2.4	2.7	1.87	1.74	10.2	10.6		4.6	16.3	17.3
Sector Average					16.0	13.7	14.2	1.2	4.5	5.0	2.7	5.0	14.8	29.0	10.5	(4.5)	6.3	57.6
Sector Median					18.4	16.3	10.4	0.9	4.9	5.2	0.7	5.2	10.2	23.0	7.7	(2.7)	11.2	41.7
Chow Tai Fook Je	1929 HK	15.14	19,193	26.4	18.4	16.5	10.4	1.77	4.5	5.0	5.72	5.19	22.7	29.4	11.9	(2.7)	11.2	82.9
Laopu Gold Co -H	6181 HK	688.00	15,267	163.6	22.0	16.3	30.5	0.72	2.9	3.8	14.19	12.85	59.7	70.9	42.8	(8.3)	(29.0)	300.5
Zhou Liu Fu Je-H	6168 HK	47.66	2,699	14.3	22.9	20.4	12.1	1.90	N/A	N/A	N/A	5.26	29.2	23.0	24.0	8.2	19.2	N/A
Chow Sang Sang	116 HK	14.54	1,255	3.8	6.9	6.7	7.8	0.89	5.4	5.5	0.71	0.73	9.1	10.8	6.3	(1.8)	64.3	111.3
Citychamp	256 HK	0.23	126	9.6	N/A	N/A	N/A	N/A	N/A	N/A	0.25	N/A	(7.9)	N/A	(5.9)	(27.4)	(47.1)	(78.6)
Emperor Watch &	887 HK	0.30	275	1.7	N/A	N/A	N/A	N/A	N/A	N/A	0.40	N/A	5.0	N/A	4.6	(3.3)	(16.9)	62.1
Luk Fook Hldgs I	590 HK	24.54	1,851	6.5	9.6	8.6	10.1	0.94	5.2	5.7	1.09	1.01	8.4	11.0	7.0	(3.9)	17.1	51.5
Time Watch	2033 HK	0.37	97	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.33	N/A	(0.8)	N/A	(2.7)	(1.4)	10.6	(2.2)
Oriental Watch	398 HK	3.44	215	0.5	N/A	N/A	N/A	N/A	N/A	N/A	0.96	N/A	11.3	N/A	8.5	1.0	4.6	6.7
King Fook Hldgs	280 HK	0.50	58	0.1	N/A	N/A	N/A	N/A	N/A	N/A	0.55	N/A	11.2	N/A	8.7	(1.0)	13.8	32.0
3Dg Holdings Int	2882 HK	0.68	24	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(9.3)	21.4	9.7

Source: Bloomberg, Crosby Securities

Figure 2 HK Retail sales YoY growth (Jan 2024 – Aug 2025)



Source: Bloomberg, Crosby Securities



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