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**UBS Evidence Lab**

# China Internet Sector

## UBS Evidence Lab inside: is there further upside for e-commerce from here?

### Equities

China  
Internet Services

#### Survey reveals upside for leading e-commerce platforms

Consumers plan to further increase online shopping frequency and spending per order on the top e-commerce platforms, namely Taobao/Tmall, JD, Pinduoduo and Vipshop, based on UBS Evidence Lab's survey post Covid-19. Most importantly, we found that the longer respondents use Taobao/Tmall and Pinduoduo, the higher average shopping frequency, reflecting the stickiness of these platforms. Along with our recent merchant conversations, suggesting a strong 6/18 shopping festival ([note](#)) and 2H20 outlook, this survey makes us bullish on the sector in the near and long term.

#### Overall consumption trends improving but there is a divergence by category

Consumption has rebounded post Covid-19, though there are still some lingering concerns, based on our macro team's analysis ([note](#)). 12% of respondents expect to increase consumption YoY in the next three months, compared to 43% who expect to decrease, according to UBS Evidence Lab's survey ([Access Dataset](#)). We also see a divergence by category. Daily necessities and food and beverages see significant increases in spending in the next 12 months compared to May 2020, while apparel, cosmetics, and online entertainment see some upside. In contrast, home appliances, consumer electronics and dining out spending are roughly unchanged. Travel, offline entertainment and luxury goods spending are down.

#### Shopping frequency and average order value can drive future online growth

Online penetration is poised to increase further over the next few quarters. 58% of respondents said they would increase spending on Taobao/Tmall over the next 12 months, and 50% said so for Pinduoduo and 44% for JD. And shoppers who joined Taobao/Tmall 2+ years ago are shopping 96x per year, based on the survey, compared to 82x for those who joined <1 year ago. For Pinduoduo, the numbers were 66x and 56x respectively, indicating higher shopping frequency over time.

#### Stocks: upgrade VIPS to Buy, and raise PTs for PDD and VIPS

Based on the rebound in overall consumption, higher online penetration going forward, and higher shopping frequency and order value for major platforms, we raise our estimates for BABA ([note](#)), PDD ([note](#)) and VIPS ([note](#)). We also upgrade VIPS from Neutral to Buy, as it benefits most from branded apparel inventory clearing in 2H20.

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# China Internet Sector

UBS Research THESIS MAP MOST FAVOURED

LEAST FAVOURED

Alibaba, JD, Vipshop, Pinduoduo

## PIVOTAL QUESTIONS

### Q: How did Covid-19 impact income and change consumption?

We saw significant impacts to income and consumption followed by a quick rebound. Our macro team expects China consumption to rebound from a decline in 1Q20 to flat for the full year, before seeing an 8.8% YoY growth in 2021. E-commerce and online media platforms do better than offline, and spending trends by category diverge going forward. [more→](#)

### Q: Is there upside to e-commerce growth from here?

Respondents indicated they will increase shopping frequency on all the major platforms in the survey, and most platforms also see growth in spending per order. We analyze shopping frequency by vintage (when users joined the platform). The results were positive for Alibaba, and particularly encouraging for Pinduoduo. [more→](#)

## WHAT'S PRICED IN?

Investors have turned more positive on e-commerce stocks post Covid-19, and in particular valuing the higher-growth platforms more than before, as they now believe more players are benefitting from this secular trend. However, there are some concerns whether near term online penetration has peaked as the world starts to recover from Covid-19 and whether increasing competition could derail growth or profitability for any platform.

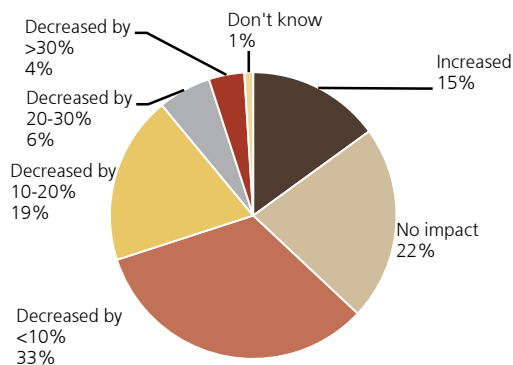
## UBS VIEW

We remain positive on e-commerce as a sector, and see the "rising tide lifts all boats" thesis continue vs. "the big gets bigger" in the last few years, based on several UBS Evidence Lab surveys post Covid-19 and our conversations with merchants, ad agencies and other experts. Online penetration is still increasing over time, and while competition is intense, platforms can continue to deliver on both top and bottom line investor expectations.

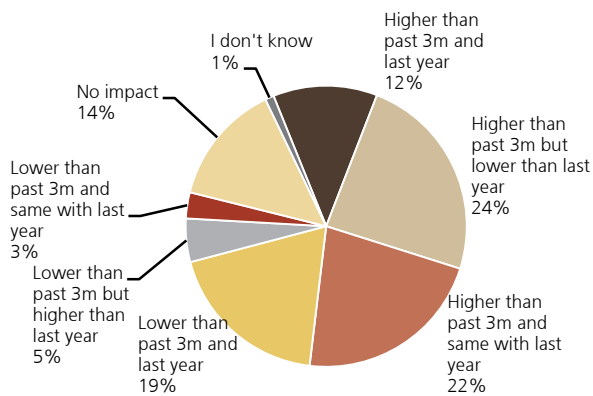
## EVIDENCE

Post Covid-19, the survey indicates increasing online demand, in particular for fresh food and daily necessities. Compared to 12 months ago, 66% of respondents have increased their shopping frequency on Taobao/Tmall, 53% on Pinduoduo, and 49% on JD. Respondents increased their shopping frequency over time, notably on Taobao/Tmall and Pinduoduo, and respondents also increased their average order size on most platforms.

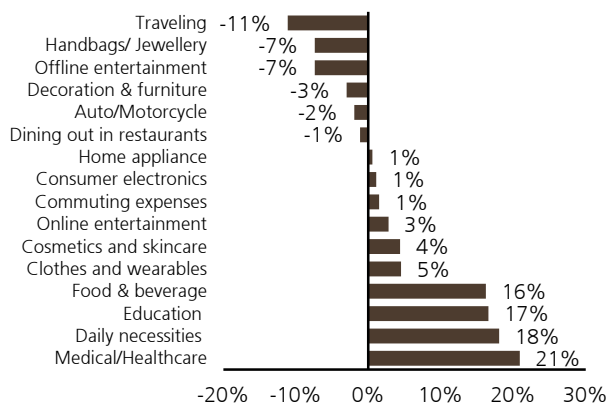
## OUR THESIS IN PICTURES

[return](#) ↑

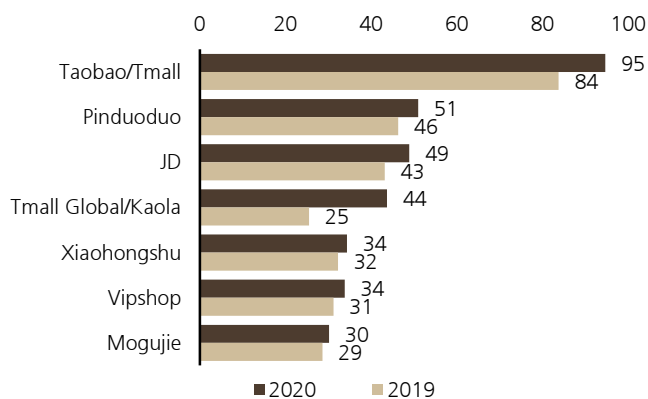
**62% of respondents decreased their consumption in the past 3 months**



**58% of respondents plan to increase consumption in the next 3 months**



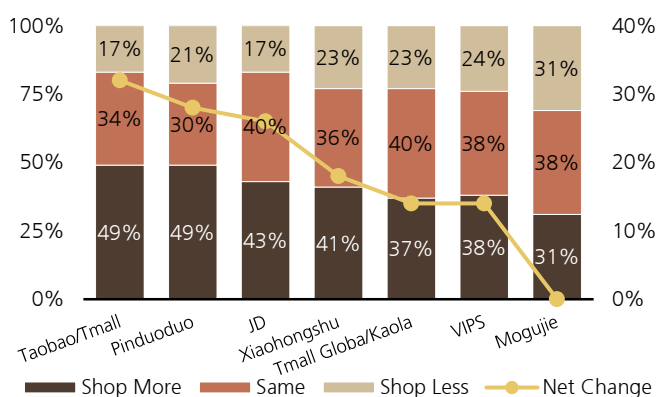
**Food and beverage, daily necessities, and healthcare see increases in spending in the next 12 months**



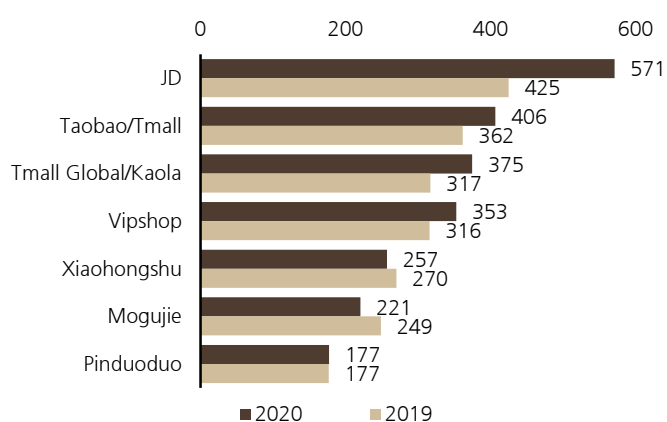
**Shopping frequency on major e-commerce platforms increased in the last year**

Source: UBS Evidence Lab, UBS estimates

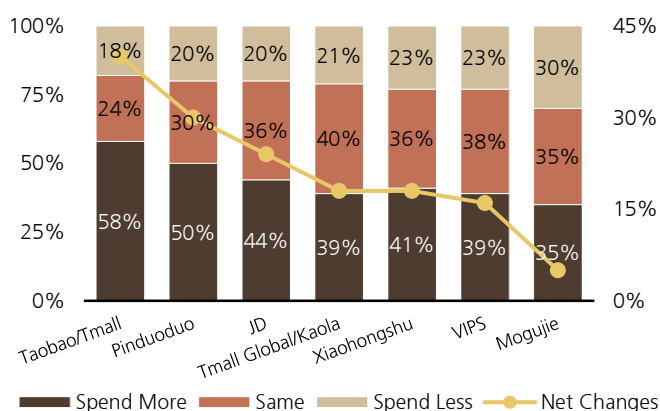
## OUR THESIS IN PICTURES

[return](#) ↑

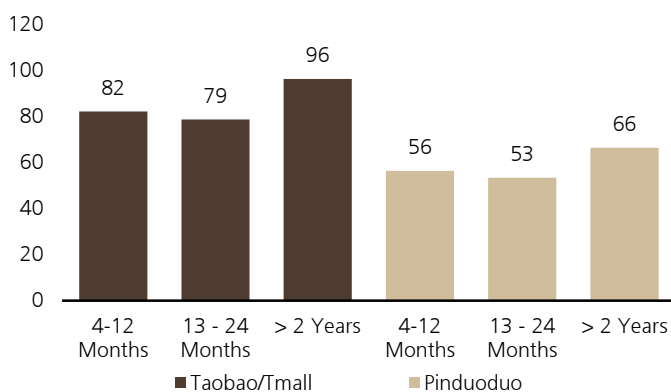
Alibaba, Pinduoduo and JD benefit the most from increases in shopping frequency in the next 12 months



Average order value increased for JD and Alibaba the most over the last year



Alibaba followed by Pinduoduo then JD also seeing increases in spending in the next 12 months



The longer users have been on Alibaba and Pinduoduo, the higher their average annual shopping frequency

Source: UBS Evidence Lab, UBS estimates

## PIVOTAL QUESTIONS

[return](#) ↑**Q: How did Covid-19 impact income and change consumption?****UBS VIEW**

We saw significant impacts to income and consumption followed by a quick rebound, but there are still lingering concerns. Our macro team expects China consumption to rebound from a decline in 1Q20 but remain flat for the full year, before seeing an 8.8% YoY growth in 2021. E-commerce and online media platforms continue to do better than offline.

Spending categories continue to diverge going forward. Daily necessities and food and beverage see significant increases in spending in the next 12 months compared to May 2020. We are also encouraged to see some growth in apparel and cosmetics spending, and continued growth in online entertainment spending.

In contrast, there is little decrease in home appliances and consumer electronics spending. However, travel, offline entertainment and luxury goods spending is declining, while dining out is flat in the next 12 months compared to today.

**EVIDENCE**

Our economist team estimates that 70-80 million workers were not working or had lost their jobs at the end of March, but this number narrowed to 15-20 million at the end of May.

UBS Evidence Lab's survey indicated that 61% of respondents expect income to increase in the next 3 months, and 11% expect their income to be higher than a year ago. Only 12% of respondents expect to increase consumption YoY compared to 43% who expect to decrease.

For the next 12 months, a greater share of respondents indicated they will increase saving (48% vs. 46% in 2019) and insurance spending (8% vs. 5%), but fewer said they would increase investments (13% vs. 23%) and consumption (4% vs. 19%).

**WHAT'S PRICED IN?**

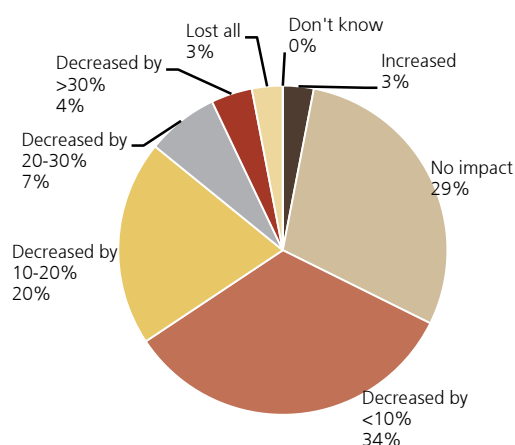
Investors have priced in higher online penetration across most categories, but there are concerns of reversion to the mean in the near term. However, the survey suggests online penetration will stay elevated in at least some categories.

**Covid-19 impact on income and consumption**

**UBS Evidence Lab's China consumer survey showed significant employment and income impact, but conditions are improving.** Only 52% of respondents resumed work in March, improving to 94% as of late May. 67% of the respondents reported a decline in income over the past 3 months, with 31% saying the decline was by more than 10%. Our macro team led by Tao Wang estimate ([note](#)) 70-80 million workers were not working or lost their jobs at the end of March but the number improved to 15-20mn by the end of May. China's unemployment rate is slightly below 6%. A larger percentage of respondents from lower tier cities, with rural hukou, who are younger and had lower income saw a

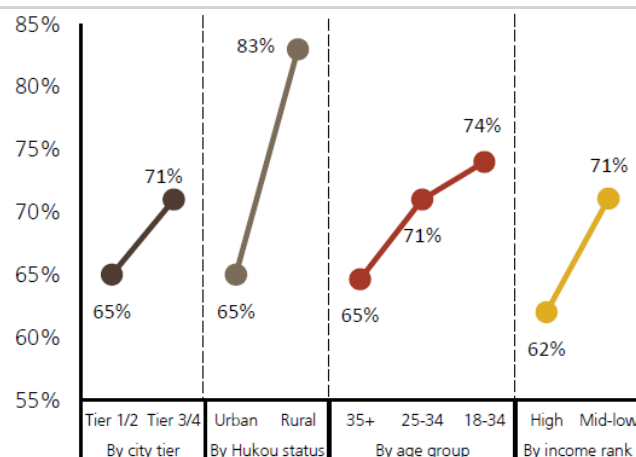
bigger loss of income compared to those in higher tier cities, with urban hukou, who are older and had higher income.

**Figure 1: Change in income in past 3 months**



Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

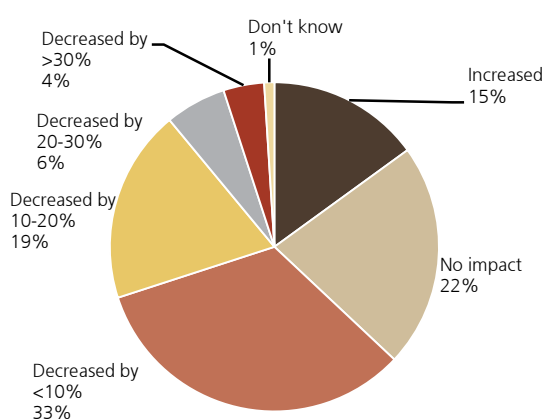
**Figure 2: Share of respondents with loss of income**



Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

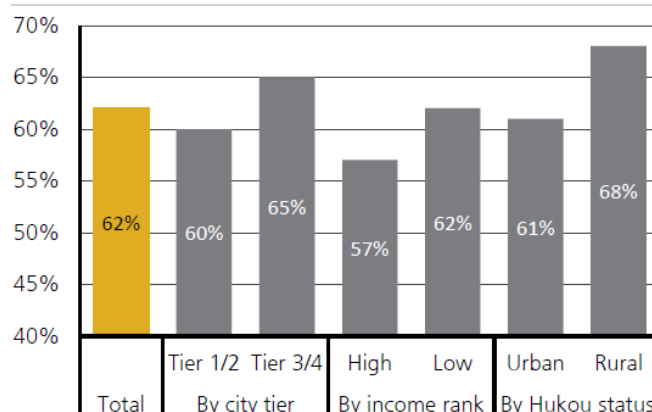
The survey indicates that only 15% of respondents consumed more over the past 3 months, compared to 62% who reduced spending. We saw the weakness in income translate into weaker consumption, as a greater share of respondents from lower tier cities, with rural hukou and lower income reduced spending. NBS household survey showed that China's 1Q household consumption per capita declined 8% YoY in nominal terms and 12.5% YoY in real terms.

**Figure 3: Change in consumption in past 3 months**



Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

**Figure 4: Share of respondents with decreasing consumption in the past 3 months**

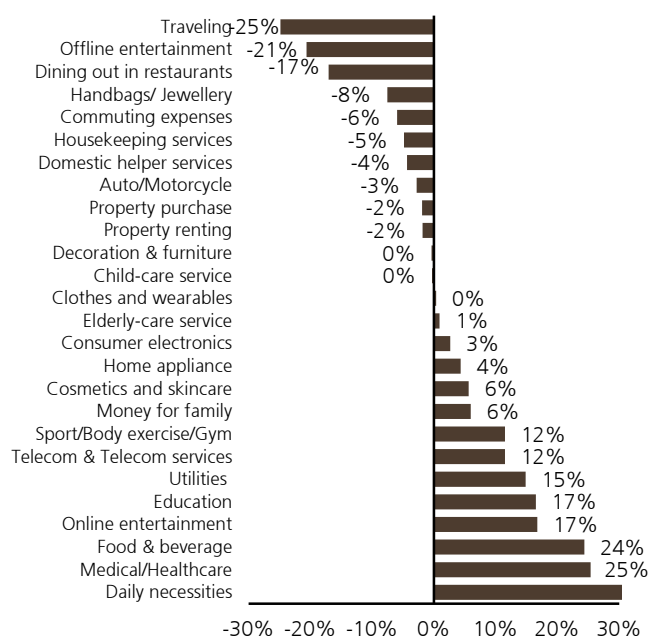


Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

**Some consumption categories were disproportionately impacted by home quarantines.** Categories that saw the biggest increase in net spending were daily necessities, medical/healthcare, and food and beverage, followed by online education and online entertainment, which benefitted online media platforms. Consumer electronics and home appliances consumption held firm over the past 3

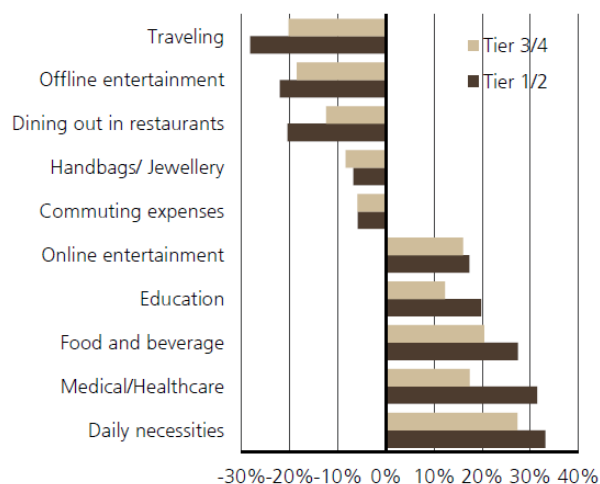
months with low single-digit net increase in spending, which explains the better than expected results from JD in 1Q20. This is also consistent with comments from JD and Alibaba, as 1Q demand was strong in supermarket categories and resilient in consumer electronics, while 2Q saw a recovery in home appliance. As expected, spending on travel, offline and dining out all saw double digit declines.

**Figure 5: Net increase of spending in past 3 months**



Source: UBS Evidence Lab, UBS estimates. ([> Access Dataset](#))

**Figure 6: Breakdown by city tier of major categories**



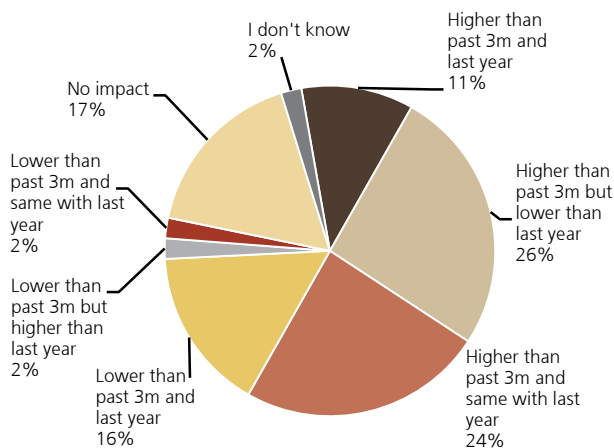
Source: UBS Evidence Lab, UBS estimates. ([> Access Dataset](#))

## Outlook on income and consumption recovery

**Survey respondents expect a strong sequential rebound in their income in the next three months.** 61% of respondents expect to see higher incomes in the next three months, with 35% confident their income can return to last year's level or higher. Consumption trends follow a similar pattern with 58% of respondents expecting to increase their consumption in the next three months. However, we believe the recovery process will be gradual on a YoY basis, as 43% of respondents expect their spending to be lower than last year's level.

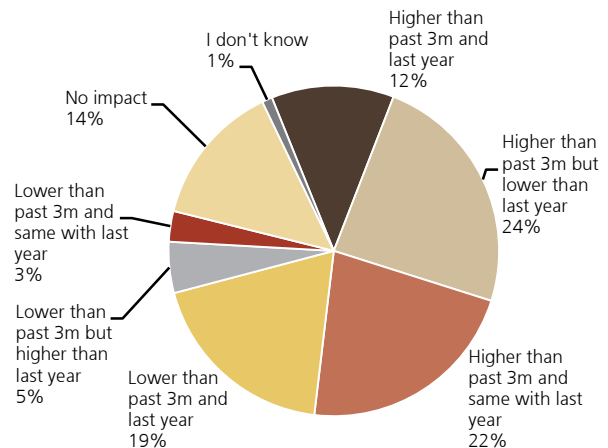


**Figure 7: Change in income in next 3 months**



Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

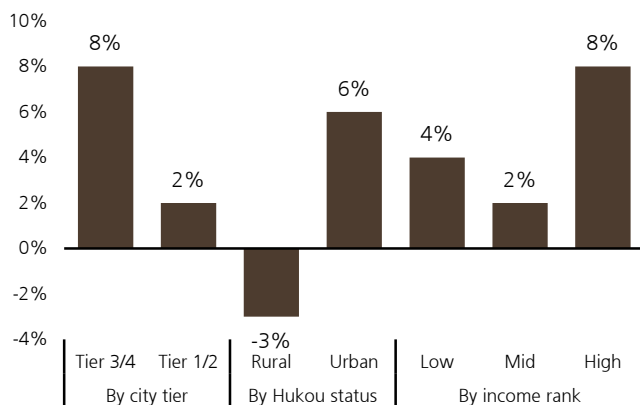
**Figure 8: Change in consumption in next 3 months**



Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

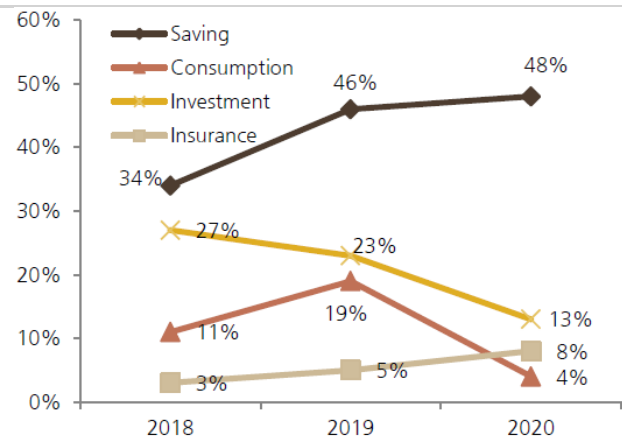
**We expect to see greater levels of saving, while consumption intentions vary greatly by city tier, hukou status and income level.** We see more respondents looking to put their residual income into savings (48% vs. 46%) and insurance (8% vs. 5%), while reducing their consumption (4% vs. 19%) and investments (13% vs. 23%) on a net basis. Our economists forecast China's consumption to rebound from 1Q20 levels in the coming months but see overall consumption flat YoY in 2020 before an 8.8% YoY growth in 2021. The only respondent cohort that reported a decline in consumption intentions for the next 12 months was respondents with rural hukou.

**Figure 9: Consumption intention for the NTM**



Source: UBS Evidence Lab, UBS estimates. ([Access Dataset](#))

**Figure 10: Net increase of income allocation in the NTM**

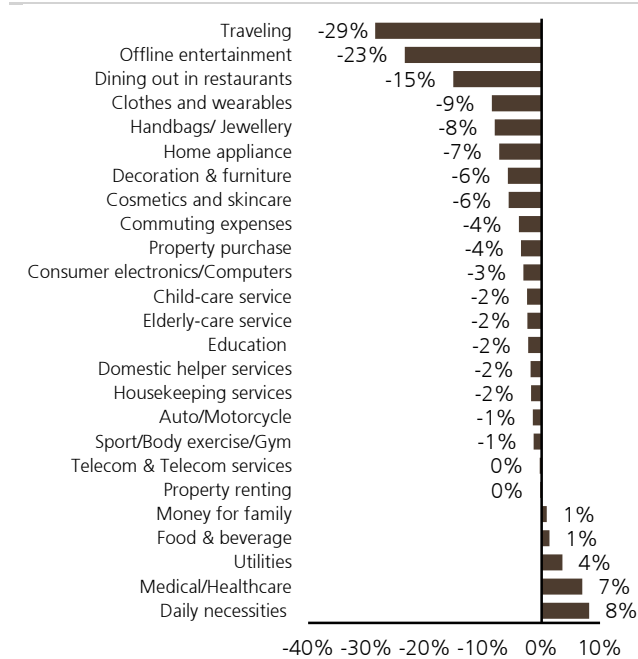


Source: UBS Evidence Lab, UBS estimates. Note: Changes equal to 2020 – 2019 numbers. ([Access Dataset](#))

**Pace of recovery differs significantly by product category.** Comparing the 2020 survey to the one a year ago, five categories saw increases in spending on a net basis, most notably daily necessities (18%), medical/healthcare (21%), and food and beverages (16%). Looking forward to the next 12 months, sport/body exercise/gym (21%) had the biggest jump in net spending, followed by some of the same categories mentioned above. Consumer electronics (1%) and clothes and

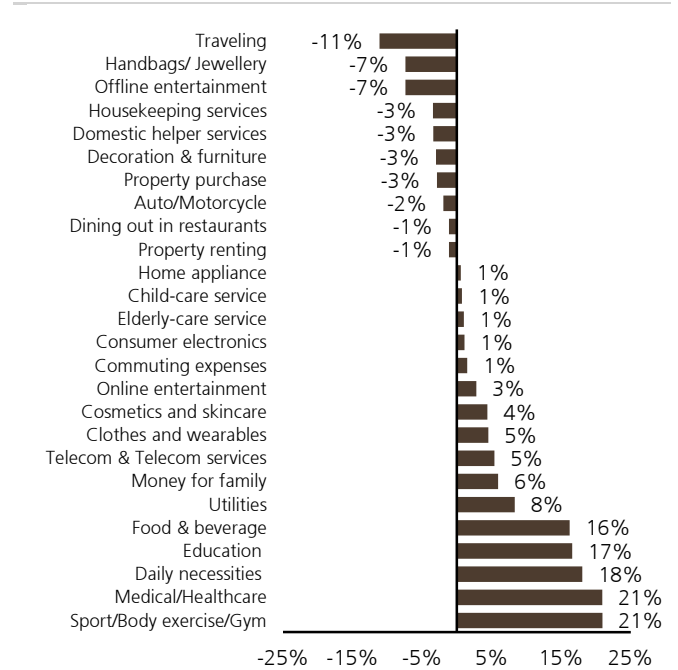
wearables (5%) saw more moderate increases. This could bring outsized benefits to JD, who is the largest online platform for FMCG and food. Weakness in leisure and discretionary spending such as traveling (-11%) and handbags/jewelry (-7%) is expected to continue over the next 12 months.

**Figure 11: Changes versus 2019 survey**



Source: UBS Evidence Lab, UBS estimates. Note: Changes equal to 2020 – 2019 numbers. ([> Access Dataset](#))

**Figure 12: Change in spending in the NTM**



Source: UBS Evidence Lab, UBS estimates. ([> Access Dataset](#))

## PIVOTAL QUESTIONS

[return](#) ↑**Q: Is there upside to e-commerce growth from here?****UBS VIEW**

Yes, the survey makes us more bullish on most e-commerce platforms, including Alibaba, JD, Pinduoduo and Vipshop. Respondents indicated they will increase shopping frequency on all the major platforms in the survey, and most platforms also see growth in spending per order. Platforms that offer a wider range of products fared better in the survey than niche platforms that are vertically focused.

We also analyzed shopping frequency by vintage (when users joined the platform). The results were positive for Alibaba, and particularly encouraging for Pinduoduo.

In 2H20 or 2021, online penetration may dip as consumers return to offline somewhat. But this survey and our recent work make us more confident online penetration will steady increase in the next few years, and at least plateauing close to 40% driven by higher shopping frequency and order size.

**EVIDENCE**

UBS Evidence Lab's survey showed that Taobao/Tmall (66%), Pinduoduo (53%) and JD (49%) had the largest share of respondents who increased shopping frequency compared to 12 months ago.

The same three platforms also had the largest share of respondents who said they would increase spending over the next 12 months: Taobao/Tmall (58%), Pinduoduo (50%) and JD (44%).

The survey also revealed that shoppers who have been on Taobao/Tmall for 2 years shopped 96x per year, compared to 82x who joined in the last 4-12 months. For Pinduoduo, the numbers were 66x and 56x respectively.

**WHAT'S PRICED IN?**

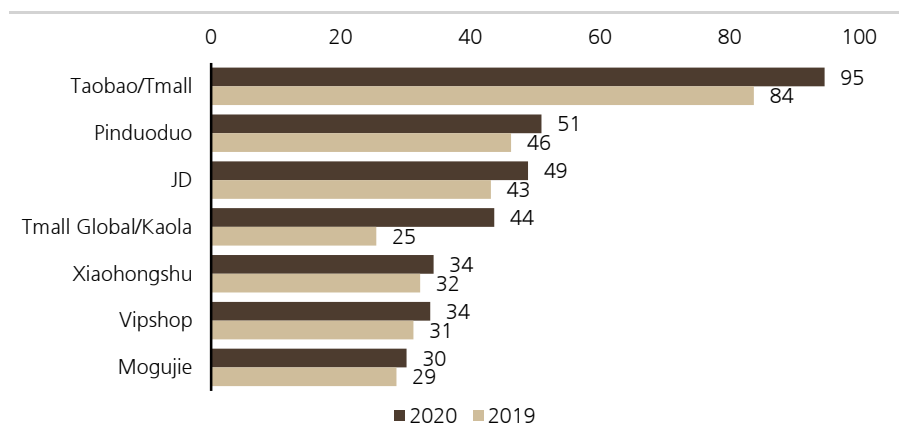
Investors have turned more positive on most e-commerce names since Covid-19, but struggle with long term market growth and share, as they try to differentiate the platforms and extrapolate their strengths and weaknesses today.

**E-commerce benefitting from higher online shopping frequency**

**UBS Evidence Lab's online consumption survey was positive for e-commerce platforms overall.** All major Chinese e-commerce platforms recorded increases in shopping frequency compared to five month ago. Taobao/Tmall saw the biggest jump as respondents shopped on the platform an average of 95 times a year, up from 84 times five months ago. Note the frequency reflected in the survey is likely higher than overall Taobao/Tmall due to the skew towards more tech savvy consumers, but we believe the relative trends are indicative. In general, platforms that offer a wider range of products, including JD and Pinduoduo, saw

greater increases in shopping frequency than platforms that are more vertically focused, like Vipshop and Xiaohongshu.

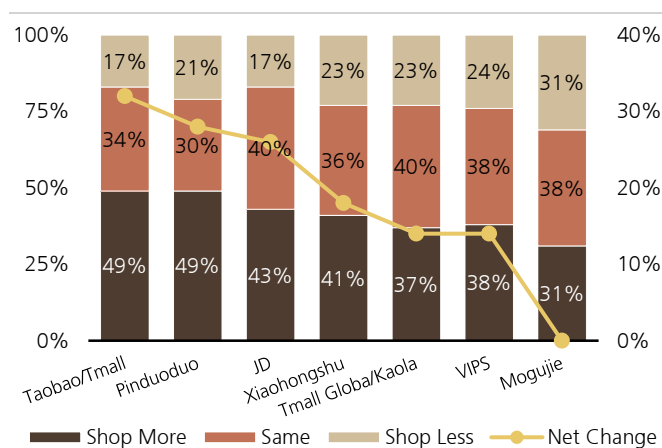
**Figure 13: Shopping frequency for e-commerce platforms per year**



Source: UBS Evidence Lab. Note: 2019 doesn't include Tmall Global. (>[Access Dataset](#))

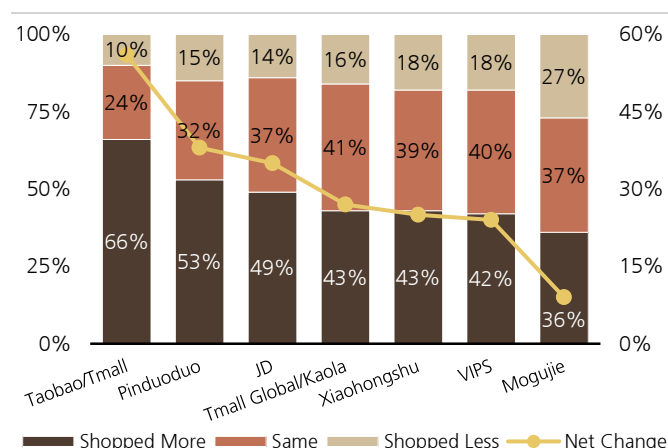
**In terms of platforms, the big continue to get bigger.** Alibaba (49%), Pinduoduo (49%) and JD (43%) ranked highest in terms of platforms where respondents plan to increase spending. Alibaba and JD have strengthened their presence in supermarket categories, and Pinduoduo's focus on agricultural and value-oriented goods are driving higher spending, in our view, which is consistent with the above survey data on spending changes by product category. Xiaohongshu (Little Red Book) also ranked well in the survey among the rest of the platforms.

**Figure 14: Changes in shopping frequency for the NTM**



Source: UBS Evidence Lab. Note: Net change is (those who will shop more frequently) – (those who will shop less frequently). (>[Access Dataset](#))

**Figure 15: Changes of shopping frequency versus LTM**



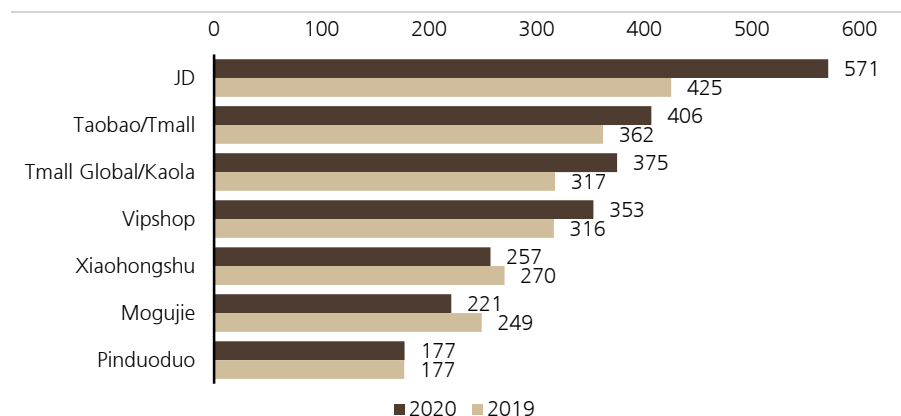
Source: UBS Evidence Lab. Note: Net change is (those who will shop more frequently) – (those who will shop less frequently). (>[Access Dataset](#))

## Not all platforms saw higher spending per order

**While shopping frequency improved for all platforms, average spending per order varied.** JD saw the biggest increase in spending per order, followed by Alibaba. We believe JD's 1P retail market place was popular with consumers post Covid-19. It likely benefitted from consumers upgrading PCs, laptops and

smartphones as they work and study from home, and its ability to expand into FMCG and food categories likely help as well. Alibaba's Taobao/Tmall and cross border businesses also increased spending per order. But Xiaohongshu and Mogujie saw their average spending per order decline over the last 5 months as consumers reduced their net spending on apparel and cosmetics. Pinduoduo's average spending remained stable, as we believe the large amount of new users likely dragged down any improvements in spending of existing users.

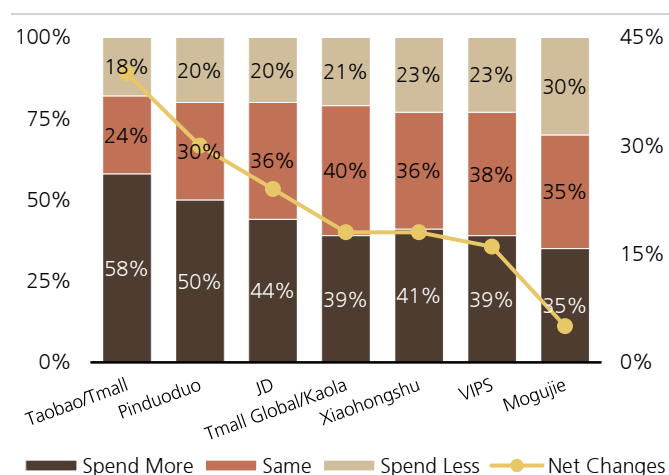
**Figure 16: Average spending per order on the platform**



Source: UBS Evidence Lab. Note: All respondents who purchased on the platform at least once every 2-3 month. ([Access Dataset](#))

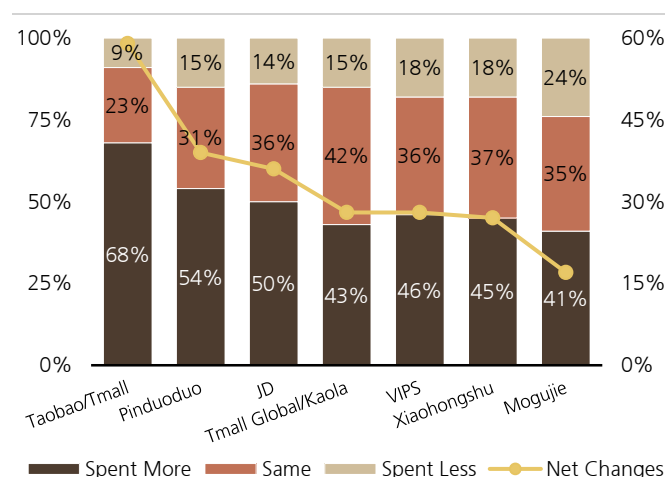
**Spending per order on each platform in the NTM mirrored the changes to shopping frequency.** All platforms registered a net positive in spending for the NTM, but Alibaba (40%), JD (24%) and PDD (30%) were the biggest benefactors as they best capture the changing consumer demands. We do note that the survey skews towards shoppers in higher tier city, where shoppers tend to earn more and spend more.

**Figure 17: Changes in spending for the NTM**



Source: UBS Evidence Lab. Note: Net change is (those who will shop more frequently) – (those who will shop less frequently). ([Access Dataset](#))

**Figure 18: Changes in spending compared versus LTM**



Source: UBS Evidence Lab. Note: Net change is (those who will shop more frequently) – (those who will shop less frequently). ([Access Dataset](#))

## Shopping frequency by user cohort positive for Taobao and Pinduoduo

**Taobao/Tmall and Pinduoduo both saw increases in shopping frequency from users who joined earlier.** UBS Evidence Lab survey showed that consumer shopping frequency on Taobao/Tmall and Pinduoduo tend to drop after the initial few months then rebounded. We believe consumers who just joined a platform tend to have more immediate consumption needs, or find more high and low frequency items to purchase. In the long run, shopping frequency increases again because consumers build more trust with the platform, the platforms offer more product categories or variety, and/or social, gaming and other content features draw the consumers back more often.

**We are incrementally more positive on Alibaba and Pinduoduo based on this analysis.** As user growth slows for both Alibaba and Pinduoduo over the next few years as they penetrate most of the mobile internet users in China, GMV growth will be the main growth driver. While growth in spending per order is also a positive, we believe shopping frequency is likely the bigger growth driver. We estimate Pinduoduo shopping frequency is just over half of Taobao/Tmall this year. Therefore we have more conviction in our Pinduoduo forecasts over the next few years if its per active customer frequency can reach 2/3 of Taobao/Tmall or more, as reflected in this survey.

**Figure 19: Taobao/Tmall shopping frequency**

	3 months	4-12 months	13 to 24 months	> 2 years
Everyday	9%	1%	3%	5%
4-5 times a week	14%	11%	8%	10%
2-3 times a week	26%	25%	21%	25%
Once a week	17%	16%	22%	21%
2-3 times a month	21%	23%	25%	26%
Once a month	7%	9%	14%	7%
Once every 2-3 months	6%	14%	6%	5%
Weighted Mean	116x	82x	79x	96x

Source: UBS Evidence Lab. Note: X-axis is how long ago the user first joined the platform; Y-axis is how frequently they shopped on the platform. Weighted mean is how many times per year. (>[Access Dataset](#))

**Figure 20: Pinduoduo shopping frequency**

	3 months	4-12 months	13 to 24 months	> 2 years
Everyday	4%	2%	1%	4%
4-5 times a week	8%	6%	4%	4%
2-3 times a week	19%	14%	12%	18%
Once a week	15%	14%	17%	19%
2-3 times a month	28%	24%	30%	21%
Once a month	15%	21%	19%	18%
Once every 2-3 months	12%	20%	15%	17%
Weighted Mean	80x	56x	53x	66x

Source: UBS Evidence Lab. Note: X-axis is how long ago the user first joined the platform; Y-axis is how frequently they shopped on the platform. Weighted mean is how many times per year. (>[Access Dataset](#))

**JD's shopping frequency plateaued after 3 months while Vipshop saw steady declines.** While we are more positive on both JD and Vipshop than the last survey in 2018, we believe both still suffer from having less product variety compared to Alibaba and Pinduoduo. In particular, consumers tend to repurchase electronics and home appliances much less frequently than apparels and cosmetics. However, JD's shopping frequency should improve as its FMCG and fresh food categories gain scale. We believe Vipshop's shopping frequency could also improve as it works with more brands and gains more SKUs post Covid-19, as retailers are under pressure to clear inventory.

**Figure 21: JD shopping frequency**

	3 months	4-12 months	13 to 24 months	> 2 years
Everyday	5%	1%	1%	1%
4-5 times a week	8%	5%	6%	3%
2-3 times a week	16%	16%	12%	13%
Once a week	22%	17%	15%	18%
2-3 times a month	21%	24%	25%	28%
Once a month	15%	17%	23%	23%
Once every 2-3 months	12%	19%	18%	15%
Weighted Mean	81x	58x	53x	50x

Source: UBS Evidence Lab. Note: X-axis is how long ago the user first joined the platform; Y-axis is how frequently they shopped on the platform. Weighted mean is how many times per year. (>[Access Dataset](#))

**Figure 22: VIPS shopping frequency**

	3 months	4-12 months	13 to 24 months	> 2 years
Everyday	3%	0%	1%	0%
4-5 times a week	8%	5%	1%	2%
2-3 times a week	19%	16%	11%	7%
Once a week	20%	12%	15%	15%
2-3 times a month	23%	24%	24%	28%
Once a month	16%	23%	18%	18%
Once every 2-3 months	12%	20%	30%	30%
Weighted Mean	75x	50x	39x	33x

Source: UBS Evidence Lab. Note: X-axis is how long ago the user first joined the platform; Y-axis is how frequently they shopped on the platform. Weighted mean is how many times per year. (>[Access Dataset](#))

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***\*UBS Evidence Lab** is a sell-side team of experts, independent of UBS Research, that work across 12 practice areas and 45 specialized labs creating insight-ready datasets. The experts turn data into evidence by applying a combination of tools and techniques to harvest, cleanse, and connect billions of data items each month. Since 2014, UBS Research Analysts have utilized the expertise of UBS Evidence Lab for insight-ready datasets on companies, sectors, and themes, resulting in the production of over 6,000 differentiated UBS Research reports. UBS Evidence Lab does not provide research, investment recommendations, or advice, but provides insight-ready datasets for further analysis by UBS Research and by clients.*

This is the fifth wave of the China Mobile Payment Consumer Survey. UBS Evidence Lab conducted an online survey of 1,991 consumers aged from 18 to 54 years old across mainland China. Fieldwork took place from 8th of April to 22nd of April in 2020. To qualify for the survey, respondents had to make payment for product or service purchases and/ or make money transfer via smartphone mobile app in the past 3 months. Survey invites were sent to consumers via online access panels. This report leverages the following UBS Evidence Lab asset: China Mobile Payment Consumer Survey.

## **Valuation Method and Risk Statement**

We use sum-of-the parts and DCF methodologies to derive our price targets for companies in the China internet sector.

We believe the key risks for China's internet sector include: 1) an evolving competitive landscape and intensifying competition; 2) fast-moving trends in technology as well as internet users' requirements and preferences; 3) uncertain monetisation; 4) the rising cost of traffic acquisitions, content and brand promotions; 5) the upkeep of IT systems; 6) expansion into international markets; 7) adverse changes in market sentiment; and 8) regulatory risks.



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12-Month Rating	Definition	Coverage <sup>1</sup>	IB Services <sup>2</sup>
Buy	FSR is > 6% above the MRA.	49%	32%
Neutral	FSR is between -6% and 6% of the MRA.	39%	30%
Sell	FSR is > 6% below the MRA.	13%	20%
Short-Term Rating	Definition	Coverage <sup>3</sup>	IB Services <sup>4</sup>
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 30 June 2020.

1: Percentage of companies under coverage globally within the 12-month rating category.

2: Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

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**UBS AG Hong Kong Branch:** Jerry Liu; Curtis Li; Tao Wang. **UBS Securities Co. Limited:** Wei Xiong.

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Company Name	Reuters	12-month rating	Short-term rating	Price	Price date
<b>Alibaba Group</b> <sup>2, 4, 7, 16a, 16b</sup>	BABA.N	Buy	N/A	US\$248.58	14 Jul 2020
<b>Ecmoho Limited</b> <sup>2, 4, 6a, 16b</sup>	MOHO.O	Neutral	N/A	US\$2.33	14 Jul 2020
<b>JD.com</b> <sup>2, 4, 5, 6a, 6b, 7, 16a, 16b</sup>	JD.O	Buy	N/A	US\$62.13	14 Jul 2020
<b>Pinduoduo Inc</b> <sup>2, 4, 6a, 13, 16b</sup>	PDD.O	Buy	N/A	US\$87.33	14 Jul 2020
<b>Vipshop</b> <sup>16b</sup>	VIPS.N	Neutral	N/A	US\$21.19	14 Jul 2020

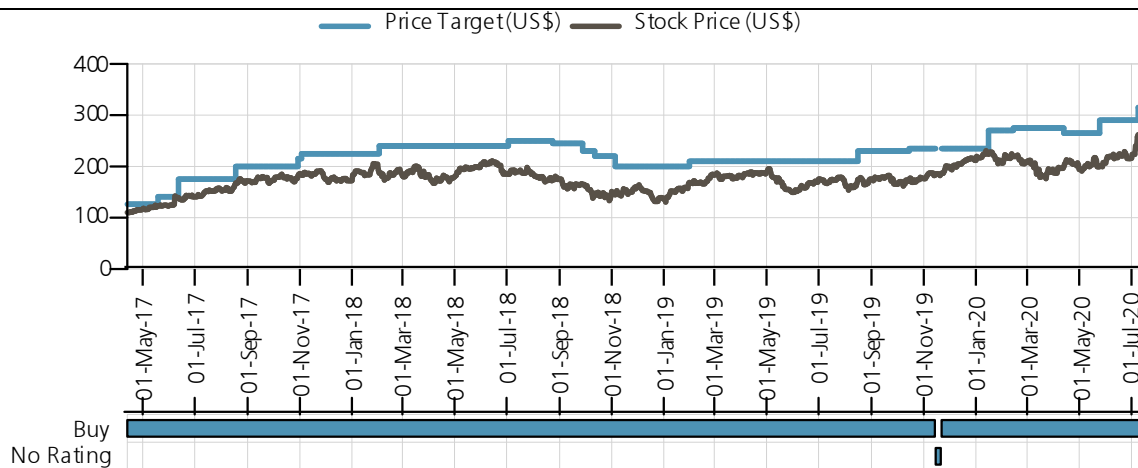
Source: UBS. All prices as of local market close.

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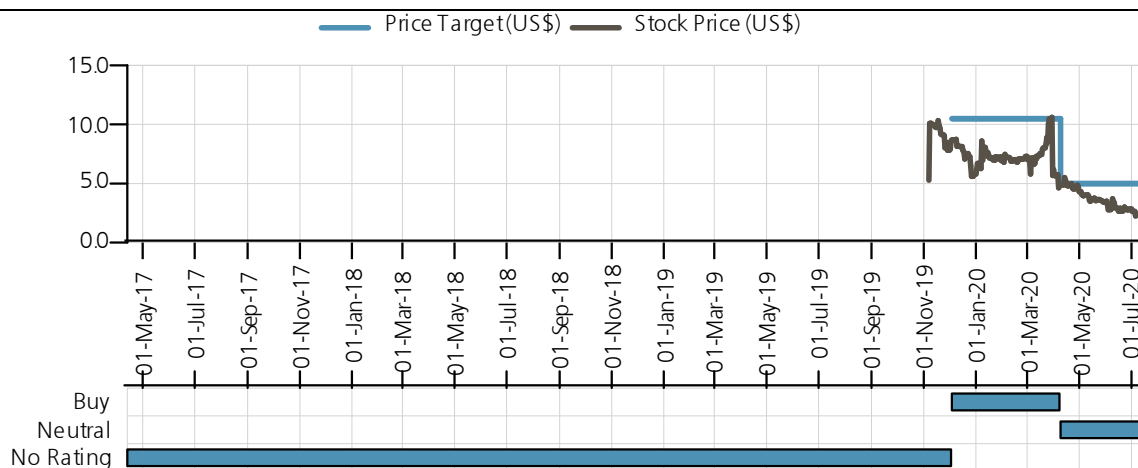
## Alibaba Group (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2017-04-13	110.21	126.0	Buy
2017-05-19	123.22	141.0	Buy
2017-06-12	139.08	175.0	Buy
2017-08-18	167.5	200.0	Buy
2017-10-30	181.58	215.0	Buy
2017-11-03	183.21	225.0	Buy
2018-02-02	187.31	240.0	Buy
2018-07-03	184.75	250.0	Buy
2018-08-24	174.23	245.0	Buy
2018-09-28	164.76	230.0	Buy
2018-10-12	147.29	220.0	Buy
2018-11-05	144.64	200.0	Buy
2019-01-31	168.49	210.0	Buy
2019-08-16	174.6	230.0	Buy
2019-10-15	175.29	235.0	Buy
2019-11-15	185.49	-	No Rating
2019-11-22	186.78	235.0	Buy
2020-01-16	223.94	270.0	Buy
2020-02-14	219.63	275.0	Buy
2020-04-13	199.44	265.0	Buy
2020-05-25	199.7	290.0	Buy
2020-07-09	261.58	315.0	Buy

Source: UBS; as of 14 Jul 2020

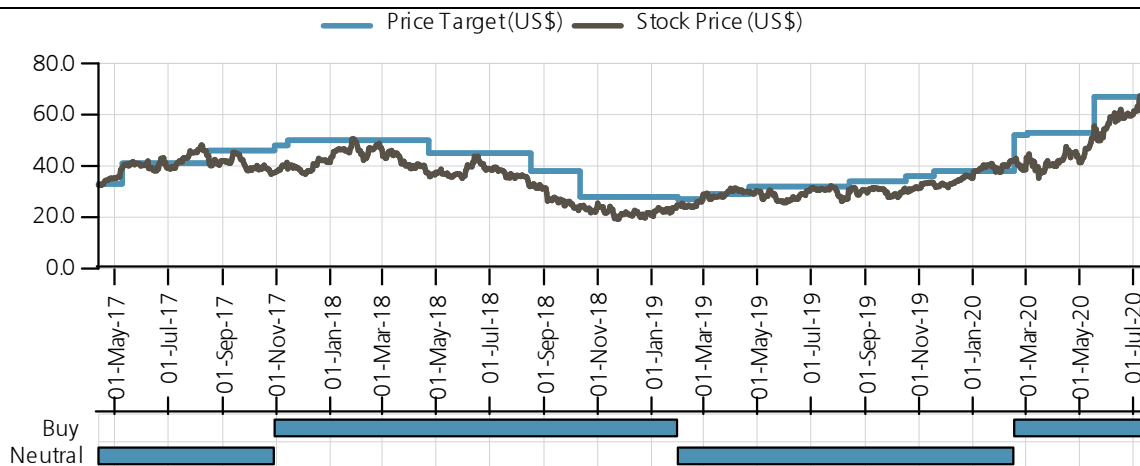
## Ecmoho Limited (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2017-04-13	NaN	-	No Rating
2019-12-04	8.69	10.5	Buy
2020-04-09	4.89	5.0	Neutral

Source: UBS; as of 14 Jul 2020

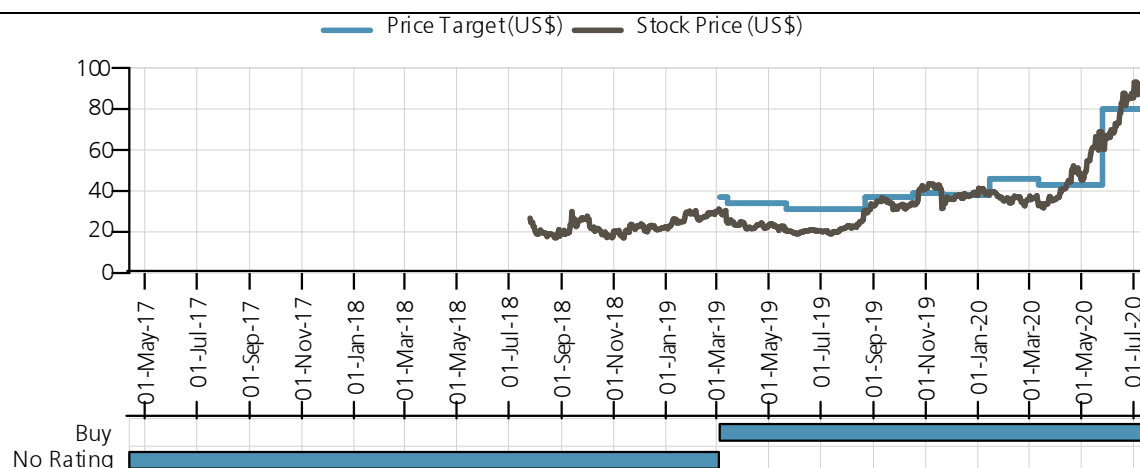
#### JD.com (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2017-04-13	32.47	33.0	Neutral
2017-05-10	39.32	41.0	Neutral
2017-08-16	43.65	46.0	Neutral
2017-10-30	37.42	48.0	Buy
2017-11-14	38.9	50.0	Buy
2018-04-23	37.0	45.0	Buy
2018-08-17	32.22	38.0	Buy
2018-10-12	24.45	28.0	Buy
2019-01-31	24.85	27.0	Neutral
2019-03-01	28.73	29.0	Neutral
2019-04-22	29.65	32.0	Neutral
2019-08-14	29.63	34.0	Neutral
2019-10-17	30.74	36.0	Neutral
2019-11-18	32.8	38.0	Neutral
2020-02-17	41.97	52.0	Buy
2020-03-03	41.46	53.0	Buy
2020-05-18	55.53	67.0	Buy

Source: UBS; as of 14 Jul 2020

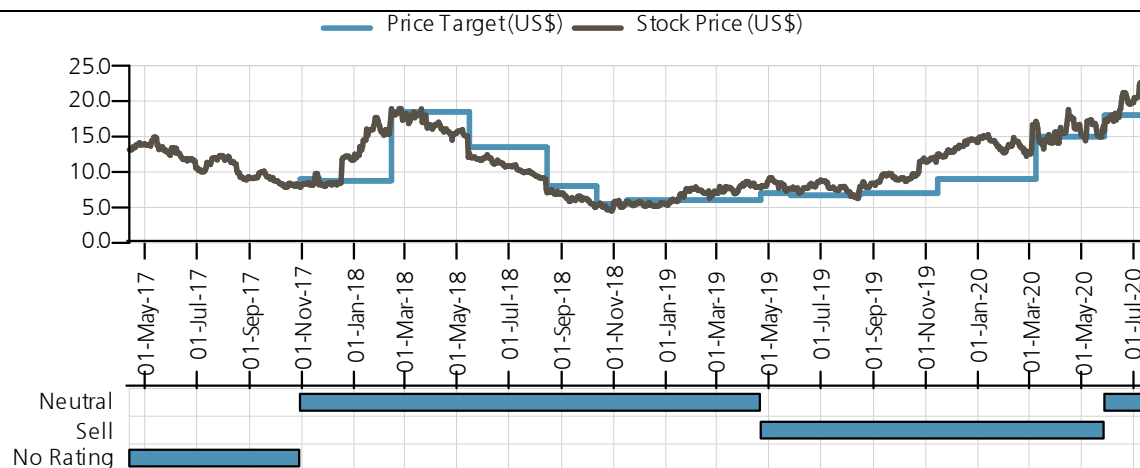
## Pinduoduo Inc (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2017-04-13	NaN	-	No Rating
2019-03-05	30.78	37.0	Buy
2019-03-14	24.39	34.0	Buy
2019-05-22	20.46	31.0	Buy
2019-08-22	30.59	37.0	Buy
2019-10-17	34.2	39.0	Buy
2019-11-21	31.58	38.0	Buy
2020-01-15	38.67	46.0	Buy
2020-03-12	32.81	43.0	Buy
2020-05-26	64.89	80.0	Buy

Source: UBS; as of 14 Jul 2020

## Vipshop (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2017-04-13	13.15	-	No Rating
2017-10-30	7.87	9.0	Neutral
2017-11-22	8.44	8.75	Neutral
2018-02-14	18.92	18.5	Neutral
2018-05-16	12.66	13.5	Neutral
2018-08-15	7.09	8.0	Neutral
2018-10-12	5.41	5.5	Neutral
2018-11-16	5.84	6.0	Neutral
2019-04-22	7.76	7.0	Sell
2019-05-27	7.65	6.7	Sell
2019-08-16	7.91	7.0	Sell
2019-11-15	12.5	9.0	Sell
2020-03-09	17.13	15.0	Sell
2020-05-28	15.77	18.0	Neutral

Source: UBS; as of 14 Jul 2020

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