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BUSINESS

A shares off to roaring New Year start

Insurers see strongest rally of 6.72% on first trading day, chips jump 4.18%

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As the benchmark Shanghai Composite Index finished above the 4,000-point level on the first trading day of 2026, the upward momentum is likely to continue in the A-share market throughout the year, which is backed by self-reliant technology advancement and continued recovery in economic fundamentals, said experts on Monday.

Their comments came after the benchmark index closed 1.38 percent higher at 4,023.42 on Monday, while the Shenzhen Component Index gained 2.24 percent. The tech-heavy ChiNext board in Shenzhen jumped 2.85 percent. Combined trading value at the Shanghai and Shenzhen exchanges totaled 2.5 trillion yuan ($360 billion), up 500 billion yuan from the previous trading day.

Insurance companies reported the strongest rally on Monday, surging 6.72 percent on average. The semiconductor sector also jumped 4.18 percent.

Experts from China Galaxy Securities explained that the recent rally in the Hong Kong market, which occurred during the New Year holiday break of A shares, coupled with the recent strengthening of the renminbi in the foreign exchange market, has boosted investor confidence.

Analysts from Founder Securities said that breakthroughs to be anticipated in emerging industries — such as commercial spaceflight, artificial intelligence, brain-computer interface and nuclear fusion — will further propel the A-share rally as 2026 plays out.

Foreign institutions hold a positive outlook on the A-share performance this year.

Goldman Sachs' chief China equity strategist, Kinger Lau, and his team wrote in a report in late December that China's major indexes still have room for 38 percent growth by the end of 2027, with companies' improving profitability to be a major driver.

Meng Lei, a China equity strategist of UBS Securities, said that profitability growth, which came at 6 percent in 2025, is likely to further rise to 8 percent this year.

UBS Global Wealth Management Chief Investment Office wrote in a note at the end of 2025 that about 7 trillion yuan of Chinese household excess savings may flow into the stock market this year, sustaining the upward trend.

JPMorgan said in a forecast that the CSI 300 Index, which monitors the 300 A-share heavyweights, may touch 5,200 points at the end of this year. Morgan Stanley sets a target of 4,840 points for the same index, which stood at 4,717.75 points on Monday.

According to experts from Shenwan Hongyuan Securities, the readings of China's purchasing managers' index in December grew beyond seasonal improvements, which further trims the downward possibility of the A-share market this coming spring.

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>
> **Zhang Xia,** chief strategy analyst at China Merchants Securities

The A-share market will prepare itself for an overall bull run this year. The RMB's recent stronger-than-expected appreciation has strengthened the global market's understanding of the competitiveness of the Chinese manufacturing sector, which may trigger the accelerated return of foreign capital into A shares, they said.

Zhang Xia, chief strategy analyst at China Merchants Securities, said that the odds are high for the A-share market to stage a bullish performance this spring. The issuance of local government special bonds and central budgetary investments are likely to speed up. "Government expenditure and investment data are likely to improve, which will lead to marginal recovery in economic fundamentals," Zhang said.

Xia Fanjie, a strategist at CSC Financial Co Ltd, said that market liquidity and foreign exchange performance during this year's New Year holiday were significantly better than during the previous two years. The amiable external market may lead to an A-share bull shortly after the holiday.

The overall relaxed credit environment in China is conducive to extending the bullish performance for a longer period. Investor sentiment remains high. Opportunities may be churned out in industries with higher industry prospects, including nonferrous metals and AI, as well as hot market topics such as commercial spaceflight and nuclear power, Xia said.

The Shanghai Composite Index jumped 18.3 percent in 2025, while the Shenzhen Component Index surged 30.62 percent. The ChiNext spiked 51.42 percent last year.

Qiu Xiang, chief A-share market strategist of CITIC Securities, said a noticeable structural bull took shape in the A-share market last year.

The market has reevaluated China's self-reliant technology capabilities, the resilience of external demand amid a complicated global trade environment and the surging demand for AI reasoning. While upward momentum is a major theme, fluctuations may not be avoided in the A-share market as the new year begins, Qiu said.

Ready to roll

An employee of Tianjin LNG Terminal (PipeChina) inspects a facility on Monday to prepare for its first shipment of liquefied natural gas this year. DU PENGHUI / XINHUA

A Simcere employee arranges products at a production facility in Haikou, Hainan province.
SUN SHIJIE / FOR CHINA DAILY

Simcere eyes growing pharma niche

By ZHONG NAN
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Simcere Pharmaceutical Group Ltd, a Nanjing, Jiangsu province-headquartered drugmaker, plans to expand its global presence over the next five years, sharpening its focus on neuroscience, oncology and other core therapies to tackle major unmet medical needs, notably neurodegenerative diseases, said a senior executive.

The company, with more than 6,500 employees globally, has identified central nervous system conditions — including strokes, insomnia, Alzheimer's disease and Parkinson's disease — as among the largest unmet medical needs in China, where patient demand remains substantial.

Zhou Gaobo, Simcere's chief investment officer, said while a number of innovative therapies are already available overseas, China still has relatively few homegrown innovations in this field, making the development of truly novel drugs both challenging and resource-intensive.

As part of its strategy to introduce globally innovative medicines to the domestic market, Simcere partnered with pharmaceutical companies from Europe and the United States in recent years, bringing several therapies into China.

The company secured approval in June from China's National Medical Products Administration for Quviviq, a sleep medication owned by Swiss biotech firm Idorsia Ltd, for adult patients with insomnia characterized by difficulties with sleep onset or maintenance.

Simcere also reached an agreement with Idorsia to update the terms of the licensing arrangement for Quviviq in China, further strengthening the partnership and supporting the drug's commercial rollout in the domestic market.

Julien Gander, executive vice-president and chief legal and corporate development officer at Idorsia, said China has always been a key market for the Swiss company, and its role is becoming increasingly critical.

"Beyond being one of the world's largest pharmaceutical markets, China has become an increasingly dynamic environment for scientific innovation," said Gander, noting that the speed of clinical development, the quality of infrastructure and the capability of local teams are all critical factors that make the country a priority market.

As 2025 marked the 75th anniversary of the establishment of diplomatic relations between China and Switzerland, he said that the partnership between Idorsia and Simcere illustrates how win-win cooperation can be achieved.

Similar views were expressed by Martine Clozel, Idorsia's executive vice-president and chief scientific officer. "We have long cooperated with Chinese partners across multiple stages of drug development — from sourcing building blocks and preparing for preclinical work to advancing into clinical trials," Clozel said.

"This is not new to us," she said. "What is new is the acceleration of activity in China, which has now become truly significant. For instance, the production of Quviviq in China can have global implications — and that is something we greatly value."

Zhou from Simcere said that in addition to staying firmly committed to its dual-track strategy of strategic partnerships and in-house research and development, the company will continue to scout globally for high-quality assets — particularly late-stage candidates — and seek development and commercialization rights in China.

Beyond running a raw material medicine base in Jiangsu, the company also manufactures preparation products in Hainan province.

Zhou said the rollout of islandwide special customs operations at Hainan Free Trade Port in mid-December will unlock new opportunities for deepening economic and technical cooperation between Chinese firms and multinational companies, especially in the areas of healthcare, manufacturing and business services.

Over the past five years, Simcere has consistently invested about 25 to 30 percent of its annual revenue in research and development, with total innovation spending approaching 9 billion yuan ($1.28 billion).

The investment has covered both in-house innovation and significant expenditures related to the in-licensing of overseas products. It has also included early-stage research outlays abroad, such as the establishment of the company's innovation center in Boston, the US, as part of its broader drive to strengthen global innovation capabilities.

Between 2016 and 2020, the Chinese pharma firm launched one innovative drug, while seven were brought to market between 2021 and 2025, highlighting an acceleration in innovation and development output.

Spring Festival shopping shows new trend

By WANG ZHUOQIONG
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As the country prepares for its longest-ever Spring Festival holiday, consumer priorities are shifting from symbolic spending toward emotional well-being, practical experiences and more personal expressions of tradition, according to a report by consultancy Mintel Group.

The report on Spring Festival consumption found that the nine-day holiday will continue to center on family reunions, but with growing emphasis on self-care, intergenerational relationship quality and modernized ways of celebrating.

Despite the festive atmosphere, 74 percent of respondents said they feel anxious about the Spring Festival holiday, with health-related concerns — including disrupted diets and sleep. Younger consumers increasingly view the holiday as a period for physical and mental adjustment rather than obligation-heavy socializing.

That mindset is fueling demand for convenience-oriented solutions, including pre-made meals and more flexible celebration formats such as smaller or even solo gatherings, said the report.

Cross-generational reunions remain mainstream, with nearly half of respondents planning to return to their hometowns. However, younger people are reshaping family interactions through creative and tech-enabled activities.

Mintel data show that consumers aged 18 to 29 are keen on using smart home devices, pet-related gifts and family games to encourage older family members to engage with modern Spring Festival customs. Social media-driven trends such as DIY family photos and AI-powered costume changes reflect a desire for co-created moments rather than one-way rituals.

Travel is another major growth area. The proportion of people traveling during Spring Festival has risen sharply compared with 2021, led by consumers aged 30 to 39.

Domestically, warm coastal destinations such as Sanya in Hainan province and Xiamen, Fujian province, and culturally rich cities including Xi'an of Shaanxi province and Quanzhou of Fujian are most popular. Overseas, Chinese-speaking or culturally familiar destinations — Hong Kong, Macao, South Korea and Southeast Asia — are preferred.

Gift-giving behavior is also evolving. Recipient preferences and health considerations have overtaken prestige as the top decision factors, while instant delivery and convenience are increasingly important, particularly among post-90s consumers. Membership-based supermarkets such as Sam's Club are gaining share, with their usage rising to 41 percent in 2025 from 28 percent a year earlier. Beauty and personal care products have emerged as popular last-minute gifts.

With Spring Festival now recognized as a UNESCO Intangible Cultural Heritage, traditional customs are becoming a fresh driver of the experience economy. More than 40 percent of high-income consumers expressed interest in activities such as temple fairs.

Brands, Mintel said, need to move beyond "prestige consumption" and focus instead on meaningful communication — offering solutions that combine emotional value with real-life scenarios such as travel, gifting and at-home experiences.

For example, the LEGO Group is expanding its Spring Festival product lineup in 2026 with new sets including the Galloping Horse Canvas and Fortune Master sets, both built around zodiac imagery and traditional festive customs.

"The depth of Chinese New Year culture lies not in the number of symbols, but in its continuity across history, its integration into daily life and the values it carries," said Maciek Selinski, head of LEGO China. "By grounding our strategy in China, we reinterpret traditional customs through LEGO bricks in ways that combine play value with emotional resonance and support our long-term growth."

Other consumer brands are following suit. Starbucks China has launched Spring Festival merchandise collections themed around vitality, progress and happiness, using color symbolism, zodiac imagery and festive motifs to convey new year blessings.

According to Gloria Gan, senior analyst at Mintel, Spring Festival consumption is "returning to its essence". Consumers, she said, are seeking both personal comfort and emotional boundaries, alongside genuine connections.

"Brands that can balance tradition and modernity — through scenario-based design, convenience and cultural resonance — will be best positioned to become trusted partners in consumers' holiday experiences."

Beverage sector brews sweet gains

GUIYANG — While iconic tourist destinations across China drew massive crowds during the New Year holiday, young people in Guiyang, capital of Southwest China's Guizhou province, opted for a unique lifestyle — savoring specialty coffee by day and gathering over innovative local craft beer by night.

This "coffee by day, beer by night" culture has emerged as a defining feature of the city's holiday vibe and a fresh catalyst for its consumption-driven economy.

On the afternoon of Jan 1, a steady stream of customers lined up at Captain George, a local coffee shop near the historic Wenchang Pavilion. Wang Kai, a barista at the coffee shop, noted that they had been bustling nonstop since opening at 8:30 am.

Li Anqi, a tourist from Beijing who made a stopover in Guiyang during her return from a business trip, visited three coffee shops over the holiday. "I never anticipated being so impressed by the coffee shops here. The quality was exceptional," said Li, adding that she waited 30 minutes at Captain George, "but it was well worth it."

The cafe's reputation rests on quality — its founder won the championship at the 2025 World Brewers Cup in Indonesia. Besides, innovation often incorporates local flavors. Native ingredients such as Roxburgh rose fruit and fish mint evolved from novelties into signature hits.

Despite not producing coffee beans, Guiyang has emerged as a coffee powerhouse. The city now boasts over 3,000 cafes and has nurtured more than 10 national and international champions in coffee roasting and brewing.

As night fell, the narrow alley of Taiping Road, home to several craft beer bars, buzzed with crowds.

During the holiday season, TripSmith, a local craft beer brand launched in 2013, attracted crowds eager to sample its unique flavors. "On New Year's Eve, seats started filling up as early as 6 pm, and the venue remained packed until the early hours of New Year's Day," said Wang Zhisong, owner of a TripSmith branch on Taiping Road, adding that the bar served nearly 800 customers that night.

These craft beer bars, often operating late into the evening and averaging 60 yuan ($8.5) to 80 yuan per person, have become vital hubs for nighttime social engagement.

"For me, drinking here is less about the alcohol and more about exploration and conversation. The distinctive flavors of the beers naturally spark lively discussions," said Li Fan, a post-90s craft beer enthusiast.

These cafes and breweries have turned the city's historic streets and traditional neighborhoods into vibrant spaces for relaxation and spending, drawing young consumers into areas once overlooked.

Data from the municipal commerce bureau shows that Guiyang now boasts over 1,200 craft beer bars — one of the highest densities in China. The TripSmith brand operates nine outlets in Guiyang and has expanded beyond Guizhou, with its products now available in over 200 Chinese cities.

The commitment to quality and locally sourced ingredients has garnered global acclaim. In November, a sour beer crafted by TripSmith from Guizhou's strawberries and apricots clinched a gold medal at the Brussels Beer Challenge in Belgium.

"These breweries and cafes have evolved into pivotal nodes linking social life, cultural experiences and tourism. They have become vital engines driving urban consumption vitality and enhancing the city's youthful appeal," said Mo Fei, an official with the municipal commerce bureau.

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