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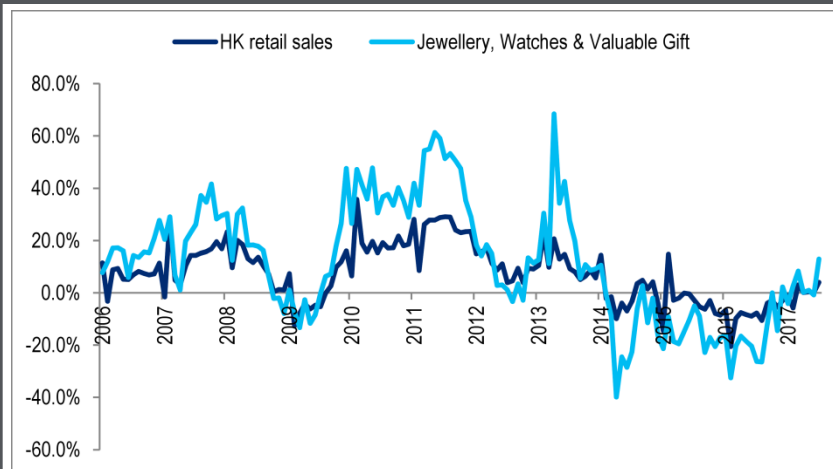
Stock Spotlight

Oct 3, 2017



- ▶ HK jewelry retail sales grew 12.9% yoy in Jul 2017, the highest monthly growth in the past four years since Aug 2013.
- ▶ Light-weighting is a prominent trend within the wider jewelry industry as 'wearability over purity' forms a greater part of the consumer mindshare.
- ▶ In China, mentioned by World Gold Council (WGC), there is a shift away from pure 24k gold jewelry to higher-designed 18k gold jewelry or gem-set pieces, driven by consumers expressing their individuality and differentiating themselves from older generations.
- ▶ Jewelers strive to prosper in a competitive industry by enticing consumers with new, innovative and crucially higher margin product.

Chart: HK monthly retail sales growth



Source: HKSAR census and statistics department, Citi, as of Aug 29, 2017

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