

## CKGSB Investor Sentiment Survey (CKISS) – Quarterly Report (Q1 2026)

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### Key Findings

Compared with the previous survey period (December 2025), respondents' expectations for A-shares remained broadly stable and edged slightly higher. However, a divergence emerged between retail investors and institutional investors: retail investors revised down their expectations modestly, while institutional investors became more optimistic. Specifically, approximately 63.8% of respondents in this survey period (January–April 2026) expected A-shares to rise, representing an increase of 1.4 percentage points from the previous survey period (September–December 2025). This increase was primarily driven by institutional investors, among whom the bullish proportion rose to approximately 67.0%, up 7.2 percentage points from the previous survey period. In contrast, the bullish proportion among retail investors stood at 61.6%, down 2.6 percentage points.

Similar to expectations for A-shares, respondents overall revised upward their expectations for Hong Kong equities. Institutional investors became more optimistic toward Hong Kong equities, while retail investors turned slightly more cautious. In this survey period, approximately 62.1% of respondents expected Hong Kong equities to rise, an increase of 1 percentage point from the previous survey period. Among retail investors, approximately 62.3% expected Hong Kong equities to rise, down 1.1 percentage points from the previous survey period, while approximately 61.7% of institutional investors held a bullish view on Hong Kong equities, up 3.7 percentage points.

Based on fundamentals of listed companies, although overall revenues and profits in the A-share market showed signs of moderate recovery, the magnitude remained modest, and current equity-market returns continued to be driven primarily by valuation expansion. We decomposed the returns of all A-share listed companies into two components: changes in price-to-earnings ratios and net profit growth. The results show that back in 2024, net profits of A-share listed companies declined by 2.8% year on year. By the end of 2025, the decline had narrowed to 0.3%, while in the first quarter of 2026, trailing twelve-month (TTM) net profit growth turned positive at approximately 1.0% year on year. Over the same period, price-to-earnings ratios increased by 31.2% year on year, while equity-market returns reached approximately 32.5%.

Behind the moderate improvement in the aggregate data, however, substantial divergence in corporate performance of listed companies remained evident. Private enterprises experienced a significant recovery in earnings, whereas state-owned enterprises continued to struggle at relatively low levels. At the same time, “companies associated with new quality productive forces” advanced rapidly, while traditional industries remained comparatively subdued. In the first

quarter of 2026, TTM net profit growth among private enterprises rebounded sharply to 22.5% year on year, whereas net profits of state-owned enterprises continued to decline by 14.5% year on year. We further classified listed companies into strategic emerging companies and traditional companies. In the first quarter of 2026, TTM net profit growth in strategic emerging companies reached 21.0% year on year, while traditional companies recorded a year-on-year decline of 6.1%.

Since the beginning of 2026, the Chinese government has intensively introduced a series of supportive real estate policies. Data from 70 large and medium-sized cities in China indicate that although housing prices remained in negative territory, the pace of decline has narrowed significantly. Specifically, from September 2024 to March 2026, the year-on-year decline in prices of newly built residential housing in 70 large and medium-sized cities in China narrowed from 6.1% to 3.7%, while the decline in second-hand housing prices in these cities narrowed from 9.0% to 6.2%. On a month-on-month basis, the pace of decline has continued to narrow since October 2025. By March 2026, the month-on-month decline in China's newly built residential housing prices had narrowed from 0.5% to 0.2%, while the decline in second-hand housing prices in the country narrowed from 0.7% to 0.2%.

Respondents' expectations for rising housing prices in China improved in this survey period. The proportion of respondents expecting China's housing prices to rise increased by 8.6 percentage points to 45.2%. Despite the notable recovery in bullish sentiment, as both the number of respondents intending to sell and those intending to purchase real estate increased simultaneously, significant selling pressure offset the inflow of incremental capital, resulting in only a modest increase in the net proportion of respondents willing to increase real estate investment. In this survey period, approximately 13.6% of respondents indicated willingness to increase investment in real estate, up 1.9 percentage points from the previous survey period. Meanwhile, approximately 28.8% expressed a desire to reduce real estate investment, also up 1.3 percentage points. As bullish and bearish forces strengthened simultaneously, the net proportion of respondents willing to increase real estate investment remained at approximately negative 15.2%, improving by only 0.6 percentage points from the previous survey period. As market forces on both sides continue to compete, improved expectations have thus far led only to a narrowing in the pace of decline rather than a rebound in housing prices. More time will be required for policy support to channel effectively to the price level.

Back in 2025, despite the challenges posed by the China–U.S. trade war, China's total goods trade imports and exports reached a record high. For the full year, after adjusting for PPI inflation, exports and imports of goods in China increased by approximately 7.9% and 2.6%, respectively. Entering the first quarter of 2026, growth accelerated further, with exports and imports rising by approximately 10.1% and 17.1% year on year in the country, respectively. In this year's Government Work Report, China prudently set its 2026 GDP growth target within a range of 4.5% to 5.0%. Encouragingly, the economy achieved a strong start in the first quarter, with real GDP growth reaching 5.0% year on year, not only achieving the upper bound of the official target range but also exceeding prevailing market expectations. In this survey period, respondents overall revised upward their expectations for China's GDP growth. Investors' expected GDP growth rate for the future rose modestly to approximately 4.6%, up 0.1 percentage points from the previous

survey period.

China's strong external trade performance and steady macroeconomic progress contributed to the continued appreciation of the renminbi in international markets. From June 2025 to April 2026, the renminbi appreciated by 4.3% against the U.S. dollar, 5.0% against the euro, and 15.8% against the Japanese yen. The renminbi effective exchange rate also appreciated by 6.7% between June 2025 and March 2026.

Affected by the conflict involving the United States, Iran, and Israel, global energy and related commodity prices surged sharply, while U.S. inflation rebounded significantly. In April 2026, U.S. CPI rose by 3.9% year on year, while PPI increased by 6.6%. In contrast, China's inflation remained substantially lower. In April 2026, China's CPI and PPI increased by 1.2% and 2.9% year on year, respectively. This marked the first time in a prolonged period that both CPI and PPI turned positive simultaneously, suggesting that China may have emerged from deflationary conditions. In this survey period, respondents also revised upward their expectations for China's CPI inflation. Expected inflation among all respondents rose to approximately 2.1%, up 0.2 percentage points from the previous survey period. The emergence of this inflation turning point is closely linked to the transmission effects of the recent surge in global energy prices. Under current conditions, however, moderate inflation appears beneficial to the normal functioning of the Chinese economy.

During the recent conflict involving the United States, Iran, and Israel, gold — traditionally regarded as a safe-haven asset — not only failed to rise, but instead declined from USD 5,020 per ounce in February 2026 to USD 4,721 in April. Behind this apparent “failure of gold” lies a temporary shift in market safe-haven logic. The sharp rise in energy prices triggered a rebound in inflation, forcing the Federal Reserve to maintain elevated interest rates and even reviving expectations of further rate hikes. As a non-yielding asset, gold came under selling pressure amid rising U.S. treasury bond yields. In addition, profit-taking following the substantial rally in gold prices earlier in the cycle, together with capital flows into oil and gas assets amid surging energy prices, further intensified downward pressure on gold prices.

*\*These findings were first published in Chinese and are provided here in English translation.*

*\*To learn more about the survey or to read its previous reports, please visit the survey's webpage of Cheung Kong Graduate School of Business via: <https://english.ckgsb.edu.cn/knowledge/the-ckgsb-investor-sentiment-survey/>*