Futu Holdings (FUTU US)

Resilient net asset inflows despite rising headwinds

BUY (Maintain)

Target Price	**US$158.00**
Up/Downside	**81.1%**
Current Price	**US$87.21**

Futu delivered resilient 3Q26 results despite rising US/HK equity volatilities. Total revenues reached HK$6.7bn, slightly above our estimate of HK$6.6bn (*Table*), up 4.5% YoY/down 7.1% QoQ, supported by resilient strengths of interest income and other income offsetting the decline in brokerage commission. Net income/non-GAAP adjusted net income topped HK$3.2bn/HK$3.3bn in 3Q26, down 12.4%/12.2% QoQ (or -1.1%/-1.2% YoY) versus our estimate of HK$3.3bn/HK$3.3bn. We see key operating highlights of the quarter including 1) **client net asset inflow was disclosed at HK$34.5bn for the first time** thanks to an expanding product suite and deepening client engagement, which offset mark-to-market depreciation and supported total client AUM of HK$1.33tn (+7.6% YoY/-4.6% QoQ); 2) **163k net new funded accounts in 3Q26,** with the 9M26 figure tracking 80% of mgmt. annual target (800k) amid an on-track QoQ scale-down in mainland Chinese client AUM and revenue contributions. In 3Q26, revenue contribution from mainland Chinese clients dropped to a low-teens percentage (vs. 1Q26: 20%) per mgmt. with their asset withdrawals continued but slower QoQ, accounting for a low-single-digit percentage of total client asset outflows; 3) ongoing high-net-worth client engagement with **3Q wealth management AUM up 9% QoQ to HK$196.4bn (14.7% mix)** and the number of client holding WM products up 5% QoQ to 1.13mn strengthening the penetration rate to 28.2%; and 4) **total trading volume recorded HK$5.01tn**, up 28.4% YoY/down 22.0% QoQ with US/HK stock volume mix at 76%/19%. We think current share price has largely priced in the regulatory uncertainties across markets. We maintain our FY26-28E EPS forecasts at HK$77.0/97.1/116.4, and our price target of US$158/ADS (unchanged) implies 13x FY27E P/E. Maintain BUY.

- **3Q topline broadly in-line.** Brokerage income was HK$2.8bn (42% mix) in 3Q26, down 4.1%/16.9% YoY/QoQ, dragged by a sequential decline in trading volumes amid softer market conditions and a flattened blended commission yield at 5.6bps (3Q25/2Q26: 5.2bps/7.5bps). 3Q trading volumes amounted to HK$5.01tn, up 28% YoY/down 22% QoQ, with US/HK stock volumes at HK$3.81tn (76% mix)/HK$0.94tn (19% mix), down 24%/19% QoQ. Stock trading velocity retreated from the peak in 2Q26 to 19.2x (*CMBI est*). Interest income stayed robust at HK$3.2bn (47% mix), up 3.8%/1.2% YoY/QoQ, mainly driven by QoQ increases from that of bank deposits (40% mix, per mgmt.) and securities lending (20% mix) partially offset by a sequential decline in margin financing (40% mix) due to more cautious sentiment amid the sharp US equities pullback in 3Q. Other income rose 65.5%/2.7% YoY/QoQ to HK$735mn driven by currency exchange income and fund distribution. Mgmt. mentioned in call that recurring revenue streams from low beta-related businesses (i.e. interest income from idle cash, fund distribution, market information and data services, and trust structured products) made up >20% of total revenue and delivered a positive QoQ and double-digit YoY increase in 3Q26.
- **On track scale-down in contributions from mainland Chinese clients.** Revenue contribution from mainland Chinese clients fell to a low-teens percentage in 3Q26 (vs. 1Q26: 20%) with continued asset withdrawals under the backdrop of cross-border ban taking effect on 12 June. Mgmt. expects contributions from mainland Chinese clients on AUM, total funded account and revenue to scale down to a single-digit over the next 2-3 quarters, alongside continued improving progress achieved in overseas market expansions. We estimate that mainland Chinese clients accounted for 10%/11% of funded account and client AUM, and that of overseas markets (excl. HK) made up ~60%/32% by 3Q26.
- **Valuation:** The stock is trading below 9x/7x FY26E/FY27E P/E, at over 50% discount to key peers (*Table*). We maintain FY26-28E EPS forecasts at HK$77.0/97.1/116.4, and remain constructive on Futu's long-term strategic proposition on overseas market operations and high-net-worth client engagement. We think current share price has largely priced in recent regulatory uncertainties across markets, and as impact from mainland asset withdrawal fades, Futu's priorities in advancing international business and product velocity could help strengthen its competitiveness against peers. Maintain BUY with our price target at US$158/ADS (unchanged), which implies 13x FY27E P/E.

China Financials

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Stock Data

Mkt Cap (US$ mn)	12,150.4
Avg 3 mths t/o (US$ mn)	60.4
52w High/Low (US$)	188.11/83.18
Total Issued Shares (mn)	1114.6

Source: FactSet

Shareholding Structure

Hua Li	14.9%
UBS AG	3.8%

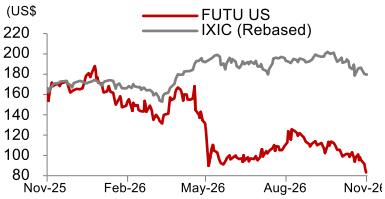
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-21.2%	-14.7%
3-mth	-24.0%	-18.1%
6-mth	-33.2%	-29.2%

Source: FactSet

12-mth Price Performance



Source: FactSet

Auditor: PwC

Related reports:

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6. 3Q earnings a strong beat, driven by resilient net asset inflows and NII recovery, Nov 20, 2025
7. Marketing feedback: short-term views mixed; 3Q EPS upside to reinforce long-term convictions, Oct 28, 2025

- **Geographic updates: 1) Moomoo US:** a sequential increase in net new funded account and revenue contribution from these new cohorts in 3Q26 despite subdued market conditions. Retail trading volume was flat QoQ, as the volume decline in cash equities was offset by an increase in option contracts. On the product front, the number of event contracts from prediction markets reached 500mn, which could add on over US$5mn revenue by our estimate. Mgmt. expects Moomoo US to break even in 2027; **2) Moomoo JP:** new client acquisition resumed on 24 Sep following the expiration of regulatory restrictions. Futu is taking a more measured approach and has not returned to large-scale marketing campaigns, but accepting new account opening applications. **3) MY/SG/HK** remained top contributors of new funded account additions as of 3Q26.
- **Key risks:** 1) tightening regulatory restrictions across jurisdictions; 2) weaker-than-expected stock turnover amid easing sentiment; 3) softening trends in client net asset inflows across major operating markets; 4) sharp interest rate shocks; 5) significant pullback in US/HK equity and crypto markets; and 6) slower-than-expected approvals on new market entry, etc.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Adjusted net profit (HK$ mn)	5,768	11,645	11,037	13,749	16,503
EPS (Reported) (HK$)	38.9	80.2	77.0	97.1	116.4
Consensus EPS (HK$)	n.a	n.a	77.5	97.6	113.4
P/E (x)	16.6	8.1	8.5	6.7	5.6
P/B (x)	3.3	2.4	2.0	1.6	1.2
ROE (%)	20.7	33.3	25.2	25.8	24.1

Source: Company data, Bloomberg, CMBIGM estimates | Note: stock price data quoted by market close on Nov 19, 2026 (Thu).

3Q26 Key Forecasts Snapshot vs. CMBI estimates

(HK$mn, %)	3Q25	4Q25	1Q26	2Q26	3Q26	QoQ%	YoY%	3Q26 CMBI est	Diff.
Brokerage commission income	2,914	2,770	2,641	3,361	2,794	-16.9%	-4.1%	2,798	-0.2%
Interest income	3,045	3,038	2,650	3,124	3,162	1.2%	3.8%	3,178	-0.5%
Other income	444	630	564	716	735	2.7%	65.5%	663	10.9%
Total revenue	**6,403**	**6,438**	**5,856**	**7,200**	**6,691**	**-7.1%**	**4.5%**	**6,640**	**0.8%**
Brokerage commission expenses	(161)	(141)	(164)	(248)	(239)	-3.5%	48.7%	(224)	6.7%
Interest expenses	(474)	(437)	(415)	(513)	(586)	14.2%	23.6%	(507)	15.5%
Processing and servicing costs	(159)	(150)	(170)	(225)	(236)	4.7%	48.0%	(196)	20.3%
Total Costs	**(794)**	**(729)**	**(749)**	**(985)**	**(1,060)**	**7.6%**	**33.6%**	**(927)**	**14.4%**
Gross profit	**5,609**	**5,710**	**5,107**	**6,215**	**5,631**	**-9.4%**	**0.4%**	**5,713**	**-1.4%**
Research and development expenses	(574)	(507)	(479)	(501)	(484)	-3.4%	-15.7%	(551)	-12.2%
Selling and marketing expenses	(586)	(507)	(557)	(657)	(545)	-17.1%	-6.9%	(611)	-10.8%
General and administrative expenses	(545)	(549)	(541)	(593)	(561)	-5.3%	3.0%	(652)	-13.9%
Operating expenses	**(1,705)**	**(1,563)**	**(1,577)**	**(1,751)**	**(1,590)**	**-9.2%**	**-6.7%**	**(1,815)**	**-12.4%**
Operating profit	**3,904**	**4,147**	**3,530**	**4,464**	**4,040**	**-9.5%**	**3.5%**	**3,898**	**3.6%**
Other income/(expense)	(35)	(144)	(2,133)	(189)	(233)	23.8%	572.8%	0	n.a
Income before tax	**3,870**	**4,003**	**1,397**	**4,275**	**3,807**	-11.0%	-1.6%	**3,898**	**-2.4%**
Income tax	(633)	(656)	(607)	(698)	(598)	-14.4%	-5.6%	(702)	-14.8%
Share of profit/(Loss) from equity method investments	(19)	22	41	65	(22)	-133.8%	14.1%	60	-137.1%
Net income/(losses)	3,217	3,369	831	3,642	3,187	-12.5%	-0.9%	3,256	-2.1%
Net income/(losses) to shareholders	**3,228**	**3,390**	**851**	**3,647**	**3,194**	**-12.4%**	**-1.1%**	**3,261**	**-2.1%**
Non-GAAP net income	**3,312**	**3,456**	**920**	**3,725**	**3,272**	**-12.2%**	**-1.2%**	**3,344**	**-2.2%**
Key operating metrics:	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26**	**QoQ%**	**YoY%**	**CMBI est**	**Diff.**
Quarterly new paying clients (k)	**254.3**	**234.0**	**224.9**	**252.3**	**163.2**	**-35.3%**	**-35.8%**	**174.3**	**-6.4%**
No. of paying clients (k)	3,131	3,365	3,590	3,843	4,006	4.2%	27.9%	4,017	**-0.3%**
Total client assets (HK$ bn)	**1,240**	**1,230**	**1,220**	**1,399**	**1,334**	**-4.6%**	**7.6%**	**1,360**	**-1.9%**
Avg. client assets per paying client (HK$ mn)	0.40	0.37	0.34	0.36	0.33	**-8.5%**	**-15.9%**	**0.34**	**-1.6%**
Total trading volume (HK$ bn)	**3,900**	**3,977**	**4,150**	**6,420**	**5,007**	**-22.0%**	**28.4%**	**4,664**	**7.4%**
- US stocks	2,600	3,045	3,000	5,020	3,810	-24.1%	46.5%		
- HK stocks	1,190	821	1,010	1,170	943	-19.4%	-20.8%		
Trading velocity of client assets (x)	**16.6x**	**15.0x**	**15.8x**	**22.7x**	**17.0x**	**(5.7)**	**0.4**	**15.5x**	**1.5**
Blended commission rate (bps)	**7.5bps**	**7.0bps**	**6.4bps**	**5.2bps**	**5.6bps**	**0.3**	**(1.9)**	**6.0bps**	**(0.4)**
HK trading volume (HK$bn)	18,613	14,018	16,600	17,082	16,522	-3.3%	-11.2%		
Futu's market share in HK stock market (%)	3.20%	2.93%	3.04%	3.42%	2.85%	-0.57 bps	-0.34 bps		
US trading volume (US$bn)	52,950	59,282	46,785	68,335	62,642	-8.3%	18.3%		
Futu's market share in US stock market (%)	0.32%	0.33%	0.41%	0.47%	0.39%	-0.08 bps	0.07 bps		
MFSL balance (HK$bn)	**63.1**	**67.7**	**72.9**	**95.1**	**73.8**	**-22.4%**	**17.0%**	**89.2**	**-17.2%**
MSFL balance as % of total client assets	5.1%	5.5%	6.0%	6.8%	5.5	-1.3pct	0.4pct	6.6%	-1.0pct
WM asset balance (HK$bn)	**175.6**	**179.6**	**178.4**	**180.2**	**196.4**	**9.0%**	**11.8%**	**176.5**	**11.2%**
WM balance as % of total client assets	14.2%	14.6%	14.6%	12.9%	14.7%	1.8pct	0.6pct	13.0%	1.7pct
Client idle cash (HK$bn)	127.6	113.4	114.8	135.8	133.9	-1.4%	4.9%	**133.4**	**0.4%**
Client idle cash as % of total client assets	10.3%	9.2%	9.4%	9.7%	10.0%	0.3pct	-0.3pct	9.8%	0.2pct
Client acquisition costs (CAC, HK$ 000')	**2.30**	**2.17**	**2.48**	**2.60**	**3.34**	**28.3%**	**45.1%**	**2.86**	**16.6%**

Source: Company data, HKEx, CBOE, and CMBIGM estimates | Note: For column of difference, we calculate by actual results vs. our 3Q26 estimates.

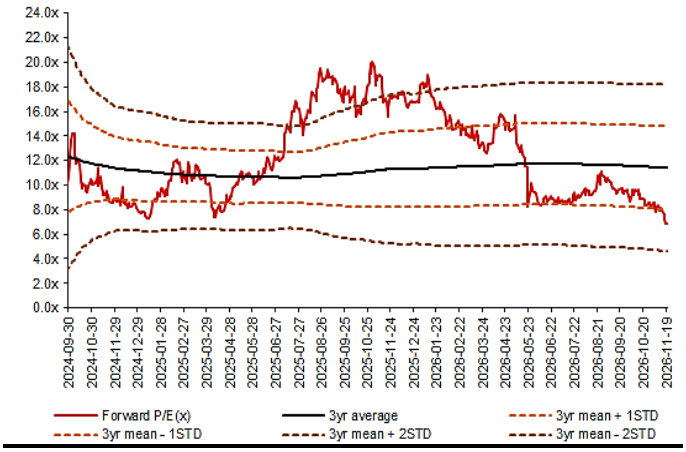
Peers' comp table of P/E(x) in FY26E-28E vs. Futu Holdings

Company	Ticker	Last price (LC)	2026E	2027E	2028E
Up Fintech Holdings	TIGR US	3.81	7.6x	4.9x	4.8x
Robinhood Markets Inc.	HOOD US	68.65	31.7x	22.8x	18.9x
Interactive Brokers	IBKR US	75.65	28.1x	23.0x	19.6x
Charles Schwab	SCHW US	92.14	14.3x	11.8x	10.1x
East Money	East Money	18.37	18.9x	17.3x	15.5x
		Median	***18.9x***	***17.3x***	***15.5x***
		Mean	***20.1x***	***16.0x***	***13.8x***
Futu Holdings Ltd.	FUTU US	87.21	8.9x	7.0x	5.9x
	Discount vs peers median		*-53.2%*	*-59.3%*	*-62.1%*

Source: Bloomberg, CMBIGM estimates | Note: Stock price data quoted by market close on Nov 19, 2026 (Thu). FY26-28E EPS estimates of Up Fintech, Robinhood, Interactive Brokers, Charles Schwab, and East Money are quoted from Bloomberg consensus.

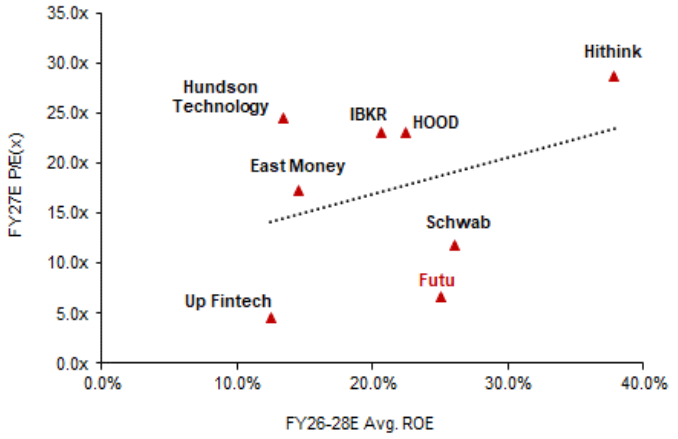
Focus Charts

Fig 1: Futu's 12mth forward P/E(x) trading band



Source: Bloomberg, Wind, CMBIGM estimates
Note: Stock price data quoted by market close on Nov 19, 2026 (Wed).

Fig 2: Futu's FY27E P/E and 3yr avg. ROE vs peers



Source: Bloomberg, CMBIGM estimates
Note: Estimates of Futu's peer companies were quoted from Bloomberg consensus dated Nov 19, 2026 (Wed).

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (HK$ mn)						
Revenue	**10,008**	**13,590**	**22,847**	**25,845**	**27,254**	**32,409**
Cost of goods sold	(1,536)	(2,445)	(2,942)	(3,629)	(3,680)	(4,379)
Gross profit	**8,472**	**11,145**	**19,905**	**22,216**	**23,574**	**28,030**
Operating expenses	**(3,465)**	**(4,523)**	**(5,824)**	**(6,496)**	**(6,841)**	**(8,075)**
Selling expense	(710)	(1,409)	(1,980)	(2,239)	(1,874)	(2,037)
Admin expense	(1,313)	(1,620)	(1,935)	(2,285)	(2,668)	(3,243)
R&D expense	(1,441)	(1,494)	(1,909)	(1,972)	(2,300)	(2,795)
Operating profit	**5,007**	**6,622**	**14,081**	**15,721**	**16,733**	**19,955**
Other income	33	(86)	(367)	(2,556)	(500)	(500)
Pre-tax profit	**5,041**	**6,535**	**13,713**	**13,165**	**16,233**	**19,455**
Income tax	(748)	(998)	(2,360)	(2,535)	(2,783)	(3,335)
Others	(13)	(104)	(52)	63	(94)	(113)
Net profit	**4,281**	**5,443**	**11,338**	**10,731**	**13,385**	**16,042**
Adjusted net profit	**4,570**	**5,768**	**11,645**	**11,037**	**13,749**	**16,503**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (HK$ mn)						
Cash & equivalents	4,938	11,688	10,466	13,841	23,137	34,303
Cash held on behalf of clients	44,369	68,640	113,398	131,529	166,973	198,476
Restricted cash	1	1	3	7	7	7
Receivables	10,148	22,843	27,670	47,499	51,511	55,825
Loans and advances	32,547	49,714	64,747	71,482	95,474	121,206
Prepaid assets	55	63	78	178	185	193
ST bank deposits	6	5	0	96	96	96
Other current assets	3,383	2,949	7,429	7,956	8,257	8,571
Right-of-use assets	224	253	570	701	701	701
Long-term investments	239	573	615	912	949	987
Other non-current assets	1,227	2,026	3,461	5,344	5,561	5,787
Total assets	**97,136**	**158,757**	**228,437**	**279,543**	**352,851**	**426,150**
Amounts due to related parties	69	79	67	110	110	110
Payables	64,654	117,174	166,019	209,881	265,500	318,597
Lease liabilities	238	277	594	749	749	749
Securities purchased under agreements to repurchase	0	2,575	4,743	5,684	5,684	5,684
Accrued expenses	1,939	4,937	4,527	7,606	9,656	11,478
Long-term borrowings	5,652	5,702	12,143	9,775	11,945	14,183
Other non-current liabilities	12	8	22	85	88	92
Total liabilities	**72,564**	**130,752**	**188,116**	**233,889**	**293,731**	**350,892**
Share capital	0	0	0	0	0	0
Retained earnings	11,361	14,653	25,991	33,856	47,213	63,220
Other reserves	13,208	13,358	14,010	11,426	11,426	11,426
Total shareholders' equity	**24,569**	**28,011**	**40,001**	**45,282**	**58,639**	**74,646**
Minority interest	3	(7)	320	372	481	612
Total equity and liabilities	**97,136**	**158,757**	**228,437**	**279,543**	**352,851**	**426,150**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (HK$ mn)						
Net change in cash	**(6,474)**	**31,171**	**43,302**	**21,510**	**42,848**	**41,041**
Cash at the beginning of the year	55,716	49,308	80,329	123,867	147,269	191,745
Exchange difference	66	(150)	236	0	0	0
Cash at the end of the year	**49,308**	**80,329**	**123,867**	**145,377**	**190,117**	**232,786**
PROFITABILITY	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Gross profit margin (GPM)	84.7%	82.0%	87.1%	86.0%	86.5%	86.5%
Operating margin (OPM)	50.0%	48.7%	61.6%	60.8%	61.4%	61.6%
Non-GAAP net margin (Adj. NPM)	45.7%	42.4%	51.0%	42.7%	50.4%	50.9%
Return on equity (ROE)	18.8%	20.7%	33.3%	25.2%	25.8%	24.1%
VALUATION	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
P/E (x)	22.3	17.4	8.5	8.9	7.0	5.9
P/B (x)	4.0	3.5	2.5	2.1	1.6	1.3
EV/EBITDA (x)	14.9	11.6	5.7	5.9	4.8	4.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets. | Note: stock price data quoted by market close on Nov 19, 2026 (Wed).

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