



The US-China rivalry in semiconductors and potential tariffs could cause market volatility, leading us to keep a Neutral stance on Chinese equities overall despite raising our year-end MSCI China target to 77. (UBS)

China's Xi in rare meeting with tech leaders

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On Monday, China's President Xi Jinping delivered a rare speech at a symposium focused on private enterprises "after listening to representatives of private entrepreneurs," according to state media Xinhua.

A CCTV news video later showed private leaders in attendance, including the founders of Alibaba, BYD, Huawei, CATL, Tencent, Meituan, and more. Reuters previously reported the founder of AI startup DeepSeek would also be among those attending. This kind of event is uncommon for China's top leader, with Xi's last known participation in a private sector symposium dating back to 2018. The Hang Seng tech index tested a three-year high early Monday, extending a multi-week rally on AI optimism, before falling on profit-taking later in the session.

Our view: Xi's participation signals renewed government support for the private sector (and tech in particular), as China aims to compete with the US in innovation and boost its economy. Without taking any single-name views, the inclusion of Alibaba founder Jack Ma is particularly notable, given Beijing's previous regulatory stance. DeepSeek's success in AI has revived investor hopes for broader AI adoption and increased enterprise demand in China. We see opportunities in internet platforms, IT hardware, data centers, and power infrastructure names. However, the US-China rivalry in semiconductors and potential tariffs could cause market volatility, leading us to keep a Neutral stance on Chinese equities overall despite raising our year-end MSCI China target to 77.

Original report: [Ukraine peace talks in focus amid elevated geopolitical risks, 17 February 2025.](#)

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