

# Quick Take: China A-Shares – Analysts Move On, Mispricings Remain

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## Analyst Coverage: Down Sharply in Small-Cap A-Shares

- China A-shares are the world's largest equity market by listing count, with an investable universe of more than 5,000 companies. This market is heavily skewed toward small-cap stocks.
- Analyst coverage of small-cap stocks has declined throughout emerging markets for more than a decade, and A-Shares have followed the same path. The top chart shows a sharp drop in A-share small-cap coverage after 2016, with levels remaining low since then.
- As a result, an underfollowed market has become even more underfollowed.

## A Bias in Analyst Attention

- Counts of covered companies do not fully capture how the A-share information environment has evolved. The bottom chart highlights two additional trends:
  - Within small caps (left panel), analysts have dropped coverage of seasoned firms (dark blue) while picking up coverage of new issues (gray).
  - Among larger A-share stocks (right panel), coverage has increased for firms that have broadly maintained their size. Analysts, meanwhile, have often abandoned coverage of companies that have fallen into the small-cap segment (light blue).

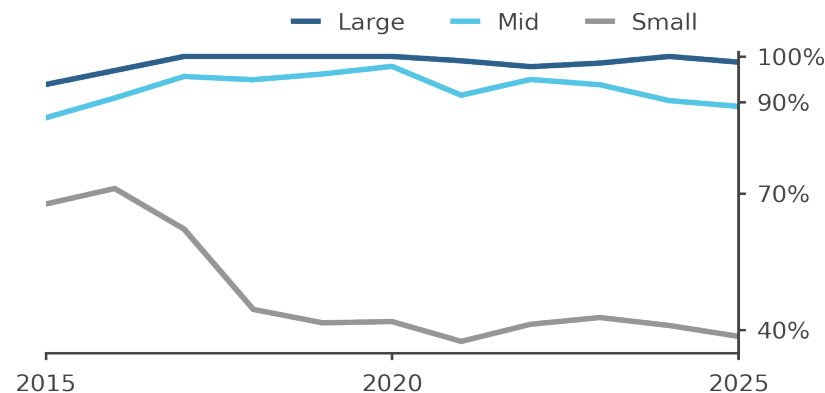
## Opportunities for Active Investors

- Established small-cap companies are becoming increasingly overlooked despite their longer operating histories, increasing the potential for mispricings among them. Investors able to incorporate primary data sources rather than relying on analyst coverage are well positioned to exploit such inefficiencies.

➔ For further discussion, please see [China A-Shares: The More Things Change, the Stronger the Case for Active](#), Acadian, May 2026.

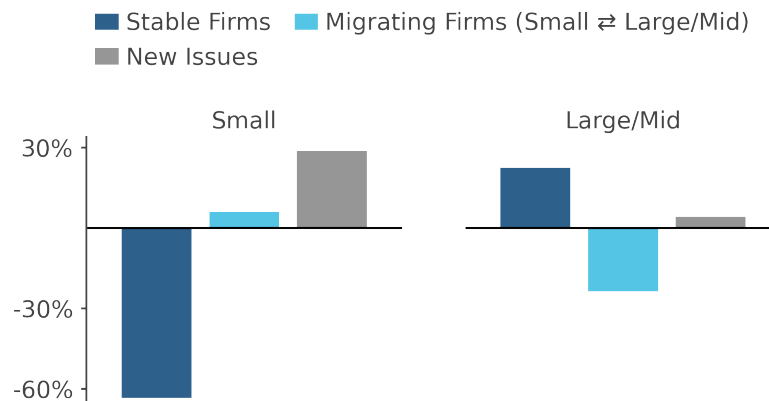
## Analyst Coverage across Capitalization Buckets

Fraction of Covered Stocks Across the Onshore Chinese Equity Universe



## Decomposition of Change in Coverage

Jan 2016- Dec 2025



Top chart shows the fraction of investable stocks with at least one estimate in IBES. Large-, mid-, and small-cap segments within that universe are defined by breakpoints at the 15th, 30th, and 70th percentiles of capitalization. Bottom chart decomposes chart in top chart between 2016 and 2025. Sources: Acadian based on estimates from IBES and MSCI data. MSCI data copyright MSCI 2026. All Rights Reserved. Unpublished. PROPRIETARY TO MSCI. For illustrative purposes only.



Ram Thirukkonda, CFA, CAIA  
SVP, Client Advisory  
rthirukkonda@acadian-asset.com



Bin Shi, Ph.D., CFA  
SVP, Portfolio Manager, Research  
bshi@acadian-asset.com

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