



CHINA – BAROMETER

Monthly Update

September 2026

FOCAL POINTS :

Macro Environment

China's economy delivered a mixed performance in August, with industrial activity providing an important offset to persistent weakness in domestic demand. Producer prices accelerated 3.8 percent year-on-year, while commercial property sales continued to contract sharply. The figures highlight the uneven pace of expansion.

Energy

China's power mix continued to shift towards cleaner sources in August, with hydropower generation rising 2.8 percent year-on-year while thermal generation fell 4.3 percent. The trend points to gradually softer coal-fired power demand, although the broader scale of China's electricity consumption continues to underpin coal requirements.

Manufacturing

China's industrial sector showed some resilience in August, with the official Purchasing Managers' Index (PMI) climbing 0.6 points to 49.8. Although still below the 50-point threshold, the stronger-than-expected reading was helped by a pickup in new orders.

Imports

China's commodity imports remained uneven in August, reflecting different trends across the major raw materials. Coal imports slipped 1.5 percent year-on-year, while iron ore inflows proved more resilient, rising 3.1 percent annually despite expectations for a softer performance.

Exports

China's heavy industrial exports remained a notable source of momentum in August, with steel shipments reaching 10.16 million tonnes, up 6.8 percent year-on-year. Fertilizer exports also accelerated sharply, rising 15.2 percent annually following the release of new domestic export quotas.

Doric Research Department

Michalis Voutsinas

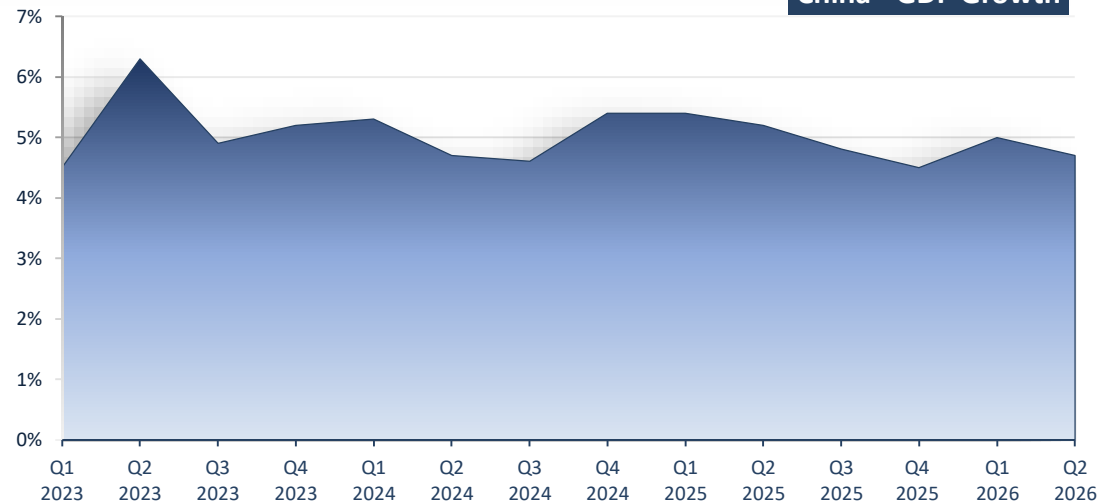
Helen Vlassi

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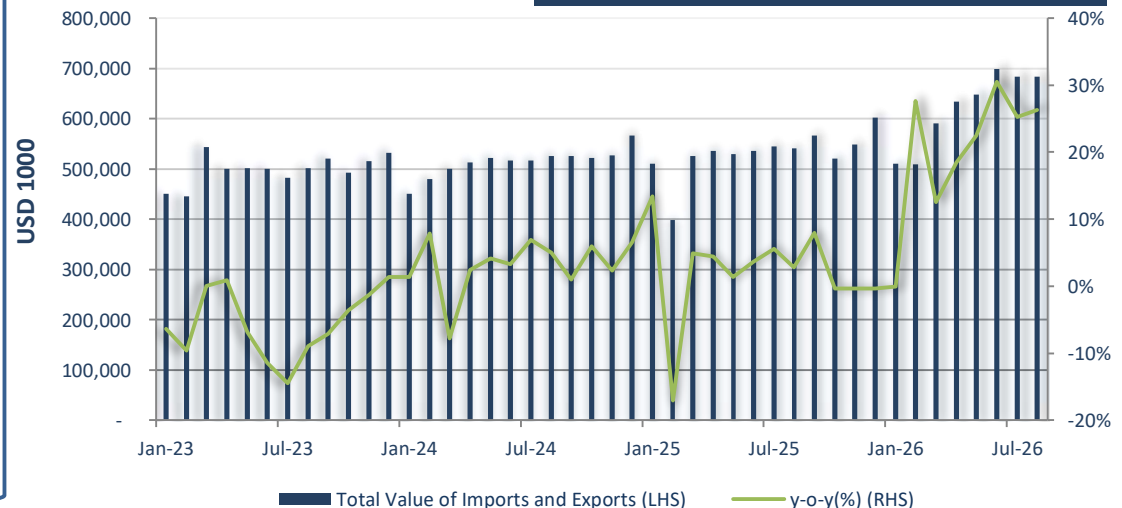
China - GDP Growth

- China's factory activity accelerated sharply in August, with industrial output surging 5.2 percent year-on-year.
- In a stark contrast, retail sales lost momentum, rising just 0.4 percent, as an 18.5 percent plunge in car sales weighed heavily on domestic consumption.
- Responding to this uneven growth picture, the People's Bank of China shifted towards an "appropriately loose" monetary policy stance for the second half of 2026, signalling further liquidity injections.
- China's exports reached \$401.44 billion in August, marking a steady 0.9 percent month-on-month increase and an impressive 25.0 percent year-on-year surge.
- Inbound flows rose 28.2 percent year-on-year to \$282.36 billion in August, falling slightly short of the 30.0 percent forecast.
- China's trade surplus increased to \$119.09 billion in August, expanding 5.9 percent month-on-month and posting a substantial 17.9 percent year-on-year increase.



Source: NBS, Doric Research

China - Total Value of Imports and Exports



Source: GAC, Doric Research

China - Producer Price Index (Industrial Sector)



Source: NBS, Doric Research

China - Inflation Rate

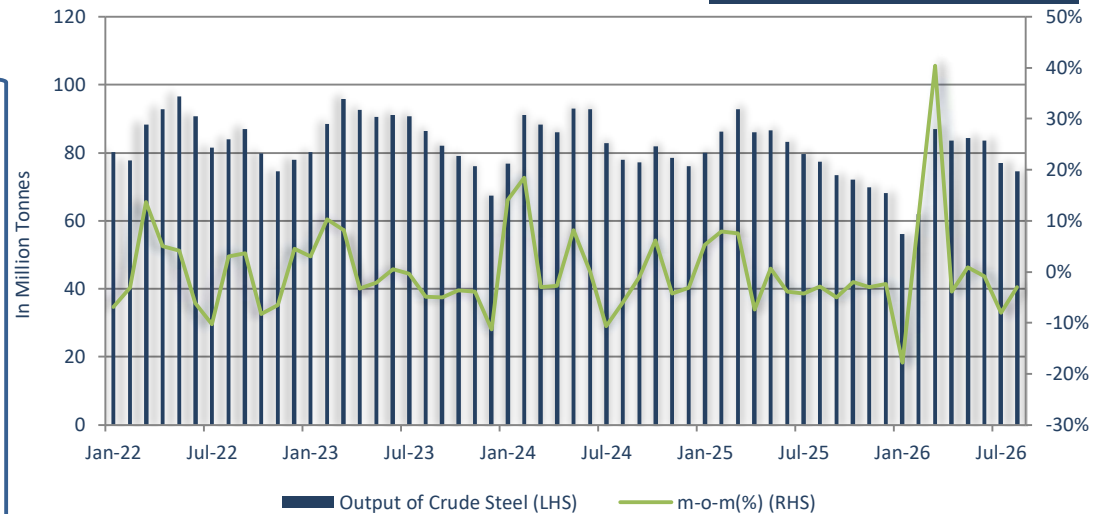


Source: NBS, Doric Research

- China's producer inflation accelerated to 3.8 percent year-on-year in August, reversing July's three-month low, as a relentless surge in energy costs pushed factory-gate prices higher.
- On a monthly basis, factory-gate prices edged up 0.4 percent in August, marking a notable turnaround from the 0.7 percent contraction in the previous month.
- Factory-gate inflation also gathered momentum over the January–August period, rising 2.0 percent.
- China's annual consumer inflation climbed to 0.8 percent in August from July's six-month low of 0.5 percent, broadly in line with market expectations.
- On a monthly basis, consumer prices rose 0.4 percent, exceeding forecasts for a 0.3 percent. The reading also marked the strongest monthly increase since February.
- Core inflation excluding food and energy rose 1.0 percent year-on-year, up from July's six-month low of 0.9 percent on a monthly basis.

- China's crude steel production cooled to 74.61 million tonnes in August, marking a 3.0 percent month-on-month dip as mills dialed back operations.
- August output was also 3.7 percent lower than a year earlier, reflecting persistent demand weakness.
- Average daily crude steel production stood at a constrained 2.41 million tonnes in August, hitting an eight-month low, as major mills accelerated scheduled maintenance.
- Year-to-date crude steel production reached 651.85 million tonnes through August, leaving output 3.1 percent below the corresponding period last year.
- China's factory floor showed signs of resilience in August, with the official Purchasing Managers' Index (PMI) rising 0.6 points to 49.8. Although still below the 50-point threshold, the reading beat expectations, helped by a notable pickup in new orders.
- Conversely, the services and construction sectors hit a wall, with the non-manufacturing PMI flatlining at a disappointing 49.0.

China - Crude Steel Output



Source: NBS, Doric Research

China - Manufacturing PMI



Source: NBS, Doric Research



- China's real estate downturn deepened in August, with property investment falling 19.9 percent year-on-year, compared with a 19.2 percent contraction in July.
- Consumer demand remained weak, as total floor space sold declined 12.1 percent year-on-year in August, extending the sector's prolonged downturn.
- Developers continued to scale back activity, with new construction starts falling 24.8 percent year-on-year, pointing to continued weakness in property-related demand and construction activity.
- The pressure on the housing market remained evident in prices, with new home prices declining 3.5 percent year-on-year.
- China's value-added industrial output gained some momentum in August, expanding 5.2 percent year-on-year.
- By sector, mining output narrowed its decline to 1.4 percent year-on-year, while manufacturing remained the main driver of industrial growth, expanding by a robust 6.1 percent.

China - Real Estate Investment



Source: NBS, Doric Research

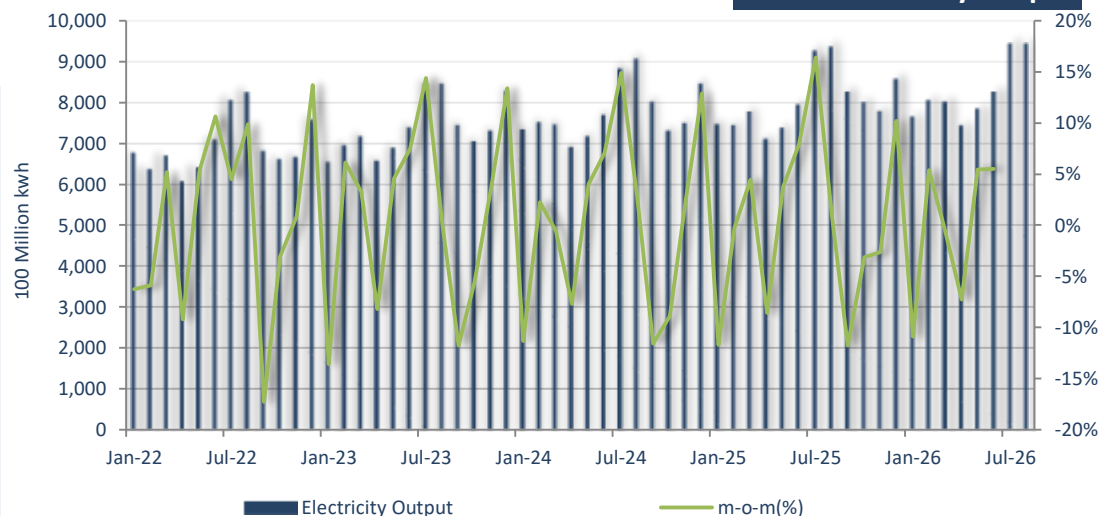
China - Value-added of Industry



Source: NBS, Doric Research

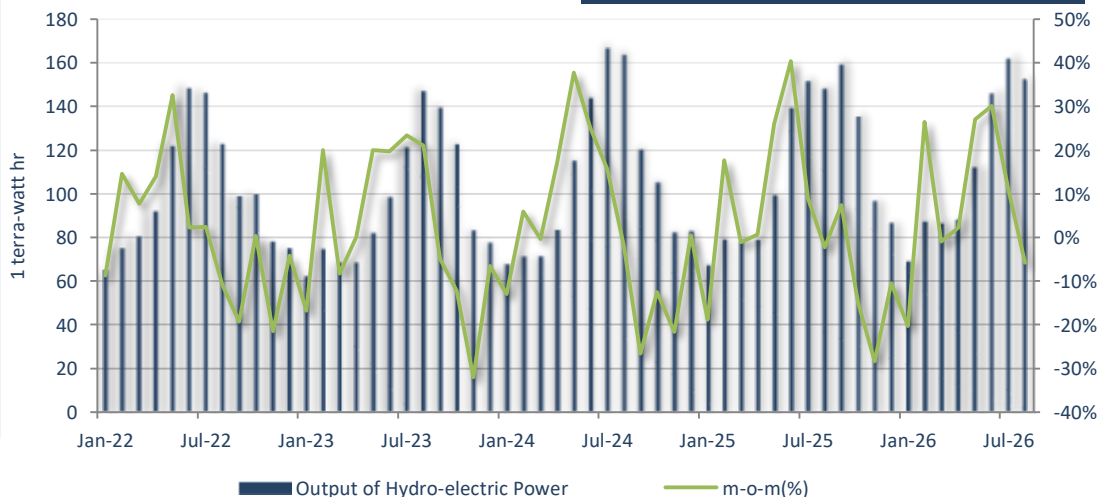
- China generated a massive 943.8 billion kWh of electricity in August, down 0.8 percent year-on-year from last year's record level, while remaining virtually unchanged from July.
- Renewable power continued to gain ground, with solar generation up 10.3 percent year-on-year and wind output rising 7.9 percent.
- This steady performance lifted China's cumulative January–August electricity generation to 6.65 trillion kWh, marking a solid 2.4 percent year-on-year increase.
- Hydropower generation reached 152.2 TWh in August, up 2.8 percent year-on-year.
- Despite the annual increase, hydropower output fell 5.8 percent month-on-month as seasonal water flows eased from July's peak levels.
- Cumulative clean-energy generation reached 902.7 billion kWh through August, representing a strong 7.8 percent year-on-year increase in the first eight months of 2026.

China - Electricity Output



Source: NBS, Doric Research

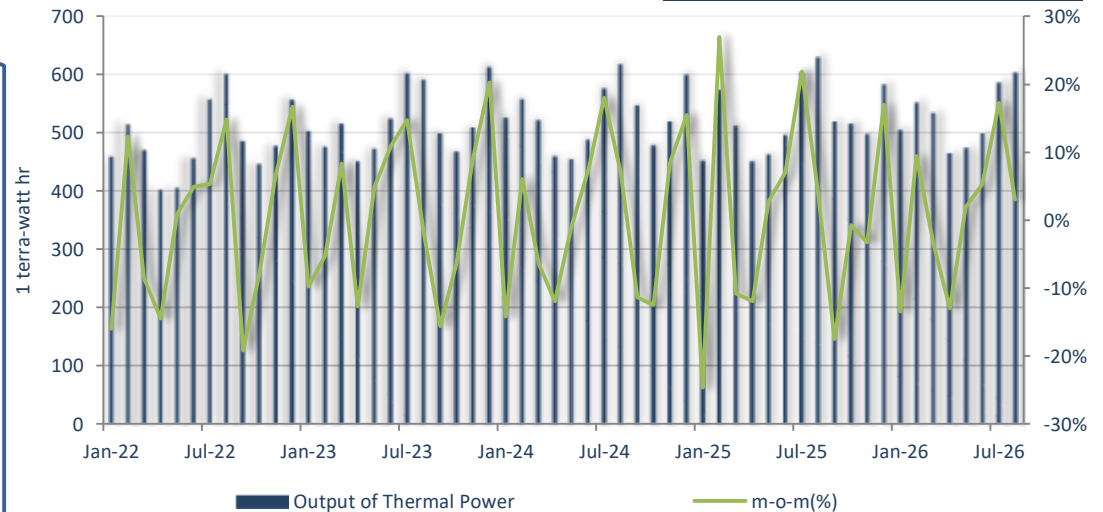
China - Hydro-Electric Power Output



Source: GAC, Doric Research

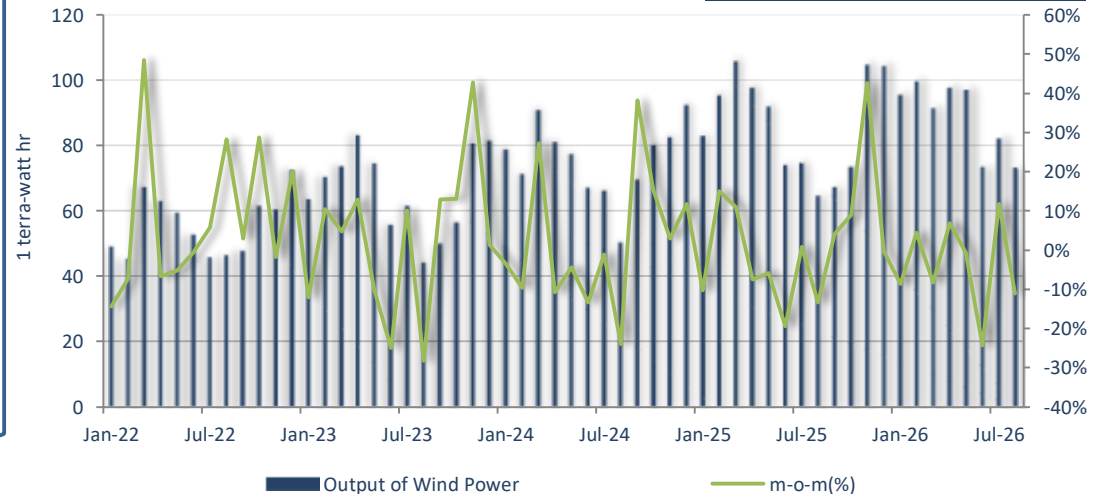
China - Thermal Power Output

- China's thermal power output rebounded 3.1 percent month-on-month in August to 602.03 billion kWh, but remained 4.3 percent below last year's levels.
- The ongoing shift toward hydropower, nuclear and solar generation is gradually reducing coal's share of the power mix.
- Despite the recent weakness, January–August thermal output edged up 0.9 percent year-on-year to 4.22 trillion kWh.
- Wind power generation reached 72.8 billion kWh in August, up 7.9 percent year-on-year.
- However, wind output fell 11.2 percent month-on-month as July's stronger wind conditions eased.
- Wind and solar generation together reached a record 142.8 billion kWh in August, marking another milestone in China's clean-energy transition.



Source: NBS, Doric Research

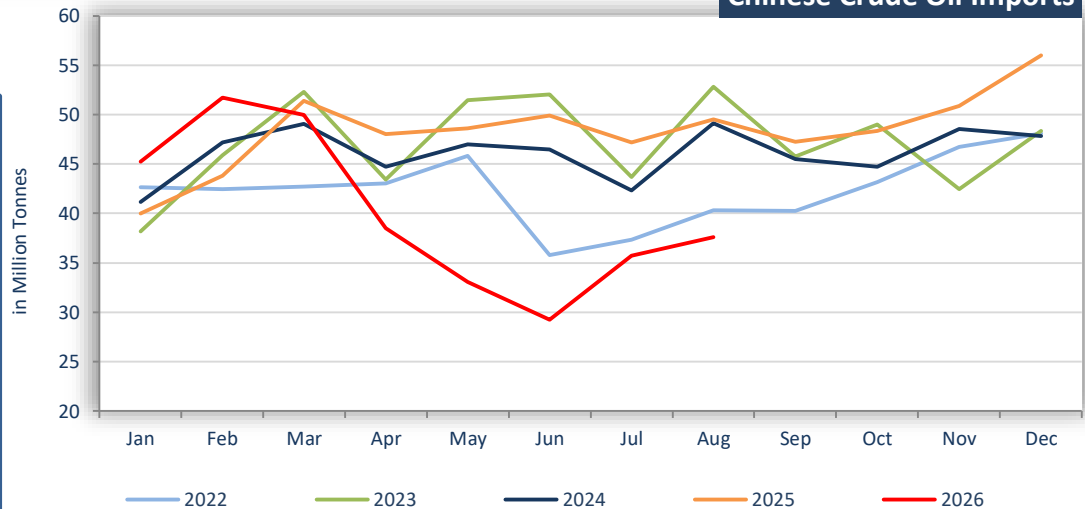
China - Wind Power Output



Source: NBS, Doric Research

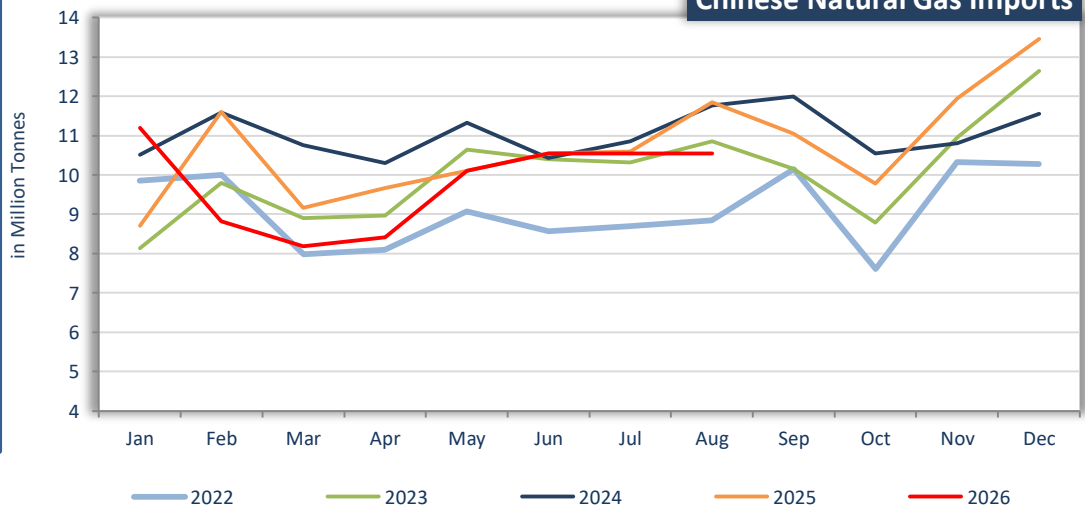
- China's crude oil imports rose 6.2 percent month-on-month to a four-month high of 37.9 million tonnes in August, as buying momentum gradually recovered.
- Despite the monthly rebound, August arrivals fell sharply by 23.0 percent year-on-year amid elevated global prices and severe shipping disruptions in the Strait of Hormuz.
- The weakness dragged January–August imports down 14.6 percent year-on-year to 320.9 million tonnes.
- Russia remained China's largest oil supplier in August, delivering 1.68 million barrels per day by sea, alongside a further 1.0 million barrels per day through pipelines.
- Natural gas imports also weakened, falling 13.0 percent year-on-year to 10.54 million tonnes in August, bringing the January–August total 4.4 percent lower year-on-year.
- LNG deliveries fell 17.8 percent to around 5.2 million tonnes in August, although Australia retained a dominant 35.6 percent share of China's imports.

Chinese Crude Oil Imports



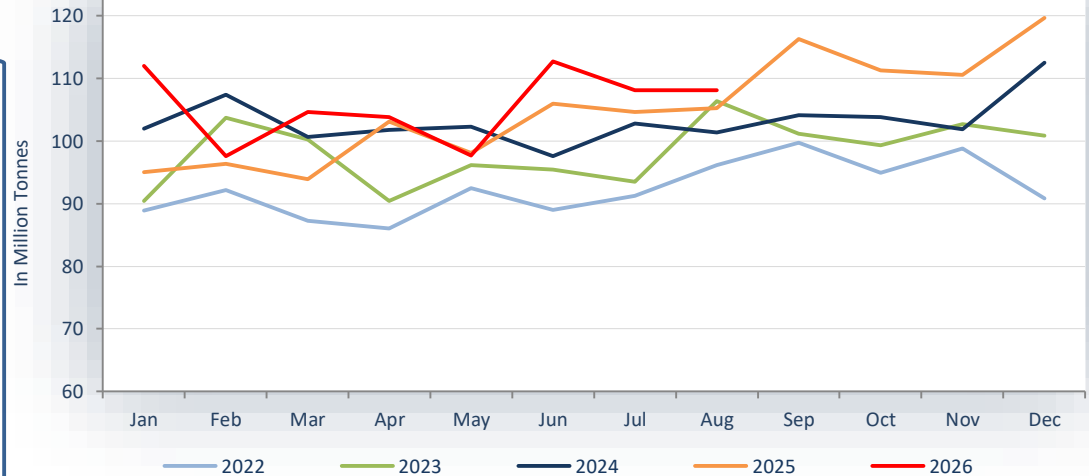
Source: GAC, Doric Research

Chinese Natural Gas Imports



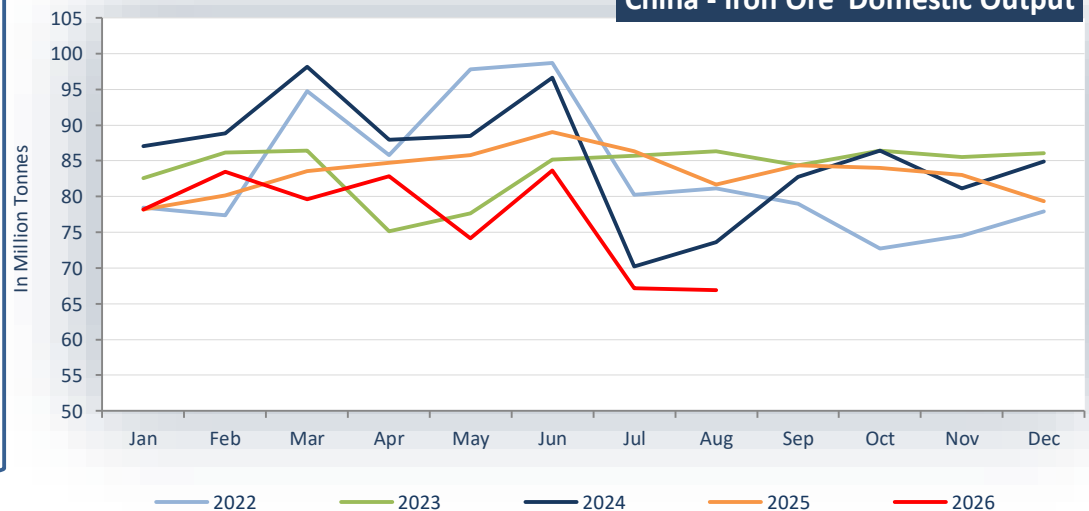
Source: GAC, Doric Research

China - Iron Ore Imports



Source: GAC, Doric Research

China - Iron Ore Domestic Output

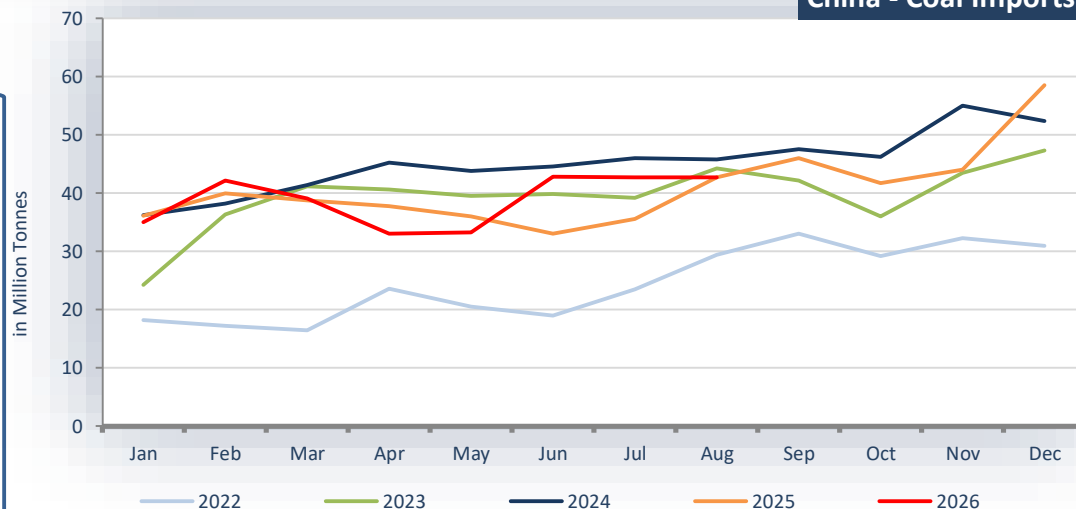


Source: NBS, Doric Research

- China's iron ore imports remained strong in August, rising 0.4 percent month-on-month to 108.54 million tonnes, while also increasing 3.1 percent year-on-year.
- Australia remained the dominant supplier, accounting for 60.2 percent of August imports with 65.3 million tonnes.
- Brazil supplied a further 25.96 million tonnes.
- This lifted January–August imports to 845.27 million tonnes, up a solid 5.5 percent year-on-year.
- Domestic iron ore production fell 15.0 percent year-on-year to 66.95 million tonnes in August, an eight-year low, amid squeezed steel mill margins.
- August output also slipped 0.3 percent month-on-month, bringing cumulative January–August production to 602.2 million tonnes, down 8.8 percent year-on-year.

- Following elevated seasonal demand, China's coal imports moderated in August, slipping 1.5 percent month-on-month to 42.73 million tonnes.
- Higher international prices weighed on demand, with August imports edging 1.5 percent lower year-on-year, ending two consecutive months of double-digit growth.
- Despite the late-summer dip, cumulative January-August coal imports rose 3.4 percent year-on-year to 310.19 million tonnes.
- Indonesia remained China's largest coal supplier in August, delivering 19.80 million tonnes, followed by Russia at 8.90 million tonnes.
- China's domestic raw coal production rebounded 5.4 percent month-on-month in August to 361.82 million tonnes, but remained 7.7 percent below last year's level amid tighter mine-safety controls.
- As a result, cumulative January–August production fell 3.3 percent year-on-year to 3.06 billion tonnes.

China - Coal Imports



Source: GAC, Doric Research

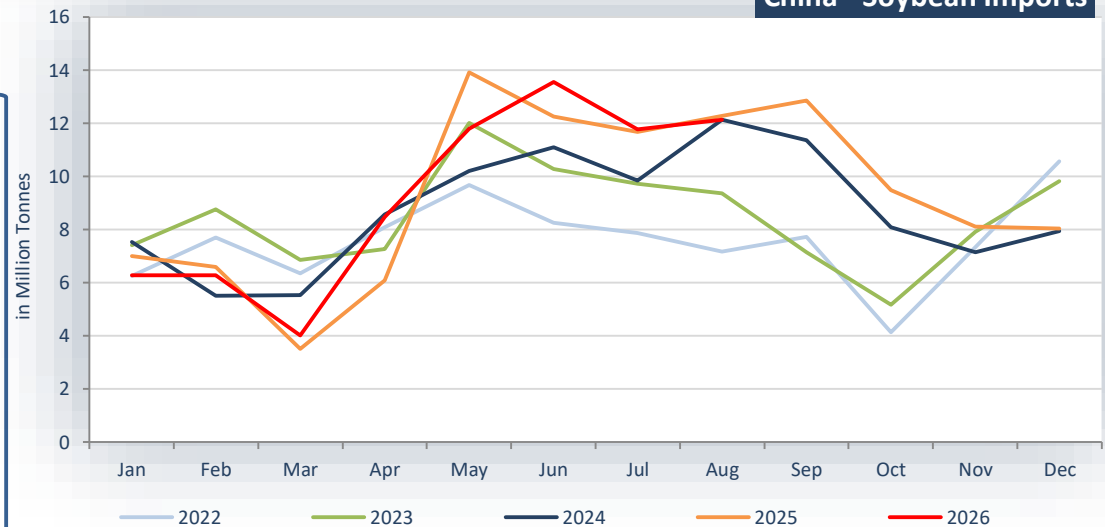
China - Coal Domestic Output



Source: NBS, Doric Research

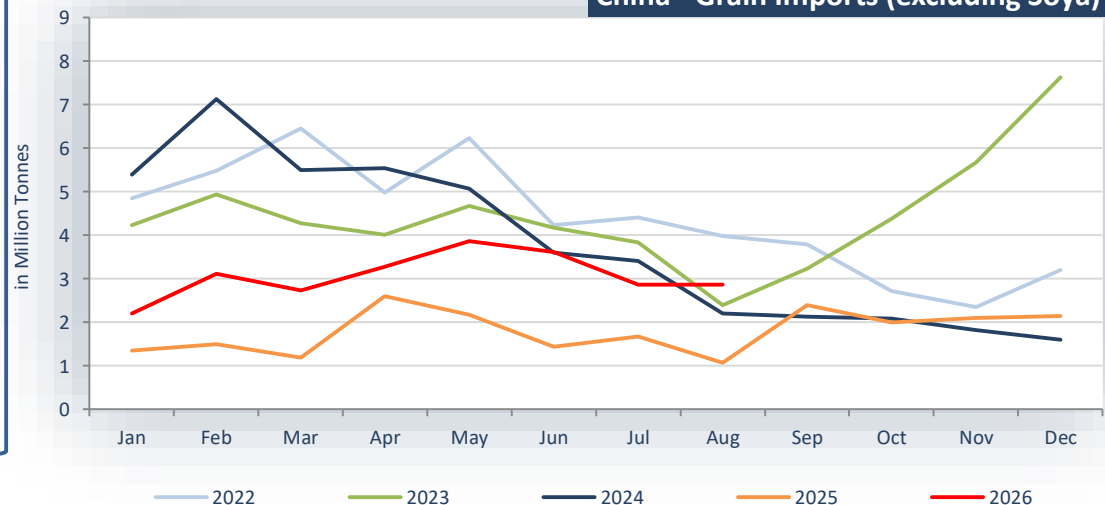
China - Soybean Imports

- China's soybean imports rebounded in August, rising 5.7 percent month-on-month to 12.14 million tonnes, just 1.1 percent below last year's record level.
- Strong domestic crushing demand lifted January–August arrivals to 74.11 million tonnes, maintaining year-on-year growth.
- Brazil dominated August shipments, supplying 7.0 million tonnes, or 58.0 percent of China's total soybean imports, compared with 5.14 million tonnes from all other suppliers combined.
- By contrast, China's broader grain imports weakened, falling to 2.87 million tonnes in August, down 15.4 percent year-on-year.
- China's push for crop self-sufficiency choked off foreign corn inflows in August, capping cumulative January–August import at a tight 800,000 tonnes.
- Sustained by a massive domestic summer harvest, China's wheat imports remained heavily subdued in August, capping year-to-date arrivals at 2.6 million tonnes.



Source: GAC, Doric Research

China - Grain Imports (excluding Soya)



Source: GAC, Doric Research

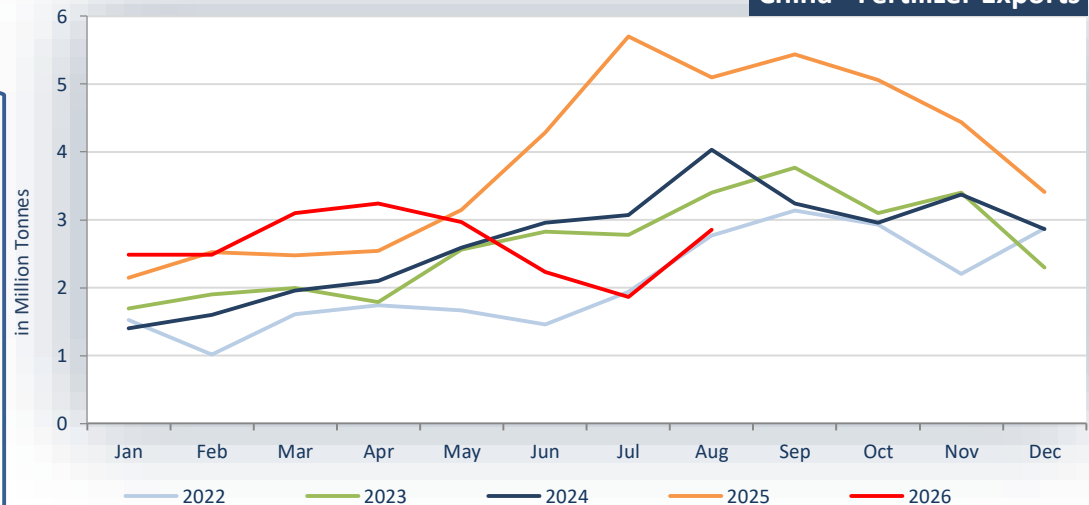


MINORS (EXPORTS)

SEPTEMBER 2026

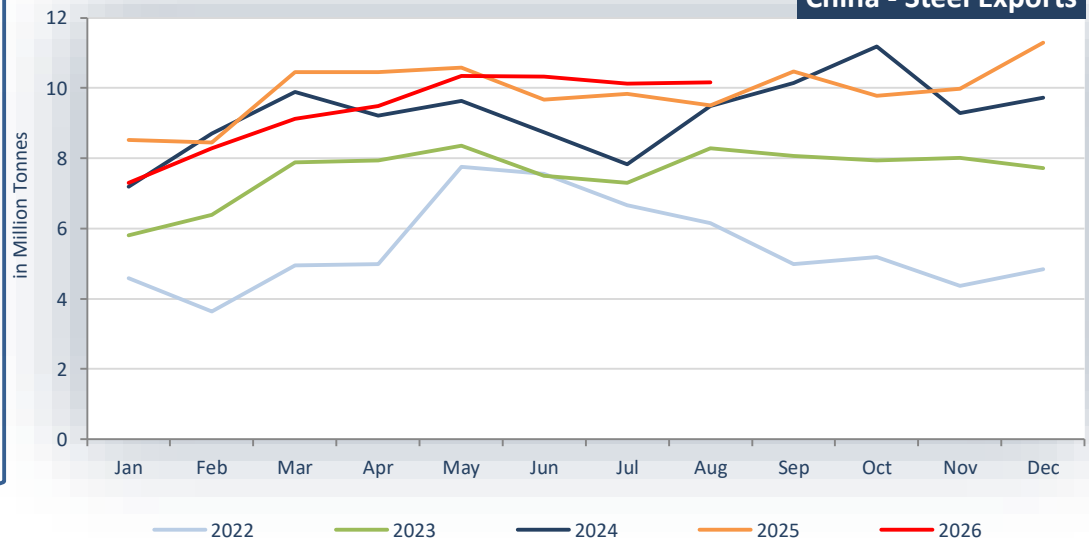
- China's fertilizer exports surged to 2.86 million tonnes in August, up 24.3 percent month-on-month and 15.2 percent year-on-year.
- Anchoring this momentum, China's total January-August export volumes reached 21.65 million tonnes, reflecting a solid 9.4 percent increase over the same timeframe last year.
- Despite a temporary 3.3 million tonnes urea export quota, government's strict price floors and phosphate bans heavily capped outbound flows, protecting domestic supply.
- While regional neighbors like Vietnam and South Korea took the top spots for China's outbound fertilizer trade in August, Latin American powerhouses Brazil, Colombia, and Chile rounded out the top five critical export destinations.
- Breaking through the 10-million-ton threshold, China shipped out a massive 10.16 million tonnes of finished steels in August, marking a robust 6.8 percent expansion year-on-year.
- Looking at the broader picture, China's finished steel exports eased 3.0 percent year-on-year over January-August, reaching a total of 75.15 million tonnes.

China - Fertilizer Exports



Source: GAC, Doric Research

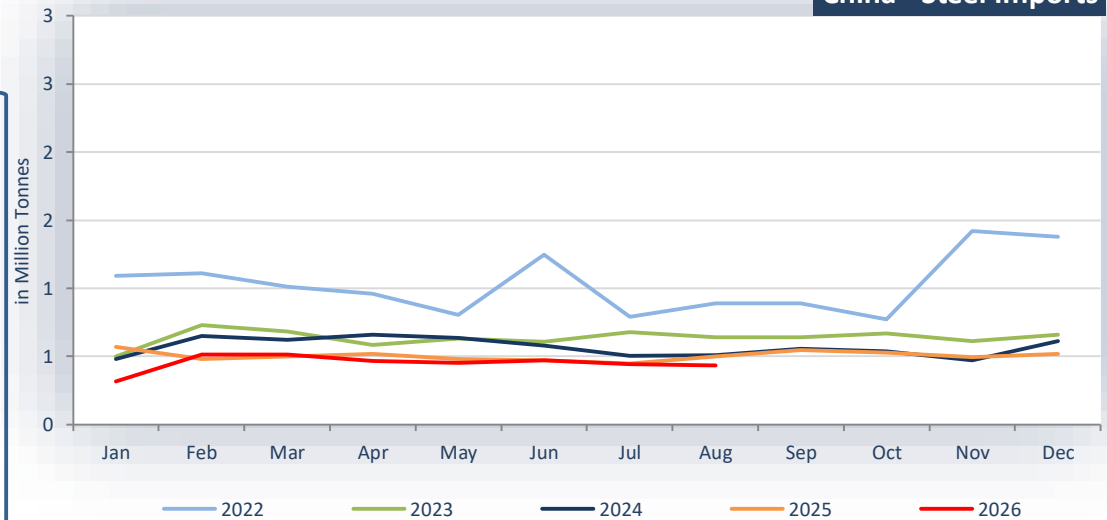
China - Steel Exports



Source: GAC, Doric Research

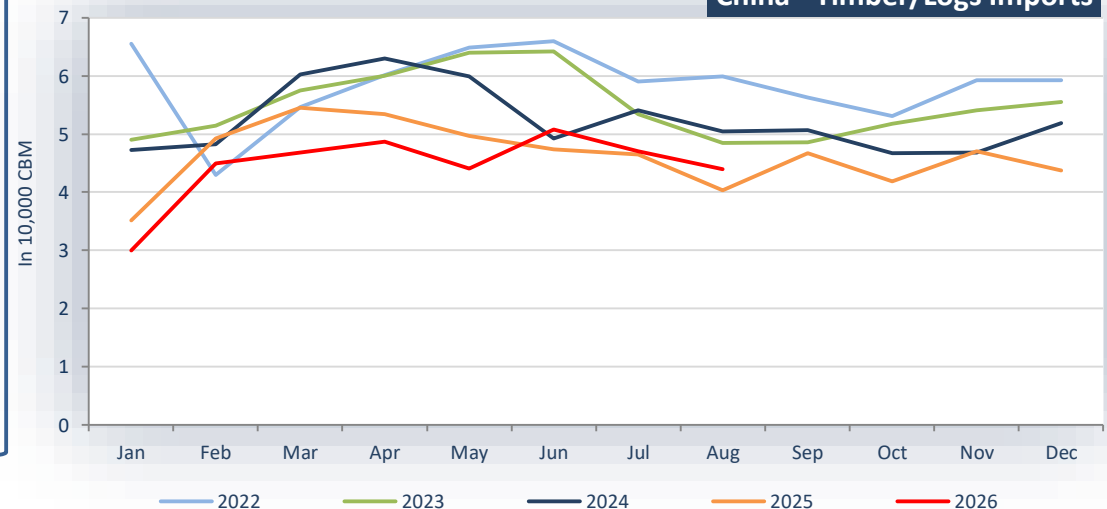


China - Steel Imports



Source: GAC, Doric Research

China - Timber/Logs Imports



Source: GAC, Doric Research

- The downward spiral for Chinese steel imports intensified in August, shrinking to just 0.43 million tonnes. This reflects a 2.5 percent drop from July and a staggering 13.2 percent collapse year-on-year.
- On a cumulative basis, January–August imports reached 3.57 million tonnes, down 10.5 percent year-on-year, reinforcing the clear downward trend seen throughout 2026.
- Steel inventories at major Chinese ports remained elevated at 9.71 million tonnes by the end of August, highlighting continued pressure on domestic demand.
- China's combined log and sawn timber imports remained relatively soft in August, despite a modest 6.2 percent year-on-year increase to 4.39 million CBM.
- The market downturn was further underscored by China's August Global Timber Index (GTI), which fell to 43.0, remaining below the 50 threshold and pointing to weakening industry demand.

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