CHINA – BAROMETER

Monthly Update

April 2025

FOCAL POINTS :

Macro Environment

China's economy exceeded expectations in the first quarter, expanding by 5.4 percent year-on-year. Retail sales rose by 5.9 percent compared to a year earlier, marking the strongest performance since December 2023. Industrial production followed suit, accelerating to 7.7 percent year-on-year in March.

Exports surged by 12.4 percent year-on-year in March, reaching a five-month high. Conversely, Imports fell by 4.3 percent year-on-year, undershooting market expectations.

Energy

During the first quarter, China's thermal power output amounted to 1.53 trillion kilowatt-hours, down by 4.7 percent on the year.

Manufacturing

Crude steel output rose by 4.6 percent year-on-year to 92.84 million tonnes in March, the highest since May 2024, driven by stronger exports and lower input costs.

Imports

Iron ore imports declined by 6.7 percent year-on-year in March to 93.97 million tonnes, the lowest monthly level for the month since 2023. In sync, coal imports declined by 6.0 percent year-on-year in March to 38.73 million tonnes, pressured by falling domestic prices.

Exports

Fertilizer exports surged by 44.5 percent year-on-year in the first quarter of 2025, reaching 7.2 million tonnes.

Doric Research Department

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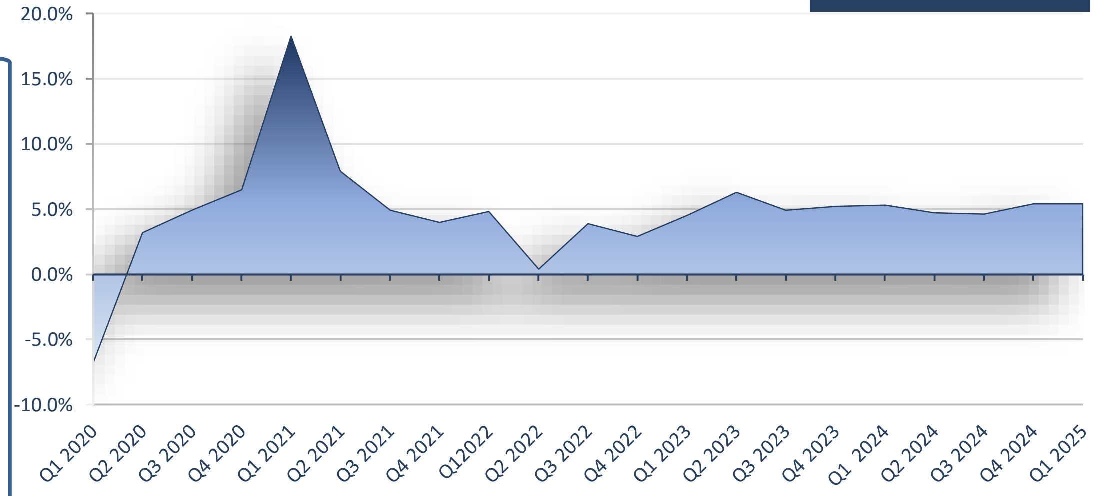
CONTENT PAGES :

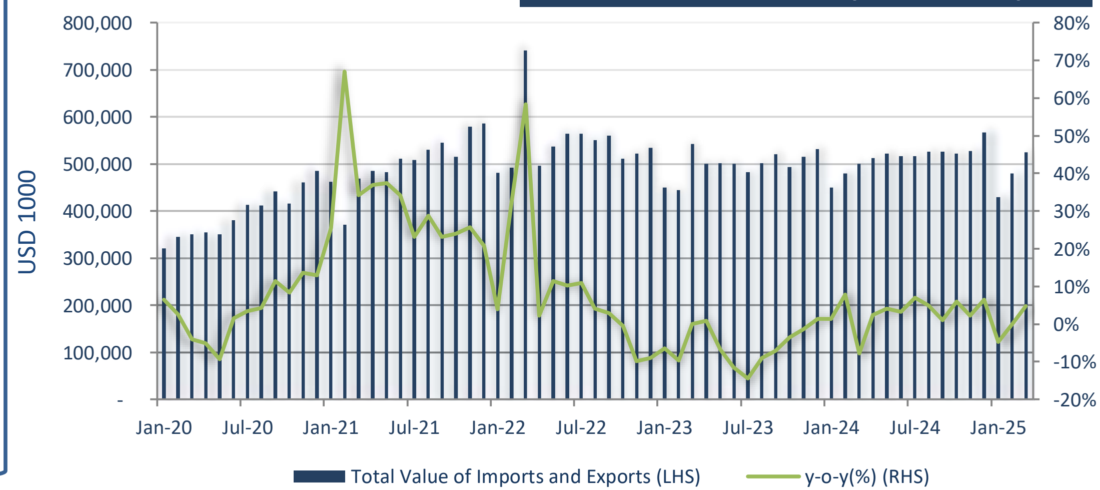
- China's economy exceeded expectations in the first quarter of 2025, expanding by 5.4 percent year-on-year, matching the pace recorded in the final quarter of 2024.
- On a quarter-on-quarter basis, GDP grew by 1.2 percent, slightly below the anticipated 1.4 percent and easing from the 1.6 percent expansion posted in Q4 2024.
- Retail sales rose by 5.9 percent in the first quarter compared to a year earlier, marking the strongest performance since December 2023. Industrial production followed suit, accelerating to 7.7 percent year-on-year in March—the fastest growth since June 2021.
- China's exports surged by 12.4 percent year-on-year in March to USD 313.91 billion, reaching a five-month high. This came after a more modest 2.3 percent rise in the January–February period.
- Imports fell by 4.3 percent year-on-year to USD 211.3 billion in March, undershooting market expectations. While the contraction moderated from the sharper 8.4 percent decline recorded in January–February, the figures highlighted lingering concerns over internal consumption.
- China's trade surplus narrowed slightly to USD 102.64 billion in March. Notably, the trade surplus with the US widened to USD 76.6 billion in the first quarter, underscoring the persistent imbalances despite rising geopolitical tensions.

China - GDP Growth



Source: NBS, Doric Research

China - Total Value of Imports and Exports



Source: GAC, Doric Research

PRICE ENVIRONMENT APRIL 2025

- China's Producer Price Index (PPI) extended its long-running deflationary streak in March, dropped by 2.5 percent on the year, steeper than market's expectations.
- Last month's record marked the fastest annual fall since November 2024, amid a seasonal downturn in energy demand and an ongoing trade war with the US that pushed domestic prices even lower.
- On a monthly basis, producer prices shrank by 0.4 percent, the steepest contraction in six months.
- During the past quarter, factory-gate prices fell by 2.3 percent, following a 2.2 percent fall in 2024.

- China's consumer price Index (CPI) slid by 0.1 percent on the year in March, remaining in deflationary territory after having contracted by 0.7 percent in February.
- Non-food prices witnessed a modest increase of 0.2 percent from a year earlier during past month.
- Core inflation, which strips out food ane fuel prices, rose by 0.5 percent, rebounding from a drop of 0.1 percent in February.

China - Producer Price Index (Industrial Sector)

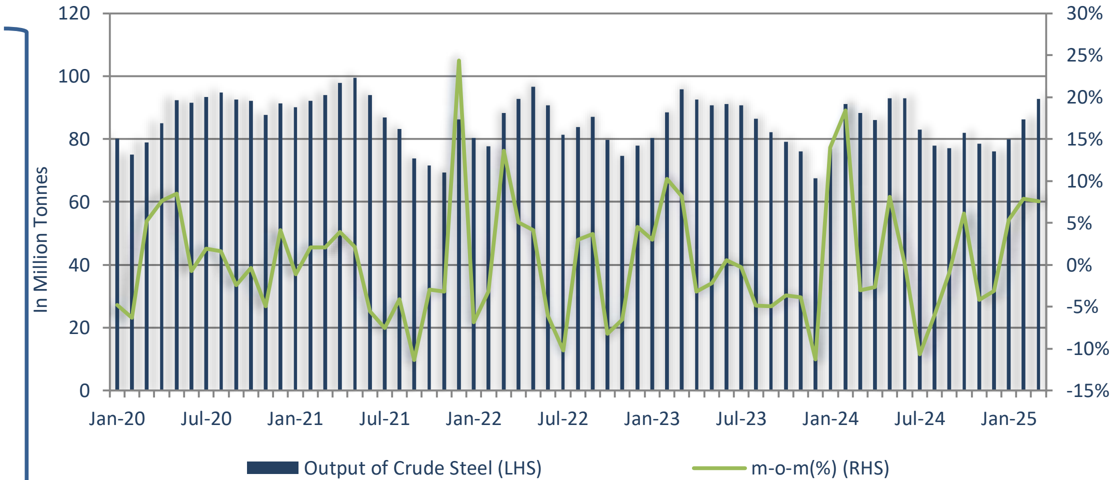
Source: NBS, Doric Research

China - Inflation Rate

Source: NBS, Doric Research

- China's mills churned out 92.84 million tonnes of crude steel in March, an increase of 4.6 percent compared to last year, or the highest level since May 2024, as a surge in exports and lower raw material costs lead to an improvement in margins.
- The March volume, largely in line with analysts' forecast, suggested an average daily output of 2.99 million tonnes, versus 2.82 million tonnes over January-February and 2.85 million tonnes in March 2024.
- In the first quarter of 2025, crude steel production stood 0.6 percent higher on the year at 259.22 million tonnes.
- China's official Purchasing Managers' Index (PMI) rose to 50.5 in March, from 50.2 a month prior. The non-manufacturing PMI, accelerated to 50.8 from 50.4.
- China's factory activity expanded at its fastest pace in a year in March, giving some reprieve to Chinese economy as it deals with an intensifying trade war.
- Pointing to improved domestic demand, the new orders sub-index rose to 51.8 in March, its highest reading in a year, while the decline in new export orders slowed.

China - Crude Steel Output



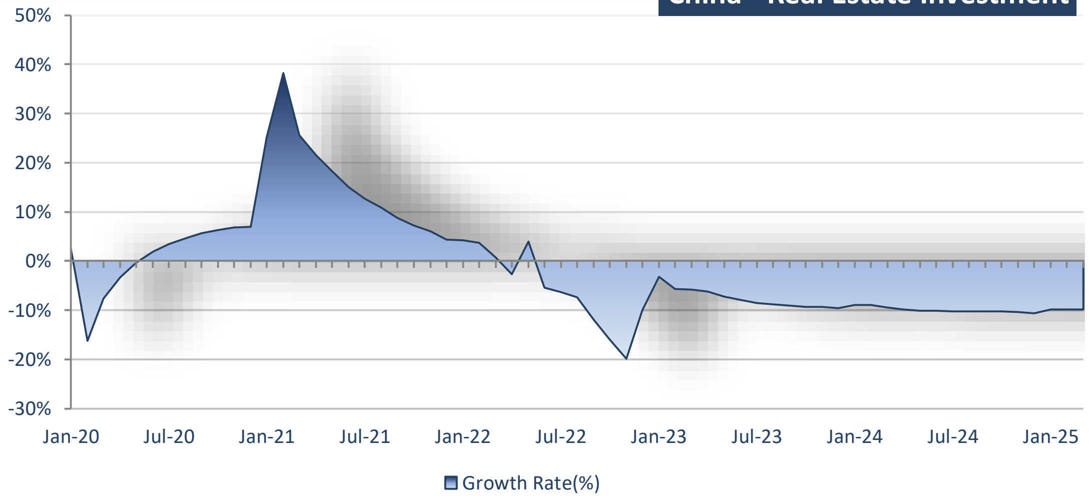
Source: NBS, Doric Research

China - Manufacturing PMI

Source: NBS, Doric Research

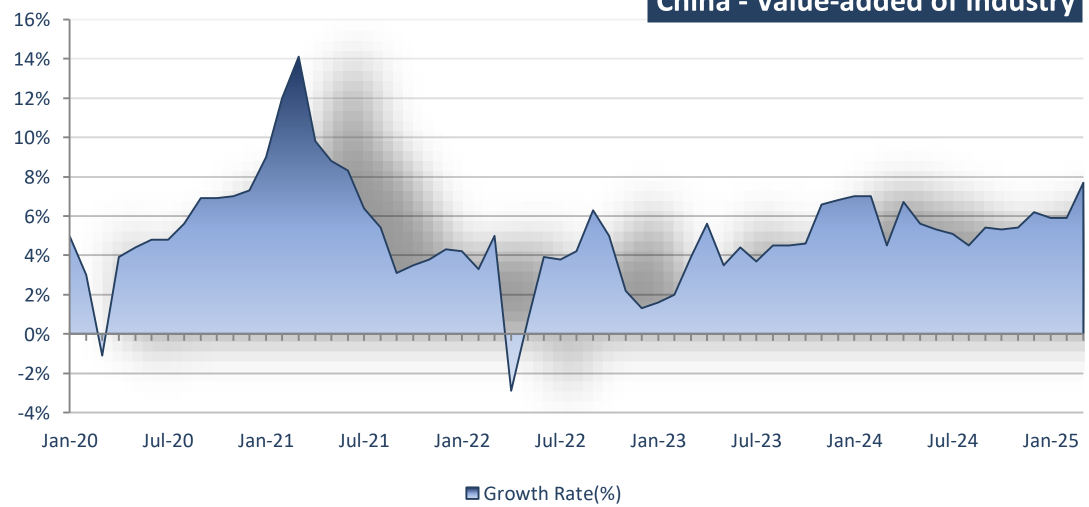
- China's property investment declined by 9.9 percent year-on-year in the first three months of 2025 , after tumbling by 10.6 percent in the January-February period.
- Property sales by floor area narrowed their year-to-date decline, falling by 3.0 percent from a year earlier in January-March, versus a 5.1 percent contraction in the first two months of the current year.
- New home prices stabilized in March after a slight monthly decline of 0.1 percent in February. From a year earlier, prices were down by 4.5 percent.
- New construction starts, measured by floor area, shrank by 24.4 percent on the year during the first quarter of 2025, after plunging by 29.6 percent in January-February period.
- On the back of strong export performance and upbeat manufacturing PMI data, industrial activity expanded markedly in March, with year-to-date growth accelerating to 7.7 percent.
- For the first quarter as a whole, China's industrial production rose by 6.5 percent year-on-year, reflecting robust momentum across key segments.
- By sector, value-added output in mining increased by 6.2 percent year-on-year in the first quarter, while manufacturing grew by 7.1 percent.

China - Real Estate Investment



Source: NBS, Doric Research

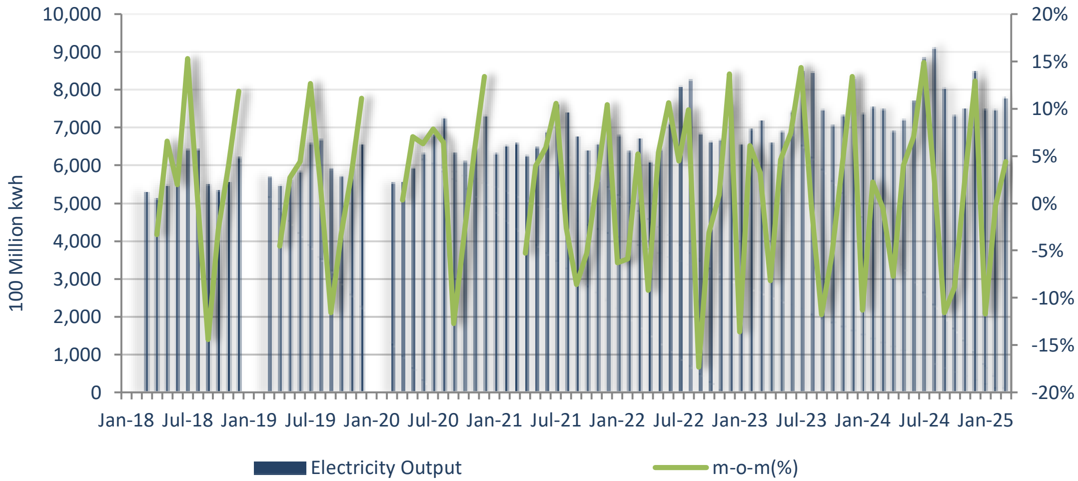
China - Value-added of Industry



Source: NBS, Doric Research

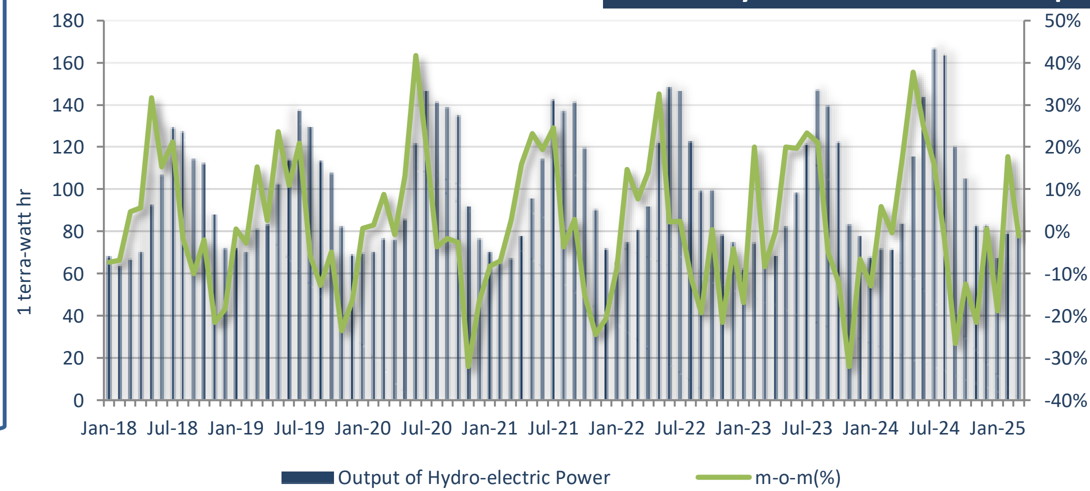
- China's power generation growth rebounded to 1.8 percent in March to 778.02 billion kilowatt-hours (kWh), after dipping by 1.3 percent in the first two months of 2025, as unreasonably warm winter weighed on demand.
- March's reported electricity output reversed the 1.3 percent decline reported in the first two months of the year, which marked the third time that a decline has been reported after the financial crisis in 2009 and the start of the pandemic in 2020.
- In terms of renewable energy sources, the growth rate of solar and wind power both accelerated by 8.9 percent and 8.2 percent respectively, in March.
- China's hydropower output, the second-largest power source, expanded by 9.5 percent on the year in March, to 78.1 billion kWh.
- China's already installed hydropower capacity rose by 3.2 percent to nearly 436 GW during the first quarter of 2025, while nuclear capacity increased by 6.9 percent to nearly 61 GW during the same period. Renewable capacity additions accounted for 86.0 percent of the newly installed capacity.

China - Electricity Output



Source: NBS, Doric Research

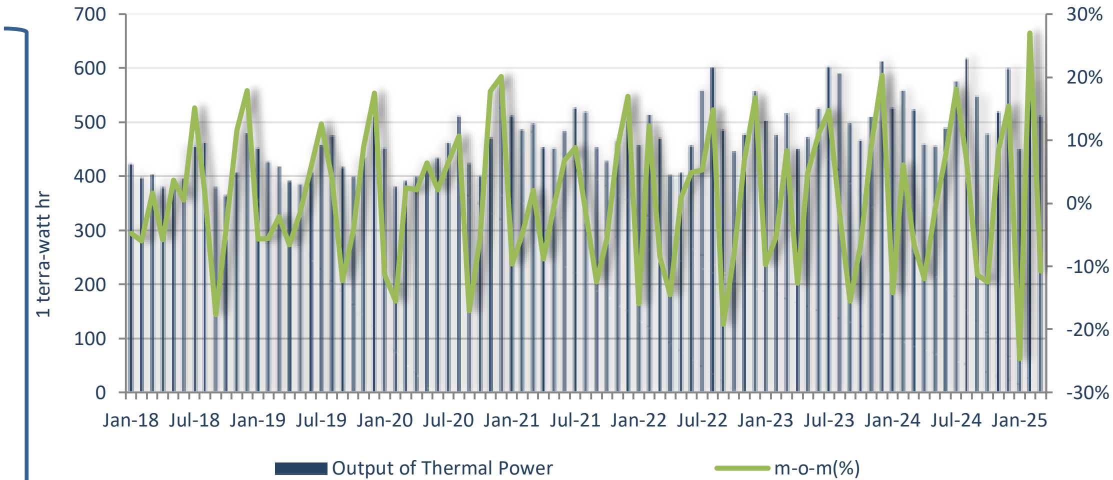
China - Hydro-Electric Power Output



Source: NBS, Doric Research

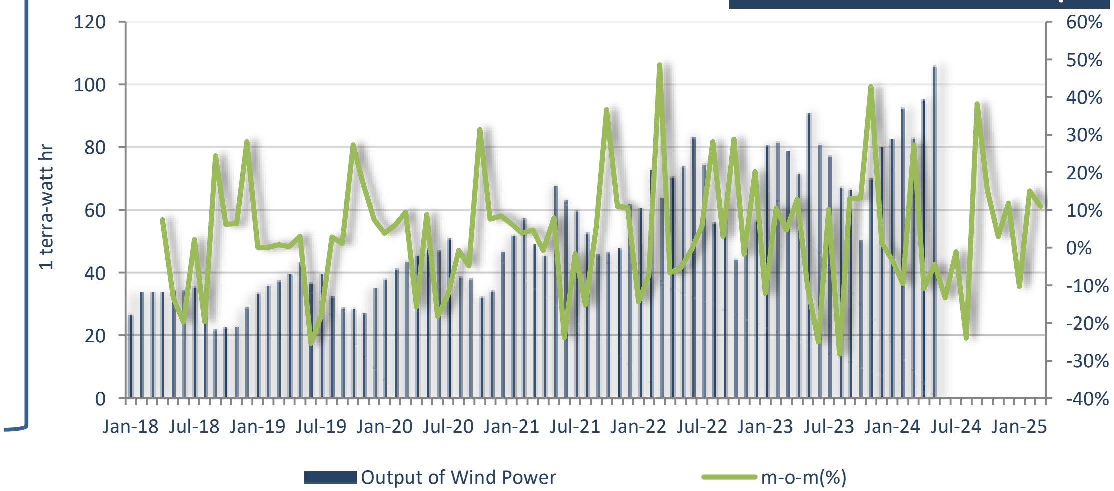
- China's thermal power generation continued to ease in March, declining by 2.3 percent year-on-year to 509.9 billion kilowatt-hours.
- In the first quarter, thermal power production totalled 1.53 trillion kWh, representing a 4.7 percent year-on-year contraction.
- For 2024 as a whole, China's thermal power generation rose by just 1.5 percent, marking the slowest annual growth rate in nine years, excluding the pandemic-affected period.
- By contrast, wind power generation reached approximately 105.0 terawatt-hours in March, up 8.2 percent year-on-year.
- China is on course to more than double its renewable electricity capacity by 2030 to at least 2,461 GW, with solar power accounting for the bulk of that growth—nearly tripling compared to 2022 levels.
- In the first quarter, solar power additions reached 39.6 GW, making up 74.0 percent of total new capacity. Wind followed with 9.1 GW, while new thermal power capacity accounted for just 7.0 percent, underscoring the ongoing structural shift in China's energy mix.

China - Thermal Power Output



Source: NBS, Doric Research

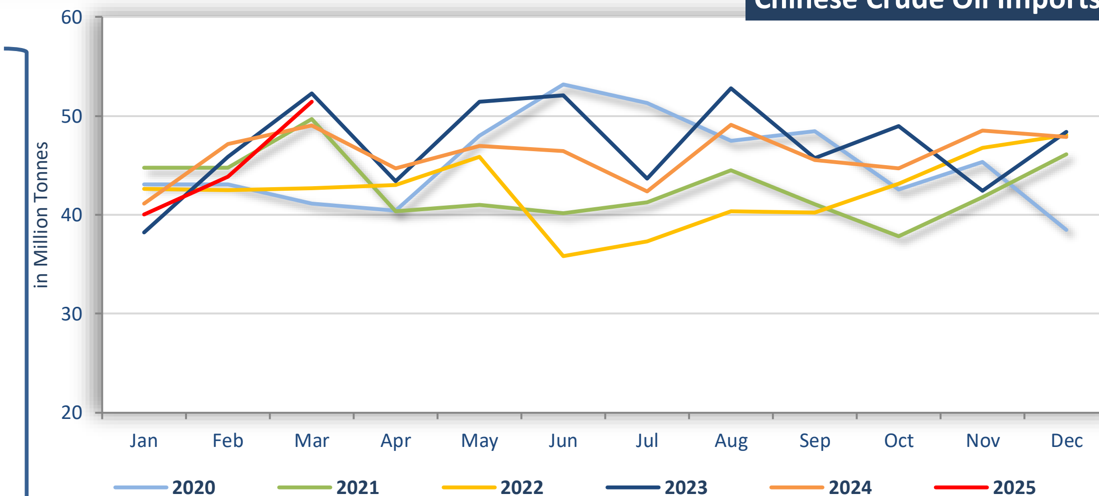
China - Wind Power Output



Source: NBS, Doric Research

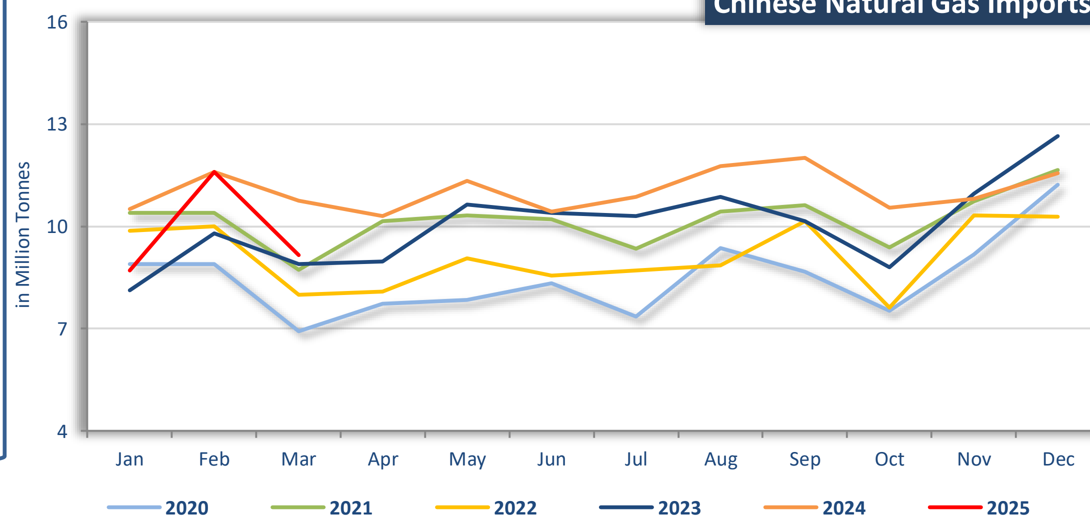
- China's crude oil imports rebounded sharply in March, rising by nearly 5.0 percent year-on-year to 51.41 million tonnes, equivalent to 12.0 million barrels per day (bpd).
- March marked the strongest monthly import volume since August 2023, supported by a surge in Iranian oil shipments and a recovery in flows from Russia.
- Over the first quarter, crude oil imports totalled 135.25 million tonnes, or 10.97 million bpd, down by 1.5 percent on a year-on-year basis, reflecting weaker inflows in the early part of the year.
- Iranian crude shipments to China soared to 1.37 million bpd in March, up 83.0 percent from February, reaching the highest level in five months amid discounted pricing and rising private sector demand.
- Natural gas imports—including both pipeline and liquefied natural gas — fell by 15.0 percent year-on-year in March to 9.16 million tonnes, pressured by tepid seasonal demand and strong domestic production.
- Cumulative natural gas imports for January–March 2025 declined by 10.0 percent from the same period last year, to 29.42 million tonnes.
- Spot LNG demand in China remained muted amid high import costs and ample domestic inventories. Additionally, cargoes from the U.S. continued to be largely absent.

Chinese Crude Oil Imports



Source: GAC, Doric Research

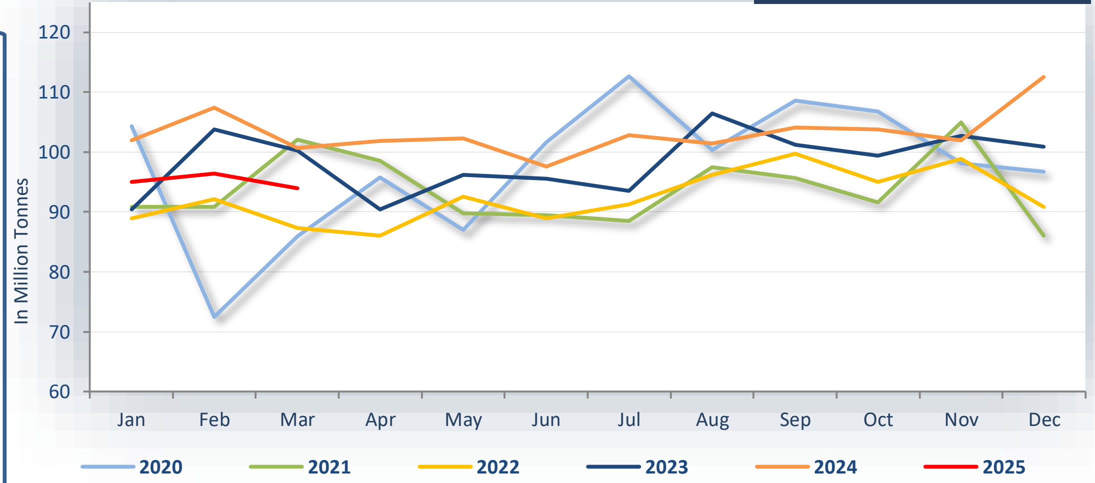
Chinese Natural Gas Imports



Source: GAC, Doric Research

- China's iron ore imports declined by 6.7 percent year-on-year in March to 93.97 million tonnes, the lowest monthly level for the month since 2023.
- On a month-on-month basis, however, March imports edged up by 3.29 percent, reflecting a modest recovery in arrivals.
- In the first quarter, total iron ore imports contracted by 7.8 percent year-on-year to 285.31 million tonnes.

China - Iron Ore Imports



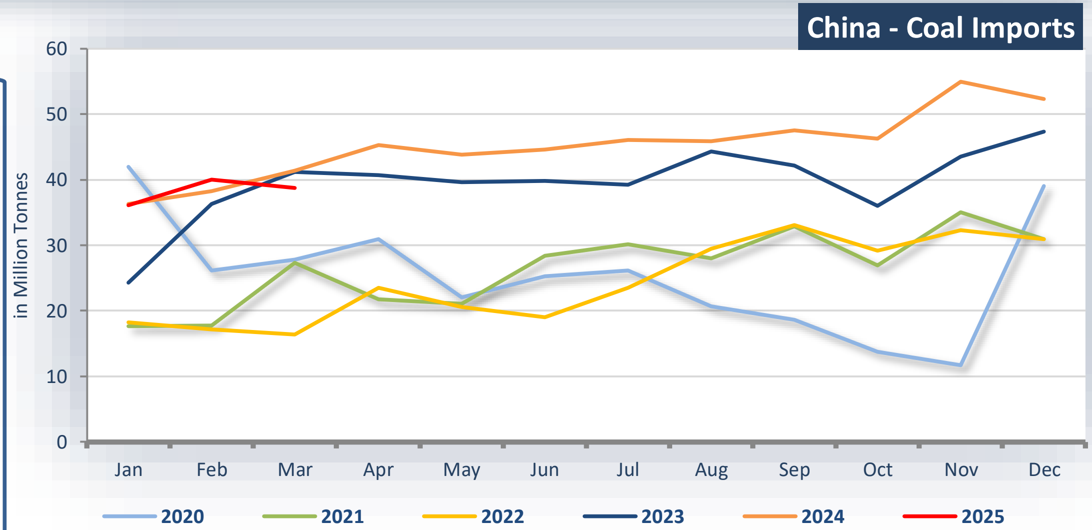
Source: GAC, Doric Research

- Domestic crude iron production in March stood at 83.53 million tonnes, down sharply by 14.7 percent from the same period last year, suggesting ongoing weakness in demand.
- According to the China Iron and Steel Association, total steel output at major mills rose by 4.2 percent on a month-on-month basis in March, up from 80.14 million tonnes in February.
- Over the first quarter, China's cumulative extraction of crude iron ore fell by 11.7 percent year-on-year to 2.43 billion tonnes, underlining reduced domestic mining activity amid sluggish demand and elevated inventories.

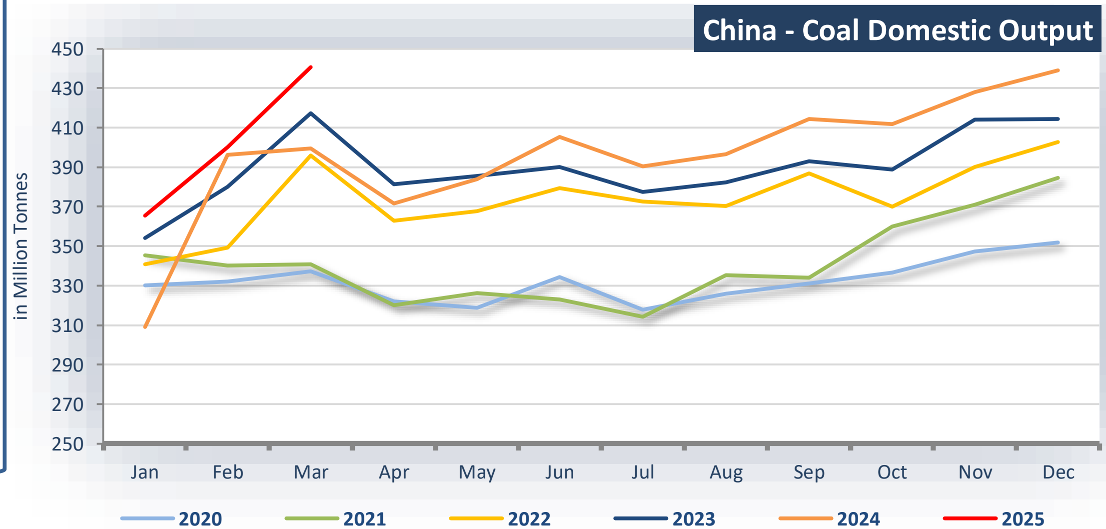
China - Iron Ore Domestic Output

Source: NBS, Doric Research

- China's coal imports declined by 6.0 percent year-on-year in March to 38.73 million tonnes, pressured by falling domestic prices. This marked the first monthly year-on-year contraction since March 2022.
- Over the first quarter, total coal imports reached 114.85 million tonnes, edging down by 0.9 percent compared to the same period last year. That followed a record-high volume of 76.12 million tonnes in the January–February window.
- Domestic coal prices in China fell to four-year lows in March, weighed down by high port inventories and subdued domestic demand, diminishing the competitiveness of seaborne coal.
- Despite logistical constraints and ongoing Western sanctions, China's coal imports from Russia increased by 6.0 percent year-on-year in March to 7.33 million tonnes.
- China's raw coal output surged to a record high in March, rising by 9.6 percent year-on-year to 440.58 million tonnes as producers ramped up supply.
- On a quarter-on-quarter basis, coal output increased by 9.2 percent, supported by higher coal-fired power generation.

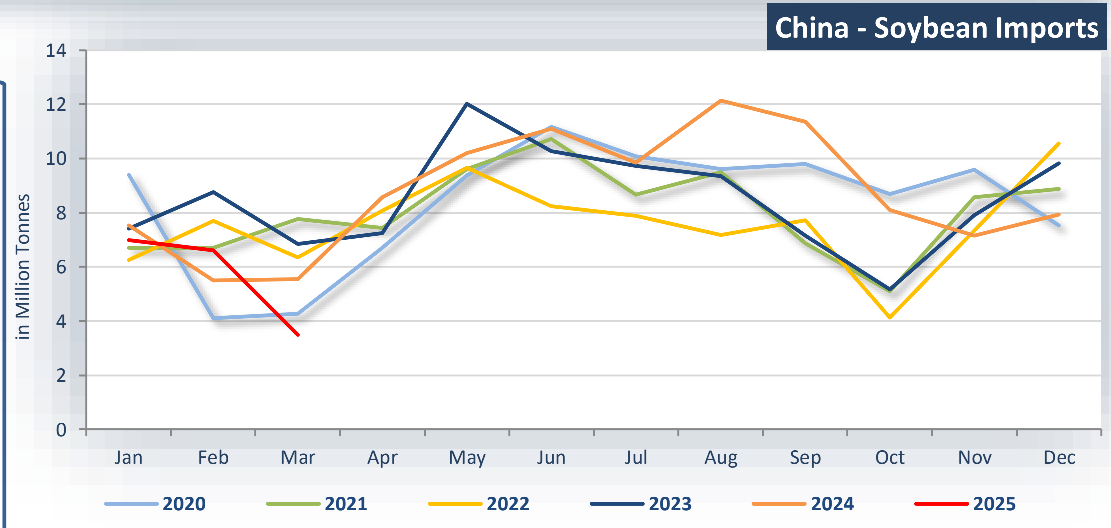


Source: GAC, Doric Research

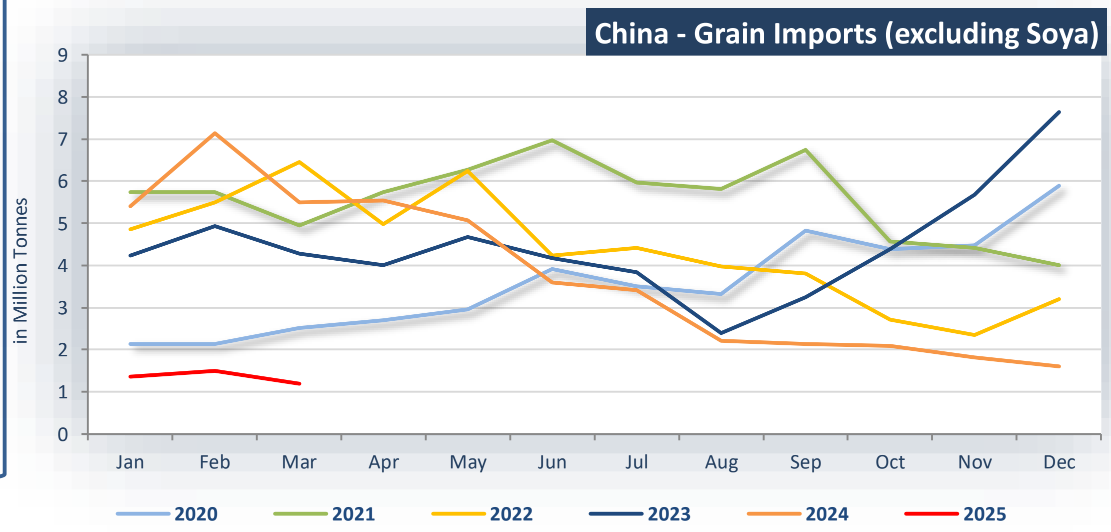


Source: NBS, Doric Research

- China's total soybean imports tumbled by 36.8 percent year-on-year in March, to 3.5 million tonnes, as growing trade barriers of China's retaliatory tariffs on US agricultural products started to impact on seaborne arrivals.
- Over January-March period, total soybean imports amounted to 17.1 million tonnes, dropping by 8.0 percent year-on-year.
- In March, China imported 2.44 million tonnes of soybeans from the US, up 12.0 percent from a year earlier. By contrast, shipments from Brazil over the first quarter totaled 4.5 million tonnes, down 55.0 percent year-on-year due to harvest delays.
- Despite the reimposition of tariffs on US goods, China is expected to receive circa 3.0 million tonnes of American soybeans between April and May. Sinograin, known for favoring US soybeans due to their lower moisture content, is anticipated to absorb the additional costs.
- Excluding soybeans, China imported 1.19 million tonnes of grains in March, representing a steep year-on-year decline of 78.4 percent.
- Chinese corn imports in March fell to their lowest level in seven months, reaching just 0.14 million tonnes. This brought first-quarter imports to 0.32 million tonnes—the weakest start since the 2017–2018 season.



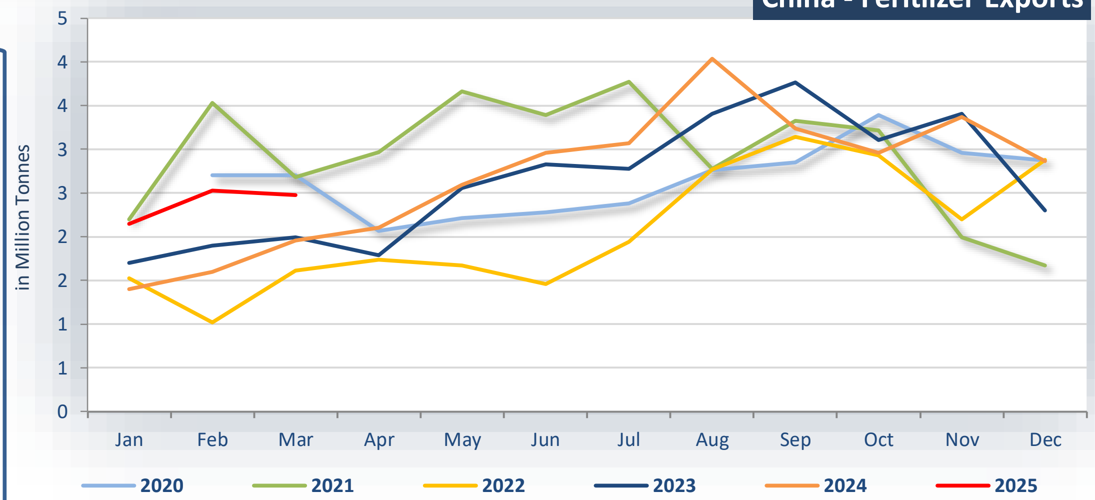
Source: GAC, Doric Research



Source : GAC, Doric Research

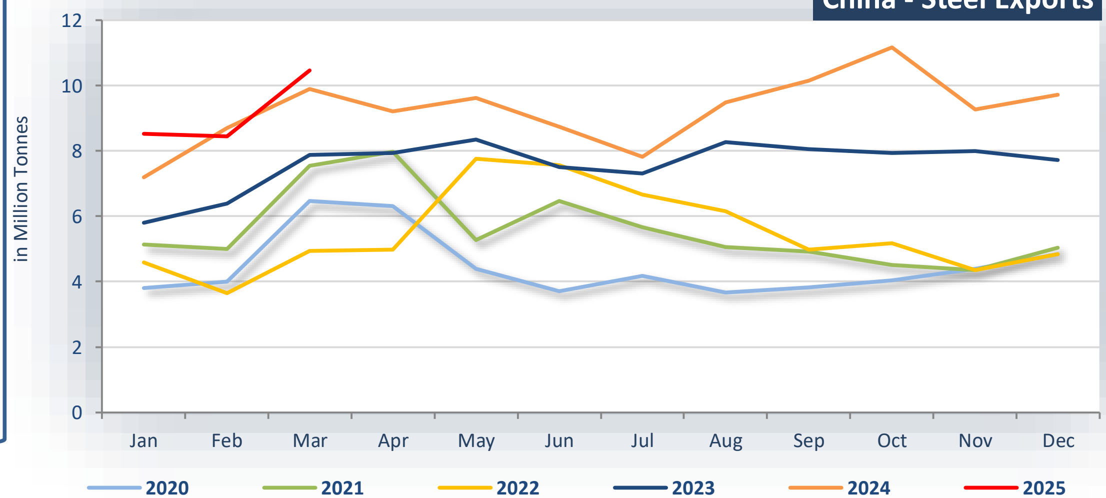
- In March, China's fertilizer exports continued to gain momentum, surging by 26.8 percent year-on-year to 2.48 million tonnes.
- Over the first quarter of 2025, total fertilizer exports soared to 7.2 million tonnes, representing a sharp year-on-year increase of 44.5 percent.
- China's urea market remained broadly stable in March, following a domestic price spike of 14.8 percent in February. Meanwhile, exports of NP/NPS fertilizers surged more than eightfold in the first quarter.
- Despite the US re-imposing a 25 percent tariff on steel imports, China's finished steel exports reached 10.46 million tonnes in March alone—up 5.7 percent year-on-year—amid rising concerns over escalating global trade tensions.
- In the first quarter, China exported 27.43 million tonnes of steel products, marking a 6.3 percent increase compared to the same period last year and the highest quarterly volume since 2016.
- Notably, profitability across China's steel sector improved, with approximately 53.0 percent of producers operating at a profit in March, compared with just 25.0 percent in the same month of 2024.

China - Feritlizer Exports



Source: GAC, Doric Research

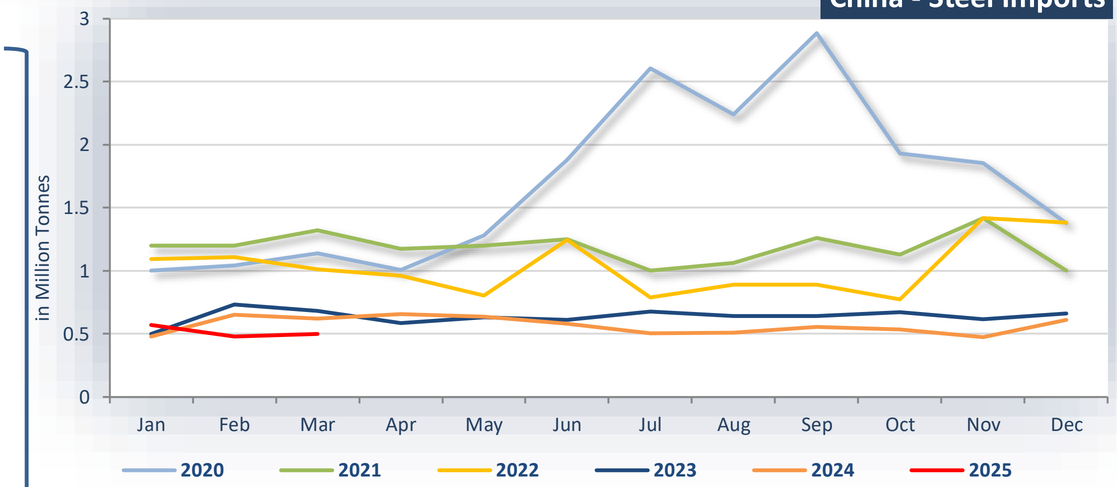
China - Steel Exports



Source: GAC, Doric Research

- China imported 0.5 million tonnes of finished steels in March 2025, largely unchanged from 0.49 million tonnes in February. However, this marked a sharp year-on-year decline of 19.2 percent.
- On a month-on-month basis, combined steel imports into China fell noticeably by 8.9 percent, compared to an average of 1.05 million tonnes over the January–February period.
- Cumulative steel imports in the first quarter of 2025 reached 1.55 million tonnes, down significantly by 11.3 percent year-on-year, compared to 1.75 million tonnes in the same period last year.

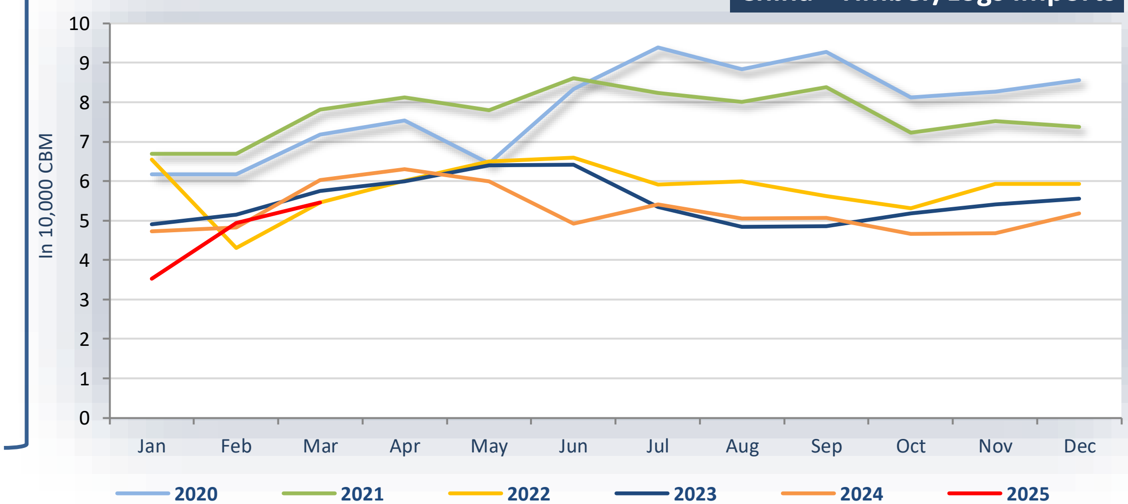
China - Steel Imports



Source: GAC, Doric Research

- In March, Chinese timber imports balanced at 5.46 million cubic meters (CBM), reflecting a 9.4 percent year-on-year rise.
- Over January-March period, total timber imports declined by 10.7 percent year-on-year, amounting to 13.9 million CBM.
- With the arrival of the traditional peak season for China's timber market, the Global Timber Index registered at 58.1 percent in March, up 14.0 percentage points from the previous month, rising above the critical 50.0-point threshold for the first time in 4 months.

China - Timber/Logs Imports



Source: GAC, Doric Research

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