CHINA – BAROMETER

Monthly Update

June 2025

FOCAL POINTS :

Macro Environment

China's economic data in May showed mixed signals. Factory output growth hit a six-month low, while retail sales surged at their fastest pace since late 2023, providing some temporary relief to the national economy amid a fragile truce in the ongoing trade war with the United States. Beijing introduced a series of monetary easing measures in May aimed at mitigating trade war impacts and supporting credit demand.

Energy

China's thermal power output rose by 1.2 percent year-on-year last month to 461.5 terawatt-hours, reversing the annual decline recorded in April. The increase was partly driven by higher electricity demand amid unusually hot weather conditions.

Manufacturing

In May, China's crude steel output continued its ongoing trend of year-on-year declines, slowing by 6.9 percent to 86.55 million tonnes, indicating sustained pressure on steel demand. Total steel output year-to-end-May totalled 431.6 million tonnes, down 1.7 percent year-on-year.

Imports

China's coal imports fell sharply by 17.8 percent to 36.04 million tonnes in May. Between January and May, China imported 188.7 million tonnes, down 8.0 percent year-on-year, as a sharp decline in prices to four-year lows reduced import demand.

Exports

China's steel exports in May reached 10.46 million tonnes, up 9.9 percent year-on-year and marking the highest monthly volume since September 2015.

Doric Research Department

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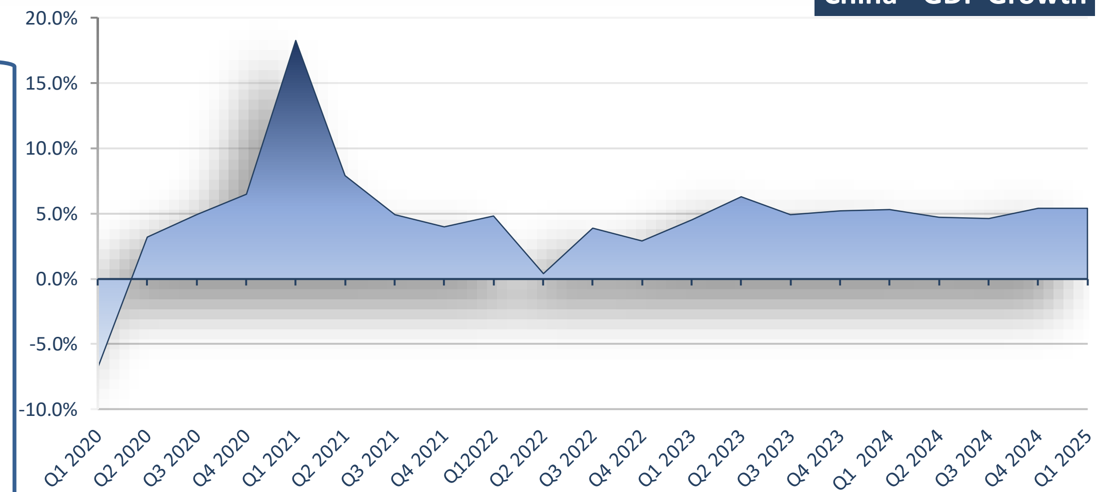
CONTENT PAGES :

- China's retail sales growth surged by 6.4 percent year-on-year in May, the fastest pace since late 2023 and above the 5.0 percent forecast, accelerating from 5.1 percent in April.
- Industrial output slowed to 5.8 percent year-on-year growth in May, down from 6.1 percent in April.
- A U.S.-China tariff deal in mid-May established a 90-day truce rolling back most levies from early April, offering temporary relief to exports.

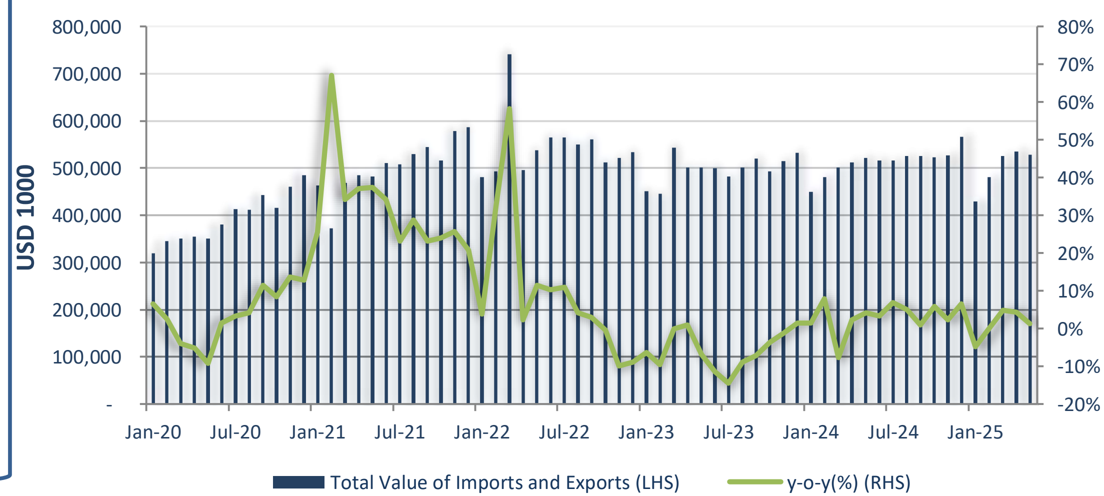
China - GDP Growth



Source: NBS, Doric Research

- Outbound shipments grew 4.8 percent year-on-year to USD 316.1 billion in May, easing from 8.1 percent in April and slightly below the 5.0 percent forecast, driven by a sharp 34.5 percent drop in exports to the U.S.
- Total seaborne arrivals to China fell 3.4 percent year-on-year in May to USD 212.9 billion, a much steeper decline than April's 0.2 percent drop and missing the expected 0.9 percent decline.
- China recorded a trade surplus of USD 103.22 billion in May, up from USD 81.74 billion a year earlier.

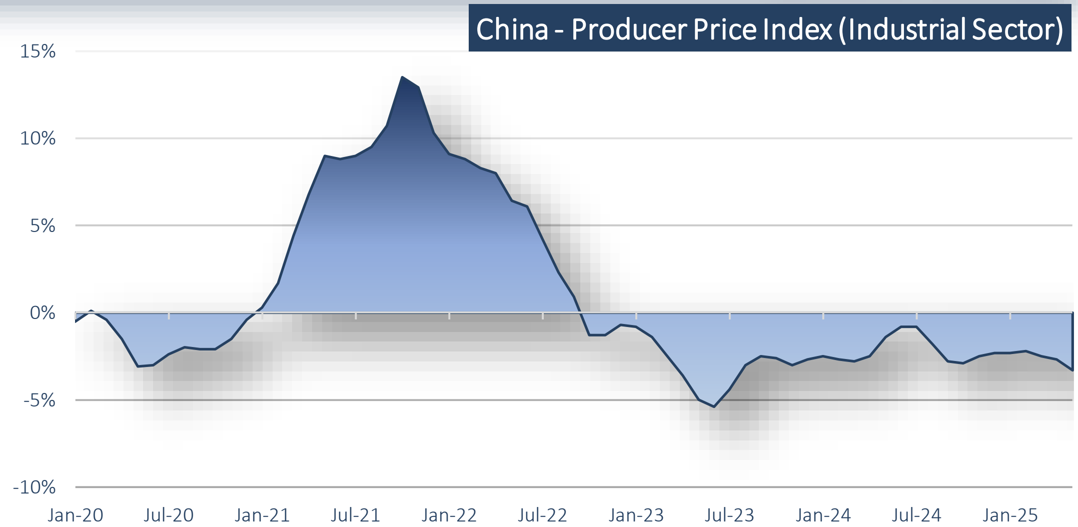
China - Total Value of Imports and Exports



Source: NBS, Doric Research

- In May 2025, national producer prices for industrial products decreased by 3.3 percent year-on-year and by 0.4 percent month-on-month.
- The May figure was the steepest producer deflation since July 2023 and extended the downward trend that began in October 2022, driven by external risks such as uncertainty over US tariffs and weak domestic demand.

- China's Consumer Price Index fell by 0.1 percent year-on-year in May, marking the fourth consecutive month of consumer deflation.
- Non-food prices remained flat for the second consecutive month, following a 0.8 percent increase in May 2024.
- Core inflation rose by 0.6 percent year-on-year in May, the highest since January.
- Chinese government lowered its inflation target for 2025 from 3.0 to 2.0 percent due to ongoing deflation and CPI remaining below 1.0 percent since March 2023.

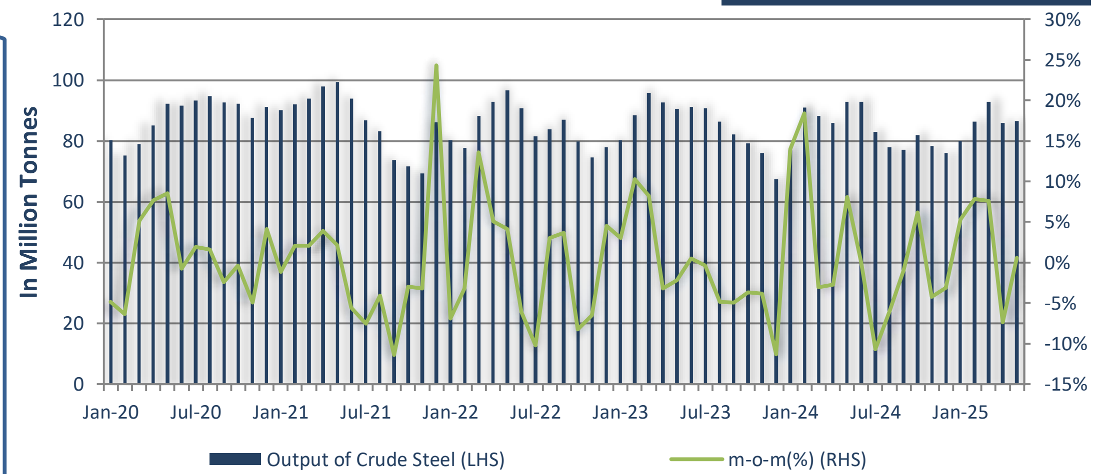


Source: NBS, Doric Research

Source: NBS, Doric Research

- In May, China's crude steel output continued its ongoing trend of year-on-year declines, slowing by 6.9 percent to 86.55 million tonnes, indicating sustained pressure on steel demand.
- This equated to an average daily output of 2.79 million tonnes, down from 2.87 million tonnes in April and still below the May 2024 record of 3.0 million tonnes.
- On a monthly basis, May's output rose slightly by 0.6 percent compared to April.
- Total steel output year-to-end-May totalled 431.6 million tonnes, down 1.7 percent year-on-year, reflecting government's efforts to restructure the steel sector.
- China's official PMI rose to 49.5 in May, up from April's 16-month low of 49.0, marking the second consecutive month of contraction. Among the PMI sub-indices, new export orders rose to 49.8 percent in May, increasing from April's record.
- China's non-manufacturing PMI eased slightly to 50.3 in May, down from 50.4 in April.

China - Crude Steel Output



Source: NBS, Doric Research

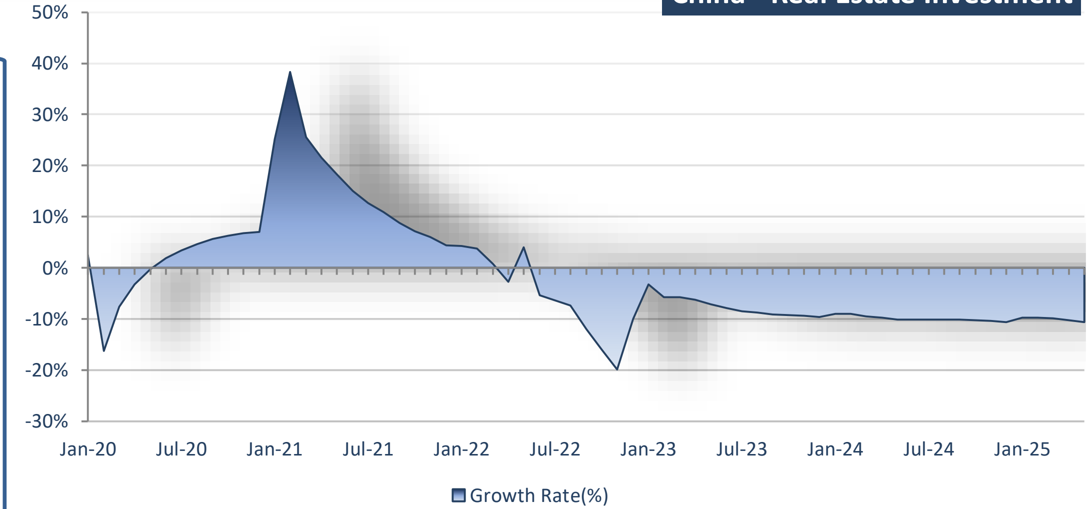
China - Manufacturing PMI

Source: NBS, Doric Research

- China's property investment eased by 10.7 percent year-on-year over January–May 2025, following a 10.3 percent decline in January–April.
- Property sales by floor area fell by 2.9 percent year-on-year through May, slightly deeper than the 2.8 percent drop in the first four months.
- New construction by floor area narrowed its year-to-date decline to 22.8 percent through May, compared to a 23.8 percent contraction in January–April.
- New home prices fell by 3.5 percent year-on-year in May, though the pace of decline is moderating amid policy support. Goldman Sachs estimates that demand for new homes in Chinese cities will remain suppressed in the coming years.

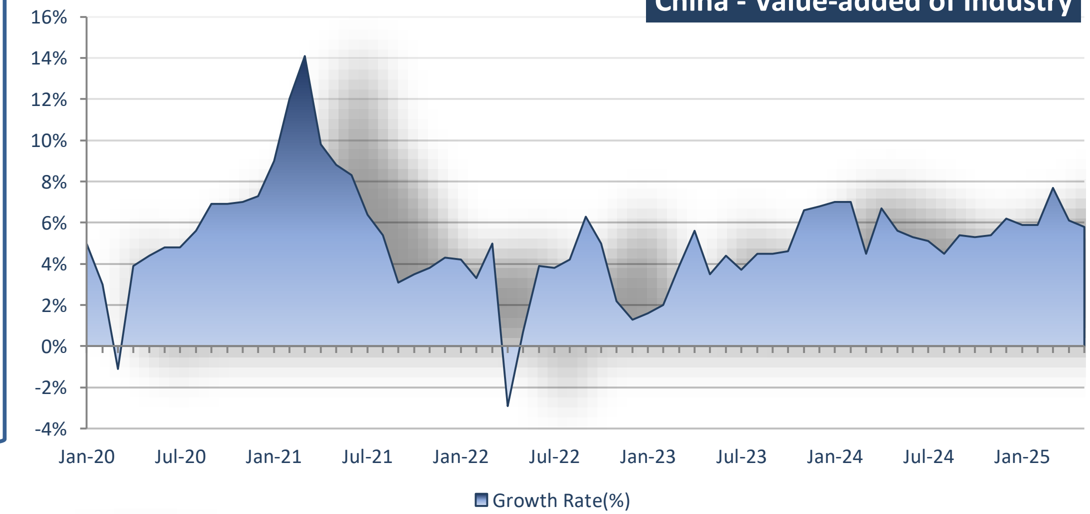
- Total value-added industrial output expanded by 5.8 percent year-on-year in May. Industrial production grew by 6.3 percent year-on-year cumulatively over January–May.
- Manufacturing sector output increased by 6.2 percent year-on-year in May, while mining output rose by 5.7 percent during the same period.

China - Real Estate Investment



Source: NBS, Doric Research

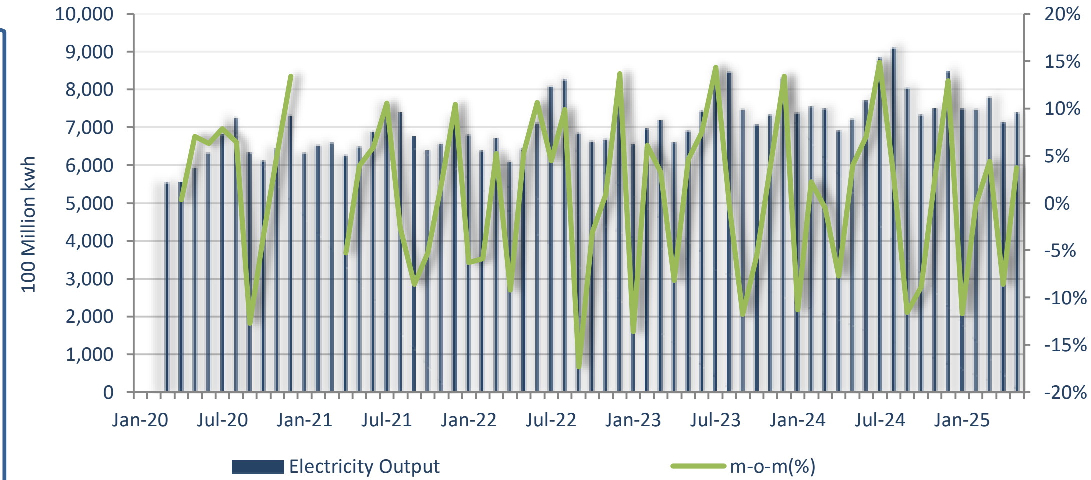
China - Value-added of Industry



Source: NBS, Doric Research

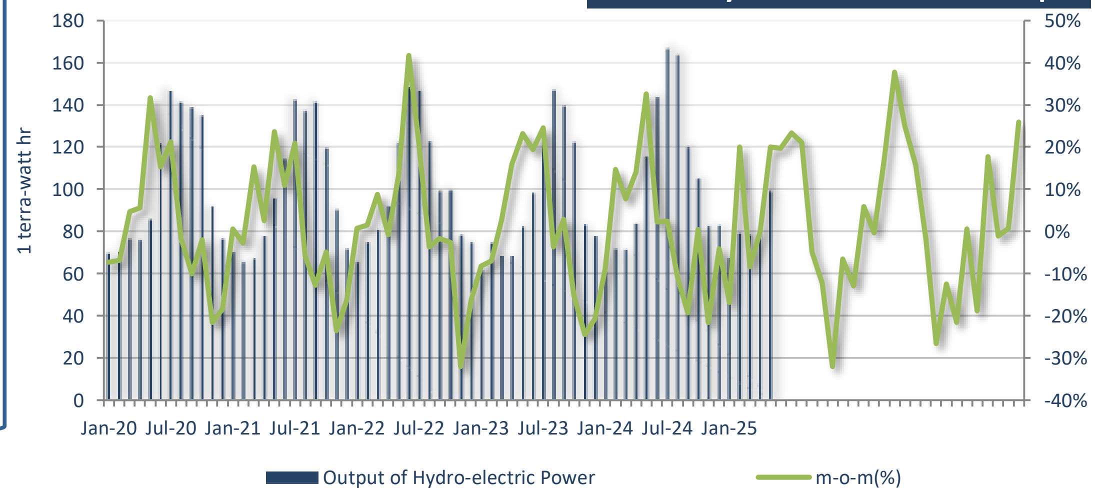
- China's total power generation rose by 0.5 percent year-on-year in May 2025 to 737.76 billion kilowatt-hours (kWh), slightly below April's 0.9 percent increase.
- Warmer-than-usual winter conditions contributed to modest growth in the January–May period, with total power generation rising by 2.1 percent to 3.7 trillion kilowatt-hours.
- China's greenhouse gas emissions fell by 1.6 percent year-on-year in Q1 2025 and 1.0 percent over the past 12 months. This has happened four times before over the past four decades – in 2009,2012,2015 and 2022. However, the current drop is the first time that the main driver is growth in clean generation.
- Hydropower output, China's second-largest source of electricity, declined by 14.3 percent year-on-year in May to 99.1 billion kilowatt-hours.
- Over the January–May period, hydropower generation dropped by 25.9 percent compared to the same period in 2024.
- Clean electricity generation reached a record high in the first five months, exceeding 951 terawatt-hours — a 19.0 percent year-on-year increase.

China - Electricity Output



Source: NBS, Doric Research

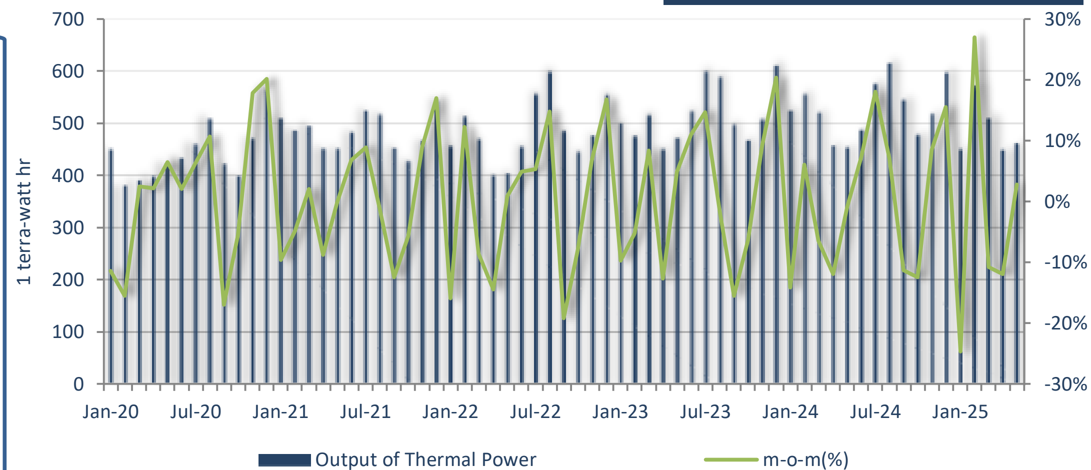
China - Hydro-Electric Power Output



Source: NBS, Doric Research

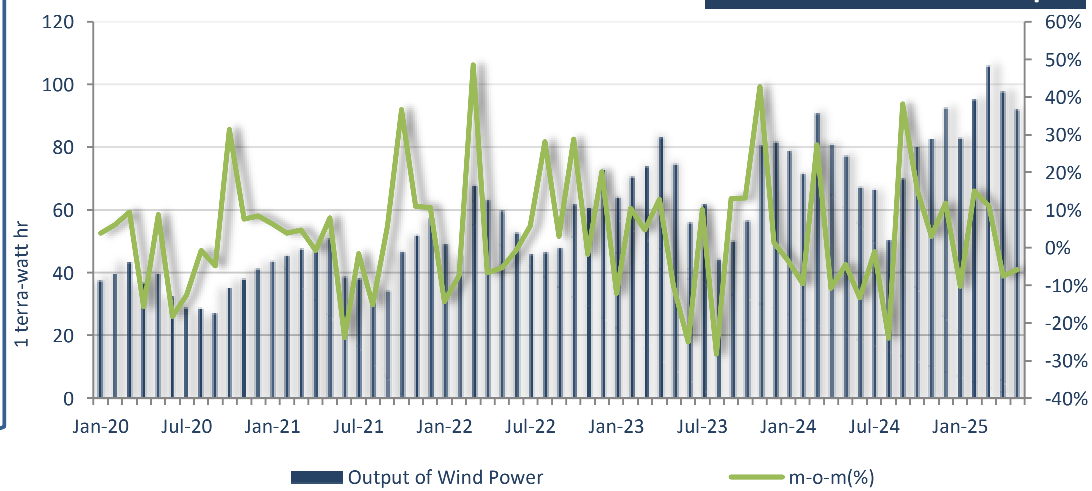
- China's thermal power output rose by 1.2 percent year-on-year last month to 461.5 terawatt-hours, reversing the annual decline recorded in April. The increase was partly driven by higher electricity demand amid unusually hot weather conditions.
- On a month-on-month basis, thermal power output rose by 2.8 percent, recovering sharply from a 12.0 percent drop in April.
- Cumulative thermal power generation for January–May eased by 2.8 percent year-on-year to 2.44 trillion kilowatt-hours. China's coal and gas-fired power plants recorded their first annual gain in electricity output for 2025.
- Wind power output grew by 11.0 percent year-on-year in May to 91.67 terawatt-hours, remaining a key contributor to China's clean energy generation.
- Solar power capacity additions reached 105 gigawatts over January–May, marking a sharp 75 percent increase compared to the same period in 2024.
- China continued to expand its renewable capacity, with wind and solar accounting for 89 percent of new energy installations in the first five months.

China - Thermal Power Output



Source: NBS, Doric Research

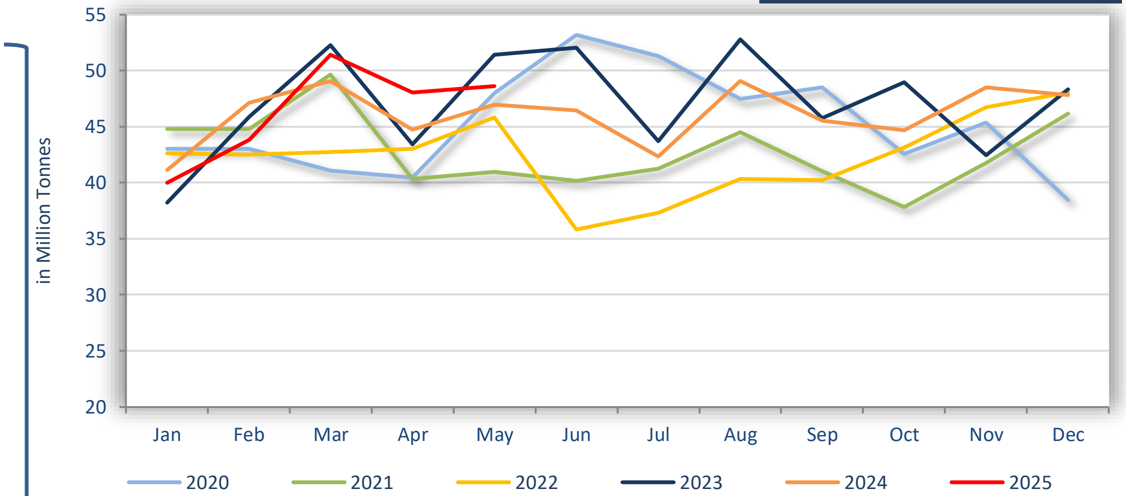
China - Wind Power Output



Source: NBS, Doric Research

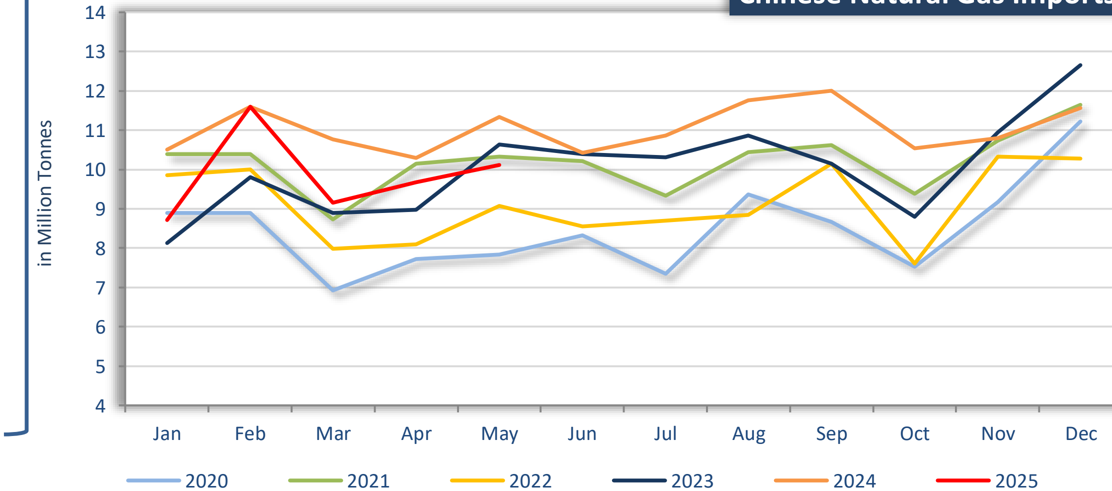
- China's crude oil imports fell to a four-month low of 48.6 million tonnes in May, equivalent to 10.97 million barrels per day. The figure remained below March's 12.1 million bpd, the strongest level since August 2023.
- On a year-on-year basis, May crude imports rose by 3.5 percent, reflecting a modest recovery. On a monthly basis, arrivals declined by 6.2 percent from April's 11.69 million bpd.
- Between January and May, total crude oil imports reached 231.9 million tonnes, up 1.3 percent from 229.03 million tonnes during the same period in 2024.
- Imports from Iran dropped sharply by 20 percent year-on-year in May to 1.1 million, amid tighter sanctions and seasonal refinery maintenance. Russian crude maintained a steady 12.0 percent share, while imports from the United States were halted entirely.
- China imported 10.11 million tonnes of natural gas in May, slightly up from 9.67 million tonnes in April. However, imports fell by 10.8 percent compared to May 2024.
- Over the January–May period, cumulative natural gas imports reached 49.25 million tonnes, down 9.6 percent year-on-year.

Chinese Crude Oil Imports



Source: GAC, Doric Research

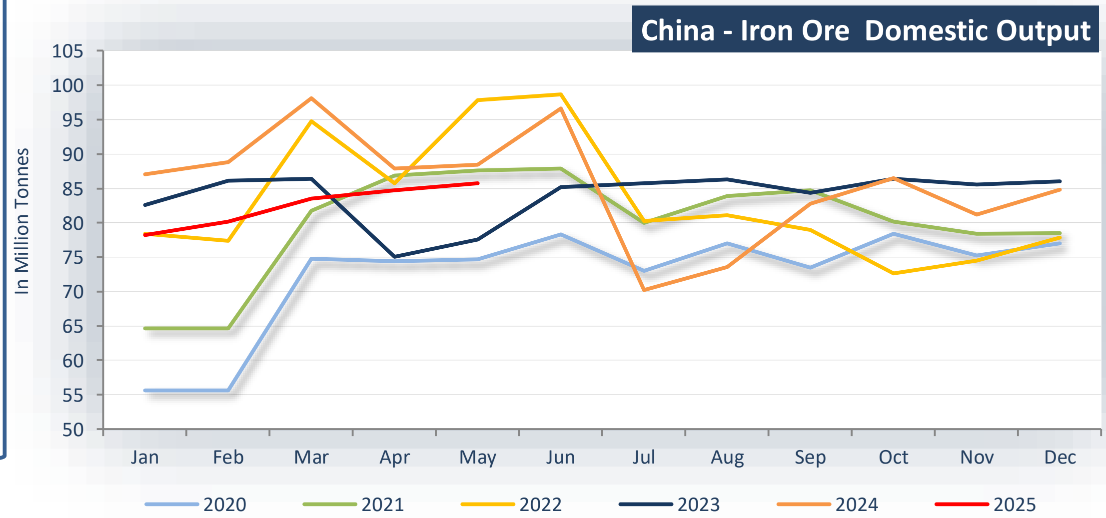
Chinese Natural Gas Imports



Source: GAC, Doric Research

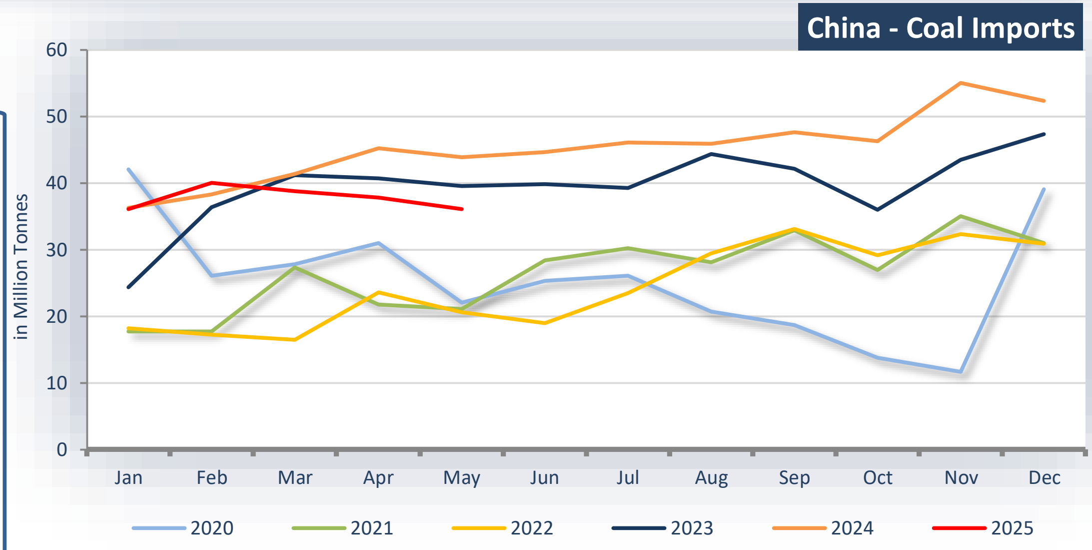
- China's seaborne iron ore arrivals totalled 98.13 million tonnes in May 2025, down 3.8 percent year-on-year and 4.9 percent month-on-month. Volumes fell short of market expectations, which had anticipated figures exceeding 100.0 million tonnes.
- The decline was largely driven by seasonally weaker steel demand, with mills turning to lower-priced portside inventories. Iron ore stocks at Chinese ports fell to 133.0 million tonnes—the lowest level since February 2024—marking a 2.8 percent decline year-on-year.
- Total imports over January–May reached 486.41 million tonnes, down 5.2 percent compared to the same period in 2024.
- Import prices remained relatively stable throughout the period, fluctuating within a narrow range.
- Crude steel output at major Chinese mills reached 85.79 million tonnes in May, down 3.6 percent year-on-year but up from 84.69 million tonnes in April.
- Domestic iron ore production declined by 8.4 percent in the first five months of the year, totalling 412.36 million tonnes.

Source: GAC, Doric Research

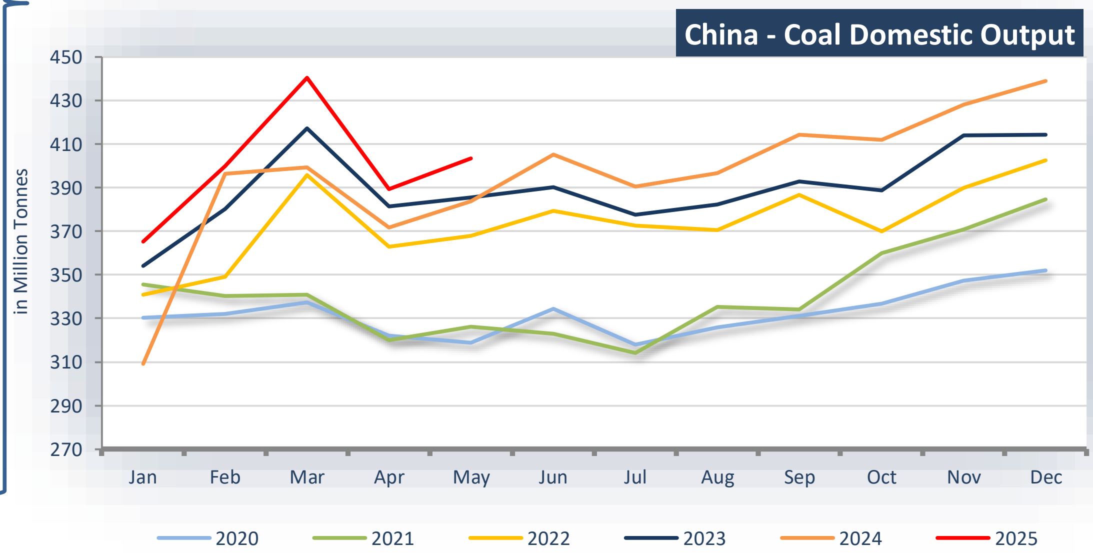


Source: NBS, Doric Research

- China's coal imports fell sharply in May, dropping to 36.04 million tonnes — down 17.8 percent month-on-month. This marked the third consecutive year-on-year monthly decline, following a sustained streak of growth.
- On a monthly basis, imports declined by a further 4.7 percent, extending a five-month run of sequential decreases. May's volume was the lowest since November 2023.
- Between January and May, China imported 188.7 million tonnes of coal, down 8.0 percent year-on-year, as a sharp decline in prices to four-year lows reduced import demand.
- Despite overall weakness in seaborne volumes, Russian coal shipments to China doubled in May, reaching 6.6 million tonnes. As a result, Russia's share in China's monthly coal imports rose to 23.0 percent.
- China's raw coal output rose by 4.2 percent year-on-year in May to 403.3 million tonnes, up from a 3.8 percent growth rate in April.
- On a month-on-month basis, production increased by 3.6 percent, defying expectations of tighter output controls.
- Over the first five months of the year, total coal production reached 1.99 billion tonnes, up 6.0 percent year-on-year.



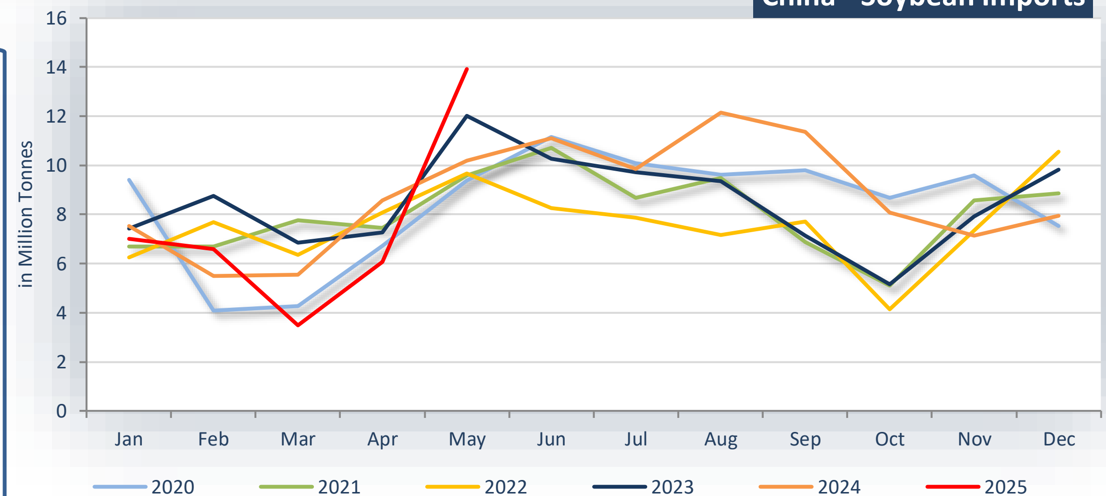
Source: GAC, Doric Research



Source: NBS, Doric Research

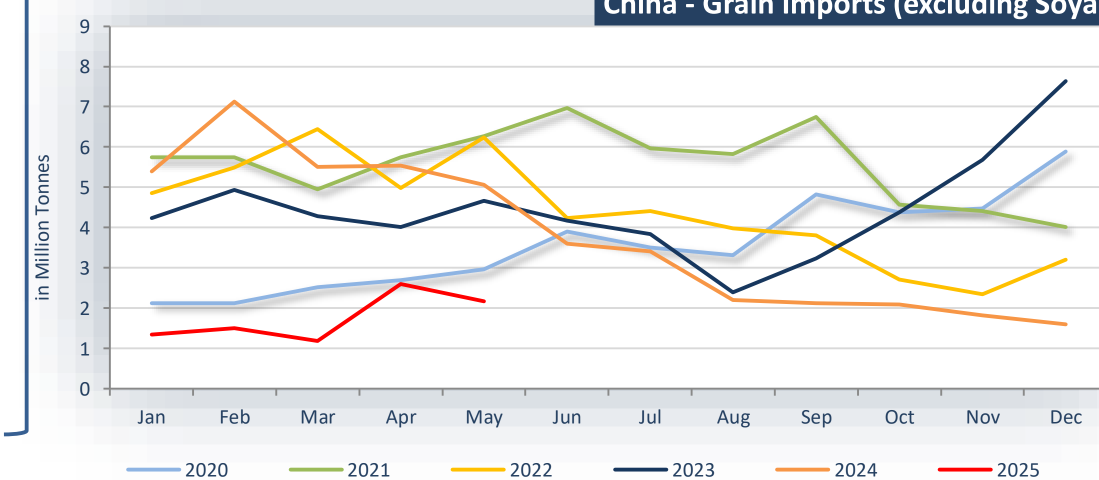
- China's soybean imports soared to a historic monthly high in May, reaching 13.92 million tonnes — marking a staggering 129 percent increase from April. This represented the fastest monthly growth on record.
- On a year-on-year basis, May arrivals climbed 36.5 percent, accelerating from a 29.1 percent increase recorded in the previous month.
- Brazil remained the dominant supplier, with May shipments to China totaling 14.52 million tonnes — surpassing April's 13.47 million tonnes. In stark contrast, imports from the United States continued to decline.
- Over the January–May period, China's cumulative soybean imports remained largely stable at 37.1 million tonnes, slightly below the 37.4 million tonnes reported during the same period in 2024.
- Outside of soybeans, grain imports showed a significant downturn. Chinese customs data recorded just 2.6 million tonnes of grain arrivals in May — down 53.4 percent year-on-year.
- Corn imports were particularly affected, plunging 84.7 percent year-on-year to only 0.18 million tonnes in May, from 1.18 million tonnes a year earlier.

China - Soybean Imports



Source: GAC, Doric Research

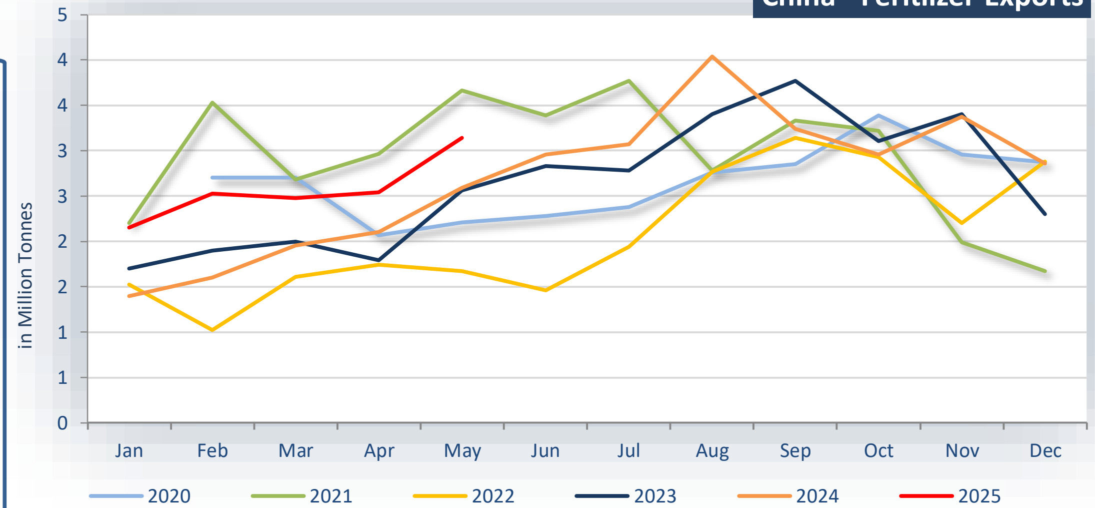
China - Grain Imports (excluding Soya)



Source : GAC, Doric Research

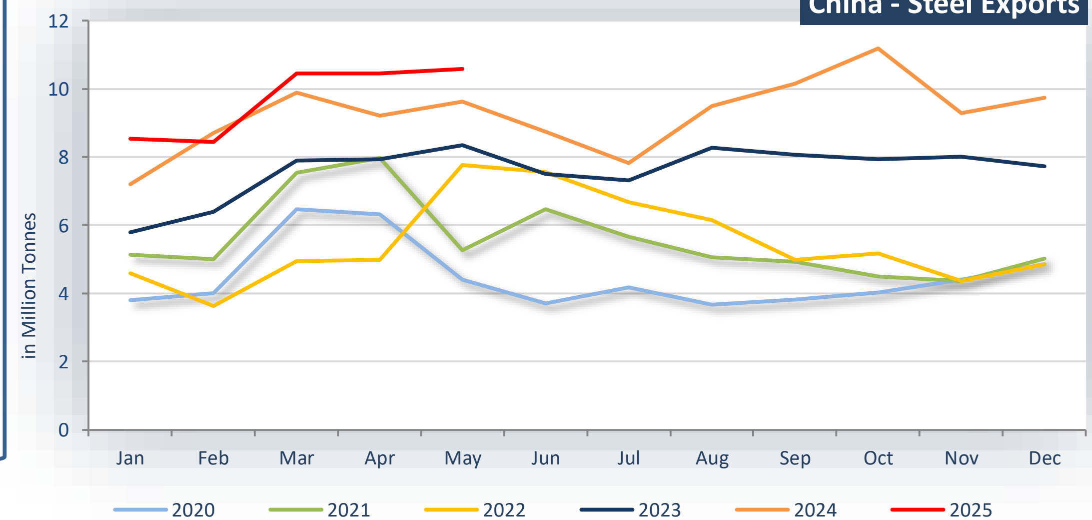
- In May, China's fertilizer trade exhibited a contrasting performance, with export volumes surging 21.3 percent year-on-year to 3.14 million tonnes — yet export values declined nearly 12.0 percent.
- On a monthly basis, May shipments climbed 23.8 percent from April's already elevated level, marking a strong seasonal upswing.
- Over the January–May period, cumulative fertilizer exports reached 12.84 million tonnes, or 33.1 percent higher year-on-year. This growth has been partly supported by the official resumption of urea and phosphate fertilizer exports under a quota regime.
- China's steel exports in May reached 10.46 million tonnes, up 9.9 percent year-on-year and marking the highest monthly volume since September 2015.
- From January through May, steel exports totaled 37.89 million tonnes—an 8.2 percent increase compared to the same period in 2024.
- In sync with fertilizers, the average steel export price per tonne fell by 10.5 percent year-on-year. Chinese mills have increasingly prioritised volume retention over pricing power in a bid to defend market share in key export destinations.

China - Feritlizer Exports



Source: GAC, Doric Research

China - Steel Exports

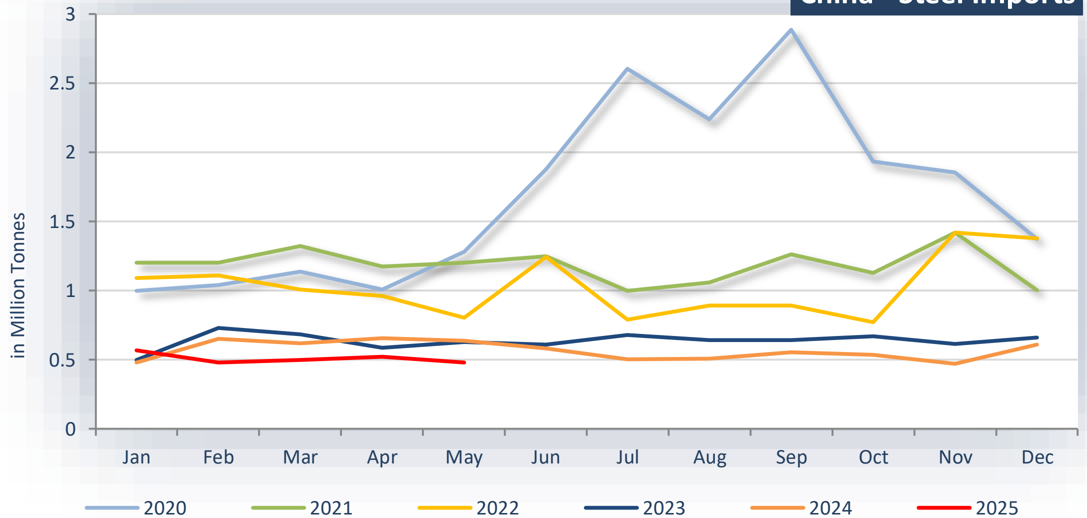


Source: GAC, Doric Research

MINORS (IMPORTS) JUNE 2025

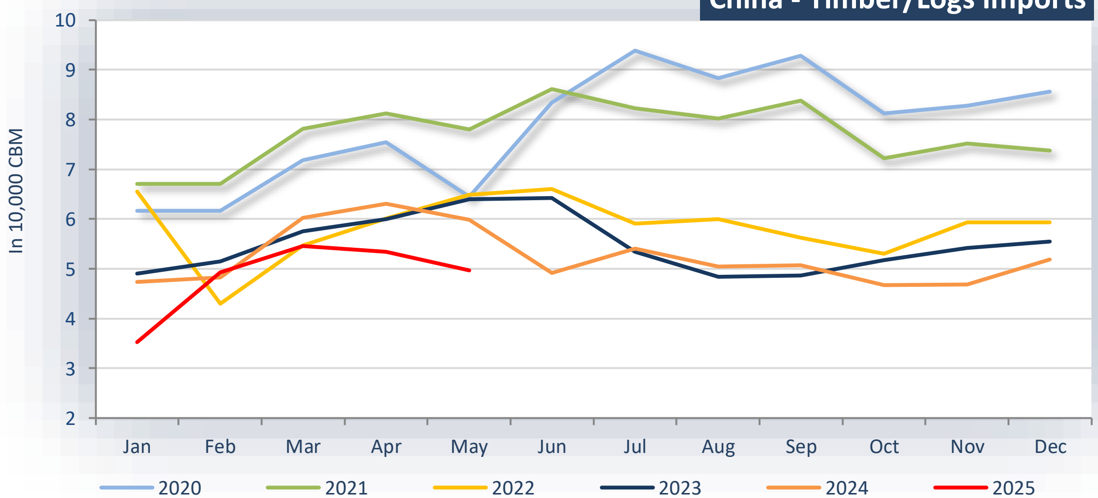
- China's steel imports continued to soften in May, declining by 24.5 percent year-on-year to 0.48 million tonnes. The figure also represented a 7.5 percent drop compared to April.
- Cumulatively, over the January–May period, China imported 2.55 million tonnes of steel — widening April's 13.9 percent contraction.
- Sentiment in the domestic steel market remained cautious. In May, China's largest steelmaker announced substantial price cuts for domestic deliveries effective next month. The move reflected a conservative demand outlook, exacerbated by heightened volatility in foreign exchange markets.
- In the timber sector, imports balanced at 4.97 million cubic meters in May. This marked a 17.1 percent year-on-year decline.
- Total timber and log imports reached 24.2 million CBM over the first five months of the year, down 13.3 percent compared to the same period in 2024.
- Nonetheless, signs of resilience have begun to emerge. The national Global Timber Index (GTI) remained in expansion territory for the third consecutive month, rising to 58.5 in May from 54.1 in April — suggesting a modest improvement in sector activity despite weak import volumes.

China - Steel Imports



Source: GAC, Doric Research

China - Timber/Logs Imports



Source: GAC, Doric Research

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