CHINA – BAROMETER

Monthly Update

April 2026

FOCAL POINTS :

Macro Environment

China reported accelerating economic growth in the first quarter, with Gross Domestic Product (GDP) expanding by 5.0 percent year-on-year, marking the fastest pace in three quarters, supported by resilient export performance. However, external shocks stemming from the Iran conflict risk undermining this momentum, prompting the government to set a more conservative annual growth target of 4.5 to 5.0 percent, the least ambitious since the early 1990s.

Energy

China's power generation increased by 1.4 percent year-on-year in March to 802.5 billion kWh, with hydropower acting as the primary growth driver. Over the first quarter, electricity generation from thermal power plants rose by 3.7 percent year-on-year, reaching 1.58 trillion kWh.

Manufacturing

Manufacturing activity returned to expansion in March, with the Purchasing Managers' Index (PMI) rising to 50.4, exceeding expectations and ending a two-month contraction phase.

Imports

Coal imports rebounded strongly in March, rising by 26.2 percent month-on-month to 39.05 million tonnes, supported by favourable import arbitrage. Iron ore arrivals also recorded solid growth, increasing by 11.5 percent year-on-year to 104.7 million tonnes, driven by higher shipments from Australia.

Exports

China's steel export volumes declined by 9.9 percent year-on-year in the first quarter to 24.71 million tonnes, reflecting weaker external demand and rising trade barriers. In contrast, fertilizer exports increased by 12.9 percent year-on-year over the same period, reaching 8.1 million tonnes.

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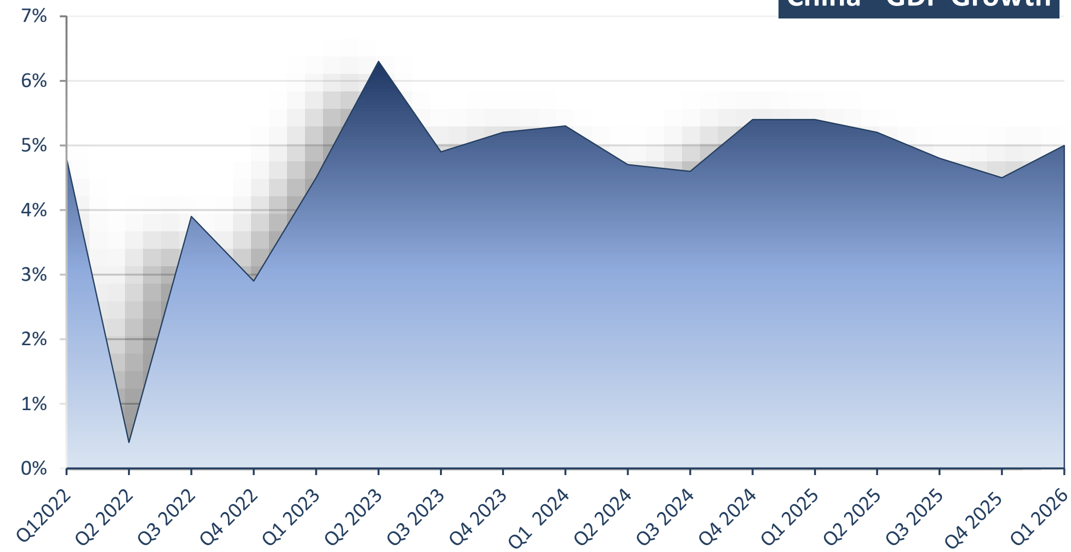
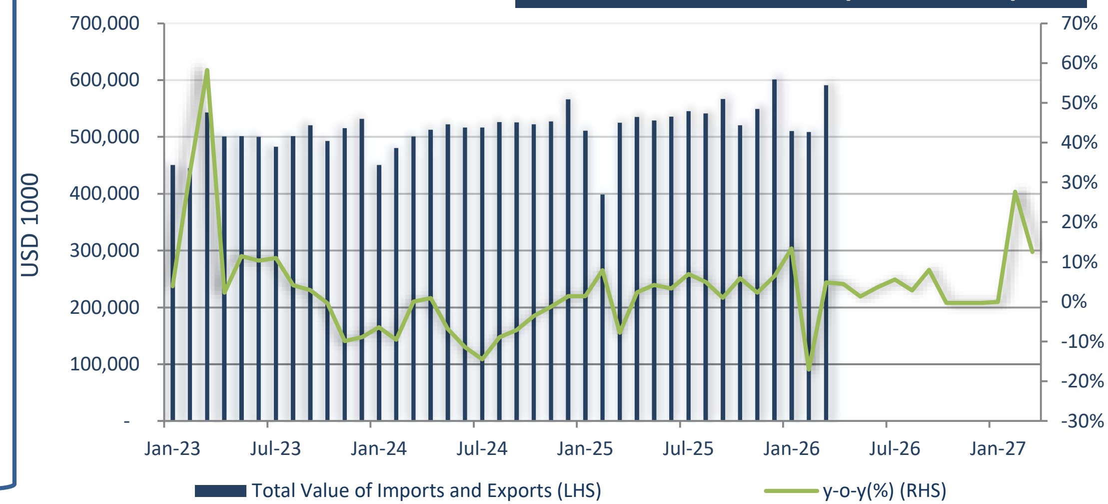
CONTENT PAGES :

- China's economy expanded 5.0 percent year-on-year in the first quarter, accelerating from 4.5 percent in the previous quarter and exceeding forecasts of 4.8 percent. This marked the fastest annual growth in three quarters, supported primarily by resilient export performance.
- The Chinese government has set its 2026 annual growth target at 4.5 to 5.0 percent, the least ambitious since the early 1990s, reflecting weaker domestic demand and ongoing trade tensions with the United States.
- In March, retail sales rose 1.7 percent year-on-year, slowing from a holiday-boosted 2.8 percent increase in February.
- Imports surged 27.8 percent year-on-year to a record USD 269.9 billion, the strongest pace since November 2021, following a 13.8 percent increase in February.
- Exports grew at a more moderate pace, rising 2.5 percent year-on-year to USD 321.03 billion, marking the weakest expansion since October 2025.
- As a result, China's trade surplus narrowed to USD 51.13 billion in March, down significantly from USD 101.93 billion a year earlier and the lowest level since February 2025.

China - GDP Growth



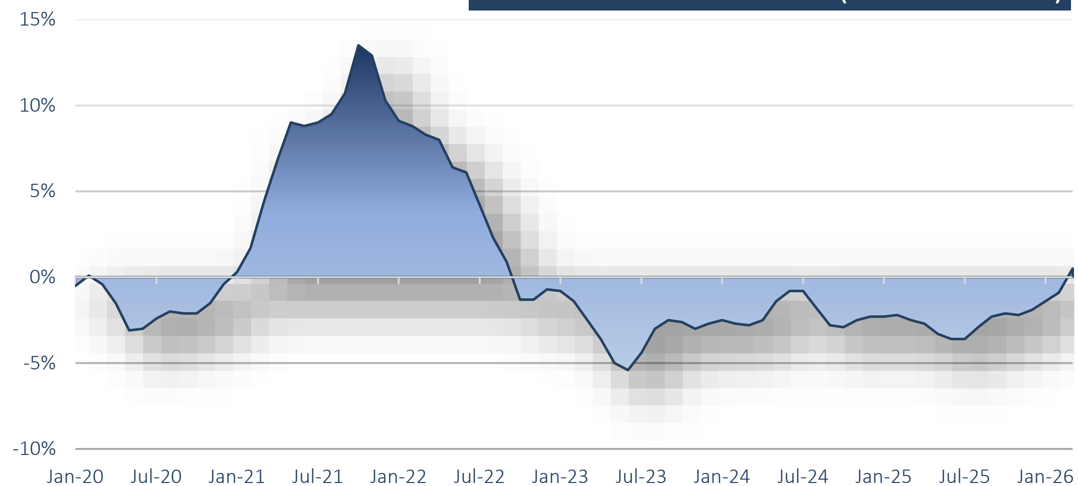
China - Total Value of Imports and Exports



Source: GAC, Doric Research

- China's producer price index (PPI) for industrial products rose 0.5 percent on year in March, reversing a 0.9 percent decline in February. This marked the first increase since September 2022, ending its longest deflationary streak in decades.
- On a monthly basis, producer prices grew 0.1 percent, the strongest since 2022 for the month, following gains of 0.4 percent in each of the previous two months.
- Over the past quarter, the PPI for industrial products decreased by 0.6 percent over the same period last year, and the purchasing prices for industrial producers slowed by 0.5 percent on year.
- China's annual inflation eased to 1.0 percent in March, compared with February's over three-year high of 1.3 percent, falling short of market expectations of 1.2 percent growth.
- Monthly, the Consumer Price Index (CPI) eased 0.7 percent after a 1.0 percent gain in February, marking the first drop since November and undershooting forecasts of a 0.2 percent drop.
- Core inflation, excluding food and energy, rose 1.1 percent year-on-year, after a 1.8 percent gain in February, which had pointed to the strongest gain since March 2019.

China - Producer Price Index (Industrial Sector)



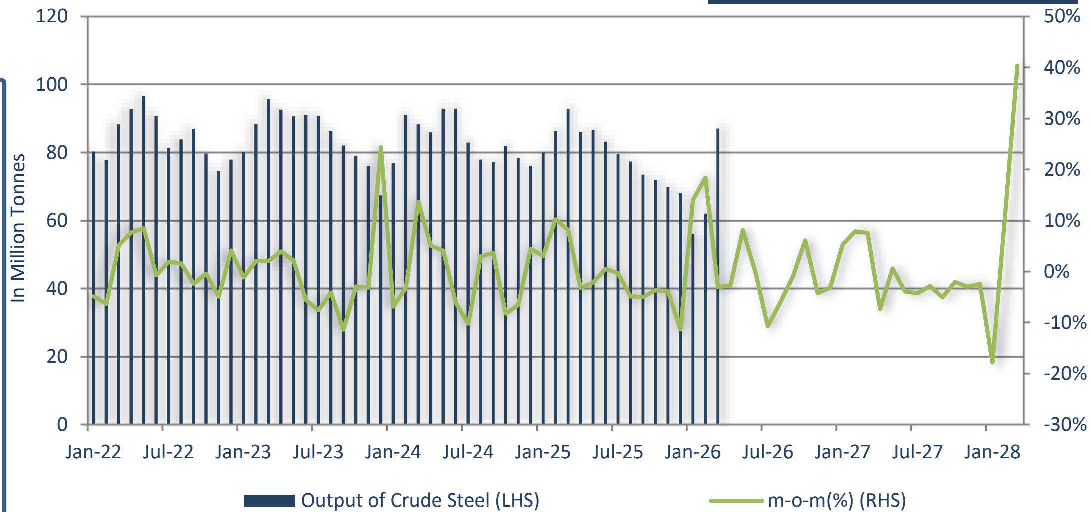
Source: NBS, Doric Research

China - Inflation Rate

Source: NBS, Doric Research

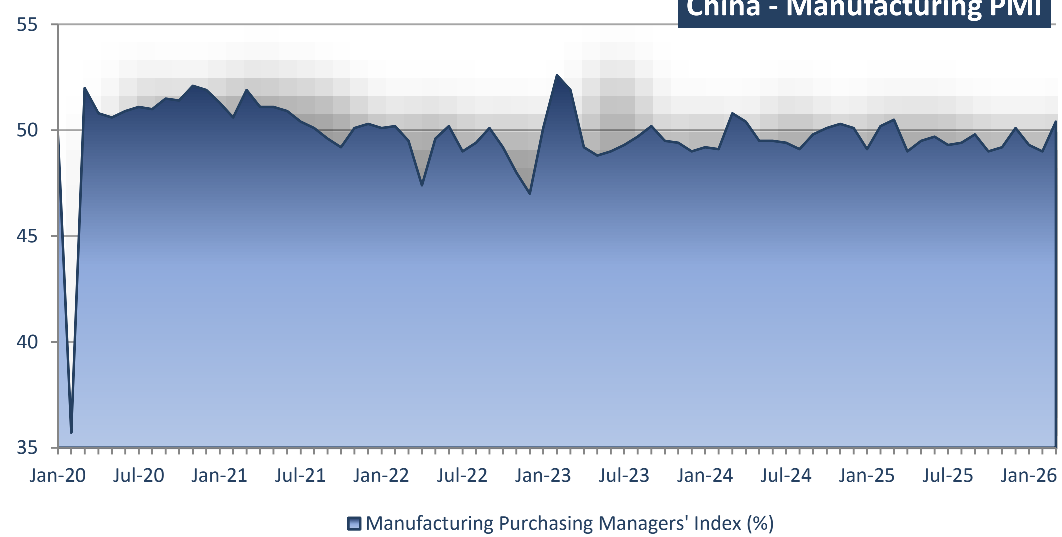
- China churned out 87.04 million tonnes of crude steel in March, falling by 6.3 percent compared to the same period in 2025, to its lowest production level since 2020.
- On a daily basis, crude steel output averaged 2.81 million tonnes last month, notably below the 3.0 million tonnes per day recorded in March 2025.
- China's crude steel output continued its downward trend in Q1 2026, falling 4.6 percent year-on-year to 247.55 million tonnes, compared with a 3.6 percent decline in the first two months of the previous year.
- China's manufacturing activity showed a stronger-than-expected expansion in March, ending two months of contraction, as the manufacturing PMI rose to 50.4, surpassing market expectations of 50.1.
- By sub-index, the new order index remained well above the threshold to 51.6, or 3.0 percentage points higher on month.
- The non-manufacturing PMI, which measures activity in services sector, rose to 50.1 in past month, from 49.5 in February.

China - Crude Steel Output



Source: NBS, Doric Research

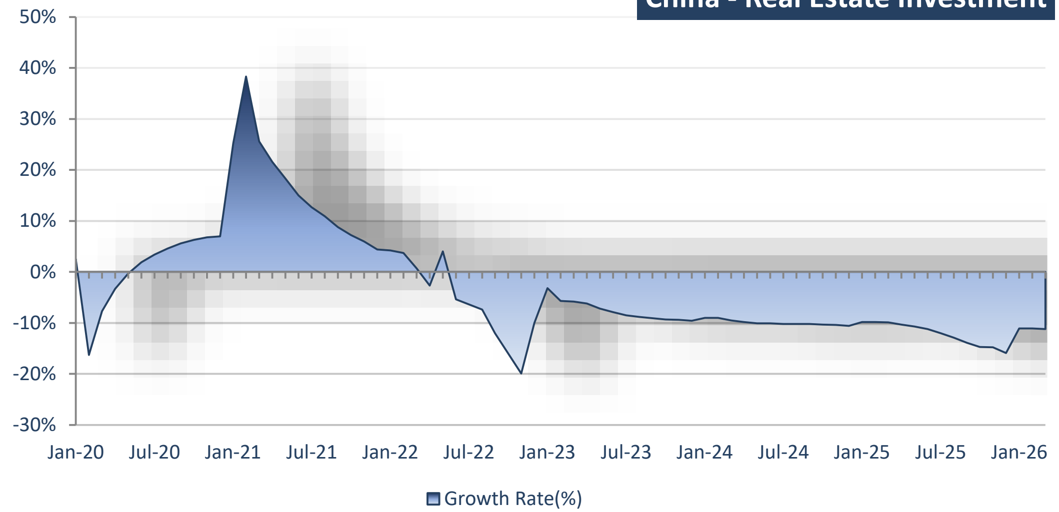
China - Manufacturing PMI



Source: NBS, Doric Research

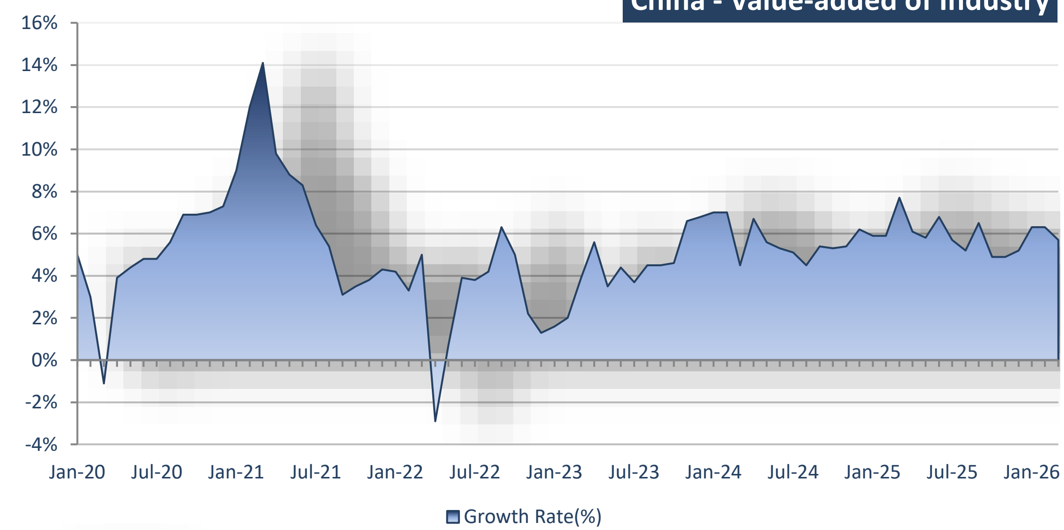
- Investment in China's real estate sector plummeted by 11.2 percent in March. The pace of decline accelerated slightly compared to 11.1 percent contraction in February.
- Property sales by floor area dropped by 10.4 percent year-on-year in the past quarter, narrowing their decline by 3.1 percentage points compared to the January-February period.
- New construction activity also showed negative trends with total construction area for the first quarter falling by 11.7 percent on year.
- New home prices extended their decline in March, easing by 3.4 percent annually, deeper than February's 3.2 percent fall and the sharpest decline in 10 months.
- In contrast, China's value-added of industry rose by 5.7 percent on year in March, or 0.3 percent from February.
- That strong monthly performance lifted overall industrial growth in the first quarter to 6.1 percent, with the pace of expansion 1.1 percentage points faster than in the fourth quarter of last year.
- By sector, the value added of mining increased 6.0 percent on year, while that of manufacturing grew by 6.4 percent annually.

China - Real Estate Investment



Source: NBS, Doric Research

China - Value-added of Industry

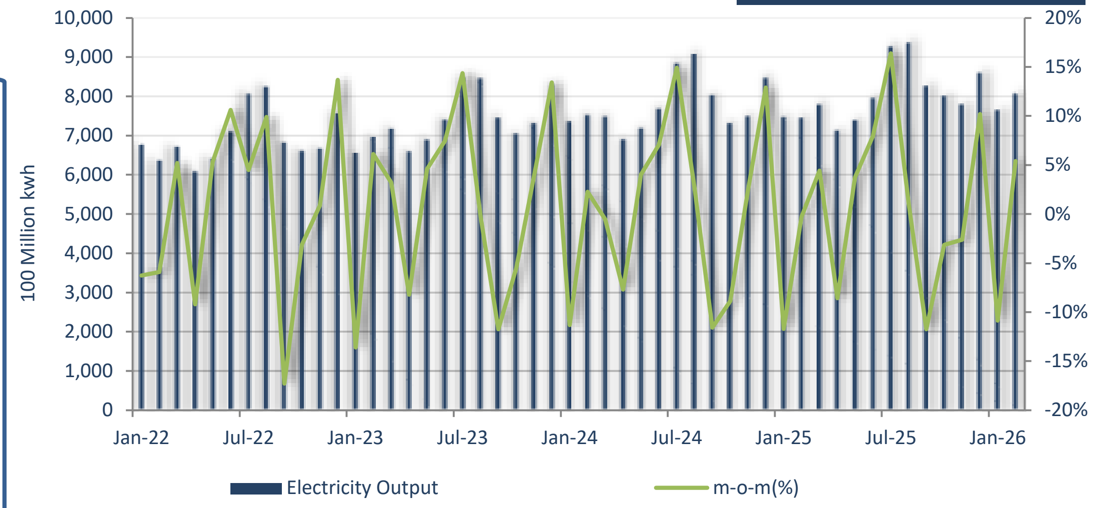


Source: NBS, Doric Research

- China's power generation extended its annual upward momentum in March, surging by 1.4 percent on year to 802.5 billion kilowatt-hours (kWh), with hydropower emerging as the primary growth driver.
- However, the growth rate stood 2.7 percentage points lower than that of January-February period.
- In March alone, fossil fuel energy output remained flat on year, with Q1 production showing a slight 0.1 percent growth.
- For the full first quarter, China's total power output hit nearly 2.38 trillion kWh, or up 3.4 percent year-on-year.

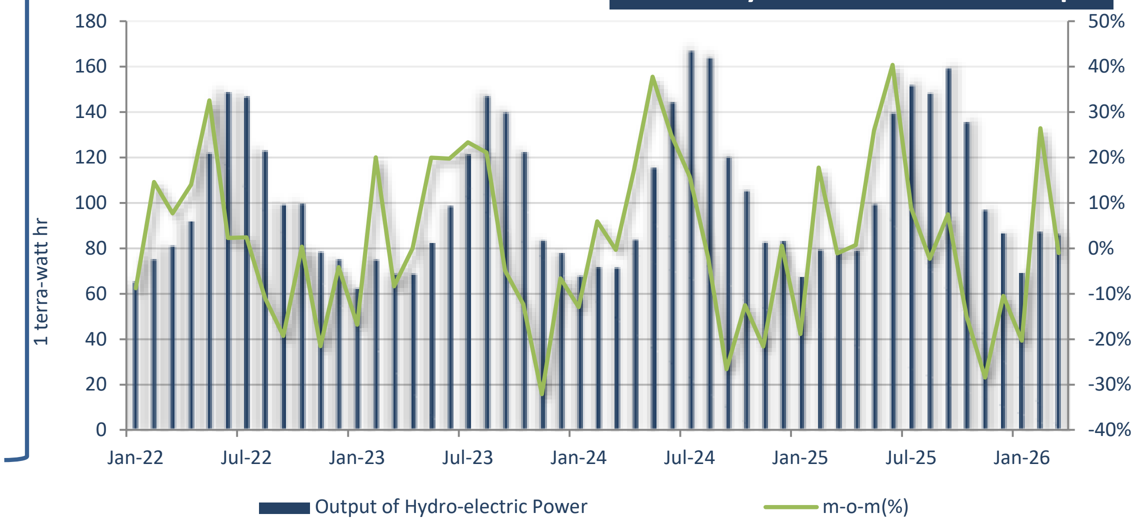
- The resurgence of hydropower was particularly notable, as output in March soared by 10.8 percent on year to 86.21 billion kWh.
- Last month's output exceeded the growth in the January-February period by 4.0 percentage points, contributing to a broader national swift towards "water-wind-solar integration bases".
- During the first quarter of the year, China's total installed hydropower capacity reached 352 GW, following the addition of 8.54 GW in March.

China - Electricity Output



Source: NBS, Doric Research

China - Hydro-Electric Power Output

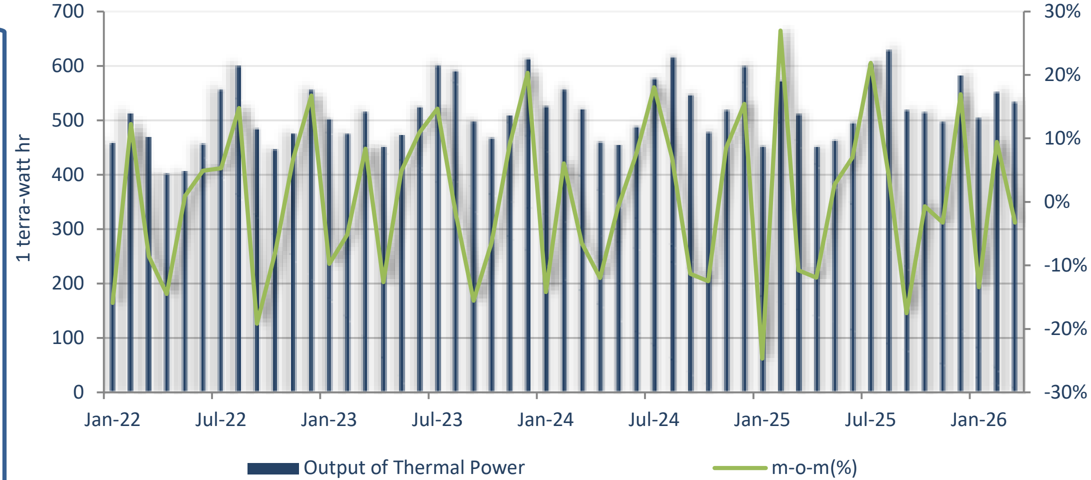


Source: NBS, Doric Research

- Overall in March, China's thermal power generation increased by 4.2 percent year-on-year, reaching 532.66 terawatt-hours, an acceleration of 0.9 percentage points compared with the first two months.
- Thermal power commissioning surged by over 400 percent to a record high over the past quarter, while coal-fired power generation rose by 2.0 percent in March, as certain coastal regions shifted from gas to coal amid elevated gas prices.
- For the January–March period, electricity generated by thermal power plants expanded by 3.7 percent year-on-year to 1.58 trillion kWh.

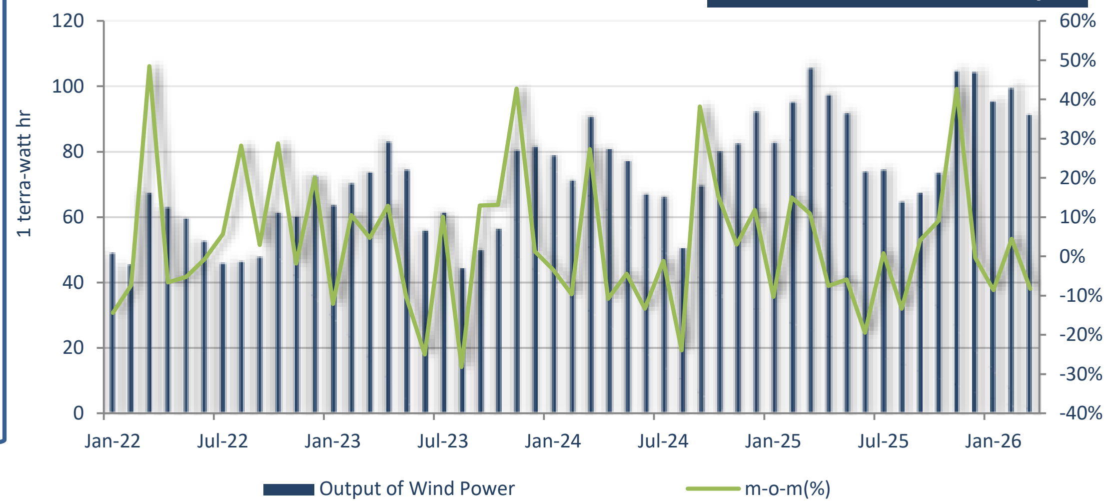
- China generated 91.18 terawatt-hours from wind power last month, a 17.3 percent rise compared to the same period last year, versus a 5.3 percent increase in January-February period.
- China's production of solar cells reached 71.62 million kilowatts in March 2026, representing a year-on-year decrease of 20.6 percent. In Q1 2026, the cumulative output totaled 172.90 million kilowatts, an annual decrease of 12.4 percent.

China - Thermal Power Output



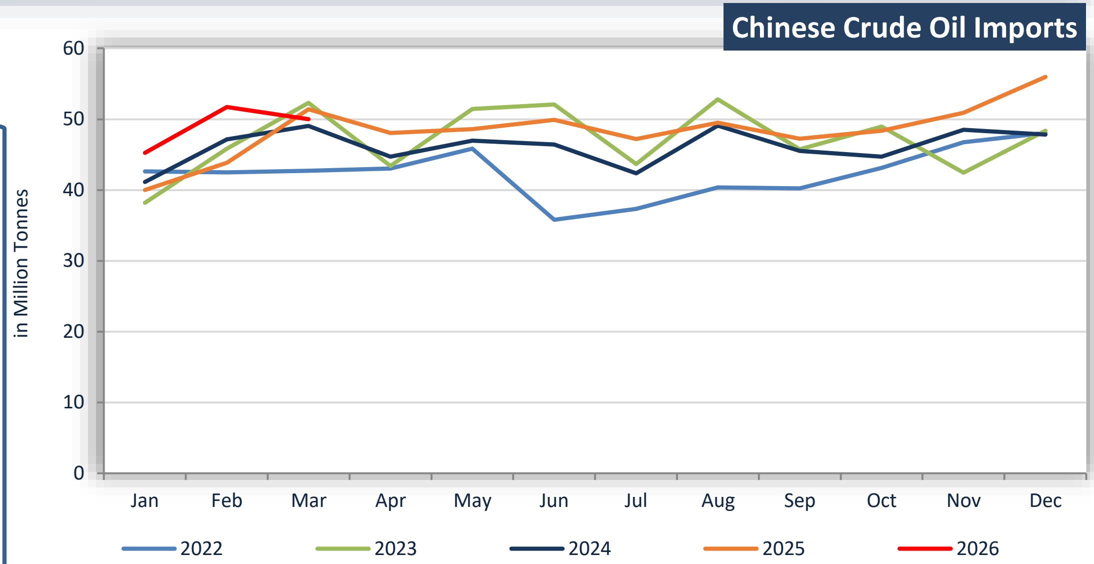
Source: NBS, Doric Research

China - Wind Power Output

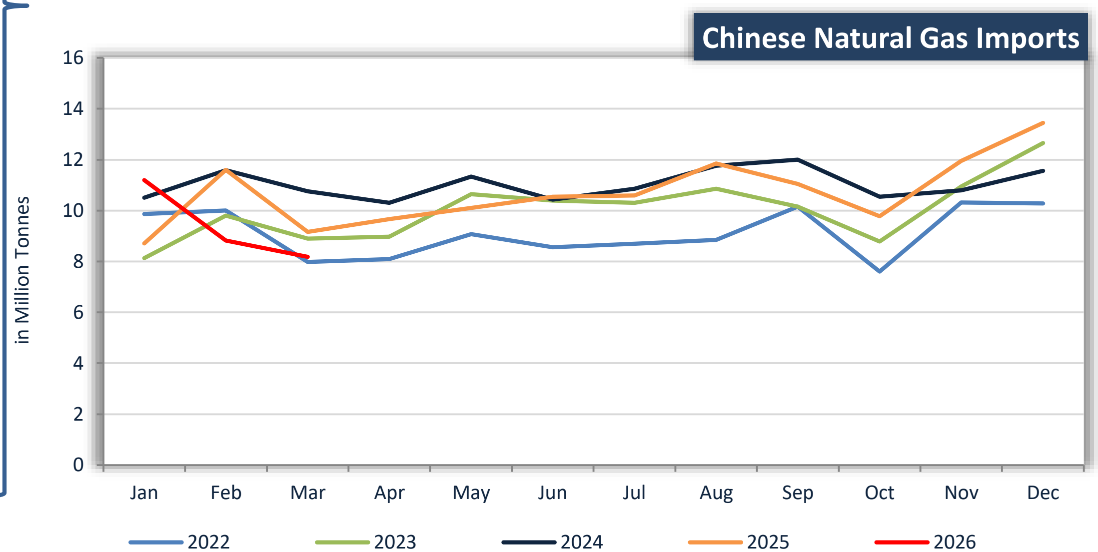


Source: NBS, Doric Research

- China's crude oil imports edged down by 2.8 percent from a year earlier in March to 49.98 million tonnes, equating to 11.82 million barrels per day.
- Russian crude arrivals climbed 14.0 percent year-on-year in March, to 10.07 million tonnes. Shipments from the No.2 supplier, Saudi Arabia, slid sharply by 31.0 percent from the same period last year, as tanker traffic in Middle Eastern waters disrupted severely.
- Despite a contraction in the prior month, China imported a total of 146.92 million tonnes of crude oil, representing an 8.9 percent year-on-year increase, underpinned by an ongoing stockpiling programme initiated by Beijing since 2024.
- Natural gas imports reached their lowest since October 2022 in March, down by 10.7 percent from a year earlier to 8.18 million tonnes.
- Preliminary data also showed that LNG imports declined by 22.0 percent year-on-year, falling to 3.74 million tonnes.
- The world's biggest LNG importer, reloaded 8 to 10 cargoes in March, its highest monthly total on record, cashing in on soaring spot prices as China's supply of domestic and pipeline gas was sufficient to meet weaker demand.

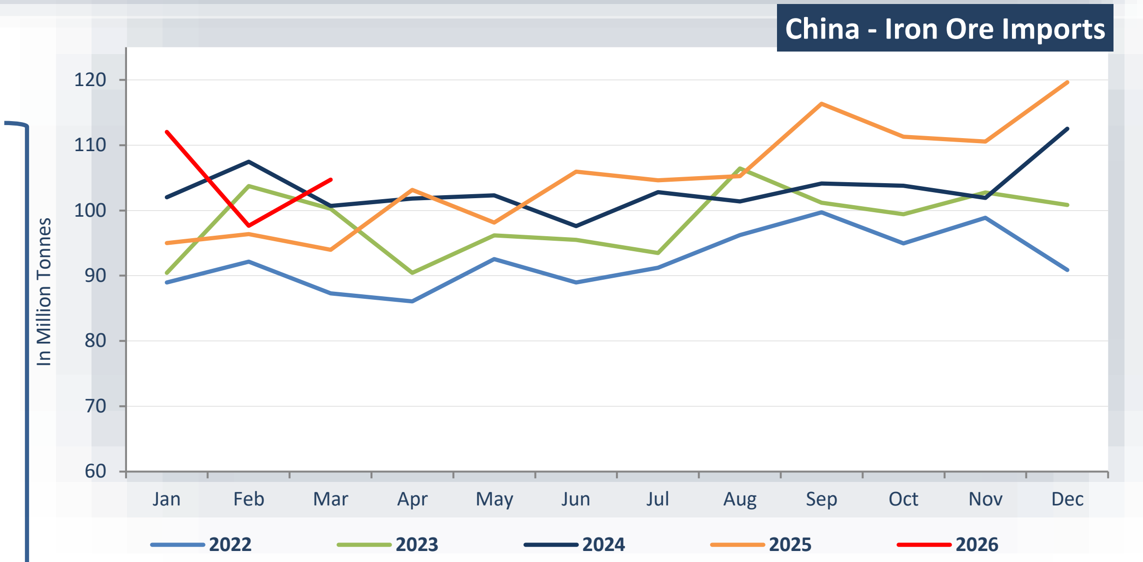


Source: GAC, Doric Research

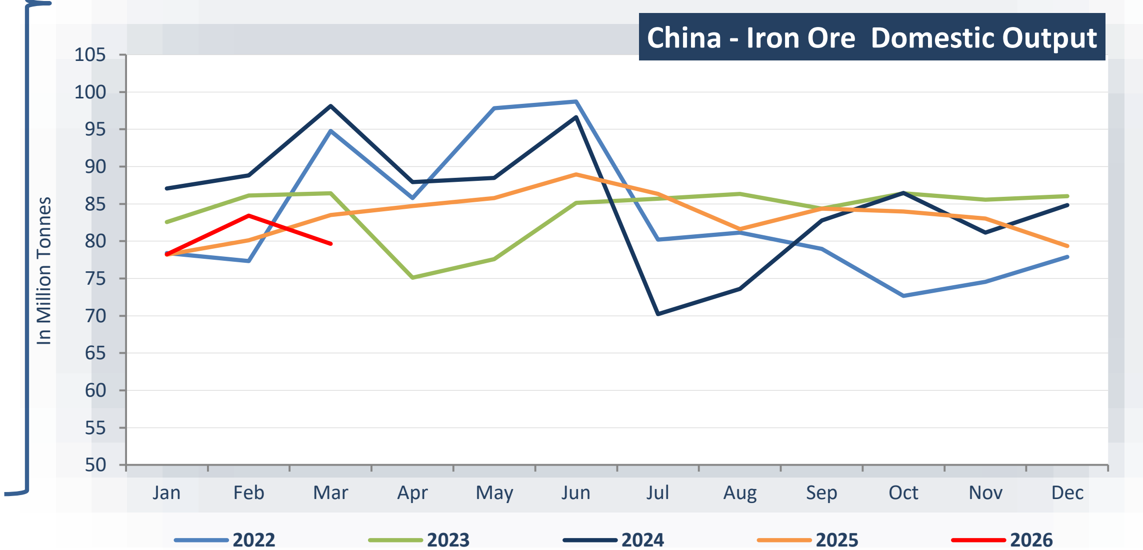


Source: GAC, Doric Research

- China's iron ore imports reached 104.74 million tonnes in March, marking an 11.5 percent year-on-year increase, supported by higher shipments from Australia. This compares with 97.6 million tonnes imported in February and 93.9 million tonnes in March 2025.
- On a quarterly basis, China's iron ore imports increased by 10.5 percent year-on-year in the three months ended March, reaching 314.7 million tonnes.
- Iron ore prices saw a recovery in March, rising by 8.7 percent year-on-year.
- China's domestic production totalled 79.64 million tonnes in March, down 5.1 percent year-on-year. The output stood at 161.64 million tonnes over the January–February period.
- Cumulatively, China extracted 241.81 million tonnes of crude iron within the first quarter of 2026, easing by 1.2 percent from the same period last year.
- Chinese ports reported slightly higher iron ore inventory levels in March, up 0.5 percent month-on-month to 177.5 million tonnes, remaining close to the record high of 179.47 million tonnes reached in February.

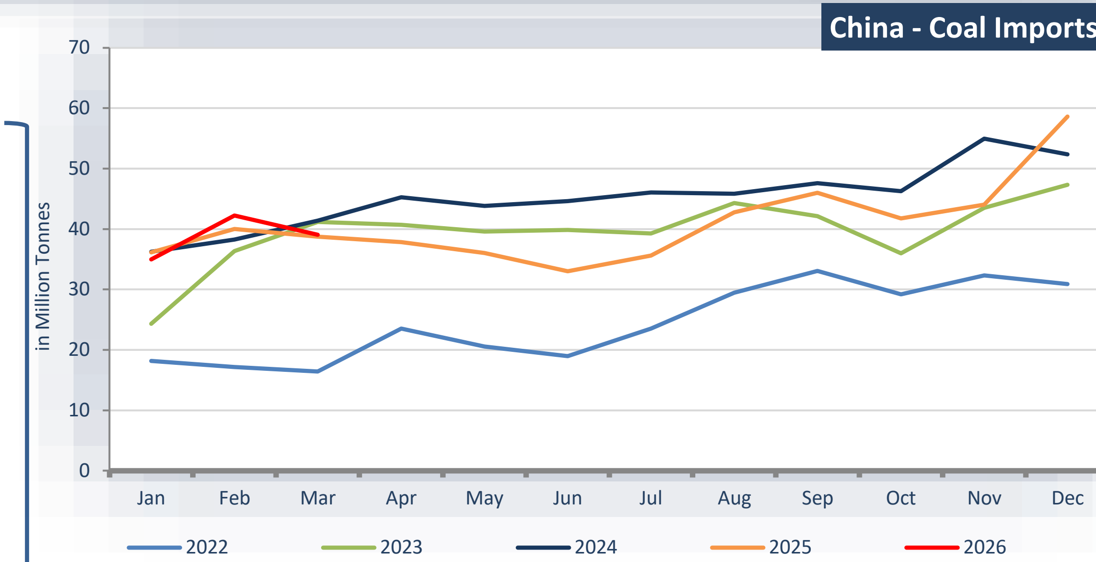


Source: GAC, Doric Research



Source: NBS, Doric Research

- As of March, China's coal imports rebounded notably from February, increasing by 26.2 percent month-on-month to 39.05 million tonnes, supported by favourable import arbitrage that underpinned buying interest.
- On a year-on-year basis, however, growth remained marginal, with volumes rising by just 0.8 percent.
- In terms of origins, arrivals from Australia declined by 9.9 percent year-on-year to 3.82 million tonnes, while imports from Russia edged down by 2.6 percent over the same period.
- During the first quarter, total coal arrivals recorded a modest increase of 1.3 percent year-on-year, reaching 116.28 million tonnes, compared to 114.85 million tonnes in the same period last year.
- On the domestic front, China mined 440.62 million tonnes of coal in March, broadly unchanged compared to the 440.58 million tonnes produced in March 2025.
- China's domestic coal output during the past quarter rose slightly by 0.1 percent from a year earlier, totaling 1.20 billion tonnes.



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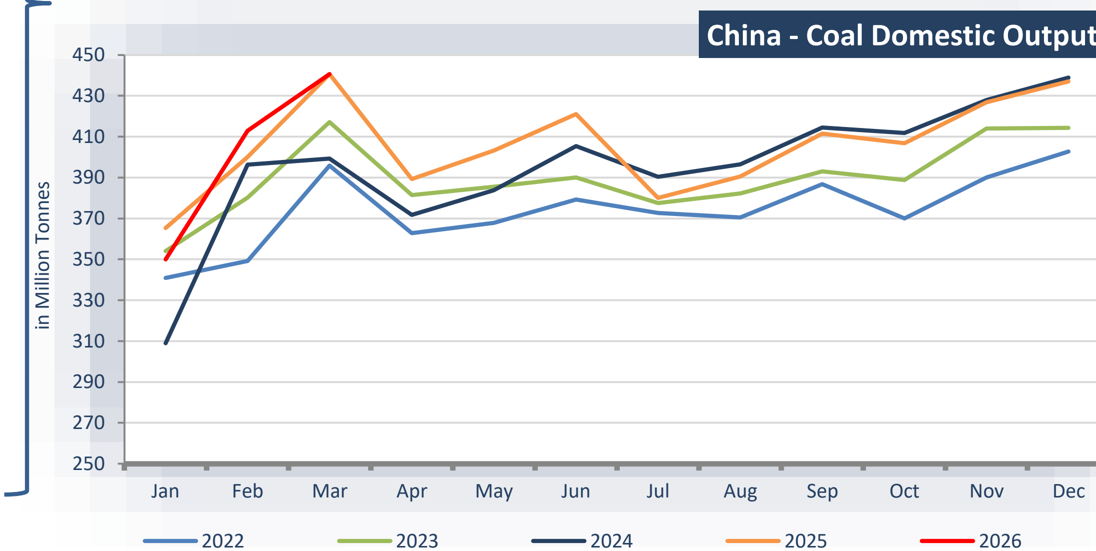
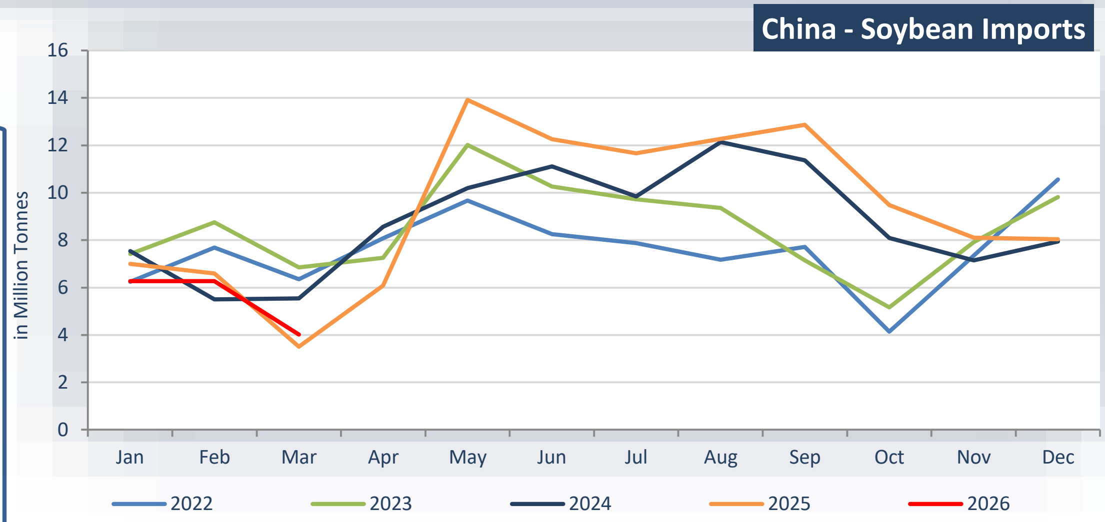
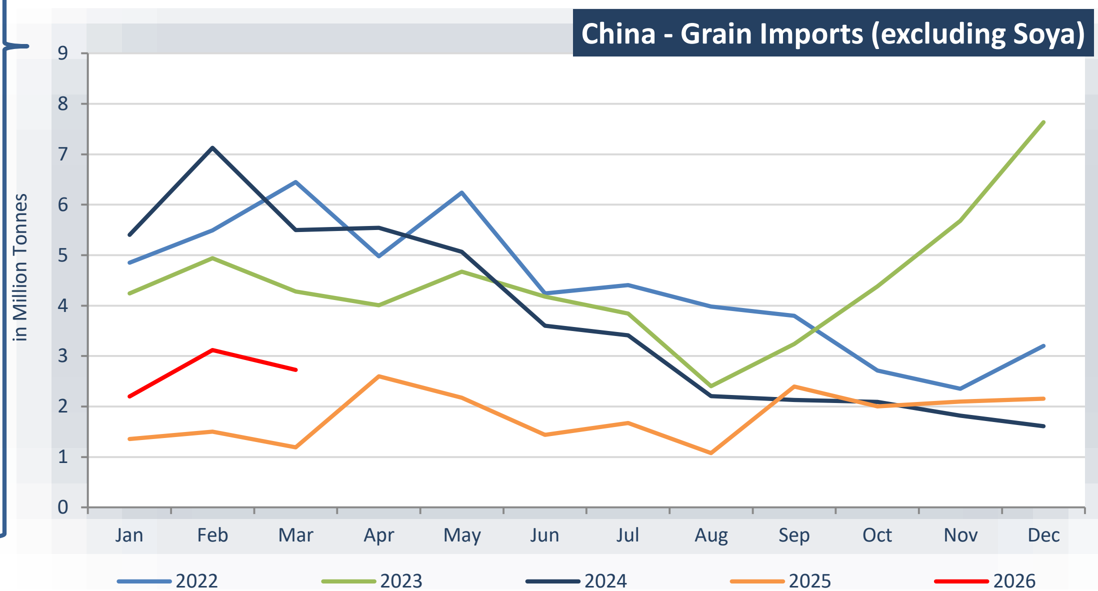


Source: GAC, Doric Research

- China's soybean import dynamics in March reflected a mixed trend. Imports rose by 14.9 percent year-on-year to 4.02 million tonnes, despite being constrained by delayed shipments from Brazil amid tightened phytosanitary inspections.
- On a monthly basis, however, arrivals declined sharply, falling by 41.5 percent month-on-month from February's elevated level of 5.98 million tonnes.
- Over the January–March period, cumulative soybean imports reached 16.58 million tonnes, marking a decline of 3.1 percent year-on-year.
- Overall, cumulative soybean imports for January-March period, totaled 16.58 million tonnes, down 3.1 percent from the previous year.
- Excluding soybeans, Chinese customs cleared 2.73 million tonnes of grains in March, representing a steep 76.8 percent year-on-year increase.
- Corn and corn flour arrivals reached 220,000 tonnes during the month, marking a substantial 177.9 percent rise compared to the same period last year.
- China has maintained a "moderate import" policy for grains, with wheat imports remaining broadly stable following a record domestic harvest in 2025.



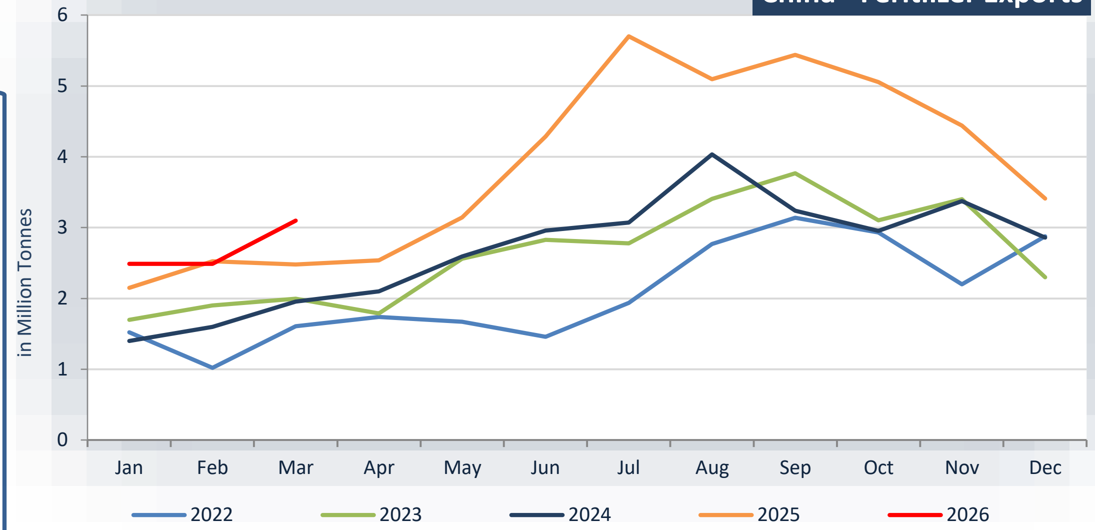
Source: GAC, Doric Research



Source : GAC, Doric Research

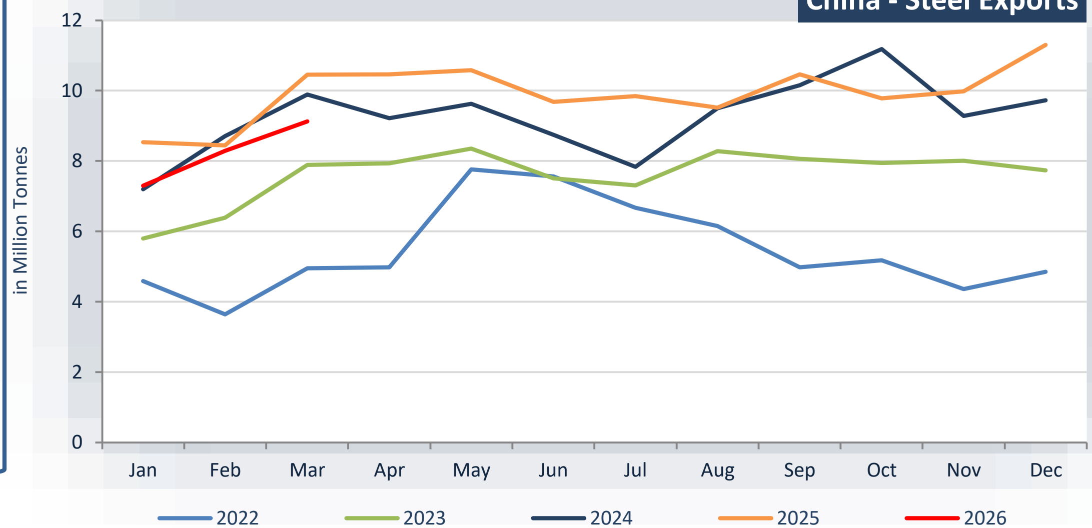
- In March, China's fertilizer exports totaled 3.1 million tonnes, or 14.3 percent higher year-on-year.
- From January to March, China exported 8.1 million tonnes of fertilizers, signaling a substantial 12.9 percent increase on annual basis.
- China implemented a stringent "zero-export" policy in March 2026, effectively halting exports of key fertilizers, including urea and nitrogen-potassium blends, in an effort to secure domestic supply and stabilize prices amid shortages driven by the conflict in the Middle East.
- As of last month, China's finished steel exports reached 9.13 million tonnes, marking a 16.6 percent increase from February but a 12.6 percent decline year-on-year.
- Cumulative steel export volumes over the January–March period declined by 9.9 percent year-on-year to 24.71 million tonnes, weighed down by softer external demand and an increasingly restrictive trade environment.
- Despite lower volumes, steel billet exports soared by a sharp 65.9 percent on month and 48.4 percent year-on-year, marking a new monthly high for the year, highlighting shifting product demand.

China - Feritlizer Exports



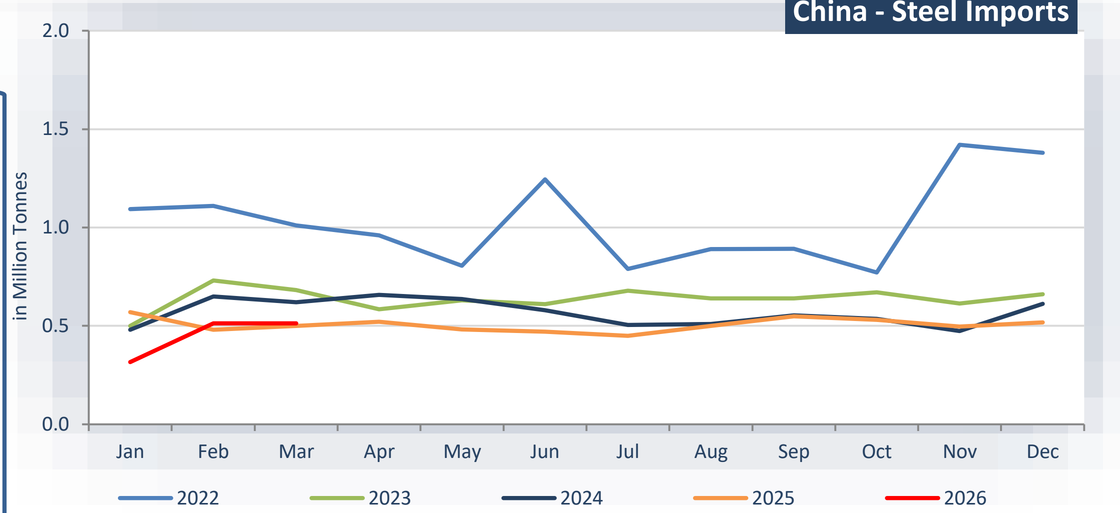
Source: GAC, Doric Research

China - Steel Exports



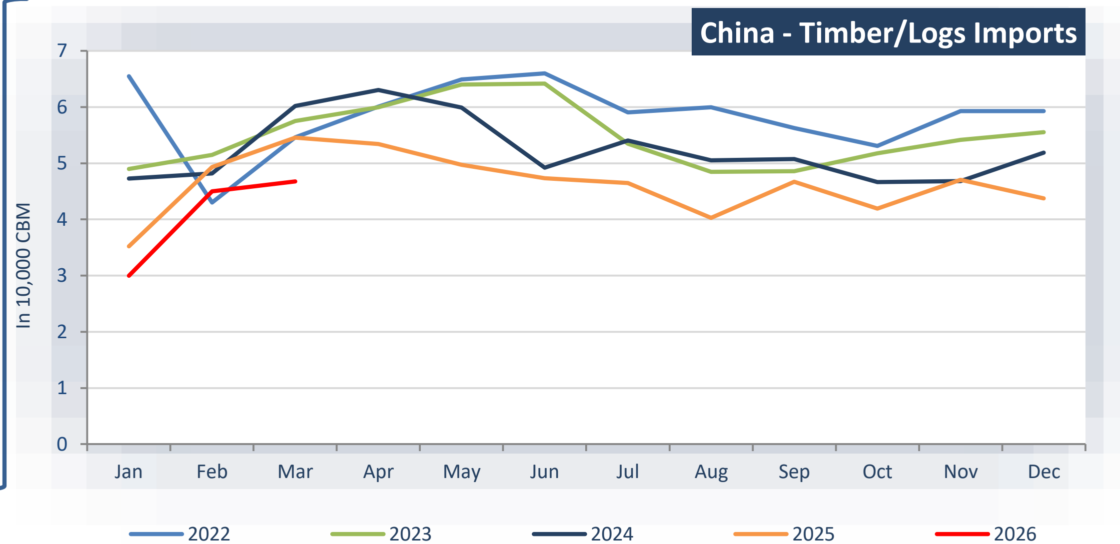
Source: GAC, Doric Research

- Finished steel arrivals into China amounted to 512.000 tonnes in March, an increase of 143.000 tonnes from the previous month. Despite the monthly rise, last month's record reflected a substantial decline of 57.3 percent year-on-year.
- Overall, cumulative steel imports during the first quarter of the year totaled 1.34 million tonnes, a reduction of 14.1 percent on annual basis.
- China's steel production landscape appears to be entering a critical inflection point, as output in Q1 2026 declined by 4.6 percent year-on-year, reaching 247.55 million tonnes.



Source: GAC, Doric Research

- China's timber imports contracted by 12.8 percent year-on-year in March to 4.68 million CBM, but still up 53.8 percent compared to the previous month.
- Within the first quarter, China brought in 12.2 million CBM of timber and logs, sliding by 12.4 percent on annual basis.
- The Global Timber Index balanced at 61.1 percent in March, introducing an increase of 30.0 percentage points from the previous month and reversing a five-month contraction streak.



Source: GAC, Doric Research

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