DORIC SHIPBROKERS S.A.

CHINA - BAROMETER

Monthly Update

May 2026

FOCAL POINTS :

Macro Environment

China's economic landscape showed a clear divergence, with resilient high-tech manufacturing and export activity on one side, while persistently weak domestic consumption weighed on overall momentum. Retail sales growth slowed to its weakest level in nearly three years. In response, the People's Bank of China (PBOC) has begun injecting liquidity into the banking system, pushing short-term funding rates to three-year lows amid a softer economic backdrop.

Energy

China's power generation enterprises produced 744 billion kWh in April, up 2.6 percent year-on-year. Growth was supported by a 12.2 percent increase in hydropower and a 3.1 percent rise in thermal power, which together offset declines in nuclear and wind output.

Manufacturing

Manufacturing activity continued to expand for a second consecutive month in April, with the official Manufacturing PMI holding in expansion territory at 50.3.

Imports

In April, China's iron ore imports remained broadly stable at 103.85 million tonnes as domestic inventories were rebuilt, while coal imports fell by around 12.5 percent year-on-year to 33.08 million tonnes, reflecting high prices and robust domestic production.

Exports

China's steel exports increased modestly by 4.0 percent to 9.5 million tonnes, supported by stronger semi-finished shipments that offset weaker finished product demand. Fertilizer exports reached 3.24 million tonnes, despite tight policy controls aimed at securing domestic supply.

Doric Research Department

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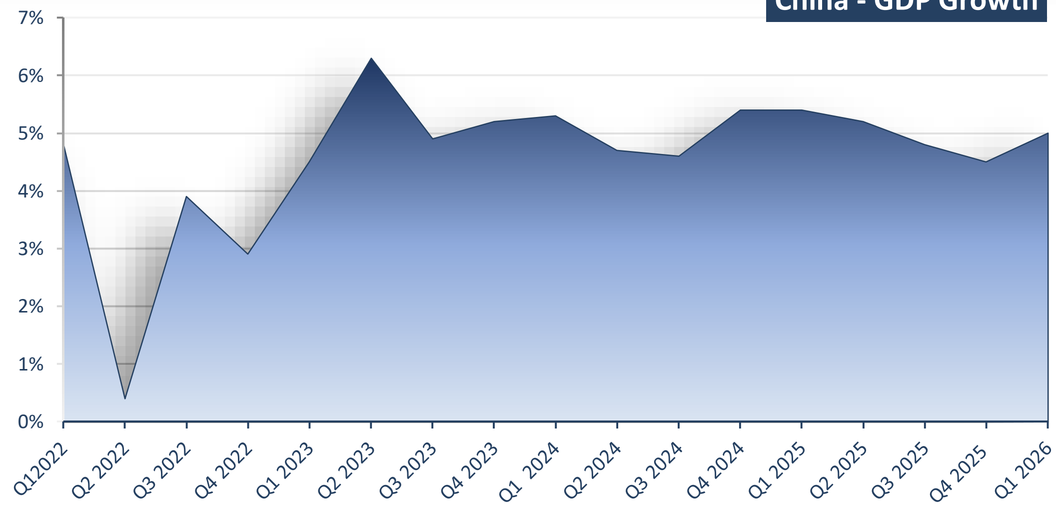
CONTENT PAGES :

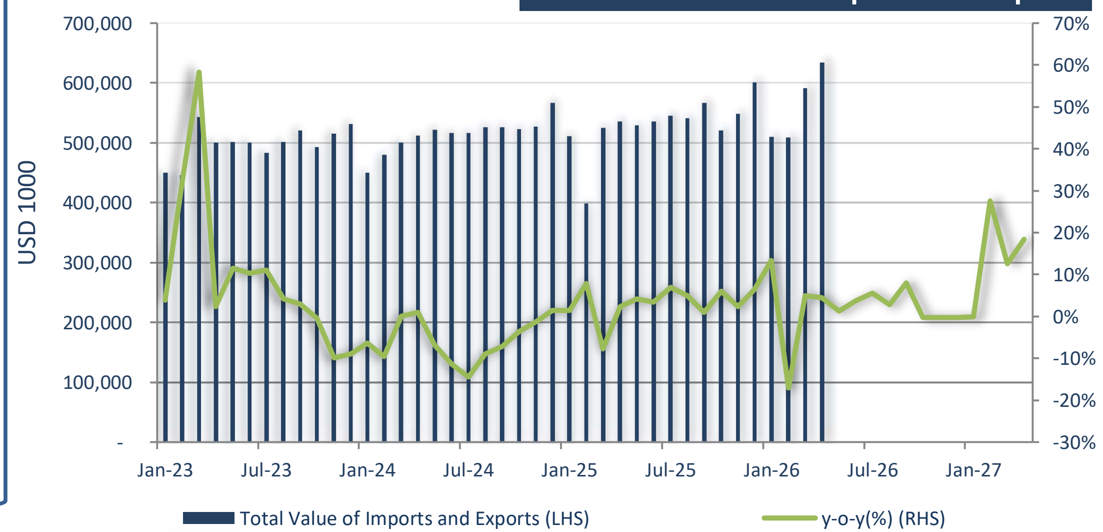
- Domestic demand in China has remained weak with retail sales rose by just 0.2 percent on year in April, slowing drastically from the 1.7 percent growth recorded in March.
- Industrial production rose by 4.1 percent on year in April, registering a notable slowdown from the previous month's 5.7 percent growth.
- The People's Bank of China (PBOC) has already begun pumping quiet liquidity, driving short-term funding rates to three-year lows amid economy's weakest patch in nearly three years.
- China's total imports reached USD 274.62 billion in April, marking a sharp 25.3 percent increase year-on-year and easily outperforming market estimates of a 15.2 percent growth.
- Total outbound shipments surged to a record high of USD 359.44 billion in April, representing an impressive 14.1 percent annual increase and a sharp acceleration from March's sluggish 2.5 percent gain.
- China's trade surplus ballooned to an impressive USD 84.82 billion in April, recording a substantial 15.2 percent increase on year. That brought China's cumulative trade surplus for January-March period to USD 349.33 billion, further cementing its strong position in global trade.

China - GDP Growth



Source: Doric Research, NBS

China - Total Value of Imports and Exports



Source: Doric Shipbrokers, GAC

- China's producer prices rose 2.8 percent year-on-year in April, picking up from a 0.5 percent gain in the prior month. It marked a second consecutive monthly gain and the fastest pace since July 2022.
- On a monthly basis, the Producer Price Index (PPI) grew by 1.7 percent, recording its fastest monthly pace of growth since October 2021.
- Factory gate prices for heavy production goods and raw materials drove the index higher, expanding by 3.8 percent on year.
- From January through April, producer prices rose 0.2 percent, officially reversing a 0.6 percent drop in the first quarter.
- China's consumer prices ticked up 1.2 percent in April from a year earlier, beating economists' estimates of 0.9 percent growth, and accelerating from a 1.0 percent rise in March.
- The Consumer Price Index increased 0.3 percent in April over the previous month, defying consensus for a 0.1 percent decline.
- Core inflation, excluding food and energy, rose 1.2 percent on year, after March's 1.1. percent gain. This inflationary uptick was primarily driven by a 1.8 percent expansion in non-food prices.

China - Producer Price Index (Industrial Sector)

Source: Doric Research, NBS

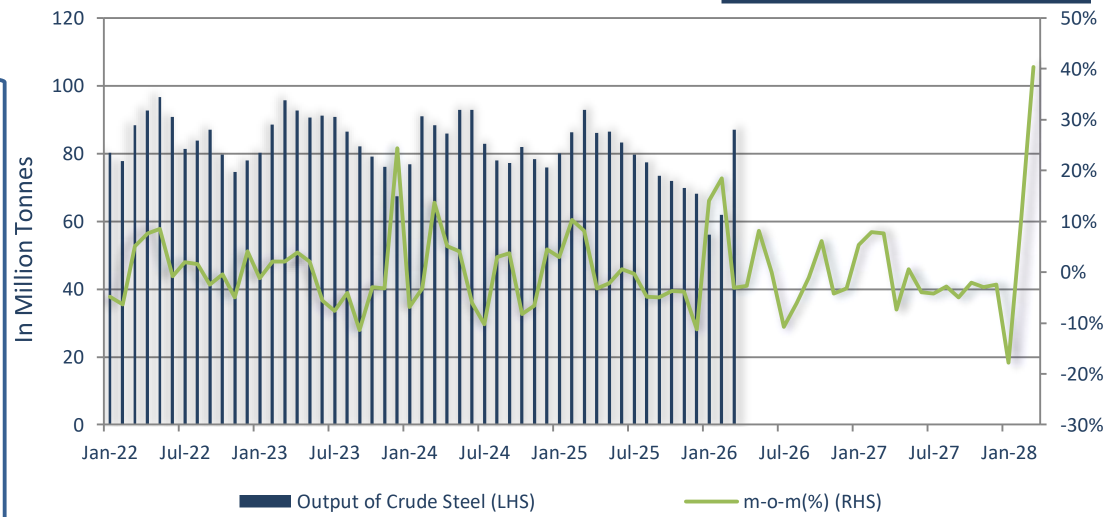
China - Inflation Rate

Source: NBS, Doric Research

- China churned out 83.6 million tonnes of crude steel in April, falling by 2.8 percent compared to the same period in 2025.
- Despite the year-on-year decline, April output rose 5.2 percent from March's 79.47 million tonnes, supported by a seasonal spring construction boost.
- This monthly increase helped ease the overall decline over the first four months of the year, with total crude steel output for January–April reaching 334.63 million tonnes, down 3.0 percent year-on-year.

- China's manufacturing sector demonstrated sustained growth in April, with the official Manufacturing Purchasing Managers' Index (PMI) reaching 50.3, dropping marginally from 50.4 in March.
- Surpassing the consensus forecast of 50.1, the index held above the crucial 50-point expansion threshold for a second straight month.
- China's non-Manufacturing Purchasing Managers' Index fell to 49.4 in April, dropping 0.7 percentage points from 50.1 in March.

China - Crude Steel Output



Source: Doric Research, NBS

China - Manufacturing PMI

Source: Doric Research, NBS

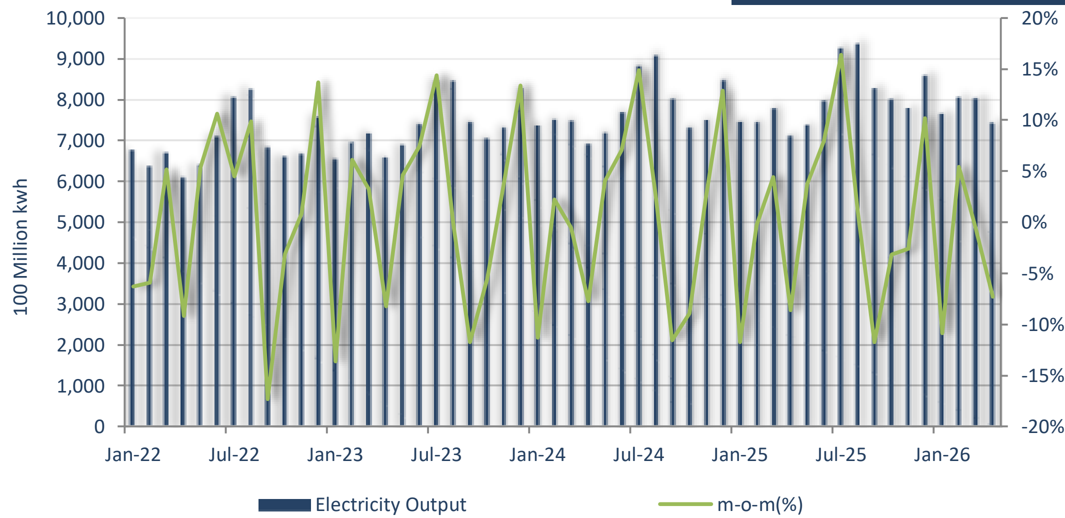
- Investment in China's real estate sector continued its protracted decline, falling 13.7 percent on year during April, worsening from the 11.2 percent contraction seen in the first quarter.
- Property sales by floor area fell by 10.2 percent year-on-year for the first four months of the year. This rate of decline slightly improved from the 10.4 percent drop recorded in the first quarter.
- New construction activity contracted 22.0 percent year-on-year over January–April, deepening from a 20.3 percent decline in the first quarter.
- New home prices extended their multi-year downturn in April, though at the slowest monthly pace in a year, dropping by 0.19 percent on month and 3.5 percent on year.
- In April, China's industrial output rose by 4.1 percent compared to last year. Tech production jumped by 15.6 percent and car manufacturing grew by 9.2 percent, driving most of the growth.
- This pushed the country's total industrial growth for the January-April period to 5.6 percent. However, private factories lagged behind the main trend, growing at a slower pace of just 2.8 percent.

Source: Doric Research, NBS

Source: Doric Research, NBS

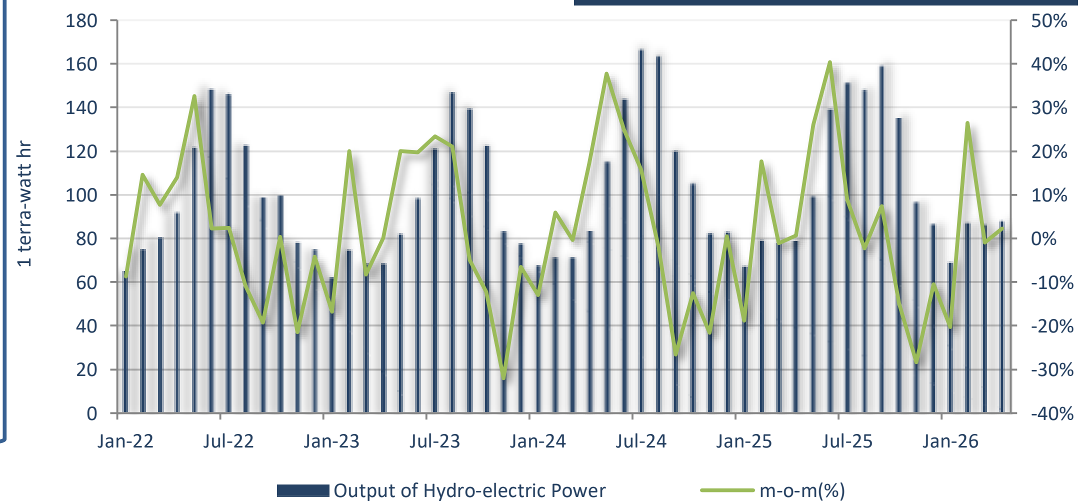
- China's overall electricity generation reached 744.0 billion kilowatt-hours (kWh) in April, marking a 2.6 percent annual increase. This growth was heavily supported by a 12.2 percent surge in hydropower generation.
- However, this marked the fourth consecutive month of rising fossil-fuel reliance, as weak wind conditions, underperforming solar output and extended nuclear refuelling outages drove a 3.3 percent rebound in coal-fired power generation.
- This uneven performance brought China's total power output for January–April to 3.12 trillion kWh, up 3.3 percent year-on-year.
- Hydro-electric power generation experienced an impressive 12.2 percent annual surge in April, reaching a total of 88.1 billion kWh. This expansion accelerated from a 10.8 percent growth rate in March, acting as a crucial driver for the country's 2.6 percent annual electricity generation rise.
- Cumulative figures for the first four months of the year show total hydropower volumes rising by 9.9 percent, underscoring a steady improvement in water inflows and reservoir conditions across the country.

China - Electricity Output



Source: Doric Research, NBS

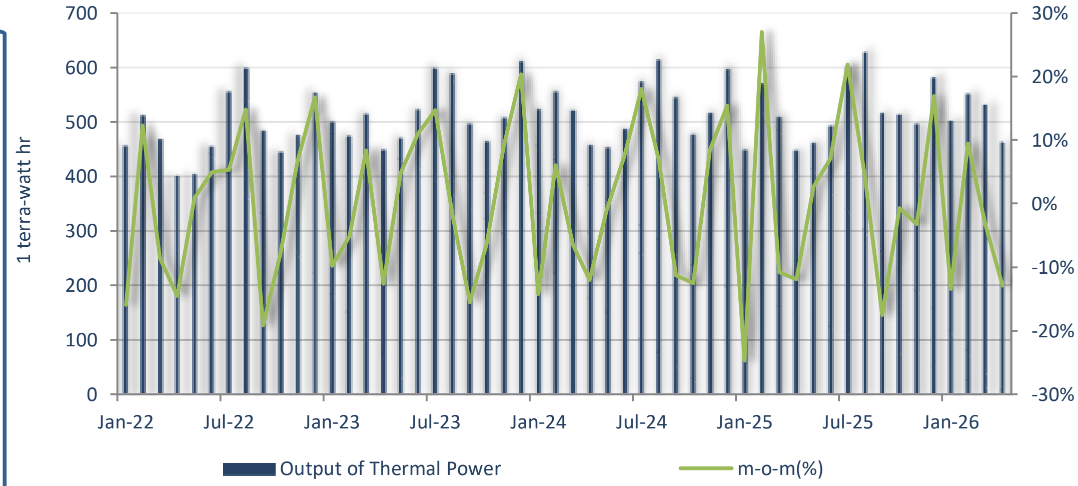
China - Hydro-Electric Power Output



Source: Doric Research, NBS

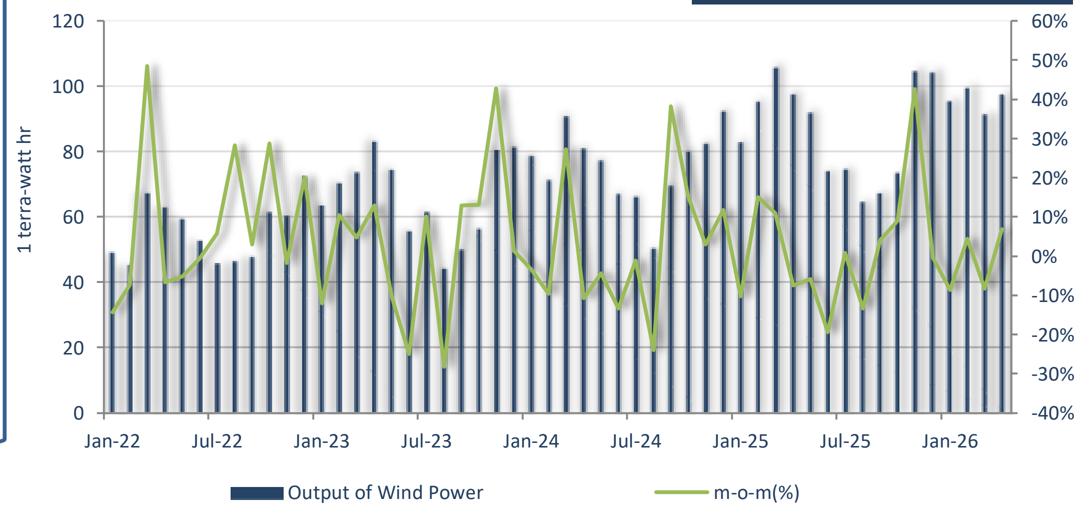
- China's thermal power output, largely coal-fired, rose 3.1 percent in April to 505.0 billion kWh, extending gains for a fourth consecutive month.
- On the month, April's record decreased by 8.3 percent compared to March.
- The increase in fossil-fuel use was largely driven by shortfalls in clean energy output. Despite a 1.0 percent decline in domestic coal production, China ramped up coal-fired generation to offset weaker wind conditions and nuclear maintenance outages.
- For the cumulative January-April 2026 period, China's total thermal power generation logged a 3.6 percent increase compared to the same timeframe in 2025.
- China's wind power generation fell 5.0 percent year-on-year in April due to exceptionally weak wind conditions, though the monthly decline narrowed by 12.3 percentage points compared with March.
- Despite this seasonal dip, China's total installed wind capacity remains robust, reaching 650 gigawatts as infrastructure expansion continues.

China - Thermal Power Output



Source: Doric Research, NBS

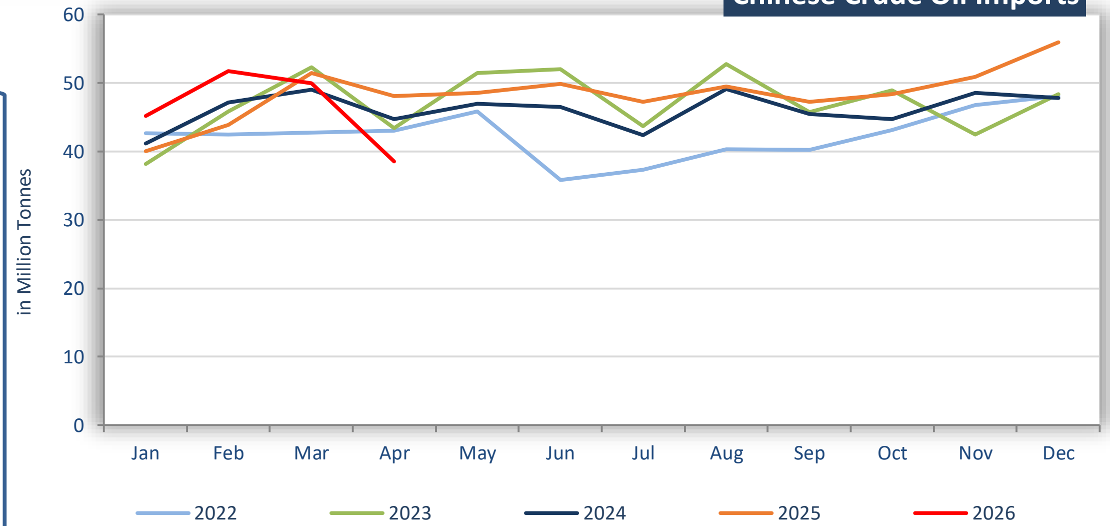
China - Wind Power Output



Source: Doric Research, NBS

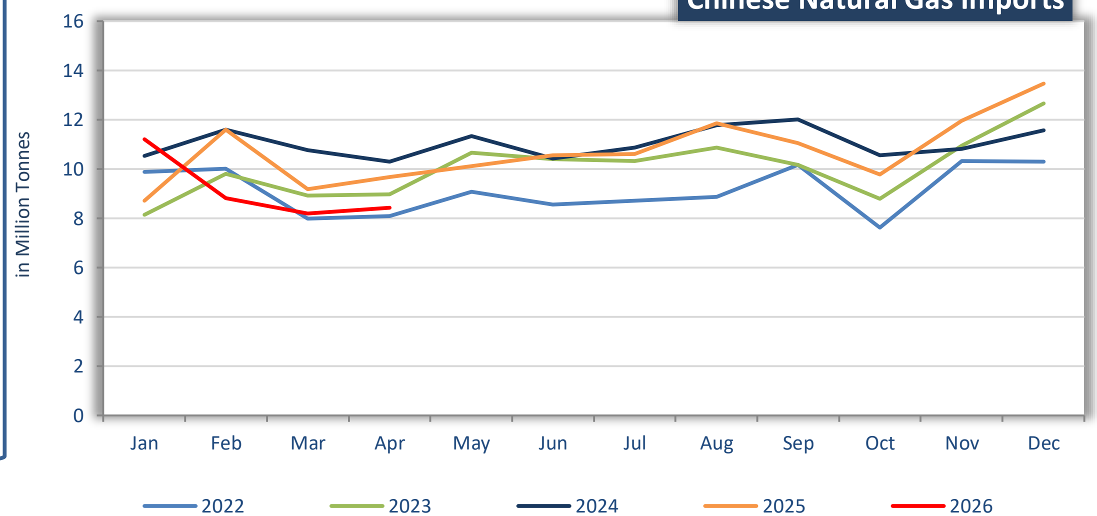
- China's crude oil imports plummeted by 20.0 percent year-on-year in April to 38.5 million tonnes, equivalent to 9.37 million barrel per day, dropping to their lowest level since July 2022.
- Amid Middle East conflict, China radically shifted its import matrix to bypass the Persian Gulf. As a result, Russia remained its largest crude oil supplier, achieving a 26.0 percent annual increase for the past four months. Surprisingly, imports from Indonesia skyrocketed by 122 times compared to previous baselines.
- Overall, China's crude oil arrivals for January–April reached 185.3 million tonnes, remaining 1.3 percent higher year-on-year.
- Natural gas imports also fell by 13.0 percent to 8.42 million tonnes in April, as Middle East geopolitical conflict severely constrained energy flows.
- China's seaborne LNG imports shrank in April, dropping by 22.9 percent year-on-year to roughly 3.6 million tonnes, marking the lowest monthly total since April 2018.
- Over the January-April period, cumulative natural gas imports reached 36.6 million tonnes, down 6.4 percent year-on-year.

Chinese Crude Oil Imports



Source: Doric Research, GAC

Chinese Natural Gas Imports



Source: Doric Research, GAC

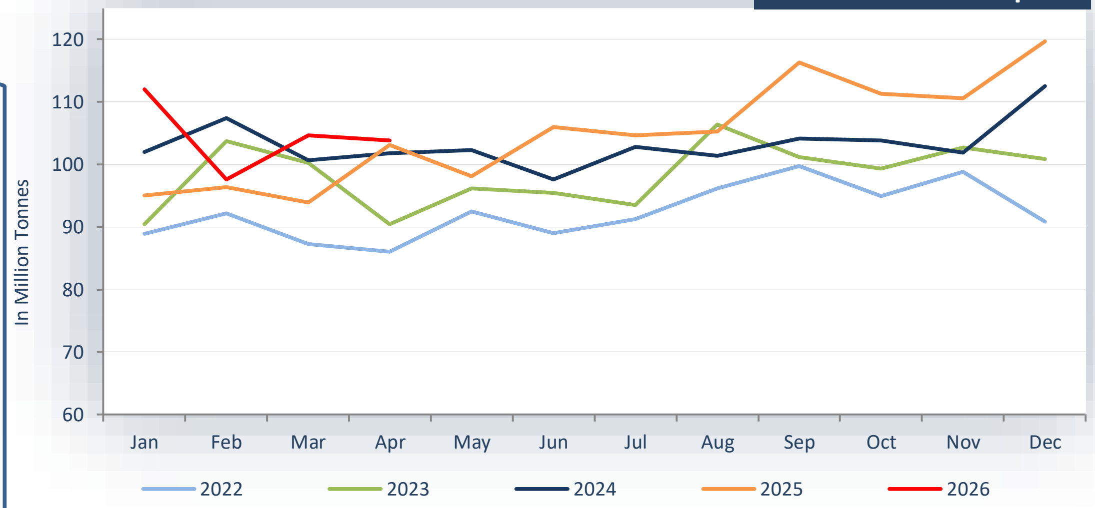
IRON ORE

MAY 2026

- China's iron ore inflows reached 103.85 million tonnes in April, marking a marginal 0.69 percent increase year-on-year compared to April 2025.
- On a monthly basis, import volumes registered a slight decline of 0.85 percent from March's 104.74 million tonnes However, the daily arrival rate actually ticked up to 3.46 million tonnes.
- Arrivals from Brazil stole the spotlight in April, with a massive 23.3 percent annual surge to 25.26 million tonnes, while Australian imports rose by 9.5 percent on year to 61.8 million tonnes.
- Within January-April period, total imports hit 418.59 million tonnes, a strong 8.0 percent surge compared to the same period last year.

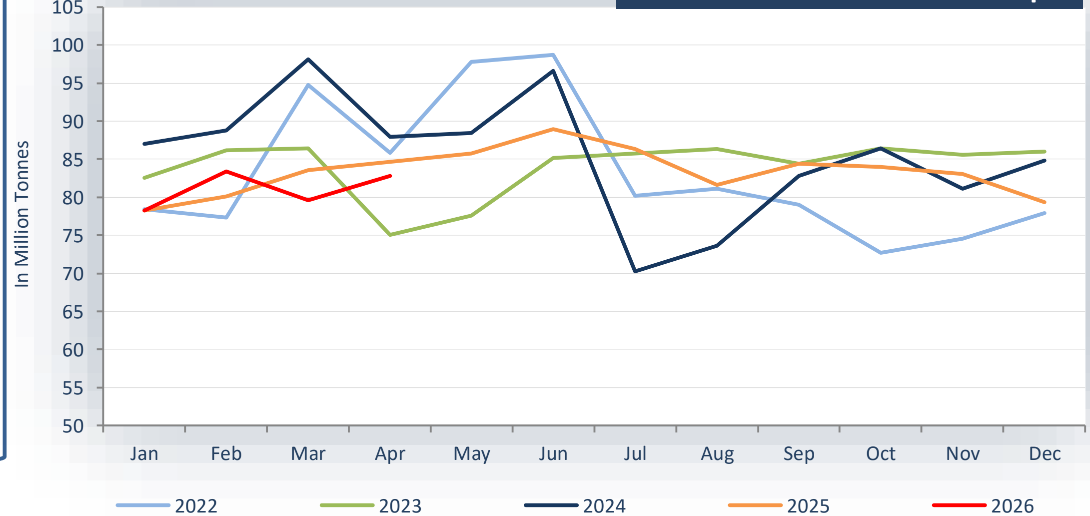
- China's raw iron ore output reached 82.84 million tonnes, down 3.5 percent year-on-year but up 4.0 percent month-on-month, supported by improved spring weather and temporary mill restocking, highlighting rising reliance on imports.
- From January–April, domestic output totalled 326.78 million tonnes, marking a 1.0 percent year-on-year contraction compared with the same period in 2025.

China - Iron Ore Imports



Source: Doric Research, GAC

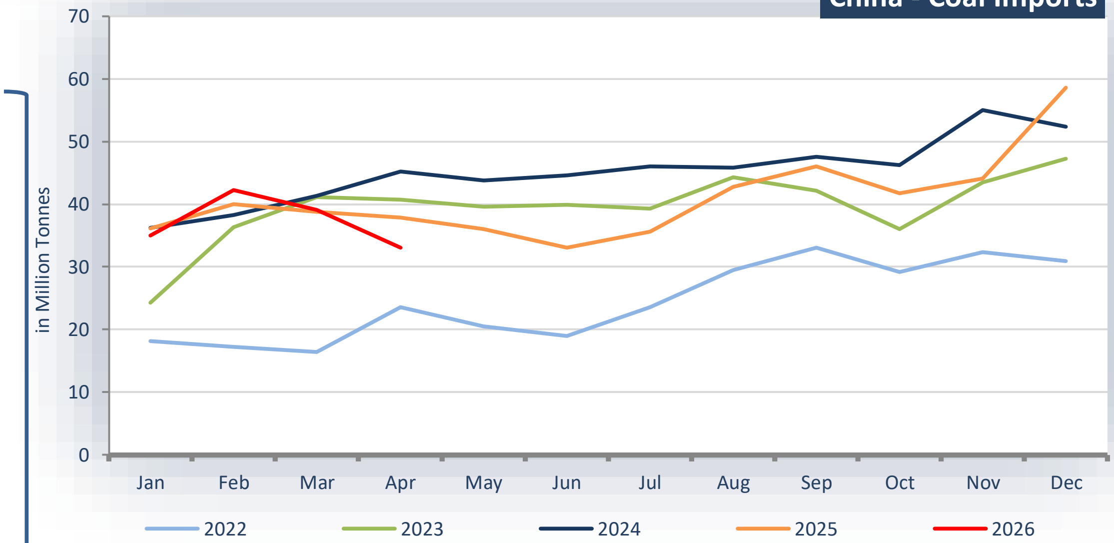
China - Iron Ore Domestic Output



Source: Doric Research, NBS

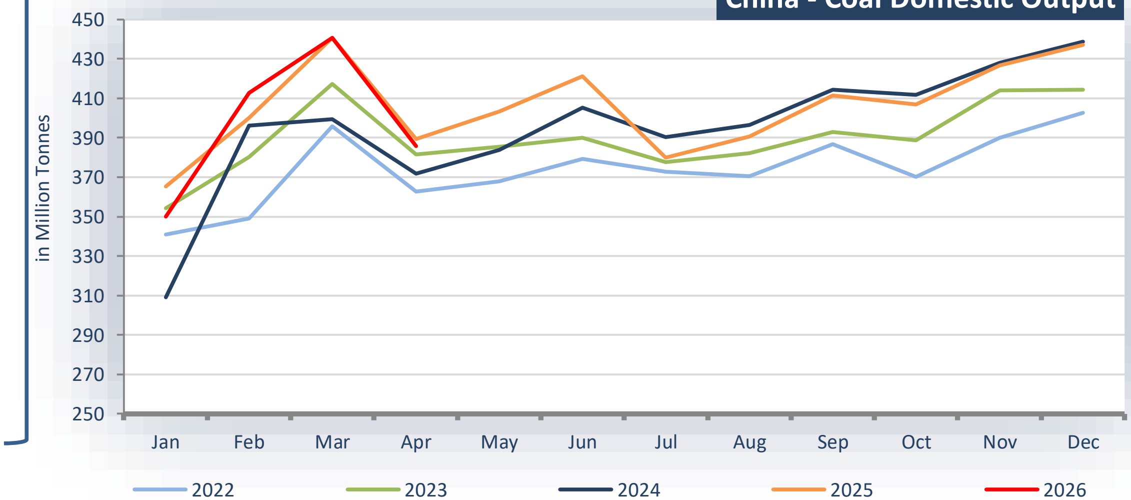
- After a record-breaking first quarter that had defied expectations of a slowdown, China's coal imports plunged 12.5 percent year-on-year in April to 33.1 million tonnes.
- This monthly slump marked their lowest level since June 2025, narrowing total inbound shipments for the past four months to 149.4 million tonnes, down 2.1 percent on year.
- The decline reflected a combination of high seaborne coal prices, reduced export supply and strong domestic production.
- Coal shipments from Mongolia surged 61.0 percent to 11.33 million tonnes in April, allowing it to narrowly overtake Indonesia (11.12 million tonnes in April) as China's top monthly supplier.
- China's coal output inched down 1.0 percent year-on-year in April to 385.63 million tonnes, indicating a continued tight supply-demand balance.
- The decline followed a record 440.62 million tonnes in March, down 12.5 percent month-on-month, despite higher coal-fired generation and lower imports.
- Over January–April, domestic coal output fell to 1.58 billion tonnes, a modest 1.0 percent year-on-year decline.

China - Coal Imports



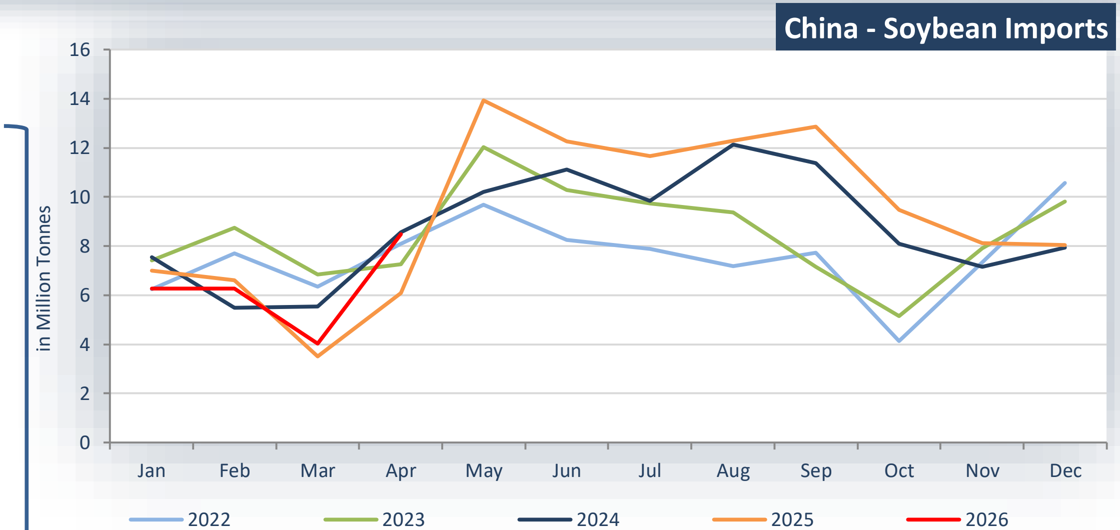
Source: Doric Research, GAC

China - Coal Domestic Output

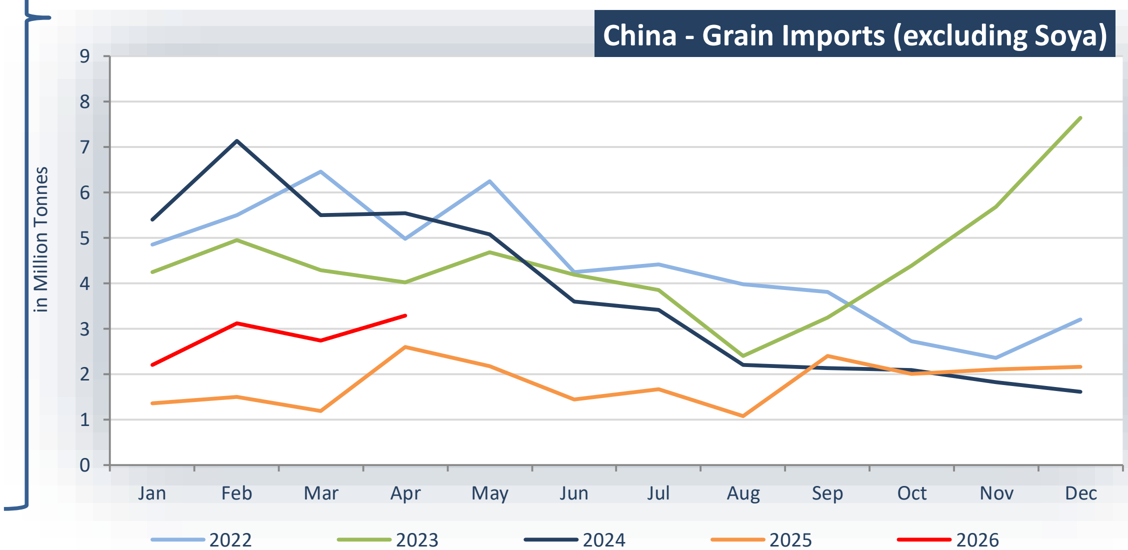


Search: Doric Research, NBS

- China's soybean arrivals reached 8.48 million tonnes in April, up 40.0 percent year-on-year, although still below market expectations of over 10.0 million tonnes.
- On the month, April's inbound shipments skyrocketed by 110.0 percent from a seasonal low of just 4.02 million tonnes in March.
- Soybean imports from the U.S. more than doubled year-on-year to 3.33 million tonnes, while arrivals from Brazil rose by a modest 3.0 percent.
- Overall, cumulative soybean imports for January-April period, totaled 25.2 million tonnes, up 8.5 percent from the previous year.
- Outside of soybeans, China's total grain arrivals stood at 3.77 million tonnes, showing a significant uptrend, rising by 24.1 percent on year.
- Total corn imports during the January–April period surged by more than 80.0 percent year-on-year, driven by heavy rainfall that damaged domestic crops in Northern China.
- Total year-to-date corn imports up to April have surged by over 80.0 percent compared to the same period in 2025, driven by heavy rainfall damaging domestic crops in Northern China.

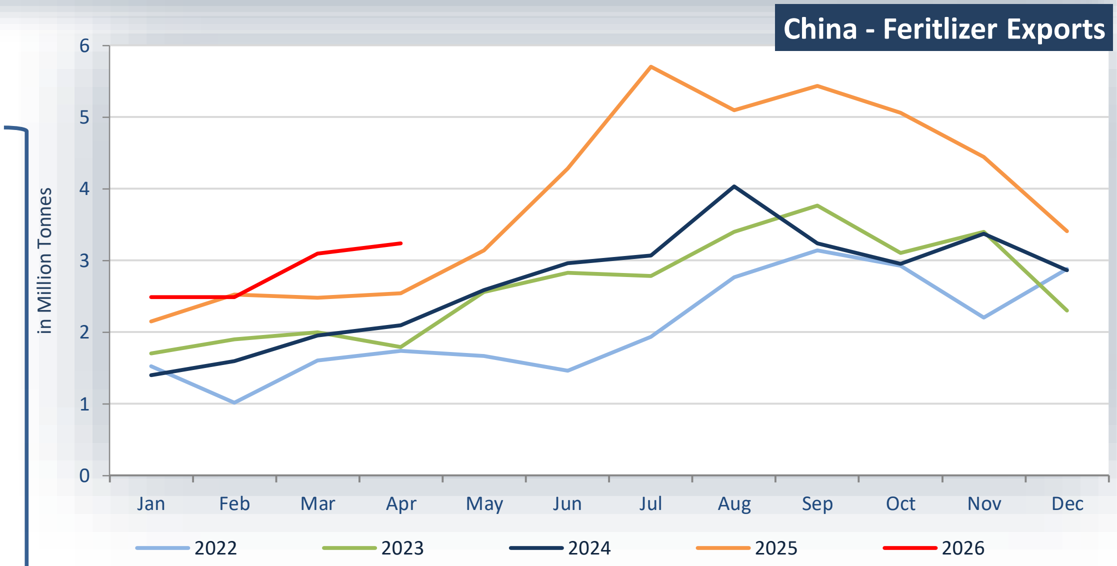


Source: Doric Research, GAC

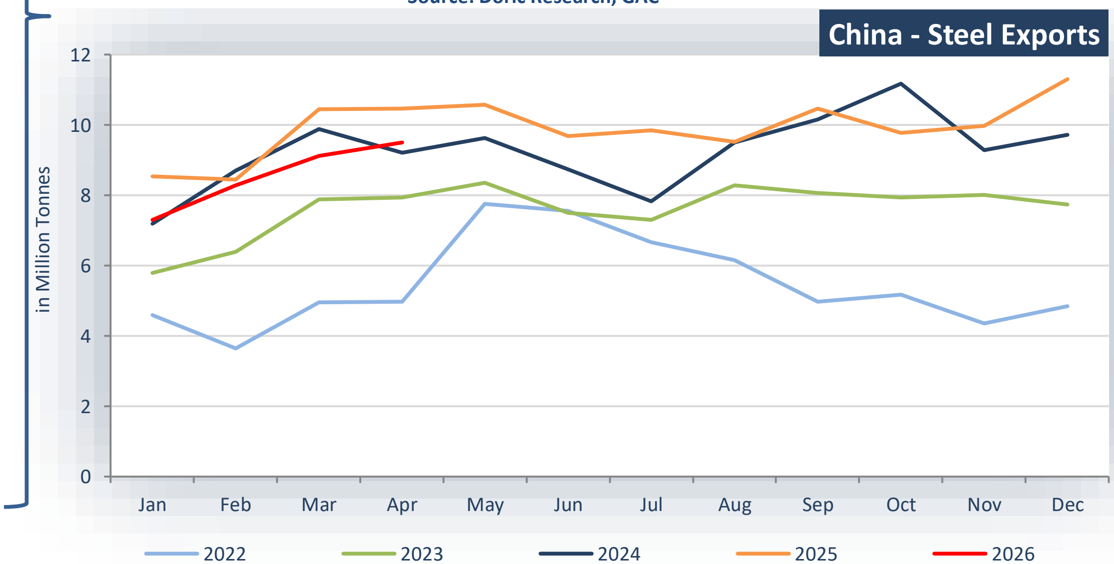


Source : GAC, Doric Research

- As of last month, China exported a total of 3.24 million tonnes of fertlizers, representing a substantial 27.6 percent increase year-on-year.
- Compared to the previous month, exports also recorded positive growth, increasing by 4.5 percent from the 3.10 million tonnes registered in March.
- During the January–April period, China's total fertilizer exports reached 11.39 million tonnes, marking a sharp 17.5 percent year-on-year increase.
- In April, China's finished steel exports totaled 9.49 million tonnes. This represents a 4.0 percent increase month-over-month, though a 9.2 percent decrease compared to the same period in 2025.
- The broader annual picture remained negative, as cumulative steel exports for the first four months of the year, contracted to 34.20 million tonnes-a 9.7 percent year-on-year drop.
- China's steel export prices stabilized in April, reflecting mills' efforts to preserve a competitive pricing advantage amid softening global demand and shifting trade dynamics.



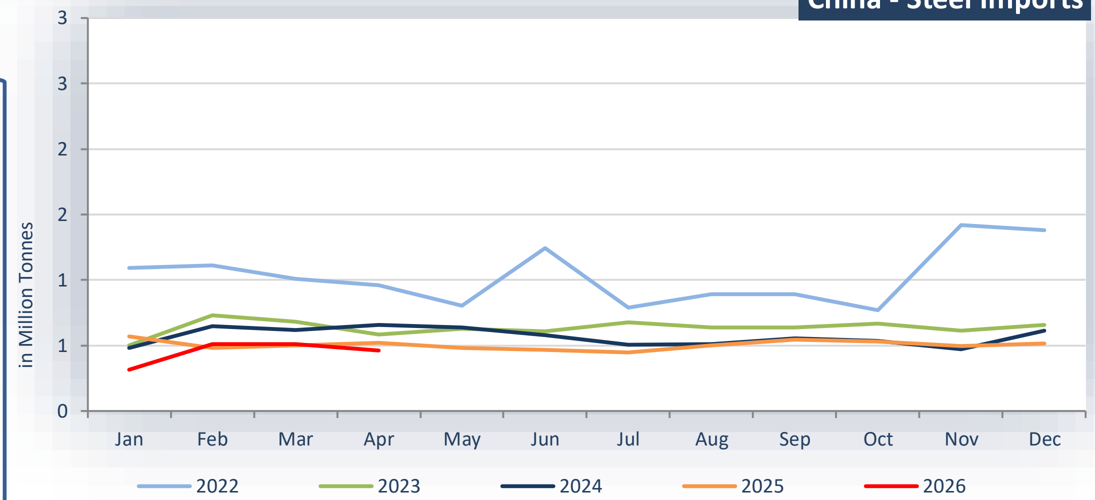
Source: Doric Research, GAC



Source: Doric Research, GAC

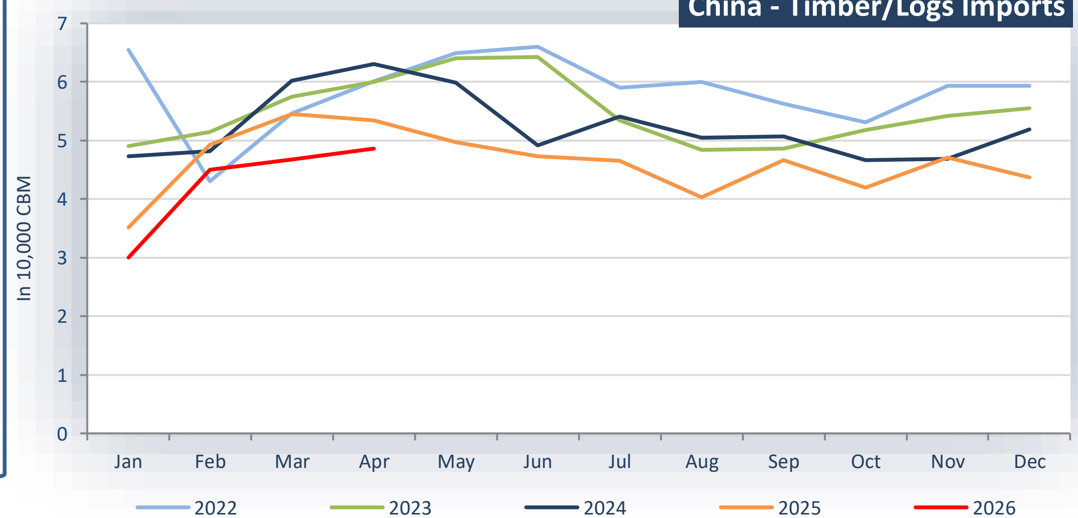
- China's finished steel imports declined further in April, amounting to 465,000 tonnes, representing a 10.9 percent decrease compared to the same month in 2025. This also marked a 9.2 percent decline compared to March.
- The annual contraction contributed to a broader downturn during the first four months of the year, with total imports falling by 13.4 percent to 1.8 million tonnes.
- Domestic steel prices rebounded modestly during April, supported primarily by rising raw material costs rather than any meaningful improvement in underlying consumer demand.
- In the timber sector, China's total timber and log arrivals balanced at 4.87 million cubic meters (CBM) in April. While this volume represented a 4.0 percent monthly increase, it marked a 6.8 percent year-on-year decline.
- From January through April, China brought in 17.04 million CBM of timber products, sliding by 11.4 percent on annual basis.
- The Global Timber Index registered a reading of 53.5 in April, staying above critical threshold for the first time in three months, positioning China alongside Ecuador and Mexico as the leading growth drivers among pilot countries for the month.

China - Steel Imports



Source: Doric Research, GAC

China - Timber/Logs Imports



Source: Doric Research, GAC

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