

Capital Goods

A good start for earth-moving machinery sales in Jan

China Construction Machinery Association (CCMA) released the earth-moving machinery sales data for Jan 2025. Despite an early CNY this year, sales of excavators / wheel loaders still edged up 1%/2% YoY, which suggest resilient demand. We expect a decent export growth and the upcycle of domestic replacement demand will continue for earth-moving machinery this year. In addition, given the traditional peak season in Mar, we see chances for construction machinery names to gain traction over the coming two months. We remain positive on **Zoomlion (1157 HK / 000157 CH, BUY)**, **SANY Heavy (600031 CH, BUY)** and **Jiangsu Hengli (601100 CH, BUY)**.

- **Excavator sales +1% YoY in Jan.** Domestic sales were slightly down 0.3% to 5.4k units. Exports grew 2% YoY to 7.1k units. Electric excavator sales were 18 units (+50% YoY), representing only 0.1% of the total excavator sales.
- **Wheel loaders sales +2% YoY in Jan.** In China, sales dropped 1% YoY to 3.7k units, while exports grew 4% YoY to 4.2k units. Electric wheel loader sales volume reached 1.09k units (+1.9x YoY), representing 13.7% of the total wheel loader sales (up from 4.7% a year earlier).
- The sales data for other construction machinery will be released by CCMA later this month.

Major construction machinery sales in Jan 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	12,512	5,405	7,107	1%	0%	2%
Wheel loader	7,920	3,706	4,214	2%	-1%	4%

Source: CCMA, CMBIGM

Downstream applications of construction machinery in China

Type of machinery	Infrastructure	Property	Mining	Manufacturing
Excavator	High	Medium	Low	Low
Wheel loader	Medium	Low	High	Low
Truck crane	High	Low	n/a	Low
Tower crane	n/a	High	n/a	n/a
Concrete machinery	Medium	High	n/a	Low
Coal mining equipment	n/a	n/a	High	n/a
Mining transport truck	n/a	n/a	High	n/a
Aerial work platform	Medium	Low	na	High

Source: CMBIGM

OUTPERFORM
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China Capital Goods Sector

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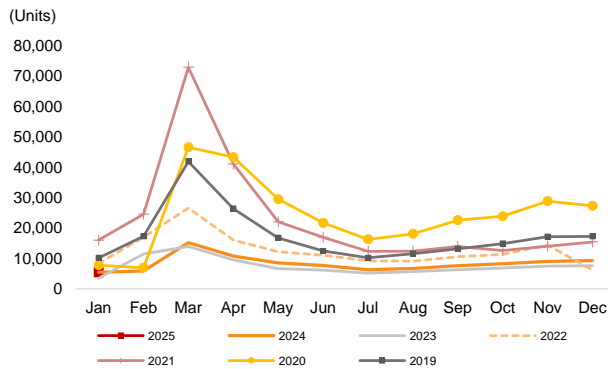
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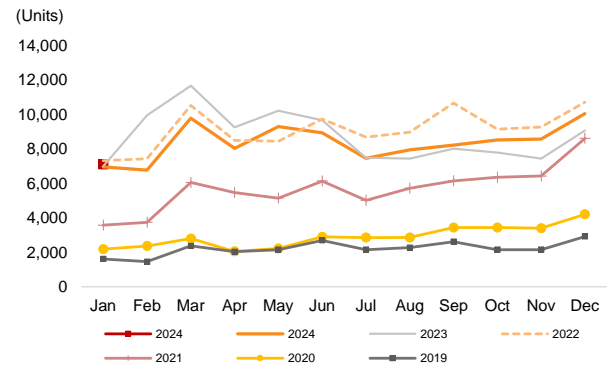
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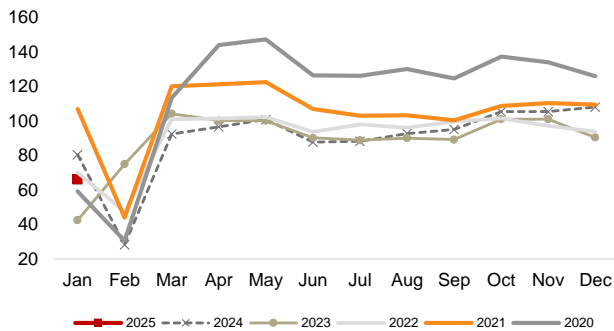
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Figure 1: Monthly excavator sales in China

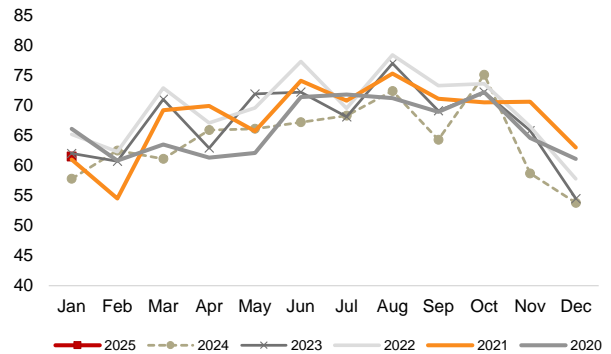
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume

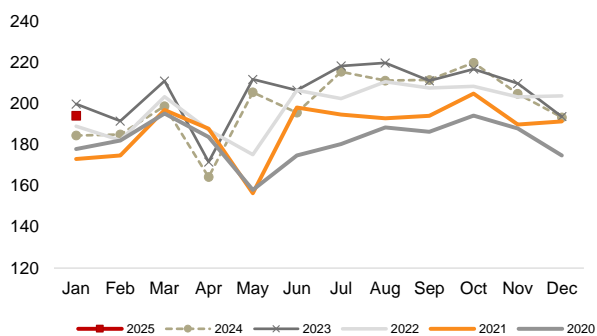
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in China

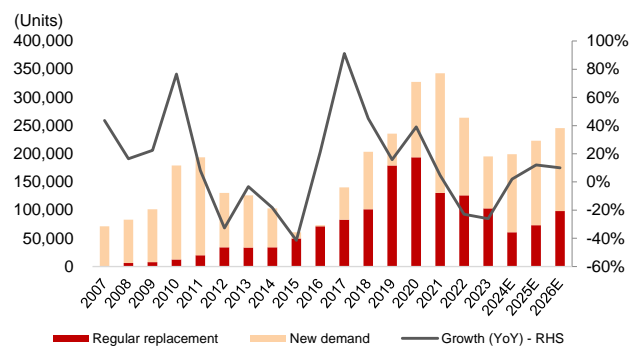
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America

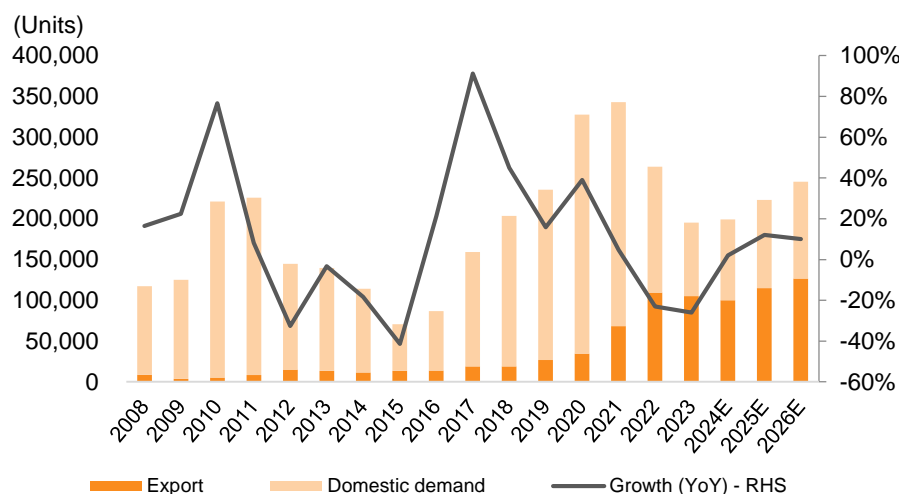
Source: Komatsu, CMBIGM

Figure 5: Komatsu excavator monthly utilisation hours in Indonesia

Source: Komatsu, CMBIGM

Figure 6: CMBIGM excavator sales projection

Source: CCMA, Wind, CMBIGM estimates

Figure 7: CMBI excavator sales projection (breakdown by region)

Source: CCMA, CMBIGM estimates

Figure 8: Overseas revenue contribution for major Chinese manufacturers

Company	Ticker	% of overseas revenue		
		2022	2023	1H24
Zhejiang Dingli	603338 CH	65%	64%	77%
SANY Heavy	600031 CH	47%	61%	62%
Zoomlion	1157 HK / 000157 CH	24%	38%	49%
Sinotruk	3808 HK	47%	36%	45%
XCMG	000425 CH	30%	40%	44%
SANY International	631 HK	27%	31%	36%
Jiangsu Hengli*	601100 CH	22%	22%	-
Weichai Power**	2338 HK / 000338 CH	54%	53%	52%

Source: Company data, CMBIGM

Note: * Certain domestic sales will become final products for export.

** Weichai owns 46.5% interest in KION (KGX GR), the major source of overseas revenue. Adjusted for KION's revenue, together with Weichai's direct and indirect exports, we estimate Weichai's attributable overseas revenue accounted for 30-40% of total revenue.

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