

Capital Goods

Domestic excavator sales +99% YoY in Feb a surprise

China Construction Machinery Association (CCMA) released surprisingly strong earth-moving machinery sales data for Feb. Domestic sales of excavators / wheel loaders surged 99%/63% YoY, not only helped by the CNY base effect but, more importantly, also the stronger-than-expected actual demand. We believe the recent supportive macro policy has gradually translated into actual demand, with earth-moving machinery being the first to recover in the project-level cycle. We maintain our view that the upcycle of replacement demand will boost earth-moving machinery sales this year. In the near-term, the traditional peak season in Mar will likely further boost the sector sentiment. Reiterate **BUY** on **SANY Heavy (600031 CH)**, **Jiangsu Hengli (601100 CH)** and **Zoomlion (1157 HK / 000157 CH)**.

- **Excavator sales +53% YoY in Feb.** Domestic sales surged 99% to 11.6k units. Exports grew 13% YoY to 7.6k units. In 2M25 (CNY effect eliminated), total excavator sales grew 27% (domestic: +51%; export: +7%).
- **Wheel loader sales +34% YoY in Feb.** Domestic sales surged 63% YoY to 4.5k units. Exports grew 13% YoY to 4.2k units. Electric wheel loader sales volume reached 1.3k units (+3.4x YoY), representing 15.2% of the total wheel loader sales (up from 4.6% a year earlier). In 2M25, total wheel loader sales grew 17% YoY (domestic: +26%; export: +8%).
- The sales data for other construction machinery will be released by CCMA later this month.

Major construction machinery sales in Feb 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	19,270	11,640	7,630	53%	99%	13%
Wheel loader	8,730	4,505	4,225	34%	63%	13%

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
(Maintain)

China Capital Goods Sector

Wayne FUNG, CFA

(852) 3900 0826

waynefung@cmbi.com.hk

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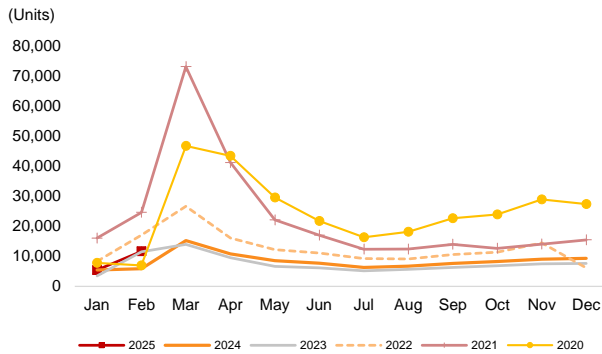
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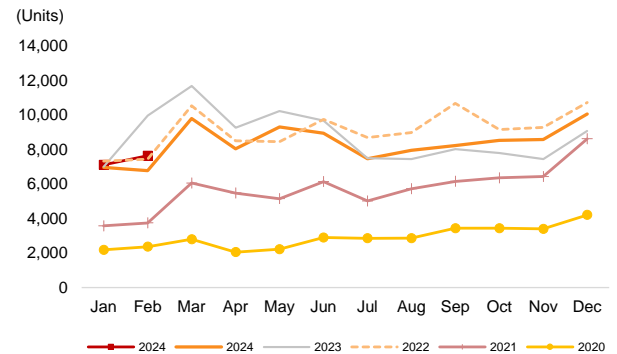
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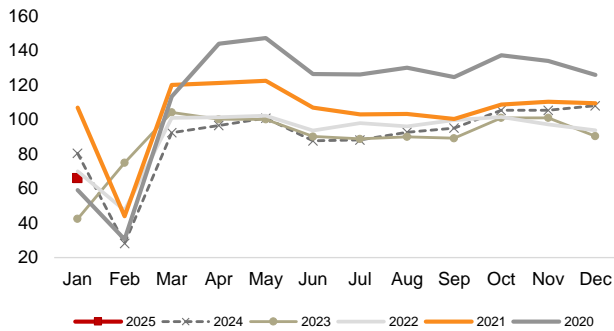
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Figure 1: Monthly excavator sales in China

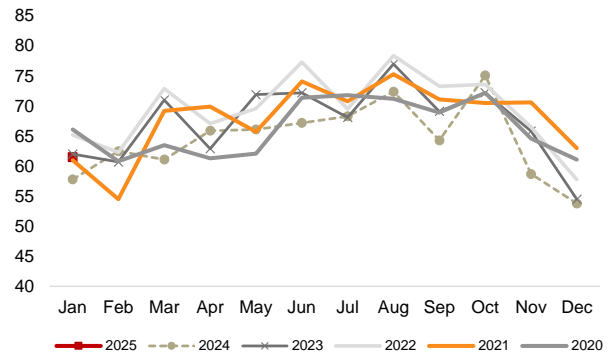
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume

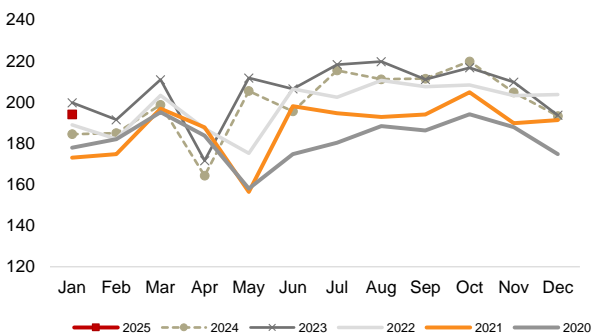
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in China

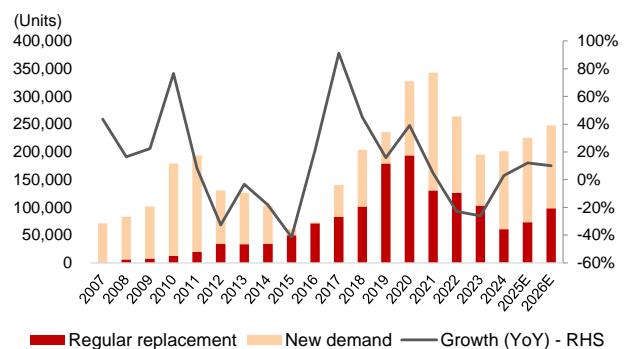
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America

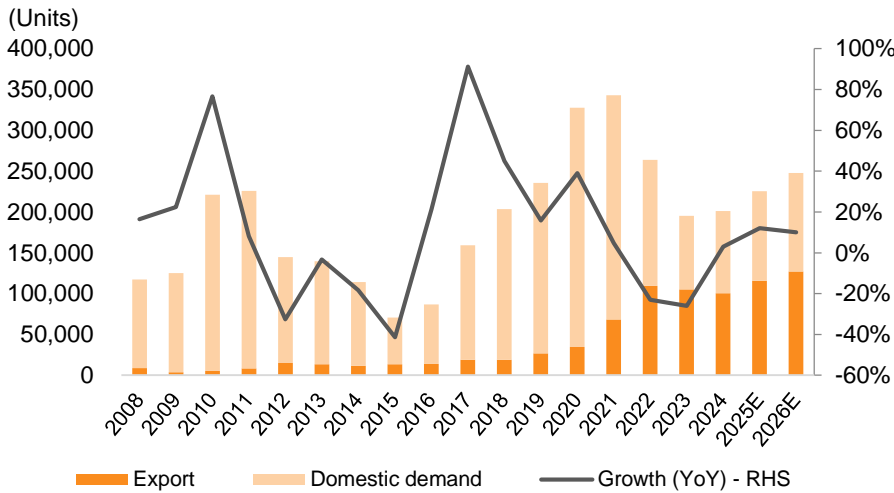
Source: Komatsu, CMBIGM

Figure 5: Komatsu excavator monthly utilisation hours in Indonesia

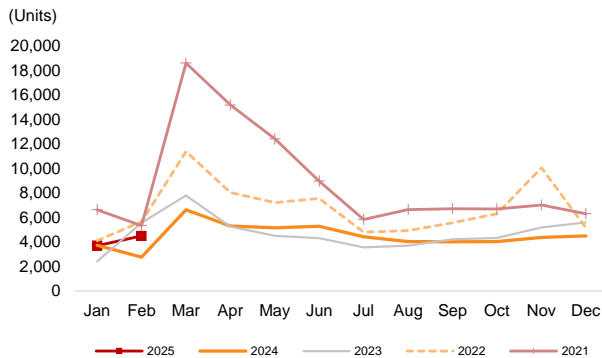
Source: Komatsu, CMBIGM

Figure 6: CMBIGM excavator sales projection

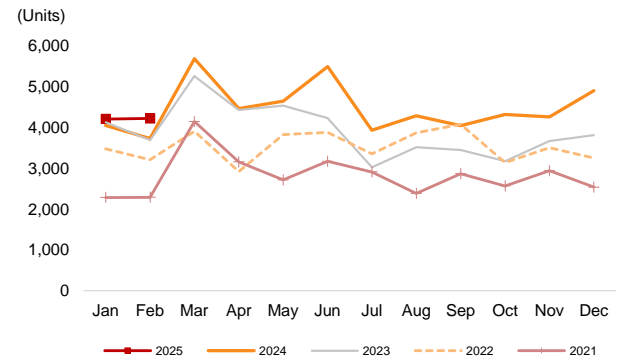
Source: CCMA, CMBIGM estimates

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

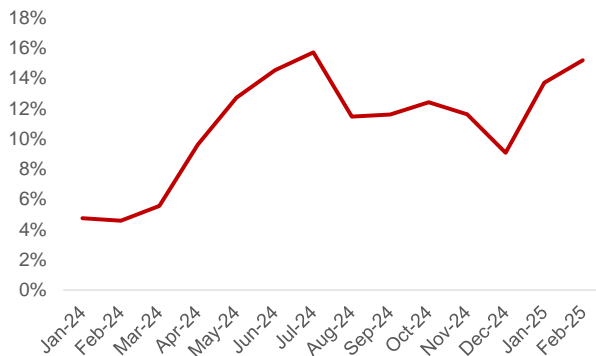
Source: CCMA, CMBIGM estimates

Figure 8: Monthly wheel loader sales in China

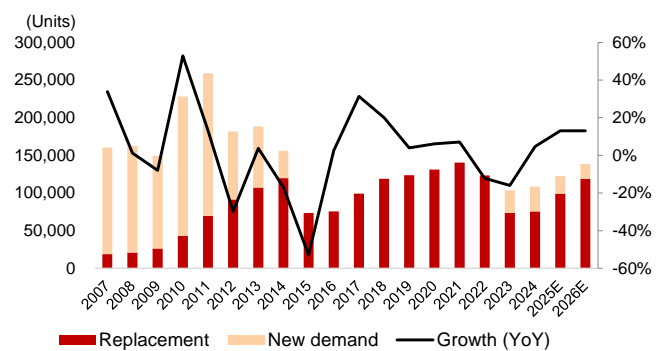
Source: CCMA, CMBIGM

Figure 9: Monthly wheel loader export volume

Source: CCMA, CMBIGM

Figure 10: Electric wheel loader sales as percentage of total wheel loader sales

Source: CCMA, CMBIGM

Figure 11: CMBIGM wheel loader sales projection

Source: CCMA, CMBIGM estimates

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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