

Capital Goods

Momentum of earth-moving machinery sales continued in May

What's new? China Construction Machinery Association (CCMA) released over the weekend the data for earth-moving machinery sales in May 2026. Sales (exports + domestic sales) of excavators and loaders grew 36% YoY and 27% YoY respectively. Excavators were strong in both domestic sales (+39% YoY) and exports (+34% YoY). It's also worth noting that electric loader sales surged 79% YoY in May, with electric ratio rising to a record high of 37%, which we believe was driven by high oil price.

Implications: The strong data suggest that the industry upcycle is well on-track. We maintain our positive stance on the construction machinery outlook, driven by upside of global mining capex on the back of elevated commodity prices, as well as Chinese machinery players' penetration in emerging markets.

Stock ideas: We see the mismatch between the strong industry data and the pullback of major names in the sector as a buying opportunity. Our valuation calls include **Zoomlion (1157 HK / 000157 CH, BUY)**, **SANY Heavy (6031 HK / 600031 CH, BUY)** and **SANY International (631 HK, BUY)**. Meanwhile, we continue to like **Jiangsu Hengli (601100 CH, BUY)**, an outperformer recently, for its strong sales of hydraulic components and huge potential upside on humanoid robots components ([Takeaways from plant visit: More positive than we thought](#)).

Major construction machinery sales in May 2026

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Earth-moving						
Excavator	24,794	11,628	13,166	36%	39%	34%
Wheel loader	13,405	7,418	5,987	27%	23%	33%

Source: CCMA, CMBIGM

Note: The sales data for other construction machinery will be released by CCMA later this month.

OUTPERFORM
(Maintain)

China Capital Goods Sector

Wayne FUNG, CFA

(852) 3900 0826

waynefung@cmbi.com.hk

Related reports:

Jiangsu Hengli (601100 CH) - Takeaways from plant visit: More positive than we thought – 5 Jun 2026 ([link](#))

SANY International (631 HK) - Weak 1Q26 results but should be expected by the market; Focus on mining truck growth – 21 May 2026 ([link](#))

Capital Goods – Takeaways from Dongfang Electric plant visit – 18 May 2026 ([link](#))

Capital Goods - Strong sales of earth-moving machinery in Apr; price hikes planned for excavators – 11 May 2026 ([link](#))

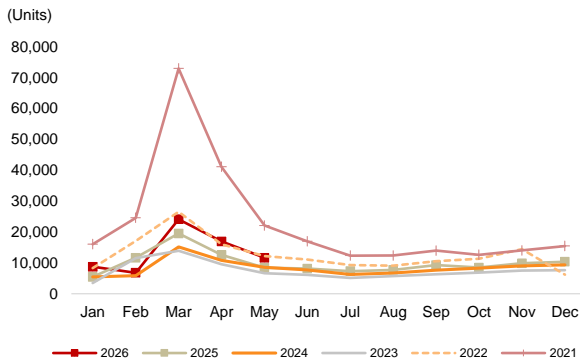
Weichai Power (2338 HK / 000338 CH) - AIDC power driven re-rating to continue; Earnings forecast and TP raised – 4 May 2026 ([link](#))

Zoomlion (1157 HK/000157 CH) - Expect an improvement from 1Q26 – 30 Apr 2026 ([link](#))

Jiangsu Hengli (601100 CH) - 1Q26 EBIT +34% YoY above expectation; net profit dragged by FX loss – 28 Apr 2026 ([link](#))

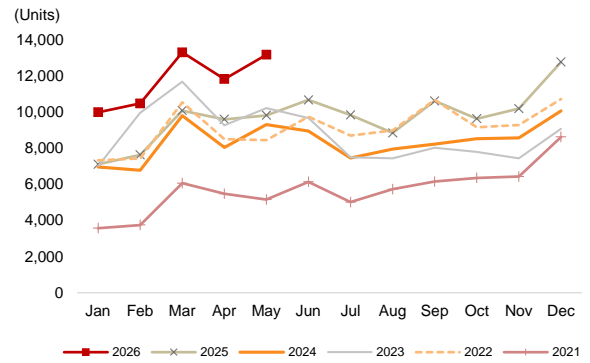
SANY International (631 HK) - Key takeaways from Hong Kong NDR – 27 Apr 2026 ([link](#))

Figure 1: Monthly excavator sales in China



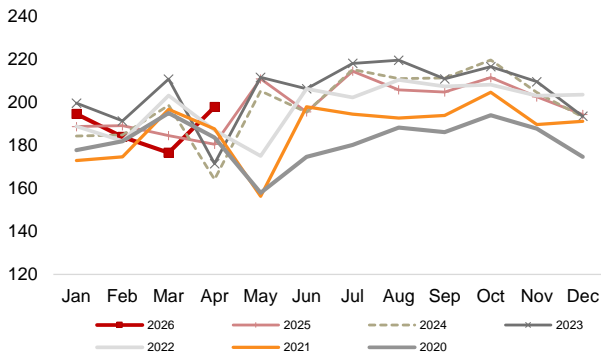
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume



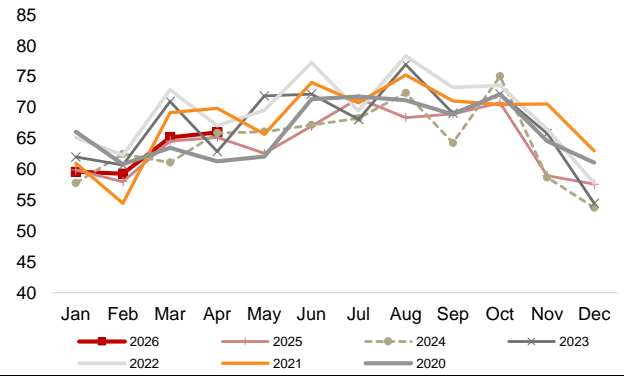
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in Indonesia



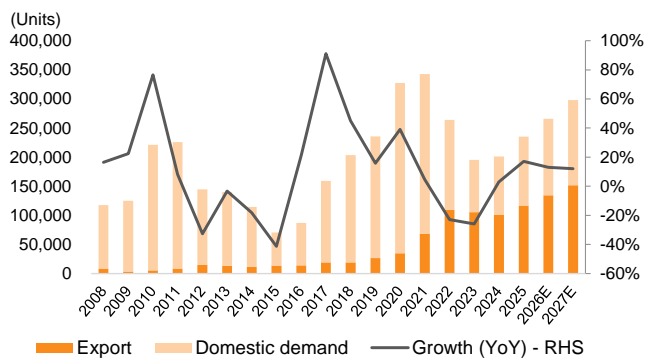
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America



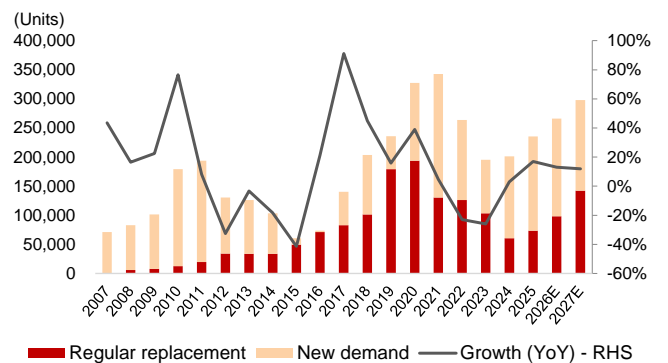
Source: Komatsu, CMBIGM

Figure 5: CMBI excavator sales projection (breakdown by region)



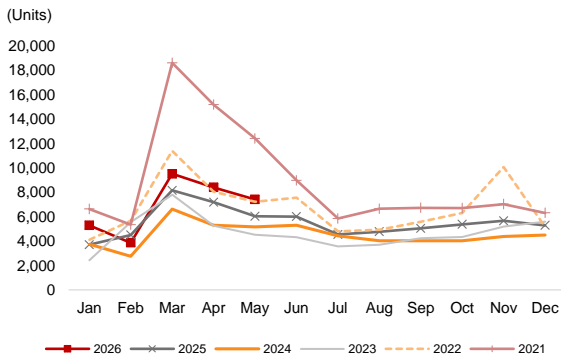
Source: CCMA, CMBIGM estimates

Figure 6: CMBI excavator sales projection



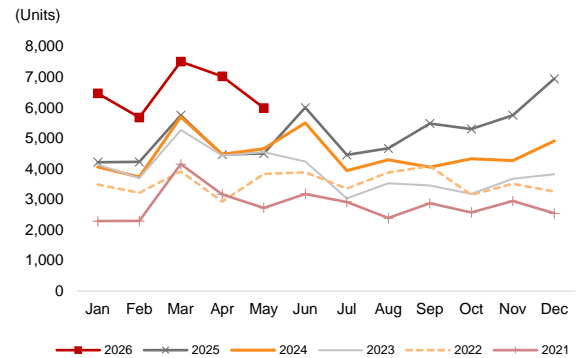
Source: CCMA, CMBIGM estimates

Figure 7: Monthly wheel loader sales in China



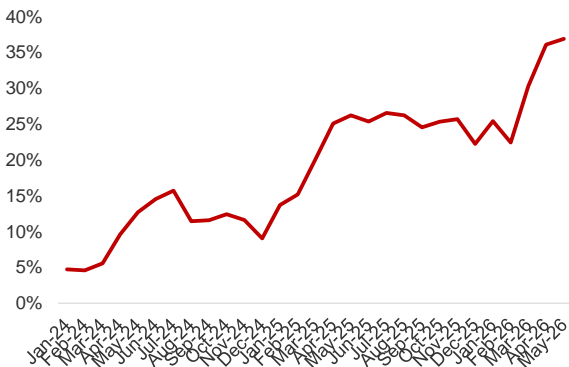
Source: CCMA, CMBIGM

Figure 8: Monthly wheel loader export volume



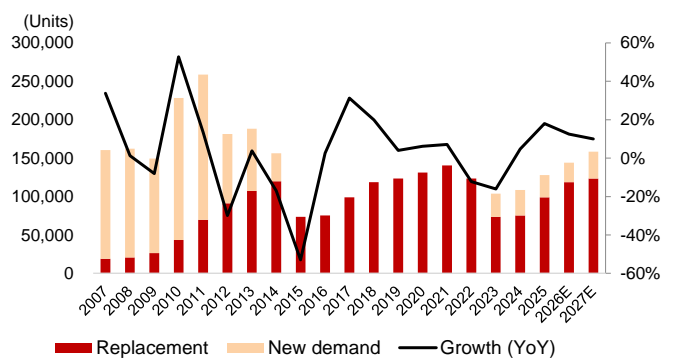
Source: CCMA, CMBIGM

Figure 9: Electric wheel loader sales as a percentage of total wheel loader sales



Source: CCMA, CMBIGM

Figure 10: CMBI wheel loader sales projection



Source: CCMA, CMBIGM estimates

Figure 11: 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

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

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

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.