

# China Economy

## Exports remained resilient

China's exports notably expanded by 21.8% YoY in 2M26 in USD terms, likely supported by front-loading due to a late Chinese New Year (CNY), lower base and the global semiconductor upcycle. Exports to the US notably narrowed the contraction since 2Q25. Imports rebounded markedly driven by AI-related demand including copper-related materials and integrated circuits. We expect China's goods exports to remain resilient in 2026, supported by the AI investment upcycle and China's comparative advantage in cost among manufacturing sectors. However, softer external backdrop including rising energy prices that may erode purchasing power and increase shipping costs could weigh on the momentum. Looking forward, we expect China's goods exports to moderate from 5.2% in 2025 to 4% in 2026 while imports may rebound from -0.5% to 2%. USD/RMB rates may appreciate from the current 6.87 to 6.8 by June 2026, and then depreciate to 6.9 by year end.

### ■ Exports notably rebounded amid CNY distortions and lower base.

Exports rebounded to 21.8% (all on a YoY basis unless specified) in 2M26 from 6.6% in Dec, notably beating market expectation. Besides a lower base in 2025, part of the upside likely reflected calendar effects, as the late CNY prompted corporates to front-load shipments before the holiday. For destinations, exports to the US recovered from -30% in Dec 2025 to -5.5% on average in Jan-Feb 2026, while exports to ASEAN, the EU and Africa further picked up. Exports to Latin America, Japan and India, on the other hand, moderated. Trade surplus expanded to US\$213.6bn in 2M26 from US\$124.7bn in 2M25, marking the biggest record in history.

■ **Exports saw broad-based rebound by product.** Chip exports continued to surge by 36.3% on average in 2M26 after rising 47.7% in Dec 2025, supported by the global semiconductor upcycle. Integrated circuits have quickly risen from the 4th largest export category in 2023 to the largest in 2025, reflecting China's resilience built not only from price competitiveness but also on continued tech advancement. Personal computers further picked up 10% on average in Jan-Feb, while cell phones dropped 4.2% on average after declining 8.6% in 4Q25. Transport equipment including ships and vehicles remained robust at 46.4% and 53%. Personal consumption goods rebounded, as low value-added exports including textile yam, travel goods & bags, garment and toys notably recovered, as well as housing-related products including furniture, lamps & lighting products and home appliances.

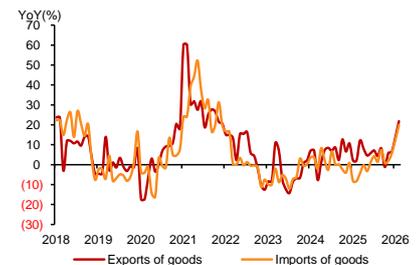
■ **Imports improved driven by AI-related demand.** China's imports of goods accelerated to 19.8% in 2M26 from 5.7% in Dec. Import value of processing trade dropped to 11.3% in 2M26 from 22.4% in Dec, while imports of general trade recovered to 4.1% from -2.4%. AI-related demand notably picked up, as import volume of copper ore and integrated circuits rose 5% and 9% in 2M26, while their price surged by 30.8% and 28.3%. For energy products, import volume of coal and crude oil increased 1.5% and 15.8% in 2M26, while natural gas dropped 1.1%. For raw materials, volume of iron ore picked up 10%. For intermediate products, volume of steel & copper products, plastics in primary form, rubber and machine tools significantly dropped. Import volume of soybean dropped 7.8% while grain rebounded 2.9%.

■ **We expect goods exports to remain resilient in 2026.** The strong Jan-Feb export print was likely supported by temporary factors such as the CNY timing mismatch and a lower base. Nevertheless, we expect exports to remain resilient in 2026 supported by the global semiconductor upcycle and China's comparative advantage in cost among manufacturing sectors. However, softer external backdrop as rising energy prices erode purchasing

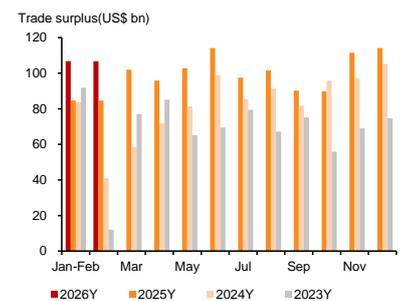
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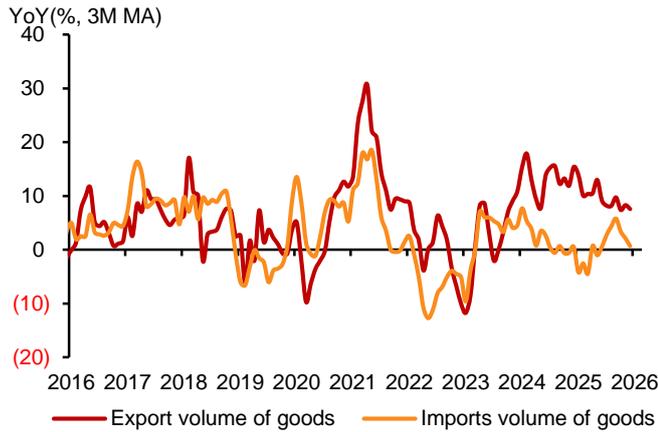
Source: Wind, CMBIGM



Source: Wind, CMBIGM

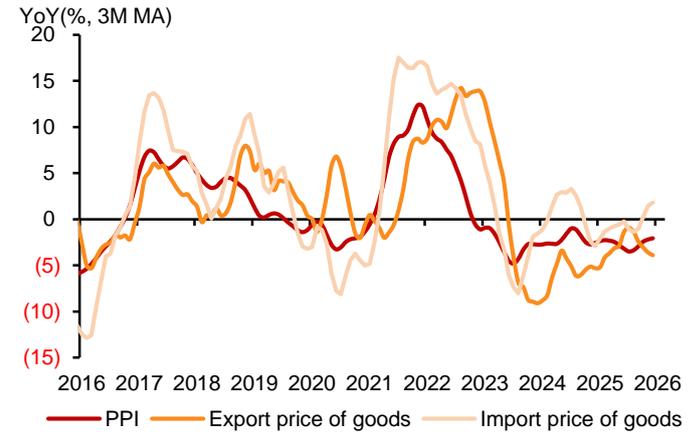
power and increase shipping costs, may weigh on the momentum. Looking forward, we expect China's goods exports may moderate from 5.2% in 2025 to 4% in 2026 while imports may rebound from -0.5% to 2%. USD/RMB rates may appreciate from the current 6.87 to 6.8 by June 2026, and then depreciate to 6.9 by year end.

**Figure 1: Growth of export and import volumes**



Source: Wind, CMBIGM

**Figure 2: Growth of export and import prices**



Source: Wind, CMBIGM

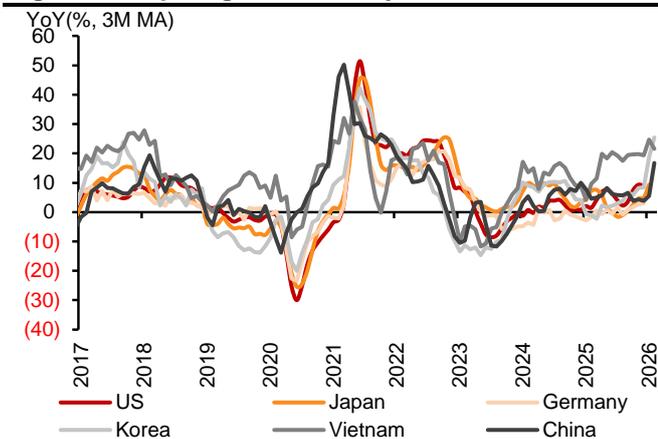
**Figure 3: China exports by destination**

	YoY Growth (%)									Share (%)					
	2021	2022	2023	2024	2025	25Q3	25Q4	Dec 25	2M26	2021	2022	2023	2024	2025	2026
World	29.6	5.6	(4.7)	5.8	5.5	6.5	3.8	6.6	10.9	100	100	100	100	100	100
ASEAN	26.1	17.7	(5.0)	12.0	13.4	18.2	10.1	11.1	14.7	14.4	16.0	15.5	16.4	17.6	17.2
US	27.5	1.2	(13.1)	4.9	(20.0)	(27.3)	(28.0)	(30.0)	(5.5)	17.2	16.4	14.8	14.7	11.1	10.2
EU	32.6	8.6	(10.2)	3.0	8.4	11.2	9.1	11.6	13.9	15.4	15.9	14.8	14.4	14.8	15.4
Latin America	52.0	10.6	(2.4)	13.0	7.4	6.3	8.9	9.8	8.2	6.8	7.1	7.3	7.7	7.9	7.5
Africa	29.9	11.2	7.5	3.5	25.8	41.4	20.1	21.8	25.0	4.4	4.6	5.1	5.0	6.0	6.5
Japan	16.3	4.4	(8.4)	(3.5)	3.5	3.6	1.2	5.3	4.5	4.9	4.9	4.7	4.3	4.2	4.0
South Korea	32.4	9.5	(7.2)	(1.8)	(1.1)	3.3	(3.8)	(0.6)	13.5	4.4	4.6	4.4	4.1	3.8	4.0
India	46.2	21.7	0.8	2.4	12.8	11.0	12.4	22.1	10.0	2.9	3.3	3.5	3.4	3.6	3.8
Russia	33.8	12.8	46.9	4.1	(10.4)	(15.9)	(8.0)	3.6	11.4	2.0	2.1	3.3	3.2	2.7	2.8
UK	19.9	(6.1)	(3.4)	1.2	7.8	9.9	5.6	13.1	13.4	2.6	2.3	2.3	2.2	2.3	2.3
Australia	24.2	19.0	(5.3)	(4.2)	7.9	11.8	18.1	12.9	14.7	2.0	2.2	2.2	2.0	2.0	2.0
Canada	22.4	4.5	(14.9)	3.0	3.2	0.9	(2.4)	(1.4)	10.0	1.5	1.5	1.3	1.3	1.3	1.3
Saudi Arabia	7.9	25.7	14.5	16.8	6.7	12.3	(7.7)	(1.6)	0.0	0.9	1.1	1.3	1.4	1.4	0.0
HK China	28.6	(15.0)	(6.3)	6.2	15.5	16.0	23.6	31.2	19.4	10.4	8.4	8.1	8.1	8.9	9.1
Chinese Taipei	30.4	4.2	(16.0)	9.8	11.2	16.0	11.3	11.2	14.4	2.3	2.3	2.0	2.1	2.2	2.2

Source: Wind, CMBIGM

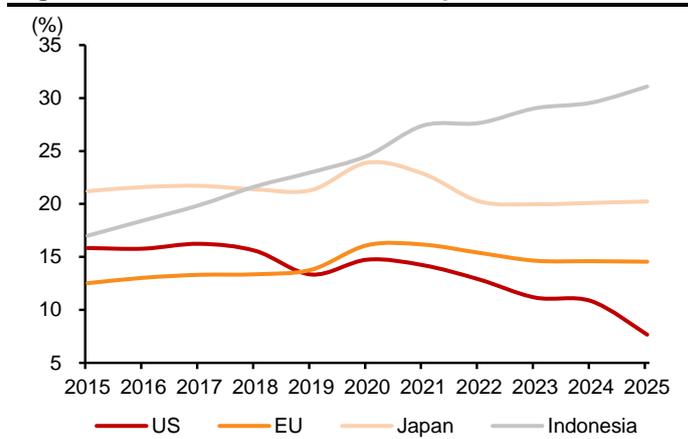
\*2M26 denotes the monthly average.

**Figure 4: Export growth in major economies**



Source: Wind, CMBIGM

**Figure 5: China's market share in partners' trade**



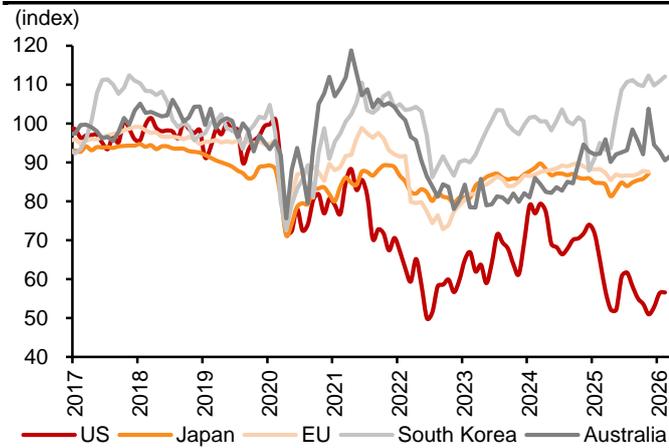
Source: Wind, CMBIGM

**Figure 6: China's exports by product**

	YoY(%)										Share (%)					
	2021	2022	2023	2024	2025	25Q3	25Q4	Dec	2M26	2021	2022	2023	2024	2025	2026	
Textile Yarn & Related Products	(5.6)	2.0	(8.3)	5.7	0.5	2.7	(4.1)	(4.2)	10.3	4.3	4.2	4.0	4.0	3.8	3.9	
Travel Goods & Bags	35.1	28.2	3.9	(3.2)	(13.5)	(12.4)	(19.1)	(13.1)	9.2	0.8	1.0	1.1	1.0	0.8	0.8	
Garment & Accessories	24.0	3.2	(7.8)	0.3	(5.0)	(6.2)	(12.3)	(10.2)	7.4	5.1	4.9	4.7	4.5	4.0	3.8	
Toy	37.7	5.6	(12.2)	(1.7)	(12.7)	(17.9)	(25.5)	(19.5)	0.8	1.4	1.4	1.2	1.1	0.9	0.8	
Furniture & Parts Thereof	26.4	(5.3)	(5.2)	5.8	(6.1)	0.0	(9.9)	(8.7)	12.4	2.2	2.0	1.9	1.9	1.7	1.9	
Lamps, Lighting Fixtures & Similar Products	31.2	(6.1)	(4.6)	(0.1)	(12.4)	(12.9)	(23.7)	(19.8)	8.4	1.5	1.3	1.2	1.2	1.0	1.0	
Plastic Products	29.1	9.3	(3.9)	5.4	(1.3)	2.6	(5.1)	(2.5)	12.9	2.9	3.0	3.0	3.0	2.8	2.9	
Steel Products	80.2	18.7	(8.3)	(1.1)	(1.3)	(0.1)	(1.3)	7.8	(4.5)	2.4	2.7	2.5	2.3	2.2	1.7	
Unwrought Aluminum	48.7	33.7	(26.1)	15.2	(3.3)	(4.7)	(2.2)	14.0	10.4	0.6	0.7	0.6	0.6	0.6	0.6	
Integrated Circuits	32.0	0.3	(10.1)	17.4	26.8	31.6	36.7	47.7	36.3	4.6	4.3	4.0	4.5	5.4	6.6	
Ship	26.2	(0.4)	28.6	57.3	26.7	26.8	45.8	25.0	26.4	0.6	0.6	0.8	1.2	1.5	1.6	
Motor Vehicles	119.2	74.7	69.0	15.5	21.4	15.4	52.4	71.7	33.6	1.0	1.7	3.0	3.3	3.8	4.1	
Vehicles Parts	33.7	7.4	9.0	6.6	2.5	4.6	(3.5)	(0.8)	7.2	2.3	2.3	2.6	2.6	2.5	2.6	
General Equipment	26.4	6.1	1.8	14.3	6.1	11.0	(0.1)	3.4	9.6	1.6	1.6	1.7	1.8	1.8	2.0	
Automatic Data Processing Equipment	21.0	(7.5)	(20.4)	9.9	(1.4)	(4.4)	(3.6)	6.0	10.3	7.6	6.7	5.5	5.8	5.4	5.6	
Fertilizer	73.2	(1.6)	(13.9)	(11.5)	57.9	96.8	53.8	17.0	6.5	0.3	0.3	0.3	0.2	0.4	0.2	
Ceramic products	22.3	6.4	(15.4)	(15.6)	(3.2)	4.9	(13.6)	(12.3)	14.8	0.9	0.9	0.8	0.6	0.6	0.6	
Rare earth	90.0	62.8	(28.3)	(36.0)	4.6	31.0	44.1	53.3	(8.0)	0.02	0.03	0.02	0.01	0.01	0.01	
Cellphone	16.6	(2.5)	(2.7)	(3.1)	(9.4)	(12.0)	(8.6)	10.6	(4.2)	4.4	4.0	4.1	3.8	3.2	2.6	
Home appliance	22.3	(13.3)	3.8	14.1	(3.9)	(6.7)	(8.9)	(6.9)	5.7	2.9	2.4	2.6	2.8	2.6	2.6	
Medical equipment	11.9	(5.8)	(2.9)	7.1	6.0	9.0	3.6	2.0	10.4	0.6	0.5	0.5	0.6	0.6	0.5	

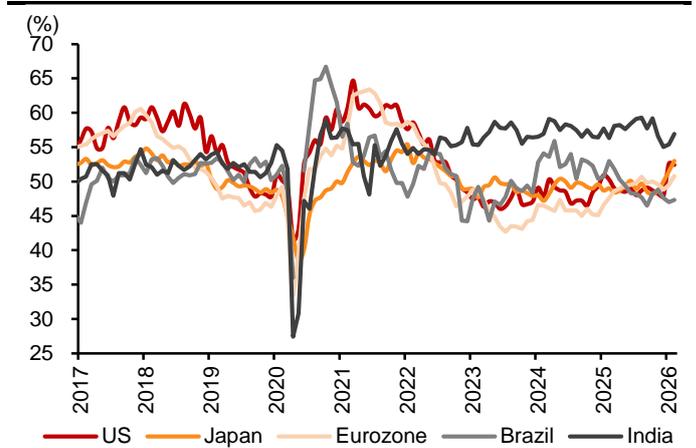
Source: Wind, CMBIGM  
\*2M26 denotes the monthly average.

**Figure 7: Consumer confidence in major economies**



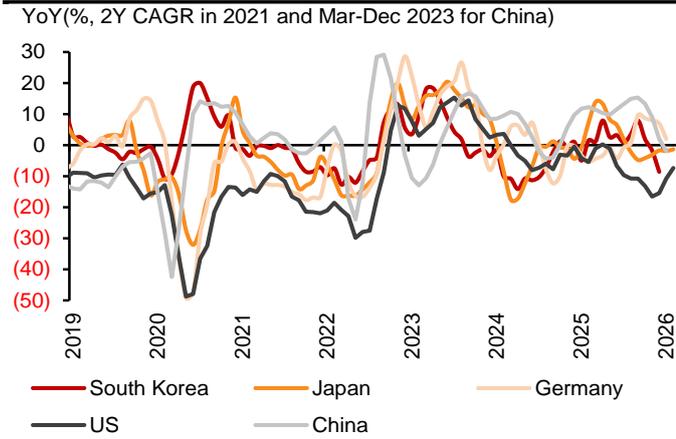
Source: Wind, CMBIGM

**Figure 8: Manufacturing PMI in major economies**



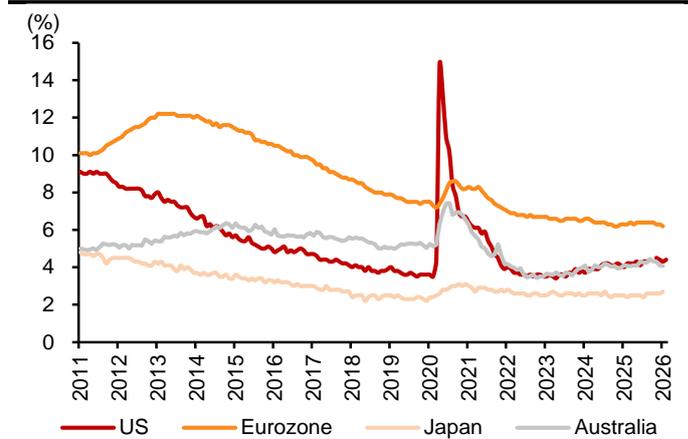
Source: Wind, CMBIGM

**Figure 9: Auto sales in major economies**



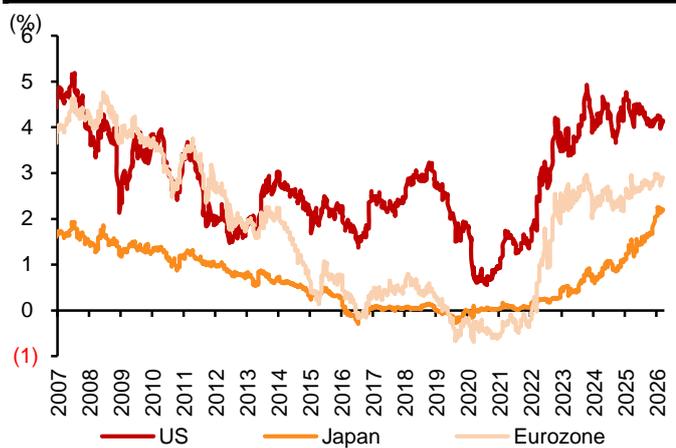
Source: Wind, CMBIGM

**Figure 10: Unemployment rates in major economies**



Source: Wind, CMBIGM

**Figure 11: 10Y T-Bond rates in major economies**



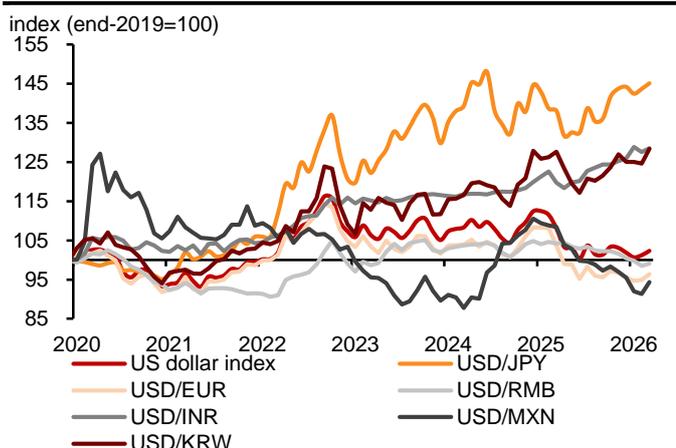
Source: Wind, CMBIGM

**Figure 12: Banks' credit growth in major economies**



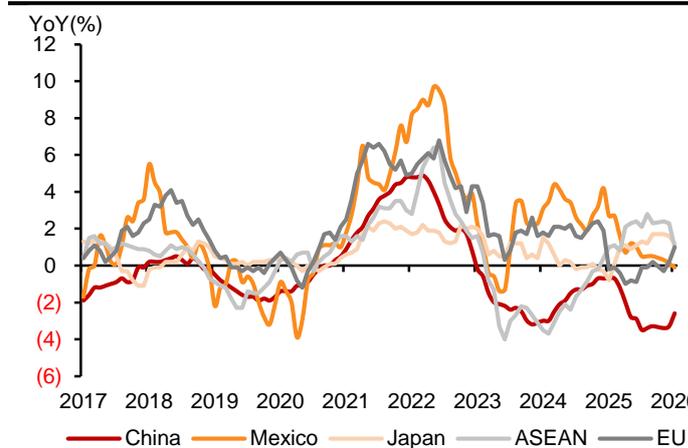
Source: Wind, CMBIGM

**Figure 13: Exchange rates**



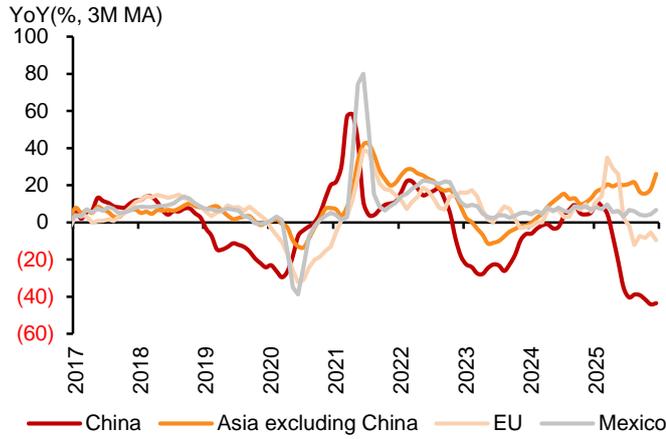
Source: Wind, CMBIGM

**Figure 14: US import price growth by source**



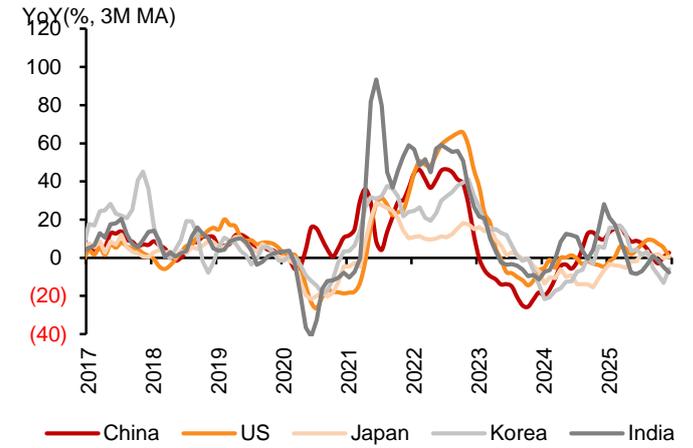
Source: Wind, CMBIGM

**Figure 15: Growth of US imports by source**



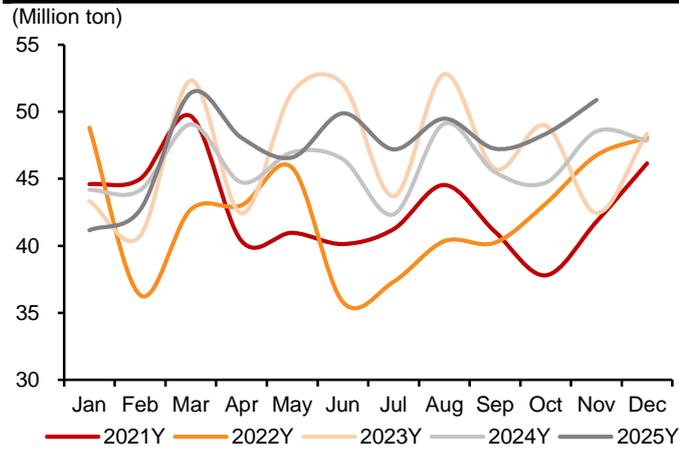
Source: Wind, CMBIGM

**Figure 16: Growth of EU imports by source**



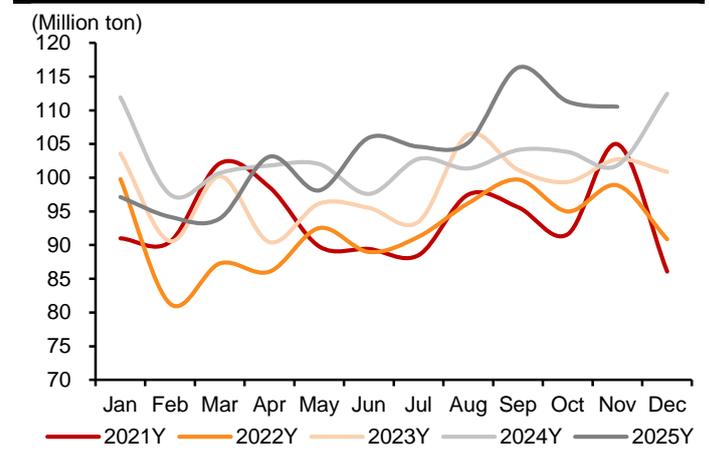
Source: Wind, CMBIGM

**Figure 17: China import volume of crude oil**



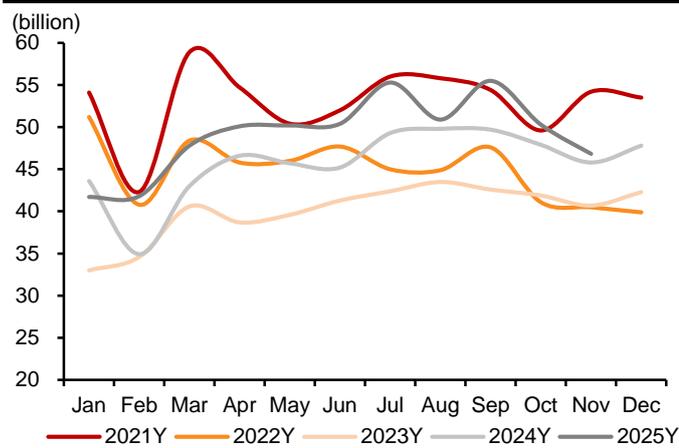
Source: Wind, CMBIGM

**Figure 18: China import volume of iron ore**



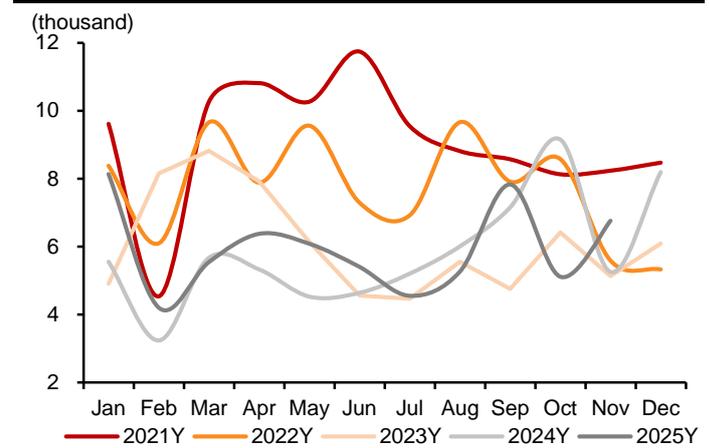
Source: Wind, CMBIGM

**Figure 19: China import volume of integrated circuits**



Source: Wind, CMBIGM

**Figure 20: China import volume of machine tools**



Source: Wind, CMBIGM

**Figure 21: China's import volume & price by product**

	Import volume YoY (%)										Import price YoY(%)								
	2021	2022	2023	2024	2025	25Q3	25Q4	Dec	2M26		2021	2022	2023	2024	2025	3Q25	4Q25	Dec	2M26
Grain	18.1	(10.7)	11.7	(2.3)	(39.5)	2.2	11.0	6.0	1.5		26.3	23.7	(9.6)	(13.6)	21.1	(5.5)	(2.9)	0.2	0.6
Soybean	(3.8)	(5.6)	11.4	6.5	(7.4)	10.4	10.6	1.3	(3.9)		40.7	21.2	(10.7)	(16.3)	1.6	(10.3)	(2.5)	3.0	5.1
Iron ore	(3.9)	(1.5)	6.6	4.9	0.9	5.8	7.3	6.4	5.0		55.4	(28.6)	(1.6)	(7.1)	(112.6)	(7.3)	6.3	3.5	0.6
Copper ore	7.6	8.0	9.1	2.1	8.4	10.2	8.6	7.1	2.5		44.6	(8.5)	(1.6)	10.8	(61.6)	10.0	22.2	24.3	30.8
Coal	6.6	(9.2)	61.8	14.4	(25.0)	(10.9)	(6.0)	11.9	0.8		65.9	29.7	(23.3)	(14.2)	(6.5)	(29.7)	(16.2)	(10.9)	(11.7)
Crude oil	(5.4)	(0.9)	11.0	(1.9)	3.6	5.1	10.0	17.0	7.9		52.4	42.7	(16.8)	(2.0)	32.9	(14.6)	(9.9)	(10.4)	(18.1)
Natural gas	19.9	(9.9)	9.9	9.9	(39.7)	(3.1)	6.9	16.3	(0.6)		39.8	39.5	(16.4)	(7.9)	39.2	(9.9)	(15.2)	(14.4)	(11.7)
Steel products	(29.5)	(25.9)	(27.6)	(10.9)	(22.3)	(3.8)	(6.7)	(16.1)	(10.9)		57.9	23.1	2.5	1.9	(11.7)	(2.6)	(3.6)	9.3	6.8
Copper products	(17.2)	6.2	(6.3)	3.4	29.6	4.5	(18.1)	(21.4)	(8.1)		45.5	(2.5)	(6.2)	9.8	(50.6)	3.5	13.7	19.3	33.7
Plastics in primary form	(16.4)	(10.0)	(3.2)	(2.1)	(3.6)	(13.2)	(8.9)	(3.4)	(6.0)		39.4	2.0	(16.7)	(1.1)	(35.4)	(0.0)	(4.3)	(7.1)	(4.9)
Rubber	(9.4)	8.7	8.0	(8.2)	26.8	10.3	11.1	18.8	(0.7)		26.4	(1.7)	(16.4)	19.8	(29.9)	(0.2)	(8.4)	(10.3)	(9.9)
Integrated circuits	16.9	(15.3)	(10.8)	14.6	(47.5)	8.7	4.7	6.7	4.5		5.7	13.5	(5.2)	(3.7)	21.2	2.9	8.6	9.3	28.3
Machine tool	(0.7)	(14.4)	(20.5)	(4.1)	(28.1)	(3.9)	(15.5)	(11.8)	(14.3)		25.8	1.5	14.8	(6.5)	(22.7)	7.7	14.1	17.6	34.6
Auto	0.6	(6.5)	(8.9)	(11.7)	(13.6)	(33.3)	(35.3)	(57.1)	12.4		14.7	5.7	(3.0)	(5.7)	(3.4)	(15.4)	(4.7)	10.9	(12.8)
Airplane	29.4	(27.3)	12.2	8.2	(84.0)	52.5	13.3	0.0	(22.4)		12.3	13.5	(4.0)	3.1	14.7	7.4	0.5	(7.5)	(27.8)
Medicine	3.1	28.8	23.6	4.7	54.5	(19.5)	(11.4)	2.6	(4.7)		16.5	(25.7)	(12.8)	(4.8)	(67.9)	25.9	9.6	2.7	13.9
Beauty cosmetics	5.2	(11.8)	(14.2)	(9.4)	(28.8)	12.1	(0.4)	1.9	(0.2)		17.0	1.8	(6.1)	0.4	(13.4)	(8.9)	(4.6)	6.4	4.4

Source: Wind, CMBIGM

\*2M26 denotes the monthly average.

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**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

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