

China Economy

Exports rebounded ahead of moderating 2026

China's exports beat market expectation due to broad-based improvement in exports to the EU, Latin America and Africa, while exports to the US and ASEAN underperformed. Exports of integrated circuits extended its rally thanks to the global AI booming cycle, reflecting China's ongoing tech advancement. Ships and vehicles remained in high prosperity, while personal consumption goods including tech products, garments and property-related goods remained subdued. Imports improved slightly thanks to the processing trade, while general trade further dipped as domestic demand remained tepid. We expect China's goods exports to moderate in 2026, as global consumer demand moderated and front-loaded imports in 2025 due to tariffs created high base effects and demand overdraw. China's exports may remain strong in industries including medical supplies, electrical equipment, automobiles, ships, aviation equipment, and AI-related products and destinations including Southeast Asia, the Middle East, Africa, Latin America, and Eastern Europe. Looking forward, we expect China's goods exports may decrease from 5.2% in 2025 to 3.5% in 2026 while imports may rebound from -0.5% to 2%. The USD/RMB exchange rate may decrease from 7.07 at the end of 2025 to 7.02 at the end of 2026.

■ **Exports rebounded thanks to the boost from EU, Latin America and Africa.** Exports rebounded to 5.9% (all on a YoY basis unless specified) in Nov from -1.1% in Oct, notably beating market expectation at 3%. Exports to the US further contracted to -28.6% in Nov from -25.2% in Oct while rebound in exports to the EU, Latin America and Africa made up the loss, rising 14.8%, 14.9% and 27.6% in Nov from 0.9%, 2.1% and 10.5% in Oct. In addition, we saw a broad-based rebound in Nov as exports to UK, Canada, Australia, Japan, South Korea, India and Russia all notably rebounded. Exports to ASEAN, on the other hand, moderated for the second month from 11% to 8.2% in Nov. Trade surplus expanded to US\$111.7bn in Nov, marking the biggest record in history.

■ **Chips and transport equipment extended their rally while personal consumption goods remained subdued.** Integrated circuits surged 34.2% in Nov from 26.9% in Oct, boosting the headline exports YoY by 1.9 ppts as global AI-related cycle remained in high prosperity. Integrated circuit has quickly risen from the 4th largest export category to the largest in 2025, reflecting China's resilience built not only from price competitiveness but also on continued tech advancement. Transport equipment including ships and vehicles remained robust at 46.4% and 53% in Nov. Meanwhile, personal consumption goods remained subdued. Tech items including personal computers and cell phones contracted 7% and 12.6%. Low value-added exports, which faced the heaviest tariff impact, including textile yam, travel goods & bags, garment and toys remained in deep contraction compared to 3Q25, as well as the housing-related products including furniture, lamps & lighting products and home appliances. Rare earth exports expanded by 34.9% in Nov, reflecting the loosening of export controls.

■ **Imports slightly improved.** China's imports of goods inched up to 1.9% in Nov from 1% in Oct, missing the market expectations at 2.9%. Import value of processing trade accelerated to 17.5% in Nov from 8.5%, while imports of general trade dipped to -5.5% in Nov from -1.6%. For energy products, import volume of coal and crude oil dropped to -19.9% and 4.9% in Nov from -9.8% and -7.2%, while natural gas rebounded to 10.6% from -7.2%. For raw materials, volume of iron ore and copper ore both picked up to 8.5% and 12.8% in Nov. For intermediate products, volume of steel products, plastics in primary form, rubber and machine tools rebounded while copper

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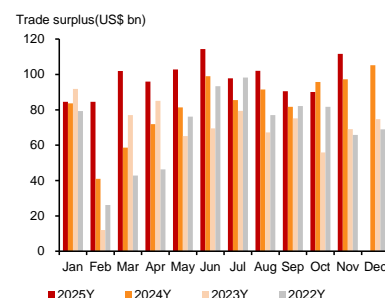
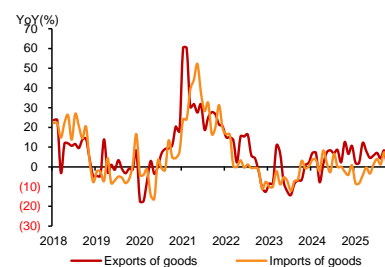
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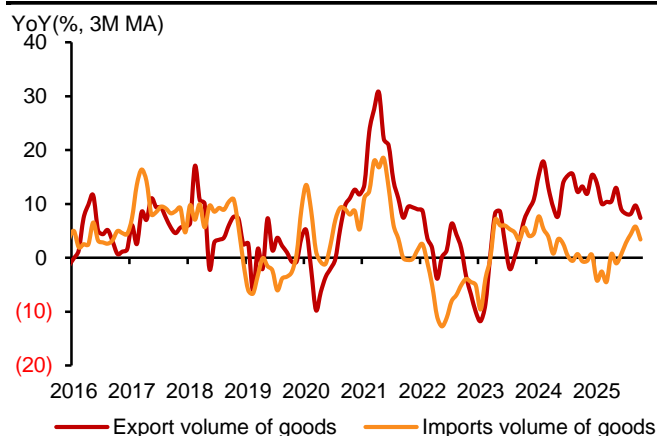
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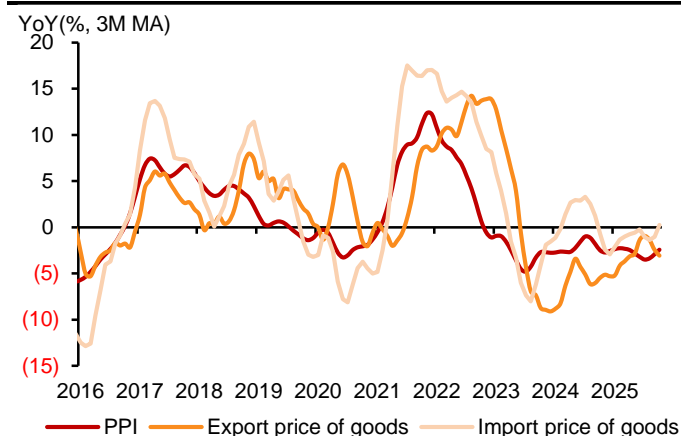


products further dropped. Import volume of crops remained strong as grains and soybeans rose to 15.4% and 13.4% in Nov.

- **We expect goods exports to moderate heading into 2026.** Global demand growth and inflation levels are declining as the IMF forecasted global GDP growth to decrease from 3.2% in 2025 to 3.1% in 2026, and CPI growth from 4.2% in 2025 to 3.7% in 2026. Tariff impacts in 2025 led to front-loaded imports and inventory accumulation, creating high base effects and demand overdraw. Global goods exports grew by over 5% in the first half of 2025, but have significantly slowed since the second half. In 2026, we expect China's exports of medical supplies, electrical equipment, automobiles, ships, aviation equipment, and AI-related products will maintain rapid growth, while traditional products such as clothing, toys, home appliances, and furniture may continue to be weak. In 2026, China's goods exports to Southeast Asia, South Asia, the Middle East, Africa, Latin America, and Eastern Europe will maintain rapid growth, with modest growth to Western Europe, Australia, and East Asia, and a continued decline to the US. Looking forward, we expect China's goods exports may decrease from 5.2% in 2025 to 3.5% in 2026 while imports may rebound from -0.5% to 2%. The USD/RMB exchange rate may decrease from 7.07 at the end of 2025 to 7.02 at the end of 2026.

Figure 1: Growth of export and import volume

Source: Wind, CMBIGM

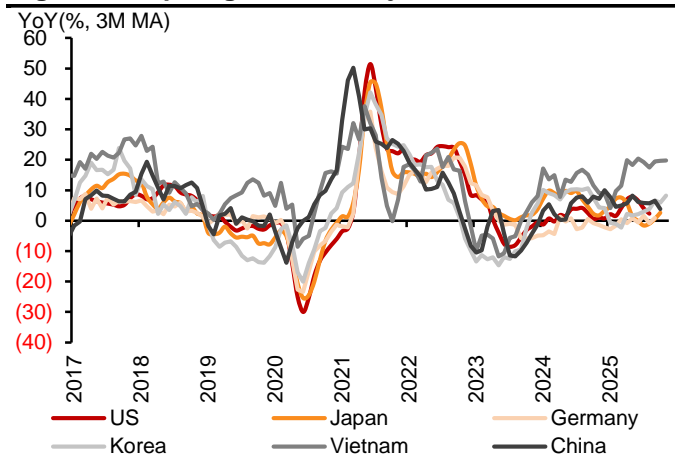
Figure 2: Growth of export and import prices

Source: Wind, CMBIGM

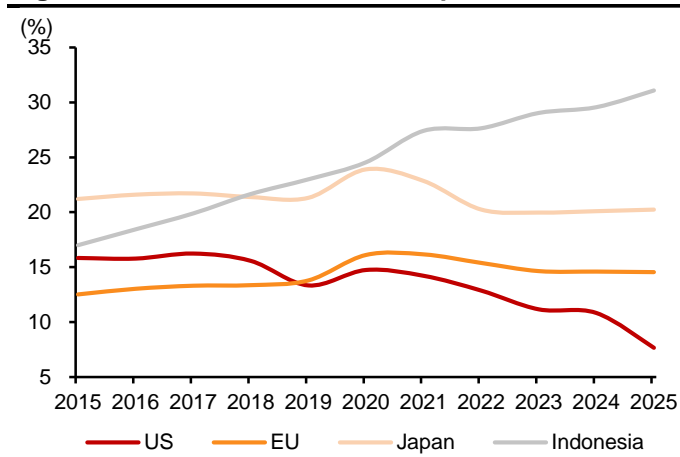
Figure 3: China exports by destination

	YoY Growth (%)									Share (%)					
	2020	2021	2022	2023	2024	25Q2	25Q3	Oct	Nov	2020	2021	2022	2023	2024	2025
World	3.6	29.6	5.6	(4.7)	5.8	6.1	6.5	(1.1)	5.9	100	100	100	100	100	100
ASEAN	6.7	26.1	17.7	(5.0)	12.0	17.5	18.2	11.0	8.2	14.8	14.4	16.0	15.5	16.4	17.5
US	7.9	27.5	1.2	(13.1)	4.9	(23.9)	(27.3)	(25.2)	(28.6)	17.4	17.2	16.4	14.8	14.7	11.3
EU	6.7	32.6	8.6	(10.2)	3.0	9.3	11.2	0.9	14.8	15.1	15.4	15.9	14.8	14.4	14.9
Latin America	(0.8)	52.0	10.6	(2.4)	13.0	5.2	6.3	2.1	14.9	5.8	6.8	7.1	7.3	7.7	8.0
Africa	0.9	29.9	11.2	7.5	3.5	31.2	41.4	10.5	27.6	4.4	4.4	4.6	5.1	5.0	5.9
Japan	(0.4)	16.3	4.4	(8.4)	(3.5)	6.8	3.6	(5.7)	4.3	5.5	4.9	4.9	4.7	4.3	4.2
South Korea	1.4	32.4	9.5	(7.2)	(1.8)	(2.7)	3.3	(13.1)	1.9	4.3	4.4	4.6	4.4	4.1	3.8
India	(10.8)	46.2	21.7	0.8	2.4	14.3	11.0	6.7	8.0	2.6	2.9	3.3	3.5	3.4	3.6
Russia	1.7	33.8	12.8	46.9	4.1	(10.3)	(15.9)	(22.7)	(4.9)	2.0	2.0	2.1	3.3	3.2	2.7
UK	16.3	19.9	(6.1)	(3.4)	1.2	9.6	9.9	(5.2)	8.7	2.8	2.6	2.3	2.3	2.2	2.2
Australia	10.9	24.2	19.0	(5.3)	(4.2)	5.5	11.8	5.8	35.8	2.1	2.0	2.2	2.2	2.0	2.0
Canada	14.0	22.4	4.5	(14.9)	3.0	12.0	0.9	(10.1)	4.8	1.6	1.5	1.5	1.3	1.3	1.3
Saudi Arabia	17.7	7.9	25.7	14.5	16.8	19.0	12.3	(16.9)	-	1.1	0.9	1.1	1.3	1.4	1.3
HK China	(2.3)	28.6	(15.0)	(6.3)	6.2	12.3	16.0	20.9	18.4	10.5	10.4	8.4	8.1	8.1	8.8
Chinese Taipei	9.1	30.4	4.2	(16.0)	9.8	8.6	16.0	9.8	12.8	2.3	2.3	2.3	2.0	2.1	2.2

Source: Wind, CMBIGM

Figure 4: Export growth in major economies

Source: Wind, CMBIGM

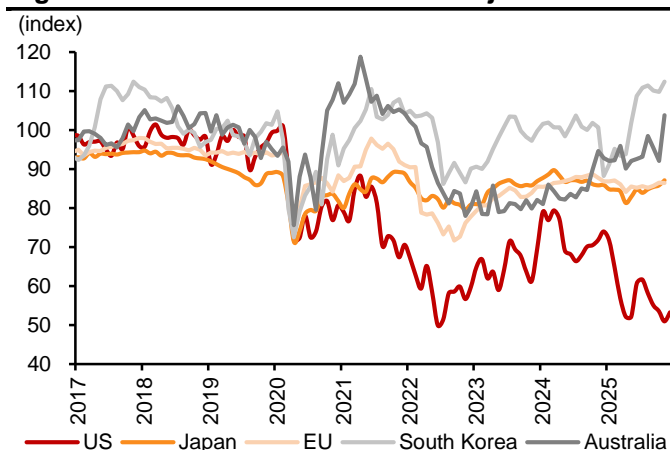
Figure 5: China's market share in partners' trade

Source: Wind, CMBIGM

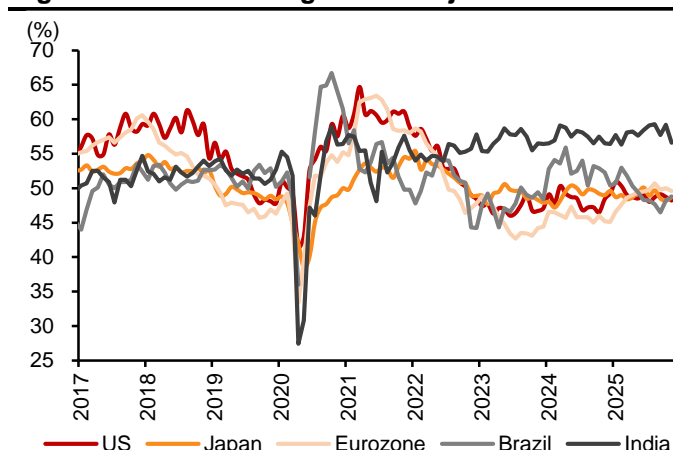
Figure 6: China's exports by product

	YoY(%)									Share (%)					
	2020	2021	2022	2023	2024	25Q2	25Q3	Oct	Nov	2020	2021	2022	2023	2024	2025
Textile Yarn & Related Products	29.2	(5.6)	2.0	(8.3)	5.7	(0.2)	2.7	(9.1)	1.0	5.9	4.3	4.2	4.0	4.0	3.8
Travel Goods & Bags	(24.2)	35.1	28.2	3.9	(3.2)	(8.8)	(12.4)	(25.7)	(19.5)	0.8	0.8	1.0	1.1	1.0	0.8
Garment & Accessories	(6.4)	24.0	3.2	(7.8)	0.3	0.8	(6.2)	(16.0)	(10.9)	5.3	5.1	4.9	4.7	4.5	4.0
Toy	7.5	37.7	5.6	(12.2)	(1.7)	0.4	(17.9)	(31.0)	(25.6)	1.3	1.4	1.4	1.2	1.1	0.9
Furniture & Parts Thereof	11.8	26.4	(5.3)	(5.2)	5.8	(5.9)	0.0	(12.7)	(8.8)	2.3	2.2	2.0	1.9	1.9	1.5
Lamps, Lighting Fixtures & Similar Products	14.3	31.2	(6.1)	(4.6)	(0.1)	(3.2)	(12.9)	(31.0)	(21.3)	1.5	1.5	1.3	1.2	1.2	1.0
Plastic Products	19.6	29.1	9.3	(3.9)	5.4	(0.3)	2.6	(9.8)	(3.5)	3.3	2.9	3.0	3.0	3.0	2.5
Steel Products	(15.4)	80.2	18.7	(8.3)	(1.1)	0.2	(0.1)	(14.4)	4.3	1.8	2.4	2.7	2.5	2.3	2.2
Unwrought Aluminum	(14.1)	48.7	33.7	(26.1)	15.2	(4.5)	(4.7)	(7.7)	(10.0)	0.5	0.6	0.7	0.6	0.6	0.6
Integrated Circuits	14.8	32.0	0.3	(10.1)	17.4	25.9	31.6	26.9	34.2	4.5	4.6	4.3	4.0	4.5	5.3
Ship	(15.3)	26.2	(0.4)	28.6	57.3	33.9	26.8	68.4	46.4	0.7	0.6	0.6	0.8	1.2	1.5
Motor Vehicles	(3.6)	119.2	74.7	69.0	15.5	13.1	15.4	34.0	53.0	0.6	1.0	1.7	3.0	3.3	3.7
Vehicles Parts	(6.2)	33.7	7.4	9.0	6.6	4.4	4.6	(11.6)	1.6	2.2	2.3	2.3	2.6	2.6	2.6
General Equipment	7.5	26.4	6.1	1.8	14.3	7.7	11.0	(9.1)	4.5	1.6	1.6	1.6	1.7	1.8	1.8
Automatic Data Processing Equipment	11.6	21.0	(7.5)	(20.4)	9.9	(2.8)	(4.4)	(10.0)	(7.0)	8.1	7.6	6.7	5.5	5.8	5.4
Fertilizer	(8.3)	73.2	(1.6)	(13.9)	(11.5)	18.2	96.8	101.2	40.2	0.3	0.3	0.3	0.3	0.2	0.4
Ceramic products	0.0	22.3	6.4	(15.4)	(15.6)	18.6	4.9	(18.3)	(10.7)	1.0	0.9	0.9	0.8	0.6	0.6
Rare earth	(21.9)	90.0	62.8	(28.3)	(36.0)	(43.7)	31.0	42.9	34.9	0.01	0.02	0.03	0.02	0.01	0.01
Cellphone	0.9	16.6	(2.5)	(2.7)	(3.1)	(18.6)	(12.0)	(16.6)	(12.6)	4.8	4.4	4.0	4.1	3.8	3.2
Home appliance	23.5	22.3	(13.3)	3.8	14.1	(6.9)	(6.7)	(13.6)	(5.8)	2.6	2.9	2.4	2.6	2.8	2.6
Medical equipment	40.5	11.9	(5.8)	(2.9)	7.1	5.2	9.0	(1.0)	9.7	0.7	0.6	0.5	0.5	0.6	0.6

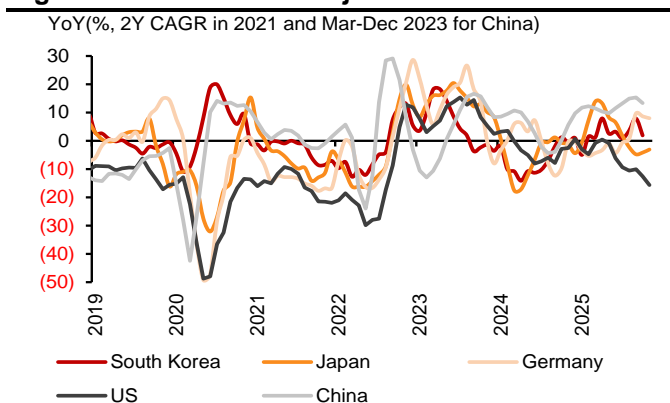
Source: Wind, CMBIGM

Figure 7: Consumer confidence in major economies

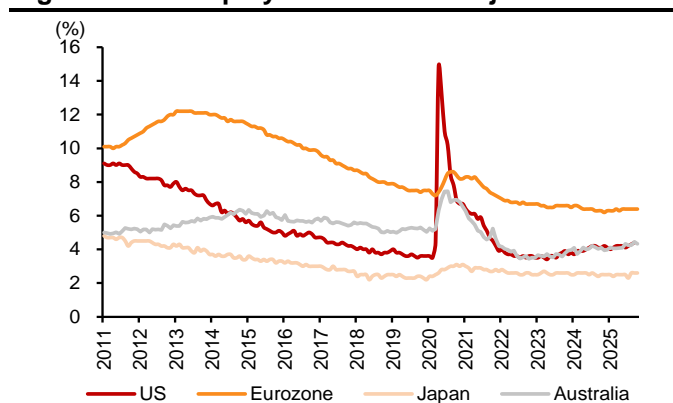
Source: Wind, CMBIGM

Figure 8: Manufacturing PMI in major economies

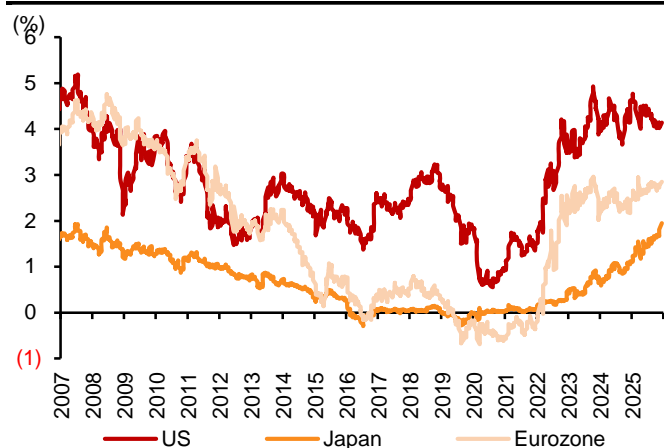
Source: Wind, CMBIGM

Figure 9: Auto sales in major economies

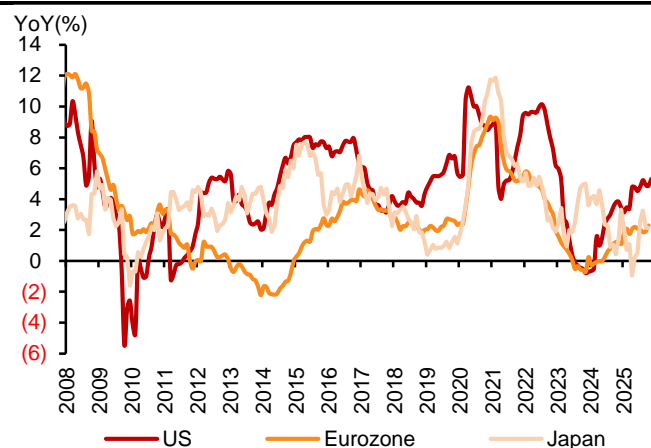
Source: Wind, CMBIGM

Figure 10: Unemployment rates in major economies

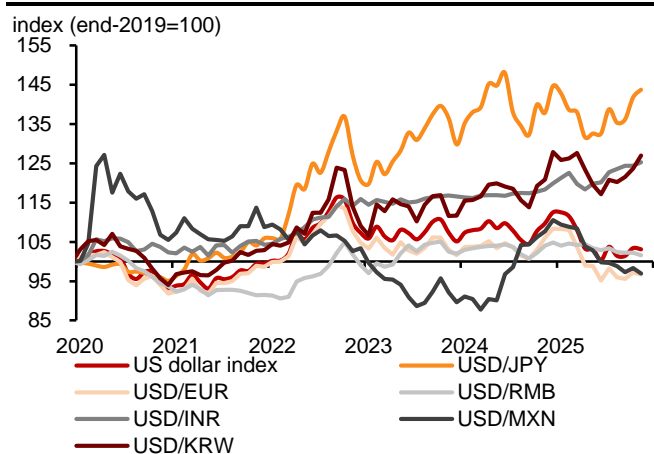
Source: Wind, CMBIGM

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

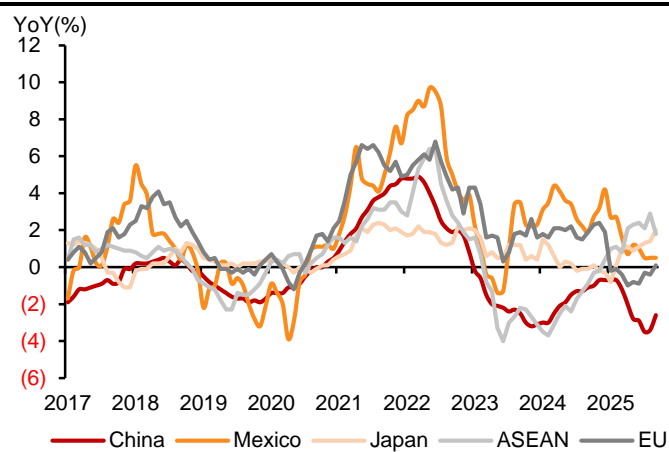
Source: Wind, CMBIGM

Figure 12: Banks' credit growth in major economies

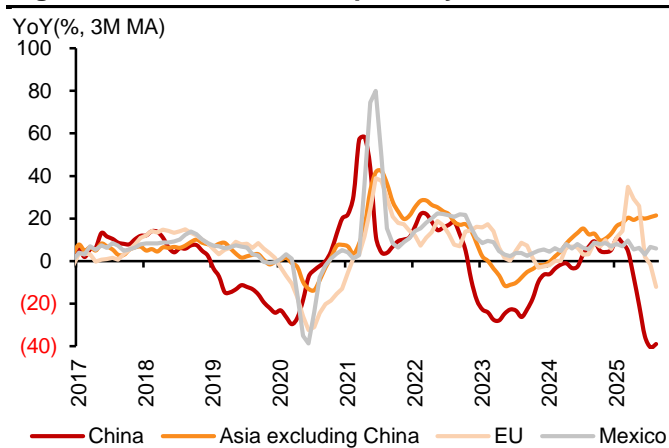
Source: Wind, CMBIGM

Figure 13: Exchange rates

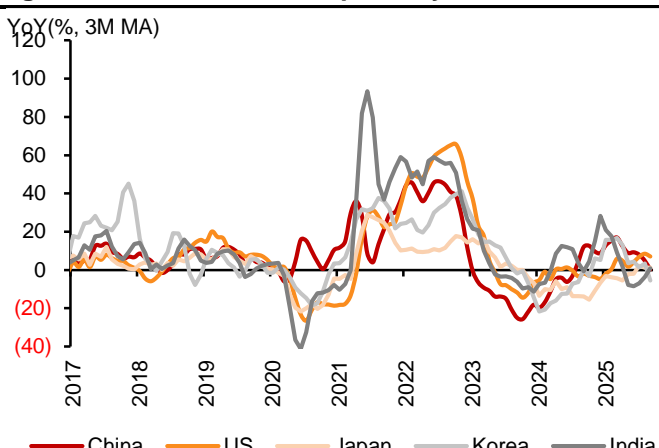
Source: Wind, CMBIGM

Figure 14: US import price growth by source

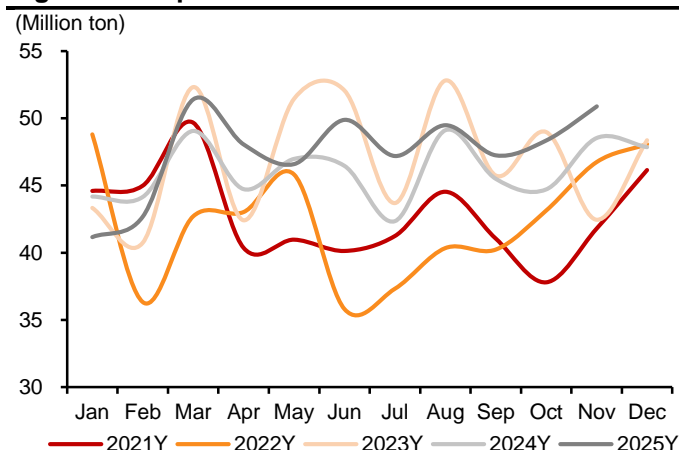
Source: Wind, CMBIGM

Figure 15: Growth of US imports by source

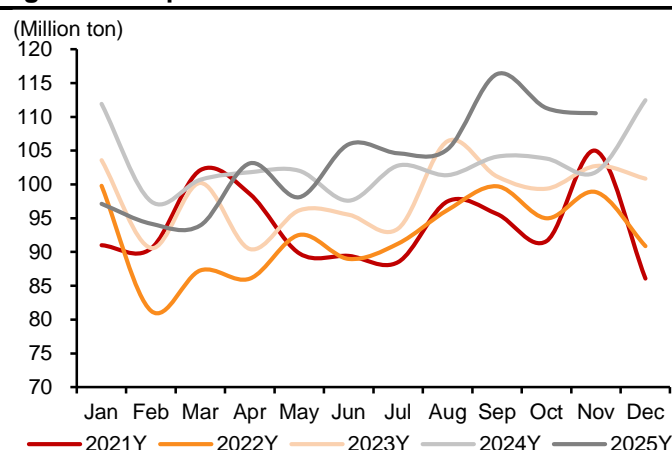
Source: Wind, CMBIGM

Figure 16: Growth of EU imports by source

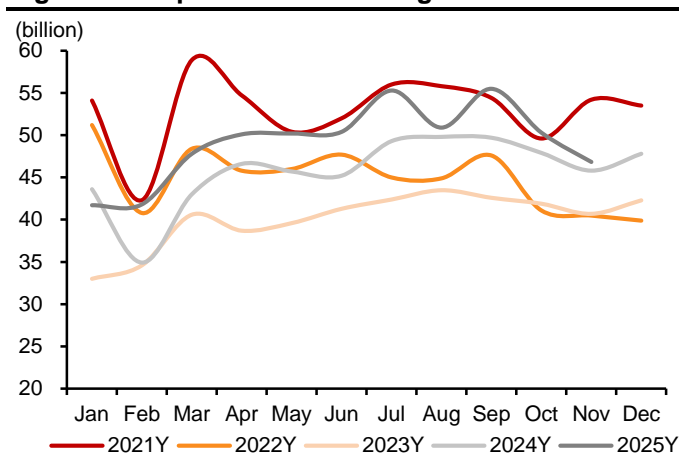
Source: Wind, CMBIGM

Figure 17: Import volume of crude oil

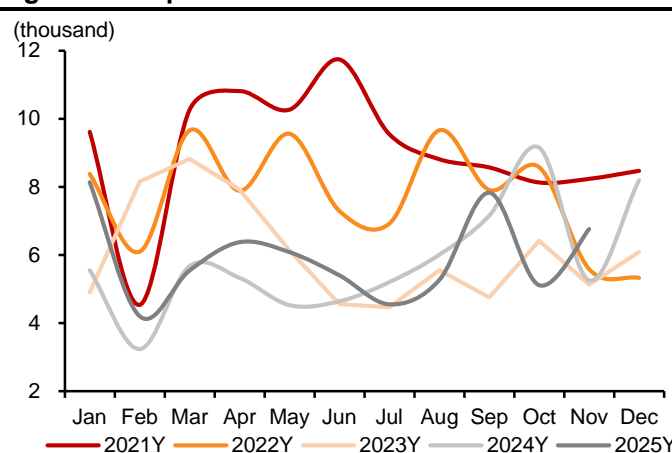
Source: Wind, CMBIGM

Figure 18: Import volume of iron ore

Source: Wind, CMBIGM

Figure 19: Import volume of integrated circuits

Source: Wind, CMBIGM

Figure 20: Import volume of machine tools

Source: Wind, CMBIGM

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

	Import volume YoY (%)									Import price YoY(%)								
	2020	2021	2022	2023	2024	25Q2	25Q3	Oct	Nov	2020	2021	2022	2023	2024	2Q25	3Q25	Oct	Nov
Grain	28.0	18.1	(10.7)	11.7	(2.3)	(12.5)	2.2	11.9	15.4	(5.4)	26.3	23.7	(9.6)	(13.6)	(3.0)	(5.5)	(3.1)	(5.5)
Soybean	13.3	(3.8)	(5.6)	11.4	6.5	7.9	10.4	17.2	13.4	(1.3)	40.7	21.2	(10.7)	(16.3)	(11.5)	(10.3)	(5.0)	(5.3)
Iron ore	9.5	(3.9)	(1.5)	6.6	4.9	1.9	5.8	7.2	8.5	7.2	55.4	(28.6)	(1.6)	(7.1)	(12.0)	(7.3)	8.8	6.8
Copper ore	(1.0)	7.6	8.0	9.1	2.1	10.8	10.2	6.1	12.8	2.1	44.6	(8.5)	(1.6)	10.8	15.8	10.0	22.2	19.9
Coal	1.5	6.6	(9.2)	61.8	14.4	(20.0)	(10.9)	(9.8)	(19.9)	(14.8)	65.9	29.7	(23.3)	(14.2)	(25.9)	(29.7)	(19.6)	(19.2)
Crude oil	7.3	(5.4)	(0.9)	11.0	(1.9)	4.6	5.1	8.2	4.9	(32.2)	52.4	42.7	(16.8)	(2.0)	(19.2)	(14.6)	(7.9)	(11.1)
Natural gas	5.3	19.9	(9.9)	9.9	9.9	(5.4)	(3.1)	(7.2)	10.6	(23.8)	39.8	39.5	(16.4)	(7.9)	(8.6)	(9.9)	(17.1)	(14.2)
Steel products	64.4	(29.5)	(25.9)	(27.6)	(10.9)	(21.4)	(3.8)	(7.4)	5.5	(27.5)	57.9	23.1	2.5	1.9	3.7	(2.6)	(8.6)	(11.2)
Copper products	34.1	(17.2)	6.2	(6.3)	3.4	(4.3)	4.5	(13.7)	(19.4)	(0.9)	45.5	(2.5)	(6.2)	9.8	1.0	3.5	8.8	24.1
Plastics in primary form	10.1	(16.4)	(10.0)	(3.2)	(2.1)	(5.4)	(13.2)	(14.6)	(9.2)	(10.6)	39.4	2.0	(16.7)	(1.1)	(3.1)	(0.0)	(3.0)	(2.2)
Rubber	13.6	(9.4)	8.7	8.0	(8.2)	29.3	10.3	1.5	11.3	(7.2)	26.4	(1.7)	(16.4)	19.8	10.9	(0.2)	(5.2)	(9.2)
Integrated circuits	22.1	16.9	(15.3)	(10.8)	14.6	9.6	8.7	5.0	2.2	(6.1)	5.7	13.5	(5.2)	(3.7)	0.8	2.9	5.0	11.4
Machine tool	18.8	(0.7)	(14.4)	(20.5)	(4.1)	23.2	(3.9)	(44.1)	28.6	(30.8)	25.8	1.5	14.8	(6.5)	(12.1)	7.7	71.6	(31.2)
Auto	(11.4)	0.6	(6.5)	(8.9)	(11.7)	(23.5)	(33.3)	0.0	(28.3)	8.1	14.7	5.7	(3.0)	(5.7)	(10.8)	(15.4)	(16.3)	(17.8)
Airplane	(35.4)	29.4	(27.3)	12.2	8.2	(14.3)	52.5	23.1	27.3	(30.0)	12.3	13.5	(4.0)	3.1	25.0	7.4	(18.6)	48.3
Medicine	(0.6)	3.1	28.8	23.6	4.7	0.6	(19.5)	(20.7)	(13.1)	4.1	16.5	(25.7)	(12.8)	(4.8)	(9.6)	25.9	9.8	14.9
Beauty cosmetics	3.7	5.2	(11.8)	(14.2)	(9.4)	9.4	12.1	(6.2)	3.2	24.8	17.0	1.8	(6.1)	0.4	(6.7)	(8.9)	(13.1)	(5.7)

Source: Wind, CMBIGM

Disclosures & Disclaimers

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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

CMB International Global Markets Limited

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