

Capital Goods

A good start of earth-moving machinery sales in Jan

China Construction Machinery Association (CCMA) released over the weekend a relatively strong set of data for earth-moving machinery sales in Jan 2026, partially due to a low base effect (early CNY in 2025). Excavator exports / domestic sales surged 40% /61% YoY. Wheel loader exports/ domestic sales grew 53%/43% YoY, with electric ratio reaching 25.4% in Jan. The strong data points continue to reaffirm our positive stance on the earth-moving machinery outlook this year, driven by continuous replacement cycle (domestic), potential upside of global mining capex on the back of elevated commodity prices, as well as Chinese machinery players' penetration in emerging markets. Besides, we maintain our view that non-excavator machinery is still at the beginning stage of a replacement-driven upcycle (industry data will be released later this month). Maintain **BUY** on **Zoomlion (1157 HK / 000157 CH)**, **SANY Heavy (6031 HK / 600031 CH)**, **Jiangsu Hengli (601100 CH)** and **SANYI (631 HK)**.

Major construction machinery sales in Jan 2026

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Earth-moving						
Excavator	18,708	8,723	9,985	50%	61%	40%
Wheel loader	11,759	5,293	6,466	48%	43%	53%

Source: CCMA, CMBIGM

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

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

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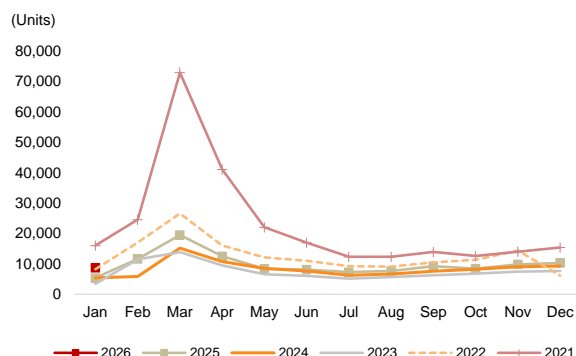
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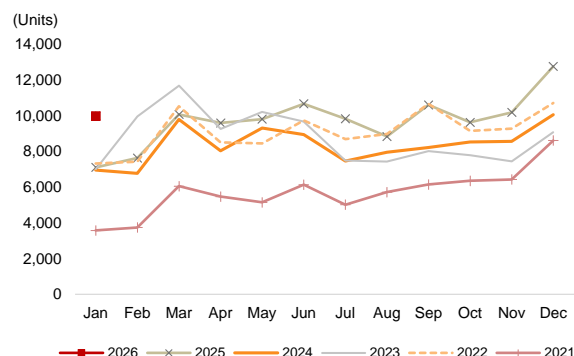
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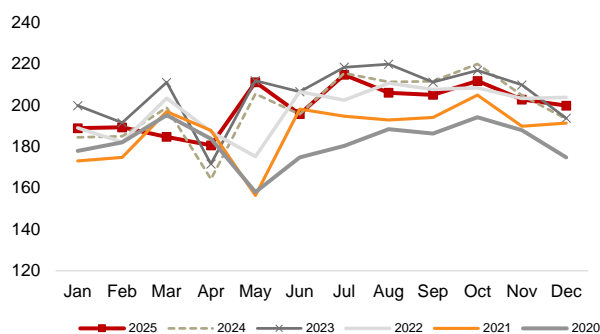
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Figure 1: Monthly excavator sales in China

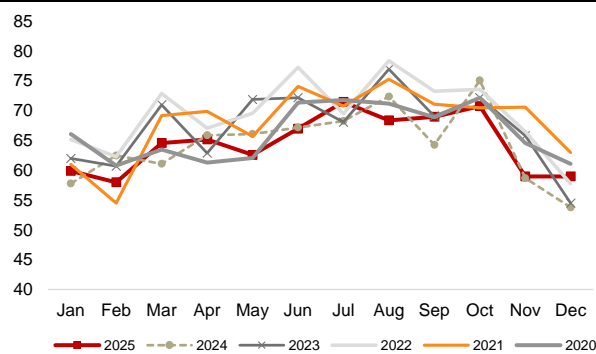
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume

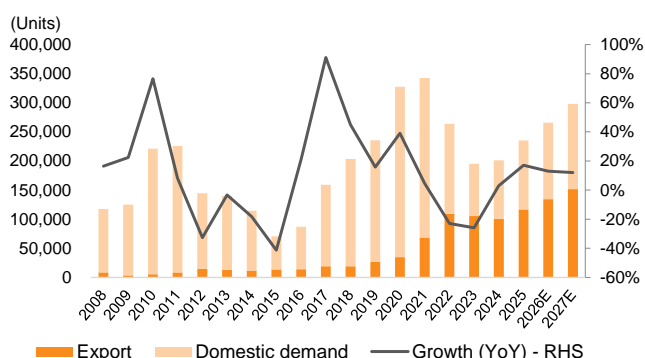
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in Indonesia

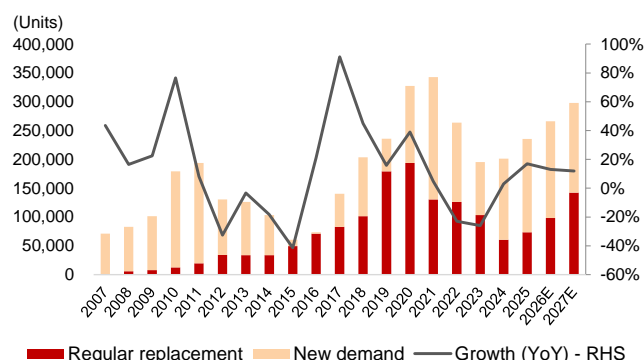
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America

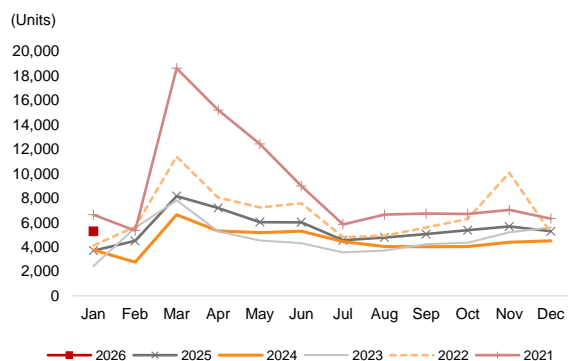
Source: Komatsu, CMBIGM

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

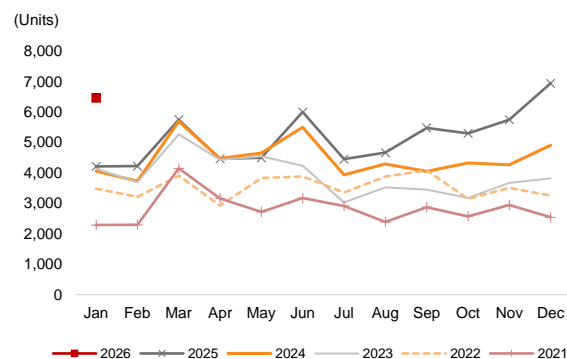
Source: CCMA, CMBIGM estimates

Figure 6: CMBI excavator sales projection

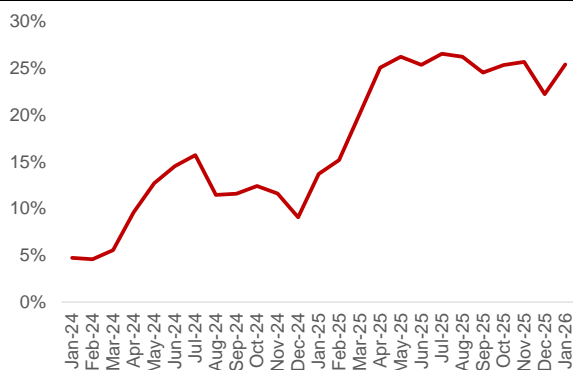
Source: CCMA, CMBIGM estimates

Figure 7: Monthly wheel loader sales in China

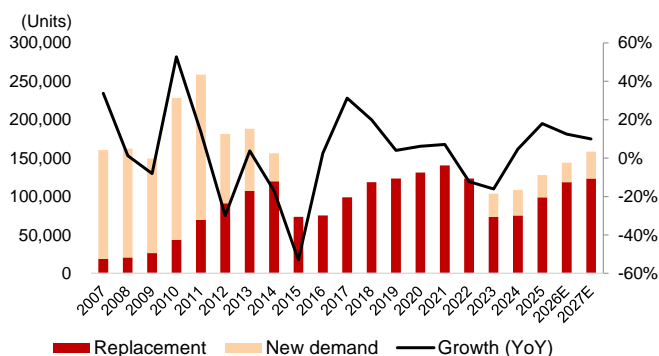
Source: CCMA, CMBIGM

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

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