Capital Goods

Recovery of non-earth moving machinery sales in Sep suggests early sign of upcycle

OUTPERFORM (Maintain)

China Capital Goods Sector

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China Construction Machinery Association (CCMA) released over the weekend the full set of construction machinery sales data for Sep. Domestic sales of non-earth-moving machinery saw good recovery of sales, suggesting an early sign of the beginning of upcycle (earth-moving machinery upcycle began in 2024). Domestic sales of truck cranes and crawler cranes were particular strong (+41%/+67% YoY), while forklift sales remained resilient. Exports in Sep were strong across different machineries (except AWP). We believe further recovery of non-earth-moving machinery demand will serve as a sector catalyst**.** Maintain **BUY** on **Zoomlion (1157 HK / 000157 CH)**, **SANY Heavy (600031 CH)** and **Jiangsu Hengli (601100 CH)**. On the contrary, we remain cautious on **Zhejiang Dingli (603338 CH, HOLD)** due to weak AWP industry sales and uncertainties on US tariff.

Highlights on non-earth-moving machinery in Sep

- **Truck cranes: +22% YoY**. Domestic sales grew 41% YoY in Sep, accelerating from +7% in Jul and +28% in Aug. Exports grew 8% YoY in Sep, improving from -25% in Aug.
- **Crawler cranes: +33% YoY**. Domestic sales surged 67% YoY in Sep (accelerated from +52% in Aug), representing growth (YoY) for four consecutive months. Exports grew 18% YoY.
- **Forklift**: **+23% YoY**. Domestic sales grew 29% YoY in Sep, the highest growth since Feb. Exports remained resilient, growing 14% YoY in Sep.
- **Tower cranes: -7% YoY.** Exports grew 28% YoY in Sep, similar to Aug (+27%). Domestically, sales declined 29% YoY (dragged by weak property investment), but have seen a gradual improvement since Jul.

Major construction machinery sales in Sep 2025

	Sales volume (units)			Change (YoY)		
	Total	China	Export	Total	China	Export
Excavator	19,858	9,249	10,609	25%	22%	29%
Wheel loader	10,530	5,051	5,479	30%	26%	35%
Truck crane	1,561	764	797	22%	41%	8%
Crawler crane	285	110	175	33%	67%	18%
Tower crane	529	249	280	-7%	-29%	28%
Forklift	130,380	81,119	49,261	23%	29%	14%
Aerial work platform	12,416	5,334	7,082	-24%	-33%	-15%

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

Related reports:

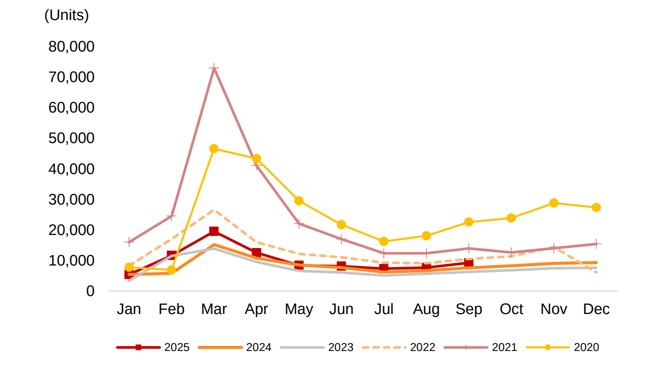
Capital Goods – HDT sales +82% in Sep – 9 Oct 2025 (link)

Capital Goods – Strong domestic sales and export of excavators in Jul – 8 Aug 2025 (link)

Jiangsu Hengli – 2Q25 earnings growth accelerated; Staying positive on both existing and new business – 26 Aug 2025 (link)

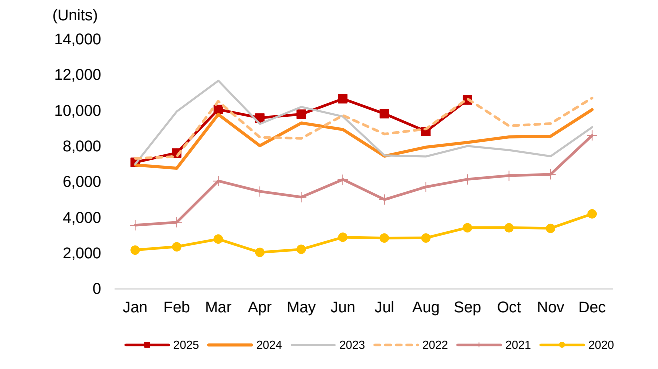
SANY Heavy – 2Q25 profit +38% YoY with interim dividend; Solid upcycle – 22 Aug 2025 (link)

Figure 1: Monthly excavator sales in China



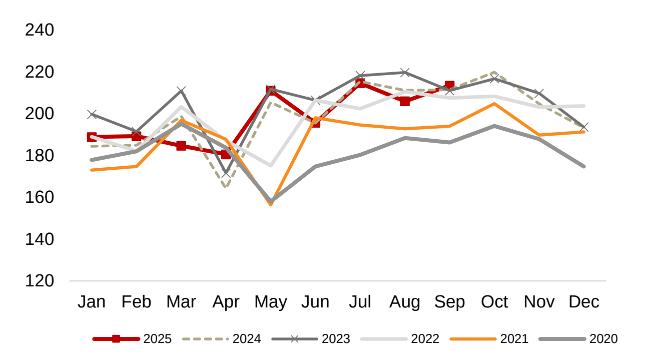
Source: CCMA, CMBIGM

Figure 2: Monthly excavator export volume



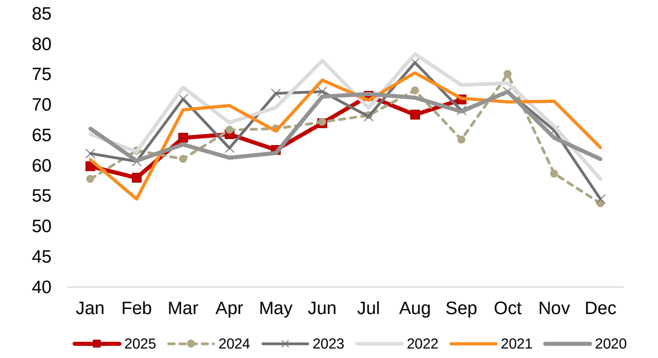
Source: CCMA, CMBIGM

Figure 3: Komatsu excavator monthly utilisation hours in Indonesia



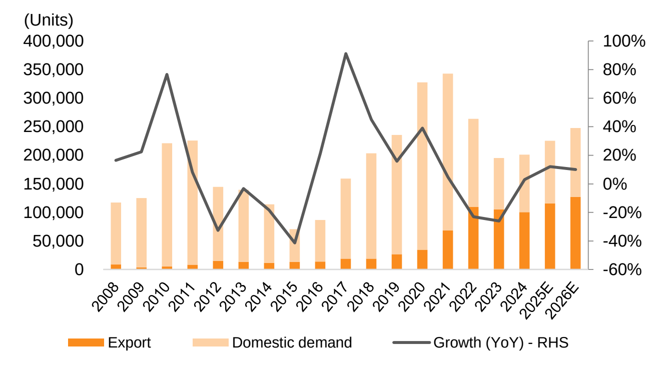
Source: Komatsu, CMBIGM

Figure 4: Komatsu excavator monthly utilisation hours in North America



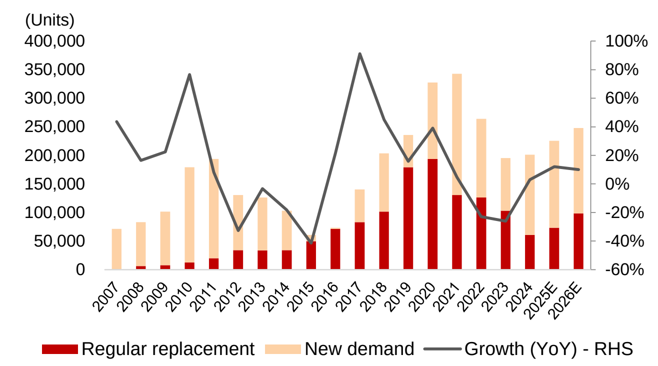
Source: Komatsu, CMBIGM

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



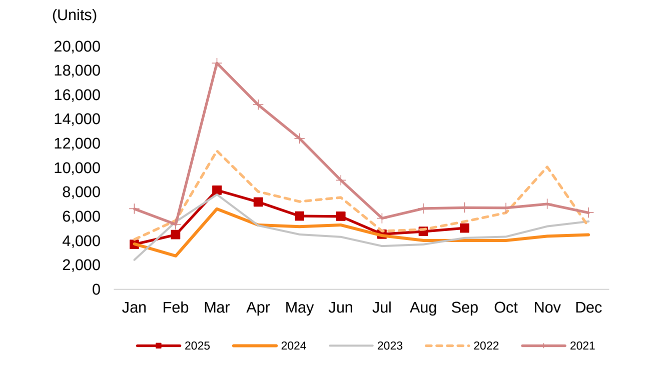
Source: Komatsu, CMBIGM estimates

Figure 6: CMBIGM excavator sales projection



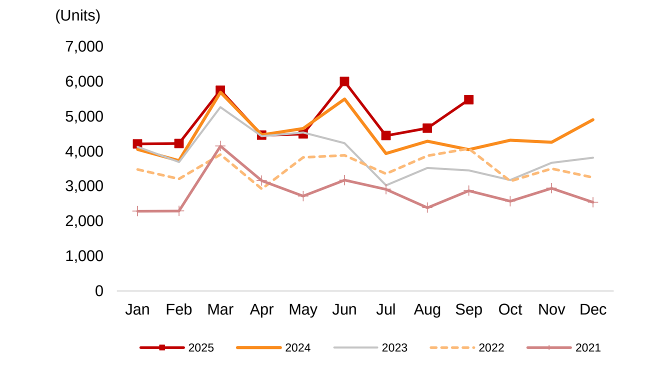
Source: CCMA, CMBIGM estimates

Figure 7: Monthly wheel loader sales in China



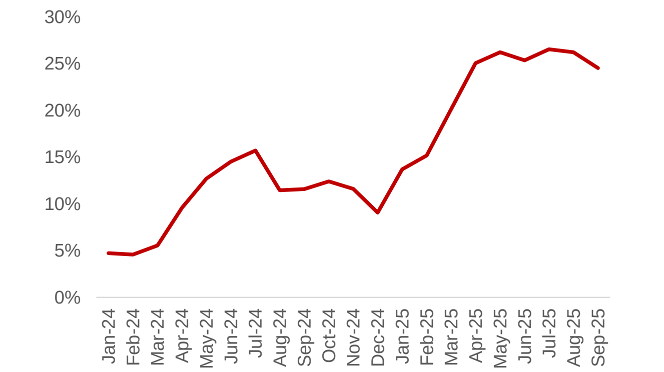
Source: CCMA, CMBIGM

Figure 8: Monthly wheel loader export volume



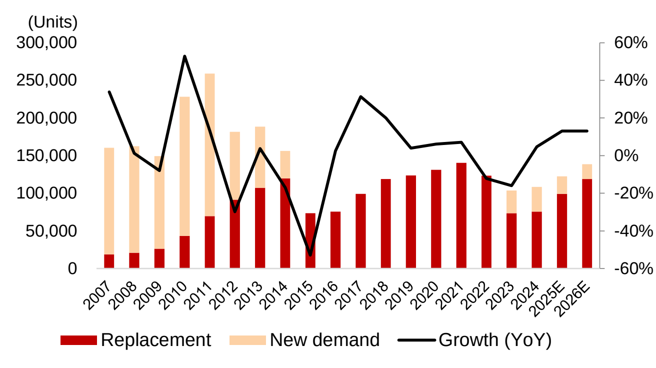
Source: CCMA, CMBIGM

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



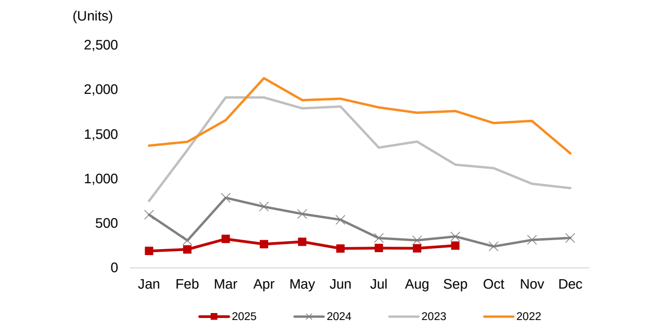
Source: CCMA, CMBIGM

Figure 10: CMBIGM wheel loader sales projection



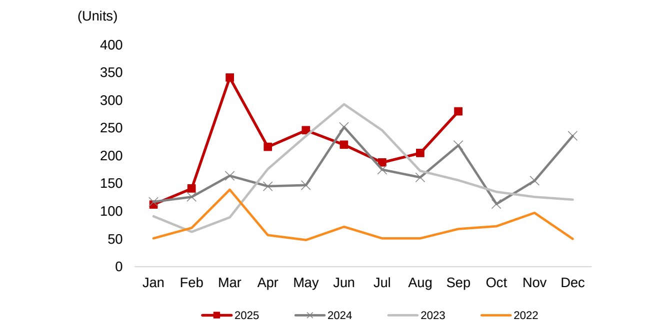
Source: CCMA, CMBIGM estimates

Figure 11: Tower crane monthly sales in China



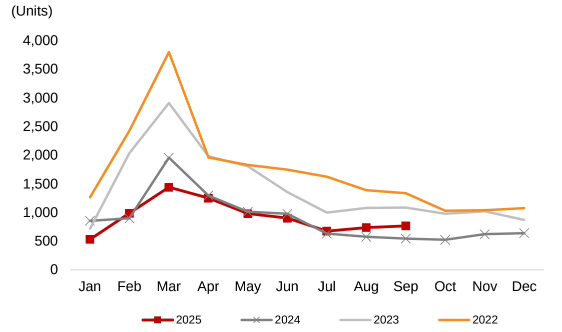
Source: CCMA, CMBIGM

Figure 12: Tower crane monthly export volume



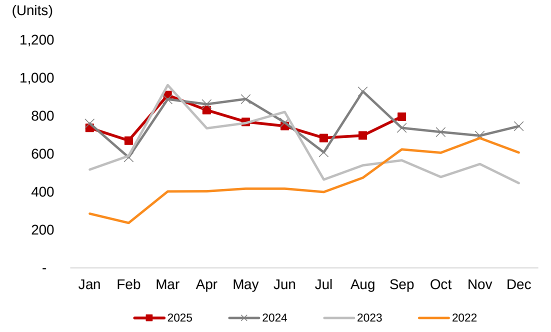
Source: CCMA, CMBIGM

Figure 13: Truck crane monthly sales in China



Source: CCMA, CMBIGM

Figure 14: Truck crane monthly export volume



Source: CCMA, CMBIGM

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