

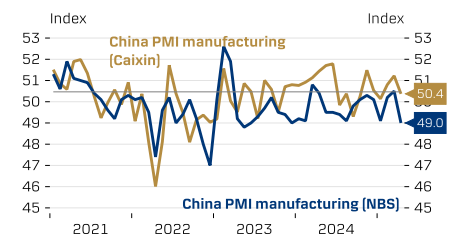
30 April 2025

# China Flash

## PMI lower on exports – broadly as expected

- **Chinese PMI manufacturing dropped as expected in April as export orders declined sharply.** Total orders are not looking as bad, though, a signal that stimulus is underpinning the domestic economy, at least for now. The numbers are not a big surprise as we've already seen container traffic between US and China decline sharply. The flip side is also that imports into the US is falling sharply, causing concerns over empty shelves over the summer.
- **The data suggests policy makers will continue to front load stimulus and stand ready to turn up the notch if we see much further weakness.** Whether they will already announce new measures now is uncertain but it won't take much more weakness before we get there. Also depends on what happens on trade talk front.
- **Below some details:**
  - The official NBS manufacturing PMI dropped more than expected from 50.5 to 49.0 (consensus 49.7).
  - The private version from Caixin was better than expected but still showed a drop in manufacturing PMI from 50.8 to 50.4 (consensus 49.7)
  - Export orders dropped sharply in both versions, NBS from 49.0 to 44.7, Caixin from 52.0 to 47.5.
  - The total new orders index dropped less, NBS 51.8 to 49.2, Caixin 52.1 to 50.5. This is soft but not a disaster and suggests domestic orders is holding up so far.
  - The PMI manufacturing price components were mixed. NBS showed a drop from 47.9 to 44.8 in output price index while the Caixin version showed a broadly flat reading (49.2 versus 49.1 in March)
  - NBS also released non-manufacturing PMI that includes services and construction. The index dropped moderately from 50.8 to 50.4 (consensus 50.6), The new orders index, however, dropped more from 46.6 to 44.9 suggesting challenging months ahead. Interestingly the employment index from 46.5 to 46.8. The construction PMI orders index showed a concerning decline from 43.5 to 39.6 highlighting that the construction sector is still in deep recession. It contrasts a bit with hard data recently which have shown some signs of stabilisation in housing starts.
  - The NBS composite employment index increased moderately from 47.0 to 47.1. Still too soft to drive real consumption recovery but stimulus is helping for now and has pushed up retail sales to 5.9% y/y in March

### Weaker but manageable



Source: Macrobond Financial, NBS, Caixin

### Export orders behind the drop



Source: Macrobond Financial, NBS, S&amp;P

### Overall orders not as bad

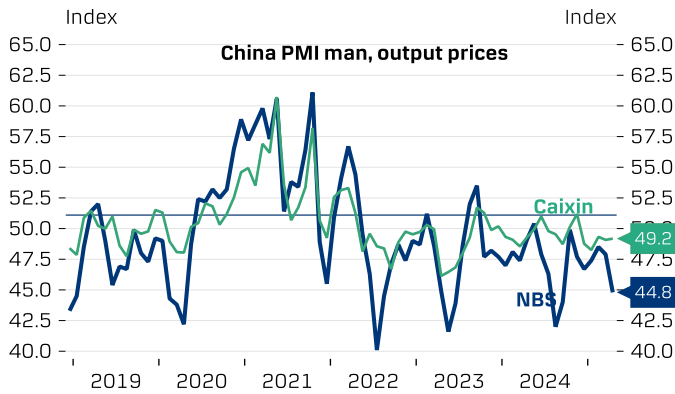


Source: Macrobond Financial, NBS, Danske Bank

### Director

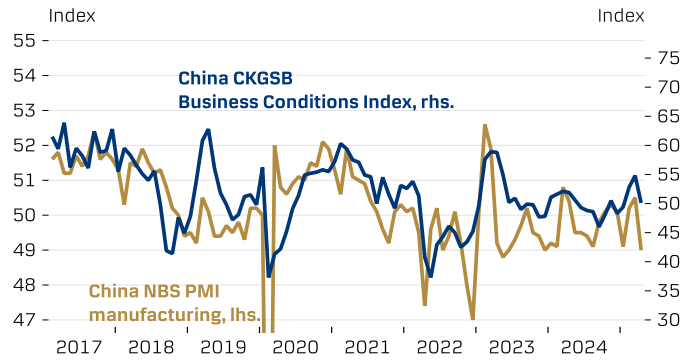
Allan von Mehren  
+45 45141488  
alvo@danskebank.dk

### Downward pressure on output prices according to NBS



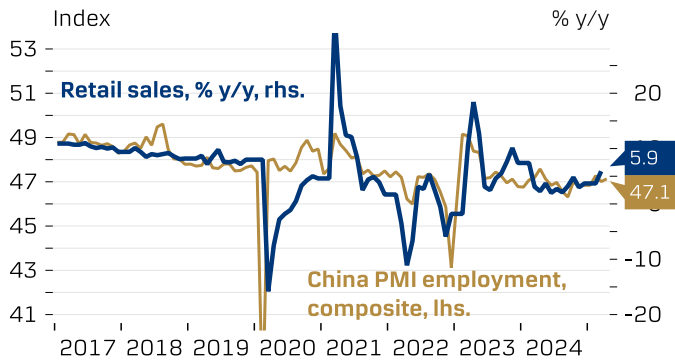
Source: Macrobond Financial, NBS, S&P

### CKGSB business conditions lower but holding up ok



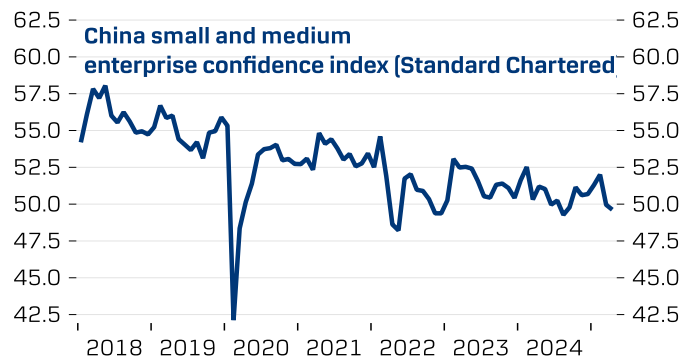
Source: Macrobond Financial, NBS, CKGSB, Danske Bank

### PMI employment not deteriorating, stimulus underpin sales



Source: Macrobond Financial, NBS

### Mood not great among small businesses



Source: Macrobond Financial, Standard Chartered, Danske Bank

## Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Allan von Mehren, Director.

### Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

### Regulation

Danske Bank is authorised and regulated by the Danish Financial Services Authority (Finanstilsynet). Danske Bank is authorised by the Prudential Regulation Authority in the UK. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

Danske Bank's research reports are prepared in accordance with the recommendations of Capital Market Denmark.

### Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from, and do not report to, other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

### Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country. Documentation can be obtained from the authors on request.

### Risk warning

Major risks connected with recommendations or opinions in this research report, including as sensitivity analysis of relevant assumptions, are stated throughout the text.

### Expected updates

Ad hoc

### Date of first publication

See the front page of this research report for the date of first publication.

## General disclaimer

This research has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

This research report has been prepared independently and solely on the basis of publicly available information that Danske Bank A/S considers to be reliable but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this research report and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report.

The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this research report.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom (see separate disclaimer below) and retail customers in the European Economic Area as defined by Directive 2014/65/EU.

This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank A/S's prior written consent.

## Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank A/S is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank A/S who have prepared this research report are not registered or qualified as research analysts with the New York Stock Exchange or Financial Industry Regulatory Authority but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

## Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this document is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

## Disclaimer related to distribution in the European Economic Area

This document is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

**Report completed:** 30 April 2025, 10:35 CET

**Report first disseminated:** 30 April 2025, 10:45 CET