GS China Econ Proprietary Indicators: April

Please find an update of our proprietary economic indicators below. The data behind our proprietary economic indicators can be downloaded here (methodology notes available in the appendix).

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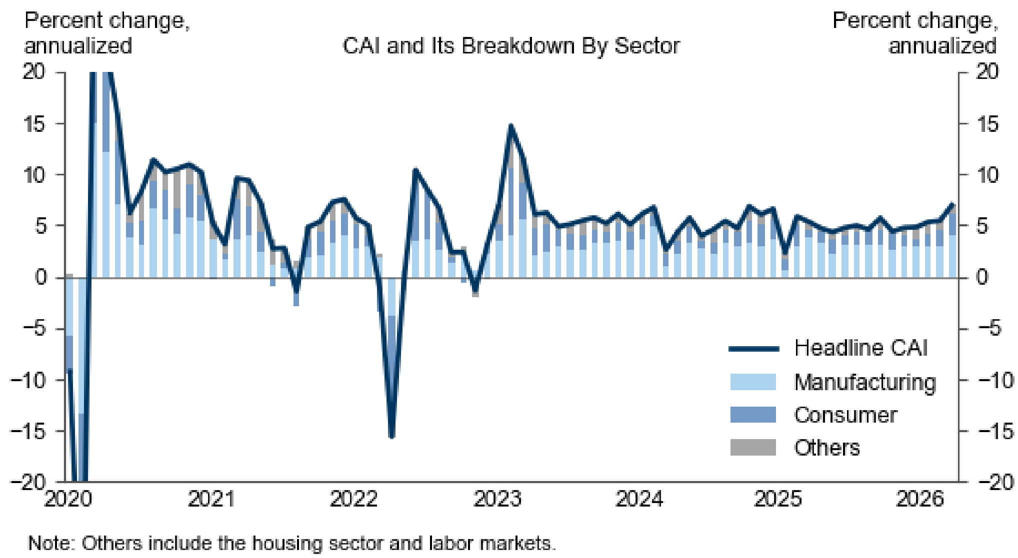
GS Proprietary Economic Indicators

Exhibit 1: Our China Current Activity Indicator (CAI) increased to +7.0% mom annualized sa in March, vs. +5.4% on average in January-February

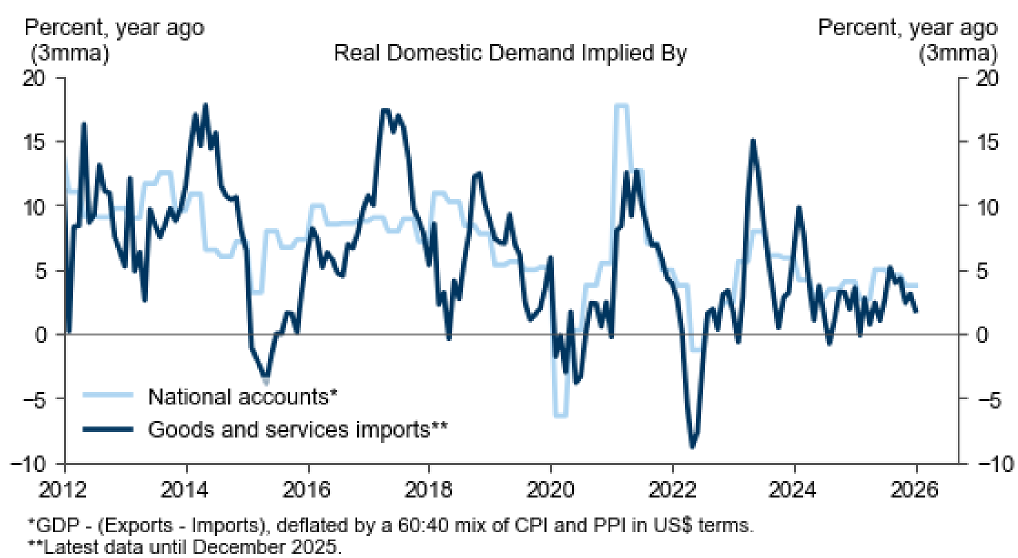
Source: Goldman Sachs Global Investment Research, NBS, CEIC

Exhibit 2: March's improvement in CAI was mainly led by manufacturing and consumer sectors



Source: Goldman Sachs Global Investment Research, NBS, CEIC

Exhibit 3: Our proprietary import-implied domestic demand proxy suggests weaker domestic demand growth in late 2025

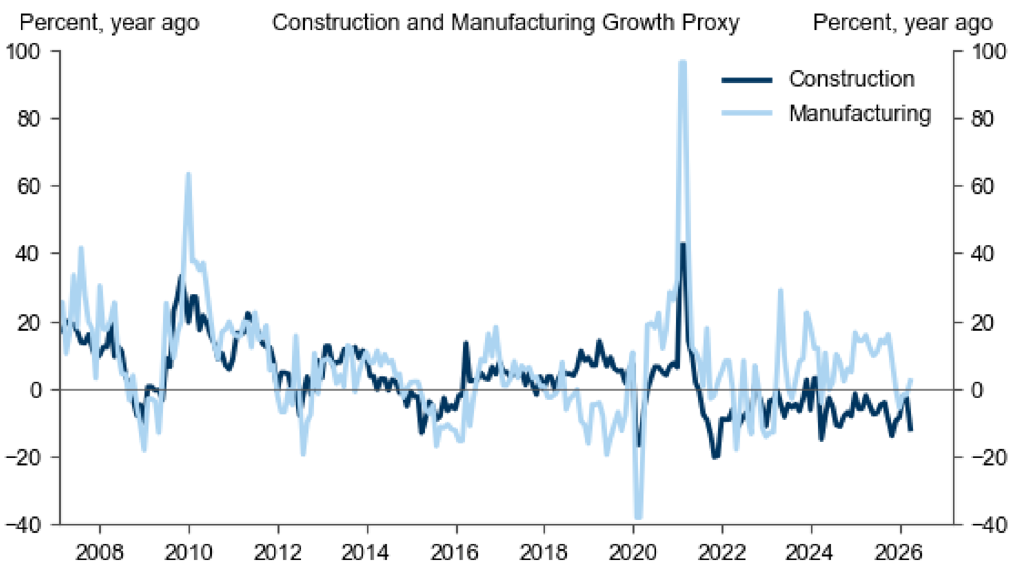


Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 4: Our MAP surprise index (21-day moving average) shows recent macro data have been above market expectations

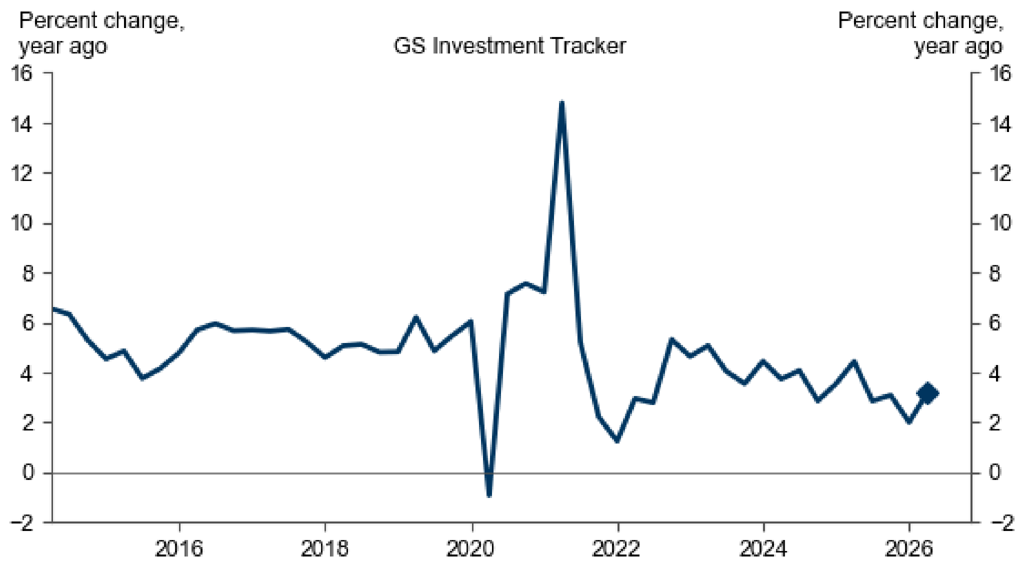
Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 5: Our manufacturing growth proxy increased in March while our construction growth proxy fell



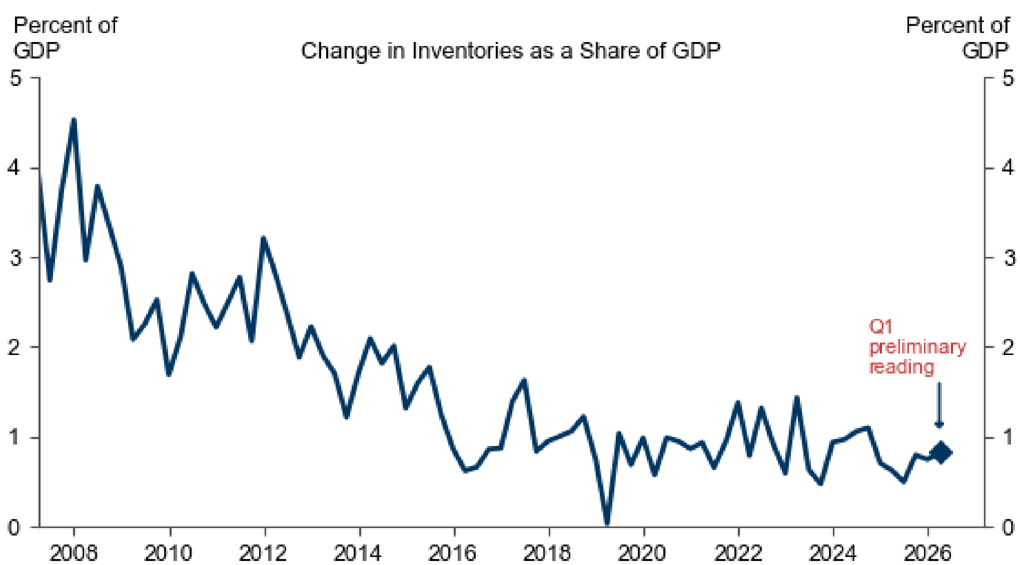
Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 6: Our investment tracker (on a real value-added basis) indicates an improvement in growth in Q1



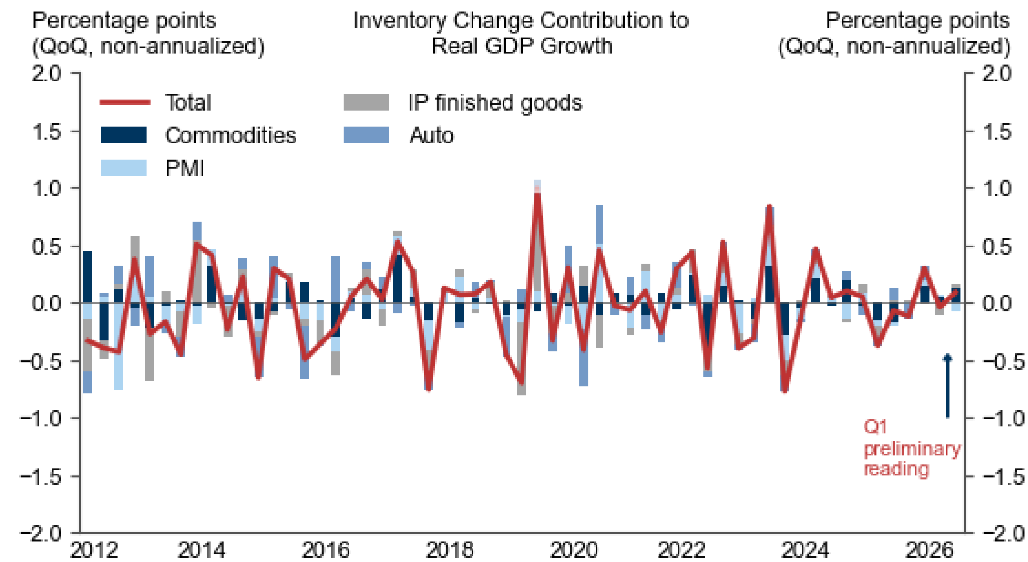
Source: Goldman Sachs Global Investment Research

Exhibit 7: Our China inventory tracker suggests inventory may have edged up slightly in Q1 2026



Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 8: The boost from inventory changes to sequential GDP growth may have turned positive in Q1 2026



Source: Goldman Sachs Global Investment Research, Haver Analytics, CEIC, Bloomberg

Exhibit 9: Our China outside-in export tracker slightly underperformed the official export growth data in February

Note: February 2026 data print is estimated using countries with imports data available,which account for 31.1% of value of Chinese exports in 2025.

Source: Haver Analytics, CEIC, Goldman Sachs Global Investment Research

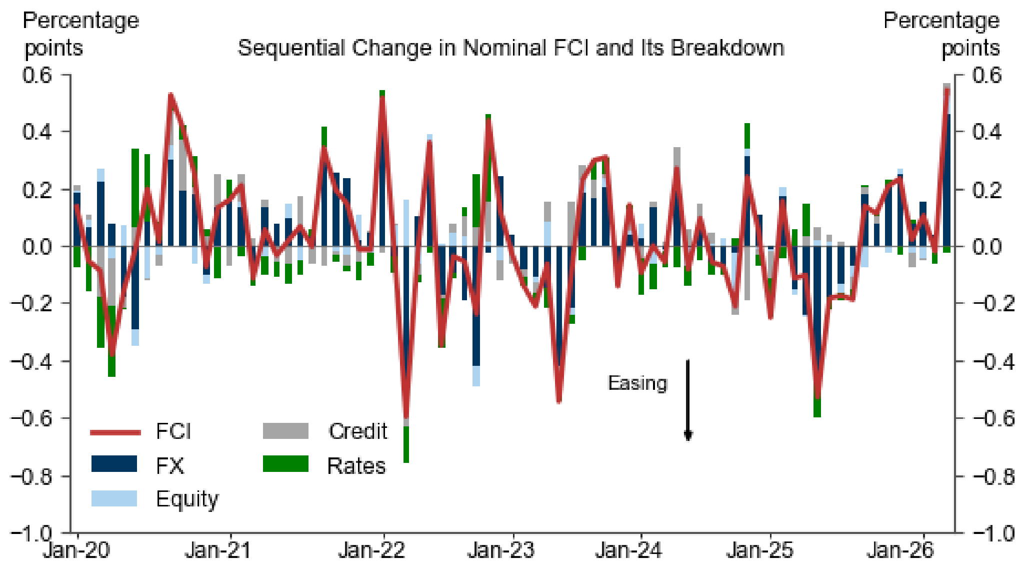
Exhibit 10: Our China outside-in import tracker moved largely in line with the official import growth data in recent months

Source: Haver Analytics, CEIC, Goldman Sachs Global Investment Research

Exhibit 11: China Financial Conditions Index (FCI; with credit quantities) tightened sharply in March

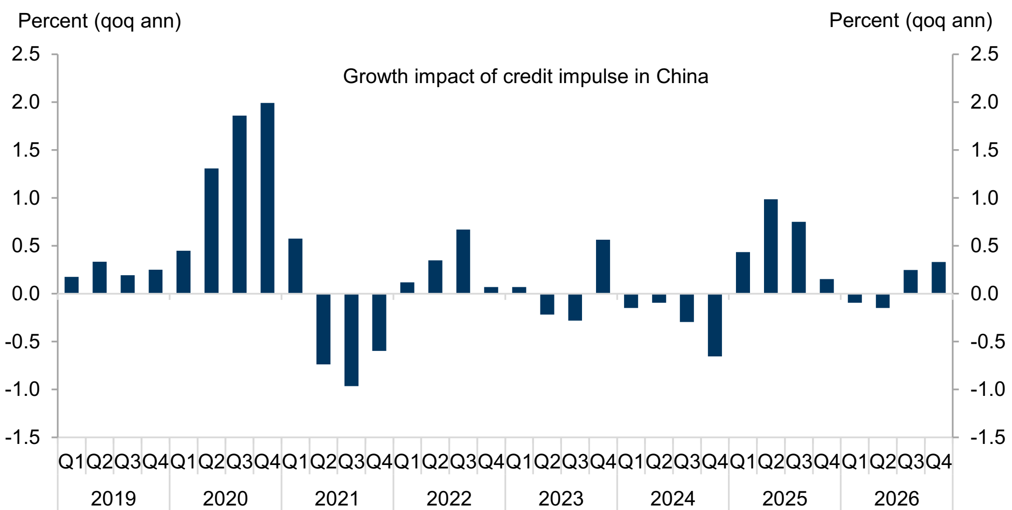
Source: Goldman Sachs Global Investment Research, CEIC, Bloomberg

Exhibit 12: March's tightening in FCI was mainly led by FX appreciation against the trade-weighted basket



Source: Goldman Sachs Global Investment Research, CEIC, Bloomberg

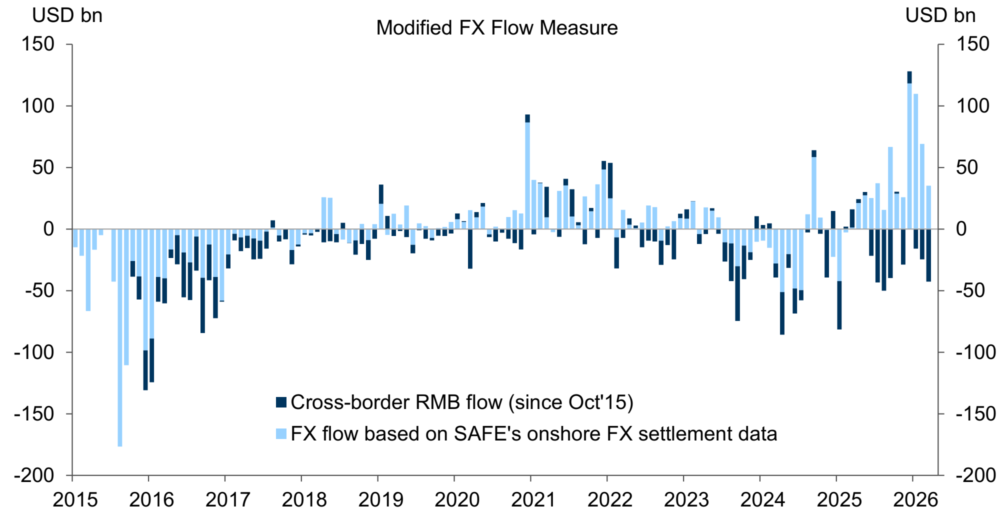
Exhibit 13: We estimate credit impulse will turn more positive in H2



The impulses assume that credit stays flat through the remainder of this year.

Source: Goldman Sachs Global Investment Research

Exhibit 14: Our preferred gauge suggests small FX outflows in March



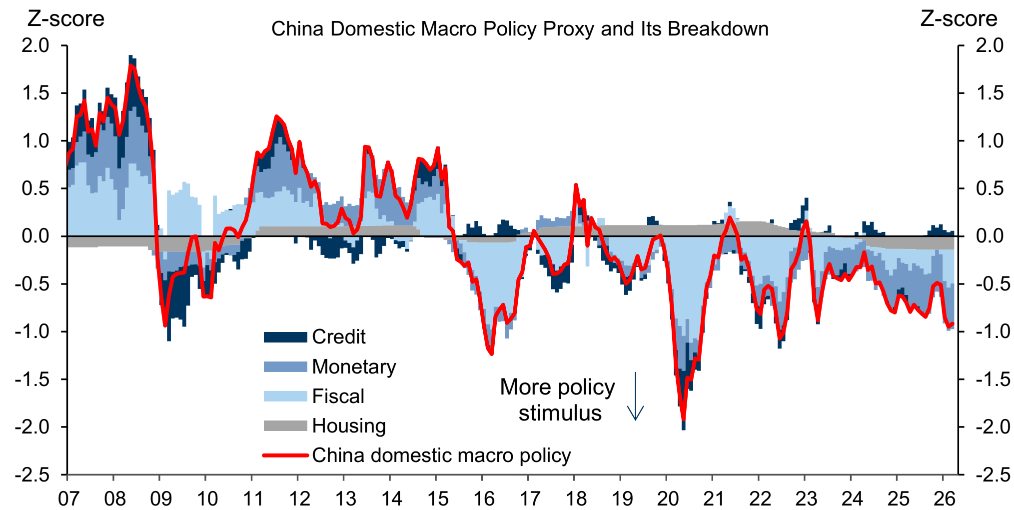
Source: Goldman Sachs Global Investment Research, SAFE

Exhibit 15: Our China domestic macro policy proxy tightened marginally in March

Note: Shaded areas refer to periods when China CAI 3mma growth was below 5%.

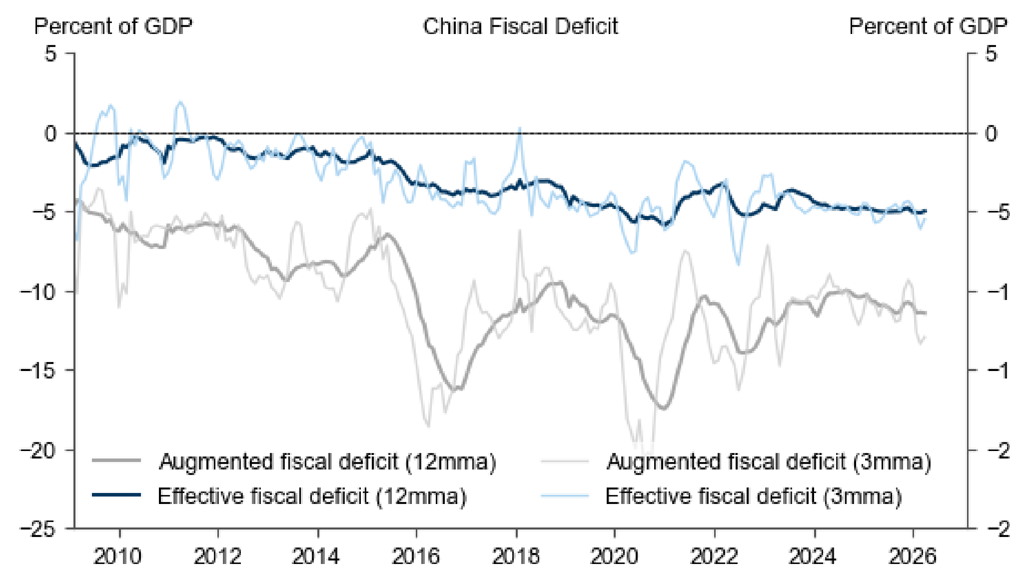
Source: Goldman Sachs Global Investment Research, Wind, Haver Analytics, CEIC

Exhibit 16: March's move in GS China macro policy proxy was mainly driven by slower fiscal spending



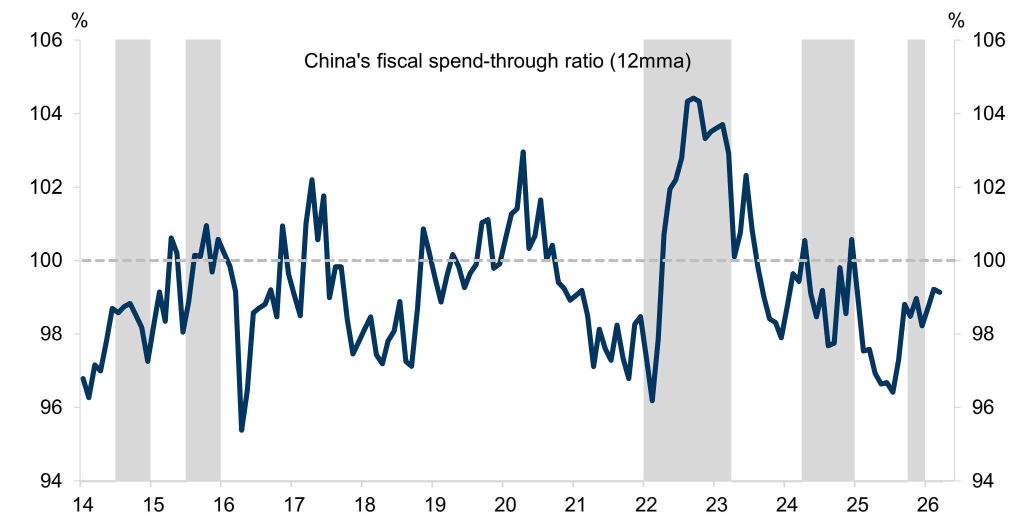
Source: Goldman Sachs Global Investment Research, Wind, Haver Analytics, CEIC

Exhibit 17: Our augmented fiscal deficit (AFD) metric narrowed slightly in March



Source: Goldman Sachs Global Investment Research, CEIC, Wind

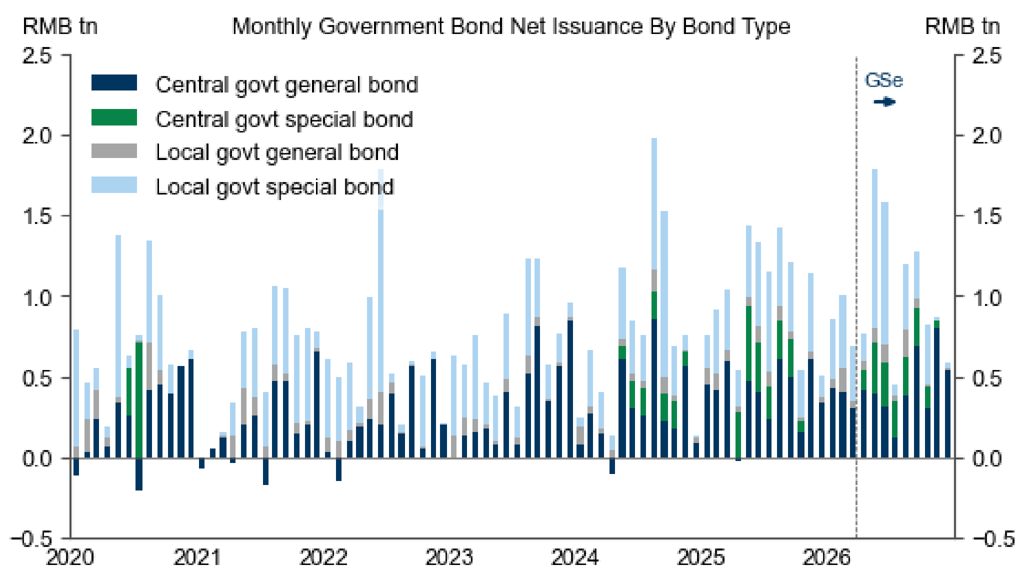
Exhibit 18: China's fiscal "spend-through" ratio edged down in March on a 12mma basis



Shaded areas refer to periods when China's year-to-date real GDP growth was equal to or below the full-year growth target. Note that the Chinese government didn't set a national growth target for 2020.

Source: MOF, Wind, CEIC, Goldman Sachs Global Investment Research

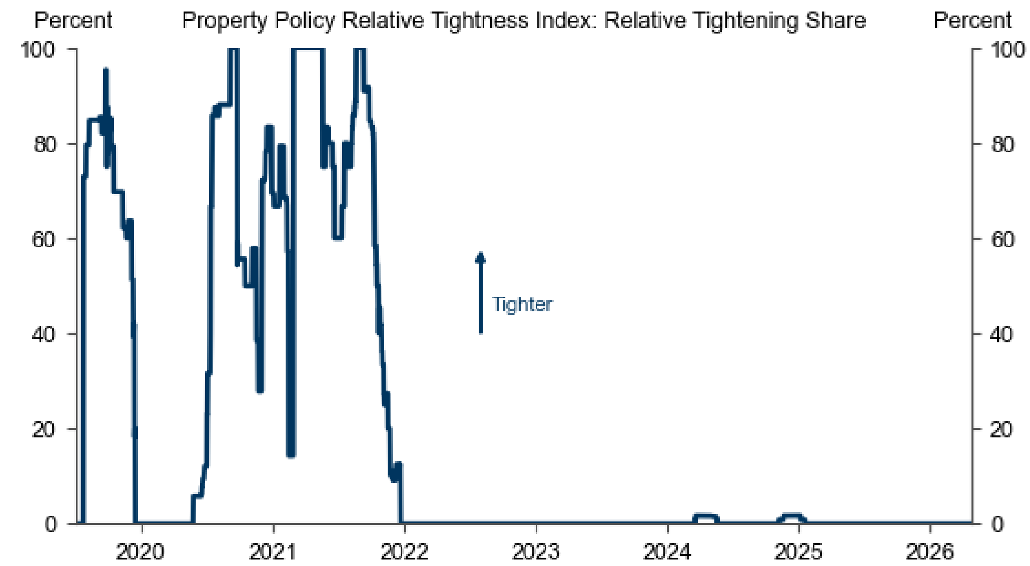
Exhibit 19: Government bond net issuance is set to accelerate in Q2 2026



Local government refinancing bond issuance for debt resolution is not included.

Source: Wind, CEIC, Goldman Sachs Global Investment Research

Exhibit 20: Our city-level property relative tightness index suggests continued housing easing



Source: Goldman Sachs Global Investment Research, local governments, Sofang.com

Methodology notes for GS proprietary economic indicators

1. Exhibit 1 and Exhibit 2: China Current Activity Indicator (Bloomberg ticker: GSCNCAI) is the "first principal component" of several real activity indicators including industrial production, electricity consumption, PMIs, etc., expressed in GDP-equivalent units. (See the latest GS CAI methodology note here and the revamped methodology for China CAI here.) These indicators can be recategorized to measure sequential momentum in different areas of the economy — manufacturing, consumption and others (i.e., housing and the labor markets).
2. Exhibit 3: Our import-implied real domestic demand infers China's domestic demand by assigning all Chinese imports by sector to an ultimate source of final demand using China's input-output tables. (See a brief summary of the methodology here.) The real domestic demand implied by national accounts is estimated from national accounts data (GDP – (Exports – Imports)), as a cross-check for the validity of the sectoral imports based domestic demand.
3. Exhibit 4: Our China MAP surprise index summarizes the importance and strength (relative to consensus expectations) of economic indicators for the country. Aggregating MAP over time allows us to examine whether economic data are outperforming or underperforming consensus expectations for a certain period.
4. Exhibit 5: Our construction growth proxy is the median year-on-year growth of housing starts, production of steel, cement and glass. Our manufacturing growth proxy is the median year-on-year growth in production of metal cutting machines, autos, power generating equipment and microcomputers. (See our explanations here.)
5. Exhibit 6: Our revamped investment tracker is based on seven underlying investment indicators, including commodity demand and output, equipment sales, construction output, and new construction contracts. After data cleaning, we derive the first principal component, which explains 62% of the total variation across the seven series, and then map it to Gross Fixed Capital Formation (GFCF) to measure investment on a real value-added basis.
6. Exhibit 7 and Exhibit 8: Our revised inventory tracker is based on six underlying inventory indicators, including commodities, PMI sub-indices, industrial enterprises' finished goods inventory, and auto inventory. After data cleaning, we derive the first principal component, which explains 25% of the total variation of the six series, and then map it into percentage of GDP terms as our tracker for inventory changes.
7. Exhibit 9 and Exhibit 10: Our revised "outside-in" trade measures estimate China's export growth and import growth using "mirror" statistics reported by its major trading partners, based on the country-specific lead-lag relationship, as a cross-check for the validity of China Customs trade data.
8. Exhibit 11 and Exhibit 12: Our revised GS China Financial Conditions (GSFCI) Index tracks liquidity conditions by 1) funding index: AA MTN yield, 3m SHIBOR, M2 and TSF flows; 2) equity market P/E ratio; 3) RMB on a trade-weighted basis. Accordingly, the sequential change in FCI can be attributed to factors through four major channels, i.e., FX, equity, credit and rates.
9. Exhibit 13: Our estimated growth impact of FCI impulse measures the impact of FCI changes on GDP growth (see related studies on China FCI and credit impulse here, here and here).
10. Exhibit 14: Our preferred gauge of FX flows tracks SAFE monthly net FX sales/settlement as well as the net cross-border flows of RMB.

11. Exhibit 15 and Exhibit 16: Our China domestic macro policy proxy summarizes China domestic macro policy stance from four aspects: 1) fiscal policy; 2) monetary policy; 3) credit policy; and 4) housing policy.
12. Exhibit 17: Our measure of augmented fiscal deficit is a sum of effective on-budget fiscal deficit and off-budget fiscal deficit. We estimate the off-budget spending by major channels that finance quasi-fiscal activities, which includes new local government special bonds (LGSB), land sales revenue, local government financing vehicle (LGFV) bonds, policy banks support, shadow banking loans, etc.
13. Exhibit 18: We define the fiscal spend-through ratio as a function of government revenue, government bond net issuance, and the sequential change in fiscal deposits, among others, to measure the degree to which policymakers are deploying the funds raised from government revenue and bond issuance.
14. Exhibit 19: Our government bond financing tracker measures the pace of government bond net issuance on a monthly basis and its breakdown by bond type, including central government general bond (CGGB), central government special bond (CGSB), local government general bond (LGGB) and LGSB. We also provide our projections for their monthly net issuance schedule through the remainder of the year, based on annual government bond issuance quotas, fiscal policy stance and seasonal patterns, but these may be subject to further changes when more data/policy signals come in.
15. Exhibit 20: Our property policy relative tightness index tracks the relative tightness of property policies in over 100 cities from the following aspects: 1) demand: purchase restrictions (household registration, social welfare contribution, etc.), credit restrictions (mortgage rate, down payment), sales restrictions; 2) supply: caps on selling prices, presales restrictions, land transaction tax, etc.; 3) others: property speculation, land supply.

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