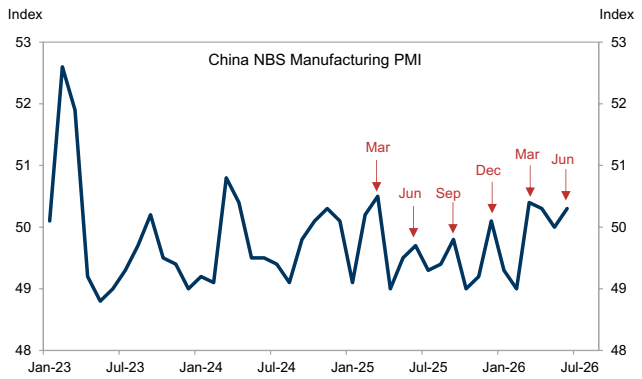
China: Three things in China

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Three quick highlights from China:

- **Official PMIs rose in June:** The official NBS manufacturing PMI increased from 50.0 in May to 50.3 in June, with the new orders subindex picking up noticeably. The pattern of a higher reading in the quarter-end month (March, June, September, and December) is consistent with the experience over the past 18 months. The official NBS non-manufacturing PMI ticked up from 50.1 to 50.2, with both construction and services PMIs showing marginal increases.

The official NBS manufacturing PMI increased in June

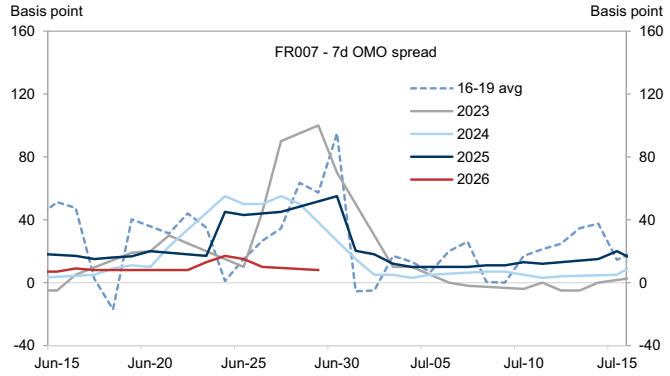


Source: NBS, Goldman Sachs Global Investment Research

- **PBOC's used new liquidity tool:** The PBOC conducted its first overnight reverse repos on June 29 and June 30, injecting a total of RMB900bn in liquidity. The new tool allows the central bank to prevent interbank interest rates from jumping at month-end, quarter-end, and year-end. In previous years, the 7-day repo rate often spiked to more than 50bp above the policy rate around end-June; this did not happen this year with the PBOC's new liquidity tool. On net, this should lead to slightly lower swap rates in China.

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

PBOC's new tool prevented interbank liquidity from tightening materially around end-June



FR007: the fixing rate of 7-day interbank repo for all financial institutions

Source: Wind, Goldman Sachs Global Investment Research

- **Local marketing takeaways:** During the last week of June, we met with local clients in Beijing and Shanghai. Over the past two months, onshore investors' sentiment toward domestic economic growth has become more cautious as macro data have weakened. Expectations for major policy easing remain low, as investors believe policymakers are prioritizing technological innovation and national security, while domestic political cycles may be constraining local officials' ability to boost the economy. In contrast, we have received more inquiries from overseas clients about the household consumption outlook in search of investment opportunities amid depressed valuation.

Recent GS China macro research

Local marketing takeaways and thematic research:

China: What do local clients think about the economy? Local marketing takeaways, June 2026, 30 June 2026

China Matters: All About Tech, 22 June 2026

Asia Economics Analyst: Chinese Household Balance Sheet: Structural Shift from Property to Financial Assets Amid Ongoing Deleveraging, 17 June 2026

Data comments and trackers:

China Economic Activity and Policy Tracker: July 3, 3 July 2026

AEJ Week Ahead: Inflation around the region, China credit, Taiwan exports, Singapore GDP, central bank meeting in Malaysia, 3 July 2026

China: Unofficial services PMI fell in June, 3 July 2026

Hong Kong: Retail sales increased in May, 2 July 2026

China: Unofficial China manufacturing PMI edged down in June, 1 July 2026

China: Both official manufacturing and non-manufacturing PMIs rose in June, 30 June 2026

China: PBOC introduces overnight reverse repo but keeps rate undisclosed, 30 June 2026

China: Industrial profits fell sequentially in May, 27 June 2026

GS China Econ Proprietary Indicators: June, 24 June 2026

China: Augmented fiscal deficit tightened further in May, 23 June 2026

Team presentation materials and webinar replays:

Macro & Strategy - Global Macro, Fiscal & Activity Data, Market Views (in Mandarin), 29 June 2026

China: GS China Economic Outlook: July 2026 [Presentation], 3 July 2026

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