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China Equity Strategy | Asia Pacific

China Five-factor Consumer Activity Z-Score vs. MSCI China

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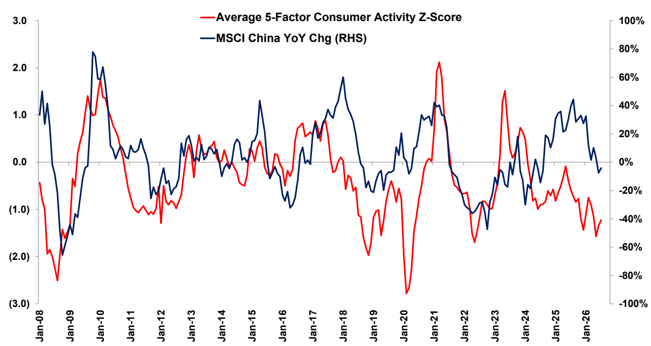
Key Takeaways

- Consumer Z-score ticked up further in July but remained weak in absolute terms.
- Air passenger traffic and catering improved, likely due to seasonal effect, while commodity retail sales softened.
- Household loans and passenger car sales remained stable.
- Looking ahead, consumption is likely to stay subdued, if there is little prospect for further meaningful consumption-focused stimulus.

Exhibit 1: China Five-factor Consumer Activity Z-Score vs. MSCI China YoY change – Consumer activity continued to improve marginally in July but remained weak



sales in catering yoy change; 3) NBS retail sales in commodity (excl. autos) yoy change; 4) CPCA / CAAM passenger car retail sales yoy 3mma; 5) air passenger traffic yoy 3mma.