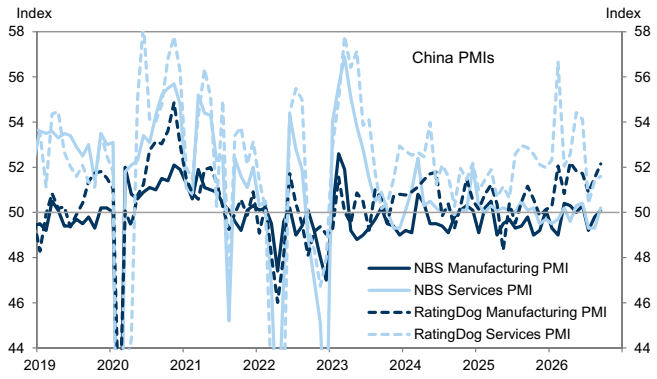
China: Three things in China

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Three quick highlights from China:

- **Mortgage interest subsidy underwhelms:** On September 29, one day after the State Council meeting pledged incremental easing measures, the PBOC and MOF announced a 25bp cut to the pledged supplementary lending (PSL) rate, a RMB700bn increase in relending quotas for technology innovation, agriculture and SMEs, and a 1pp mortgage interest subsidy. The subsidy is limited to first-time buyers of homes priced at no more than RMB1.5 million and no larger than 120 square meters, and can last up to five years. Even using a relatively generous definition of "first-time homebuyer," we estimate the government's annual subsidy at only RMB25bn. The impact on the property market and broader economy should therefore be limited, although the program could frontload near-term sales of lower-priced homes, similar to the consumer goods trade-in program.
- **September PMIs increased:** All four PMIs (NBS manufacturing, NBS non-manufacturing, RatingDog manufacturing and RatingDog services) rose and registered above-50 readings in September. The improvement partly reflected quarter-end residual seasonality, as well as better weather and increased government spending. The NBS construction PMI rose from 46.9 in August to 50.3, its highest level this year.

All four PMIs picked up in September



Source: Haver Analytics, Goldman Sachs Global Investment Research

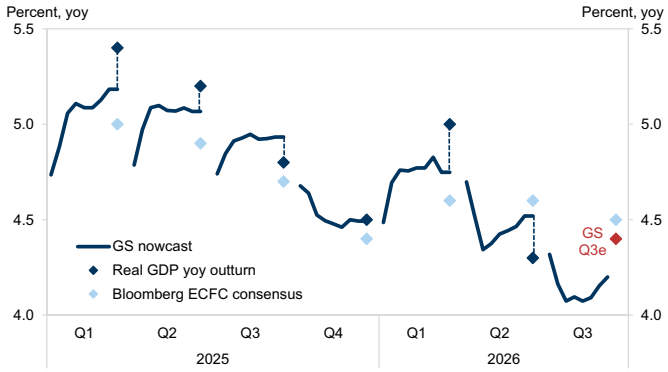
- **China Q3 GDP tracking 4.2% yoy:** We recently introduced a China GDP nowcasting model that tracks quarterly real GDP growth as various monthly data are released. After incorporating the September PMIs, the model now tracks

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certification and other important disclosures, see the Disclosure Appendix, or go to
www.gs.com/research/hedge.html.



China's Q3 GDP growth at 4.2% yoy. Therefore, our 4.4% yoy forecast for Q3 real GDP growth implies firmer readings in upcoming September data, including exports, industrial production and the services output index. The National Day Golden Week holiday (October 1-7) is underway in onshore China. Travel, tourism and retail sales data during the week-long holiday may provide an early signal on household consumption heading into Q4.

Our nowcasting model points to 4.2% yoy Q3 real GDP growth



Source: NBS, Bloomberg, Goldman Sachs Global Investment Research

Recent GS China macro research

Marketing takeaways, Trump-Xi meeting, and thematic research:

EM Asia FX/Rates Views: UK trip notes – US rates, Energy and AI Shaping the Macro Landscape, 28 September 2026

Trump-Xi Washington Summit – Comity on the Surface, but Tensions Unresolved, 27 September 2026

China Data Insights: China GDP Tracking: A Real-Time Nowcasting Framework, 27 September 2026

China Matters: Path of Least Resistance, 20 September 2026

Data comments and trackers:

Hong Kong: Retail sales rose sequentially in August, 2 October 2026

China Economic Activity and Policy Tracker: Oct 2, 2 October 2026

China: Manufacturing, construction and services PMIs all rose in September, 30 September 2026

China: Targeted easing follows State Council call, growth impulse may be modest, 29 September 2026

China: Premier Li Pledges Incremental, Modest Easing to Meet the Full-Year Growth Target, 28 September 2026

China: Both industrial profits and revenue edged up sequentially in August, 28 September 2026

China: PBOC Q3 MPC Meeting: Broad Stance Unchanged, FX Management in Focus, 24 September 2026

GS China Econ Proprietary Indicators: September, 21 September 2026

Team presentation materials and webinar replays:

China: GS China Economic Outlook: October 2026 [Presentation], 2 October 2026

Thesis in Charts: China GDP Tracking: A Real-Time Nowcasting Framework [Video], 30 September 2026

Macro & Strategy | Global Macro, Activity Data, Market Views (in Mandarin), 28 September 2026

China in the Long Run: Introducing a New Research Series [Video], 3 September 2026

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