China: Three things in China

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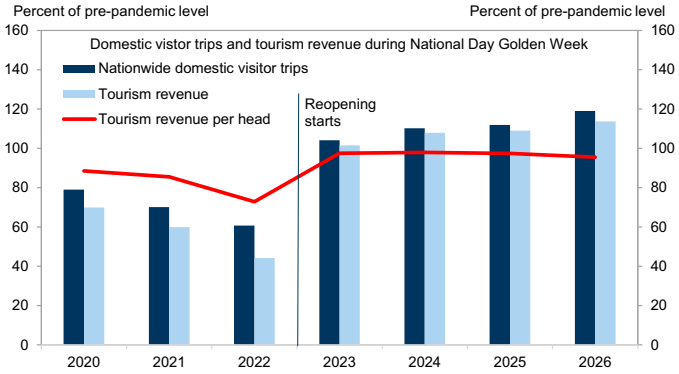
Three quick highlights from China:

- **EU-China trade negotiations:** On October 9, the Chinese Ministry of Commerce announced a 16-point document outlining the outcomes of the second meeting of the EU-China Trade and Investment Consultations. The EU posted remarks by Commissioner Šefčovič on the same day. Both sides reported shared understandings on China curbing exports of hybrid vehicles to the EU, lowering tariffs on certain EU products, and facilitating export licensing for rare earths and permanent magnets. The PBOC published an article defending its FX policy on October 8, consistent with our long-held view that Beijing will not allow the RMB to appreciate sharply amid tensions with its trade partners. The third meeting of the EU-China Trade and Investment Consultations is scheduled for March 2027.
- **MOF approved additional bond quota:** Following the mortgage interest subsidy announced on September 29, the Ministry of Finance approved an additional RMB550bn local government bond issuance quota on October 9, drawing on quotas carried over from previous years. This is in line with our earlier expectations following the State Council meeting on September 28. These incremental measures are intended to ensure that the full-year growth target of "4.5-5%" is met. However, the approval of additional quota while RMB3tn of the existing quota remains untapped suggests implementation bottlenecks in China's fiscal transmission.
- **Stable to slightly weaker holiday data:** Based on Ministry of Transport (MOT) estimates, domestic interregional passenger traffic—which encompasses public and private transport for commuting, business, education, and leisure—rose 0.6% yoy during the National Day Golden Week holiday, well below the 6.2% yoy growth recorded during the same holiday last year. Based on our estimates using data from the Ministry of Culture and Tourism (MCT), domestic tourism revenue per person was 1.9% lower this year than during last year's National Day Golden Week, despite a continued increase in tourism traffic. Taken together, the holiday travel and spending data point to continued weakness in consumption growth.



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

Domestic tourism revenue per capita edged down from last year during the National Day Golden Week



Source: Ministry of Culture and Tourism, Goldman Sachs Global Investment Research

Recent GS China macro research

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

Asia Economics Analyst: How Much More Can China's Exports Grow?, 7 October 2026

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:

China: MOF approves an additional RMB550bn bond issuance quota to ensure full-year growth target is reached, 11 October 2026

China: Largely stable tourism momentum during the National Day Golden Week, 9 October 2026

China Economic Activity and Policy Tracker: Oct 9, 9 October 2026

AEJ Week Ahead: China inflation, trade and credit data; India CPI; MAS meeting, 9 October 2026

China: PBOC defends its FX policy amid growing external pressures, 9 October 2026

Hong Kong: PMI edged down in September, 6 October 2026

Hong Kong: Retail sales rose sequentially in August, 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

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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