China: Three things in China

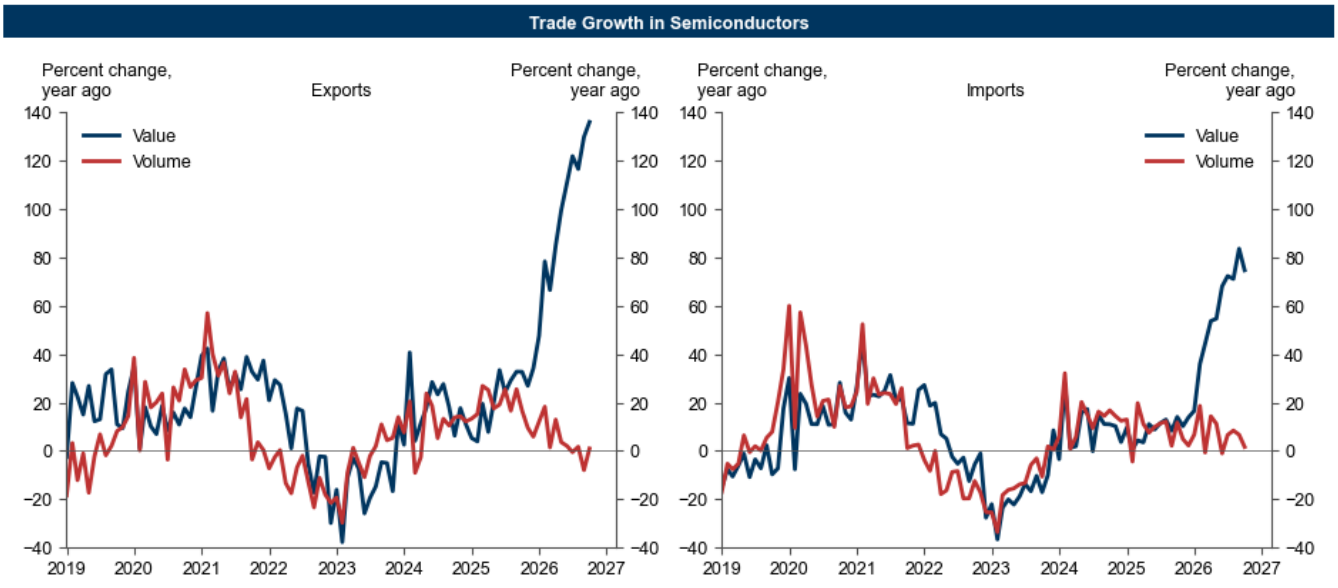
Hui Shan
+852-2978-6634 | hui.shan@gs.com
Goldman Sachs (Asia) L.L.C.

Three quick highlights from China:

- **Stronger-than-expected trade data:** Chinese exports and imports climbed 36.3% yoy and 31.0% yoy, respectively, in nominal USD terms in September, both notably above consensus expectations. Semiconductor exports and imports surged 136% yoy and 75% yoy, respectively, but the increases were driven almost entirely by higher prices. September's trade surplus reached a record high of $133.5bn.

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.

Strong semiconductor export and import growth was mostly price-driven



Source: Haver Analytics, Goldman Sachs Global Investment Research

- **Divergent inflation:** China's PPI inflation surprised to the upside in September, rising 5.0% yoy (vs. the Bloomberg consensus of 4.4%). However, CPI inflation was only 0.9% yoy, slightly below the market expectation of 1.0%. This divergence highlights the difficulty of passing higher commodity and upstream prices on to consumers, providing further evidence of weak domestic demand. We have revised up our full-year 2026/27 PPI inflation forecasts to 2.8%/0.3% (from 2.0%/0.0% previously) but revised down our CPI inflation forecasts to 0.8%/0.6% (from 1.0%/1.0% previously).

PPI inflation accelerated to 5.0% yoy in September



Source: NBS

- **September activity data and Q3 GDP preview:** The NBS will releas industrial production (IP), fixed asset investment (FAI), retail sales, a on Monday (October 19). We expect strong IP growth of 5.8% yoy (v August), but weak retail sales growth of 0.3% yoy (vs. 0.4% in Augus likely to pick up somewhat in September on a single-month basis, su better weather and a stronger policy push, although official year-to

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year-over-year growth may edge down from -7.2% in August to -7.3%. We forecast real GDP growth to tick up from 4.3% yoy in Q2 to 4.4% yoy in Q3, supported by stronger industrial production.

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 Economic Activity and Policy Tracker: Oct 16, 16 October 2026

China: Stronger-than-expected credit extension in September mainly from higher government bond issuance, 14 October 2026

China: Q3 GDP and Sep activity data preview: Expecting industrial production growth to accelerate and retail sales to stay subdued, 14 October 2026

China: PPI inflation reached a new high in September, driven mainly by higher energy prices; raising our PPI inflation forecasts while cutting our CPI inflation forecasts, 14 October 2026

China: September trade growth accelerated significantly, lifting surplus to a record high, 14 October 2026

China FX/Rates Monitor: Measured Easing, Resilient CNY and Low Rates, 11 October 2026

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

Team presentation materials and webinar replays:

Macro & Strategy | Global Macro, Exports Outlook, Market Views (in Mandarin), 12 October 2026

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

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

The China Economics Team

Andrew Tilton
+852-2978-1802
andrew.tilton@gs.com
Goldman Sachs (Asia) L.L.C.

Hui Shan
+852-2978-6634
hui.shan@gs.com
Goldman Sachs (Asia) L.L.C.

Lisheng Wang
+852-3966-4004
lisheng.wang@gs.com
Goldman Sachs (Asia) L.L.C.

Xinquan Chen
+852-2978-2418
xinquan.chen@gs.com
Goldman Sachs (Asia) L.L.C.

Yuting Yang
+852-2978-7283
yuting.y.yang@gs.com
Goldman Sachs (Asia) L.L.C.

Chelsea Song
+852-2978-0106
chelsea.song@gs.com
Goldman Sachs (Asia) L.L.C.