

## China Watch

## Chart book series #94: Consumer confidence continued to inch up

**Mobility moderated after Labor Day holiday.** Inter-city trips, measured by Baidu migration index, fell back to pre-holiday level in the past week (Exhibit 3). The number of domestic flights also peaked out, but remained above 2019 levels (Exhibit 6). Intra-city trips also declined across all tiers cities in the recent week (Exhibit 4) after the golden-week holidays. Meanwhile, the number of international flights recovered further to 36.5% of pre-Covid level (Exhibit 7).

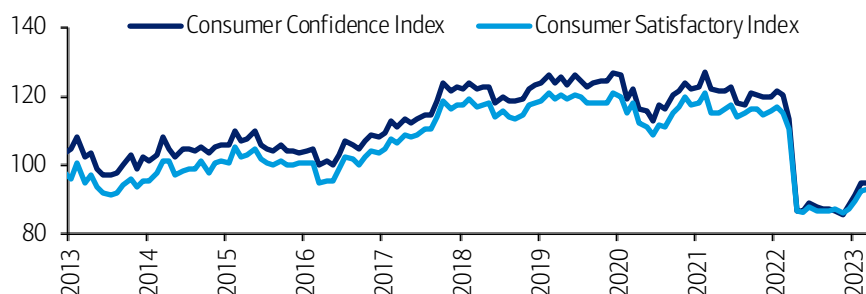
**Consumer confidence continued see improvement in March.** Consumer confidence index inched up to 94.9 in March (from 94.7 in Feb), improving for the 4<sup>th</sup> month in a row. Despite the slowdown in the pace of consumer confidence recovery, the upward trend continued to highlight the resilience of sentiment improvement. In Apr 23-30, Auto sales rose by 39.7% yoy, according to CPCA (Exhibit 12), while the box office revenue remained close to the 2021 level in the recent week.

**Production activities and new home sales stayed weak.** The cement shipment ratio, rebar apparent consumption, as well as coal consumption for major IPPs all remained relatively weak in the recent week amid Labor Day holiday. Regarding exports, container freight index stayed largely flat in recent week. LGSB issuance came in at RMB1,622bn as of May 10. Home sales also stayed relatively weak in key cities, especially in the primary market (Exhibit 8). Land market remained muted, with land auction premiums inched down recently (Exhibit 10).

**Major banks to lower deposit rate ceilings.** According to Reuters, regulators have urged lenders to lower ceilings on some personal and corporate deposits rates by 30bps, effective on May 15. The ceilings on notice deposits have been capped at 10bps above benchmark rate for state banks. In our view, it will help lower the funding cost for major banks and provide rooms for delivering favorable lending rates to the real economy. In terms of interbank market liquidity condition, it is also eased in the recent week, as DR007 rate remained below policy rate (7d OMO rate) (Exhibit 19).

**Exhibit 1: NBS consumer confidence index**

NBS consumer confidence index inched up in the fourth-month to 94.9 in Mar (from 94.7 in Feb)



Source: NBS, CEIC

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GEM Economics  
Asia | China

**Benson Wu**  
China & Korea Economist  
Merrill Lynch (Hong Kong)  
+852 3508 5047  
benson.wu@bofa.com

**Helen Qiao**  
China & Asia Economist  
Merrill Lynch (Hong Kong)  
+852 3508 3961  
helen.qiao@bofa.com

**Abbreviations**

LGSB: Local government special-purposed bond

CDC: Chinese Center for Disease Control and Prevention

CPCA: China Passenger Cars Association

**Related reports**

[Chart book series #93: Labor Day holiday tourists bounced to 119% of 2019 level](#)

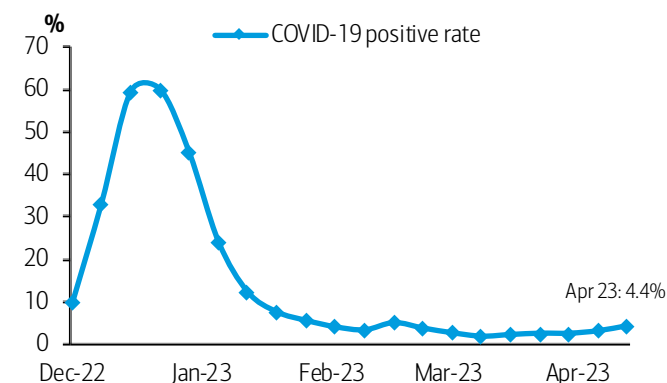
[Chart book series #92: Potential new Covid wave unlikely to derail China's recovery](#)

[Chart book series #91: Holiday bookings surged; home price picked up in Mar](#)

## COVID & Mobility

### Exhibit 2: COVID-19 positive rate

COVID-19 positive rate came in at 4.4% as of Apr 23

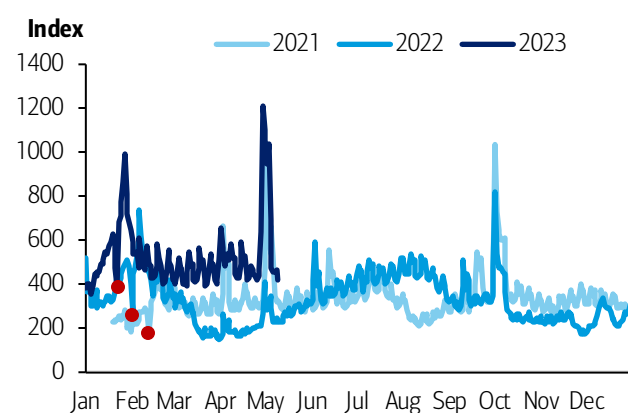


Source: CDC, Note: data as of Apr 23

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### Exhibit 3: Baidu migration index

Inter-city trips moderated after Labor Day holiday

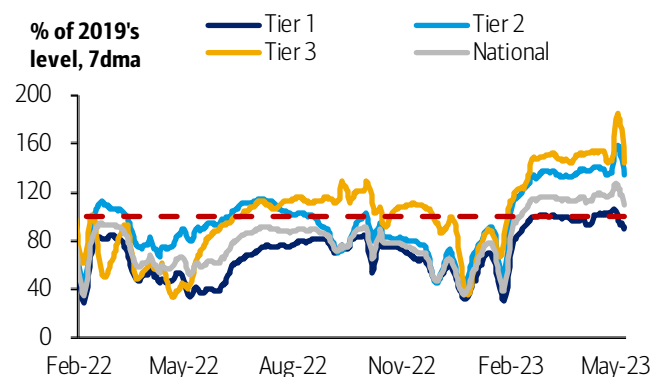


Source: Baidu, Note: Red dots indicate Lunar New Year (LNY) in each year, data as of May 9

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### Exhibit 4: Daily subway rides by city tiers (28-city)

National daily subway rides went down in the past week, with low subway rides in tier 1 cities

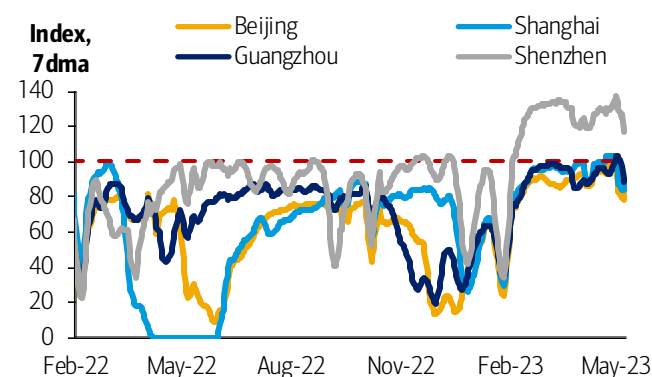


Source: Wind, Note: 100 represents benchmark (subway volume in December 2019); data as of May 8

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### Exhibit 5: Daily subway rides in Tier 1 cities

Subway rides in all tier 1 cities reached the lowest level in the past three months

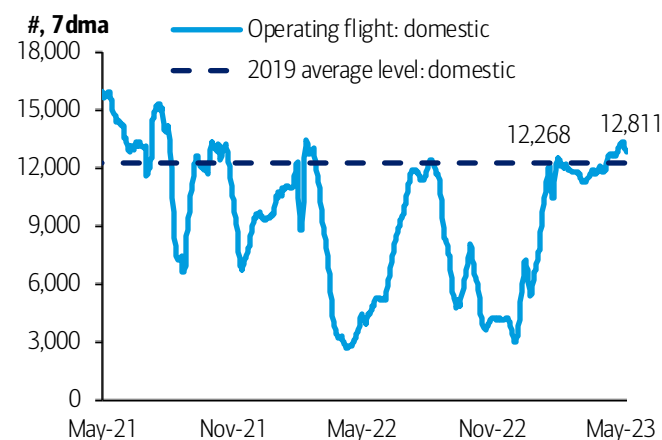


Source: Wind, Note: 100 represents benchmark (subway volume in December 2019); data as of May 8

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### Exhibit 6: China's operating flights: domestic

Number of domestic flights inched down but stayed above 2019's level

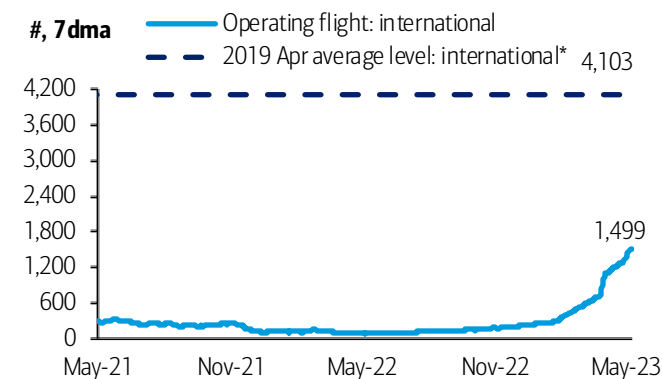


Source: Wind, Note: data as of May 9

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### Exhibit 7: China's operating flights: international

Number of international flights recovered further to 36.5% of 2019 Apr level\*



Source: Wind, Note: data as of May 9

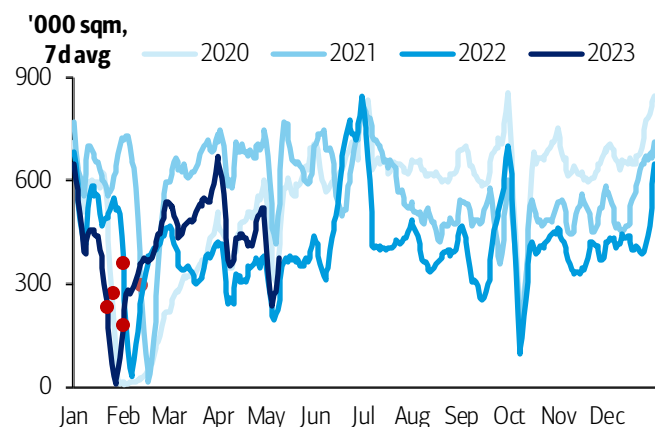
Note: \*We have reset the benchmark of pre-COVID level based on the Apr's press conference by CAAC

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## Property & Consumption

### Exhibit 8: Property transaction in 30 major cities

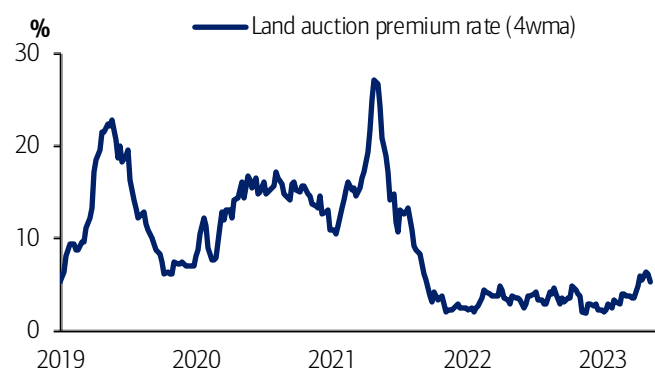
Property sales in major cities stayed weak at about 2022's level



Source: Wind, Note: Red dots indicate Lunar New Year (LNY) in each year, data as of May 9  
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### Exhibit 10: Land auction premium rate (100-city)

4-week average land auction premium rate moderated to 5.27% (vs. a revised reading of 6.18% in previous week)

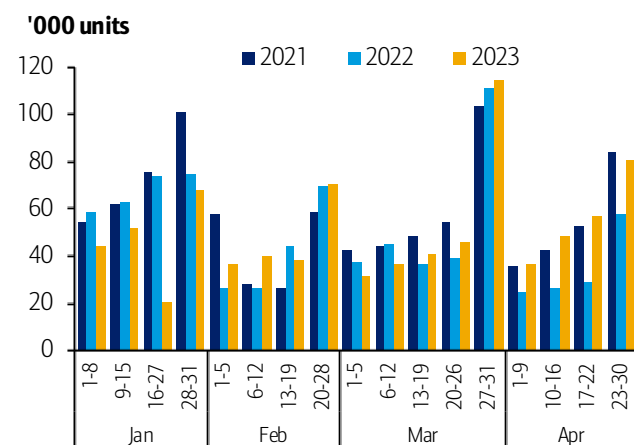


Source: Wind, Note: data as of May 7

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### Exhibit 12: Auto sales

Auto sales rose by 39.7% yoy in Apr 23-30, but stayed below 2021's level

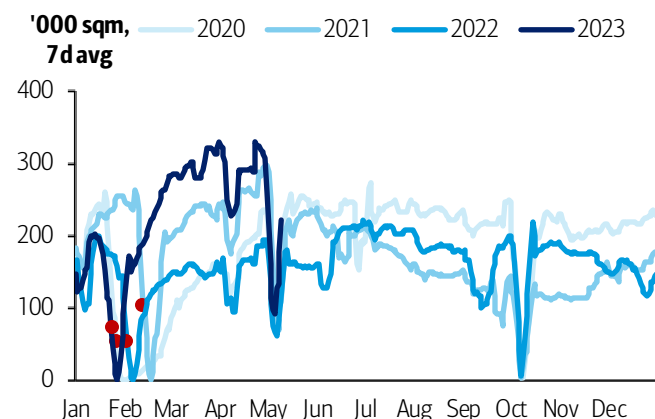


Source: CPCA, Note: data as of April 30

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### Exhibit 9: Secondary housing transaction in 10 cities

Secondary housing sales rebounded after holiday



Source: Wind, Note: Red dots indicate Lunar New Year (LNY) in each year, data as of May 9  
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### Exhibit 11: Hog price

Hog price stayed at low level in the past two months

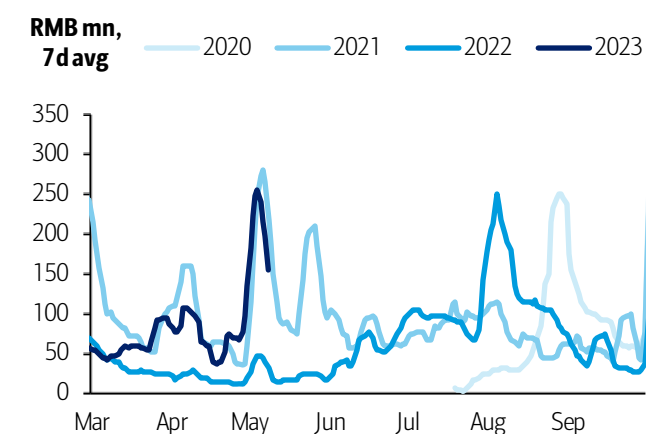


Source: Wind, Note: data as of May 3

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### Exhibit 13: Box office revenue

Box office revenue fell after holiday, but stayed close to 2021 level



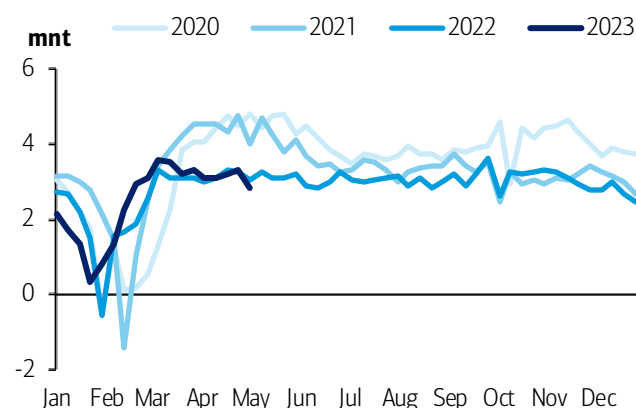
Source: Wind, China film administration, Note: Red dots indicate Lunar New Year (LNY) in each year; data as of May 8

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## Production, Logistics, LGSB issuance & Money market

### Exhibit 14: Weekly average rebar apparent consumption

Rebar consumption fell below 2022 level on weak demand

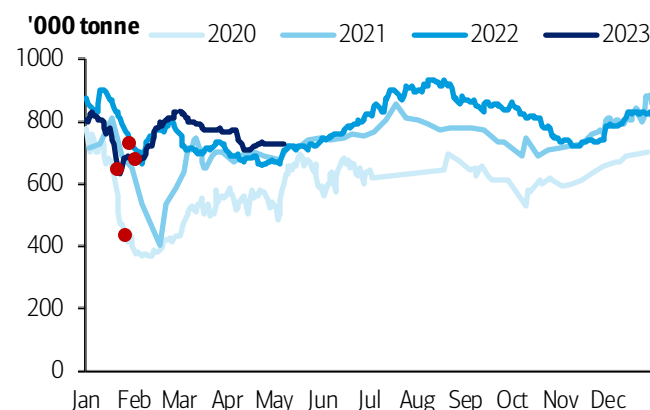


Source: Mysteel, Note: data as of May 5

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### Exhibit 16: Daily coal consumption at major IPPs

Coal consumption for major IPPs stayed steady in the past two weeks

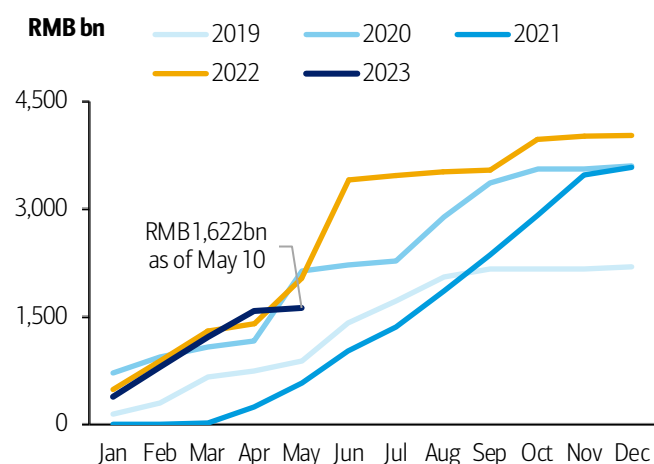


Source: Sxcoal, Note: Red dots indicate Lunar New Year (LNY) in each year, IPPs: independent power plants, data as of May 7

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### Exhibit 18: LGSB net issuance

LGSB net issuance came in at RMB1,622bn as of May 10

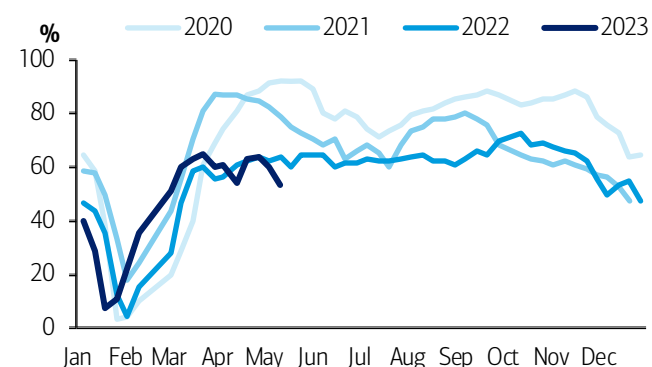


Source: Wind, Note: data as of May 10

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### Exhibit 15: Cement shipment ratio

Cement shipment ratio dropped further on weak demand, rainy weather and holiday influence

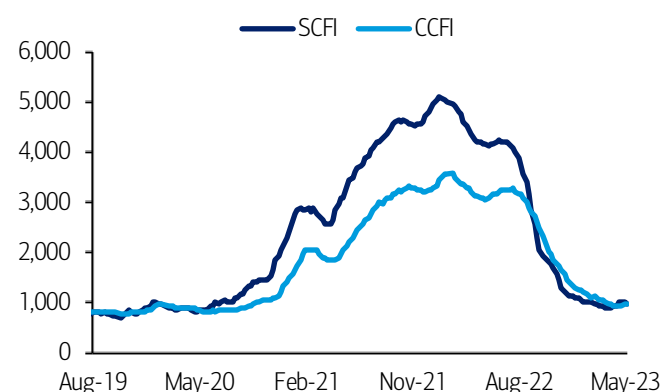


Source: Digital Cement Note: Shipment ratio is defined as the shipment volume over the production capacity in the same period, data as of May 6

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### Exhibit 17: Shanghai container freight index (SCFI) & China container freight index (CCFI)

SCFI and CCFI stayed largely flat in the past week

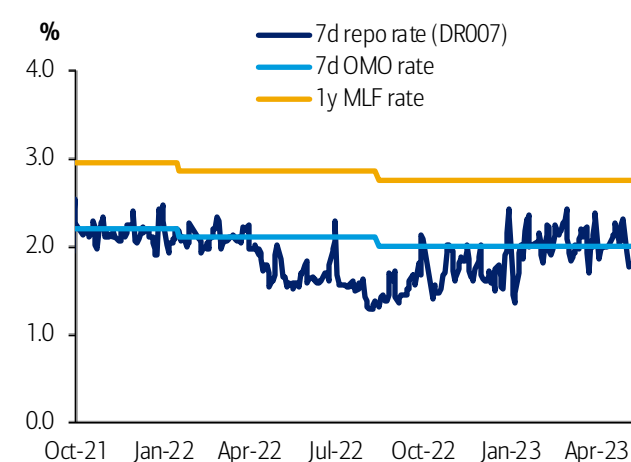


Source: Wind, Note: data as of May 5

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### Exhibit 19: Money market rates vs. policy rates

DR007 moderated to below 2% in the past week



Source: Bloomberg, Note: data as of May 10

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