

China's supply side reform and its real estate market

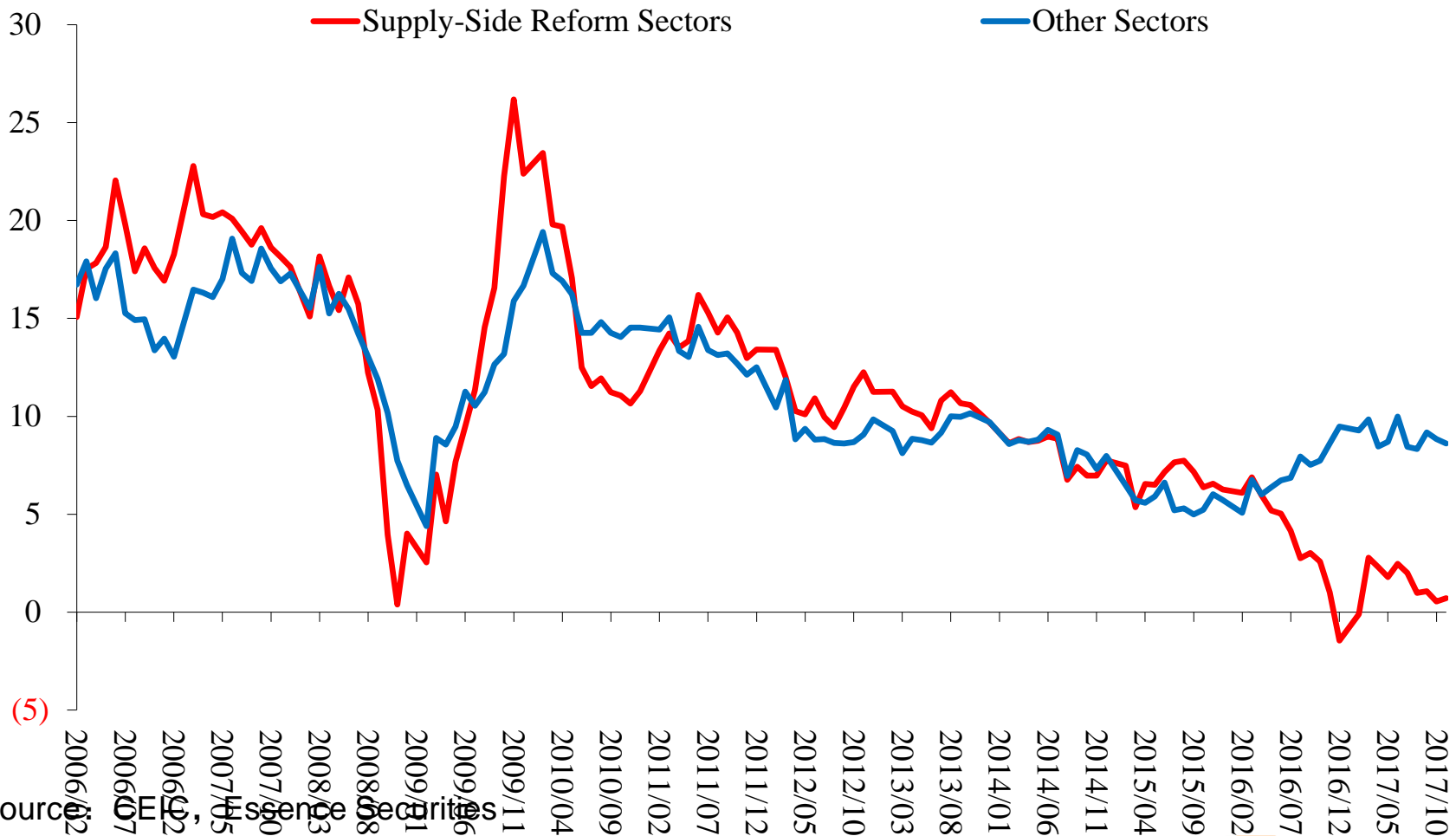
Washington DC, January 2018

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- How to quantify the impacts of China's Supply-Side Reform on growth and its spillover effects?

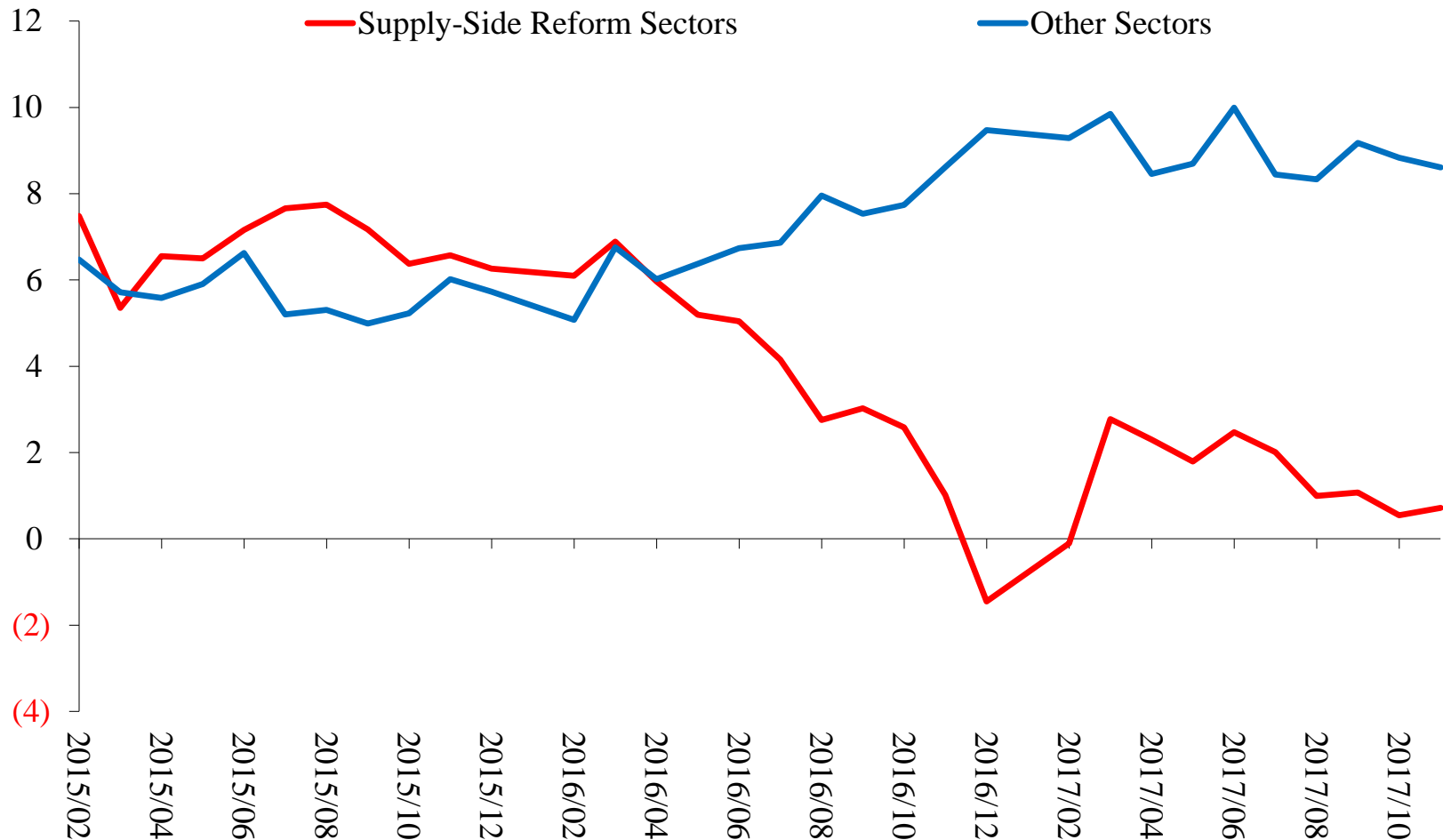
Objective group in red (industries affected by Supply-Side Reform) and control group in blue (all other industries)



Source: CFC, Essence Securities

Supply-Side Reform Sectors include: Mining and Washing of Coal, Mining and Processing of Ferrous Metal Ores, Mining and Processing of Non-Ferrous Metal Ores, Manufacture of Raw Chemical Materials and Chemical Production, Smelting and Pressing of Ferrous Metals, etc.. Accounting for 1/3 of IP.

Supply-Side Reform Sectors' IP and Other Sectors' IP, %

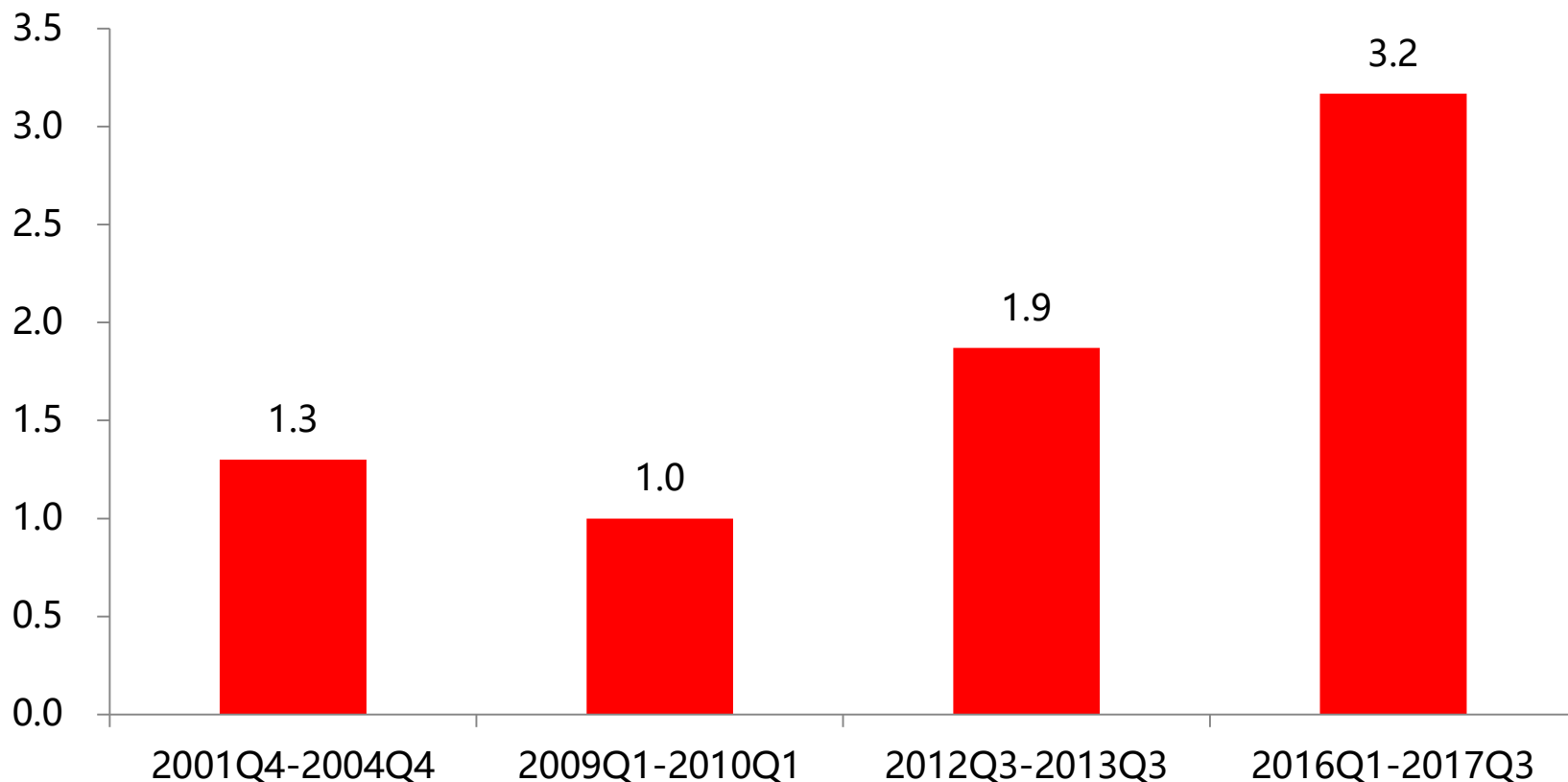


Source: CEIC, Essence Securities

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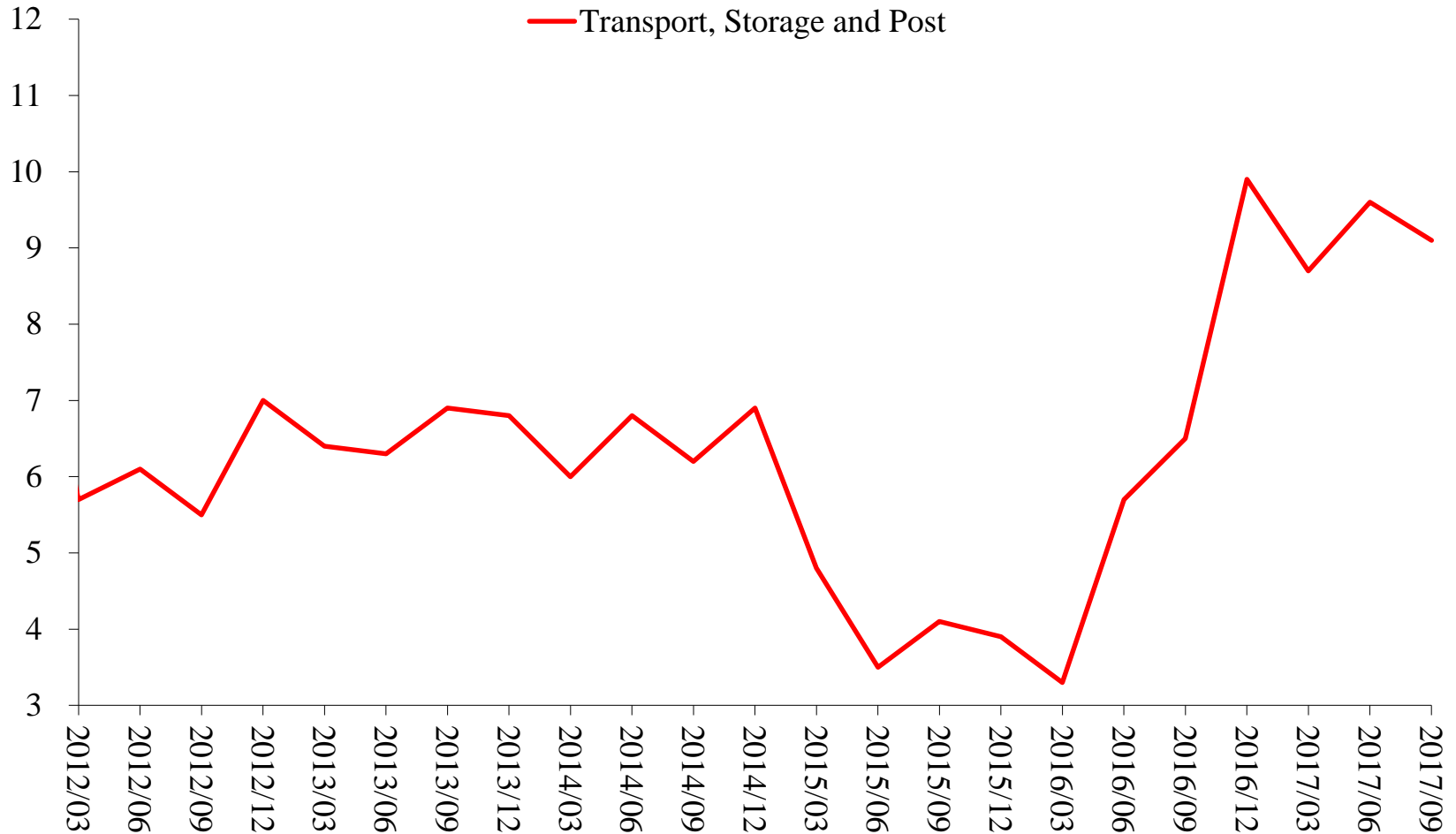
PPI elasticity of economic recovery episodes

PPI Percentage Changes / IP Percentage Changes



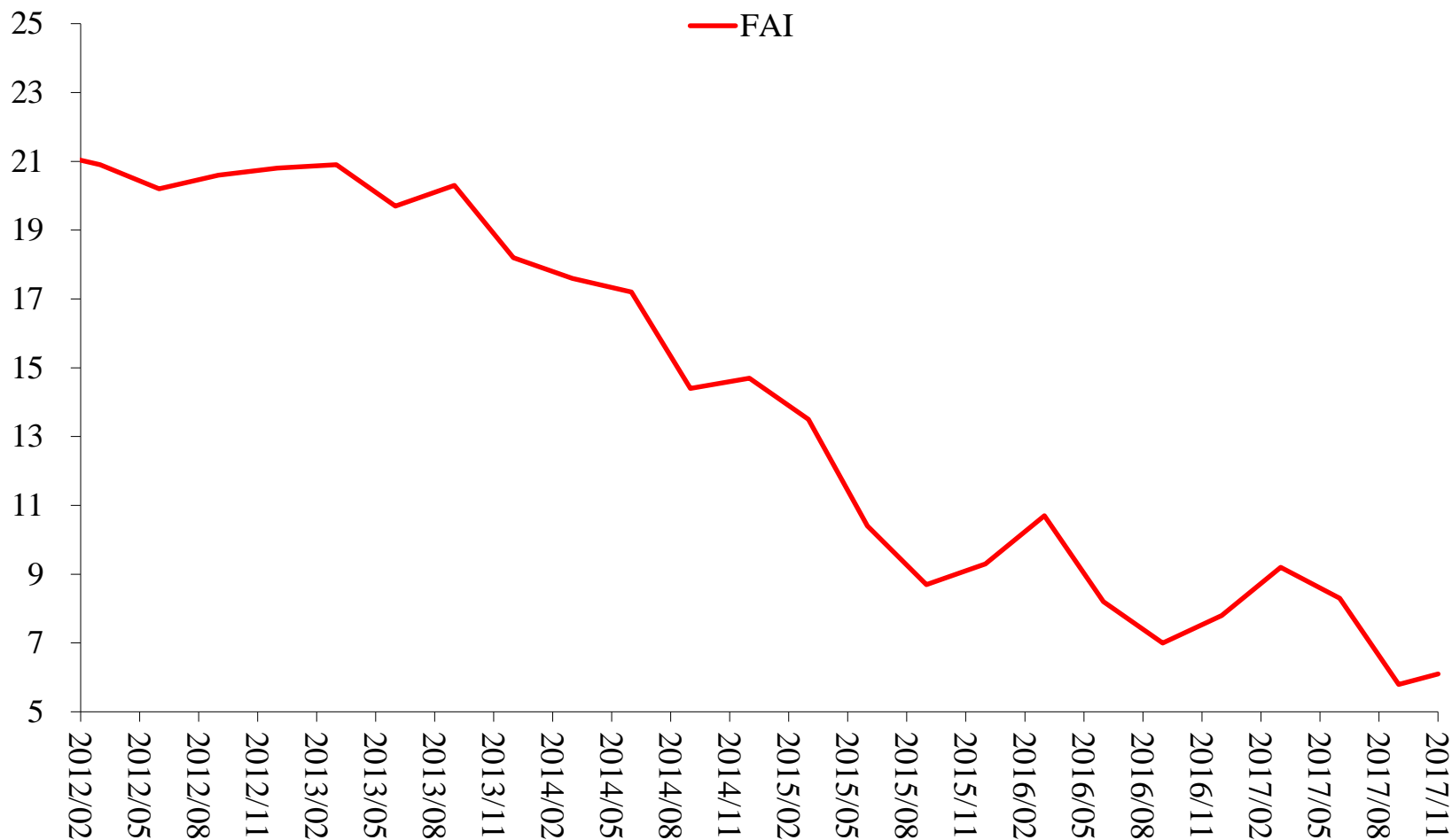
Source: CEIC, Essence Securities

China's GDP: Transport, Storage and Post, Quarterly, YOY %



Source: CEIC, Essence Securities

Quarterly China FAI Growth, YOY %



Source: CEIC, Essence Securities

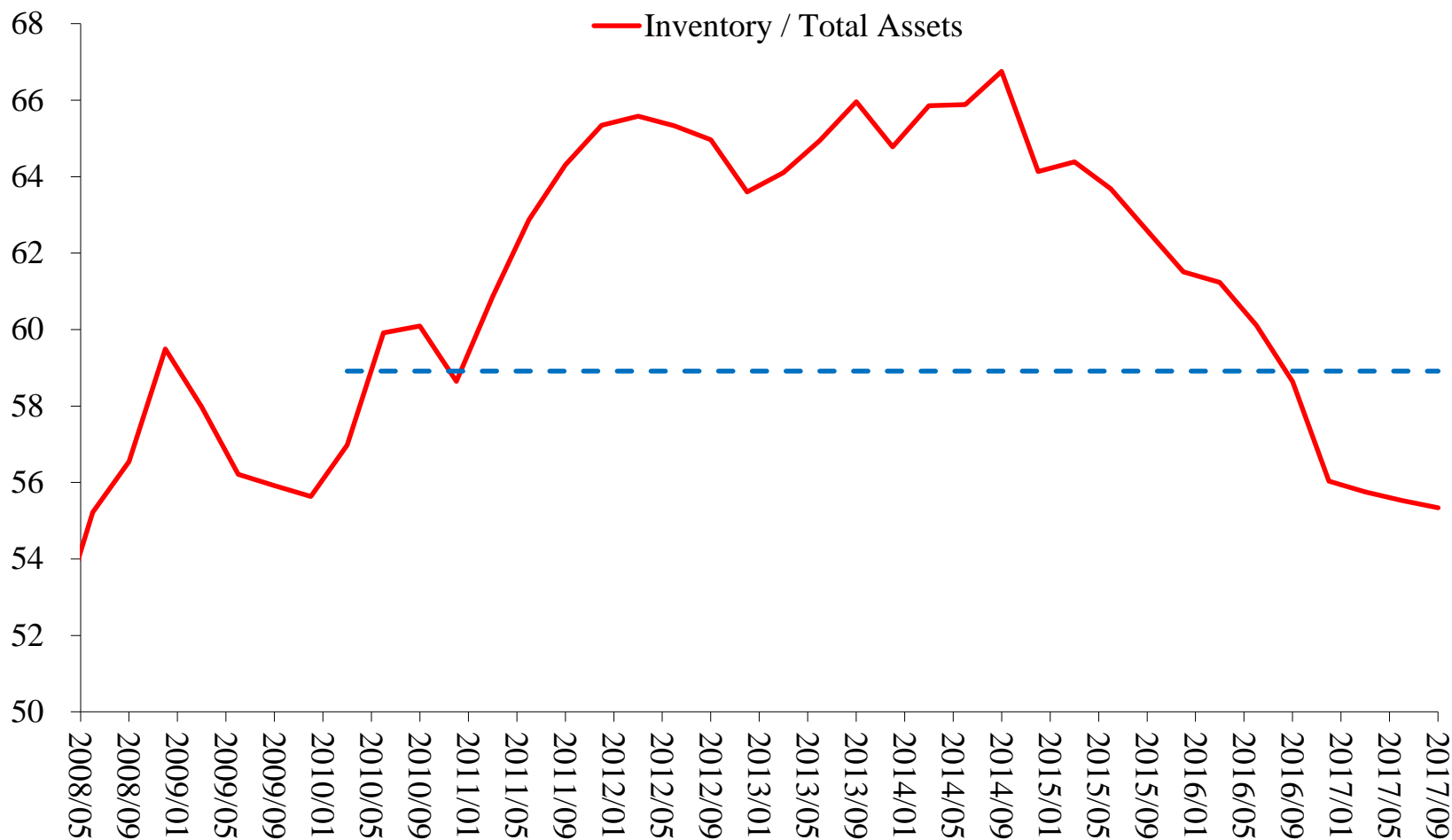
Real Trade Surplus / Real GDP, Base Year 2006)



Source: CEIC, Essence Securities

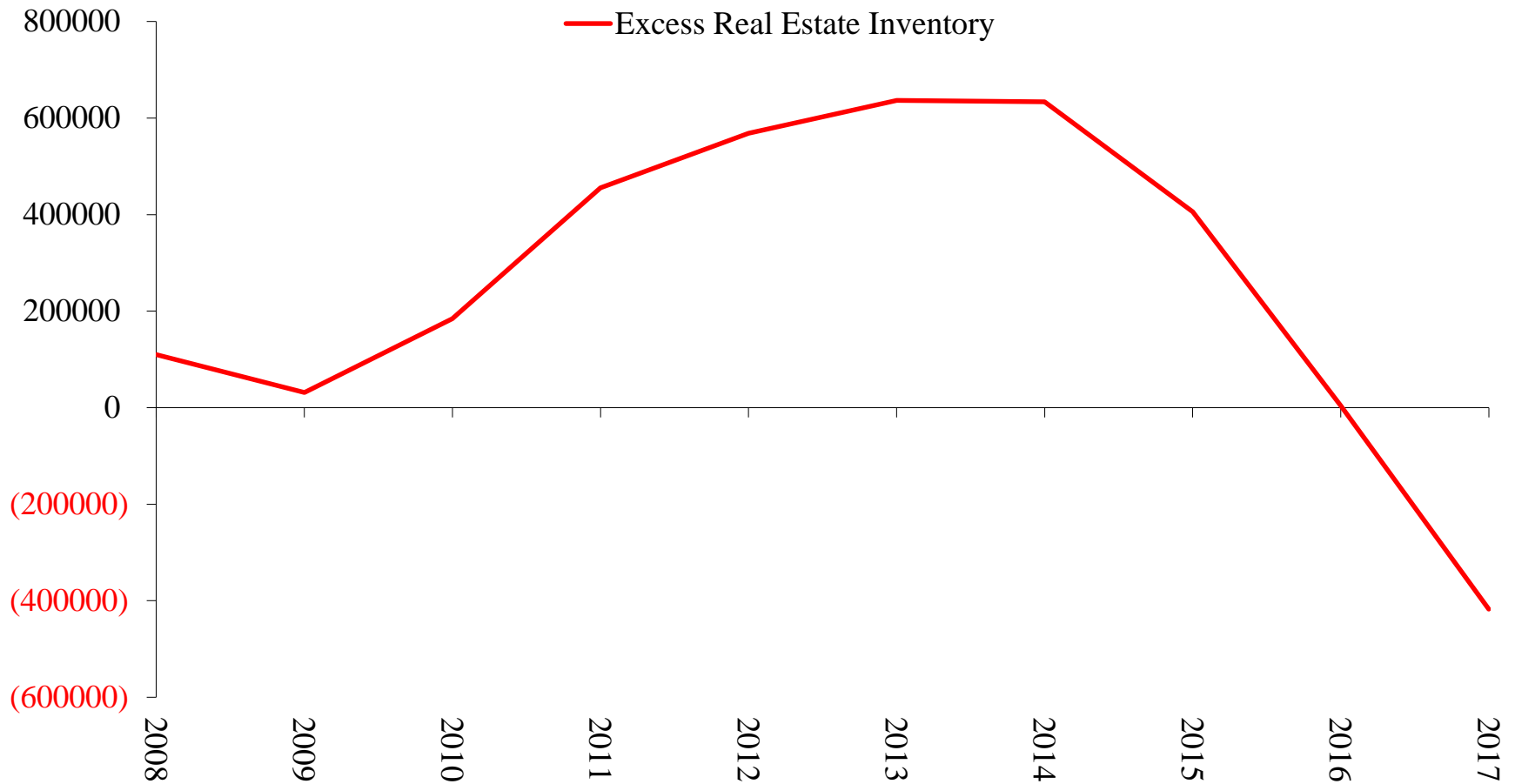
China's Real-Estate Market

Inventory / Total Assets of Listed Real Estate Companies, %



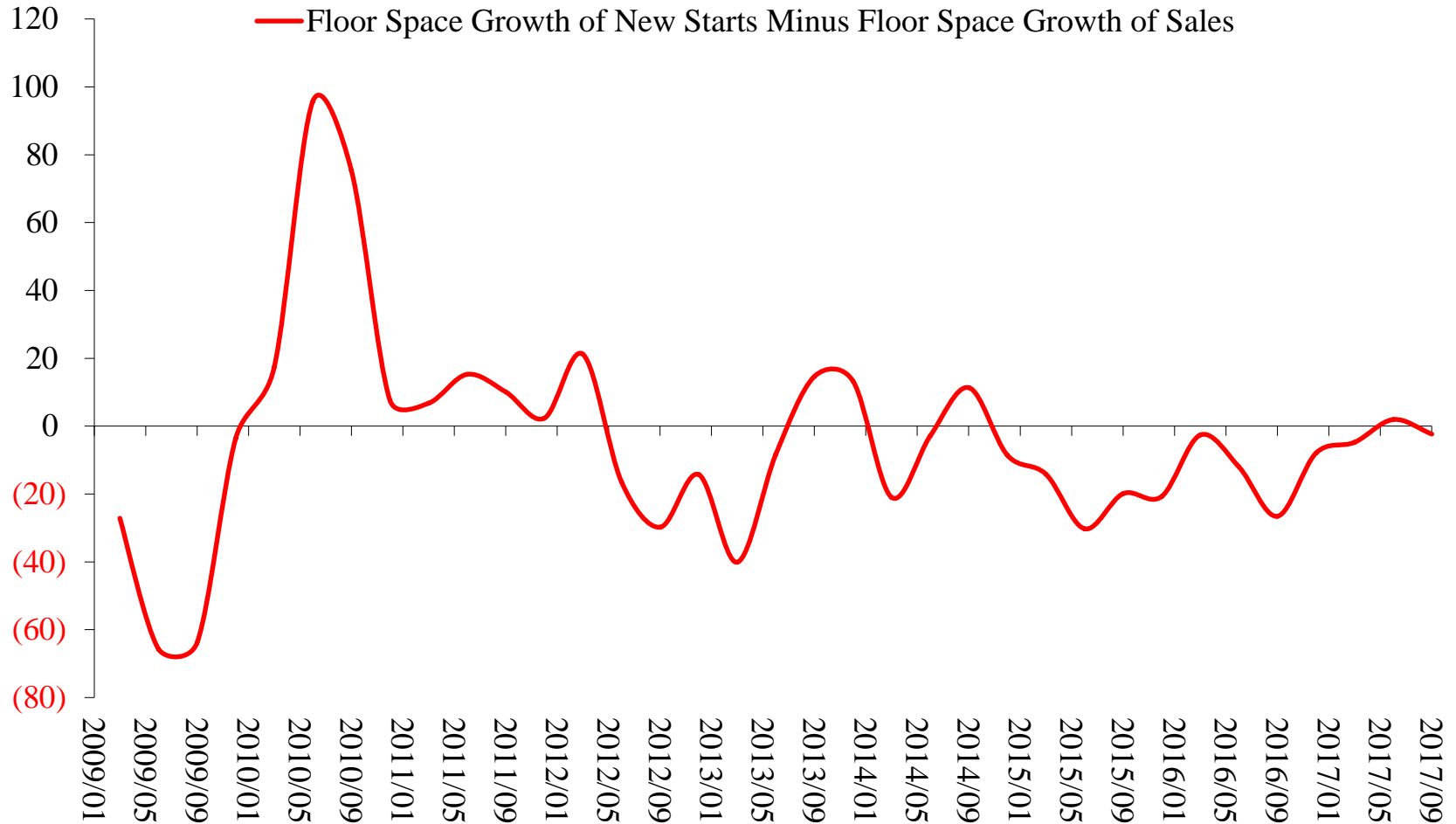
Source: Wind , Essence Securities

National Excess Real Estate Inventory, thousand square meters



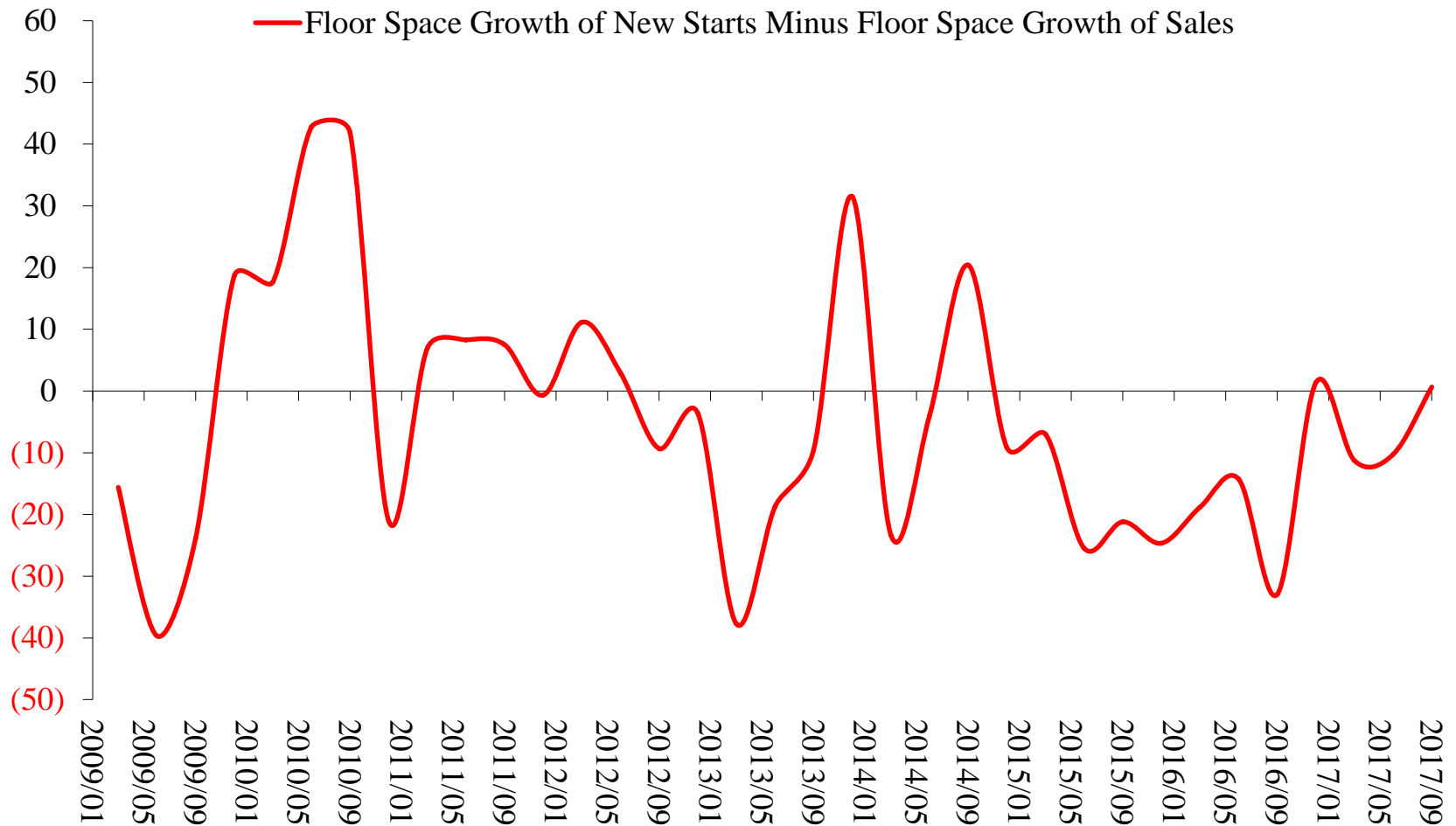
Source: CEIC, Essence Securities

Floor Space Growth of New Starts Minus Floor Space Growth of Sales in Tier 2 Cities, %



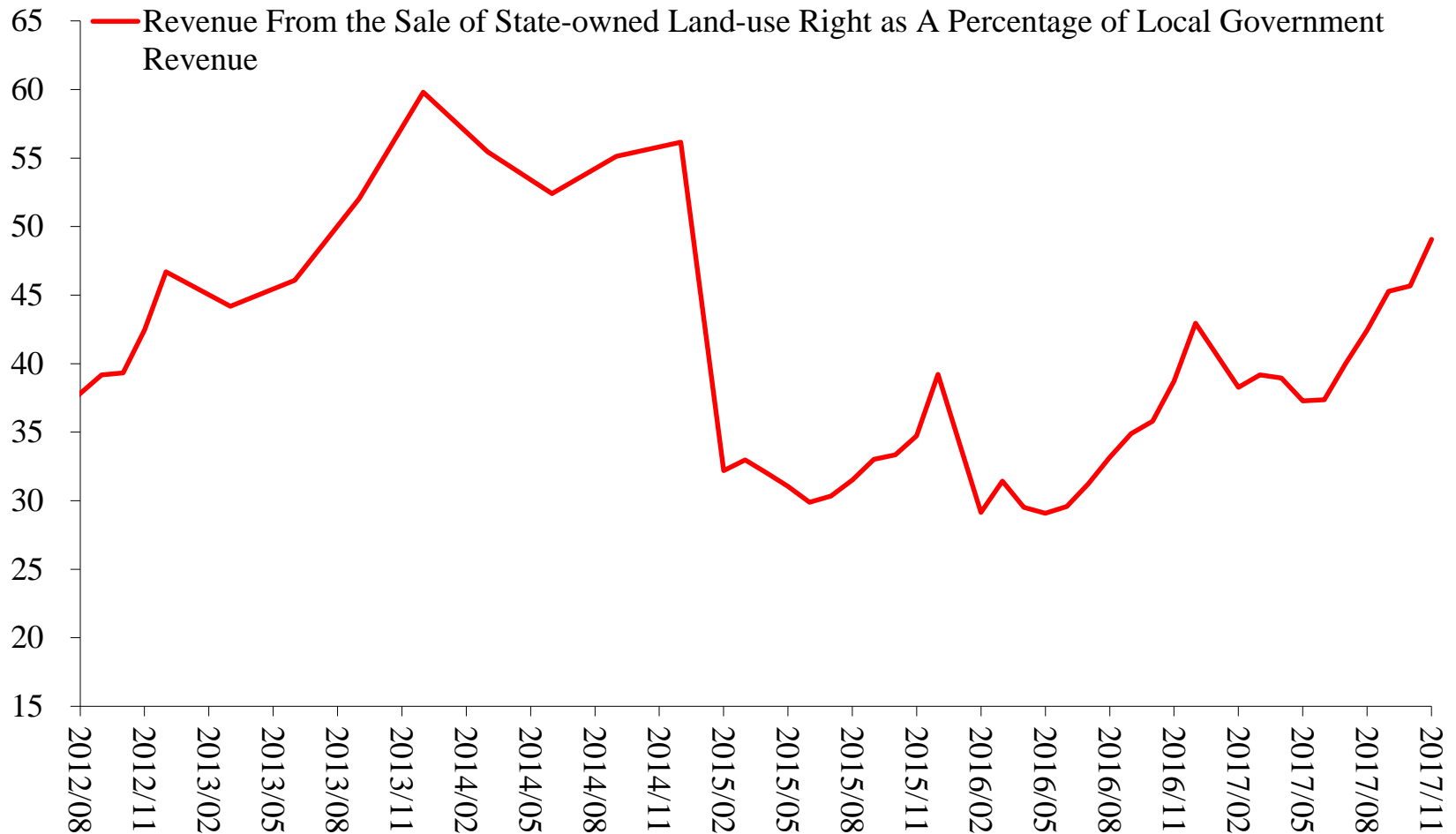
Source: CEIC, Essence Securities

Floor Space Growth of New Starts Minus Floor Space Growth of Sales in Tier 3,4 Cities, %



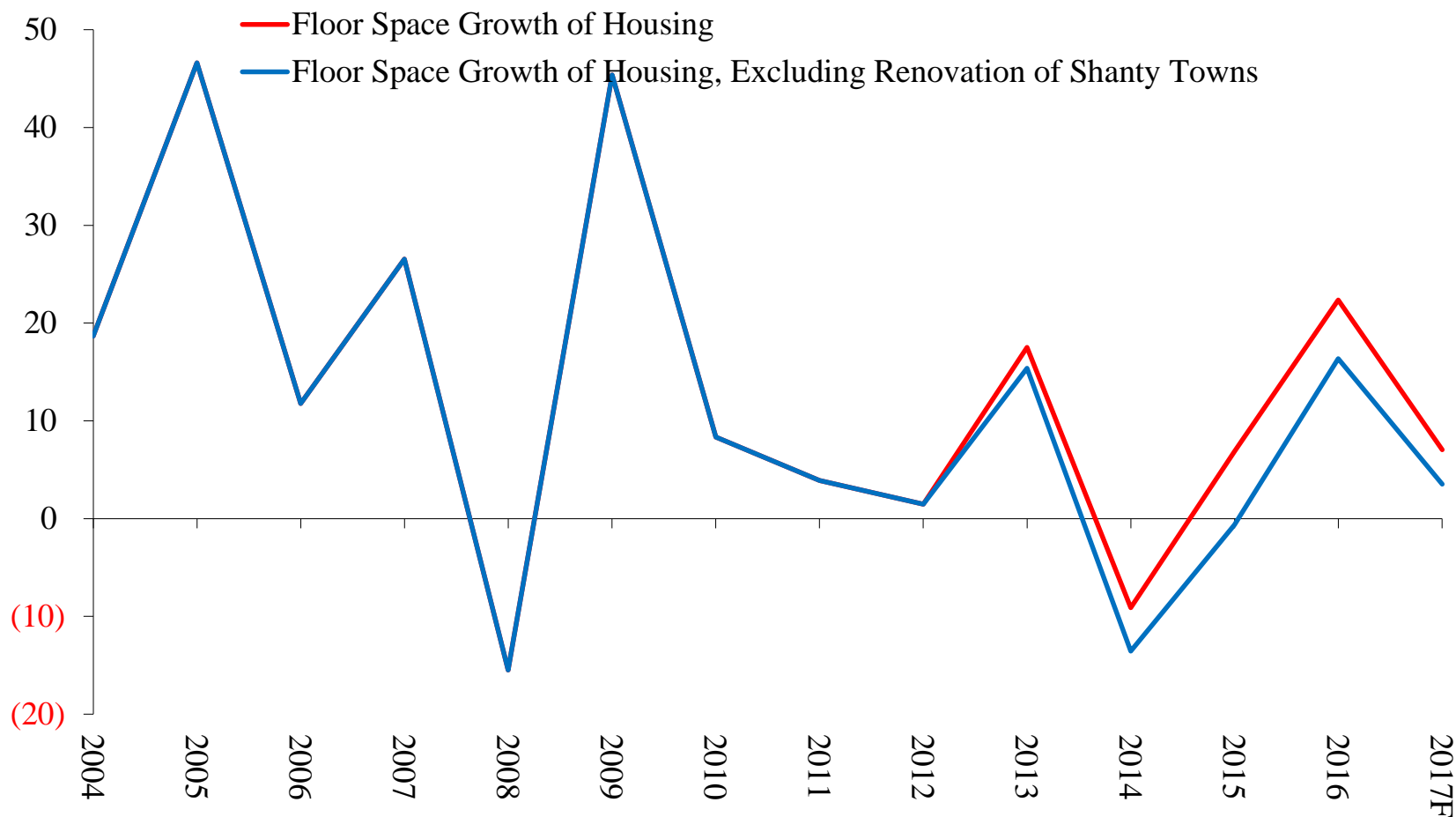
Source: CEIC, Essence Securities

Revenue From the Sale of State-owned Land-use Right as A Percentage of Local Government Revenue, %



Source: CEIC, Essence Securities

Floor Space Growth of Housing, YOY %



Source: CEIC, Essence Securities

Thanks !