



## **China to advance efforts to implement proactive fiscal policy**

(Xinhua) -- China will intensify macro regulation and step up efforts to effectively implement a proactive fiscal policy, according to a report from the State Council.

The report on the budget execution so far this year was submitted to the fifth session of the Standing Committee of the 14th National People's Congress, China's top legislature, for deliberation on Monday.

Since the beginning of the year, the country's financial reform and development have been solidly pushed forward, the overall finance operation has been stable, and the budget has been well executed, according to the report.

In the next step, China will focus on expanding domestic demand, boosting confidence, preventing risks, and pushing for the continuous improvement of economic performance, endogenous driving forces, and social expectations, Finance Minister Liu Kun said when delivering the report.

Efforts will be made to strengthen and optimize the real economy, effectively safeguard and improve people's livelihoods, and prevent and defuse local government debt risks, according to the report.

### **我国将加力提效实施好积极的财政政策**

(新华社) -- 国务院一份报告指出，中国政府将加大宏观政策调控力度，加力提效实施好积极的财政政策。

国务院关于今年以来预算执行情况的报告 28 日提请十四届全国人大常委会第五次会议审议。

报告指出，今年以来，财政改革发展各项工作扎实推进，财政运行总体平稳，预算执

行情况较好。

财政部部长刘昆作上述报告时表示，下一步，中国将着力扩大内需、提振信心、防范风险，不断推动经济运行持续好转、内生动力持续增强、社会预期持续改善。

报告提出，下一步财政重点工作安排还包括支持做强做优实体经济、切实保障和改善民生、防范化解地方政府债务风险。



## **Iron Ore's Unexpected Rally Shows Pockets of China Strength**

(Bloomberg) -- The one commodity that should be getting hammered by China's worsening property crisis is actually doing rather well.

Iron ore climbed to its highest in a month last week after a rally that has defied deepening gloom over China's debt-laden economy. Prices have largely kept above the key \$100-a-ton threshold this year despite waves of worrying news from the real estate sector, which in more normal years makes up about 40% of demand.

The absence of a price crash or devastating slump in steel demand illustrates how pockets of China's economy are holding up despite the negative headlines. There are still plenty of risks ahead for iron ore, not least the prospect of a prolonged slump in the property sector. But relatively robust prices offer a counterpoint to the prevailing bearish mood across Chinese markets.

“Iron ore is still very resilient for an environment like this, and I think Chinese demand is playing a role in that,” said Hao Hong, chief economist at Grow Investment Group. It shows parts of the economy, outside the property sector, are relatively healthy, he said.

While the Shanghai Composite Index of stocks fell to its lowest this year last week — prompting government steps to steady the market — iron ore futures rose to as high as \$114 a ton. In the last major slump of 2015-16, prices sank below \$40 a ton, and China’s steel surplus flooded onto the world market, fueling trade tensions.

This doesn’t mean China’s economy will escape a marked slowdown in growth, or that iron ore prices will continue at these levels. Property construction is falling, especially in less-developed inland cities. And President Xi Jinping’s government is holding off on the large-scale stimulus, including infrastructure spending, that has typically lifted steel consumption during previous episodes of economic stress.

### **铁矿石价格意外上涨 显示中国部分经济部门依然强劲**

(彭博) -- 一种本应受到中国日益恶化的房地产危机打击的大宗商品实际上表现相当不错。

尽管市场对负债累累的中国经济的忧虑情绪深化，铁矿石价格上周攀升至一个月来的最高点。虽然房地产市场传出一连串令人担忧的消息，但铁矿石价格今年基本保持在每吨 100 美元的关键门槛之上。在更正常的年份，房地产市场约占铁矿石需求的 40% 左右。

铁矿石价格没有出现暴跌或钢铁需求出席灾难性的下滑，这说明尽管有负面消息，但中国部分经济仍保持坚挺。铁矿石未来仍面临很多风险，尤其是房地产行业长期下滑的前景。但铁矿石相对强劲的价格与普遍看跌中国市场的情绪形成了鲜明对比。

思睿集团首席经济学家洪灏说：“在这样的环境下铁矿石仍然表现得非常有韧性，我认为中国的需求在其中发挥了作用”。他表示这表明除了房地产行业之外，部分经济部门相对健康。

虽然上证综指上周跌至今年以来的最低水平，促使政府采取措施稳定市场，但铁矿石期货价格一度升至每吨 114 美元。在上次 2015-16 年的大跌中，铁矿石价格跌破每吨 40 美元，当时中国钢铁过剩，涌入全球市场加剧了贸易紧张局势。

但这并不意味着中国经济将躲过增长的显著下降，也不意味着铁矿石价格将会持续保持这个水平。房地产建设在萎缩，特别是欠发达的内陆城市。中国政府并没有推出大规模的刺激政策，包括在过去面临经济压力的时期常用于提升钢铁消费的基础设施支出。



Credit to: Bloomberg

## China Banks to Cut Mortgage, Deposit Rates in Stimulus Bid

(Bloomberg) -- China's largest banks are preparing to cut interest rates on existing mortgages and deposits, the latest state-directed measures to shore up growth in the world's second-largest economy.

The big state-owned lenders are working on reducing rates on the majority of the nation's 38.6 trillion yuan (\$5.3 trillion) of outstanding mortgages, according to people familiar with the matter. The reductions will only affect loans on first homes, two of the people said.

Lenders such as Industrial & Commercial Bank of China Ltd. and China Construction Bank Corp. are also poised to cut deposit rates later this week for the third time in a year, people familiar said.

The moves are part of a targeted push by Beijing to spur consumer spending, drive more funds into the stock market and alleviate pressure on lenders' profit margins.

### 中国据悉将指导商业银行下调存量住房贷款利率 助力稳定市场提振需求

(彭博) -- 中国大型银行据悉计划针对存量住房贷款开始降息行动。这将是世界第二大经济体最新推出的国家指导性经济增长刺激措施。

知情人士称，此番降息对象主要是 38.6 万亿元人民币（5.3 万亿美元）的存量住房贷

款。其中两位知情人士表示，降息将仅适用于首套住房按揭贷款。

据知情人士透露，包括中国工商银行和中国建设银行在内的商业银行或在本周后期进行一年内第三次存款利率的下调。

该举措是作为中国政府为刺激消费支出、吸引更多资本进入股市以及减缓银行利润压力所推出的一系列措施之一。

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