

## China's economy showed growth in the first quarter

The latest report by Cheng Shi, Chief Economist, Managing Director, Research Director of ICBC International and Qian Zhijun, a senior economist, points out that in the first quarter of 2019, China's economy will have a "good start" after domestic and foreign troubles in 2018. A timely "good start" is expected to bring about a change in China's economy. In the future, the consumption demand of residents is expected to warm moderately and become a "steady growth". New help.

Based on the hesitant posture of global recovery and the comparative advantages of China's economic fundamentals, the central bank's monetary policy is expected to further optimize the policy rhythm while maintaining the "steady growth" direction, and balance short-term growth and long-term reform.

Overall, thanks to the "red door" leading role, the internal and external pressures of China's economy are accelerating to ease. In 2019, China's economic growth will run at a high probability on the regional track, and the pace of economic "quality" is expected to be stable and far-reaching.

The following is the full report:

"A good beginning is half done." In the first quarter of 2019, China's economy has witnessed a "red opening" after the year of 2018, which witnessed both domestic and foreign troubles. Statistics from the National Bureau of Statistics show that China's economy grew at a rate of 6.4% in the first quarter, unchanged from the fourth quarter of last year, showing more resilience than expected.

We believe that the timely "opening red" is expected to bring three major changes to China's economy. First, based on the "wealth effect" of the stock market boom from the beginning of 2019 to the present, the future consumer demand is expected to warm up moderately and become a new driving force for "steady growth". Second, local inflationary pressures are gradually emerging, and CPI growth rate is expected to show a "rise-fall-stability" trend in the next three quarters. PPI growth rate is expected to rise slightly from the trough year-on-year, and accelerate the building of bottom and stabilization of corporate profits.