

# China COVID-19 Tracker

## Case resurgence

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Economics - China

- ◆ Daily cases rose to above 2,000 again after two months; the resurgence appears to be broad-based this time
- ◆ Restrictive measures have ramped up in major cities; Guangdong is under pressure
- ◆ PMI data slipped into contractionary territory, suggesting a pullback in the recovery

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**Daily new cases surpassed 2,000 again after two months.** China recorded 2,719 new local cases on 31 October (local confirmed cases and local asymptomatic cases), doubling the number of daily cases from a week ago. Guangdong (700), Xinjiang (403), Fujian (205), Heilongjiang (189) and Inner Mongolia (165) had the highest numbers, dominated by asymptomatic cases. As of 31 October, 2,706 areas nationwide were labelled “high risk” and 2,044 “medium risk”, both up from a week earlier ([China COVID-19 Tracker](#), 26 October). High risk areas are subject to more stringent restrictions. As of 31 October, among Tier-1 cities, Guangzhou and Shenzhen had 53 and 16 high risk areas, respectively. Beijing had nine high risk areas. Shanghai had zero high risk areas, but put 15 areas in the medium risk category.

**Policy remained strict amid rising infections.** Some of the provincial capitals including Zhengzhou (Henan), Wuhan (Hubei), Xining (Qinghai), Fuzhou (Fujian), Nanjing (Jiangsu) and Lanzhou (Gansu) saw cases rebound, resulting in targeted lockdowns and mass testing over the past week (Mingpao, 30 October). In Zhengzhou, some Foxconn workers reportedly had to walk back to their hometowns amid an uptick infections found in the factory, sparking concerns on the so-called “closed-loop” management system (Global Times, 30 October). As of 31 October, Zhengzhou had reported 95 new cases, accounting for the majority of new cases in Henan province (Yicai, 31 October). In China’s four Tier-1 cities, containment measures were also stepped up. Guangzhou is currently affected the most with some areas entering a fourth week of restrictions. Haizhu district is the epicentre of the city’s recent COVID-19 resurgence. While most new cases were found among those under centralized quarantine, tightening restrictions across the city may continue for a while. In Shenzhen, infections also picked up. The city now has 16 high risk areas and continues to implement frequent PCR testing. Beijing reopened the Universal Studios theme park on 31 October, after closing it down for five days. On the same day, Shanghai suspended Disneyland’s operations to comply with local COVID-19 requirements, for the second time this year (Reuters, 31 October).

**Domestic activity weakened.** In October, China’s NBS PMI saw a broad-based pullback as both manufacturing and non-manufacturing PMI fell into contractionary territory following a modest expansion in September. The October Caixin manufacturing PMI also stood below the 50 threshold, suggesting that factory activity has been weighed down by softening global demand. Stringent containment measures amid the COVID-19 flare-ups nationwide may have been a drag on the rebound of domestic activity in the near term too.

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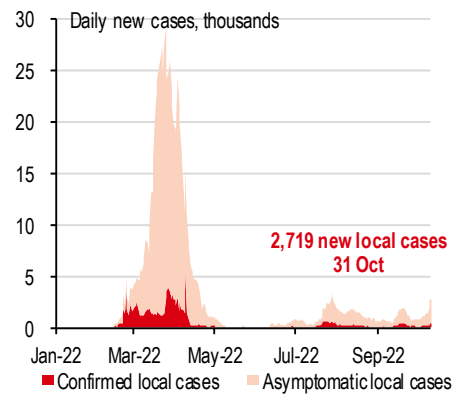
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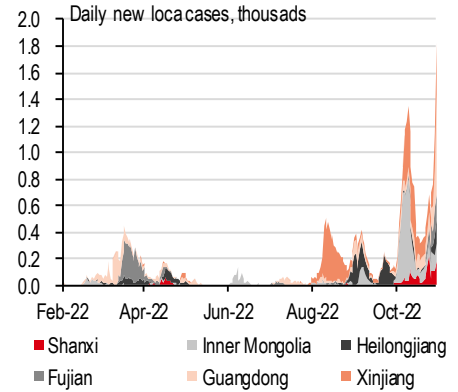
## COVID-19 cases and vaccinations

**Chart 1: Daily new cases picked up to over 2,000 again in the past two days**



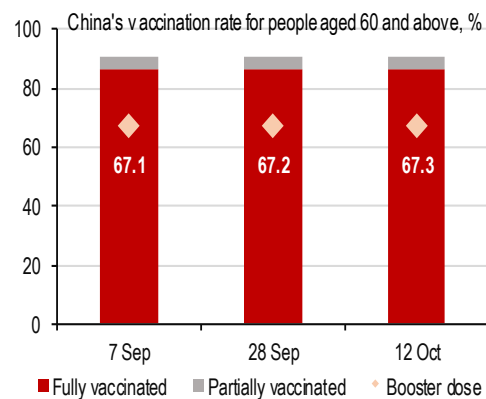
Source: CEIC, HSBC

**Chart 2: Guangdong, Xinjiang and Inner Mongolia are the major epicentres**



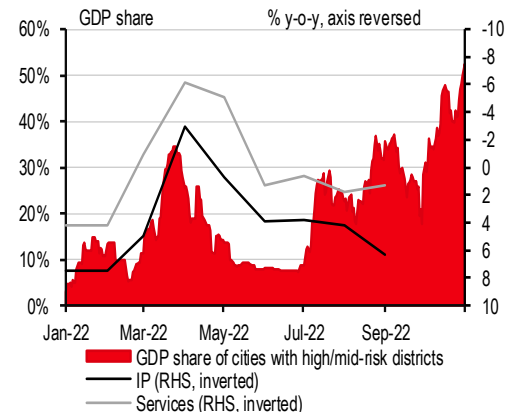
Source: CEIC, HSBC

**Chart 3: Vaccination rates for the elderly have increased gradually**



Source: National Health Commission, HSBC

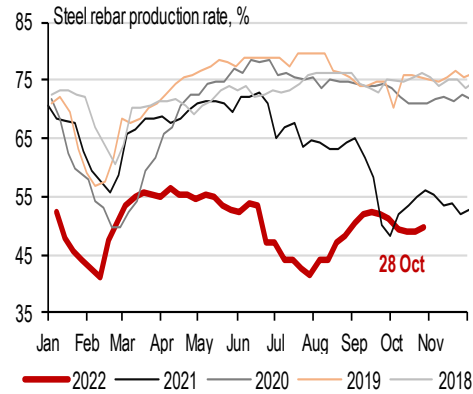
**Chart 4: COVID-19 restrictions increased last week**



Note: Data ends 31 October 2022.  
Source: Wind, CEIC, HSBC estimate

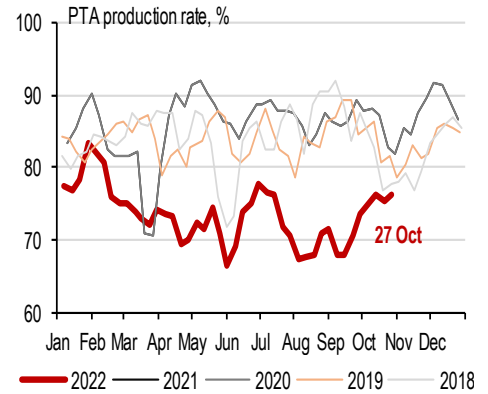
## Economic activity

**Chart 5: The steel rebar production rate stabilized...**



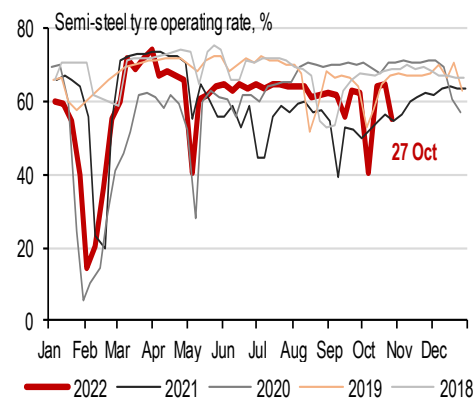
Source: Wind, HSBC

**Chart 6: ...so did the production rate in the chemical sector**



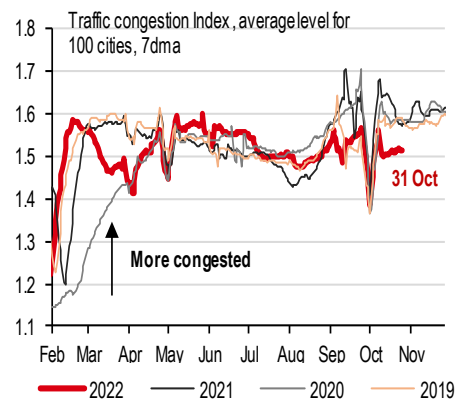
PTA = Pure Terephthalic Acid, a key chemical product.  
 Source: Wind, HSBC

**Chart 7: The semi-steel operating rate dropped again**



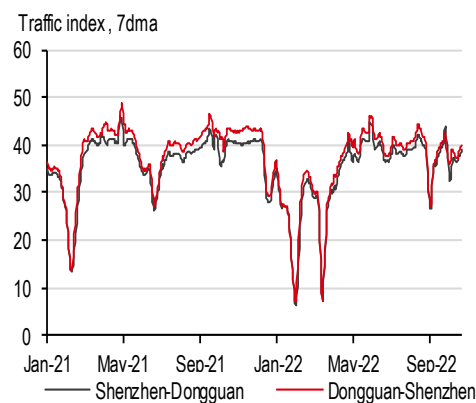
Note: Semi-steel tyres are key components for the production of automobiles.  
 Source: Wind, HSBC

**Chart 8: The national average level of traffic turned up moderately**



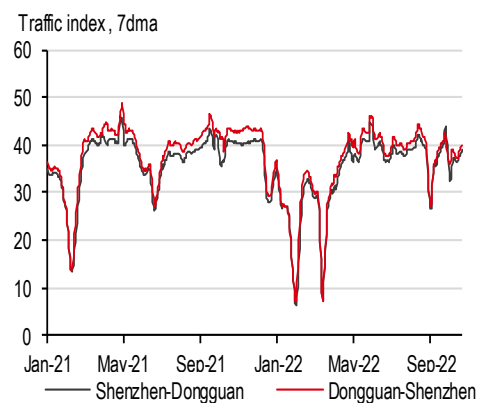
Source: Wind, HSBC

**Chart 9: Traffic between Shenzhen and Dongguan picked up...**



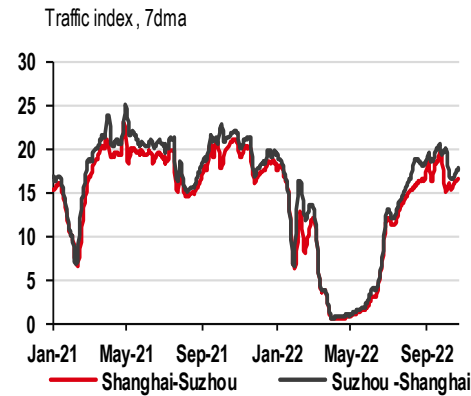
Source: CEIC, HSBC

**Chart 10: ...as did traffic between Guangzhou and Foshan**



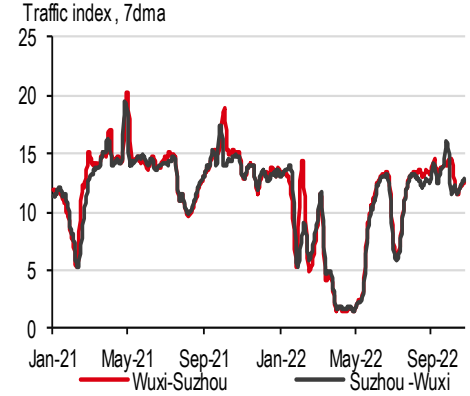
Source: CEIC, HSBC

**Chart 11: Traffic between Shanghai and Suzhou ticked up...**



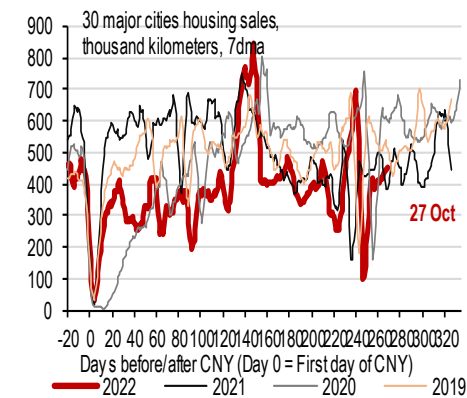
Source: CEIC, HSBC

**Chart 12: ...and so did the traffic between Wuxi and Suzhou**



Source: CEIC, HSBC

**Chart 13: Housing sales in 30 major cities edged up in the past week**



Source: Wind, HSBC

**Chart 14: Housing sales in Tier-1 cities stabilized after the rebound...**



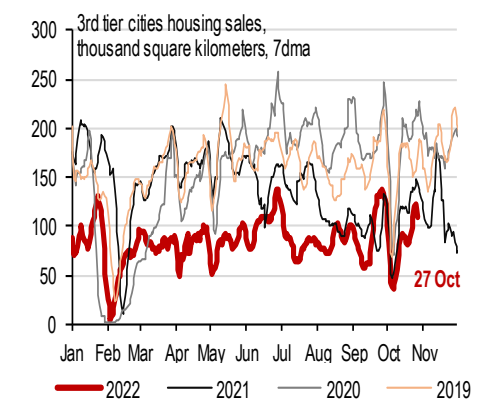
Source: Wind, HSBC

**Chart 15: ...and so did Tier-2 cities' housing sales...**

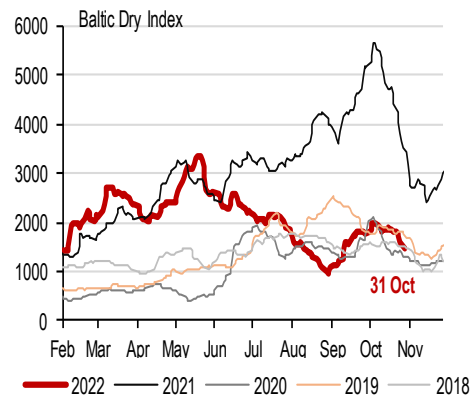


Source: Wind, HSBC

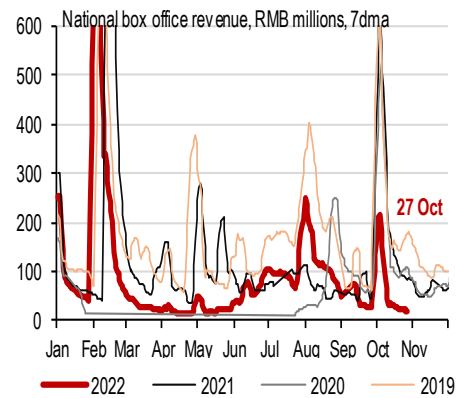
**Chart 16: ...while Tier-3 cities' housing sales eased somewhat**



Source: Wind, HSBC

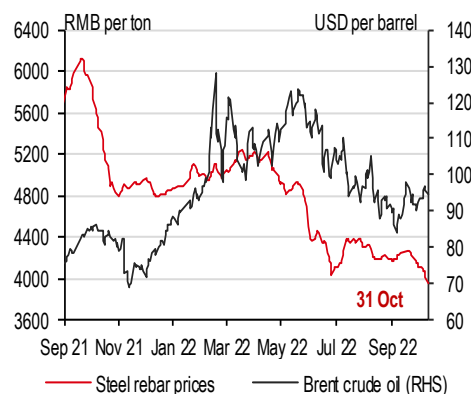
**Chart 17: The Baltic Dry Index eased further**


Source: Wind, HSBC

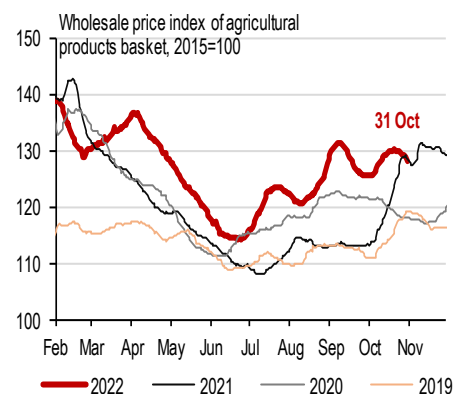
**Chart 18: Box office revenue remained weak amid COVID-19 flare-ups**


Source: Wind, HSBC

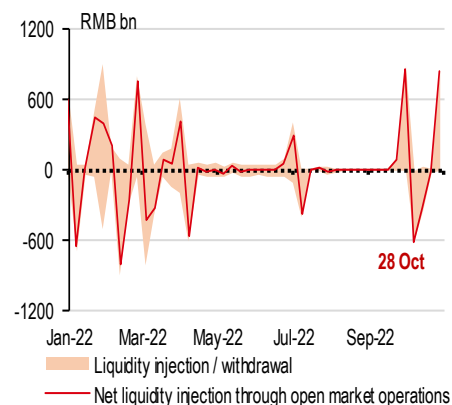
## Inflation and policies

**Chart 19: Oil prices picked up moderately, while steel rebar prices eased further**


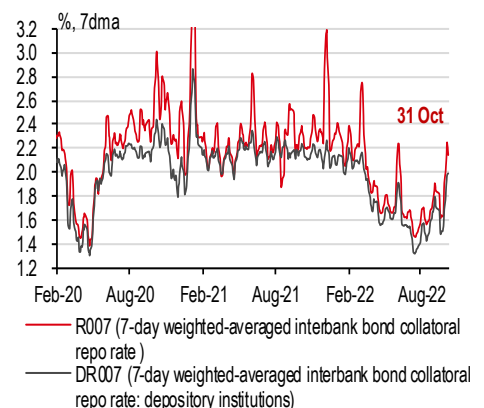
Source: Wind, HSBC

**Chart 20: Agricultural product prices came down**


Source: Wind, HSBC

**Chart 21: PBOC injected RMB840bn of liquidity through OMOs**


Source: Wind, HSBC

**Chart 22: Interbank rates picked up towards end of the month**


Source: Wind, HSBC

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