

Decline in China's Electricity Consumption Growth

Recently released data from the National Energy Administration shows that Chinese electricity consumption grew year-on-year in July by 2.7%. This marks a large decline from the 5.5% growth seen in June. Through the first seven months of this year, electricity consumption has grown year-on-year by 4.6%. In comparison, during all of 2018 electricity consumption grew year-on-year by 8.5%. As we have continued to highlight in our research, electricity consumption (and production) data continues to add to the confirmation that China's economy has been undergoing a significant slowdown this year. The last time that electricity consumption grew by only 5% or less was back in 2016. 2015 saw consumption grow year-on-year by a very disturbing 0.5%, and as we examined extensively in 2015/2016, in our opinion the Chinese economy during that period was undergoing a recession of sorts. July's most recent decline in growth to 2.7% is worrisome, and if low growth is sustained then this will likely be a strong indicator of sustained distress in the overall economy.

Jeffrey Landsberg | Managing Director
[Commodore Research & Consultancy](#)

Commodore Research & Consultancy is a full-service consultancy that publishes weekly reports and provides analysis on the dry bulk market and China. Analysis in this commentary should not be considered investment recommendations. Careful attention is made to ensure that all data and information used is accurate. Commodore Research & Consultancy will not be held accountable for any direct or indirect errors. This commentary is prepared for informational purposes. Commodore Research & Consulting is not affiliated with Breakwave Advisors LLC, ETF Managers Group LLC or ETFMG Financial LLC (the "non-affiliated companies"). The non-affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by any investor on the basis of this commentary. In no event will the non-affiliated companies be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this commentary. Commodore Research & Consultancy receives a fee for the preparation of this commentary.