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Ongoing Climb in Chinese Lending Growth

Chinese banks issued 1.48 trillion yuan in new loans in May, which marks a month-on-month decline of 220 billion yuan (-13%) but a year-on-year increase of 300 billion yuan (25%). The first five months of this year have seen lending grow year-on-year by 28%. This marks a significant shift from last year, as lending last year grew year-on-year by only 4%. Overall, robust new lending growth remains a very positive development for China's overall economic growth prospects and the dry bulk shipping market, as does the fact that outstanding loan growth also continues to climb. Outstanding loan growth in May came in at 13.2%, which marks a third straight increase and marks the largest growth level seen since May 2019. It is bullish that the Chinese government is no longer extremely concerned about debt levels and instead is much more focused on supporting the economy.

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