


China's Shifting Economic Landscape

March 2026







This series of research papers will combine technical and macroeconomic analysis of Chinese markets, with deep insights into China's macro policy and sectoral trends, alongside expertise in market execution, trend analysis, and tactical investment strategies, with a data-driven approach to investing in China.

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Executive Summary

Two Sessions: China's Two Sessions point to cautious growth, with exports and innovation driving the economy.

Geopolitical Insulation: China is largely insulated from Middle East tensions, supported by strong oil reserves and policy flexibility.

OpenClaw Frenzy: OpenClaw's rapid rise highlights task-driven AI adoption, boosting markets while raising regulatory concerns.

Aerospace Expansion: China's aerospace sector is gaining momentum as geopolitics and deadlines drive LEO expansion.

The Name Behind Global Sports Brands: Anta is emerging as the hidden force behind a growing portfolio of global sports brands.

Our Experts Behind the Research



Shiyin Li | Portfolio Manager, Picard Angst AG | Macro & Sector Analysis

Shiyin Li is a CFA Charter holder with extensive expertise in China's macroeconomic policy. With a strong background in equity research and asset management across Switzerland and China, Shiyin brings a deep understanding of the country's evolving economic landscape and investment opportunities.

Holding a Master's degree in Banking & Finance from the University of Zurich, Shiyin specializes in identifying key growth drivers and structural trends shaping China's future, offering valuable insights for investors navigating this dynamic market.



Ashley Clarke | Execution & Advisory, Picard Angst MEA | Technical Market Outlook

Ashley Clarke has over a decade of experience in European Equity Derivatives and market execution, with a strong focus on institutional trading and advisory. Prior to joining Picard Angst, Ashley worked at TP ICAP London, specializing in market structure, risk management, and execution strategies for institutional clients.

With expertise in long-term trend cycles, price structure analysis, and tactical entry strategies, Ashley provides a data-driven approach to navigating complex market environments. His insights contribute to identifying key opportunities and risks within China's evolving financial landscape.

Macro Analysis





高登

航慈

十年白

福里源

Two Sessions Signal Targeted Growth Support

The annual “Two Sessions,” held in March, serve as China’s most important policy-setting meetings, outlining key economic targets and strategic priorities for the year ahead. This year, the GDP growth target was set at 4.5%-5%, the lowest since 1991, reflecting a more cautious policy stance. With the property sector remaining weak, traditional infrastructure-led stimulus is becoming less effective, while consumption recovery has been slower than expected despite policy support. In contrast, exports have remained resilient—even amid rising tariff risks—suggesting that external demand may remain a key growth driver in the near term. On the industrial side, policy-makers continue to prioritize structural upgrading, with a focus on AI, the low-altitude economy, and six strategic emerging industries, including semiconductors, aerospace, biomedicine, new energy storage, and intelligent robotics. Overall, the policy remains supportive but increasingly targeted toward supply-side innovation and export competitiveness.

Number of Mentions in Government Work Report



Full Proposal Link: <https://english.news.cn/20260313/4cff2ae709bb4fa69f19242587a60b66/c.html>

Source: Xinhua

Limited Impact from Middle East Tensions Amid Strong Energy Buffers

China's Cumulative Oil Imports with YOY Change



The impact of the current Middle East tensions on China is likely to remain limited, supported by its strong energy security buffers and policy flexibility. As the world's largest crude oil importer, China sources around 12% of its supply from Iran, with most volumes absorbed by independent "teapot" refiners. While disruptions in the Strait of Hormuz pose risks to global supply, China's substantial strategic reserves equivalent to roughly four months of imports help mitigate near-term shocks. In addition, China's deflationary backdrop provides greater tolerance for rising oil prices compared to Western economies facing inflationary pressures. That said, some vulnerabilities remain, particularly for teapot refiners reliant on discounted heavy crude from Iran and Venezuela. Overall, despite its role as a key buyer of sanctioned oil, China has little urgency to intervene and is likely to maintain a neutral and pragmatic stance.

Source: China Customs

Sector Analysis

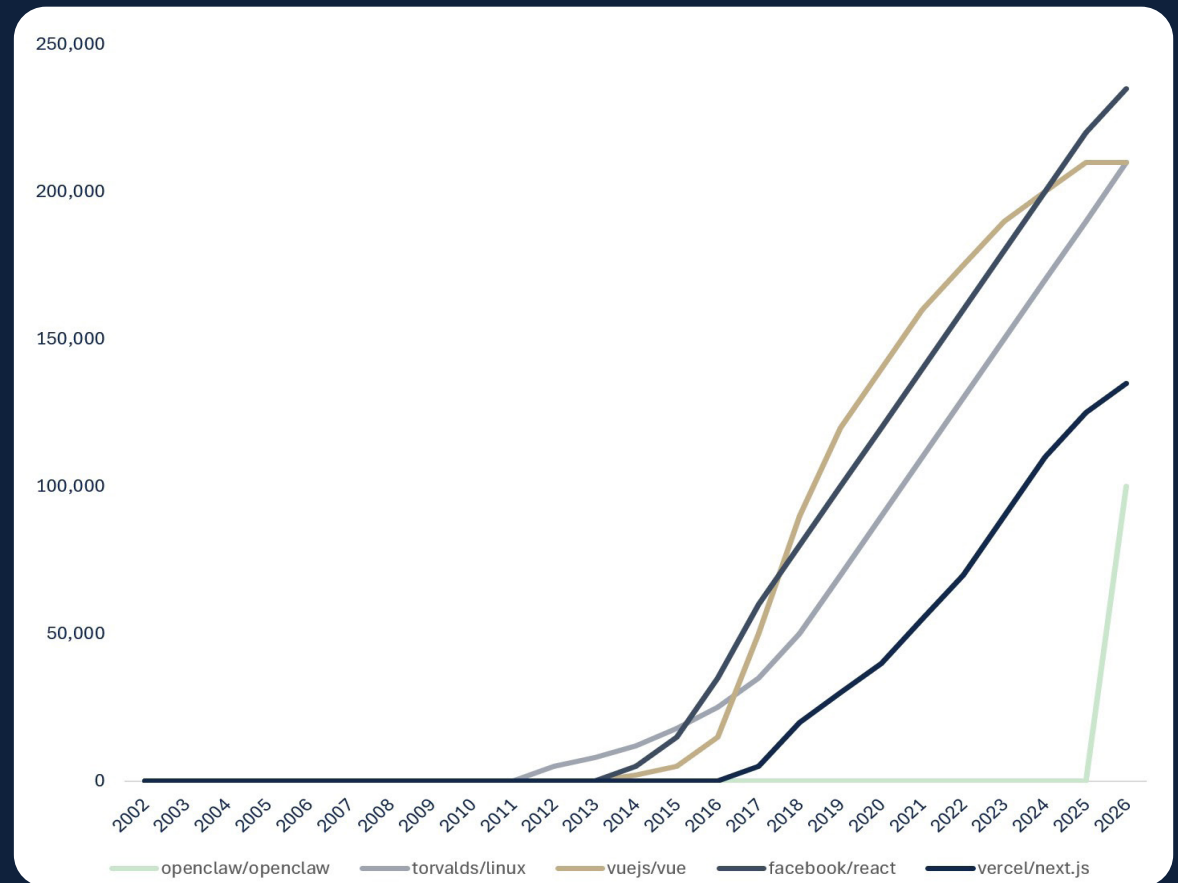




OpenClaw Boosts AI Stocks, Raises Concerns

OpenClaw, described as the “next ChatGPT” by Nvidia CEO, marks an important step forward for open-source AI agents, shifting the focus from answering questions to executing tasks. Since its launch in November, it has become one of the fastest-growing projects in GitHub’s history. While being adopted globally, China has moved particularly quickly to integrate the tool into its digital ecosystem, positioning it as a form of productivity infrastructure. This rapid uptake is supported by China’s “super app” ecosystem and strong policy emphasis on AI development. The strong market interest has also lifted share prices of related AI companies, but has also prompted regulatory attention, with authorities raising concerns around security, reliability, and potential misuse.

Github Projects Download



Source: Github

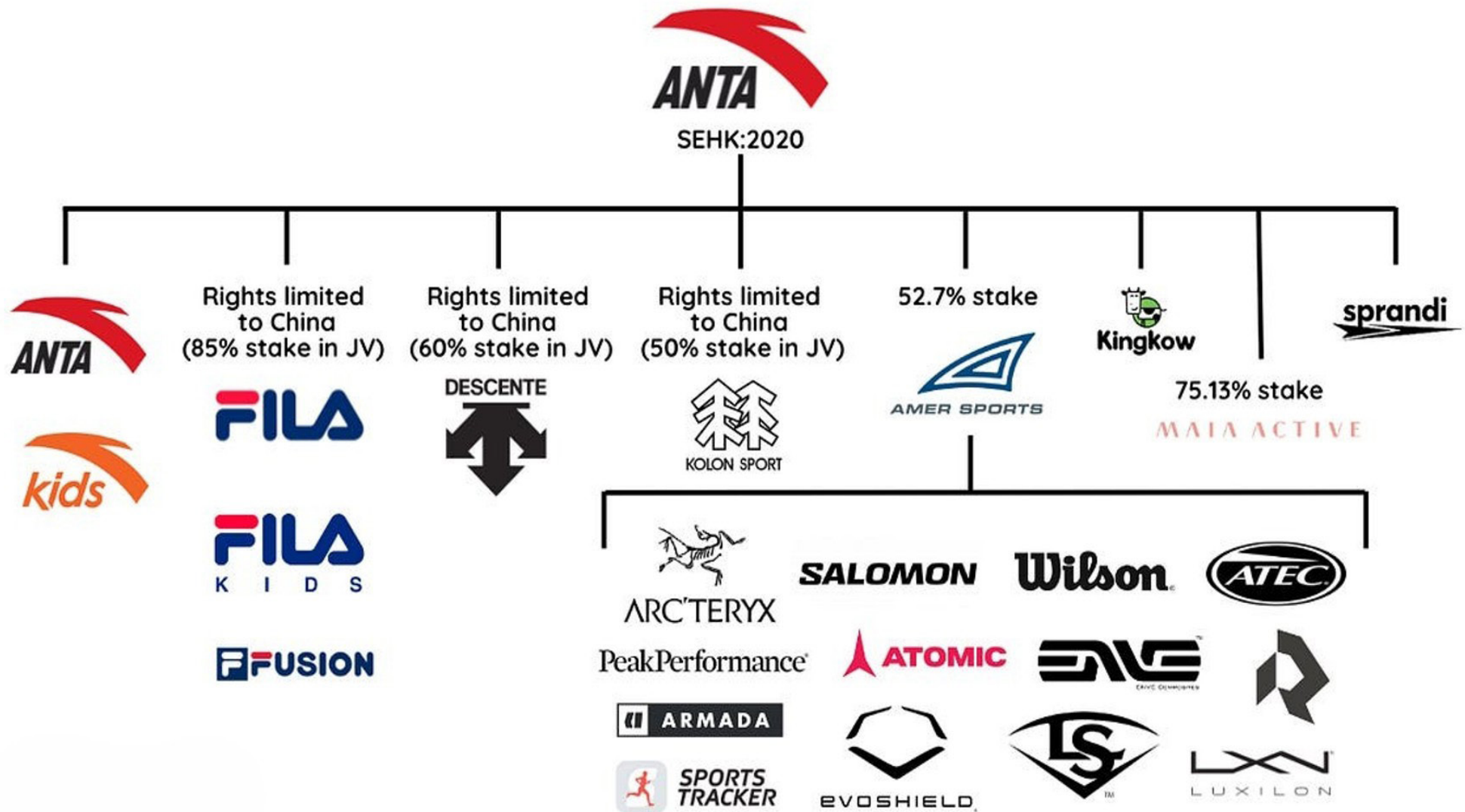
LEO Race Accelerates Under Geopolitical Pressure

China's aerospace and defence sector has outperformed recently, driven by geopolitical tailwinds, intensifying competition in low-earth orbit (LEO), and strong policy support. A key catalyst is the ITU's seven-year deployment deadline for satellite projects, with major milestones approaching in 2026. This has accelerated technological progress and enabled batch satellite production. As geopolitical tensions rise, securing LEO capacity is increasingly viewed as a national security priority rather than purely a commercial objective, especially with SpaceX accounting for around two-thirds of active satellites. Against this backdrop, scaling up launch capacity and reducing costs will be critical, not only to meet deployment timelines but also to support longer-term commercial viability.

China Aerospace Index Draw Investor Interest



Source: Bloomberg



Anta: From Local Brand to Global Platform

After acquiring a 29% stake in Puma, Anta is evolving from a domestic brand into a “hidden champion” behind a portfolio of globally recognized names. This reflects a clear M&A strategy-targeting brands with strong heritage but cyclical weakness-supported by Anta’s capital strength and deep understanding of the China market. Crucially, post-acquisition value creation comes from improving operational efficiency (retail expansion, supply chain optimization) while preserving each brand’s identity, enabling a scalable multi-brand platform with limited internal overlap. Looking ahead, as globalization accelerates and synergies build, Anta is well positioned to transition from a China-centric operator to a globally integrated sportswear group, with further overseas expansion and acquisitions likely to remain key growth drivers.

Technical Analysis





CSI 300 Index - Medium Term Technical Analysis (MTF T.A.)



1. As highlighted in the previous update, a potential upward-sloping trendline is forming beneath current price action, which would be further validated by a third touch in the event of a slightly deeper pullback. With price already retracing approximately 7% from the last medium timeframe significant high on January 13th, alongside ongoing global geopolitical uncertainty, this support zone may be approaching quickly.
2. Both the 50-day and 200-day EMAs continue to be well respected by price action, consistently acting as dynamic support and resistance on an intraday basis. Price is currently finding some support at the 200-day EMA, however, it's worth noting that this level was briefly breached on March 20th the first time in nearly a year. Holding above the 200-day EMA in the near term is key for bulls. A sustained move below this level would likely open the door for a deeper retracement.
3. In my previous update, I noted that the Anchored Volume-Weighted Average Price (aVWAP) from the April 7th sell-off low remained untapped due to the sharp nature of the move higher, highlighting it as a potential area of support in the event of a deeper retracement. This has now played out as anticipated, with price bouncing to almost the exact CNY and producing a notable bounce. However, while the initial reaction has been constructive, further follow-through is needed to confirm strength and support a more sustained move higher.
4. The 08th October, 2024 yearly high, which also marked October monthly open following the Chinese national holiday and elicited a sharp bearish reaction, I noted in the last update that this level had recently acted as support, producing a bounce. This level once again is now providing confluence with the 200-day EMA, aligning almost perfectly in CNY terms, and continues to act as a support zone.
5. See local Fibonacci pull has been applied from the most significant low to the recent high. Given the current bullish market structure, this high may still evolve, but I've included it here as a reference point for potential levels of support in today's trading snapshot.
6. The 4,000 CNY psychological level, as noted in previous updates, produced multiple rejections, keeping price capped for nine months before finally breaking out. Again, as previously mentioned would now expect this level to flip into strong support. It is also in confluence with the local 0.618 Fibonacci retracement, further reinforcing this zone as a highly significant area of support and increasing confidence in its strength.
7. As highlighted in the previous update, price initially rejected from the 0.5 Fibonacci retracement at 4,519 CNY, drawn from the all-time high to the January 2024 low (see HTF CSI 300 T.A.), a level that has repeatedly elicited notable reactions and acted as support on multiple occasions. However, more recently, price has broken through this level and it is now acting as resistance once again a development that is less supportive for the bullish case in the near term.

CSI 300 Index - Higher Term Technical Analysis (HTF T.A.)



1. In previous updates, we highlighted that since August 2009 the CSI 300 has shown a recurring pattern, with bear cycles (c.1350 days) lasting roughly twice as long as bull cycles (c.750 days). This cyclical rhythm appears to be continuing, with the market still in a bull phase and price advancing approximately c. +40% since the low put in on 26th August 2024. The underlying theme remains intact and continues to demonstrate relevance.
2. CSI 300's previous bear market began in the post-COVID period of 2021 and extended until September 2024. Based on the cyclical pattern, the current bull phase could potentially run through to September 2026.
3. Long-term upward trend-line (lower bound of flag) to be aware of if we do see a deeper retracement.
4. Price continues to trade within the multi-year flag formation outlined in previous updates. In the last note, we highlighted a failed attempt to break through the upper boundary, while also noting that a retest was likely in the near term. Since then, price did manage to break above the range; however, it once again failed to find acceptance at higher levels, slipping back into the formation. A sustained breakout, followed by acceptance above this upper boundary, would likely act as a catalyst for a strong, momentum-driven move higher, particularly given the extended period of consolidation.
5. The breakout above the upper trendline initially sparked a strong rally, but fading momentum quickly pulled price back within the flag. Over the following six months, repeated failed attempts to reclaim the upper boundary led to a retreat toward the lower trendline. Now, with price once again rejecting the upper bound, traders should remain cautious of a repeat scenario, where rejection could result in another corrective move lower.
6. In the previous update, price was trading just above the 0.5 Fibonacci retracement level, measured from the all-time high to the January 2024 low. Since then, we've seen a move higher into the 0.618 retracement, the next key resistance level which was highlighted at 4,852 CNY. As anticipated, the initial test of this level triggered a rejection, with price failing to sustain momentum and subsequently pulling back, slipping back below the 0.5 retracement. This resistance zone is further reinforced by confluence from the untapped monthly level at 4,957 CNY, along with the significant 5,000 CNY psychological barrier. As such, any renewed push into this region is likely to face continued and meaningful resistance in the near term.
7. 3000 CNY Long-term support zone breaking below would look extremely bearish and one could expect considerably lower prices.

Hang Seng China Enterprises Index (HSCEI) - Medium Term Technical Analysis (MTF T.A.)



1. Price action continues to trade within the upward-sloping trend channel. Following the break below the channel's midline noted in the previous update, price has since moved to the lower boundary, where a fourth touch produced a bounce last week. We are now testing this level for a fifth time. Today's price action has once again seen a reaction higher from this trendline; however, sustained upside momentum is needed to maintain its validity. A loss of this level could trigger a sharp move to the downside, particularly given the prolonged period of range-bound trading over the past three years.

2. As mentioned in previous reports, all the major price pullbacks over the last 2 years have consistently retraced to the local 0.618 Fibonacci level, reinforcing its relevance as a key area of support. This recurring pattern suggests that market participants are responding to this level, making it a zone worth monitoring in future corrections. Continued respect of the 0.618 retracement may offer valuable entry opportunities and serve as a reference point for risk management in upcoming pullbacks. I have marked the next local Fibonacci pull from the most significant low to the recent high, this high may still evolve, but I've included it here as a reference point for the potential 0.618 level of support in today's trading snapshot. If price does pull back to this level in the near term, it would also align with the midline of the descending price channel, adding further confluence to the area.

3. As highlighted in the previous update, the 0.382 Fibonacci retracement aligned with the 200-day EMA formed a key confluence zone and was identified as a strong candidate for support. This played out as anticipated, with price retracing into the area and delivering a notable bounce of approximately +10%. However, the rally has since failed to gain traction, with price slipping back below the 200-day EMA and encountering a firm rejection on the retest. This reaction is not entirely surprising, given the level's role as a strong support over the past year, which is now acting as resistance.

4. Price continues to trade within the broader downward-sloping trend channel on the higher timeframe. In the previous update, price was undergoing a modest retracement but remained comfortably above the channel's midline. At the time of writing, price is now hovering just above this level. As previously noted, this area aligns with the local 0.618 Fibonacci retracement, reinforcing it as a potentially strong support zone. Should price begin to advance toward the upper boundary once again, that region will serve as a key resistance test. A decisive breakout, followed by sustained acceptance above the upper bound, would mark a meaningful shift in market structure, potentially signaling the exhaustion of the prevailing downtrend and the early stages of a broader trend reversal.

5. Throughout 2025, the 50-day EMA has been consistently respected, acting as a key dynamic support and reinforcing the broader buy-the-dip structure. However, since the October 2025 peak, price has broken below this level on multiple occasions and has struggled to regain sustained acceptance above it. The most recent rejection on March 17th led to a sharp pullback of nearly 8% over the following four trading sessions. Given how reliably the 50-day EMA has functioned as support over an extended period, this shift in behaviour is not unexpected. For the bullish structure to reassert itself, a decisive reclaim of this level remains crucial.

Hang Seng China Enterprises Index (HSCEI) - Higher Timeframe (HTF T.A.)-



1. Price action remained range bound between 8500 HKD (0.236 FIB) and 15000 HKD (0.618 FIB) for c. 12.5 years.
2. HSCEI set 3 lower highs in 2015, 2018 and 2021 when the most recent bear market began.
3. Strong rejection at 15000 HKD level/ 0.618 Fib from the ATH, key zone of resistance to be aware. A sustained move through this area would likely open the way for a retest of the all-time highs. However, several key resistance levels must still be reclaimed before such a scenario becomes viable.
4. Break of long-term support (8500) in 2022 coincided with numerous issues in Chinese real-estate and banking sector as well as the broader sell off seen in tech stocks due to resurgence of inflation and therefore, sustained cheap financing.
5. Price has remained range-bound between 5,000 (key support) level and 8,500, which marks the lower bound of the upper trend channel, for just over 3.5 years. In the previous update, price had reclaimed this level and appeared to be finding acceptance above it. However, this move has not been sustained, with price slipping back into the lower trend channel. A renewed move higher, coupled with sustained acceptance above this area, would be technically significant, and could open the door for a more meaningful upside continuation, potentially targeting the 15,000 HKD level.
6. Strong technical support 5000 HKD range (GFH lows of 2008 & recent 2022/2024 lows). Losing this level with acceptance would look extremely bearish and I would expect significantly lower prices.
7. Price gaining acceptance back into downward sloping trend channel and now above the middle of the channel as previously noted.
8. As outlined in my previous update, the key higher term time frame Fibonacci retracement to monitor is drawn from the February 2021 high to the January 2024 low, which marked the beginning of the current bullish multi-time-frame structure. As discussed extensively in earlier analyses and as I noted in the last quarterly update this was an important area to monitor, the 0.618 retracement level has historically been highly influential on this asset, acting as both support and resistance and serving as a frequent inflection point for pullbacks. In line with this expectation, price has produced multiple weekly rejections directly at this level, with only one weekly close above it and two weekly candles opening and closing almost precisely on the level to the nearest HKD. Since the last update, we've had yet another rejection from this level and again has resulted in another pronounced pullback. This remains the next critical resistance level that must be reclaimed for the higher term timeframe bullish structure to remain intact.

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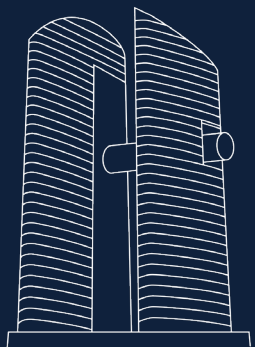
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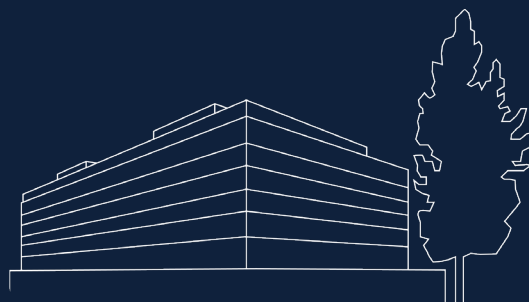
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