

COMMODORE RESEARCH

Chinese Electricity Consumption Perception Changing

So far this year, China's electricity consumption has grown year-on-year by 8.7%. As we have examined many times over the years, Chinese government predictions should never be treated as gospel, and electricity consumption again this year has proven to be no exception. Back in January, the China Electricity Council publicly stated that electricity consumption in 2018 would grow year-on-year by only 5.5%. Last year also saw the China Electricity Council's prediction fall short of actual consumption, and we have routinely called attention to the low forecasts at the time and have been proven right as actual consumption has continued to exceed government's forecasts. Overall, many segments of China's economy continue to face real headwinds, but electricity consumption has stayed strong and has continued to exceed government expectations. New recently, though, is that more bullish forecasts for electricity consumption are being circulated in China that are finally more in line with actual consumption. In particular, China's State Grid Energy Research Institute last week announced that it now expects electricity consumption in 2019 will increase year-on-year by 8.5%. This is a very reasonable forecast.

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.