

THE WEEK AHEAD, 10 APRIL 2026

China is less vulnerable than peers amid Hormuz closure

China appears to be less vulnerable than peers amid the Strait of Hormuz closure, thanks to its low dependence on imported energy, well-diversified energy mix, higher reserve buffers, and a managed-float pricing mechanism to control domestic retail fuel prices.

According to the Chinese government, China's is over 80% energy self-sufficient, with less than 20% of its primary energy consumption met through imports. China is mostly self-sufficient on coal, which constitutes 51.4% of total energy consumption, and derives over 30% of its energy from nuclear and renewables such as hydro, wind and solar. A prolonged closure of the Hormuz is hence not likely to choke-off China's energy supplies.

That said, China's import dependence on crude oil and liquified natural gas (LNG) remain high at 72.8% and

40.4%, respectively. The bright side is that supplies are geographically diversified, with about 45% of crude oil and 32% of LNG imported from the Middle East. Beyond that, China also imports fossil fuels from Russia and many other non-Middle Eastern suppliers such as Malaysia, Angola and Brazil. Overland pipelines from Russia and Central Asia are also utilized to pre-empt the risk of naval blockages.

China's energy reserves are estimated at 140 days for crude oil and 20 days for LNG. Although China's crude oil reserves are not as high as those possessed by Japan (242 days) and South Korea (210 days), they are much higher than many South and Southeast Asian peers which generally have only a month (30 days) of reserves. To prioritize domestic supply, China implemented a temporary ban on exports of refined fuel products

PUBLICATIONS

→ **House View Q2 2026**

Holding the line. Our view of global markets.

→ **European autonomy**

Europe's pursuit of strategic autonomy has become more than a policy ambition, and is now defining economic and political imperative.

→ **Bond investing beyond duration**

Sophisticated methods to improve the information ratio in fixed income.

including gasoline, diesel and jet fuel. This policy has unfortunately impacted regional peers like Bangladesh and the Philippines which are running low on fuel supplies and are keen for imports.



Christiaan Tuntono
Senior Economist,
Asia Pacific

Asia's dependency on Hormuz-7's crude oil and LNG supplies and sizes of inventories

	Hormuz-7 imports out of total crude imports, %	Days of oil inventory	Hormuz-7 imports out of total LNG imports, %	Days of LNG inventory
Australia	5.9	Net exporter	0	Net exporter
China	44.3	140	31.9	20
India	47.2	30	63.7	6
Indonesia	17.7	Net exporter	0.0	Net exporter
Japan	94.1	242	10.8	20
South Korea	69.3	210	20.3	15
Malaysia	69.3	Net exporter	0.0	Net exporter
Philippines	95.2	30	0.0	8
Singapore	52.3	31	24.8	10
Taiwan	70.1	100	34.2	10
Thailand	59.0	35	28.7	20

Note: Hormuz-7 includes Saudi Arabia, Qatar, the United Arab Emirates (UAE), Iraq, Oman, Kuwait and Bahrain. Crude oil and liquified natural gas (LNG) inventories include both government reserves as well as inventory that resides in the private sector.

Sources: Macrobond, Customs data, UN Comtrade, International Energy Agency, Ministry of Energy, EPPO Thailand, ESDM, PPAC, Statistical Review of World Energy, CLSA, Morgan Stanley, AllianzGI Global Economics & Strategy, as of March 2026

China adjusts the ceiling of retail fuel prices every 10 working days to transmit global price movements, but when global crude oil prices rise above US\$80 per barrel state-owned refiners tend to reduce processing margins to slow the rise in retail prices. The government also set up price-cap and price-floor to keep retail fuel prices within a range. When global crude oil prices pierce through US\$130 per barrel, the government will provide direct fiscal subsidies to cap retail fuel prices. Retail fuel prices will be stopped from falling when global crude oil prices drop below US\$40 per barrel, however.

We think China, along with Malaysia (which is a net energy exporter), are relatively better positioned against peers amid the Hormuz closure. These two economies are expected to face less pressure from supply shortages, high inflation, expanded energy import bills and increased fiscal burden vis-à-vis regional peers. We expect less volatility in their equities, rates and currencies which reduces the degree of fiscal and monetary policy responses.

The week ahead

Next week will mainly feature the **U.S.'s** existing home sales, labor market data and economic sentiment indicators. We will also have **Europe's** industrial production and inflation data, along with **China's** gross domestic production (GDP), merchandise trade and macro activity data.

In the **U.S.**, we will have the release of March existing home sales on Monday and the April New York Federal Reserve Manufacturing Survey on Wednesday. Thursday will see the release of Philadelphia Federal Reserve Business Index for April, capacity utilization rate for March and the latest initial jobless claims and continued jobless claims data.

In the **Eurozone**, February industrial production growth will be released on Wednesday, while March consumer price index (CPI) inflation will be released on Thursday. Market is expecting Eurozone's CPI inflation to stay unchanged at 2.5% year-on-year (yoy) in March.

In **China**, March merchandise trade data will be released on Tuesday. Market is expecting merchandise export growth to decelerate to 10% yoy in March from over 39.6% yoy in the prior month. Thursday will release China's first-quarter GDP growth data, along with March macro activity data such as industrial production growth, retail sales growth and fixed asset investment growth. Market is expecting China's first-quarter GDP growth to further improve to 4.7% yoy, from 4.5% yoy in the prior quarter.

Wish you all great returns despite the Hormuz closure.

Yours,
Christiaan Tuntono

UPCOMING POLITICAL EVENTS 2026

13–18 April	US	World Bank Spring meeting
27–28 April	BoJ	Central Bank Meeting
28–29 April	FED	Central Bank Meeting
30 April	EZB	Central Bank Meeting
30 April	BoE	Central Bank Meeting

Calendar Week 16

Monday			Consensus	Previous
JN	Broad Money	Mar	--	2,275.3T
US	Existing Home Sales	Mar	--	4.09M
US	Exist. Home Sales % Chg	Mar	--	1.7%
UK	House Price Rightmove YY	Apr	--	-0.2%
Tuesday				
CN	Exports YY	Mar	8.0%	21.8%
CN	Imports YY	Mar	8.6%	19.8%
CN	Trade Balance USD	Mar	112.00B	213.62B
US	PPI Machine Manuf'ing	Mar	--	195.9
US	PPI Final Demand YY	Mar	--	3.4%
US	PPI exFood/Energy YY	Mar	--	3.9%
Wednesday				
JN	Machinery Orders YY	Feb	--	13.7%
EC	Industrial Production YY	Feb	--	-1.2%
EC	Reserve Assets Total	Mar	--	2,046.00B
US	NY Fed Manufacturing	Apr	--	-0.20
US	Import Prices YY	Mar	--	1.3%
US	NAHB Housing Market Indx	Apr	--	38
Thursday				
CN	Retail Sales YY	Mar	2.4%	2.8%
CN	GDP YY	Q1	4.7%	4.5%
CN	Industrial Production YY	Mar	5.9%	6.3%
CN	Investment in Fixed Assets (Excl. Rural Households) YY	Mar	1.8%	1.8%
UK	GDP Est 3M/3M	Feb	--	0.2%
UK	GDP Estimate YY	Feb	--	0.8%
UK	Services YY	Feb	--	0.9%
UK	Industrial Output YY	Feb	--	0.4%
UK	Manufacturing Output YY	Feb	--	1.3%
UK	Goods Trade Balance GBP	Feb	--	-14.449B
EC	HICP Final YY	Mar	2.5%	2.5%
EC	HICP-X F,E,A&T Final YY	Mar	2.4%	2.3%
US	Initial Jobless Clm	6 Apr, w/e	--	--
US	Cont Jobless Clm	30 Mar, w/e	--	--
US	Philly Fed Business Indx	Apr	--	18.1
US	Capacity Utilization SA	Mar	--	76.3%
JN	Chain Store Sales YY	Mar	--	1.0%
Friday				
EC	Total Trade Balance SA	Feb	--	12.10B

The calendar data for the current week comes directly from LSEG Datastream. They are published in the week in which "The Week Ahead" appears. These are economic data that come from official sources. Where available, the previous figure is collected together with the consensus estimate. The consensus estimate is collected by LSEG Datastream through a survey of analysts and economists. It is the average of all estimates submitted.

If not mentioned otherwise data and information sources are from LSEG Datastream.

Diversification does not guarantee a profit or protect against losses.

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. We assume no obligation to update any forward-looking statement.

Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested. Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.

The views and opinions expressed herein, which are subject to change without notice, are those of the issuer or its affiliated companies at the time of publication. Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.

This material has not been reviewed by any regulatory authorities. In mainland China, it is for Qualified Domestic Institutional Investors scheme pursuant to applicable rules and regulations and is for information purpose only. This document does not constitute a public offer by virtue of Act Number 26.831 of the Argentine Republic and General Resolution No. 622/2013 of the NSC. This communication's sole purpose is to inform and does not under any circumstance constitute promotion or publicity of Allianz Global Investors products and/or services in Colombia or to Colombian residents pursuant to part 4 of Decree 2555 of 2010. This communication does not in any way aim to directly or indirectly initiate the purchase of a product or the provision of a service offered by Allianz Global Investors. Via reception of this document, each resident in Colombia acknowledges and accepts to have contacted Allianz Global Investors via their own initiative and that the communication under no circumstances does not arise from any promotional or marketing activities carried out by Allianz Global Investors. Colombian residents accept that accessing any type of social network page of Allianz Global Investors is done under their own responsibility and initiative and are aware that they may access specific information on the products and services of Allianz Global Investors. This communication is strictly private and confidential and may not be reproduced, except for the case of explicit permission by Allianz Global Investors. This communication does not constitute a public offer of securities in Colombia pursuant to the public offer regulation set forth in Decree 2555 of 2010. This communication and the information provided herein should not be considered a solicitation or an offer by Allianz Global Investors or its affiliates to provide any financial products in Brazil, Panama, Peru, and Uruguay. In Australia, this material is presented by Allianz Global Investors Asia Pacific Limited ("AllianzGI AP") and is intended for the use of investment consultants and other institutional /professional investors only, and is not directed to the public or individual retail investors. AllianzGI AP is not licensed to provide financial services to retail clients in Australia. AllianzGI AP is exempt from the requirement to hold an Australian Foreign Financial Service License under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order (CO 03/1103) with respect to the provision of financial services to wholesale clients only. AllianzGI AP is licensed and regulated by Hong Kong Securities and Futures Commission under Hong Kong laws, which differ from Australian laws.

This document is being distributed by the following Allianz Global Investors companies: Allianz Global Investors GmbH, an investment company in Germany, authorized by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); Allianz Global Investors (Schweiz) AG; Allianz Global Investors UK Limited, authorized and regulated by the Financial Conduct Authority; in HK, by Allianz Global Investors Asia Pacific Ltd., licensed by the Hong Kong Securities and Futures Commission; in Singapore, by Allianz Global Investors Singapore Ltd., regulated by the Monetary Authority of Singapore [Company Registration No. 199907169Z]; in Japan, by Allianz Global Investors Japan Co., Ltd., registered in Japan as a Financial Instruments Business Operator [Registered No. The Director of Kanto Local Finance Bureau (Financial Instruments Business Operator), No. 424], Member of Japan Investment Advisers Association, the Investment Trust Association, Japan and Type II Financial Instruments Firms Association; in Taiwan, by Allianz Global Investors Taiwan Ltd., licensed by Financial Supervisory Commission in Taiwan; and in Indonesia, by PT. Allianz Global Investors Asset Management Indonesia licensed by Indonesia Financial Services Authority (OJK).