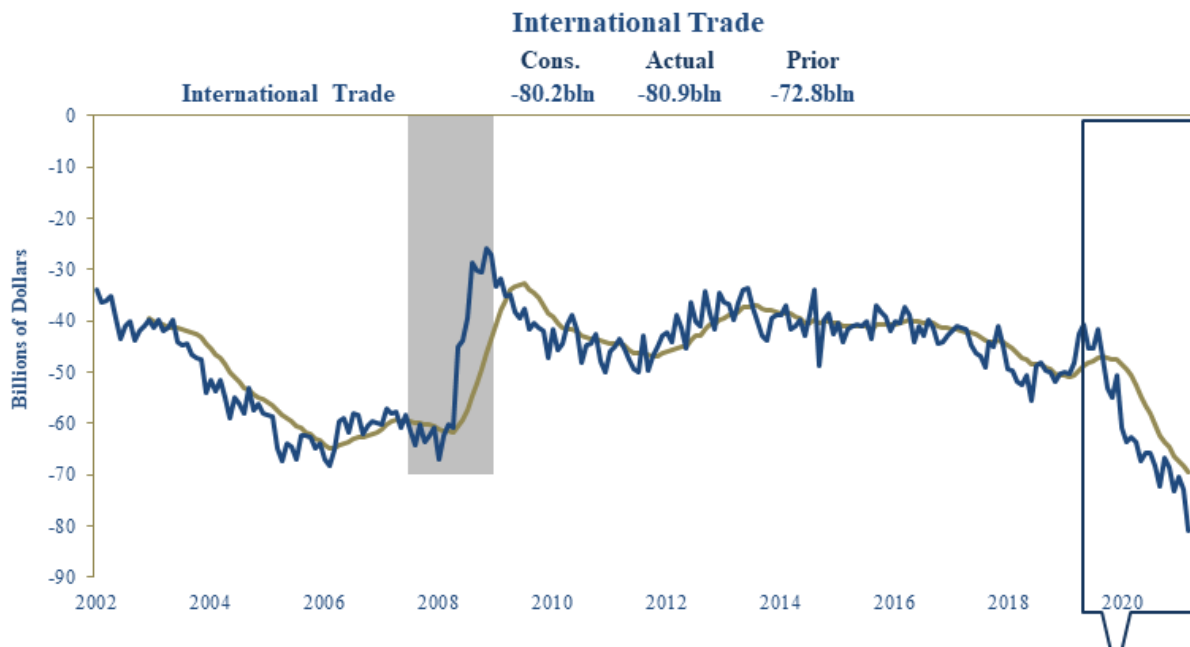
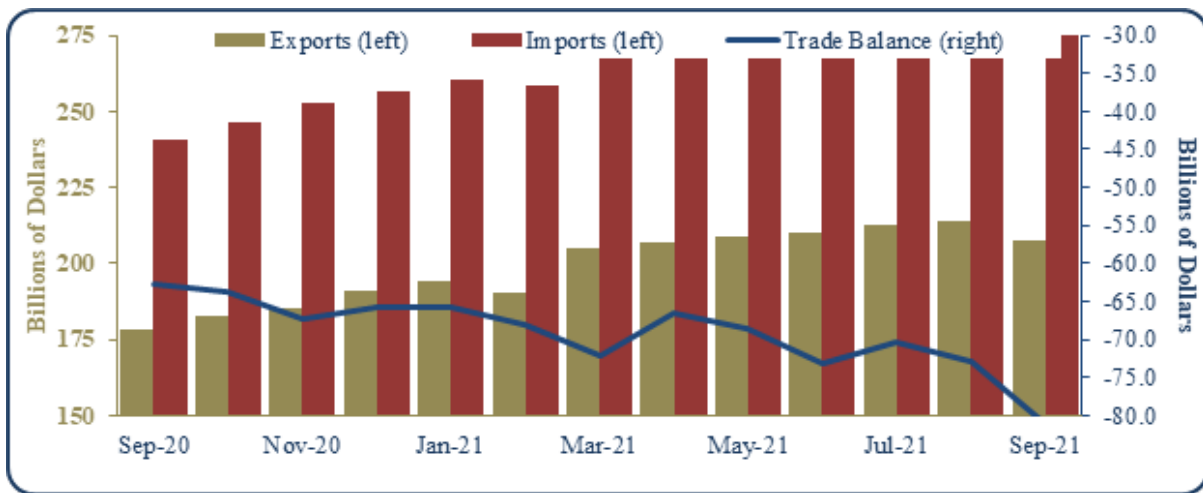


04.Nov.2021

International Trade: Continued Widening

Bottom Line: Imports continued to rise modestly in September as exports fell, pushing the trade balance moderately wider to end the 3rd Quarter. The US exported nearly \$6B fewer industrial supplies and materials, mostly non-monetary gold, in September. Service exports rose due to a slight increase in travel. Imports of capital goods, mostly computers, and industrial supplies, mostly chemicals, more than offset a sharp decline in auto imports amid slow production globally. On a trend basis, the trade balance has been moving steadily wider since 2018, a steady drag on GDP growth. Trade had a moderate negative contribution to the advance 2021 Q3 GDP growth estimate; the Q3 average for real trade balance for goods suggests this will be revised to be slightly less negative.





The International Trade Deficit WIDENED by \$8.1 billion to \$80.9 billion in September, compared with market expectations for a decline to a \$80.2 billion deficit.

Exports FELL by 3.0% to \$207.6 billion after an increase of 0.6% in the prior month. The declines in industrial supplies and materials and capital goods were partially offset by increases in consumer goods. Export growth is now 16.6% ABOVE their year-ago level.

Imports ROSE 0.584% to \$288.5 billion after an increase of 1.3% in the prior month. The declines in motor vehicles and parts and consumer goods were more offset by increases in capital goods and industrial supplies and materials. Imports are now 19.9% ABOVE their year-ago level.

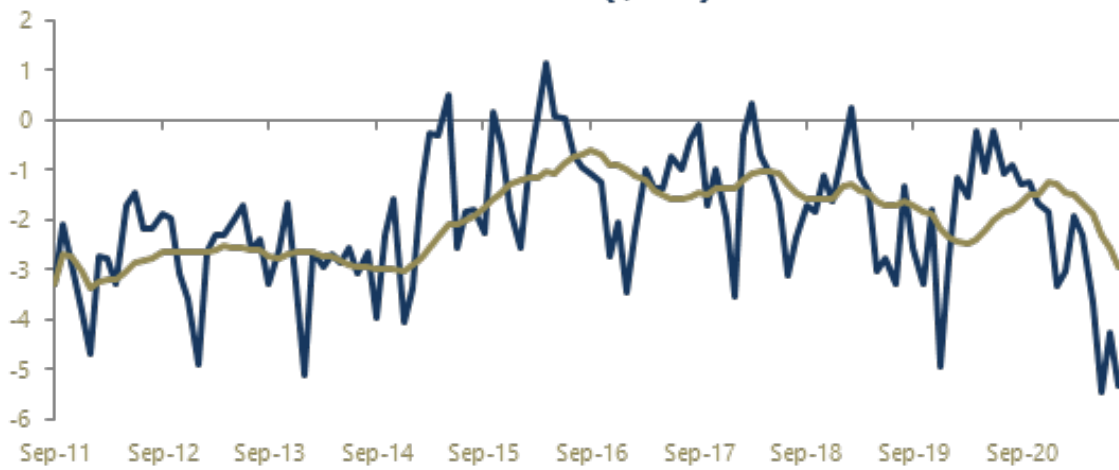
Exports of Goods and Services



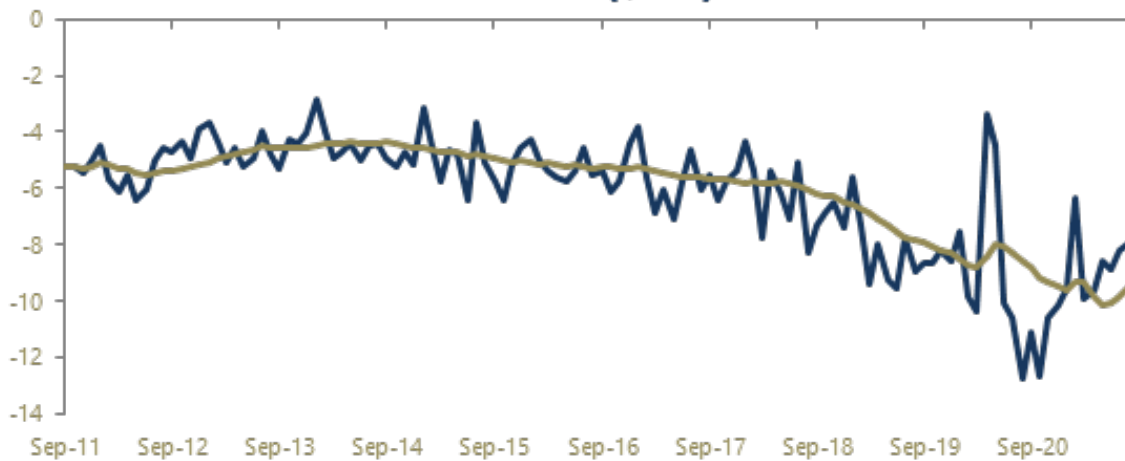
Imports of Goods and Services



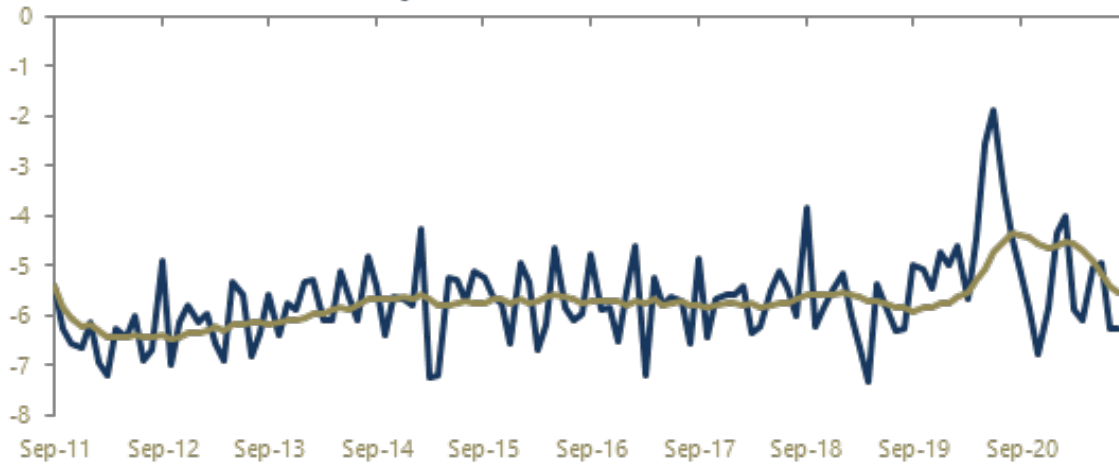
Trade Balance with Canada NSA (\$ bn)



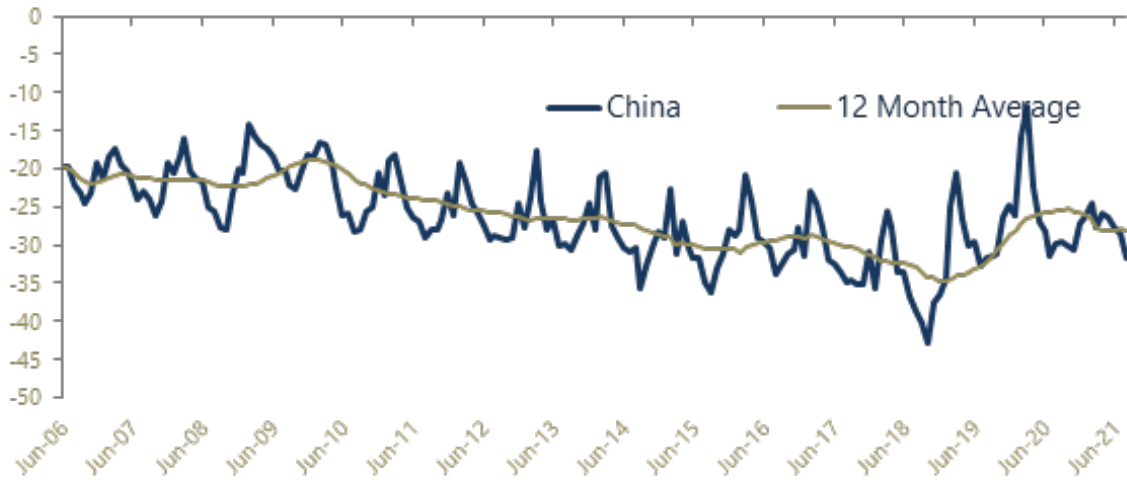
Trade Balance with Mexico NSA (\$ bn)



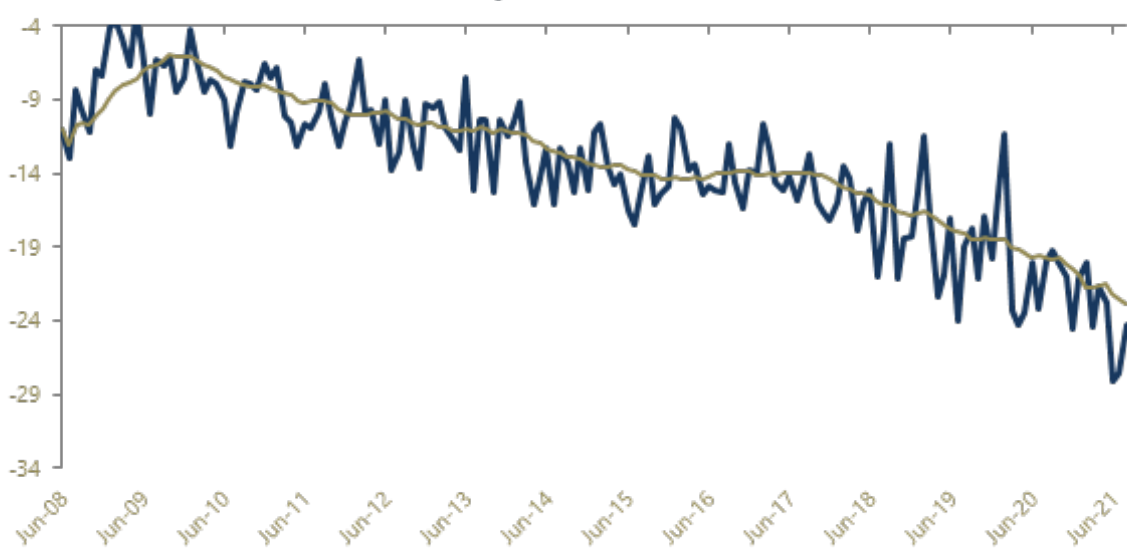
Trade Balance with Japan NSA (\$ bn)



US Trade Balance with China NSA (\$ bn)



US Trade Balance with Europe NSA (\$ bn)



	Billions of Dollars								
	Sep-21	Aug-21	Jul-21	Jun-21	Monthly Average for			2020	2019
					Three Month	Six Month	Twelve Month		
Trade Balance, Goods & Services	-80.9	-72.8	-70.3	-73.2	-74.7	-72.1	-69.6	-102.9	-48.0
Exports	207.6	214.0	212.7	210.1	211.4	210.0	200.7	314.7	210.7
m-to-m % chg	-3.0	0.6	1.2	0.6				49.4	
yr-to-yr % chg	16.6	22.8	24.5	32.3					
Imports	288.5	286.8	283.0	283.3	286.1	282.1	270.3	417.6	258.7
m-to-m % chg	0.6	1.3	-0.1	2.2				61.4	
yr-to-yr % chg	19.9	20.5	22.2	35.2					
Trade Balance, Goods	-98.2	-89.2	-87.8	-93.3	-91.7	-90.8	-88.9	-136.5	-71.8
Trade Balance, Services	17.2	16.4	17.5	20.0	17.1	18.7	19.3	33.6	23.8
Trade Balance, G&S, Ex Petrol	-77.6	-72.8	-69.5	-73.7	-73.3	-71.3	-69.3	-103.8	-46.8
Imports - Consumer Goods	63.2	63.2	60.3	62.4	62.2	62.8	62.1		
Trade Balance, Petroleum	-10.2	-5.4	-6.7	-5.1	-7.4	-6.3	-5.8		

Source: Bureau of the Census, Department of Commerce via Bloomberg. Our calculations.

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November 4, 2021