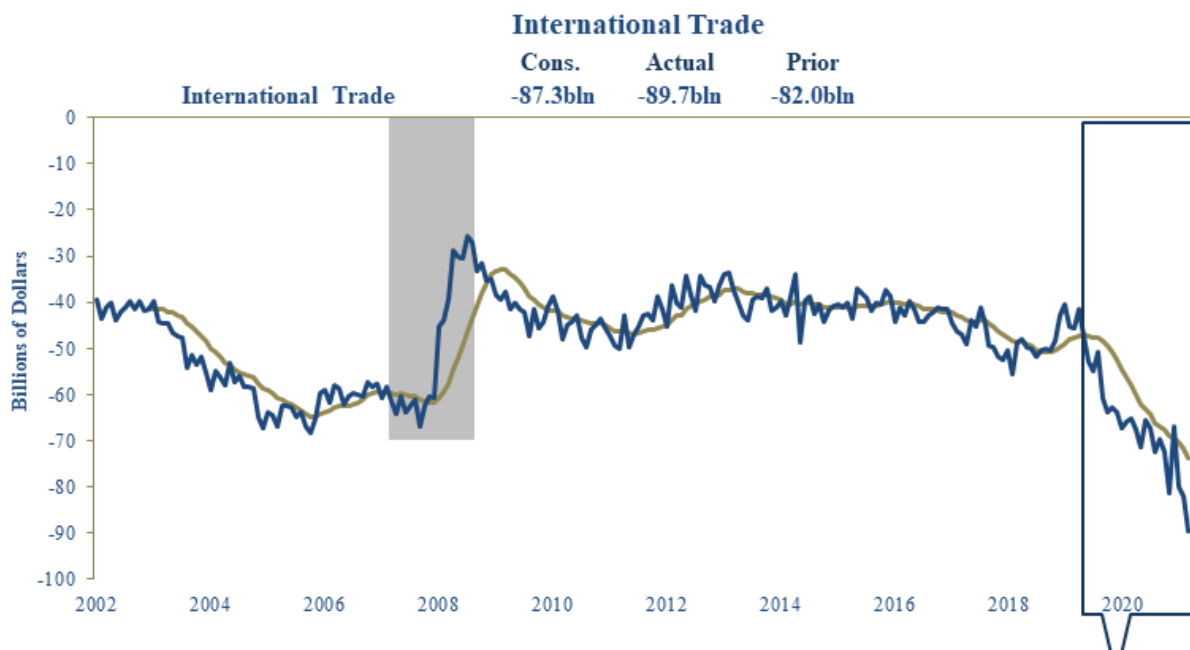
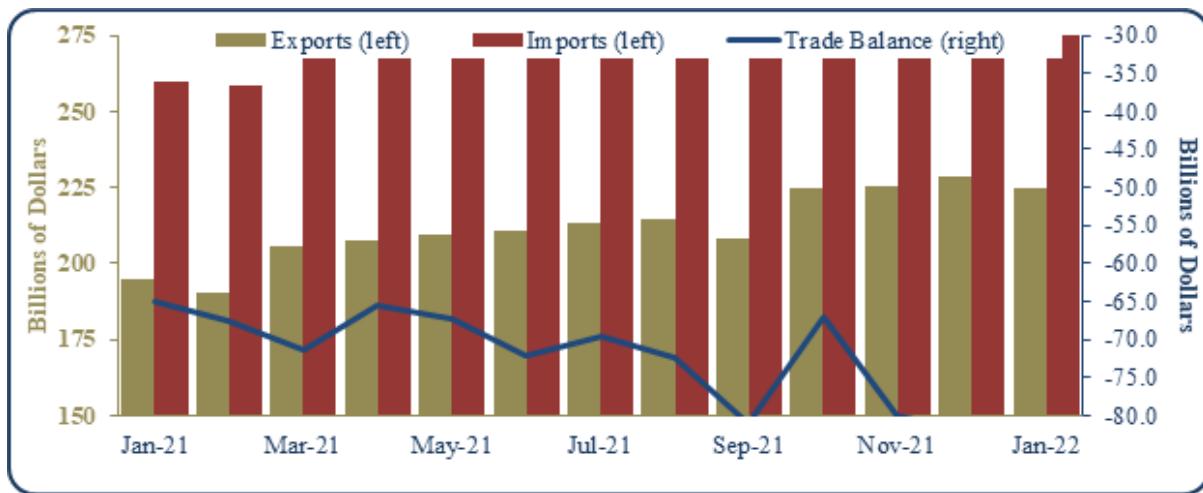


08.Mar.2022

International Trade: Wider Ahead of Global Trade Shock

Bottom Line: The US trade deficit widened more than expected in January. Exports fell sharply, led by \$3+ billion fewer pharmaceutical exports, mostly covid vaccines. Increased imports, meanwhile, were led by motor vehicles and commodities, including oil, natural gas, and copper. Look for another month of widening before we start to see the impact of the Russia/Ukraine situation on trade figures. Most early indications, including a likely ban on Russian oil imports, suggest the impact on the US trade deficit should result in a smaller trade deficit. That would be a modest boost to GDP, though not near enough to offset the impact of higher energy prices on the consumer.





The International Trade Deficit WIDENED by \$7.7 billion to \$89.7 billion in January, compared with market expectations for a decline to an \$87.3 billion deficit.

Exports FELL by 1.7% to \$224.4 billion after an increase of 1.5% in the prior month. The declines in consumer goods and motor vehicles and parts were partially offset by increases in capital goods and industrial supplies and materials. Export growth is now 15.4% ABOVE their year-ago level.

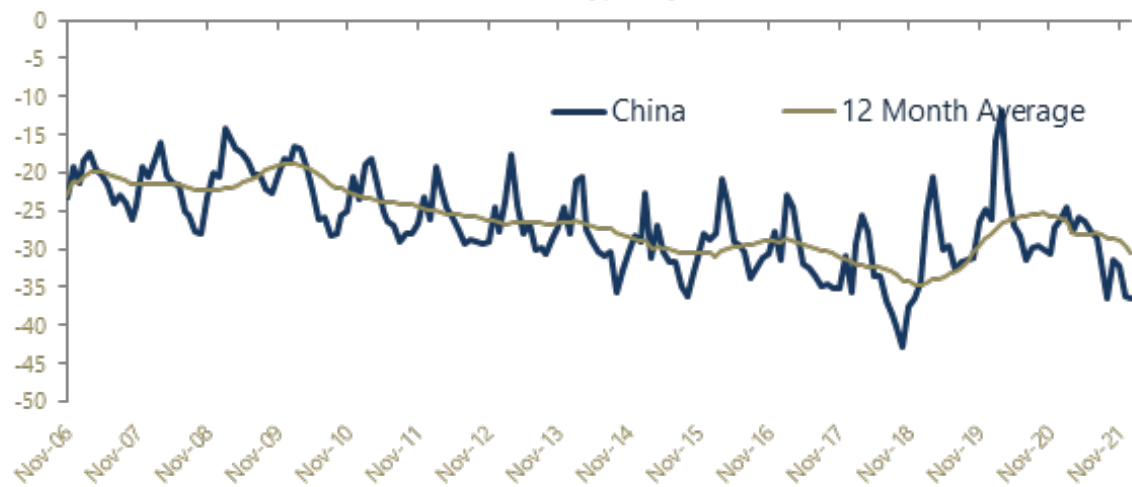
Imports ROSE 1.221% to \$314.1 billion after an increase of 1.7% in the prior month. The declines in other goods and were more offset by increases in motor vehicles and parts and industrial supplies and materials. Imports are now 21.0% ABOVE their year-ago level.

Exports of Goods and Services

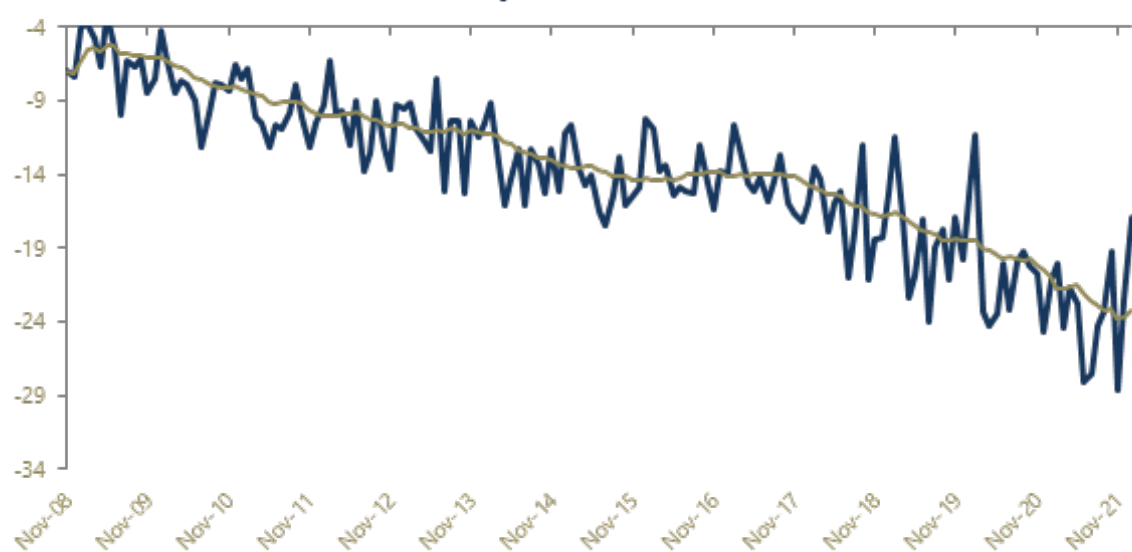




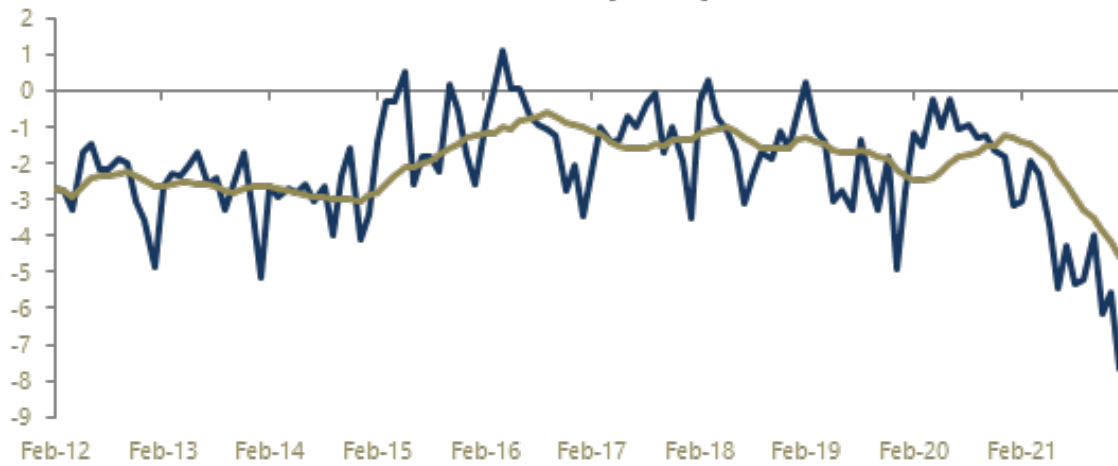
US Trade Balance with China NSA (\$ bn)



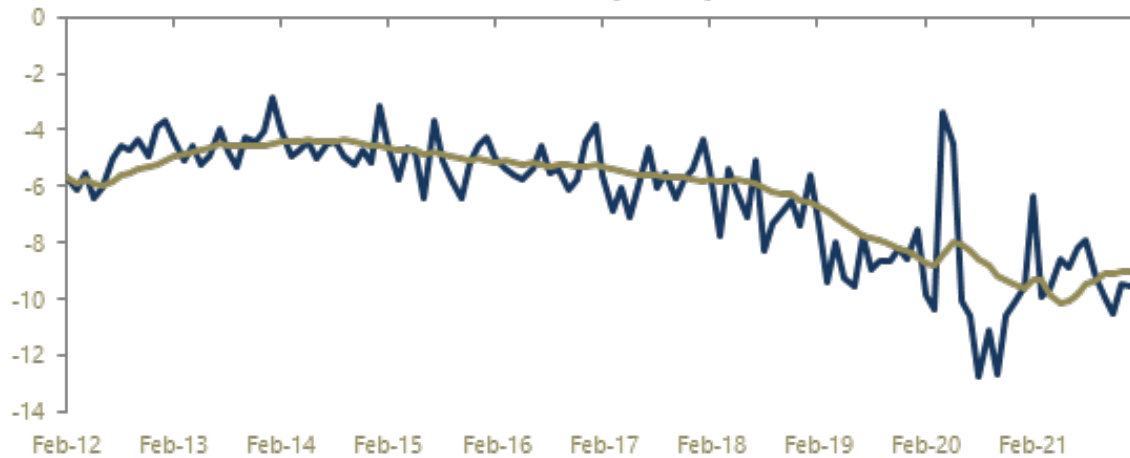
US Trade Balance with Europe NSA (\$ bn)



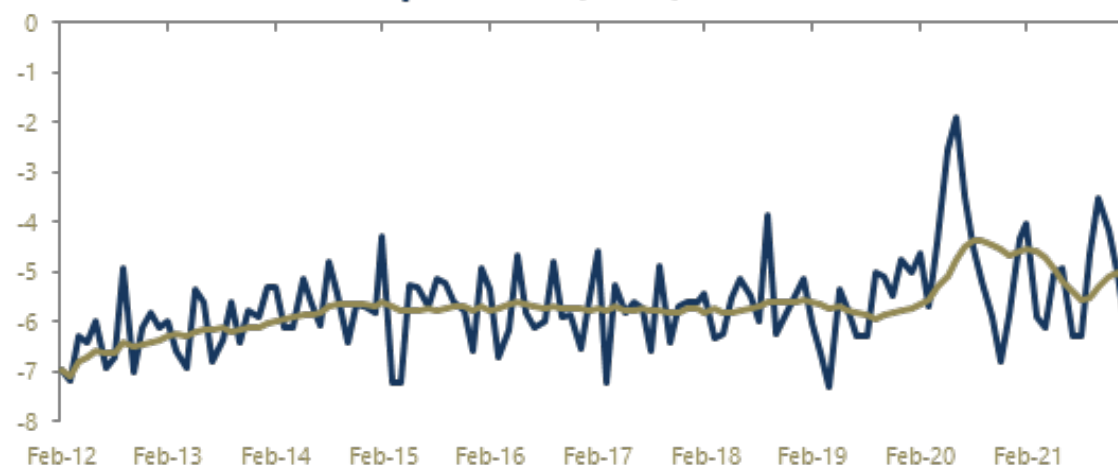
Trade Balance with Canada NSA (\$ bn)



Trade Balance with Mexico NSA (\$ bn)



Trade Balance with Japan NSA (\$ bn)



	Billions of Dollars								
					Monthly Average for				
	Jan-22	Dec-21	Nov-21	Oct-21	Three Month	Six Month	Twelve Month	2020	2019
Trade Balance, Goods & Services	-89.7	-82.0	-80.1	-66.9	-83.9	-78.7	-73.8	-102.9	-48.0
Exports	224.4	228.3	225.1	224.8	225.9	220.8	213.6	314.7	210.7
m-to-m % chg	-1.7	1.5	0.1	8.0				49.4	
yr-to-yr % chg	15.4	19.6	21.5	23.0					
Imports	314.1	310.3	305.1	291.7	309.8	299.6	287.4	417.6	258.7
m-to-m % chg	1.2	1.7	4.6	0.9				61.4	
yr-to-yr % chg	21.0	20.9	20.8	18.4					
Trade Balance, Goods	-108.9	-101.8	-98.4	-83.3	-103.0	-96.4	-92.9	-136.5	-71.8
Trade Balance, Services	19.2	19.8	18.3	16.4	19.1	17.7	19.0	33.6	23.8
Trade Balance, G&S, Ex Petrol	-89.3	-81.8	-79.0	-66.6	-83.4	-77.8	-73.0	-103.8	-46.8
Imports - Consumer Goods	72.6	71.9	66.7	63.8	70.4	66.8	64.7		
Trade Balance, Petroleum	-6.4	-4.7	-6.5	-6.6	-5.9	-6.6	-6.5		

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

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March 8, 2022