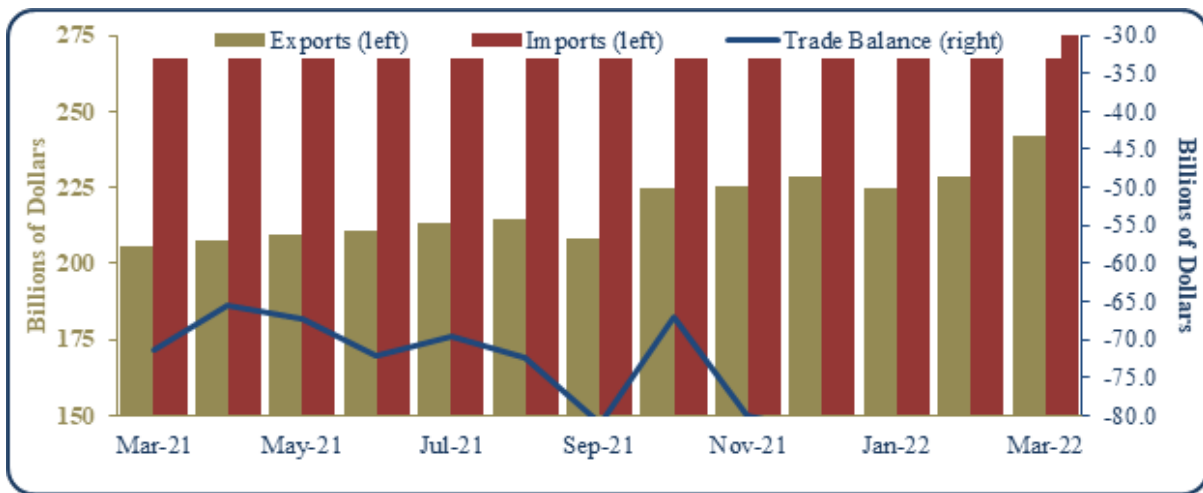


04.May.2022

International Trade: Sharply Wider Trade Deficit

Bottom Line: The US trade deficit widened even more than expected in March as both imports and exports rose sharply amid higher prices. As the war in Ukraine and sanctions on Russia started, the US imported more finished metal products and crude oil. Consumer goods imports also rose sharply. Overall, the trend in the trade deficit remains toward swift widening. While yesterday's final report on factory orders left scope for upward revisions to the weak 1st Quarter GDP report, this report suggests trade's impact will be revised to show an even larger drag on growth.



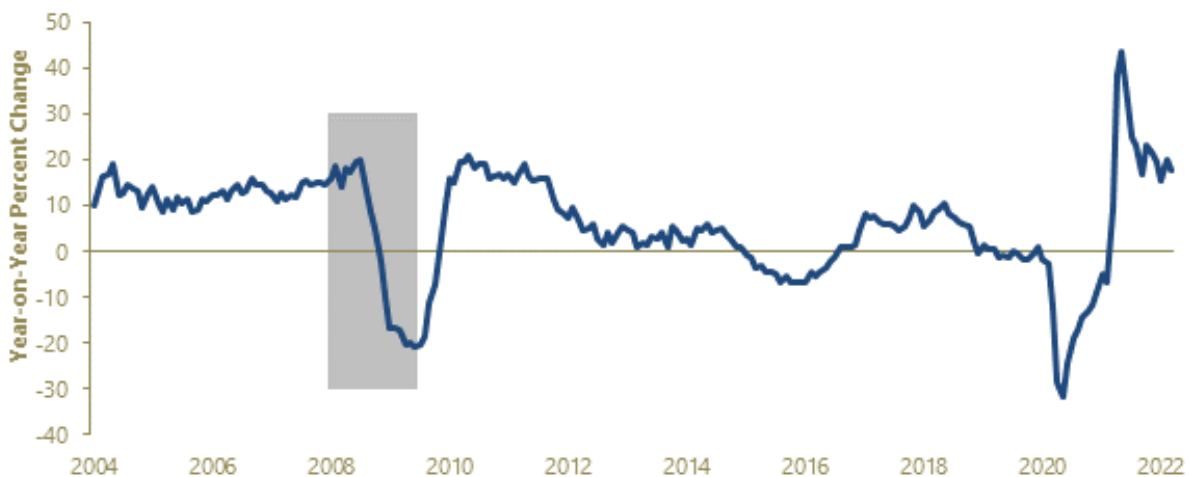


The International Trade Deficit was nearly steady at \$89.2 billion in February, compared with market expectations for a decline to an \$88.5 billion deficit.

Exports ROSE by 1.8% to \$228.6 billion after a decline of 1.7% in the prior month. Declines in capital goods and motor vehicles and parts were more than offset by increases in industrial supplies and materials and consumer goods. Export growth is now 19.9% ABOVE their year-ago level.

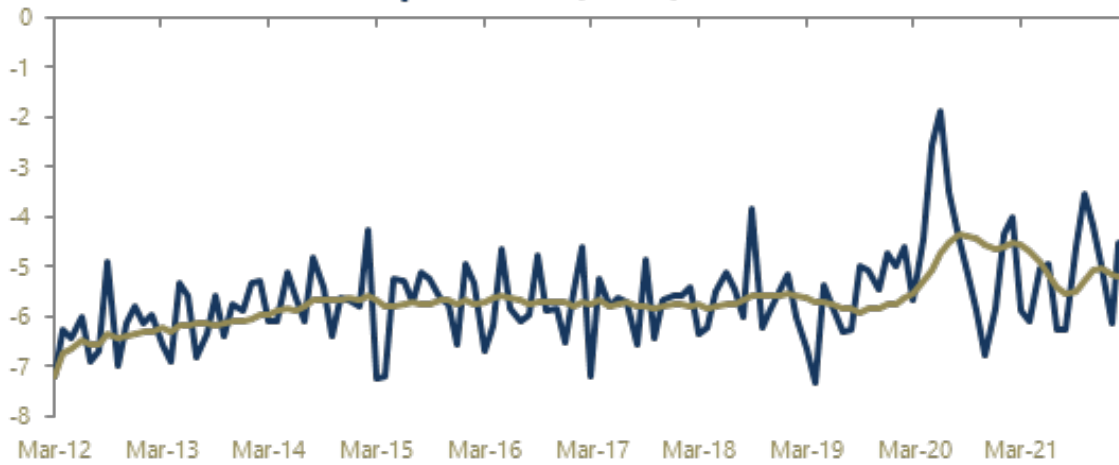
Imports ROSE 1.305% to \$317.8 billion after an increase of 1.1% in the prior month. The declines in motor vehicles and parts and food, feed, and beverages were more offset by increases in industrial supplies and materials and capital goods. Imports are now 23.1% ABOVE their year-ago level.

Exports of Goods and Services

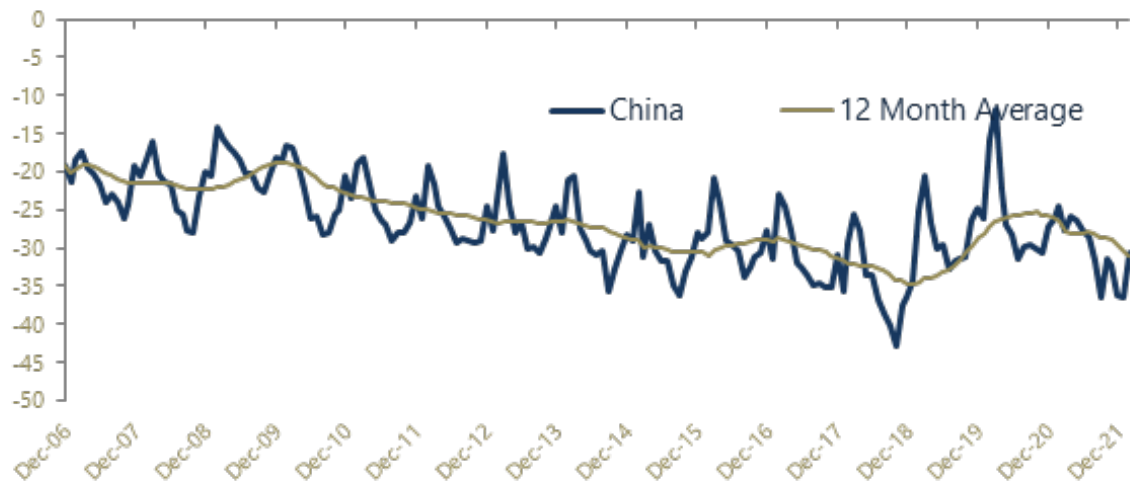




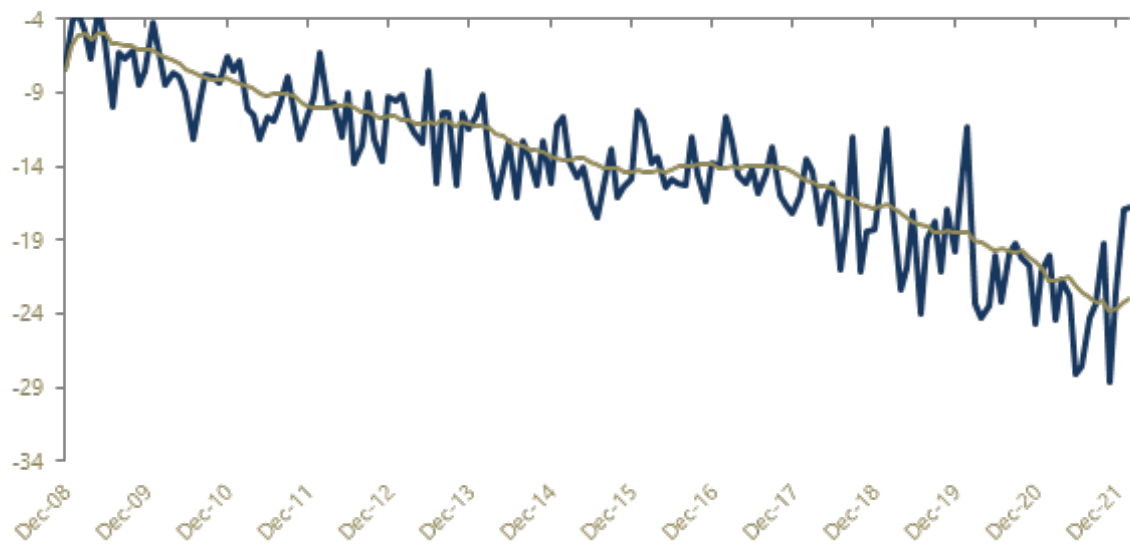
Trade Balance with Japan NSA (\$ bn)



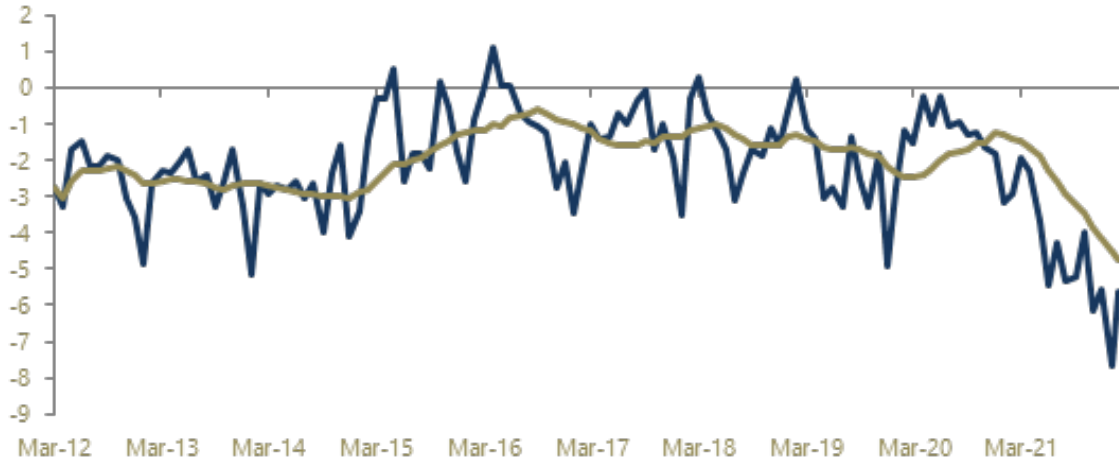
US Trade Balance with China NSA (\$ bn)



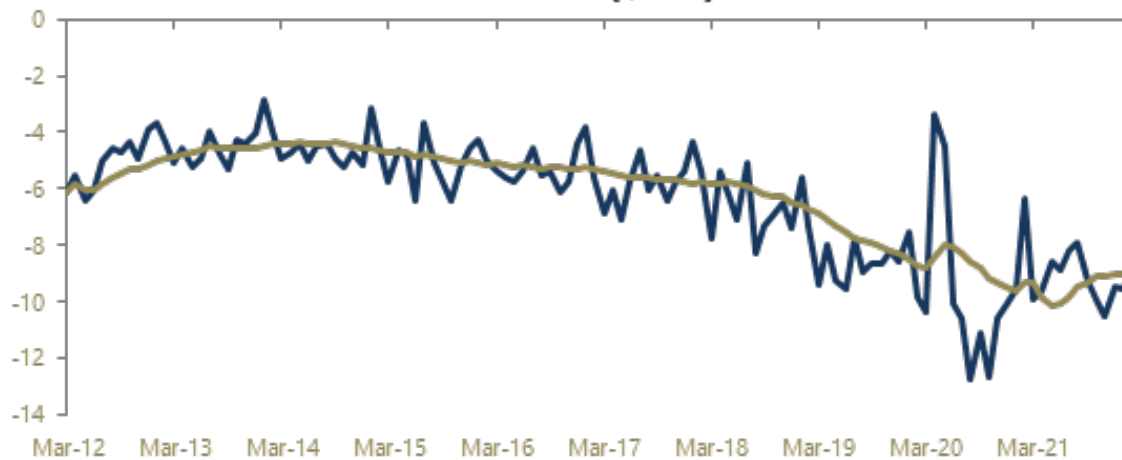
US Trade Balance with Europe NSA (\$ bn)



Trade Balance with Canada NSA (\$ bn)



Trade Balance with Mexico NSA (\$ bn)



	Billions of Dollars								
					Monthly Average for				
	Mar-22	Feb-22	Jan-22	Dec-21	Three Month	Six Month	Twelve Month	2020	2019
Trade Balance, Goods & Serv	-109.8	-89.8	-89.2	-82.0	-96.3	-86.3	-78.8	-128.2	-48.0
Exports	241.7	228.8	224.5	228.3	231.7	228.9	219.8	388.9	210.7
m-to-m % chg	5.6	1.9	-1.7	1.5				84.6	
yr-to-yr % chg	17.7	20.0	15.4	19.6					
Imports	351.5	318.6	313.7	310.3	328.0	315.2	298.6	517.1	258.7
m-to-m % chg	10.3	1.6	1.1	1.7				99.9	
yr-to-yr % chg	27.0	23.4	20.8	20.9					
Trade Balance, Goods	-128.1	-107.8	-108.6	-101.8	-114.8	-104.7	-97.4	-167.8	-71.8
Trade Balance, Services	18.3	18.0	19.4	19.8	18.6	18.4	18.6	39.6	23.8
Trade Balance, G&S, Ex Petrol	-111.4	-86.9	-89.1	-81.8	-95.8	-85.8	-78.2	-128.6	-46.8
Imports - Consumer Goods	83.1	73.1	72.6	71.9	76.2	71.9	67.2		
Trade Balance, Petroleum	-5.2	-8.7	-5.9	-4.6	-6.6	-6.2	-6.3		

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

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May 4, 2022