

07. Jul.2022.

International Trade: Hints of Improvement in 2Q

Bottom Line: The U.S. trade deficit declined slightly for the second month in May as exports rose more than imports. Crude oil exports led to the improvement on the export side as feeds, especially soybeans, declined. Industrial supplies were higher among imports (primarily oil, though a notably lower increase than that exported). Consumer goods imports also fell, including household goods, furniture, and electronics. Overall, it is too early to suggest the sharp widening in the trade balance is over, but this was the second month of encouraging data. Moreover, anecdotal reports from major retailers and logistics companies continue to suggest imports are likely slowing further.



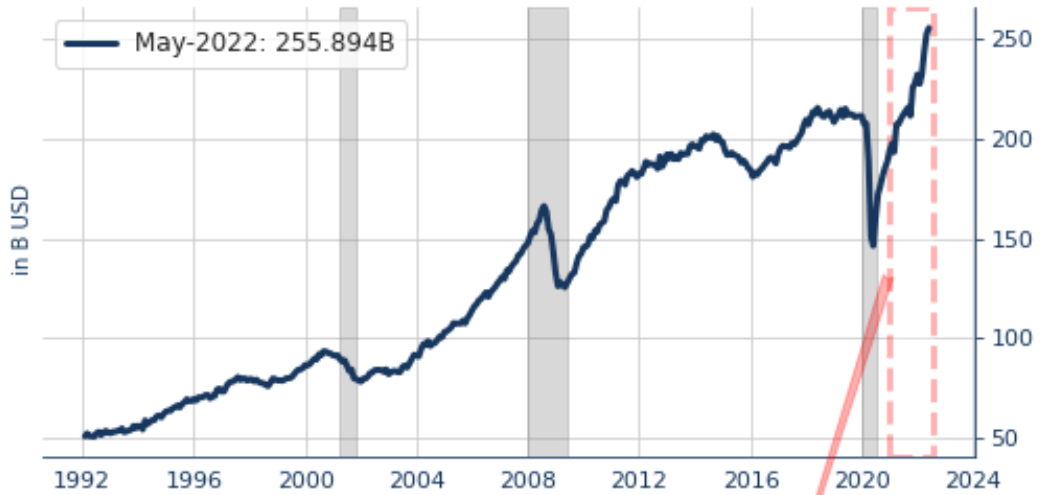
Contingent Macro Advisors 2022 source: US Census Bureau BEA

The International Trade Deficit NARROWED by \$1.1 billion to \$85.5 billion in May, compared with market expectations for a decline to an \$84.7 billion deficit.

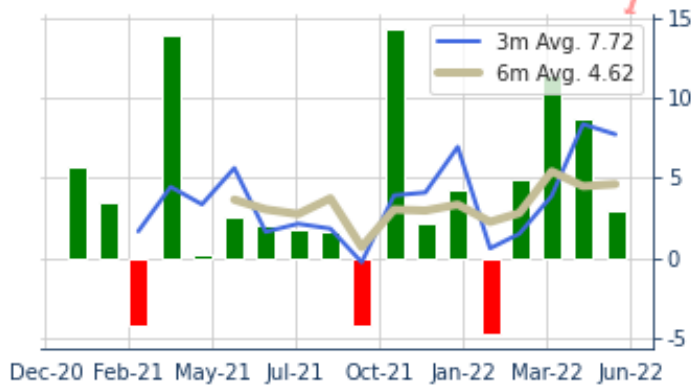
Exports ROSE by 1.2% to \$255.9 billion after an increase of 3.6% in the prior month. The declines in food, feed, and beverages, and capital goods were more than offset by increases in industrial supplies and materials, and consumer goods. Export growth is now 21.7% ABOVE their year-ago level.

Imports ROSE 0.561% to \$341.4 billion after a decline of 3.5% in the prior month. The declines in consumer goods and other goods were more offset by increases in industrial supplies and materials and motor vehicles and parts. Imports are now 23.3% ABOVE their year-ago level.

US Trade - Total Exports

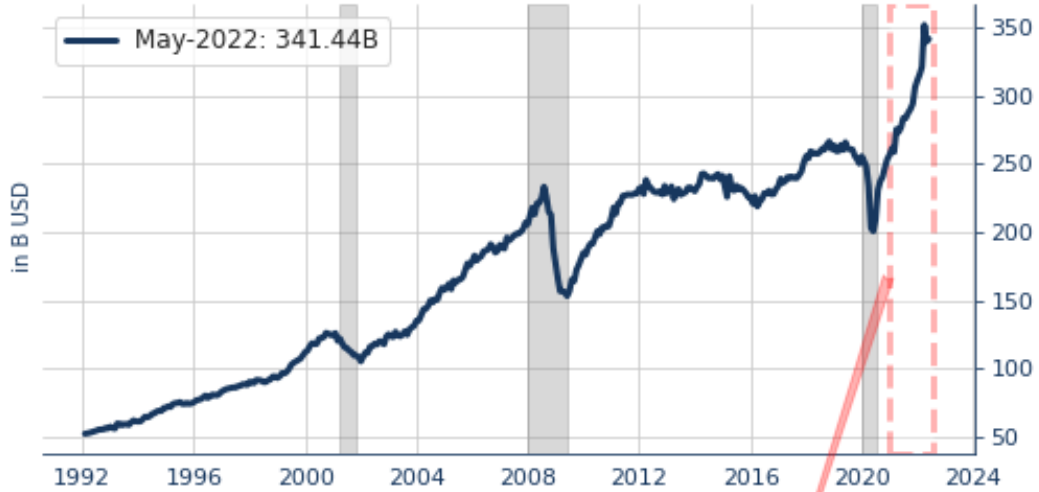


recent monthly changes



Contingent Macro Advisors 2022 source: US Census Bureau BEA

US Trade - Total Imports

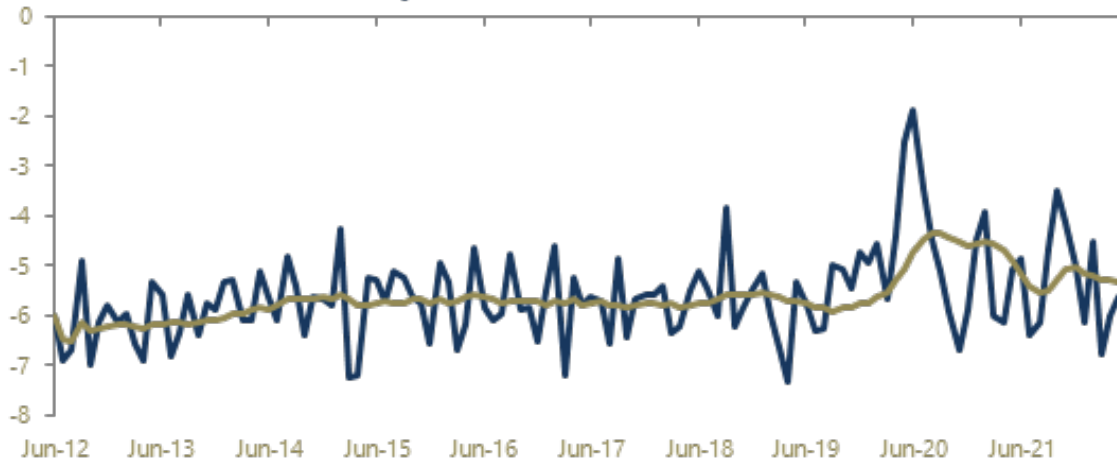


recent monthly changes

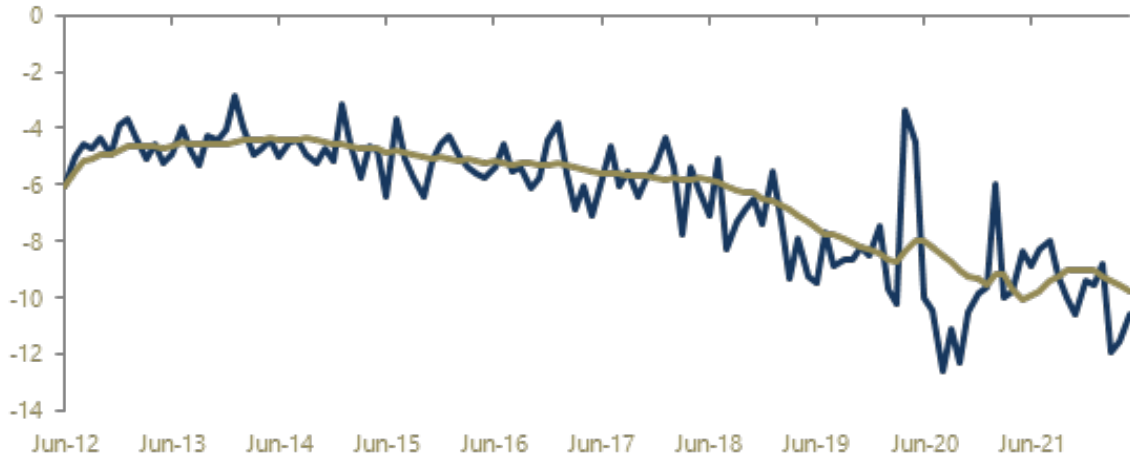


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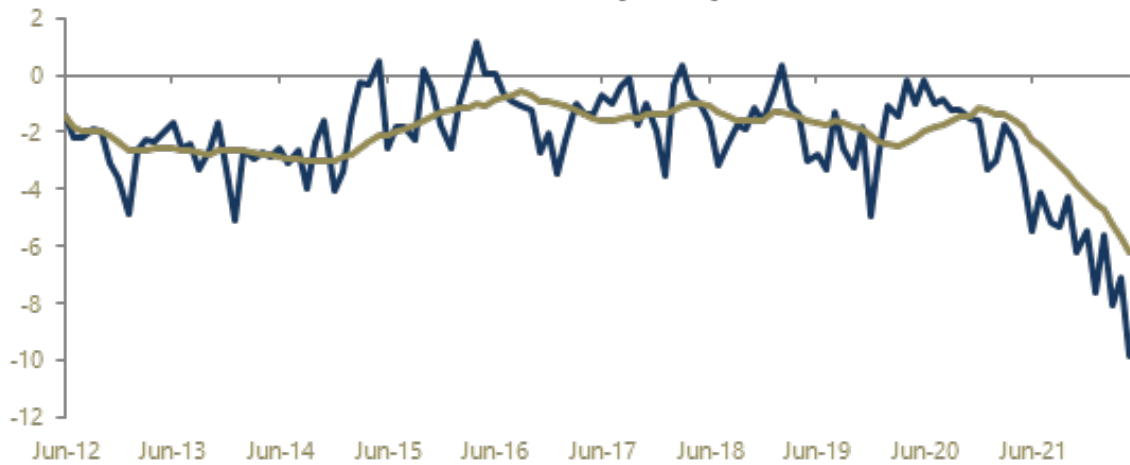
Trade Balance with Japan NSA (\$ bn)



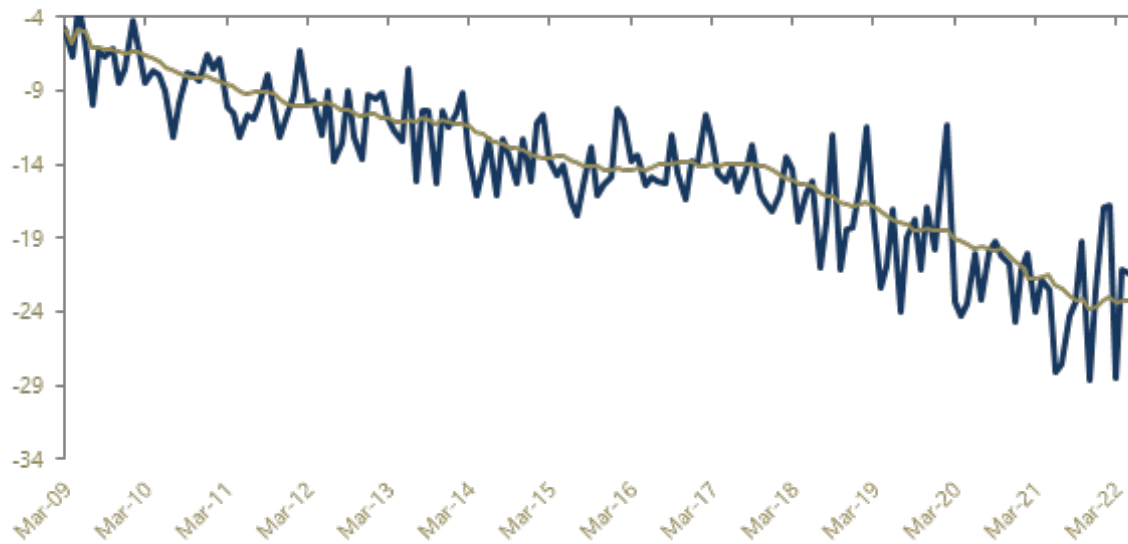
Trade Balance with Mexico NSA (\$ bn)



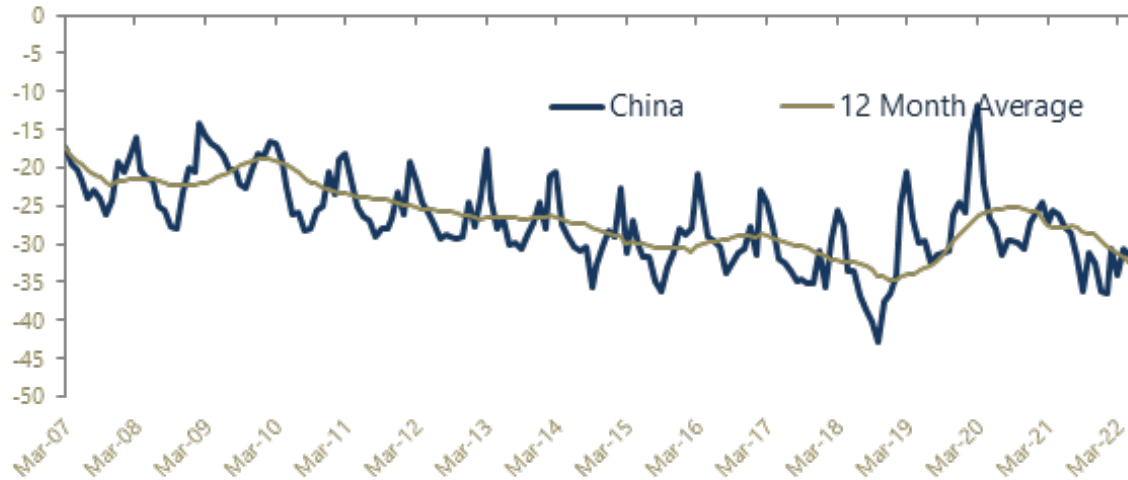
Trade Balance with Canada NSA (\$ bn)



US Trade Balance with Europe NSA (\$ bn)



US Trade Balance with China NSA (\$ bn)



US Trade Balance	May-22	Apr-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
Total Trade Balance	-85.5	-86.7	-93.3	-89.1	-81.0	-70.4	-56.5
Total Exports	255.9	252.8	251.0	241.0	229.5	213.1	207.2
Total Imports	341.4	339.5	344.2	330.1	310.4	283.5	263.7
Goods Trade Bal	-105.0	-107.8	-113.2	-109.3	-100.4	-90.9	-79.4
Services Trade Bal	19.4	21.1	19.9	20.1	19.4	20.4	22.9
Goods Exports	179.0	176.0	175.0	167.0	158.7	146.8	138.1
Services Exports	76.9	76.8	75.9	74.0	70.8	66.3	69.1
Goods Imports	284.0	283.8	288.2	276.2	259.1	237.6	217.5
Services Imports	57.5	55.7	56.0	53.9	51.4	45.8	46.2

US Trade Balance in B USD