

# U.S. Data Review

- International trade in goods: improvement after virus-related disruptions

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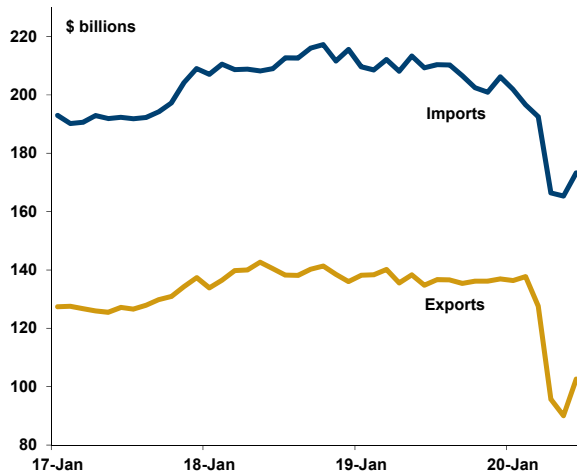
## International Trade in Goods

Like many other economic indicators, exports and imports rose in June after marked declines in prior months because of the coronavirus. Exports jumped 13.9 percent, easily exceeding the increase of 4.8 percent in imports and reducing the trade deficit by \$4.6 billion (\$70.6 billion in June versus \$75.3 in May; slight rounding difference). The pickup in trade flows, while notable, represented only a modest offset to the sharp declines in prior months (chart, left), and as a result, the trade shortfall in the second quarter was noticeably larger than that in Q1 (chart, right). The deterioration will lead to a marked drag from net exports on GDP growth in Q2, with the figures in hand suggesting a negative contribution of 2.5 to 3.0 percentage points.

The increases in exports and imports were broadly based, although the auto components stood out on both sides of the trade ledger, with both exports and imports more than doubling from totals in the prior month. Exports also received strong support from other major components (capital goods, consumer goods, industrial supplies, other); only the food category posted a decline. Imports of consumer goods, capital goods, and food were strong, but declines in industrial supplies and the miscellaneous category provided a partial offset.

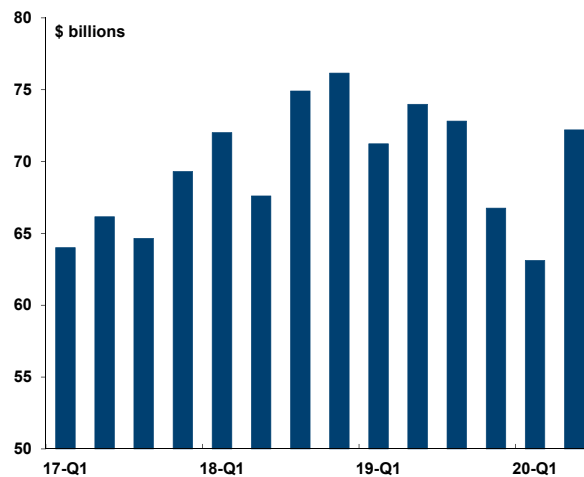
Today's report did not include trade in services, nor were figures by country available. These results will be published with the full trade report in August 5.

### Exports and Imports of Goods



Source: U.S. Census Bureau via Haver Analytics

### Nominal Goods Trade Deficit\*



\* Quarterly averages of monthly data.

Source: U.S. Census Bureau via Haver Analytics; Daiwa Capital Markets America

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