

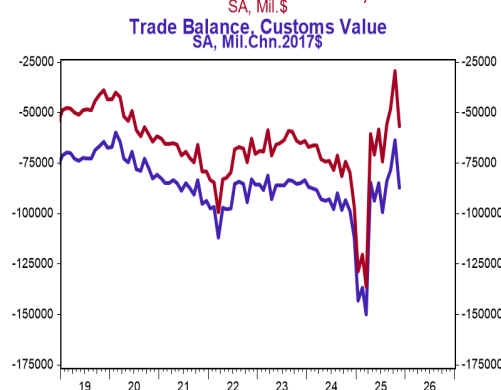
# November International Trade

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- The trade deficit in goods and services came in at \$56.8 billion in November, much larger than the consensus expected \$44.0 billion.
- Exports fell by \$10.9 billion, led by nonmonetary gold, pharmaceuticals, and precious metals. Imports rose by \$16.8 billion, led by pharmaceuticals, computers, and semiconductors.
- In the last year, exports are up 5.9% while imports are down 1.9%.
- Compared to a year ago, the monthly trade deficit is \$23.0 billion smaller; after adjusting for inflation, the “real” trade deficit in goods is \$11.6 billion smaller than a year ago. The “real” change is the trade indicator most important for measuring real GDP.

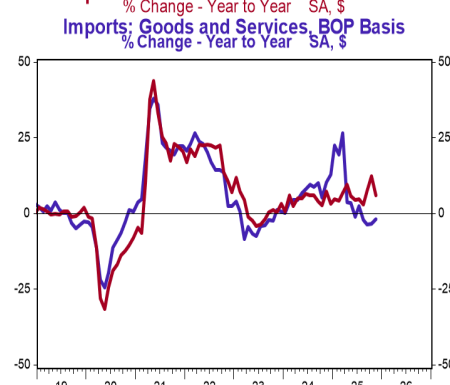
**Implications:** After narrowing sharply and unexpectedly in October, the trade deficit widened back significantly in November, coming in at \$56.8 billion. The increase in the deficit for the month was due to a decline in exports, which fell \$10.9 billion, on top of a large increase in imports, which rose \$16.8 billion. We like to focus on the total volume of trade, imports *plus* exports, as it shows the extent of business and consumer interaction across the US border. That measure rose by \$5.9 billion in November, is up 1.5% in the past year, but is down 8.9% from the peak hit just earlier last year in March 2025 when many US importers were front-running tariffs to be imposed in April. Are the Trump tariffs revitalizing US manufacturing? Employment growth has slowed, particularly in goods-producing industries. For a drop in imports to translate into a lasting economic win, it needs to be accompanied by a clear rebound in U.S. manufacturing and investment—and so far, that resurgence remains tentative. Meanwhile, the GDP math related to the trade deficit suggests that with October and November numbers in on net more of what we purchased overall was made domestically, meaning faster real GDP growth. At the same time, the landscape of global trade continues to evolve. China, once the dominant exporter to the U.S., has slipped to a distant third behind Mexico and Canada, with exports to the US down 28.4% year-to-date through November versus the same period 2024. And in today’s report, the dollar value of U.S. petroleum exports once again exceeded imports, marking the 45th consecutive month of America being a net exporter of petroleum products. Petroleum exports were more than 44% higher than petroleum imports in November, a new record high. In other news today, initial jobless claims declined 1,000 last week to 209,000, while continuing claims fell 38,000 to 1.827 million. In other recent news, the M2 measure of the money supply grew 0.4% in December and is up 4.6% from a year ago – still below its historical growth rate of about 6%. On the manufacturing front, the Richmond Fed index, a measure of mid-Atlantic factory activity, rose slightly to -6 in January from -7 in December. Finally, in recent housing news, the FHFA index rose 0.6% in November and is up 1.9% in the past year, while the national Case-Shiller index rose 0.4% in November and is up 1.4% from a year ago. Expect only modest gains in home prices to continue given a deceleration in rents, which means potential homebuyers have less motivation to buy.

Trade Balance: Goods and Services, BOP Basis



Source: Census Bureau/Haver Analytics

Exports: Goods and Services, BOP Basis



Source: Census Bureau/Haver Analytics

International Trade	Nov-25	Oct-25	Sep-25	3-Mo	6-Mo	Year-Ago
<i>All Data Seasonally Adjusted, \$billions</i>	<b>Bil \$</b>	<b>Bil \$</b>	<b>Bil \$</b>	<b>Moving Avg.</b>	<b>Moving Avg.</b>	<b>Level</b>
<b>Trade Balance</b>	<b>-56.8</b>	<b>-29.2</b>	<b>-48.1</b>	<b>-44.7</b>	<b>-53.7</b>	<b>-79.8</b>
<b>Exports</b>	<b>292.1</b>	<b>302.9</b>	<b>294.2</b>	<b>296.4</b>	<b>289.6</b>	<b>275.8</b>
<b>Imports</b>	<b>348.9</b>	<b>332.1</b>	<b>342.4</b>	<b>341.1</b>	<b>343.3</b>	<b>355.6</b>
<b>Petroleum Imports</b>	<b>14.7</b>	<b>15.3</b>	<b>15.8</b>	<b>15.3</b>	<b>15.6</b>	<b>18.3</b>
<b>Real Goods Trade Balance</b>	<b>-87.1</b>	<b>-63.6</b>	<b>-78.7</b>	<b>-76.5</b>	<b>-82.9</b>	<b>-98.7</b>

Source: U.S. Census Bureau