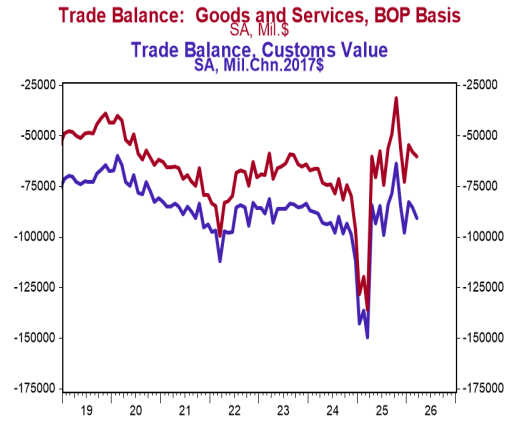


March International Trade

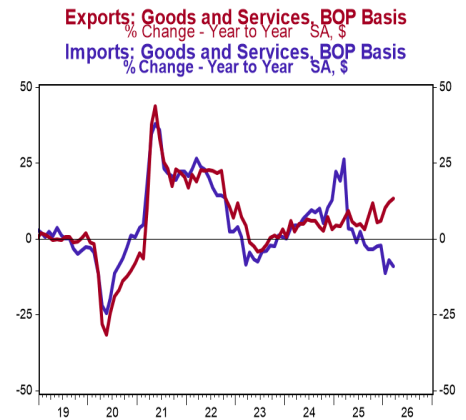
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- The trade deficit in goods and services came in at \$60.3 billion in March, slightly smaller than the consensus expected \$61.0 billion.
- Exports rose by \$6.2 billion, led by crude oil, other petroleum products, and fuel oil. Imports rose by \$8.7 billion, led by autos and computer accessories.
- In the last year, exports are up 13.3% while imports are down 9.0%.
- Compared to the average level over the past year, the monthly trade deficit is \$1.9 billion larger; after adjusting for inflation, the “real” trade deficit in goods is \$5.2 billion larger than the average level over the past year. The “real” change is the trade indicator most important for measuring real GDP.

Implications: The trade deficit widened slightly to \$60.3 billion in March, continuing its break of volatility that dominated trade reports for much of last year. Despite the small movement in the deficit, there was plenty of activity behind the scenes: exports rose by \$6.2 billion, led by crude oil and other petroleum products, as domestic producers moved to fill the void left by the war-driven closure of oil flows through the Strait of Hormuz. The increase in exports was more than offset by a \$8.7 billion increase in imports, led by autos and computer accessories. We like to focus on total volume of trade, exports plus imports, as it shows the extent of business and consumer interaction across the border. That measure increased by \$14.9 billion in March but remains roughly flat from a year ago. While total trade volumes have seen little change over the past year, the mix has improved for domestic producers, with exports rising 13.3% and imports falling 9.0% over the past year. Meanwhile, the landscape of global trade continues to evolve. China, once the dominant exporter to the U.S., has slipped to a fourth place behind Mexico, Canada, and now Taiwan, with exports to the U.S. down 40.7% in the first three months of 2026 compared to the same period last year. Accelerated demand for high tech equipment to fuel the massive AI investment stands out in the data with imports from Taiwan up 97.9% over the same period. Also in today’s report, the dollar value of U.S. petroleum exports once again exceeded imports, with the U.S. posting its largest petroleum surplus on record in March, marking the 49th consecutive month of America being a net exporter of petroleum products. Keep in mind petroleum products include refined products like gasoline, diesel, and propane – all of which the U.S. exports in large volumes. When looking at crude oil alone however, the U.S. remains a net importer (although not as much as in prior decades), largely due to domestic refinement capabilities. In other recent news, cars and light trucks were sold at a 15.9 million annual rate in April, down 1.5% from March and 7.1% below the level from a year ago.



Source: Census Bureau/Haver Analytics



Source: Census Bureau/Haver Analytics

| International Trade | Mar-26 | Feb-26 | Jan-26 | 3-Mo | 6-Mo | Year-Ago |
|-------------------------------------------------|---------------|---------------|---------------|--------------------|--------------------|--------------|
| <i>All Data Seasonally Adjusted, \$billions</i> | Bil \$ | Bil \$ | Bil \$ | Moving Avg. | Moving Avg. | Level |
| Trade Balance | -60.3 | -57.8 | -54.7 | -57.6 | -55.5 | -135.9 |
| Exports | 320.9 | 314.7 | 302.2 | 312.6 | 302.7 | 283.1 |
| Imports | 381.2 | 372.4 | 356.9 | 370.2 | 358.2 | 419.0 |
| Petroleum Imports | 18.0 | 16.8 | 15.5 | 16.8 | 16.0 | 17.8 |
| Real Goods Trade Balance | -90.8 | -85.2 | -82.9 | -86.3 | -84.1 | -149.5 |

Source: U.S. Census Bureau