

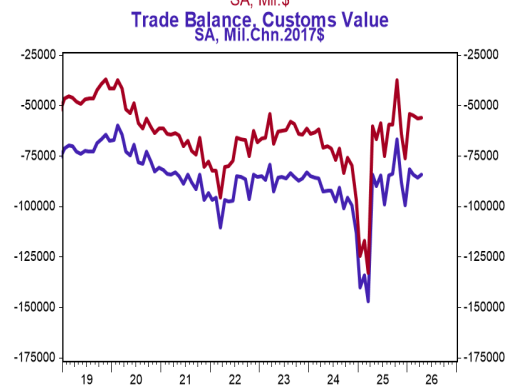
April International Trade

Strider Elass – Senior Economist
 Brian S. Wesbury – Chief Economist
 Robert Stein, CFA – Dep. Chief Economist

- The trade deficit in goods and services came in at \$55.9 billion in April, slightly smaller than the consensus expected \$56.1 billion.
- Exports rose by \$8.3 billion, led by crude oil and computers. Imports rose by \$7.6 billion, led by computers, semiconductors, and telecommunications equipment.
- In the last year, exports are up 12.6% while imports are up 9.1%.
- Compared to the average level over the past year, the monthly trade deficit is \$4.0 billion smaller; after adjusting for inflation, the “real” trade deficit in goods is \$1.6 billion smaller 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 shrunk slightly to \$55.9 billion in April, continuing its break from the 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 \$8.3 billion, led by crude oil, 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 larger than the \$7.6 billion increase in imports, led by led by computers and semiconductors. 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 \$15.9 billion in April and is up 10.7% from a year ago. In the past year exports are up 12.6% while imports are up 9.1%. 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 37.1% in the first four 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 88.1% over the same period moving them a full 6 places higher from 9th to 3rd. 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 going back 30 years in April, marking the 50th 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.

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	Apr-26	Mar-26	Feb-26	3-Mo	6-Mo	Year-Ago
<i>All Data Seasonally Adjusted, \$billions</i>	Bil \$	Bil \$	Bil \$	Moving Avg.	Moving Avg.	Level
Trade Balance	-55.9	-56.6	-55.0	-55.8	-60.3	-60.3
Exports	327.1	318.8	311.8	319.2	305.4	290.6
Imports	383.0	375.4	366.8	375.0	365.6	350.9
Petroleum Imports	19.0	18.1	16.3	17.8	16.6	16.0
Real Goods Trade Balance	-84.3	-85.9	-84.1	-84.8	-87.1	-84.2

Source: U.S. Census Bureau