

Daily Insight

Chinese exports to US fall sharply and unexpectedly for November

Chinese exports to the US fell a sharp 23% in November, while total exports for November fell 1.1% year-on-year, according to data from the customs administration. The export performance was significantly worse than analyst expectations, with most analysts surveyed by Reuters anticipating a 1.0% increase in exports for November year-on-year as retailers stock up for the holiday season shopping. Exports to the US have been hit especially hard by tariffs from the US-China trade war, with significant declines in crude (-79.4%), coke and semi-coke (-63.1%), rice (-47.4%), aluminum products (-15.7%) and steel products (-13.6%). Imports on the other hand, increased 0.3% in November, marking the first year-on-year growth since April.

The significant decline in trade between the world's two largest economies shows just badly the world needs a trade deal between the two powers.



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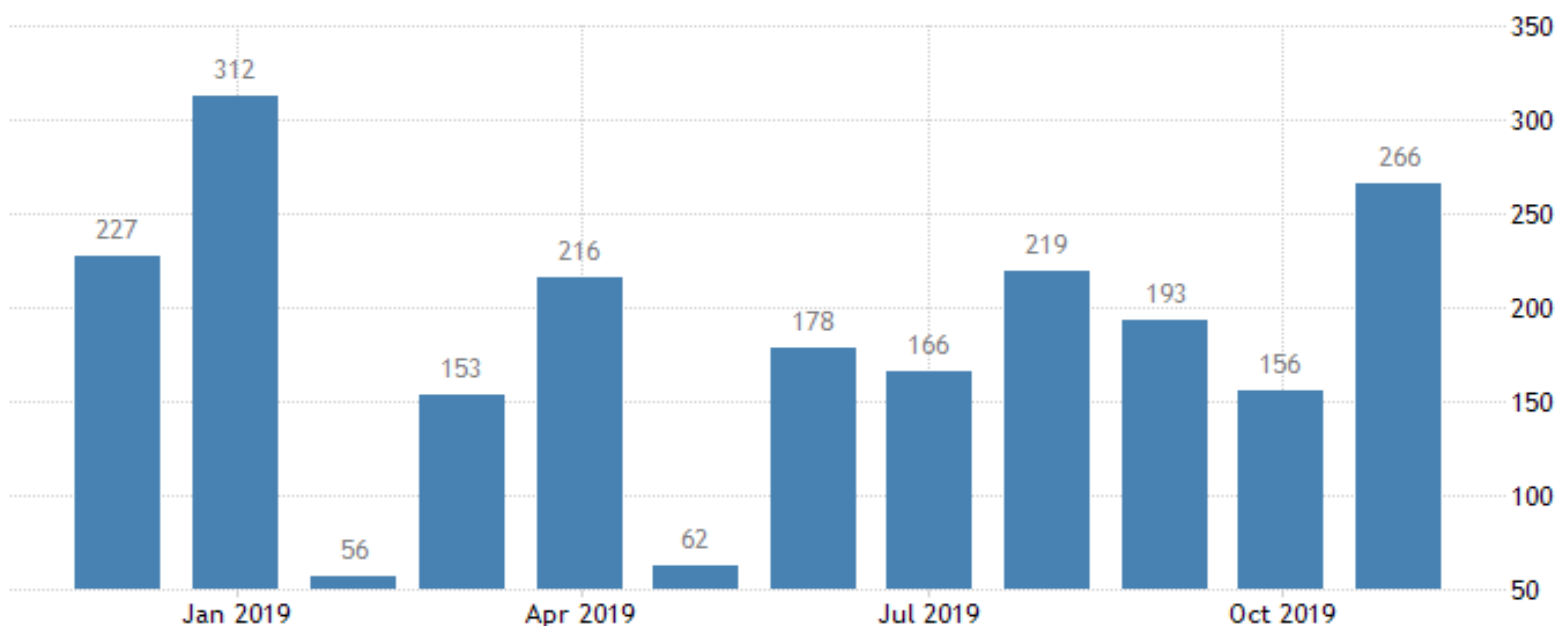
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US employment exceeds most optimistic forecasts as economy adds 266k new jobs

Data from the US Bureau of Statistics showed that Nonfarm payrolls increased by 266k in November, far exceeding the 180k increase predicted by economists and significantly higher than October's 156k new jobs added. The growth in job numbers confirms that the US economy remains on a moderate expansion path despite a prolonged manufacturing slump owing to continued trade disputes. The strong jobs growth also validates the US Federal Reserve's decision to signal a pause in the monetary easing cycle last month. US Stocks hit record highs on the data release, while the benchmark 10 year treasury yield climbed 4 basis points to 1.84%.

Recent economic data releases have shown the US economy remains robust. Keep in mind that the US economy is primarily driven by consumption, services and innovation. The continued weakness is seen in US manufacturing is unlikely to derail the narrative that the US economy still remains resilient even in the face of a global economic slowdown.

US Nonfarm Payroll Growth



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

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