

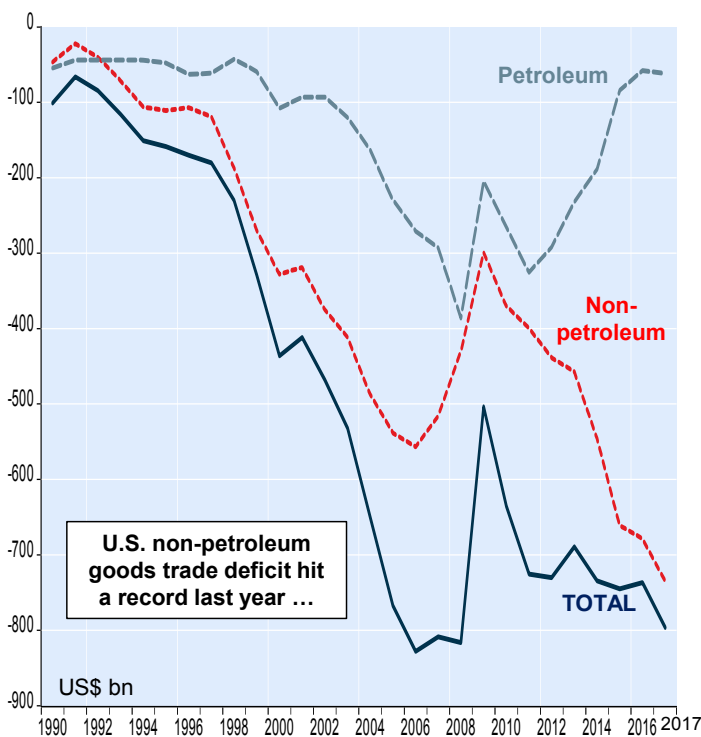
U.S. Watch

According to latest data from the U.S. Census Bureau, the U.S. goods trade deficit deteriorated to US\$796 bn last year. The trade deficit for non-petroleum goods even soared to an all-time high of US\$734 bn. While the deteriorating trade deficit reflects lack of U.S. savings and strengthening domestic demand (which boosted imports last year), some policymakers in Washington will no doubt use the trade data to claim the U.S. is being short-changed by trade partners. So, which trade partner will be in the crosshairs of U.S. politicians ahead of the mid-term elections? As today's *Hot Charts* show, while Mexico, Japan and Germany all had significant goods trade surpluses with the U.S., it's China that took the lion's share, accounting for more than 38% of the U.S. goods trade deficit last year.

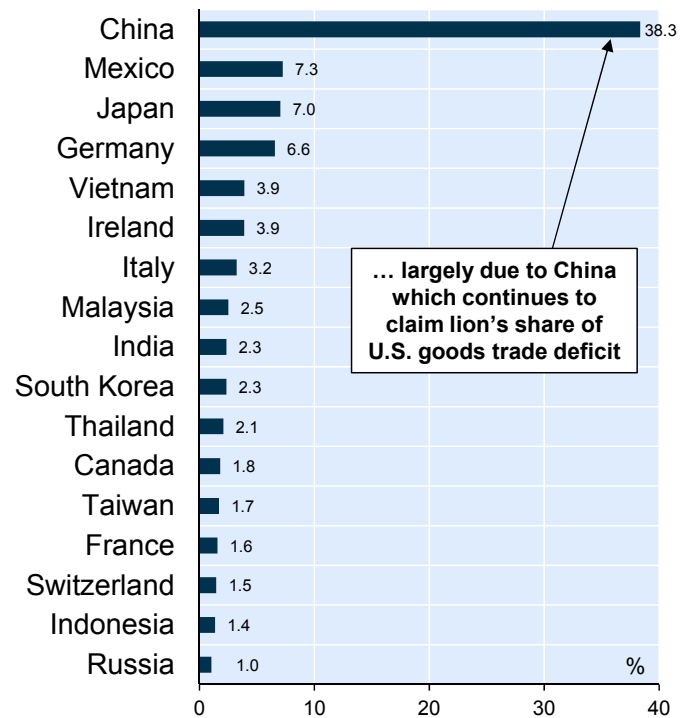
Krishen Rangasamy

U.S.: Record non-petroleum goods trade deficit

U.S. goods trade balance



Countries responsible for U.S. goods trade deficit in 2017



NBF Economics and Strategy (data via U.S. Census Bureau)

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