Economics

Trade

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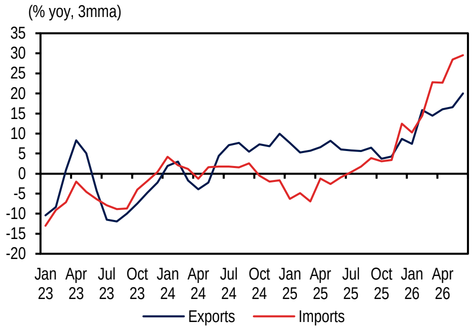
Trade Beats Again In June

- June export growth accelerated to 27.0% yoy (+7.6ppt mom), well above Bloomberg's consensus estimate of 19.0% yoy, led by continued strength in the ASEAN, EU and Hong Kong markets.
- Import growth rose to 36.0% yoy (+8.6ppt mom), also above consensus estimate of 26.1% yoy, mainly driven by record-high integrated circuits demand, with modest support from a low base for comparison.
- The trade surplus widened to US$125.6b from US$105.4b, above consensus' US$120.1b. Overall, base effects should turn less favourable in 2H26 which may moderate headline growth, particularly for imports.

What's New

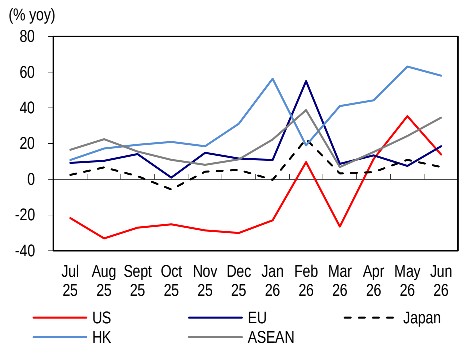
- **Export growth rose to 27.0% yoy in June from 19.4% yoy in May (+7.6ppt mom),** beating Bloomberg's consensus estimate of 19.0% yoy. The acceleration mainly reflects genuine demand and continued trade diversification. China's export growth to ASEAN strengthened to 34.5% yoy (+10.2ppt mom), while China's export growth to the EU picked up to 18.5% yoy (+10.9ppt mom). China's exports to Hong Kong remained strong at 58.0% yoy (-5.1ppt mom), consistent with its role as a transit hub. On the other hand, China's export growth to the US moderated to 13.9% yoy (-21.5ppt mom), as the base for comparison turned less favourable. In addition, China's export growth to Japan eased to 6.9% yoy (-4.0ppt mom).
- **China's import growth came in at 36.0% yoy in June (+8.6ppt mom),** above Bloomberg consensus estimate of 26.1% yoy. A low base provided moderate support, with broad weakness in commodities trade values. China's import growth of coal and iron ore rebounded strongly to 63.0% yoy (+43.6ppt mom) and 21.8% yoy (+19.5ppt mom), respectively. In contrast, China's import growth of crude oil turned negative at -6.1% yoy (-16.3ppt mom), reflecting fading price support from the earlier Strait of Hormuz disruption, while copper ore eased to 23.0% yoy (-11.0ppt mom).
- **All major product categories saw growth accelerations,** integrated circuits remained the standout among key trade product categories, with import growth reaching 72.3% yoy (+4.3ppt mom), a fresh record value that signals genuine and sustained AI-related chip demand. China's hi-tech products export growth held at 52.2% yoy (+1.3ppt mom) and mechanical & electrical products export growth strengthened to 34.2% yoy (+6.8ppt mom), consistent with the strength in integrated circuits. Moreover, motor vehicle export growth accelerated to 61.2% yoy (+28.0ppt mom), while agricultural products import growth picked up to 19.6% yoy (+15.7ppt mom).
- **The trade surplus widened to US$125.6b from May's US$105.4b,** above consensus' US$120.1b. Base effects should turn less favourable in 2H26 which may moderate headline growth, particularly for imports.

Growth Of Exports And Imports (3MMA)



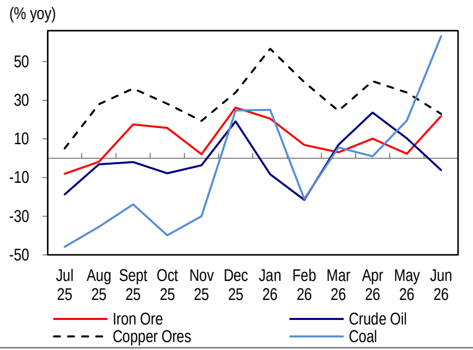
Source: Customs, CEIC, UOB Kay Hian

Exports To Key Markets



Source: Customs, CEIC, UOB Kay Hian

Imports Of Key Commodities



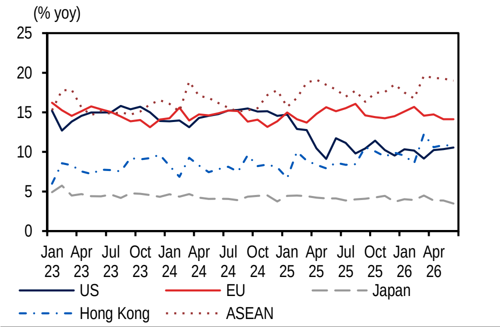
Source: Customs, CEIC, UOB Kay Hian

Exports And Imports Data

	(US$b)		yoy % chg	
	Jun-26	May-26	Jun-26	May-26
Exports	412.4	376.8	27.0	19.4
Imports	286.8	271.3	36.0	27.4
Trade Surplus	125.6	105.4		
Exports to Key Markets				
US	43.5	39.0	13.9	35.4
EU	58.3	53.2	18.5	7.6
Japan	14.4	14.5	6.9	10.9
Hong Kong	44.4	40.9	58.0	63.1
ASEAN	78.3	72.6	34.5	24.3
Imports of Key Commodities				
Iron Ore	11.6	10.1	21.8	2.3
Crude Oil	22.4	26.7	-6.1	10.2
Copper Ore	8.5	8.6	23.0	34.0
Coal	3.9	2.9	63.0	19.4
Trade of Key Products				
Agricultural Products Imports	22.2	20.7	19.6	3.9
Integrated Circuits Imports	59.6	56.6	72.3	68.0
Motor Vehicle Exports	124.6	114.9	61.2	33.2
Hi-tech Products Exports	118.8	112.1	52.2	50.9
Mechanical & Electrical Products Exports	260.3	241.0	34.2	27.4

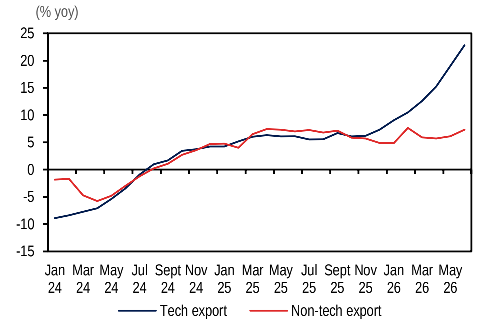
Source: Wind, CEIC, UOB Kay Hian

Imports Of Key Commodities Share Of Major Countries' Export To China's Total Exports



Source: Customs, CEIC, UOB Kay Hian

China's Tech And Non-Tech Export



Source: Customs, CEIC, UOB Kay Hian