Economics

Trade

Crude Oil Prices Lift Import Growth Above Consensus; Export Growth Moderates

- China's export growth eased to 35.2% yoy in October (-1.1ppt mom), slightly below Bloomberg's consensus estimate of 36.3% yoy. Growth moderated across all five key markets despite a low base in Oct 25, with the US and ASEAN recording the largest slowdowns.
- Import growth accelerated to 41.6% yoy (+10.6ppt mom), well above consensus' 33.9% yoy, led by China's crude oil import growth rising to 39.3% yoy as higher oil prices lifted import values. The trade surplus narrowed to US$105.3b, below consensus' US$125.8b.
- Tech-related trade remained firm, with high-tech products export growth at 66.6% yoy and integrated circuits import growth at 78.3% yoy. Crude oil prices have joined tech-related demand as a key swing factor for headline import growth.

What's New

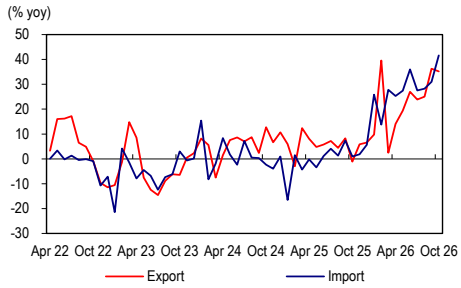
- **China's export growth eased to 35.2% yoy in October** from 36.3% yoy in September (-1.1ppt mom), slightly below Bloomberg's consensus estimate of 36.3% yoy. The moderation was broad-based, with all five key markets recording slower growth even as the base turned more favourable. China's export growth to Hong Kong eased to 48.6% yoy (-2.4ppt mom), regaining its position as the fastest-growing key market, consistent with its role as a transit hub. China's export growth to ASEAN moderated to 46.3% yoy (-6.0ppt mom). Likewise, China's export growth to the US slowed to 32.9% yoy (-6.7ppt mom), as the low base from Oct 25 became marginally less supportive. Moreover, China's export growth to the EU eased to 24.3% yoy (-1.0ppt mom) and China's export growth to Japan slowed to 14.3% yoy (-1.5ppt mom).
- **China's import growth accelerated to 41.6% yoy in October (+10.6ppt mom),** well above Bloomberg's consensus estimate of 33.9% yoy and the fastest pace this year, supported by a lower base. Crude oil was the only key commodity to accelerate and the main swing factor behind the beat. China's import growth of crude oil rose to 39.3% yoy (+37.7ppt mom), the fastest pace this year, as oil prices stayed elevated on renewed Middle East supply disruptions. On the other hand, growth of the remaining key commodities slowed. China's import growth of coal eased to 48.6% yoy (-3.9ppt mom) but stayed elevated on a low base, while copper ore moderated to 16.6% yoy (-16.8ppt mom) and iron ore declined further to -11.7% yoy (-5.0ppt mom).
- **For trade of key products,** high-tech products export growth reached its fastest pace this year at 66.6% yoy (+3.0ppt mom). China's mechanical and electrical products export growth strengthened to 46.1% yoy (+2.4ppt mom). China's import growth of integrated circuits picked up to 78.3% yoy (+3.6ppt mom), though import value eased from September's record. In contrast, China's motor vehicle export growth slowed to 31.0% yoy (-23.2ppt mom). China's agricultural products import growth has turned negative at -2.2% yoy (-7.7ppt mom), the first contraction ytd.
- **The trade surplus narrowed to US$105.3b from September's US$133.5b,** below consensus' US$125.8b. Import growth outpaced export growth as higher oil prices lifted crude oil imports, while tech-related trade remained firm on both sides. Looking ahead, headline import growth increasingly hinges on oil prices alongside tech-related demand, while a less favourable base from November may weigh on export growth into year end.

Analyst(s)

Tham Mun Hon, CFA
+852 2236 6799
munhon.tham@uobkh.com

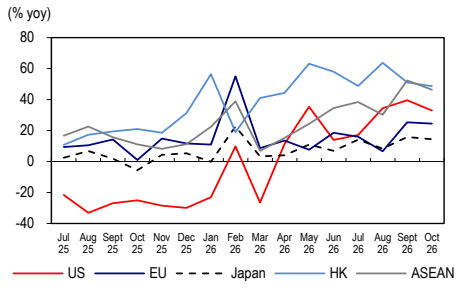
Claire Wang
+852 2236 6761
claire.wang@uobkh.com

Growth Of Exports And Imports (3MMA)



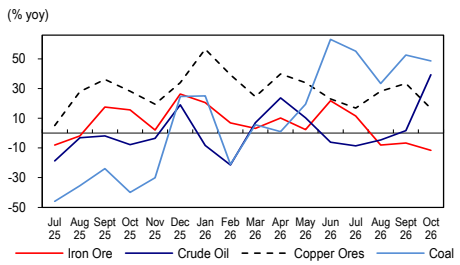
Source: Customs, CEIC, UOB Kay Hian

Exports To Key Markets



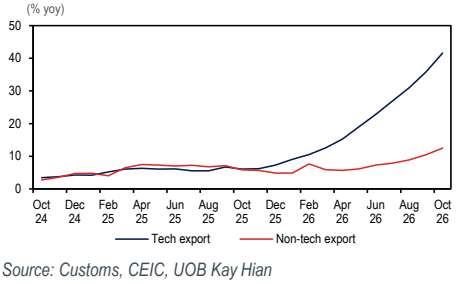
Source: Customs, CEIC, UOB Kay Hian

Imports Of Key Commodities



Source: Customs, CEIC, UOB Kay Hian

China's Tech And Non-Tech Export



Source: Customs, CEIC, UOB Kay Hian

Exports And Imports Data

	---------- (US$b) ----------		---------- yoy % chg ----------	
	Oct-26	Sep-26	Oct-26	Sep-26
Exports	412.3	447.2	35.2	36.3
Imports	307.1	313.7	41.6	31.0
Trade Surplus	105.3	133.5		
Exports to Key Markets				
US	46.4	47.9	32.9	39.6
EU	54.6	60.2	24.3	25.3
Japan	14.9	15.6	14.3	15.8
Hong Kong	45.7	52.5	48.6	51.0
ASEAN	78.0	81.7	46.3	52.3
Imports of Key Commodities				
Iron Ore	9.9	10.4	-11.7	-6.7
Crude Oil	34.1	24.6	39.3	1.6
Copper Ore	8.6	9.3	16.6	33.4
Coal	4.8	4.5	48.6	52.5
Trade of Key Products				
Agricultural Products Imports	16.8	20.8	-2.2	5.5
Integrated Circuits Imports	67.4	71.7	78.3	74.7
Motor Vehicle Exports	133.4	140.7	31.0	54.2
Hi-tech Products Exports	138.4	147.0	66.6	63.6
Mechanical & Electrical Products Exports	278.0	298.4	46.1	43.7

Source: Wind, CEIC, UOB Kay Hian

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at this link or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full.