

If you're having trouble reading this, [click here](#).

# MONDAY ECONOMIC REPORT



## U.S. Trade Deficit Fell to Nine-Month Low in July

By Chad Moutray – September 12, 2022

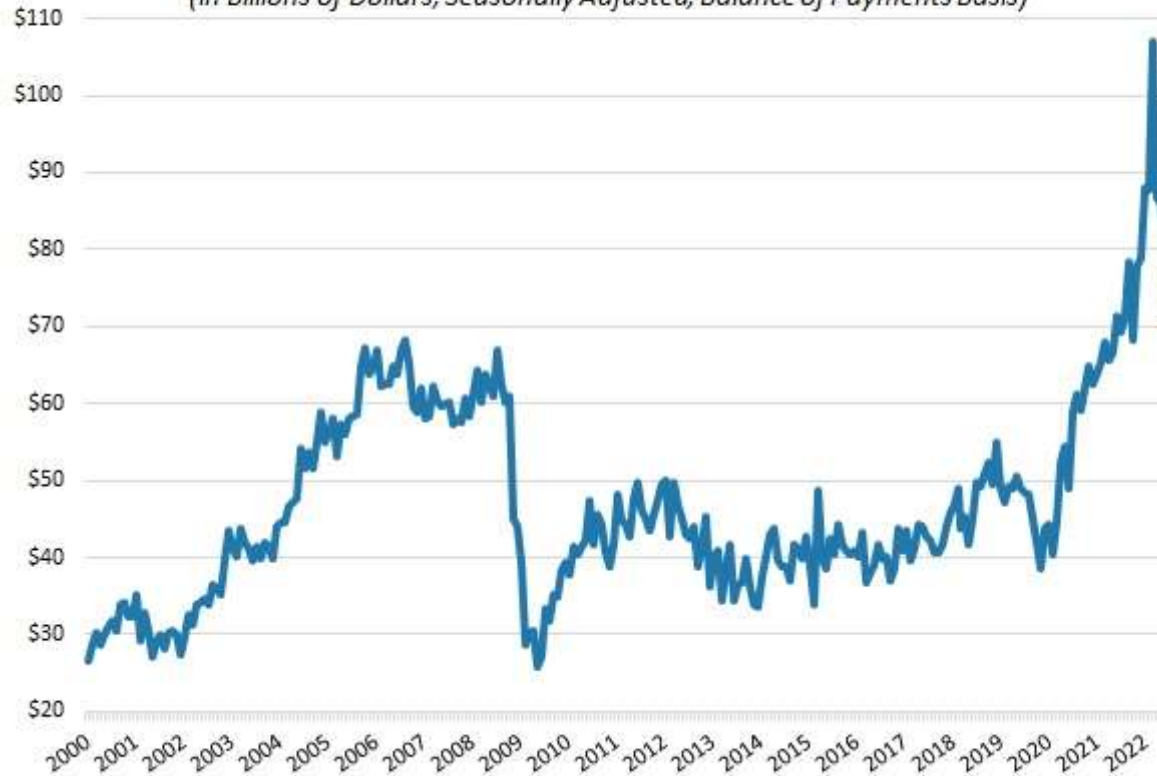
### The Weekly Toplines

- The U.S. [trade deficit](#) fell from \$80.88 billion in June to \$70.65 billion in July, the lowest since October and declining for the fourth straight month from the record \$106.92 billion reading in March. These data have been skewed year to date by supply chain disruptions, petroleum prices and slowing global growth.
- The reduced trade deficit in July stemmed from a sizable decrease in goods imports (down from \$282.55 billion to \$274.08 billion, a five-month low) that more than outpaced a slight decline in goods exports (down from \$183.29 billion to \$182.99 billion). The goods trade deficit (\$91.09 billion) was also the lowest since October.
- U.S.-manufactured goods exports totaled \$746.62 billion through the first seven months of 2022, using non-seasonally adjusted data, soaring 16.10% from \$643.07 billion year to date in 2021. Likewise, manufactured goods imports grew 18.38% year to date from \$1,372.85 billion in 2021 to \$1,625.24 billion for the same period in 2022.
- [U.S. consumer credit outstanding](#) rose 6.2% at the annual rate in July, continuing to expand solidly. Revolving credit, which includes credit cards and other credit lines, jumped 11.6% in July. As such, Americans have continued to be willing to take on new debt, which could result in increased spending. Indeed, revolving credit has risen 14.3% over the past 12 months.
- Meanwhile, nonrevolving credit, which includes auto and student loans, increased 4.4% in July, slowing from 16.8% growth in June. Overall, U.S. consumer credit outstanding has risen 7.7% over the past 12 months, the strongest year-over-year reading since November 2011.

- The week ending Sept. 3 saw 222,000 [initial unemployment claims](#), down from 228,000 for the week ending Aug. 27 and a three-month low.
- In contrast, the week ending Aug. 27 saw 1,473,000 continuing claims, up from 1,437,000 for the week ending Aug. 20 and a 21-week high. Continuing claims have trended higher since the spring, up from 1,306,000 for the week ending May 21.
- This week, there will be several indicators released that will provide more context on the current state of the U.S. economy and the manufacturing sector. This includes data on industrial production and manufacturing surveys from the New York and Philadelphia Federal Reserve Banks. There will also be clues about what the consumer is thinking, with sentiment data and retail sales figures.
- With the Federal Reserve likely to hike the federal funds rate again at the conclusion of its Federal Open Market Committee meeting on Sept. 20–21, one of the highlights this week will be updates on inflation, with data on the consumer and producer price indices out on Tuesday and Wednesday, respectively.

## Monthly U.S. Trade Deficit, 2000–2022

(in Billions of Dollars, Seasonally Adjusted, Balance of Payments Basis)



### Economic Indicators

**Last Week's Indicators:**  
(Summaries Appear Below)

**Monday, Sept. 5**  
LABOR DAY HOLIDAY

**Tuesday, Sept. 6**  
None

**Wednesday, Sept. 7**  
International Trade Report

**This Week's Indicators:**

**Monday, Sept. 12**  
None

**Tuesday, Sept. 13**  
Consumer Price Index  
NFIB Small Business Survey

**Wednesday, Sept. 14**  
Producer Price Index

**Thursday, Sept. 8**  
*Consumer Credit*  
*Weekly Initial Unemployment Claims*

**Friday, Sept. 9**  
*None*

**Thursday, Sept. 15**  
*Industrial Production*  
*New York Fed Manufacturing Survey*  
*Philadelphia Fed Manufacturing Survey*  
*Retail Sales*  
*Weekly Initial Unemployment Claims*

**Friday, Sept. 16**  
*State Employment Report*  
*University of Michigan Consumer Sentiment*

### Deeper Dive

- **Consumer Credit:** U.S. consumer credit outstanding rose 6.2% at the annual rate in July, slowing from the 10.2% gain in June but continuing to expand solidly. Revolving credit, which includes credit cards and other credit lines, jumped 11.6% in July. As such, Americans have continued to be willing to take on new debt, which could result in increased spending. Indeed, revolving credit has risen 14.3% over the past 12 months.

Meanwhile, nonrevolving credit, which includes auto and student loans, increased 4.4% in July, slowing from 16.8% growth in June. On a year-over-year basis, nonrevolving credit has increased 5.7%. Overall, U.S. consumer credit outstanding has risen 7.7% over the past 12 months, the strongest year-over-year reading since November 2011.

- **International Trade Report:** The U.S. trade deficit fell from \$80.88 billion in June to \$70.65 billion in July, the lowest since October and declining for the fourth straight month from the record \$106.92 billion reading in March. These data have been skewed year to date by supply chain disruptions, petroleum prices and slowing global growth. The reduced trade deficit in July stemmed from a sizable decrease in goods imports (down from \$282.55 billion to \$274.08 billion, a five-month low) that more than outpaced a slight decline in goods exports (down from \$183.29 billion to \$182.99 billion). The goods trade deficit (\$91.09 billion) was also the lowest since October. At the same time, the service-sector trade surplus rose from \$18.38 billion to \$20.44 billion, the best reading year to date.

In July, goods exports strengthened for non-automotive capital goods (up \$2.11 billion), automotive vehicles, parts and engines (up \$859 million) and other goods (up \$582 million), but this was outweighed somewhat by weaker exports in foods, feeds and beverages (down \$1.31 billion), industrial supplies and materials (down \$911 million) and consumer goods (down \$720 million). The decreases in goods exports in July were led by reduced activity for cell phones, natural gas and pharmaceuticals.

Meanwhile, the goods imports data weakened for the most part, led by declines for consumer goods (down \$7.40 billion), including a sharp reduction for pharmaceuticals (down \$3.00 billion). Imports also decreased for industrial supplies and materials (down \$1.77 billion), foods, feeds and beverages (down \$948 million) and other goods (down \$451 million). At the same time, goods imports increased for automotive vehicles, parts and engines (up \$1.83 billion) and non-automotive capital goods (up \$488 million).

U.S.-manufactured goods exports totaled \$746.62 billion through the first seven months of 2022, using non-seasonally adjusted data, soaring 16.10% from \$643.07 billion year to date in 2021. Likewise, manufactured goods imports grew 18.38% year to date from \$1,372.85 billion in 2021 to \$1,625.24 billion for the same period in 2022.

- **[Weekly Initial Unemployment Claims](#)**: The week ending Sept. 3 saw 222,000 initial unemployment claims, down from 228,000 for the week ending Aug. 27 and a three-month low. In contrast, the week ending Aug. 27 saw 1,473,000 continuing claims, up from 1,437,000 for the week ending Aug. 20 and a 21-week high. Continuing claims have trended higher since the spring, up from 1,306,000 for the week ending May 21.

Take Action

### **Be Part of Manufacturing's Premier Workforce Event**

The Manufacturing Institute—the workforce development and education partner of the NAM—invites you to its inaugural [Workforce Summit](#) on Oct. 18–20 at the Hyatt Regency in Cincinnati, Ohio, where manufacturers, thought leaders, educators, business association leaders and human resource and workforce development professionals will convene to discuss innovations in workforce development and the future of manufacturing. [Register](#) today to take advantage of the discounted early bird registration rate available until Labor Day.

Thank you for subscribing to the **NAM's Monday Economic Report**.

If you're part of an NAM member company and not yet subscribed, [email us](#). If you're not an NAM member, [become one today!](#)

Interested in becoming a presenter of the *Monday Economic Report*? Email us.

Questions or comments? Email NAM Chief Economist Chad Moutray at [cmoutray@nam.org](mailto:cmoutray@nam.org).



© 2022 National Association of Manufacturers  
733 10th St NW, Suite 700, Washington, DC 20001  
[Unsubscribe](#)