

# Macro Note

## China: Exports slipped in Oct, outlook to stabilise amid trade truce

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- **China's exports contracted for the first time since Feb and imports slowed more than expected in Oct.** The slowdown in Oct trade was partly due to an additional day of holiday in Oct this year compared to 2024 while intensified trade tensions with the US added to the uncertainties.
- **Total exports unexpectedly fell -1.1% y/y in USD-terms (Bloomberg est: 2.9%, Sep: 8.3%) and -0.8% y/y in CNY-terms (Sep: 8.4%).** Imports grew 1.0% y/y (Bloomberg est: 2.7%, Sep: 7.4%) in USD-terms and 1.4% y/y (Sep: 7.5%) in CNY-terms. China's trade surplus narrowed slightly to US\$90.07 bn from US\$90.45 bn in Sep.
- **Exports to the US contracted by double-digit pace for the 7th consecutive month since Apr.** The decline narrowed slightly to -25.2% y/y in Oct from -27.0% y/y in Sep, bringing the YTD contraction to -17.8% y/y. In Oct, export growth was led by markets such as Vietnam (+22.4%), Hong Kong (+20.9%), Singapore (+16.8%) and South Africa (+14.3%). Overall, ASEAN remained the largest market for Chinese goods, accounting for 17.5% share. Exports to the EU moderated with growth slowing to 0.9% y/y from 14.2% y/y in Sep.
- By key products, the strongest export growth was seen in ships, rare earths, motor vehicles, semiconductors and LCD panels which grew at a double-digit pace in Oct. On the other hand, contractions continued to be the worst for consumer goods such as toys, footwear, handbags and garments. This likely suggests the shift in some of these demand to other overseas production due to US' tariffs. China increased its rare earth export in Oct amid its tensions with the US. **In volume terms, rare earth shipments rose 8.6% compared to Sep, to 4,343 tons in Oct after falling noticeably in the three preceding months.**
- China imported more from sources including India (+58.1%), Singapore (+24.6%), Brazil (+20.3%), Indonesia (+17.9%) and South Africa (+11.4%). Overall, imports from ASEAN resumed contraction by -4.6% y/y in Oct, but remained the largest source for China, accounting for 15.3% share of total imports. Imports from the US contracted for the 8th straight month, by a larger -22.8% y/y in Oct compared to -16.1% y/y in Sep.
- China's imports of copper, iron, soybeans and semiconductors were relatively firmer in Oct. **In volume terms, the imports of commodities moderated compared to Sep but were higher compared to year-ago levels for soybeans, crude petroleum oil, copper and iron ores. Demand for metals was likely supported by infrastructure upgrading.** With China reported to have resumed soybeans purchases from the US following the meeting between President Trump and President Xi on the sidelines of the APEC summit on 30 Oct, this should contribute to stronger shipments of the commodity in Dec, with the imports diverted from Brazil.

- China's trade surplus has risen to US\$964.82 bn year-to-date as of Oct, up 22.1% from the same period last year. Against the US, China's trade surplus widened to US\$24.76 bn in Oct from US\$22.82 bn in Sep, bringing the Jan-Oct trade surplus to US\$233.31 bn, but this was down 20.0% compared to US\$291.53 bn in the same period of 2024.
- US and China have extended their trade truce for a year. The US will cut the fentanyl-related tariff to 10% while China will supply critical minerals to the US under an agreement. With the latest developments, we expect China's trade outlook to stabilize in the near-term. However, ongoing supply-chain reconfiguration is set to continue while both countries will also seek to reduce their interdependence. As such, US-China bilateral trade share could continue to decline over time.
- In Jan-Oct, China's exports rose 5.3% y/y while imports contracted by -0.9% y/y.** The relatively high base of comparison suggests that export growth could remain muted in the next two months. We finetuned our forecasts for 2025 export and import growth to 4.5% from 4.2% (2024: 5.9%) and -0.5% from -1.7% (2024: 1.1%) respectively. While we see a stabilization in China's trade outlook in 2026, this still hinges on external demand growth and stronger domestic stimulus to boost household consumption.

### Foreign trade in USD and CNY terms

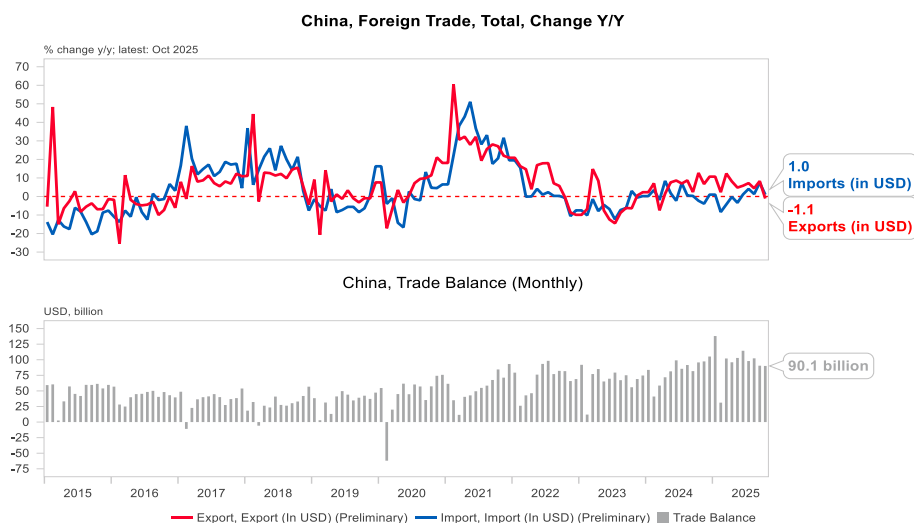
Source: Macrobond, UOB Global Economics & Markets Research

| Latest =<br>October 2025 | y/y % change |      |     |     |     | Latest | 1-mth ago | 1-yr ago |
|--------------------------|--------------|------|-----|-----|-----|--------|-----------|----------|
|                          | -5.0         | -2.5 | 0.0 | 2.5 | 5.0 |        |           |          |
| Export (In USD)          |              |      |     |     |     | -1.1   | 8.3       | 12.7     |
| Import (In USD)          |              |      |     |     |     | 1.0    | 7.4       | -2.4     |
| Export (In CNY)          |              |      |     |     |     | -0.8   | 8.4       | 11.2     |
| Import (In CNY)          |              |      |     |     |     | 1.4    | 7.5       | -3.7     |

■ Latest ● 1M ago ▲ 1Y ago

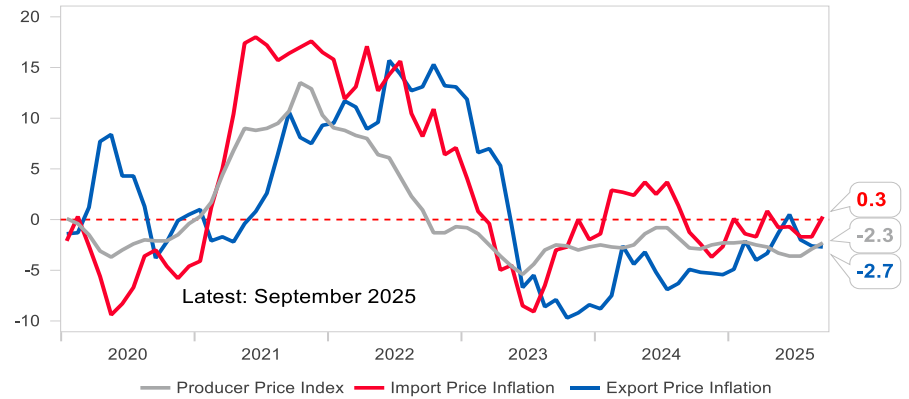
### Both exports and imports slowed more than expected in Oct

Source: Macrobond, UOB Global Economics & Markets Research



## Export prices stayed weak (% y/y)

Source: Macrobond, UOB Global Economics & Markets Research



## Export performance by key markets

Source: Macrobond, UOB Global Economics & Markets Research

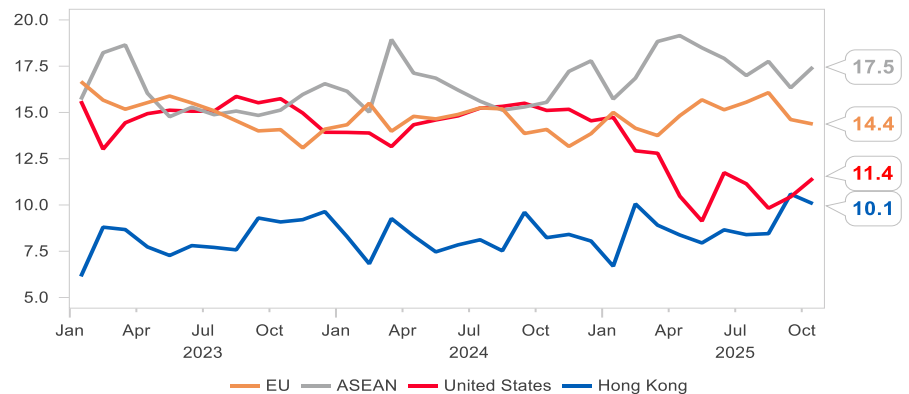
**China: Top Export Markets by Month (% y/y change)**

| Data: China GAC     | % y/y change        | Latest  | 9/2025 | 8/2025 | 7/2025 | 6/2025 | 5/2025 | 4/2025 | 1Y ago  |
|---------------------|---------------------|---------|--------|--------|--------|--------|--------|--------|---------|
|                     | -30 -20 -10 0 10 20 | 10/2025 |        |        |        |        |        |        | 10/2024 |
| Vietnam             |                     | 22.4    | 24.5   | 31.0   | 27.9   | 23.8   | 22.0   | 22.5   | 15.6    |
| Hong Kong           |                     | 20.9    | 19.4   | 17.2   | 10.7   | 16.7   | 11.4   | 8.8    | 2.1     |
| Singapore           |                     | 16.8    | 5.2    | 33.0   | 9.3    | 10.3   | 11.9   | 14.9   | 6.6     |
| South Africa        |                     | 14.3    | 23.3   | 10.7   | -10.4  | -0.6   | 14.4   | 9.6    | 11.2    |
| Thailand            |                     | 13.5    | 19.7   | 25.0   | 26.0   | 27.9   | 21.6   | 27.9   | 16.9    |
| ASEAN               |                     | 11.0    | 15.6   | 22.5   | 16.6   | 16.9   | 14.8   | 20.8   | 15.8    |
| India               |                     | 6.7     | 14.4   | 9.1    | 9.8    | 9.4    | 12.5   | 21.7   | 3.8     |
| Italy               |                     | 6.4     | 30.3   | 17.9   | 14.6   | 12.2   | 1.9    | 5.0    | 7.6     |
| Indonesia           |                     | 5.9     | 17.1   | 12.3   | 12.0   | 8.8    | 11.0   | 36.8   | 28.1    |
| Australia           |                     | 5.8     | 10.7   | 10.1   | 14.8   | -1.2   | 12.6   | 5.8    | 2.2     |
| RCEP                |                     | 3.9     | 11.6   | 15.2   | 12.3   | 10.1   | 10.7   | 14.4   | 11.3    |
| France              |                     | 3.1     | 8.5    | 8.3    | 7.4    | 13.6   | 24.1   | 2.8    | 20.3    |
| Germany             |                     | 2.4     | 10.9   | 7.5    | 13.1   | 3.5    | 21.5   | 20.4   | 19.8    |
| European Union (EU) |                     | 0.9     | 14.2   | 10.4   | 9.2    | 7.6    | 12.0   | 8.3    | 12.7    |
| Philippines         |                     | 0.4     | 13.5   | 6.2    | 10.7   | 10.2   | 7.5    | 7.0    | 4.2     |
| Brazil              |                     | 0.3     | 15.8   | -18.4  | -1.8   | -8.0   | -7.1   | 4.2    | 24.5    |
| APEC                |                     | 0.0     | 0.0    | -0.7   | 1.8    | 1.3    | -2.1   | 4.2    | 10.2    |
| United Kingdom      |                     | -5.2    | 12.2   | 10.2   | 7.5    | 10.8   | 15.6   | 2.5    | 8.1     |
| Japan               |                     | -5.7    | 1.8    | 6.7    | 2.4    | 6.6    | 6.2    | 7.8    | 6.8     |
| Netherlands         |                     | -9.0    | 12.4   | 5.5    | -0.7   | 2.1    | 7.1    | 5.3    | -1.3    |
| New Zealand         |                     | -9.7    | 17.2   | 3.9    | 9.6    | 5.3    | -12.1  | 13.1   | 18.3    |
| Malaysia            |                     | -10.1   | -2.4   | 13.0   | -0.5   | 9.9    | 5.2    | 14.9   | 24.7    |
| South Korea         |                     | -13.1   | 7.0    | -1.4   | 4.6    | -6.7   | -1.2   | -0.3   | 5.0     |
| Russia              |                     | -22.7   | -21.1  | -16.7  | -9.1   | -16.2  | -10.8  | -2.7   | 26.7    |
| United States       |                     | -25.2   | -27.0  | -33.1  | -21.7  | -16.1  | -34.5  | -21.0  | 8.1     |

■ Latest

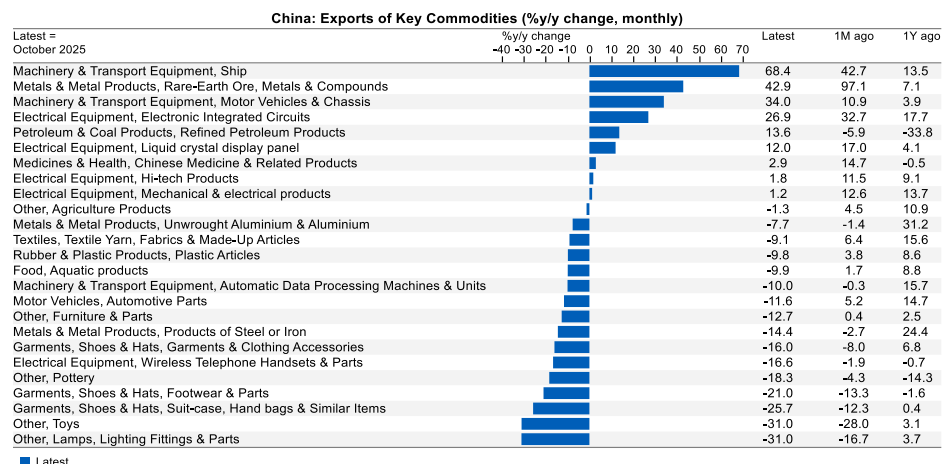
## China's export markets (% share)

Source: Macrobond, UOB Global Economics & Markets Research



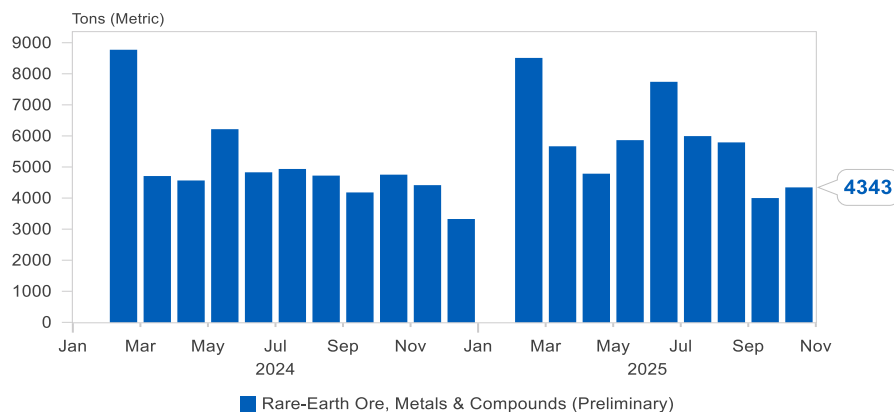
## Exports of key commodities

Source: Macrobond, UOB Global Economics & Markets Research



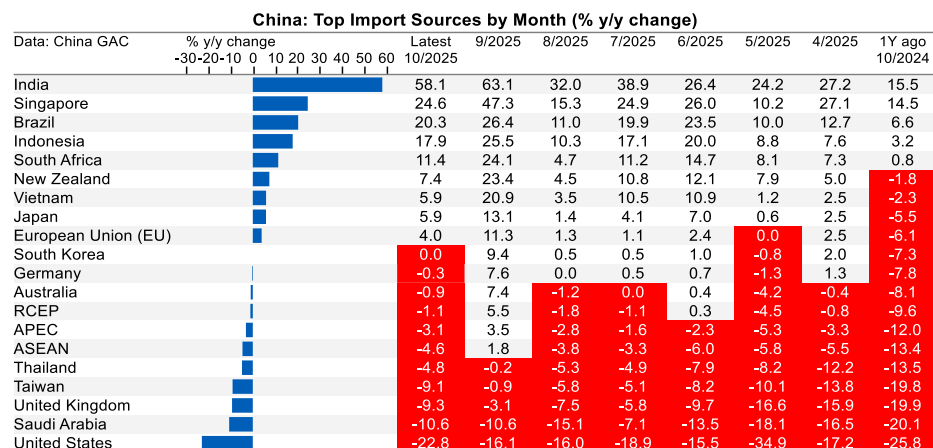
## Volume of China's rare earth exports rose m/m in Oct

Source: Macrobond, UOB Global Economics & Markets Research



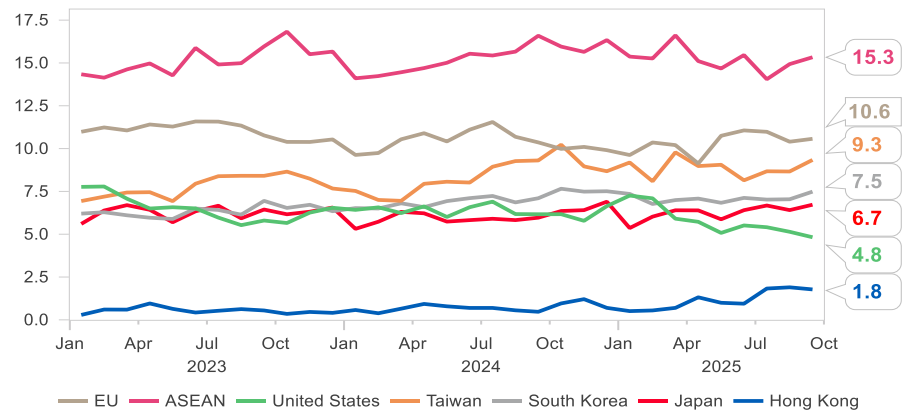
## Imports from key market sources

Source: Macrobond, UOB Global Economics & Markets Research



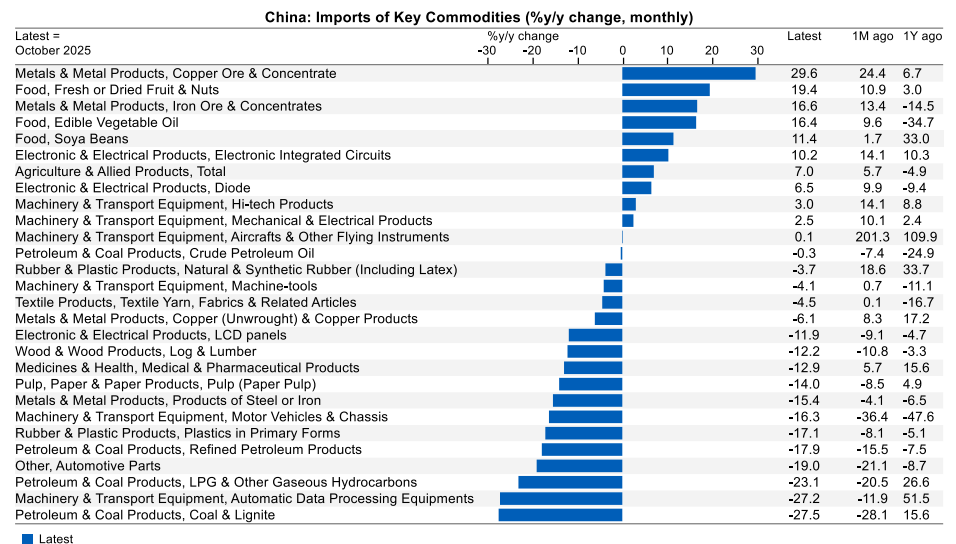
## China's import sources (% share)

Source: Macrobond, UOB Global Economics & Markets Research



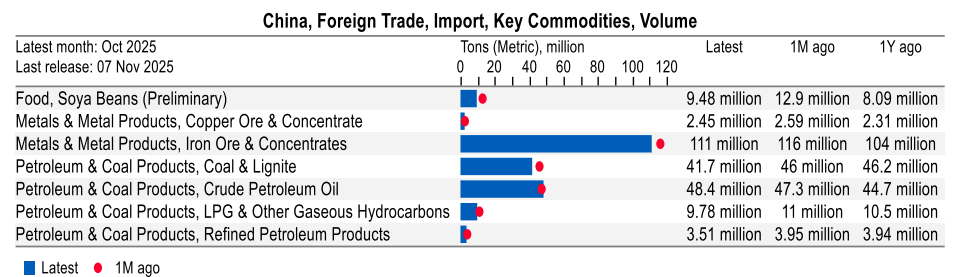
## Imports of key commodities

Source: Macrobond, UOB Global Economics & Markets Research



## Imports of key commodities (volume)

Source: Macrobond, UOB Global Economics & Markets Research



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