

China's exports grow 7.6% in May, outpace forecasts

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China's exports in May grew at their fastest pace in more than a year despite trade tensions, though imports fell short of analyst expectations, according to customs data released on Friday.

Exports jumped 7.6 per cent in May from the same month last year to \$302.35 billion, rising at the fastest pace since April 2023. Imports rose by 1.8 per cent to \$219.73 billion, missing estimates of about 4 per cent growth. The uptick in exports is also partly due to a lower base in the same period last year, when exports declined 7.5 per cent.

In comparison, exports grew by 1.5 per cent in April compared with the same period last year, while April imports rose by 8.4 per cent.

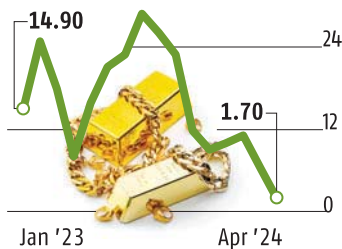
The strong exports caused China's trade surplus to widen to \$82.62 billion, up from April's \$72.35 billion. The growth in exports comes as China faces escalated trade tensions with the US and Europe. The US is ramping up tariffs on Chinese-made electric cars while Europe is considering levying similar tariffs.

"Foreign tariffs are unlikely to immediately threaten exports; if anything, they may boost exports at the margin as firms speed up shipments to front-run the duties," said Zichun Huang of Capital Economics in a note. Huang also said that exports would be supported by a weaker real effective exchange rate.

China is facing accusations from the US and the European Union of

PBoC halts gold purchases

PBoC gold purchases (in tonnes)



Source: Bloomberg

China's central bank didn't buy any gold in May, ending a massive gold buying spree that had run for 18 months after the precious metal surged to a record high. Bullion held by the People's Bank of China (PBoC) was unchanged at 72.80 million troy ounces in May, according to data released Friday. It's the first time the country has opted not to add to its reserves since October 2022, and follows a recent move by the central bank to start scaling down the size of monthly purchases.

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overproducing and flooding overseas markets with cheap electric vehicles. Also, the country's audit office is conducting comprehensive on-site inspections of the country's biggest mutual funds, marking one of its most thorough examinations against the industry, people familiar with the matter said.