

China's exports jump sharply

China's exports jumped while imports edged up only slightly. The combination of the two means that exports from China for November and December delivery were squeezed into November's shipment. This could be due to the fear of lockdown over the Christmas holidays



A big surprise from the worry of lockdowns

China's exports jumped 21.1% year-on-year in dollar terms. We did not expect this because we thought the lockdown in some export destinations would have deferred shipments. We were wrong. It was almost the opposite. Shipments squeezed in before the Thanksgiving and Christmas holidays generated a jump in exports from China. We don't expect this to be a trend because the low import growth of just 4.5% YoY means that many exports in coming months should have been fulfilled in November's shipments. Another factor behind the small import growth is that China imported quite little from Australia, this will likely continue as this is more of a political issue than related to the economic cycle.

Favourite gift items

Smartphones and vehicles are likely to be popular gifts over the Christmas period. These export items grew 0.61% month-on-month and 0.23% MoM, respectively. In other words, Covid has not damped the appetite for luxury items. We worry that Covid has widened the wealth gap even

further in many economies.