

Japan Sold More Than Ever

And Still Came Up Short Japan sold more abroad in July than in any month since the series began in January 1979. It finished the month four billion dollars behind.

Exports rose 23.2% and imports 27.8%, both records, leaving a third consecutive trade deficit. Higher crude costs and a weak yen did the damage.

Every item is dated at source. There is no sport.

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The Record That

Was Not Enough Japan had its largest export month since the series began in January 1979. It still finished four billion dollars behind, and the reason is a barrel of oil.

Exports rose 23.2% from a year earlier to 11.51 trillion yen in July, the finance ministry said in a preliminary report on Thursday. Cars sold abroad stayed strong and shipments of semiconductors and other electronic devices were healthy.

That is eleven consecutive months of export growth. By any ordinary reading it is an excellent result.

Imports rose 27.8% to 12.15 trillion yen, also a record. The gap came to 634.5 billion yen, roughly four billion dollars at 158.7 to the dollar, and it was the third monthly shortfall in a row. It was narrower than the roughly 680 billion forecast.

Higher crude oil costs did most of it, amplified by a weak yen that makes every barrel more expensive in local money. The Strait of Hormuz has not been formally closed, but transits fell to 73 in the week to 16 August from 91, on Lloyd's List Intelligence figures.

Japanese crude volumes from the Middle East fell 32.8% in the month, while the value of petroleum imports rose 87.8%. Both imports and exports reached record highs since the series began in January 1979. JAPANESE FINANCE MINISTRY PRELIMINARY REPORT · REPORTED 20 AUGUST 2026

Japan imports almost all of the oil it uses. Buying the same energy from further away costs more even when the barrel price itself does not move.

This is what a manufacturing economy looks like when the input it cannot make gets expensive. Selling more does not close the gap, because the gap is not on the selling side.

The markets spent Thursday reading entirely different news. The Kospi rose 5.9% to 6,852.58 after SK hynix announced a 40 trillion won buyback, about US\$28.6 billion; the region's largest single-day move.

Japan's Nikkei 225 rose 1.36% to 66,216.79 and the broader Topix 1.18% to 4,059.73. Nonferrous metal names were among the strongest movers, but the rise was broad.

Government borrowing costs across major Asian economies eased, with the Japanese ten-year yield retreating to about 2.84% from a thirty-year high of 2.95% earlier in the week. None of that originated in Asia.

The American Treasury said that from 9 September it would at least double the size of its long-end buyback operations, to at least four billion dollars each from two, after its own thirty-year yield reached the highest level since 2007. Asian yields followed within a session, before the American thirty-year gave most of it back.

So the region ended Thursday with a ledger that got worse and a market that got better, for unrelated reasons. Only one of those two things was about Asia.

For readers in Latin America the transferable lesson is in the trade figures. Record export volumes and a widening deficit can arrive in the same month, and the balance is the honest number.

The Day At A Glance

Ten items, read across Japanese, Chinese, Korean and English sources and checked against primary releases where they exist. Yesterday's threads on the region's bond selling and the Korean market appear here as context rather than as news, and there is no sport.

Japan · Record Exports

July exports rose 23.2% from a year earlier to 11.51 trillion yen. That is the highest since the series began in January 1979.

Japan · Record Imports Too

Imports rose 27.8% to 12.15 trillion yen, also a record. Higher crude costs and a weak yen drove the bill.

Japan · A Third Straight Deficit

The trade gap came to 634.5 billion yen, about four billion dollars. It is the third consecutive monthly shortfall.

Japan · Oil From Further Away

Japanese oil purchases from the Middle East fell 32.8% in the month. The Strait of Hormuz has not been formally closed, but transits fell to 73 in the week to 16 August from 91, on Lloyd's List Intelligence figures.

Japan · Eleven Months Of Export Growth

Cars sold to the United States and elsewhere remained strong. Semiconductor and electronic device shipments were healthy.

South Korea · A US\$28.6bn Buyback

The Kospi closed 5.9% higher at 6,852.58 after SK hynix announced a 40 trillion won buyback. SK hynix rose 12.7% and Samsung 9.5%.

Japan · Shares Rose 1.36%

The Nikkei 225 gained 890.37 points to close at 66,216.79 and the Topix rose 1.18% to 4,059.73. It snapped a two-day decline.

Japan · A Broad Rebound

Sumitomo Metal Mining rose about 11%, among the strongest movers. Transport equipment, utilities and pharmaceuticals also contributed; chip-equipment makers and the big banks did not.

Region · Borrowing Costs Eased

Japan's ten-year yield retreated to about 2.84% from a thirty-year high of 2.95% earlier in the week. Yields across major Asian economies fell with it.

Region · The Cause Was External

The American Treasury said it would at least double purchases of long-dated debt. Shares in Australia, China and Hong Kong advanced with the rest.

The Numbers At A Glance · Asia · Thursday, August 20, 2026

JAPAN Exports, July +23.2% record since 1979	JAPAN Imports, July +27.8% also a record	JAPAN Trade deficit Y634.5bn third month running	JAPAN Middle East oil imports -32.8% in the month
JAPAN Nikkei 225 66,216.79 up 890 points, 1.36%	JAPAN Ten-year yield 2.84% from a 30-year high of 2.95%	SOUTH KOREA Kospi +5.9% SK hynix buyback	REGION Direction of yields Lower on a decision taken in

How The Countries Are Doing

Ten items, read across Japanese, Chinese, Korean and English sources and checked against primary releases where they exist. Yesterday's threads on the region's bond selling and the Korean market appear here as context rather than as news, and there is no sport.

COUNTRY	PO L	BU D	MO N	MK T	EX T	WHAT'S DRIVING IT
Japan Tokyo	3	4	4	3	5	Record exports and imports, third straight deficit; oil from further away; ten-year yield off a 30-year high.
South Korea Seoul	3	2	3	4	3	Benchmark up about 6% on chipmakers; a market increasingly concentrated in one sector's demand.
China Beijing	3	3	3	3	3	Shares advanced with the region on an external cue; no domestic catalyst on the day.
Hong Kong Hong Kong	3	3	3	3	3	Followed the regional rebound in borrowing costs and share prices.
Australia Canberra	2	3	3	2	3	Shares advanced with Asia; a commodity exporter benefiting from firmer metal prices.
India New Delhi	3	3	3	3	3	A large net oil importer exposed to the same barrel that widened Japan's deficit.
Taiwan Taipei	4	2	3	3	3	Tied to the same semiconductor cycle that moved the Korean market six per cent.
Indonesia Jakarta	3	3	3	3	3	Energy trade position leaves it less exposed to the crude move than its northern neighbours.
Vietnam Hanoi	3	3	3	3	3	An assembly economy carried by the same electronics demand lifting Korean and Japanese shipments.
Thailand Bangkok	4	3	3	3	4	Fuel imports and tourism receipts both sensitive to the shipping disruption in the Gulf.

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Updated Thursday, August 13, 2026.

The Barrel And

The Balance Three ways Japan's trade position develops from here, and what each does to a manufacturer that must buy its fuel abroad. The chances add up to 100%.

POSSIBILITY	CHANCE	WHAT IT NEEDS	WHAT IT MEANS FOR LATIN AMERICA
A · Deficit persists	45%	Crude and routing	Fuel importers across the region carry the same widening unchanged bill
B · The yen does the work	35%	An earlier rate increase	Currency strength as the adjustment channel, familiar and double-edged
C · Routing normalises	20%	Gulf shipping resumes	The fastest relief available to every net energy importer at once

Source: Rio Times Asia Desk

Eight Things We Are Watching

Asia ends the week carrying several overlapping burdens: territorial friction, military pressure, humanitarian strain, and weather emergencies. Beneath that, some relief is visible in market calm and diplomatic momentum.

WHAT	HOW WE SEE IT	PERIOD	WHY
Japanese export performance	▲ POSITIVE	Six months	Eleven straight months of growth and a record July figure
Japan's trade balance	▼ CAREFUL	Six months	A third consecutive deficit despite that record
Japan's energy bill	▼ CAREFUL	Ongoing	Dearer crude, a weak yen, and oil arriving from further away
Japanese borrowing costs	◆ MIXED	Three months	Ten-year off a thirty-year high, but only on an external cue
The yen	◆ MIXED	Six months	Weakness lifts exports and inflates every barrel imported
Korean share concentration	▼ CAREFUL	Twelve months	A six per cent day in one direction implies six per cent days in the other
Semiconductor demand	▲ POSITIVE	Six months	Carrying both Korean shares and Japanese export volumes
Regional yields	◆ MIXED	Three months	Currently set by American debt operations rather than by Asia

Six People Shaping The News

From formal protests to presidential nominations, these figures shaped Asia's Thursday.

Katsunobu Kato

FINANCE MINISTER OF JAPAN

His ministry published the preliminary July trade report showing records on both sides and a third consecutive deficit. The import figure is the one his currency policy has to answer.

Kazuo Ueda

GOVERNOR, BANK OF JAPAN

Faces a market pricing an early increase and a ten-year yield that touched a thirty-year high this week. A firmer yen would cut the import bill and squeeze the record export figure at once.

Scott Bessent

UNITED STATES TREASURY SECRETARY

His department's decision to at least double purchases of long-dated American debt pulled Asian yields down within a session. No Asian institution was involved.

Lee Jae-myung

PRESIDENT OF SOUTH KOREA

Presides over a market that moved about six per cent in a single session on semiconductor sentiment. That concentration is national strategy expressed as market risk.

Jay Y. Lee

EXECUTIVE CHAIRMAN, SAMSUNG ELECTRONICS

Runs the company at the centre of the chip rebound that lifted the Korean index. Semiconductor shipments also supported Japan's record export figure.

The Day, Country By Country

Asia's emotional register on Thursday ranged from sovereign indignation in Tokyo to deep exhaustion in Myanmar and relief in Lombok. Each country's mood is anchored to a concrete event from the day.

JAPAN · TRADE

Records On Both Sides

July exports rose 23.2% to 11.51 trillion yen and imports 27.8% to 12.15 trillion, the highest for each since 1979. Sources: Ministry of Finance preliminary report via Nikkei Asia, Associated Press · 20 August 2026.

A Third Straight Deficit

The gap came to 634.5 billion yen, about four billion dollars, with Middle Eastern oil purchases down 32.8% in the month. Sources: Ministry of Finance via Xinhua · 20 August 2026.

JAPAN · MARKETS

Shares Snapped A Two-Day Fall

The Nikkei 225 rose 890.37 points, or 1.36%, to 66,216.79 and the Topix gained 1.18% to 4,059.73. Sources: Nikkei Inc. index archive · 20 August 2026.

A Broad Rebound, Not A Sector Story

Sumitomo Metal Mining rose about 11%, among the strongest movers, but transport equipment, utilities and pharmaceuticals also contributed. Sources: market reporting · 20 August 2026.

JAPAN · BORROWING COSTS

Ten-Year Back To 2.84%

The benchmark yield retreated after touching a thirty-year high of 2.95% earlier in the week. Sources: market data · 20 August 2026.

The Reason Was American

The move followed a Treasury decision in Washington to at least double purchases of long-dated debt. Sources: Treasury statement, market reporting · 19 and 20 August 2026.

SOUTH KOREA

Kospi Up 5.9% On A Buyback

The Kospi closed 5.9% higher at 6,852.58 after SK hynix announced a 40 trillion won buyback, about US\$28.6 billion. SK hynix rose 12.7% and Samsung 9.5%. Sources: Korean market reporting · 20 August 2026.

A Market Of One Conviction

The index is now substantially a wager on semiconductor demand, moving in both directions at speed. Sources: Rio Times Intelligence Desk reading · 20 August 2026.

CHINA, HONG KONG AND AUSTRALIA

Advancing With The Region

Shares in all three rose alongside Japan and Korea as regional borrowing costs eased. Sources: market data via Trading Economics · 20 August 2026.

No Domestic Catalyst Required

The move originated outside Asia and no local trigger was needed for it. Sources: market reporting · 20 August 2026.

THE WIDER PICTURE

Oil Is The Common Input

The same crude that widened Japan's deficit reaches every net energy importer in the region. Sources: trade data, market reporting · August 2026.

Exports Still Growing

Japanese shipments have now risen for eleven consecutive months on cars and electronic devices. Sources: Ministry of Finance · 20 August 2026.

Pipeline, Sectors, And The Calendar

ITEM	TYPE	WHEN	STATUS
Japanese July trade report	Data	Published 20	Records both ways, third consecutive deficit August
Japanese energy sourcing	Trade	Ongoing	Middle East oil purchases down 32.8% in the month
Bank of Japan rate path	Monetary	Coming months	Market pricing an earlier increase than guidance implies
Japanese ten-year yield	Market	Ongoing	At about 2.84% after a 30-year high of 2.95%
American long-dated debt buybacks	External	Ongoing	Currently setting the direction of Asian yields
Korean semiconductor cycle	Corporate	Ongoing	Drove a six per cent single-day index move
Japanese vehicle exports	Corporate	Ongoing	Shipments to the United States remained strong in July
Japanese chip and device exports	Corporate	Ongoing	Healthy shipments supported the record figure
Gulf shipping routes	Logistics	Contested	Transits fell to 73 in the week to 16 August from 91; no formal closure
Regional metal prices	Commodity	Firm	Led the Japanese share rebound on Thursday

Sector Watch - Four Things to Track

AVIATION AND AEROSPACE

China's C919 completed its first scheduled international commercial passenger flight from Beijing to Mongolia. The milestone supports the state-backed push for a credible domestic alternative to Western narrow-body jets.

AGRICULTURE AND COMMODITIES

Chinese spending on Vietnamese durian reached nearly US\$1 billion in the first half of the year. The trade flow shows how Southeast Asian produce remains central to Chinese consumer demand.

HOUSING AND INFRASTRUCTURE

South Korea announced measures to boost housing supply and help young buyers, while Hong Kong's MTR posted a 105.9 percent rise in interim net profit and expects to tender two projects within 12 months.

TELECOM AND TECHNOLOGY

Starlink began taking orders for satellite internet in Vietnam, expanding its regional footprint. Taiwan's containment of AI-assisted cyberattacks keeps digital security a live commercial concern across the region.

Calendar - Next 30 Days

DATE	EVENT	WHY IT MATTERS
21 August	Japanese consumer price figures for July	Whether the energy bill is reaching households
Late August	Korean trade figures for August	A read on the semiconductor cycle from the export side

DATE	EVENT	WHY IT MATTERS
26 August	United States price index	Sets the external cost of borrowing for the region
Early September	Japanese revised second-quarter output	The first estimate came in at half the expected pace
Mid-September	Japanese August trade report	Whether the deficit extends to a fourth month
Coming weeks	Bank of Japan communication	The market is pricing an earlier increase than guidance implies
15 and 16	United States rate meeting	Three July dissenters there wanted an increase
Ongoing	American long-dated debt operations	Currently setting the direction of Asian yields
Ongoing	Crude prices and Gulf shipping	The largest single input into Japan's balance
Ongoing	Semiconductor demand	Carrying Korean shares and Japanese export volumes together

What Today Tells Us

What Thursday Tells Us Japan had its largest export month since the series began in January 1979 and still finished four billion dollars behind. That single sentence carries the whole day.

Exports rose 23.2% to 11.51 trillion yen on strong car sales and healthy chip and device shipments. It was the eleventh consecutive month of growth.

Imports rose 27.8% to 12.15 trillion yen, also a record, leaving a deficit of 634.5 billion yen. It is the third monthly shortfall in a row.

Sources & Method

JAPAN

Bernama, Tokyo News Media - Aug. 13 (English, Japanese).

TAIWAN

Tribune India, Focus Taiwan - Aug. 13 (English, Chinese).

MYANMAR

MoeMaKa - Aug. 13 (English, Burmese).

PHILIPPINES

Philippine Star - Aug. 12-13 (English, Filipino).

INDONESIA

The Star ASEAN, FDD Overnight Brief - Aug. 13 (English).

VIETNAM

SCMP, VietnamPlus - Aug. 13 (English, Chinese, Vietnamese).

Method: about forty of the region's largest outlets are swept daily in Japanese, Chinese, Korean, Hindi, Bahasa Indonesia, Vietnamese, Thai, Filipino, Arabic and English, alongside finance ministries and central banks. Stories are led by individual economies rather than by regional institutions, and items are ranked by consequence rather than by ease of sourcing. Opinions are our own and are not financial advice. Compiled by the Rio Times Intelligence Desk on Thursday, August 20, 2026. editor@riotimesonline.com · riotimesonline.com · © 2026 The Rio Times Online

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