Canada’s trade with the rest of the world took a big step back in March, leaving the deficit at its widest level in a year. The deficit of $1.4bn came alongside drops in both exports and imports which took both of them down to levels not seen in over two years. The fall in exports of 4.7% was most heavily driven by declines in the auto sector. Production stoppages in the North American motor vehicle supply chain was also the main driver causing the 3.5% drop in imports during the month. Exports were stung by sharply lower oil prices and a drop in the volume of crude shipments too. Total export volumes dropped 4.8%, while imports fell 5.8%. As we had expected, the significant move weaker in the Canadian dollar blunted a significant portion of the impacts on the nominal values of exports and imports by keeping prices higher in CAD terms. Given that shutdowns in North America only really began in earnest in the latter half of March, two-way trade is likely to have sharply deteriorated again in April. That could, however, be the worst of it, with gradual reopenings now on the horizon.