

Calamos Global Investment Team: Chart of the Week

July 18, 2025

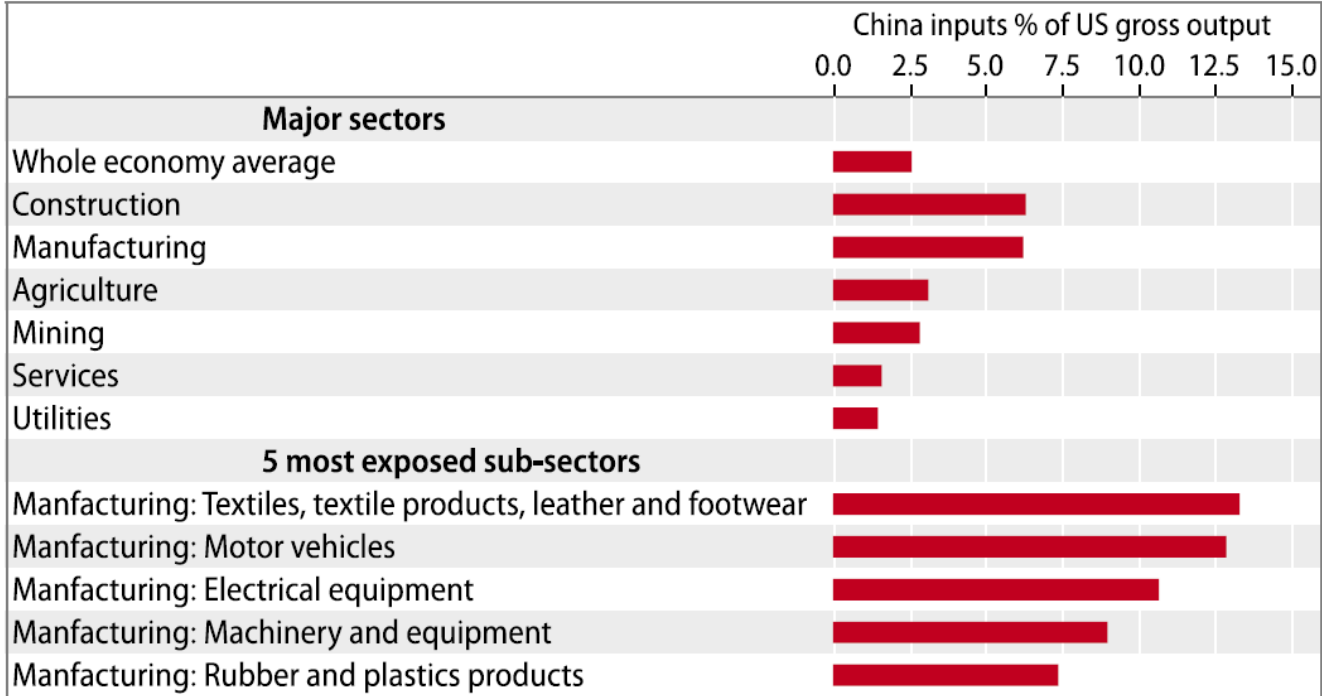
- This week’s chart – courtesy of Gavekal– highlights the reliance of US domestic output on China inputs.
- The “reindustrialization” of America will require significant investments in construction and equipment, which currently rely heavily on Chinese inputs.
- Major US manufacturing sub-sectors—including textiles, motor vehicles, and electrical equipment—currently source more than 10% of their inputs from China.
- While investments in US manufacturing should help to rebalance the US economy and benefit the middle class over the medium term, developing the US manufacturing sector may require greater reliance on foreign inputs in the near term.
- Even as globalization becomes a less pronounced secular theme, US supply chains will still be global—and this dynamic can sustain continued opportunity for companies around the world, including select Chinese businesses.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

US domestic manufacturing and construction are highly reliant on China

Foreign input reliance: China output used in US domestic output, by sector (2020)



Past performance is no guarantee of future results. Source: Gavekal Research, “The Shape of the Supply Chain Shock,” April 14, 2025, using OECD, Gavekal Dragonomics/Macrobond.