THEMATIC RESEARCH · US-CHINA

The Truce That Isn't on Paper: US-China After 10 November

Washington and Beijing said in September that their trade truce would run to 10 January 2027. Yet the legal texts behind it still expire on 9 and 10 November, the week after the US election. This report sets out what the truce covers, what lapses unless new notices appear, how tariffs and trade flows have changed, and what is at stake for rare earths, chips, farm exports and markets.

Global Markets Research · Macro Desk Prepared by ANDRA MARKETS

~0.1%

politics says Jan, paperwork says Nov

Coverage summary. The arrangement struck in Kuala Lumpur and Busan in October 2025 suspended China's October 2025 rare-earth export controls, the US Entity List affiliates rule and US port fees on Chinese ships for one year, until 10 November 2026. On 23 September Treasury Secretary Scott Bessent said it would be extended by two months, to 10 January 2027, and on 28 September China's commerce ministry confirmed an extension of the "joint arrangement". But as of 29 October neither government had published the legal notices that carry their own suspensions past 9 and 10 November. Unless they appear, China's 0.1% extraterritorial rare-earth rule returns on 10 November and the US affiliates rule on the same day. The truce is extended in politics; on paper it still ends in eleven days.

two calendars, one truce

LEGAL EXPIRY	POLITICAL DEADLINE	US TARIFF ON CHINA	CHINA SHARE OF US IMPORTS
9-10 Nov	**10 Jan 2027**	**~24%**	**~9%**
MOFCOM No. 70; BIS affiliates rule	*Bessent, MOFCOM, Sep 2026*	*effective, Jan-Jul 2026 (PIIE)*	*21.6% in 2017*

Exhibit A. What the truce covers and when each part ends

Measure	Side	What it does	Legal end date	Status, 29 Oct
MOFCOM No. 70 (suspends Nos. 55-58, 61, 62)	China	pauses Oct 2025 rare-earth, battery and technology controls, incl. 0.1% rule	10 Nov 2026	no extension published
MOFCOM No. 72	China	pauses US-specific dual-use licensing	27 Nov 2026	no extension published
Affiliates rule suspension	US (BIS)	pauses Entity List rule for majority-owned subsidiaries (~20,000 firms)	9 Nov 2026	no Federal Register notice
Port fees on Chinese ships (Section 301)	US (USTR)	pauses maritime and shipbuilding fees	9-10 Nov 2026	no notice
Fentanyl tariff cut 20% → 10%	US	voided with IEEPA by the Supreme Court in February	n.a.	replaced by Section 301 layers
Soybean purchases (25 MMT a year, 2026-28)	China	farm purchase commitment	annual	~half of 2026 done by Sep
Truce as a whole	both	political arrangement	10 Jan 2027	announced, not codified

what lapses if nobody acts

Sources: MOFCOM via Technology.org and Mainrich International; Federal Register via NAMI; China Briefing; Supply Chain Dive; Bytes Europe (30 Oct 2026); CNBC; White House fact sheets.

1.0 Executive Summary

Key takeaways

The real deadline is a paperwork deadline. Both governments say the truce runs to 10 January. Neither has yet published the notices that would carry its own suspensions past 9 and 10 November. The first test is whether a Federal Register notice on the affiliates rule appears before 9 November and a MOFCOM announcement before 10 November.

The extensions are getting shorter. Busan bought a year; Washington bought two months, with a White House target to block Chinese rare-earth imports and a Pentagon magnet cutoff both falling in January 2027. The truce now ends exactly where the next round of US restrictions begins.

Tariffs are lower than at the peak, not low. After the Supreme Court struck down the IEEPA tariffs in February, China-specific Section 301 duties and a new 12.5% forced-labour tariff left most Chinese goods facing about 20% to 40%. PIIE puts the average effective rate at 24% this year, against 6% for everyone else.

Trade has decoupled, partly. China's share of US imports fell from 21.6% in 2017 to about 9% in 2025 and the bilateral deficit has roughly halved. But China reported $100 billion more exports to the US in January-July than the US recorded as imports, which points to transshipment and under-declaration.

Rare earths are China's leverage, and it has not let go. China controls an estimated 90% of rare-earth processing and magnet capacity. Its April 2025 licensing regime was never suspended, rare-earth exports fell 9.6% in the first nine months and magnet shipments to the US fell 20% in August from July.

Our reading. Markets have treated the truce as settled: the yuan has strengthened about 9% since April 2025 to around 6.67 per dollar and the S&P 500 is near records. A lapse on 10 November is unlikely to be the base case, but the week after the election is when the paperwork has to catch up with the politics, and any slip would hit magnet-dependent manufacturers, chip supply chains and farm exports first.

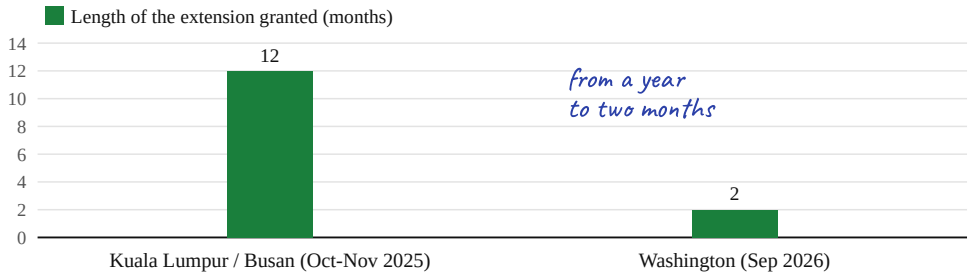
2.0 How the Truce Was Built

From Busan to Washington

The arrangement dates from a fraught autumn. In October 2025 China expanded its rare-earth export controls, including a rule reaching foreign-made products containing more than 0.1% Chinese rare earths, and the US threatened an additional 100% tariff from 1 November. At Busan on 30 October 2025, Presidents Trump and Xi agreed to step back: the US cut its fentanyl tariff from 20% to 10%, lowering the average tariff on Chinese imports from about 57% to 47%, and suspended its affiliates rule and port fees; China suspended the October controls and its retaliatory measures for a year and committed to buy at least 25 million tonnes of US soybeans in each of 2026, 2027 and 2028. In May 2026 Trump visited Beijing, and Beijing reaffirmed the soybean pledge and agreed to buy 200 Boeing aircraft.

Xi's state visit to Washington on 24-26 September produced the two-month extension, a new bilateral Board of Trade and an Investment Council, and reciprocal lists of about $30B of non-sensitive goods on each side eligible for lower tariffs. The asymmetry is telling: the US list covers 77 tariff lines, mainly consumer goods such as microwaves, while China's covers more than 1,000 subheadings, including farm goods, seafood, cosmetics, medical devices and US coal. A planned 7.5% US overcapacity tariff was delayed. There was no jointly documented settlement on critical minerals.

Exhibit 1. Length of each truce extension (months)



Sources: White House and MOFCOM (Busan/Kuala Lumpur, 2025); Supply Chain Dive and MOFCOM (Washington, September 2026).

3.0 The Legal Calendar

Nine days that matter

Three dates follow the US election on 3 November. On 9 November the Federal Register notice suspending the Bureau of Industry and Security's affiliates rule ends, so the rule applies again from 10 November unless BIS acts; CNBC reported it could reach about 20,000 Chinese entities. On 10 November MOFCOM Announcement No. 70 ends the suspension of China's six October 2025 notices, which would restore licensing for five more rare earths, rare-earth equipment, battery materials and technology, and the 0.1% rule for foreign-made goods with Chinese rare-earth content. On 27 November Announcement No. 72, which suspended US-specific dual-use licensing, ends. A MOFCOM official said on 28 September that the arrangement had been extended to 10 January; as of 11 October no announcement changing the dates had been published, and as of 29 October neither side had published its notice.

9, 10 and 27 Nov

Exhibit B. Deadlines in the next ten weeks

Date	Event	What changes if nothing is published
3 Nov	US midterm elections	political backdrop for any extension
9 Nov	BIS affiliates rule suspension ends	Entity List restrictions reach majority-owned affiliates from 10 Nov
9-10 Nov	US port-fee suspension ends	Section 301 fees on Chinese-linked ships could resume
10 Nov	MOFCOM No. 70 ends	Oct 2025 rare-earth controls and the 0.1% rule return
27 Nov	MOFCOM No. 72 ends	US-specific dual-use licensing returns
10 Jan 2027	political end of the truce	talks on a broader deal or another extension
Jan 2027	US targets on Chinese rare earths; Pentagon DFARS magnet cutoff	next round of US restrictions

Sources: NAMI (Federal Register, MOFCOM texts); Bytes Europe; Technology.org; BISI; CNBC.

4.0 Tariffs

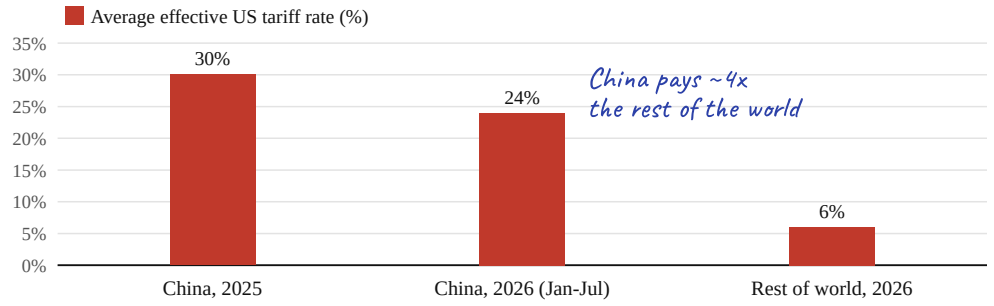
Lower than the peak, highest of any partner

IEEPA gone, 301 stays

The tariff wall has been rebuilt on different legal foundations. The Supreme Court's ruling on 20 February voided the IEEPA tariffs, including the fentanyl and reciprocal layers on China. A 10% Section 122 surcharge filled the gap until it lapsed on 24 July, when a new Section 301 forced-labour tariff of 12.5% on most Chinese goods took effect. It stacks on top of the original Section 301 duties of 7.5% on List 4A and 25% on Lists 1 to 3, and on the four-year-review rates of 50% on legacy chips and solar cells and 100% on electric vehicles. For most products the result is roughly 20-40% plus the normal duty. PIIE estimates the average effective rate at 30% in 2025 and 24% in the first seven months of 2026, against 6% for imports from all other countries.

~10%

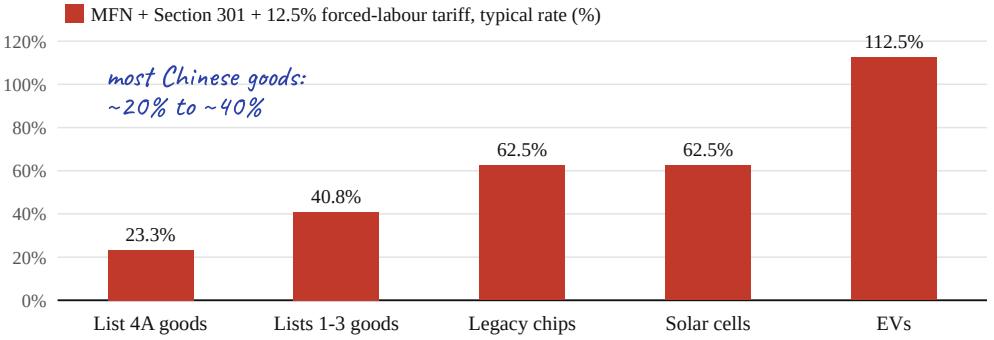
Exhibit 2. Average effective US tariff rate (%)



4x the rest

Source: PIIE, 'Lost in tabulation' (October 2026), based on US Census data.

Exhibit 3. Typical US tariff on Chinese goods by category, October 2026 (%)



Sources: USTR and USITC via EximAgent, JIEYI and TariffsTool; Andra Markets calculation including a 3.3% average MFN rate. Section 232 duties may apply instead of or in addition to these on some goods.

5.0 Trade Flows

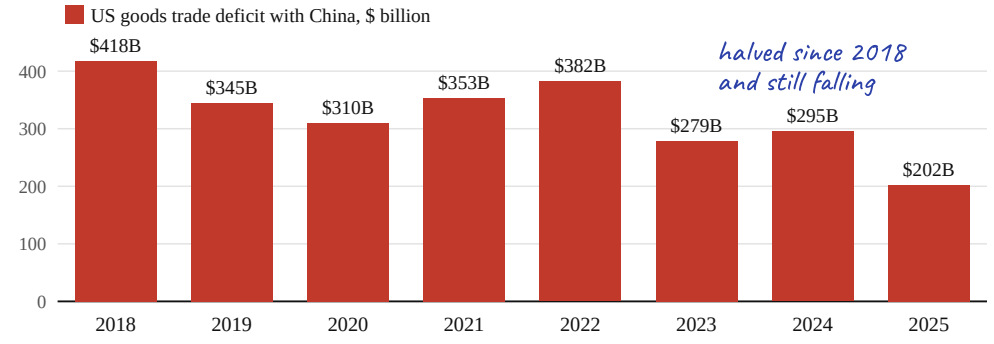
Decoupling, with leaks

$382B → $202B

The bilateral deficit has fallen steadily. Census data show the US goods deficit with China at $382 billion in 2022 and $202 billion in 2025; US imports from China fell 29.7% in 2025 and another 23% in the first half of 2026, while exports to China fell only 1%. China's share of US imports, 21.6% in 2017, was about 9% in 2025, roughly where it stood when China joined the WTO in 2001. Stanford researchers find that the US decoupled from China, not from trade: total US imports grew 5.7% a year between 2017 and 2025 as Mexico, Taiwan and others took share, and China's value added in US imports has proved stickier than the direct numbers suggest.

~$382B

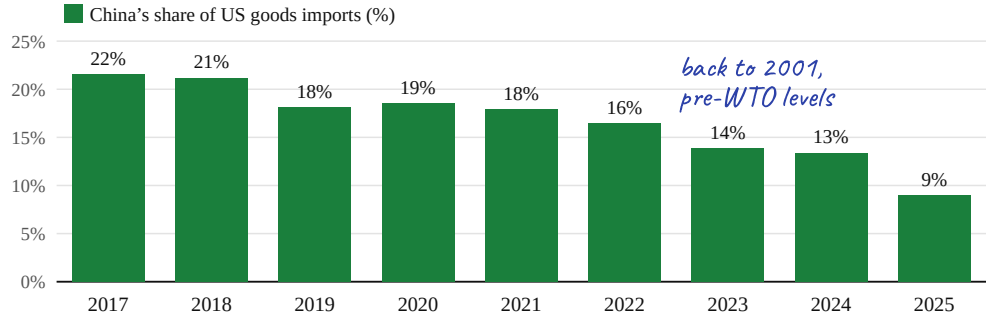
Exhibit 4. US goods trade deficit with China ($ billion)



halved

Source: US Census Bureau, annual goods trade balance with China (country code 5700).

Exhibit 5. China's share of US goods imports (%)



Sources: US Census Bureau; Congressional Research Service; Stanford SCCEI. Rounded.

~$158B

The fall may be overstated. From January to July 2026 the US recorded $158.3 billion of imports from China and Hong Kong, while China reported $258.1 billion of exports to the US, a gap of ~$100B, or 63% of US-reported imports, nearly five times its 2021-24 average. PIIE attributes much of it to tariff evasion: under-declared values, goods routed through third countries and low-value parcels. The Coalition for a Prosperous America argues that in March the deficit fell 46% largely because declared values dropped, not quantities.

63% gap

Exhibit 6. Two measures of the same trade, January-July 2026 ($ billion)



where did $100B go?

Source: PIIE (October 2026), using US Census and China customs data.

6.0 Rare Earths

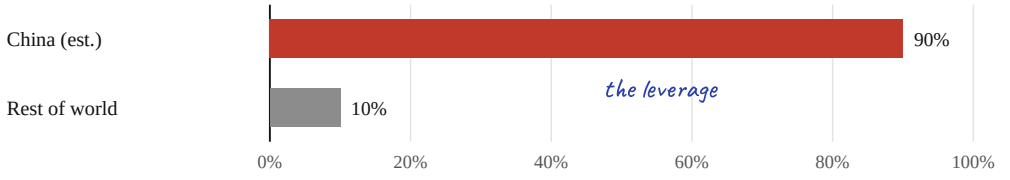
China's leverage has not gone away

April 2025 rules never paused

Rare earths are the reason the truce matters to industry. China controls an estimated 90% of global rare-earth processing and magnet fabrication. The suspension covers only the October 2025 additions; the April 2025 regime, which requires case-by-case licences for samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium and their magnets, has never been suspended. Flows reflect that: China's rare-earth exports fell 9.6% to 43,711 tonnes in January-September, and magnet shipments to the US fell to 512 tonnes in August, down 20% from July and 13% from a year earlier, according to Chinese customs data reported by the Financial Times. If the October rules return, any product anywhere containing more than 0.1% Chinese rare earths by value would need a Chinese licence, which would reach US defence, auto and electronics supply chains directly.

~90%

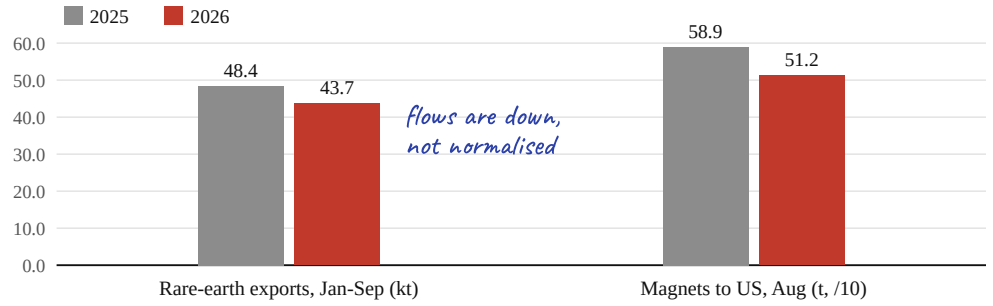
Exhibit 7. Share of global rare-earth processing and magnet capacity (%)



~90%

Source: BISI, September 2026 (estimate).

Exhibit 8. Chinese rare-earth exports and magnet shipments to the US



Sources: China customs via Technology.org (exports, Jan-Sep); Financial Times via CNBC (magnets, August; shown in tens of tonnes). 2025 values derived from reported percentage changes.

7.0 Purchases and the $30 Billion Lists

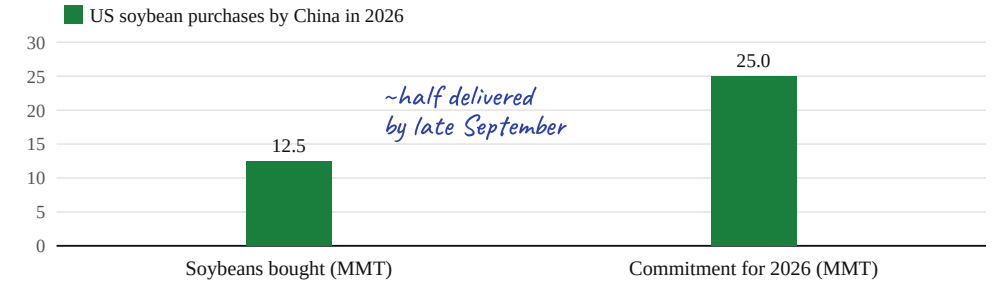
What each side delivered

~12.5 of 25 MMT

Purchase commitments are the most visible scorecard. Reuters reported that China had bought almost half of its 25-million-tonne soybean commitment for 2026 by late September, after buying about a million tonnes in a single week; delivery on the 200 Boeing aircraft and on rare-earth access has been harder to verify. The $30 billion reciprocal tariff lists agreed in September are small relative to $415 billion of two-way goods trade in 2025, but they matter as a template: the Board of Trade's first task is to implement them, with an agricultural working group and US coal added to China's reduced-duty regime for 2027 and 2028.

~$30B

Exhibit 9. China's 2026 US soybean purchases vs commitment (million tonnes)



Source: Reuters via CNBC (late September 2026); White House fact sheet (commitment). 'Bought' is approximate.

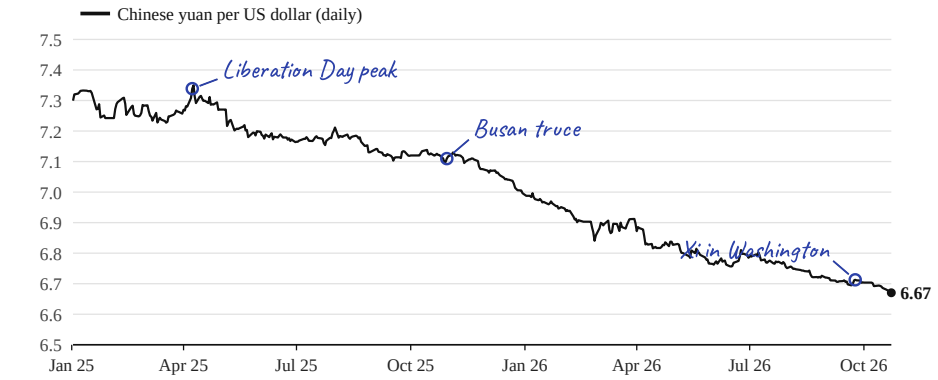
8.0 Markets

Priced for continuity

Financial markets have priced the truce as durable. The yuan, which weakened to 7.34 per dollar after the April 2025 tariff escalation, has strengthened steadily since Busan to about 6.67, its firmest level in the period shown, as China's exports to other markets held up. The S&P 500 recovered from the spring 2025 tariff shock to records, led by technology. The sectors most exposed to a lapse are those that depend on Chinese magnets and battery materials (autos, defence, robotics, electronics), US farm exporters, shippers exposed to port fees and chip companies affected by the affiliates rule. A slip on 9-10 November would test that calm; a smooth publication of notices would confirm it.

yuan +9%

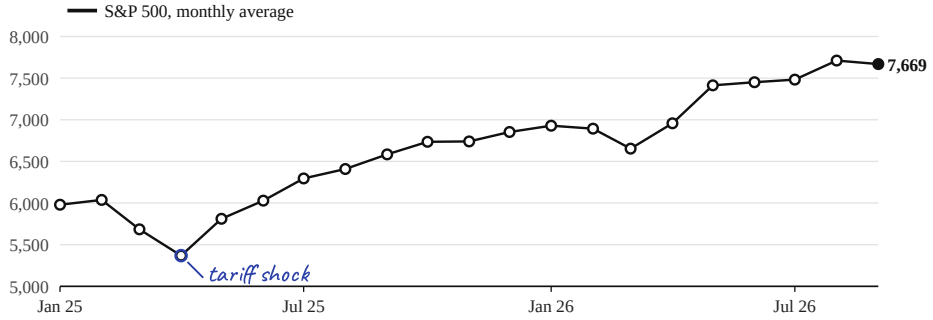
Exhibit 10. Chinese yuan per US dollar since January 2025



from 7.34 to 6.67

Source: Federal Reserve H.10 daily exchange rates, to 23 October 2026.

Exhibit 11. S&P 500 since January 2025 (monthly average)



Source: S&P 500 monthly averages (Shiller data via public dataset) to September 2026.

9.0 Scenarios

Through 10 January 2027

Exhibit C. Andra Markets scenarios

Scenario	Prob.	What happens	Market signal
Paper catches up	65%	BIS and MOFCOM publish extensions to 10 Jan before the deadlines	no reaction; focus moves to January talks
Messy lapse, quick fix	25%	one side's notice arrives late; rules lapse for days, then re-suspended	magnet and battery supply scares; yuan softer
Real lapse	10%	no extension; 0.1% rule and affiliates rule return	risk-off in autos, chips, defence; tariff threats return

Andra Markets scenarios; probabilities are judgemental.

10.0 What We Are Watching

Dates and indicators

Exhibit D. Calendar and indicators

Date	What	Why it matters
Before 9 Nov	Federal Register notice on the affiliates rule	US side of the paperwork
Before 10 Nov	MOFCOM announcement amending No. 70	China side; rare-earth controls
Mid-November	China October trade and rare-earth export data	whether flows normalise
Weekly	USDA export sales to China	soybean commitment
December	Board of Trade first meeting	implementation of the $30B lists
10 Jan 2027	political end of the truce	broader deal or another extension

Andra Markets selection.

reading: the truce is extended in politics, not yet on paper. the week after the election is when the two have to match

Methodology and Source Notes

Method. This report uses official texts and statements from MOFCOM, the White House, USTR, BIS and the Federal Register as reported by legal and trade advisories, US Census and China customs trade data via PIIE, CRS and Stanford SCCEI, Federal Reserve H.10 exchange rates and S&P 500 monthly data, as available on 30 October 2026. Tariff rates are typical stacks and vary by product. Scenario probabilities are judgemental. Handwritten notes and highlights are informal commentary by the desk. This note is analysis, not investment advice.

Principal sources. MOFCOM; White House fact sheets; USTR; BIS / Federal Register; US Census Bureau; China General Administration of Customs; PIIE; Congressional Research Service; Stanford SCCEI; Federal Reserve H.10; Supply Chain Dive; Yahoo Finance; CNBC; Reuters; Financial Times; China Briefing; Technology.org; NAMI; Bytes Europe; BISI; Mainrich International; EximAgent; JIEYI; TariffsTool; Coalition for a Prosperous America; RVIA; Plataforma Media.

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