August 25, 2023
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
US employment growth to slow. UK housing prices might weaken. Japan's industrial production may tick down.

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The Economy

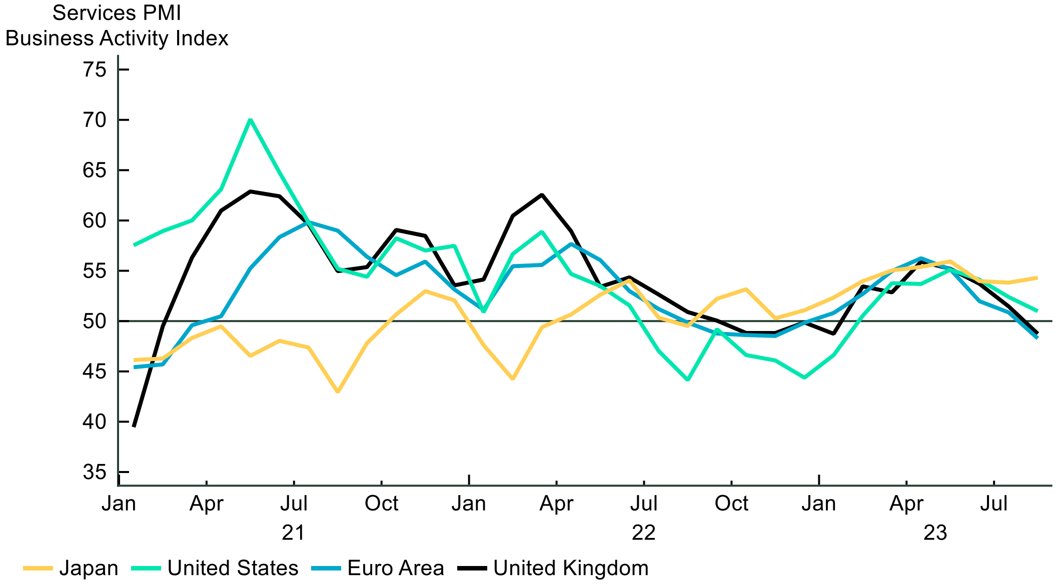
Central bankers promise both caution and resolve at Jackson Hole.

Global

Global manufacturing activity remains in the doldrums, with the latest purchasing managers indexes (PMIs) data showing persistent contractions in all key regions. The UK remains a relative under-performer (more on that below) with the headline manufacturing PMI down nearly three points to 42.5, but eurozone was not much better off at 43.7. The rate of contraction in US activity was somewhat less severe (47.0) but more intense than during the prior month (49.0). All this left Japan as the relative outperformer among the key developed markets, at least for now.

Japan's relative outperformance was even starker in the services sector, where activity has so far proven more resilient than in manufacturing. But the latest batch of service PMI data—from Europe in particular—suggests that the prior resilience may now come under threat as higher rates cool demand.

Figure 1: Japanese Services Sector Displayes Delayed Revival



Sources: SSGA Economics, S&P Global

Service sector activity dipped into contraction both in the eurozone and in the UK in July, with the US index slowing notably to 51. By contrast, the Japanese metric improved half a point to 54.3. The improvement in tourist flows and the delayed revival in domestic services consumption speak to the persistence of resilience in Japanese services activity, but it remains to be see whether this positive performance gap to other developed markets can be sustained.

We have a new thought leadership piece on Japan's monetary policy pivot and the road ahead for investors. Read further for insights.

US

US data was scant this week and mixed as it has been for some time. Slight misses on durable goods orders and Michigan consumer sentiment were accompanied by slightly better than expected new home sales and lower initial unemployment claims.

But all of these moves were relatively modest and were entirely overshadowed by the big event of the week—**Chair Powell's speech at Jackson Hole**. In the event, even this was far less of a market moving event than last year's edition. Understandably so: over the intervening period, the Fed has raised interest rates by 300 basis points and headline inflation has slowed by 500 basis points. While the inflation battle isn't yet fully won, there is now a much better balance between the risk of "doing too little" and that of "doing too much". And so, while vowing to tighten more if necessary to bring inflation to the 2.0% target, Chair Powel also stressed the intention to proceed cautiously and be guided by incoming data. "At upcoming meetings, we will assess our progress based on the totality of the data and the evolving outlook and risks. Based on this assessment, we will proceed carefully as we decide whether to tighten further or, instead, to hold the policy rate constant and await further data." The market had been already of the same mindset, so absent a clear hawkish signal, equities rallied during the remainder of the session.

One thing that Chair Powell put to rest was the idea that the Fed may be considering changing its inflation target. We had long argued against the idea as it is far too soon to even discuss a change seeing that we are still very much in the process of normalizing after a highly unusual shock. There remains huge uncertainty around sustained equilibrium levels for many macro variables, not least of which is inflation. So why would the Fed even delve into that debate right now? Chair Powell made it clear it is not: "Two percent is and will remain our inflation target." A clear message here, with no room for interpretation.

Canada

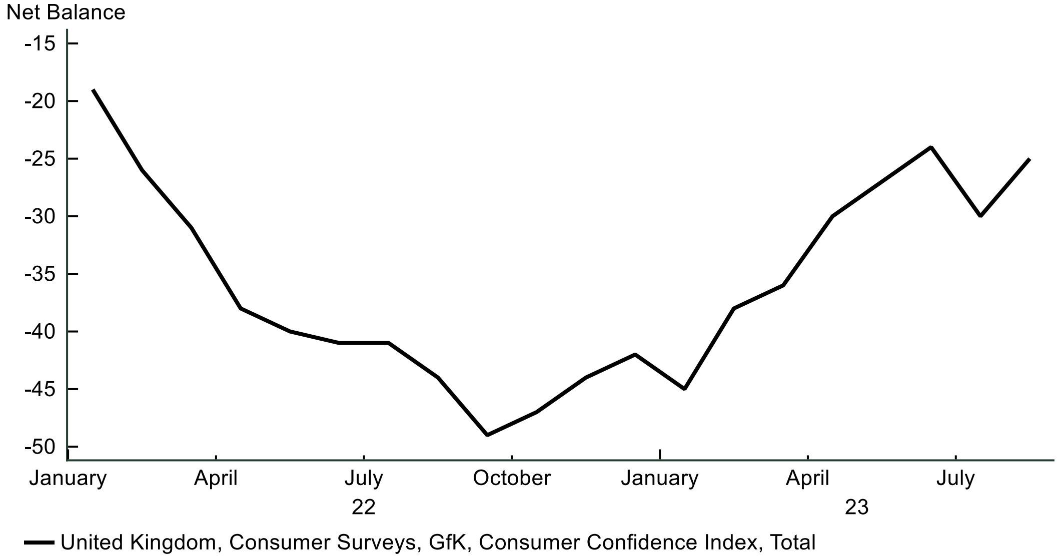
June **retail sales** data showed a material deceleration in consumer spending as the interest rate increases work their way through the economy. Retail sales rose marginally by 0.1% in June, driven mostly by car sales, and following the downwardly revised 0.1% May gain. Core retail sales, which exclude gasoline stations and fuel vendors and motor vehicle and parts dealers, were down 0.9% m/m. Nominal retail sales were unchanged in Q2, while real retail sales contracted 0.8% in the quarter. The latest data should convince the BoC to leave rates unchanged in September.

UK

Private sector economic activity continues to suffer as interest rate hikes feed through the economy. Both preliminary July readings on manufacturing and services PMI were weaker than expected as the decline in new orders continued for the second consecutive month. The manufacturing PMI index dropped 2.5 points to a 39-month low of 42.5. The output metric fell by 3.9 points to a 12-month low of 43.3. Job shedding in manufacturing was broad-based. The services sector also went into contraction mode, with services PMI losing 2.8 points to 48.7, the lowest level since January. Ongoing upward wage pressure remains the major factor affecting costs.

As inflation is more visibly easing, UK consumers aren't quite gloomy as they were last month. The GFK consumer confidence index improved 5 points to -30 in August, with all measures were up, reversing the trend in previous month.

Figure 2: UK Consumer Confidence Improves On Easing Inflation



Sources: SSGA Economics, GfK
Updated as of 8/25/2023

Eurozone

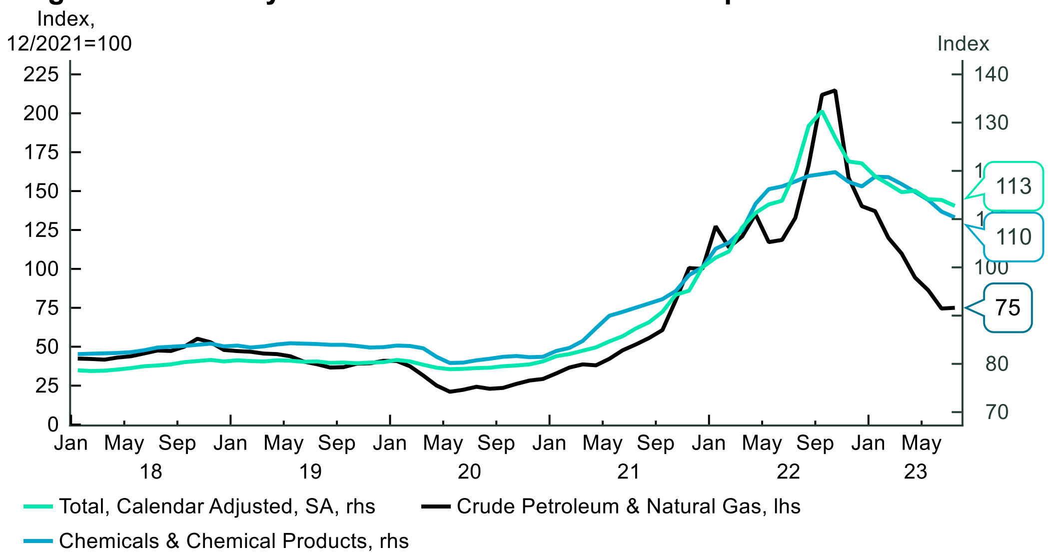
This week brough a string of rather weak German data, accompanied by some more encouraging trends in terms of moderating PPI inflation.

We finally have full details on Q2 ***German* GDP**. While the 0.0% q/q print was certainly uninspiring, it nonetheless marked an improvement from the 0.1% contraction in Q1 and the larger 0.4% q/q decline in Q4 of 2022. Most importantly, domestic demand actually increased 0.6% q/q, having posted big declines in each of the prior two quarters. And also encouraging, most of that reflected a pick-up in investment, especially machinery. By contrast, consumer spending was flat as consumers reined in spending to offset rising prices on household budgets. We think this dynamic should start to change in coming months as disinflation is now taking hold and the once negative shock could become a supportive force as we move into 2024. Even so, with real GDP contracting 0.2% y/y during the first half, a similarly sized decline in full-year 2023v GDP seems likely.

Unsurprisingly, ***German*** business sentiment remains crippled. The **IFO business climate indicator** lost 1.7 points for its fourth consecutive decline in August, leaving it at a 10-month low of 85.7.

But there is a silver lining and it is coming in the form of disinflation, most visible in the producer price space. Producer prices declined 6.0% y/y in July, a little faster than expected, and look poised for further moderation amid favorable base effects and broader efforts to improve the reliability of energy supply. On an encouraging note, natural gas storage sits close to 94% of capacity, well above the 81% level a year ago and 55% in August 2021. Even more encouragingly, the build-up of natural gas storage has progress well across many eurozone economies this year, with many countries above 90%, some close to 100% and Spain already at 100%.

Figure 3: Germany Starts To Heal War-Driven Competitiveness Hit



Sources:SSGA Economics, DESTATIS, Macrobond
Updated as of 8/25/2023

Japan

Underlying price pressures persisted in August, as shown by the **Tokyo CPI** data. The BoJ's core CPI metric (excluding fresh food & energy) rose 0.3% m/m which left the annual rate at 4.0% y/y. Goods and food prices drove inflation with both of them rising 4.0% & 8.1% respectively. There are two contrasting forces at play concerning inflation in Japan: declining import prices (whose rise fueled inflation in the first place) against higher inflation expectations and broadening domestic inflation. We suspect that firms are yet to fully pass last year's higher import costs to consumers and firms are likely more confident in passing on higher costs. This is because goods prices are continuing to stay elevated despite a large decline in producer prices (from 10.6% y/y in December 2022 to 3.6% in July). We noted in a recent article that firms are increasingly discussing price hikes and wage hikes by historic standards.

Separately, the **PMI surveys** remained resilient in August with the composite flash PMI rising four-tenths to 52.6, primarily driven by services (+0.5 points to 54.3) while manufacturing was resilient (+0.1 point to 49.7). Incremental contraction in manufacturing continued for a third month; the labor market remains tight with unchanged employment, breaking the 28 month sequence of job creation. Services however was the show stopper (again) expanding for the 12th month. Input costs rose across firms on higher oil-prices.

Next week, we expect the July retail sales to have risen above the 5.0% y/y handle while the preliminary industrial output will be of interest and likely had declined.

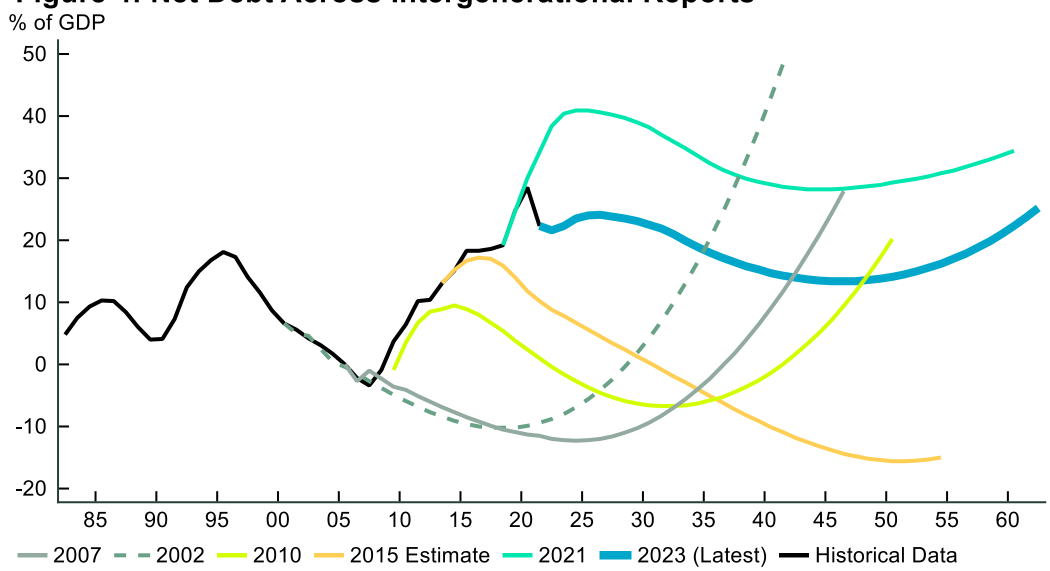
Australia

Treasurer Jim Chalmers released a new **Intergenerational Report (IGR)**. The five-yearly report projected important macroeconomic data till 2063 and highlighted five key drivers: ageing population, better usage of digital & data technology, climate change, higher demand for care and support services and, finally, geopolitical risks.

The economy is expected to grow at 2.2% y/y on average for the next forty years, almost a full percentage point less than in the past forty. Still, the economy could be two and a half times larger and real incomes may be 50% higher than today. Average population growth is expected to slow to 1.1% from 1.4% and the number of people aged 85 or above is expected to triple. As the population ages, the labor force participation rate could decrease from the current 66.6% in 2022-23 to 63.8% by 2062-63. This may lead to higher employment (and demand) in the care and support sector. Productivity growth is also expected to be slower at 1.2%, the average of the last 20 years. Noteworthy that this is less than the 2021 assumption of 1.5%.

On a positive note, gross debt to GDP ratio is expected to decline from 39.3% in 2020-21 to 22.5% in 2048-49 and then rise to 32.1% in 2063. Similarly, net debt is expected to decline to 13.4% of GDP in 2046 before rising to 25.2% in 2062. All the previous IGR debt projections have been inconsistent with actual data developments, however, they provide a vital gauge of the future. Interestingly, the projections were accurate for at least three years out.

Figure 4: Net Debt Across Intergenerational Reports



Sources: SSGA Economics, Australia Department of the Treasury, Macrobond
Updated as of 8/27/2023

The government's payments are expected to increase 3.8 ppts to 28.6% of GDP by 2062-63. Payments for the five fastest growing segments (health, aged care, disability insurance, interest on debt and defense) will rise from 33% to 50% of total.

The government has already legislated its commitment to the net-zero transformation by 2050 (and also reducing emissions by 43% of 2005 levels by 2030). The transition of electricity sector into renewable sector could give rise to new opportunities for the economy, especially as Australia has enormous reserves of rare-earth minerals.

Finally, the report highlights the key risks for the next forty years, especially geopolitics and global fragmentation. Australia's trade in 2021-22 exceeded A$1 trillion and had supported 25% of jobs. However, securing more gains from global trade is complicated by rising geo-strategic competition in the Indo-Pacific region. Any major conflict would have far-reaching consequences for the Aussie economy.

The August flash **PMIs** showed that new orders shrank for the first time in five months, which resulted in a decline in business activity. Manufacturing PMI declined two tenths to 49.4, while the services index declined to 46.7 which is a 19 month low; this dragged the composite PMI to 47.1, also a 19 month low. New orders declined modestly for both manufacturing as well as services while staffing levels rose despite lower new orders and also output.

The next week features important data releases; firstly, July retail sales may rise modestly after a 0.8% m/m decline in June. July CPI may tick down a few tenths to 5.1% m/m. And then the Q2 GDP partials will roll in with Construction Work Done likely declining to 1.0% q/q (from 1.8% in Q1) while Capital Expenditure may also have risen in similar magnitude.

Week in Review (Aug 21 – Aug 25)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, Aug 21					
GE	PPI (Jul, y/y)	-5.1%	-6.0%	0.1%	Helping to heal competitiveness hit.
Tuesday, Aug 22					
US	Existing Home Sales (Jul, m/m)	-0.2%	-2.2%	-3.3%	Low inventory, high rates.
JN	Manufacturing PMI (Aug, prelim)	na	49.7	49.6	Good resilience.
Wednesday, Aug 23					
US	New Home Sales (Jul, thous)	703	714	684 (↓)	More supply flexibility.
CA	Retail Sales (Jun, m/m)	0.0%	0.1%	0.1% (↓)	Core retail sales contracted.
UK	Manufacturing PMI (Aug, prelim)	45.0	42.5	45.3	Very weak.
UK	Services PMI (Aug, prelim)	51.0	48.7	51.5	Weak.
EC	Manufacturing PMI (Aug, prelim)	42.7	43.7	42.7	Weak.
EC	Services PMI (Aug, prelim)	50.5	48.3	50.9	Soft.
EC	Composite PMI (Aug, prelim)	48.5	47.0	48.6	Soft.
GE	Manufacturing PMI (Aug, prelim)	38.8	39.1	38.8	Still dismal.
GE	Services PMI (Aug, prelim)	51.5	47.3	52.3	Soft.
FR	Manufacturing PMI (Aug, prelim)	45.0	46.4	45.1	Soft.
Thursday, Aug 24					
US	Initial Jobless Claims (Aug 19, thous)	240	230	240 (↑)	Seem to be in holding pattern, but low.
US	Continuing Claims (Aug 12, thous)	1,705	1,702	1,711 (↓)	Earlier upturn has reversed, but will it last?
US	Durable Goods Orders (Jul, prelim)	-4.0%	-5.2%	4.4% (↓)	Payback after strong June.
UK	GfK Consumer Confidence (Aug)	-29.0	-25.0	-30.0	Improved but still gloomy.
FR	Business Confidence (Aug)	100.0	99.0	100.0	Eroding.
JN	PPI Services (Jul, y/y)	1.3%	1.7%	1.4% (↑)	Will add important tailwinds to inflation in future.
Friday, Aug 25					
US	U.of Mich. Sentiment (Aug, final)	71.2 (p)	69.5	71.6	Higher gas prices lift 1-yr inflation expectations.
GE	GDP (Q2, q/q, sa, final)	0.0% (p)	0.0%	-0.1%	Weak, but at least not contracting.
GE	IFO Business Climate (Aug)	86.8	85.7	87.3	Weak.

Source: for data, Bloomberg®; for commentary, SSGA Economics.

Week In Preview (Aug 28 – Sep 01)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, August 28				
JN	Jobless Rate (Jul)	2.5%	2.5%	Peak labor market.
JN	Job-To-Applicant Ratio (Jul)	1.3	1.3	Peak labor market.
AU	Retail Sales (Jul, m/m)	0.2%	-0.8%	Very important for the RBA.
Tuesday, August 29				
US	FHFA House Price Index (Jun, m/m)	na	0.7%	
US	S&P CoreLogic CS 20-City (Jun, m/m)	1.00%	0.99%	
US	JOLTS Job Openings (Jul, thous)	9,450	9,582	Watching quits.
US	Conf. Board Consumer Confidence (Aug)	116.5	117.0	
GE	GfK Consumer Confidence (Sep)	-24.4	-24.4	
FR	Consumer Confidence (Aug)	85.0	85.0	
Wednesday, August 30				
US	GDP (Q2, q/q, saar, second)	2.4% (p)	2.0%	
US	Pending Home Sales (Jul, m/m)	-0.8%	0.3%	
UK	Mortgage Approvals (Jul, thous)	51.0	54.7	Likely to decline.
GE	CPI (Aug, y/y, prelim)	6.0%	6.2%	
IT	Consumer Confidence Index (Aug)	107.1	106.7	
IT	Manufacturing Confidence (Aug)	98.3	99.3	
JN	Consumer Confidence Index (Aug)	37.4	37.1	May be on an uptrend.
JN	Retail Sales (Jul, m/m)	0.9%	-0.6% (↓)	Reverting from a big fall in June.
JN	Industrial Production (Jul, m/m, prelim)	-1.3%	2.4%	Looking for some resilience.
AU	Private Sector Credit (Jul, m/m)	0.3%	0.2%	
Thursday, August 31				
US	Initial Jobless Claims (Aug 26, thous)	235	230	
US	Continuing Claims (Aug 19, thous)	na	1,702	
US	Personal Income (Jul, m/m)	0.3%	0.3%	
US	Personal Spending (Jul, m/m)	0.7%	0.5%	
US	MNI Chicago PMI (Aug)	44.1	42.8	
GE	Retail Sales (Jul, m/m)	0.4%	-0.6% (↑)	
FR	CPI (Aug, y/y, prelim)	4.6%	4.3%	
FR	GDP (Q2, q/q, final)	0.5% (p)	0.1%	
IT	Unemployment Rate (Jul)	7.4%	7.4%	
IT	CPI NIC incl. tobacco (Aug, y/y, prelim)	5.3%	5.9% (↓)	
JN	Manufacturing PMI (Aug, final)	49.7 (p)	49.6	May hold ground.
Friday, September 01				
US	Change In Nonfarm Payrolls (Aug, thous)	165	187	Modest moderation. Watching wages.
US	Unemployment Rate (Aug)	3.5%	3.5%	
US	ISM Manufacturing (Aug)	47.0	46.4	
US	Wards Total Vehicle Sales (Aug, mn)	15.50	15.74	
CA	GDP (Q2, q/q, saar)	na	3.1%	
UK	Nationwide House PX (Aug, m/m)	-0.4%	-0.2%	Weakening.
UK	Manufacturing PMI (Aug, final)	42.5 (p)	45.3	Weak.
EC	Manufacturing PMI (Aug, final)	43.7 (p)	42.7	
GE	Manufacturing PMI (Aug, final)	39.1 (p)	38.8	
FR	Manufacturing PMI (Aug, final)	46.4 (p)	45.1	
IT	GDP WDA (Q2, q/q, final)	-0.3% (p)	0.6%	

Source: for data, Bloomberg®; for commentary, SSGA Economics.

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Mar	Apr	May	Jun	Jul
US	Target: PCE price index 2.0% y/y	4.2	4.3	3.8	3.0	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	4.3	4.4	3.4	2.8	3.3
UK	Target: CPI 2.0% y/y	10.1	8.7	8.7	7.9	6.8
Eurozone	Target: CPI below but close to 2.0% y/y	6.9	6.9	6.1	5.5	5.3
Japan	Target: CPI 2.0% y/y	3.2	3.5	3.2	3.3	3.3
Australia	Target Range: CPI 2.0%-3.0% y/y	7.0	6.0	6.0	6.0	

Source: Macrobond

Key Interest Rates

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
US (top of target range)	3.25	3.25	4.00	4.50	4.50	4.75	5.00	5.00	5.25	5.25	5.50
Canada (Overnight Rate)	3.25	3.75	3.75	4.25	4.50	4.50	4.50	4.50	4.50	4.75	5.00
UK (Bank Rate)	2.25	2.25	3.00	3.50	3.50	4.00	4.25	4.25	4.50	5.00	5.00
Eurozone (Refi)	1.25	1.25	2.00	2.50	2.50	3.00	3.50	3.50	3.75	4.00	4.00
Japan (OCR)	-0.07	-0.06	-0.08	-0.02	-0.01	-0.01	-0.03	-0.07	-0.07	-0.08	-0.06
Australia (OCR)	2.25	2.58	2.84	3.05	3.10	3.29	3.54	3.60	3.83	4.05	4.10

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

									Forecast	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
US	-2.5	-3.6	-4.3	-5.1	-6.0	-10.7	-10.7	-5.9	-6.6	-6.7
Canada	0.0	0.0	-0.3	0.0	-0.2	-8.1	-3.3	-1.2	-0.5	-0.1
UK	-2.5	-1.6	-1.3	-1.4	-1.6	0.8	-3.6	-4.5	-4.3	-2.8
Eurozone	-0.5	-0.5	-0.4	-0.3	-0.5	-4.0	-3.8	-2.8	-3.1	-2.5
Germany	1.2	1.2	1.1	1.6	1.3	-2.9	-3.0	-2.6	-3.2	-1.4
France	-2.1	-1.9	-1.9	-1.5	-2.1	-5.8	-5.2	-4.4	-4.6	-4.1
Italy	-0.4	-1.0	-1.5	-1.6	-0.9	-6.1	-6.7	-2.4	-2.0	-3.0
Japan	-4.5	-4.5	-3.7	-3.0	-3.3	-8.1	-6.2	-7.8	-6.4	-4.1
Australia	-2.5	-2.2	-1.5	-1.1	-4.0	-7.9	-6.1	-3.5	-3.3	-2.9

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Mar	Apr	May	Jun	Jul		Mar	Apr	May	Jun	Jul
US	5.0	4.9	4.0	3.0	3.2		2.7	2.2	1.1	0.2	0.8
Canada	4.3	4.4	3.4	2.8	3.3		-2.1	-3.6	-5.7	-5.5	-2.7
UK	10.1	8.7	8.7	7.9	6.8		8.4	5.2	2.7	0.4	-0.8
Eurozone	6.9	6.9	6.1	5.5	5.3		5.5	0.9	-1.6	-3.4	
Germany	7.4	7.2	6.1	6.4	6.2		6.7	4.1	1.0	0.1	-6.0
France	5.7	5.9	5.1	4.5	4.3		9.4	5.0	3.3	0.9	
Italy	7.6	8.2	7.6	6.4	5.9		3.7	-1.5	-4.3	-5.5	
Japan	3.2	3.5	3.2	3.3	3.3		7.4	6.1	5.3	4.3	3.6
Australia	7.0	6.0	6.0	6.0			4.9	3.9	3.9	3.9	

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23		Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
US	-0.1	0.8	0.6	0.5	0.6		1.8	1.9	0.9	1.8	2.6
Canada	0.9	0.6	0.0	0.8			4.7	3.8	2.1	2.2	
UK	0.1	-0.1	0.1	0.1	0.2		3.8	2.0	0.6	0.2	0.4
Eurozone	0.8	0.4	-0.1	0.0	0.3		4.2	2.4	1.7	1.1	0.6
Germany	-0.1	0.4	-0.4	-0.1	0.0		1.6	1.2	0.8	-0.3	-0.1
France	0.5	0.2	0.1	0.1	0.5		3.9	1.2	0.7	0.9	0.9
Italy	1.1	0.4	-0.1	0.6	-0.3		5.0	2.5	1.5	2.0	0.6
Japan	1.3	-0.3	0.0	0.9	1.5		1.4	1.5	0.4	1.9	2.1
Australia	0.8	0.6	0.6	0.2			3.1	6.0	2.6	2.3	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Mar	Apr	May	Jun	Jul		Mar	Apr	May	Jun	Jul
US	0.1	0.5	-0.4	-0.8	1.0		0.2	0.3	0.0	-0.8	-0.2
Canada	0.6	0.6	-0.4				1.4	0.9	1.0		
UK	0.8	0.1	-0.7	1.8			-1.9	-1.3	-2.1	0.8	
Germany	-2.4	0.3	-0.1	-1.5			1.1	0.9	0.1	-1.8	
France	-1.0	0.7	1.1	-0.9			0.2	1.5	2.2	-0.3	
Italy	-0.6	-2.0	1.7	0.5			-3.2	-7.2	-3.5	-0.8	
Japan	0.3	0.7	-2.2	2.4			-0.9	0.2	2.5	0.0	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
US	3.5	3.7	3.6	3.5	3.4	3.6	3.5	3.4	3.7	3.6	3.5
Canada	5.2	5.2	5.1	5.0	5.0	5.0	5.0	5.0	5.2	5.4	5.5
UK	3.7	3.7	3.7	3.7	3.8	3.9	3.8	4.0	4.2		
Eurozone											
Germany	5.5	5.5	5.5	5.5	5.5	5.5	5.6	5.6	5.6	5.7	5.6
France	7.1	7.2	7.2	7.2	7.1	7.1	7.0	7.0	7.1	7.1	
Italy	8.0	7.9	7.8	7.8	7.9	7.9	7.8	7.7	7.5	7.4	
Japan	2.6	2.6	2.5	2.5	2.4	2.6	2.8	2.6	2.6	2.5	
Australia	3.6	3.4	3.5	3.5	3.7	3.6	3.5	3.7	3.6	3.5	3.7

Source: Macrobond

Current Account Balance as a % of GDP (Seasonally Adjusted)

	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
US	-3.3	-3.1	-3.5	-3.9	-3.8	-4.6	-3.9	-3.5	-3.3	-3.3	
Canada	-1.4	0.0	-0.4	-0.6	0.0	0.6	0.7	-1.4	-1.2	-0.9	
UK	-6.6	-1.9	-0.4	-3.3	-0.4	-8.3	-4.6	-2.0	-0.4	-1.7	
Eurozone	3.2	3.5	3.1	2.3	1.2	0.4	-1.3	-3.6	1.0		
Germany	8.4	8.8	8.2	7.6	6.7	5.5	3.9	2.7	4.8	5.8	6.8
France	0.0	1.0	0.6	0.4	-0.4	-0.3	-1.8	-3.1	-2.8	-1.3	-0.1
Japan	4.3	3.7	4.6	4.2	3.6	4.0	3.4	3.1	3.4	3.5	3.5
Australia	-1.5	-2.5	-2.8	-3.5	-2.2	-2.7	-2.2	-1.4	-0.2	1.2	

Source: Macrobond

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* Pensions & Investments Research Center, as of December 31, 2021.

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