STATE STREET GLOBAL ADVISORS

September 15, 2023
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
The Fed to hold rates and revise forecasts. The BoE to deliver another rate hike. BoJ to turn more hawkish but maintain policy.

Contact

Simona Mocuta
Chief Economist
simona_mocuta@ssga.com
+1-617-664-1133

Krishna Bhimavarapu
Economist
VenkataVamseaKrishna_Bhimavarapu@ssga.com
+91-806-741-5000

Amy Le
Macro-Investment Strategist
amy_le@ssga.com
+44-203-395-6590

The Economy

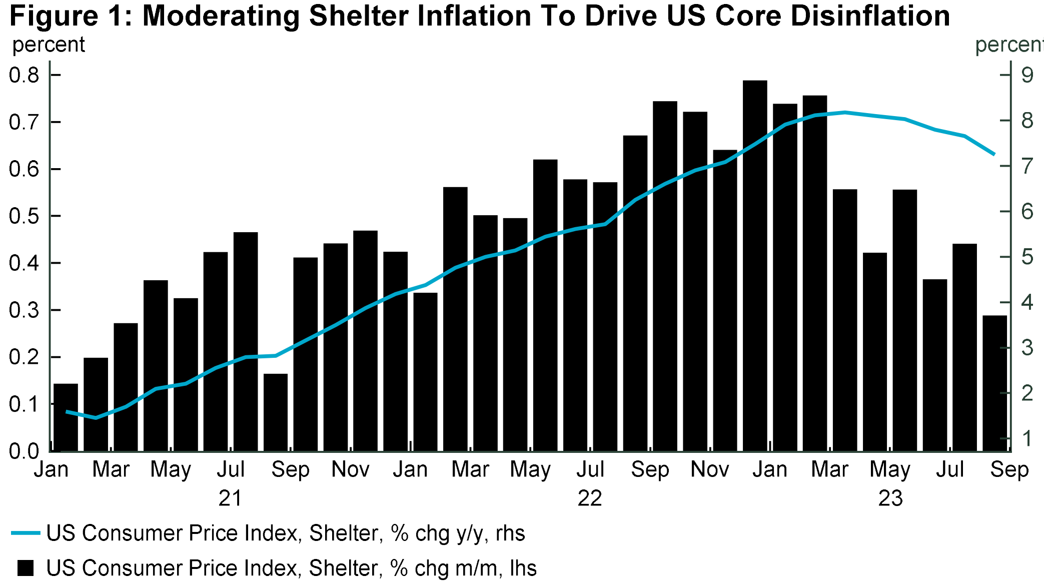
Higher oil prices boost price pressures, but global tightening cycle is near the end.

US

The **August CPI report** was this week’s most important data release. In the event, despite a slight upside surprise, it didn’t seem to have much impact on either markets or observers in general. It is also unlikely to sway FOMC members either from a (by now widely anticipated) hold decision at the September meeting, or from their previously held convictions as to what should come after that. We think the Fed’s hiking cycle should be (and is) over, and that view remains similarly unchanged.

The headline inflation rate rebounded noticeably on a big boost from gasoline prices, but the core metric moderated. Prices increased 0.6% m/m, with gasoline up 10.6% and transportation services up 2.6%. Elsewhere, food prices rose 0.2%, as did medical care, while the increase in shelter costs moderated to 0.3% m/m. Part of that reflected a 3.0% m/m decline in hotel prices, although owner equivalent rent (OER) also moderated a tenth to 0.4%. Given hotel prices remain close to record highs, we see scope for further improvements (though unlikely to be uniform from month to month) as we do in rental costs. Core prices increased 0.3%, a tenth more than in June and July. The two respective measures of inflation (headline and core) stand at 3.7% y/y (up from 3.2% in July) and 4.3% y/y (down from 4.7% in July).

Figure 1: Moderating Shelter Inflation To Drive US Core Disinflation



Sources: SSGA Economics, Macrobond, BLS
Updated as of 9/15/2023

Higher oil/energy prices played a big role in lifting US **import prices** by a larger than expected 0.5% in August—accompanied by a downward revision to July data. Notably, import prices from China, which had been declining for nine months, increased incrementally. We are keeping an eye on this. Overall import prices are still down 3.0% from a year earlier, but this is half the rate at which they were declining two months earlier. The impetus for further disinflation in the US is shifting away from energy/goods/external drivers towards services and domestic forces.

The **University of Michigan consumer sentiment index** bottomed out in the summer of 2022 just as inflation was peaking. There is typically quite a strong inverse relationship between the two so as inflation moderated sharply over the intervening period, it has not been a surprise to see consumer sentiment improve. That dynamic reversed this month. Following the inflation uptick in August, consumer sentiment retreated in September, according to preliminary readings. The headline index lost 1.8 points to a three-month low of 67.7. All of the decline was confined to the current situation assessment, which worsened 5.9 points (also to a three-month low). Expectations improved incrementally. Somewhat oddly—but not irrationally—inflation expectations retreated across horizons. Short term (1-year) inflation expectations ticked down 0.4 percentage points (ppt) to 3.1—the lowest since March 2021, while long term (5-10 years) expectations retreated 0.3 ppt to 2.7—the twin lowest since April 2021. Short term inflation expectations are typically highly reactive to the evolution of gasoline prices so there are two possibilities (not exclusive): a) the 3.1% figure could be revised higher in the final reading and b) consumers are looking through gasoline prices and discern a broader disinflation trend.

Whether or not consumers can correctly quantify its extent, the fact remains that the disinflation experienced over the past year has provided a boost to their purchasing power. This, in conjunction with robust employment gains, has resulted in impressive spending resilience, as evidenced by strong recent retail sales readings. Even so, there is a limit to that resilience given that the personal savings rate has dipped all the way to 3.5%... As such, we anticipate a path of more modest increases going forward. The August **retail sales** data was mixed in that regard. On one hand, the headline 0.6% monthly gain exceeded expectations, but this was accompanied by a downward revision to the prior month. And (given that retail sales are reported in nominal terms), the surge in gasoline prices more than explains the 5.2% m/m increase in sales at gas stations. Also of note, the so-called “control sales” (sales excluding food services, building materials, autos dealers and gas stations) grew a modest 0.1% following July’s blockbuster 0.7% gain. Furniture, sporting goods, and miscellaneous sales weighed on performance in August. In addition to gasoline stations, electronics, clothing, and healthcare were among the bigger contributors.

High inflation and extreme difficulties in hiring had been weighing heavily on small business sentiment over the past year and a half. With both of these headwinds receding and concerns around credit availability also easing, it looks as though small business sentiment is trying to turn higher. To be sure, it is very early days and the message in the data still reads much more like “no further deterioration” than “visible rebound”, but to the extent that the former is a precondition for the latter, we’d argue that this is still encouraging overall. Indeed, if the broader economy were to evolve along a soft-landing path, the small business sector needs to participate in that.

To be sure, the August small business sentiment report was mixed. The headline **NFIB small business sentiment** index eased 0.6 point to 91.3, but this is still the second-best reading of 2023. Within the details, the smallest share of respondents since February 2021 said they find it hard to fill open positions. Credit availability improved and appears to have entirely normalized after the temporary hit that followed the regional bank turmoil in March. However, the high cost of credit is dissuading firms from investing as capex plans drifted lower. By and large, small firms remain unconvinced that this is a good time to expand. They seem to be seeking ways to raise prices further; this metric has eased markedly through April but has since drifted marginally higher. Similarly, while fewer firms reported increasing compensation (the twin-lowest since May 2021, actually!), more said they plan to raise compensation over the next three months. To the extent that small firms have been both benefiting from and aiding the broader disinflation process, these signals warrant close monitoring.

Canada

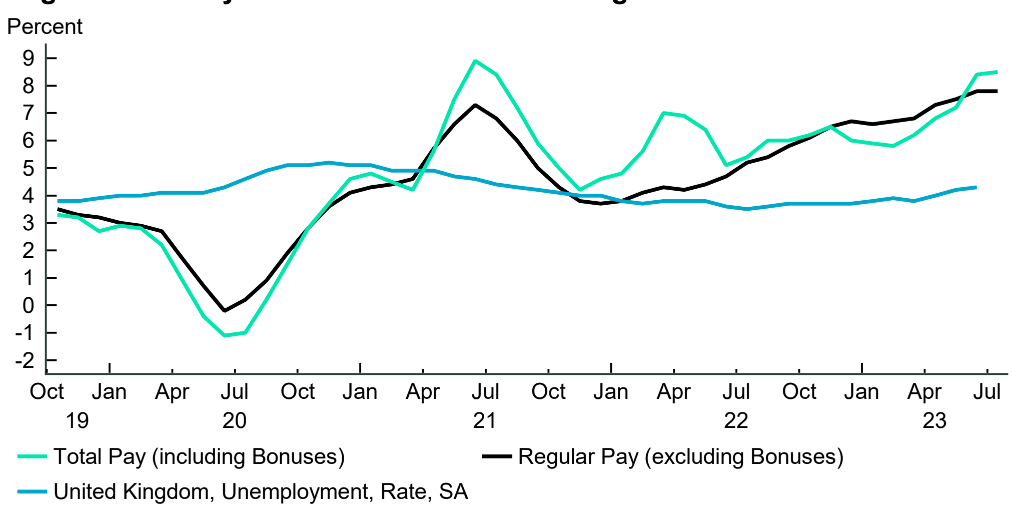
Manufacturing sales rose large than expected at 1.6% in July. The increase was led by higher sales of food products (+3.1%), petroleum and coal products (+4.6%) and transportation equipment (+2.4%). Meanwhile, paper as well as plastics and rubber saw the largest declines. Real sales increased 0.9% in the month, suggesting a higher volume of goods sold.

Higher borrowing costs continue to weigh on home sales. **Existing home sales** declined 4.1% in August following a minor dip (-0.7%) the previous month. New listings edged up 0.8% m/m, continuing to move in the right direction. With lower sales and increasing new listings, the sales-to-new listings ratio eased to 56.2% compared to 59.0% in July, and a peak of 67.4% in April. The measure is now close to its long-term average of 55.2%.

UK

Job market is softening but is still tight. The ILO **unemployment rate** for May to July came in at 4.3% as expected. Employment continued trending down, with a larger than expected decline of 207k. The participation rate inched down 0.1 percentage points to 63.5%. Unemployment claims rose marginally at 0.9k, leaving the claimant count unemployment rate unchanged at 4.0%. Vacancies declined for a 14th consecutive month and are down by 268k compared to a year earlier. However, wage growth continues to exceed expectations, keeping the BoE under pressure. Growth in average total pay (including bonuses) speeding up to 8.5% y/y. The growth in regular pay (excluding bonuses) held steady at 7.8% y/y.

Figure 2: UK Pay Growth Remains Far Too High For Comfort



Sources: Macrobond, SSGA Economics, ONS
Updated as of 9/17/2023

Industrial activity fell 0.7% m/m in July, following an increase of 1.8% in June. The decline was largely due to lower manufacturing output (-0.8% m/m). Electricity and gas as well as water supply and sewerage decreased modestly. Mining and quarrying posted the lone gain this month (1.9%).

Eurozone

Following the July **ECB meeting**, we wrote that “there is a 50/50 chance” that rates would remain unchanged in September. In the event, the ECB delivered another quarter-point hike this week, bringing the interest rates on the main refinancing operations, the marginal lending facility, and the deposit facility to 4.50%, 4.75% and 4.00%, respectively. But whereas in July the Bank had merely opened the door to the possibility of a pause, in September it signaled it rather strongly. Specifically, “the Governing Council considers that the key ECB interest rates have reached levels that, maintained for a sufficiently long duration, will make a substantial contribution to the timely return of inflation to the target.” Not a promise, but definitely a strong hint that the Council’s preference (or perhaps, hope) would be to let the rate hikes delivered so far work through the system.

We received updated staff economic projections. Growth was lowered in both 2023 and 2024, but these downward revisions simply put the ECB forecasts on top of our own, so this downgrade does not carry any implications for us. Specifically, real GDP growth is now forecast at 0.7% and 1.0%, respectively, in 2023 and 2024, down from 0.9% and 1.5%. Our own projections from June called for 0.7% growth this year and 1.1% in 2024. We are scheduled to update these numbers next week; as things stand, we see some upside potential to the 2024 projection so at first glance, staff forecasts for 2024 may prove to be too conservative.

Changes to inflation projections were mixed. Headline inflation was revised two tenths higher for 2023 and 2024 to 5.6% and 3.2%, respectively. The new 2023 forecast is still two tenths below our own, but we hold a more constructive view of 2024 developments and expect inflation to average well below 3.0% next year.

Even before this week’s hike, arguments in favor of continued tightening and those in support of a pause—if not an outright end to the tightening cycle altogether—have become rather finely balanced of late given a backdrop of near-stagnation and visible progress on inflation. After this move, the balance tips even more strongly in favor of ending the hiking cycle. We believe the ECB is done.

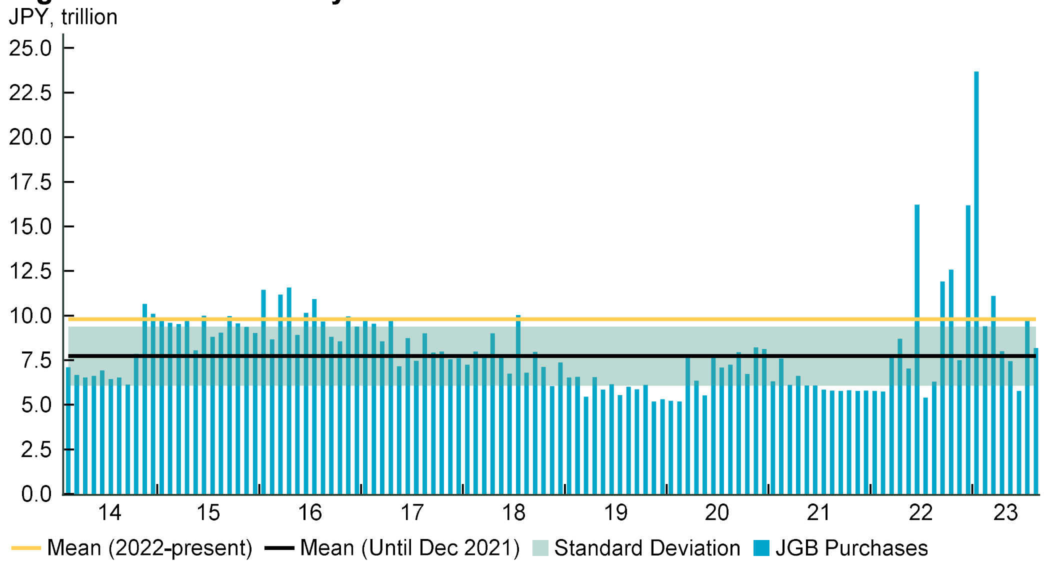
Japan

Demand for Japanese **machinery orders** has improved, both domestically and also from overseas. Notably, domestic orders jumped 15.9% m/m in July to an all-time-high of 1.59 trillion yen, while orders from overseas improved 1.6% to 1.19 trillion yen, consistent with an improved global manufacturing PMI in August. These orders should show up in the trade data with a lag, and so they could be signaling an important tailwind to growth. Regular readers will recall that we have been optimistic about machinery orders driving growth in Japan.

The focus next week will be on the August CPI data and the Bank of Japan (BoJ) meeting on Friday. We expect the headline print to decline a couple tenths to 3.0% y/y; however, the BoJ core (excluding fresh food and energy) may remain above

4.0%. The BoJ is expected to maintain its existing policy, but there is considerable curiosity on the statement and guidance governor Ueda might give in the press conference, after his hawkish comments last week in *Yomiuri Shimbun*. We expect that the Bank will send a more hawkish communique than usual; specifically, we look for a change to the guidance on purchase of JGBs, so that the Bank can reduce its size of purchases, which averaged 11.07 trillion yen per month since December 2022, nearly 3.35 trillion yen more than its historic average prior to 2021. We expect that the Bank might inherently aim to reduce JGB purchases by this amount.

Figure 3: BoJ's Monthly JGB Purchases



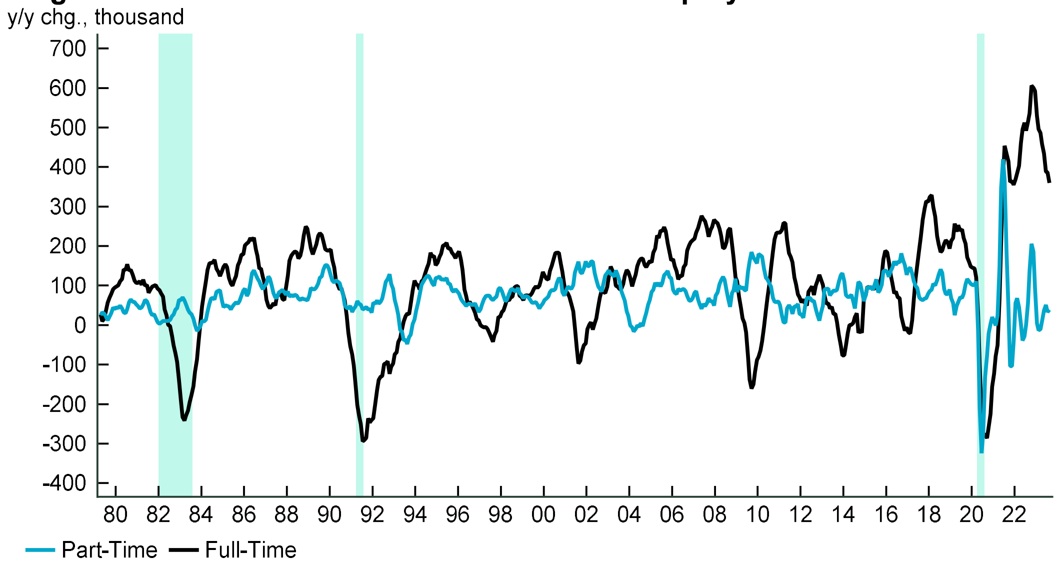
Sources: SSGA Economics, BOJ, Macrobond
Updated as of 9/15/2023

Australia

The Aussie economy continues to show an almost puzzling resilience, but we remain strongly of the view that a slowdown is afoot. Seasonally adjusted **employment** jumped by 64.9k in August, almost thrice the expectations. However, the underlying details are less upbeat and offer a cautious reading. First, 97% of the jobs created were part-time, while the seasonally adjusted full-time employment increased only 2.8k. Historically, the full-time employment reflects the cooling labor market, along with the business cycle. However, the part-time employment behaves more countercyclically and increases during the periods (Figure 4).

There has been a growing divergence between seasonally adjusted (SA) and non-seasonally adjusted (NSA) data, suggesting that the seasonally adjusted data may be overstating employment gains. Total employment NSA **declined** by 186 jobs in August, whereas the SA data **increased** a whopping 64.9 thousand. Furthermore, in the last three months, the NSA data is down 74.5 thousand, while the SA version is up 90.9 thousand! More worrying, full-time employment NSA plunged 108.2 thousand in August, but the SA figures were reportedly marginally better. In the last three months, full-time employment NSA was down -92.3 thousand while, the SA version was up 17.5 thousand. The same goes for part-time employment as well.

Figure 4: Australia: Part-time vs. Full-Time Employment



Sources: SSGA Economics, ABS, Macrobond
Updated as of 9/15/2023

Otherwise, the unemployment rate was stable at 3.7%, a touch above the consensus as the participation rate increased a tenth to 67.0%. These data sharpened our conviction that the Aussie labor market is slated to cool further over the coming months as the lagged effects of the tightened monetary policy will be increasingly felt. However, as one can observe, the data could only confirm this more gradually.

Case in point, the **NAB Business Survey** in August marked continued resilience with business conditions improving 3 points. The rise was broad-based with a tick up in profitability, capacity utilization, profitability and employment. Industry wise, conditions for manufacturing rose 18 points, while that for wholesale industry was down 16 points. Finally, business confidence was up a meager 2 points with noticeable asymmetry across industries, weakest in retail (-14 points). Forward looking indicators, especially in the retail sectors remained weak. However, **consumer sentiment** tracked by Westpac/Melbourne Institute remained subdued in September as the headline index declined 1.6% m/m to 79.7 points. The 'family finances compared to a year ago' sub-index declined 4.4% to 61.5 points which is the lowest level since the 1990 recession. Furthermore, the 'time to buy a major household item' component also declined 3.0% m/m to 76.6 points.

Week in Review (Sep 11 – Sep 15)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, Sep 11					
IT	Industrial Production (Jul, m/m)	-0.3%	-0.7%	0.5%	Down 2.1% y/y
AU	Westpac Consumer Conf Index (Sep)	na	79.7	81.0	Household finances weakest since 1990s.
AU	NAB Business Confidence (Aug)	na	2.0	2.0	Business finances in decent shape.
Tuesday, Sep 12					
US	NFIB Small Business Optimism (Aug)	91.5	91.3	91.9	Trying to put in a bottom.
UK	Average Weekly Earnings (Jul, y/y, 3m)	8.2%	8.5%	8.4% (↑)	Upward pressure remained.
UK	ILO Unemployment Rate (Jul, 3m)	4.3%	4.3%	4.2%	Declining employment.
GE	ZEW Survey Expectations (Sep)	-15.0	-11.4	-12.3	Bottoming out.
JN	PPI (Aug, y/y)	3.3%	3.2%	3.4%	Price pressures in the pipeline.
Wednesday, Sep 13					
US	CPI (Aug, y/y)	3.6%	3.7%	3.2%	Core eased four tenths to 4.3%.
US	Monthly Budget Statement (Aug, $ bn)	-232.5	89.3	-220.00	Delayed tax payment in disaster-affected states.
UK	Industrial Production (Jul, m/m)	-0.7%	-0.7%	1.8%	Lower manufacturing output.
EC	Industrial Production (Jul, m/m, sa)	-0.9%	-1.1%	0.4% (↓)	Broad declines, down 2.2% y/y.
JN	Core Machine Orders (Jul, m/m)	-0.8%	-1.1%	2.7%	Broadly in good shape.
JN	Industrial Production (Jul, m/m, final)	-2.0% (p)	-1.8%	0.0%	Good.
AU	Employment Change (Aug, thous)	+24.3	+64.9	-1.4 (↓)	Huge discrepancies.
AU	Unemployment Rate (Aug)	3.7%	3.7%	3.7%	Higher participation.
Thursday, Sep 14					
US	Retail Sales Advance (Aug, m/m)	0.1%	0.6%	0.5% (↓)	Control sales increased 0.1%.
US	Initial Jobless Claims (Sep 09, thous)	225	220	217	Very low.
US	Continuing Claims (Sep 02, thous)	1,690	1,688	1,684 (↑)	Very low.
US	PPI Final Demand (Aug, y/y)	1.3%	1.6%	0.8%	Boost from energy.
US	Business Inventories (Jul, m/m)	0.1%	0.0%	-0.1% (↓)	Slight drag on GDP.
EC	ECB Main Refinancing Rate	4.25%	4.50%	4.25%	Seems the ECB is done (at least hoping to be!)
JN	Tertiary Industry Index (Jul, m/m)	0.3%	0.9%	-0.7% (↓)	Good resilience.
Friday, Sep 15					
US	Import Price Index (Aug, y/y)	-2.9%	-3.0%	-4.6% (↓)	Prices rose 0.5% m/m, were flat ex-petroleum.
US	Empire Manufacturing (Sep)	-10.0	1.9	-19.0	Highly volatile but price metrics have bottomed.
US	Industrial Production (Aug, m/m)	0.1%	0.4%	0.7% (↓)	Lift from mining, utilities.
US	U. of Mich. Sentiment (Sep, prelim)	69.0	67.7	69.5	Inflation expectations eased.
CA	Manufacturing Sales (Jul, m/m)	0.7%	1.6%	-1.7%	Good.
CA	Existing Home Sales (Aug, m/m)	-0.2%	-4.1%	-0.7%	Weakened.
FR	CPI (Aug, y/y, final)	4.8% (p)	4.9%	4.3%	Bounce likely temporary.

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

Week In Preview (Sep 18 – Sep 22)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, Sep 18				
US	NAHB Housing Market Index (Sep)	50.0	50.0	May disappoint given further mortgage rate increases.
CA	Housing Starts (Aug, thous)	256.2	255.0	Likely to stay at firm level.
Tuesday, Sep 19				
US	Building Permits (Aug, thous)	1445	1443 (↑)	
US	Housing Starts (Aug, thous)	1440	1452	
CA	CPI (Aug, y/y)		3.3%	Might tick up.
EC	CPI (Aug, y/y, final)	5.3% (p)	5.3%	
Wednesday, Sep 20				
US	FOMC Rate Decision (Upper Bound)	5.50%	5.50%	Expected to hold. New forecasts and “dots”.
UK	CPI (Aug, y/y)	7.0%	6.8%	Might tick up.
GE	PPI (Aug, y/y)	-12.8%	-6.0%	
Thursday, Sep 21				
US	Initial Jobless Claims (Sep 16, thous)		220	
US	Continuing Claims (Sep 09, thous)		1,688	
US	Philadelphia Fed Business Outlook (Sep)	-0.4	12.0	Might hold up better.
US	Existing Home Sales (Aug, m/m)	0.7%	-2.2%	
US	Leading Index (Aug, m/m)	-0.4%	-0.4%	
UK	Bank of England Bank Rate	5.50%	5.25%	Expecting another 25bps hike.
UK	GfK Consumer Confidence (Sep)	-27.0	-25.0	Weakening.
FR	Business Confidence (Sep)	98.0	99.0	
JN	National CPI (Aug, y/y)	3.0%	3.3%	BoJ core metric to stay above 4.0%.
JN	Manufacturing PMI (Sep, prelim)	na	49.6	Looking for a print above 50.
JN	BoJ Policy Balance Rate	-0.1%	-0.1%	Expecting a change in guidance and in statement.
Friday, September 22				
CA	Retail Sales (Jul, m/m)	na	0.1%	
UK	Retail Sales Inc Auto Fuel (Aug, m/m)	0.6%	-1.2%	Looking for a small increase.
UK	Manufacturing PMI (Sep, prelim)	43.4	43.0	Weakening.
UK	Services PMI (Sep, prelim)	49.1	49.5	Weakening.
EC	Manufacturing PMI (Sep, prelim)	44.0	43.5	
EC	Services PMI (Sep, prelim)	47.8	47.9	
EC	Composite PMI (Sep, prelim)	46.7	46.7	
GE	Manufacturing PMI (Sep, prelim)	39.5	39.1	
GE	Services PMI (Sep, prelim)	47.4	47.3	
FR	Wages (Q2, q/q, final)	1.0% (p)	1.9%	
FR	Manufacturing PMI (Sep, prelim)	46.3	46.0	

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
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
UK	Target: CPI 2.0% y/y	10.1	8.7	8.7	7.9
Eurozone	Target: CPI below but close to 2.0% y/y	6.9	6.9	6.1	5.5
Japan	Target: CPI 2.0% y/y	3.2	3.5	3.2	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

	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	4.00	4.50	4.50	4.75	5.00	5.00	5.25	5.25	5.50
Canada (Overnight Rate)	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	3.00	3.50	3.50	4.00	4.25	4.25	4.50	5.00	5.00
Eurozone (Refi)	1.25	2.00	2.50	2.50	3.00	3.50	3.50	3.75	4.00	4.00
Japan (OCR)	-0.06	-0.08	-0.02	-0.01	-0.01	-0.03	-0.07	-0.07	-0.08	-0.06
Australia (OCR)	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

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

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change			
	Apr	May	Jun	Jul	Aug		Apr	May	Jun	Jul
US	4.9	4.0	3.0	3.2	3.7		2.3	1.1	0.1	0.8
Canada	4.4	3.4	2.8	3.3			-3.6	-5.7	-5.5	-2.7
UK	8.7	8.7	7.9	6.8			5.2	2.7	0.4	-0.8
Eurozone	6.9	6.1	5.5	5.3			0.9	-1.7	-3.3	-7.6
Germany	7.2	6.1	6.4	6.2	6.1		4.1	1.0	0.1	-6.0
France	5.9	5.1	4.5	4.3	4.9		5.0	3.3	1.0	-1.5
Italy	8.2	7.6	6.4	5.9	5.4		-1.5	-4.3	-5.5	-10.2
Japan	3.5	3.2	3.3	3.3			5.8	5.1	4.1	3.4
Australia	6.0	6.0	6.0				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	0.5		1.8	1.9	0.9	1.8	2.5
Canada	0.9	0.6	0.0	0.6	0.0		4.7	3.8	2.1	2.1	1.1
UK	0.1	-0.1	0.1	0.1	0.2		3.8	2.0	0.6	0.2	0.4
Eurozone	0.8	0.3	-0.1	0.1	0.1		4.2	2.3	1.7	1.1	0.5
Germany	-0.1	0.4	-0.4	-0.1	0.0		1.6	1.2	0.8	-0.3	-0.1
France	0.4	0.3	0.1	0.0	0.5		3.9	1.2	0.7	0.8	1.0
Italy	1.2	0.3	-0.2	0.6	-0.4		5.1	2.5	1.5	2.0	0.4
Japan	1.3	-0.3	0.1	0.8	1.2		1.4	1.5	0.5	1.8	1.7
Australia	0.7	0.7	0.7	0.4	0.4		3.1	6.0	2.7	2.4	2.1

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Apr	May	Jun	Jul	Aug		Apr	May	Jun	Jul	Aug
US	0.5	-0.3	-0.4	0.7	0.4		0.3	0.0	-0.3	0.0	0.2
Canada	0.3	-0.6	-0.4				0.7	0.6	-0.4		
UK	0.1	-0.7	1.8	-0.7			-1.3	-2.1	0.8	0.5	
Germany	0.3	-0.1	-1.4	-0.8			0.9	0.1	-1.7	-2.2	
France	0.7	1.1	-0.9	0.8			1.5	2.2	-0.3	2.7	
Italy	-2.0	1.7	0.5	-0.7			-7.2	-3.5	-0.8	-2.0	
Japan	0.7	-2.2	2.4	-1.8			0.2	2.5	0.0	-2.4	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
US	3.7	3.6	3.5	3.4	3.6	3.5	3.4	3.7	3.6	3.5	3.8
Canada	5.2	5.1	5.0	5.0	5.0	5.0	5.0	5.2	5.4	5.5	5.5
UK	3.7	3.7	3.7	3.8	3.9	3.8	4.0	4.2	4.3		
Eurozone											
Germany	5.5	5.5	5.5	5.5	5.5	5.6	5.6	5.6	5.7	5.7	5.7
France	7.2	7.2	7.2	7.1	7.1	7.1	7.3	7.3	7.3	7.4	
Italy	7.9	7.8	7.9	8.0	7.9	7.8	7.8	7.7	7.5	7.6	
Japan	2.6	2.5	2.5	2.4	2.6	2.8	2.6	2.6	2.5	2.7	
Australia	3.4	3.5	3.5	3.7	3.5	3.5	3.7	3.6	3.5	3.7	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	-0.5	-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	6.7
France	0.0	1.0	0.5	0.4	-0.4	-0.3	-1.9	-3.1	-2.7	-1.4	-0.3
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.

† This figure is presented as of September 30, 2022, and includes approximately $55.12 billion of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

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Canada: State Street Global Advisors, Ltd., 1981 McGill College Avenue, Suite 500 , Montreal, Qc, H3A 3A8, T: +514 282 2400 and 30 Adelaide Street East Suite 800, Toronto, Ontario M5C 3G6. T: +647 775 5900.

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Exp. Date: 09/30/2024