STATE STREET GLOBAL ADVISORS

October 21, 2022
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
Growth to bounce back in the US. The BoC is expected to hike by 50 bp while the ECB will likely go for 75 bp hike. The BoJ is expected to stay pat.

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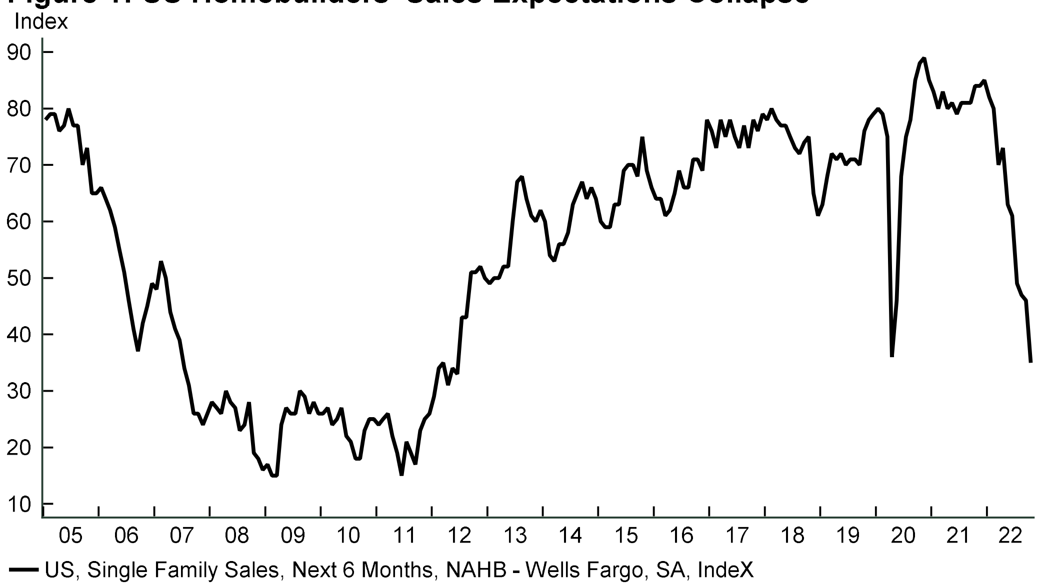
The Economy

UK policy and political drama continues, markets try to make sense of it all.

US

While hurricane Ian may have made some of the current measures of housing activity look a little worse than they otherwise would, there is no question that the housing sector is in a lot of pain. Perhaps most noteworthy is that future sales expectations in the October **NAHB (National Association of Homebuilders) survey** collapsed through their Covid-era lows, hitting levels not seen since 2012. The headline and other components (current sales, buyer traffic) also pulled back meaningfully and are now near their respective Covid lows.

Figure 1: US Homebuilders' Sales Expectations Collapse



Sources: SSGA Economics, NAHB

Existing home sales retreated 1.5% in September, with single family sales down 0.9% and condo/co-ops down 5.8%. Total sales are now down 23.8% y/y and are at the lowest level since May of 2020. The number of available homes declined as well, keeping inventory steady at 3.2 months' worth of sales. Skyrocketing mortgage rates—approaching 7.0% as of mid-October—is killing affordability and forcing price declines as a compensatory mechanism. The median price of a single-family home retreated to $391,000. This is still 8.1% higher than a year earlier, but far below peaks of over 25% in 2021 and half of the rate of increase seen at the start of 2022. Further declines are both likely and necessary to help clear the market.

Unsurprisingly given the increase in mortgage rates and the resulting decline in housing demand, builders are scaling back construction. **Housing starts** are moving lower, albeit somewhat erratically, and permits are doing the same. The pullback is most evident in the higher-priced single-family market segment, which makes perfect sense given affordability challenges. Overall starts declined 8.1% in September to the second-lowest level this year. However, at 1.439 million (seasonally adjusted annualized rate), they are still well above the 2019 average, so far from terrible. Single-family starts are down 18.5% y/y and in line with the 2019 average.

Meanwhile, after a big drop in August, housing permits ticked up 1.5% in September. Do not mistake this of an incipient rebound; further declines seem inevitable.

Both the **Empire and Philly Fed manufacturing surveys** disappointed this week, but the shortfalls relative to expectations were fairly modest. And, underneath the headlines, the details were mixed rather than universally negative. The Philly Fed index improved a smaller-than-expected 1.2 points in October, but employment jumped to a six-month high and the employee workweek rose. The Empire index lost 7.6 points but new orders were steady and while employment deteriorated, the employee workweek improved. In both surveys, the prices paid metrics pushed a little higher following two months of notable declines, likely in response to higher gasoline and energy prices. The prices paid measures were mixed: a slight retreat in the Empire survey and a slight uptick in the Philly survey.

Industrial production rose a better than expected 0.4% in September, an outperformance augmented by small upward revisions to the previous two months. Manufacturing rose 0.4%, aided by a 1.1% increase in computer/electronics and a 1.0% gain in motor vehicle and parts output. Mining rose 0.6%, leaving capacity utilization in the sector at 88.8%, the highest level since April 2019. By contrast, utilities declined 0.3%, leaving capacity utilization there at a nine-month low of 72.8%. Total industrial production rose 5.3% y/y—the best since April—with manufacturing up 4.7% y/y. Mining output was 11.1% higher than a year earlier.

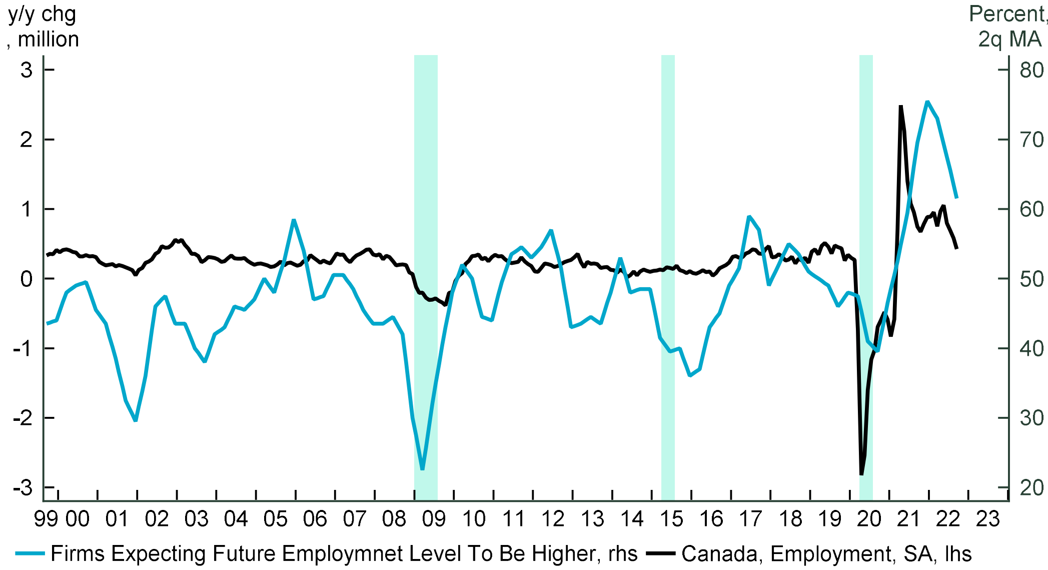
The **federal budget** recorded a $1.4 trillion deficit in the fiscal year ended September 30th. While much better than the $2.8 trillion deficit in fiscal 2021 and the $3.1 trillion deficit in fiscal 2020, this was still the fourth largest deficit ever. And it only missed third place (to 2009) by a mere $40 billion. In aggregate, then, the last three years essentially represent by far the worst three years on record for US federal finances. A scary thought for Halloween?

Canada

The third quarter **Bank of Canada Business Outlook Survey** showed business confidence plunging by the most since 2020, back to the lowest level in over a year. Sales performance deteriorated. 29% of firms reported slower sales growth over the last year; 'just' 50% reported faster growth, down from 75% at the end of 2021. Most importantly, employment expectations have softened. Only 54% of firms expect higher employment in the next 12 months, down from 80% in Q4 2021. And the share of firms expecting a drop in employment increased from a historical low of 3% in Q2 to 7% in Q3. Finally, input price inflation expectations plunged by the most since 2008, reinforcing our impending disinflation narrative.

However, that disinflation narrative is not yet showing up in CPI data. **CPI** Inflation moderated less than expected in September, down just a tenth to 6.9% y/y. The various measures of core inflation (common, median, and trim) were steady at 6.0%, 4.7%, and 5.2% y/y, respectively. Nearly all categories experienced price increases in September, with gasoline (-7.4% m/m) providing the somewhat insufficient offset.

Figure 2: Headwinds To Canadian Employment



Sources: SSGA Economics, BoC, StatCan

August **retail sales** rose a much better than expected 0.7. The rise was broad-based, with six out of eleven sub-components registering improvement. A 2.4% increase in sales at food and beverage stores accounted for more than two thirds of the overall gain, with motor vehicles and parts and sporting goods accounting for the rest. Retail sales were 7.0% higher than a year earlier.

Housing starts surged well past expectations in September, although the increase must be treated with a grain of salt since it was driven by the volatile urban multi-unit segment (+16.1%). We anticipate construction activity to slow as softening existing home sales suggest deteriorating demand conditions. Even so, the combination of elevated inflation and resilient activity suggest another supersized hike from the Bank of Canada (BoC) next week.

UK

The peak in **inflation** is not yet at hand. Headline inflation reaccelerated two tenths in September, matching July's 40-year high of 10.1% y/y. Outside of transportation (-1.5% m/m), all other categories experienced price increases during the month, with clothing and footwear standing out with a 3.0% m/m gain. Ongoing pressures on inflation remain, stemming from both direct and indirect effects of high energy prices, in addition to the weak sterling. In light of the near complete U-turn in fiscal policy, energy support for households has been scaled back from two years to six months (for now at least). While this may not play much of a near-term role for inflation in the very near term, it poses upside risks to our inflation outlook later in 2023.

Under the weight of declining real incomes, consumer spending is slowing. **Real retail sales** dropped 1.4% in September, building on the prior month's 1.7% decline and leaving sales 6.9% lower than a year ago. The declines were broad based, with only clothing/footwear sales managing an incremental gain, and that in the wake of three consecutive prior declines. Brace for additional substantial retrenchment.

The **GFK consumer confidence index** unexpectedly improved by 2 points in October, bucking expectations of a further decline. However, we are skeptical of this improvement. Most of it was driven by expectations for personal finances and economic activity over the next year and we suspect some of that reflected assumptions of generous fiscal support that is now no longer in the offing.

Eurozone

***Eurozone* inflation** continues to climb. CPI inflation accelerated eight tenths to 9.9% y/y in September on surging food and energy prices. Indeed, food and beverages contributed about a quarter of the overall increase in inflation, with more than half being accounted for by rising housing and utilities, as well as transportation costs.

The **ZEW *German* Investor Confidence index** has yet to put in a convincing bottom. Admittedly, it improved a modest 2.7 points in October but this still left it close to record lows. High inflation is no doubt playing a key role in the dismal sentiment backdrop: PPI inflation stood at 45.8% y/y in September!

Japan

Japan's troubles with the 'impossible trinity' have gotten acute this week as the yen weakened to 150 against the US dollar for the first time in 32 years. Maintaining an accommodative monetary policy in a rapidly tightening global environment is having a material impact on the currency. The most significant impact of the weak yen is costlier imports and its indirect impact on inflation. The **trade balance** remained in deficit for the 14th month in September as nominal imports surged 45.9% y/y even as import volumes declined 1.8%. Energy imports are particularly costly; crude oil imports rose 101% while those of coal and LNG rose 169% and 164%.

Inflation continues to rise. **CPI inflation** touched 3.0% y/y in September for the first time in 30 years (excluding the impact of tax hikes in 2014). In a sign of broadening price pressures, the key core-core CPI (excluding fresh food and energy) rose 1.8% y/y. The increase in food prices is especially worrying; staples are at multi-year highs, with fish & seafood inflation at 13.0% y/y the highest since 1978!

In retrospect, the BoJ likely underestimated inflation as Governor Kuroda's said that 'the core-core CPI will not reach 2% any time soon' in the July press conference.
We anticipate price pressures to accelerate further for three reasons. Firstly, incoming data will strip off the drag from low mobile phone and accommodation fees. Secondly, domestic food prices could continue to run higher as they lag international prices by a couple of quarters. And thirdly, the BOJ's commitment to monetary easing might (baring renewed intervention) further weaken the yen.

The core-core CPI is likely to breach 2.0%, underscoring the strength in underlying inflation. Separately, the Japanese trade union (Rengo) is expected to ask for a record total wage hike of 5% next year but may settle near 3%; it could be supported by the government considering high inflation. Strong core-core inflation and possibly better wage growth may lead the BoJ to think of policy normalization. We think it highly likely that the BoJ will revise its yield curve control target on the 10y JGB to 50 basis points by Q1 2023. That said, we do not expect the BoJ to change policy next week. Especially after Governor Kuroda reiterated his intention to continue monetary easing on Friday. However, we expect the BoJ to revise its inflation forecasts higher in the outlook report and will keenly look for any soft indications of any policy shift.

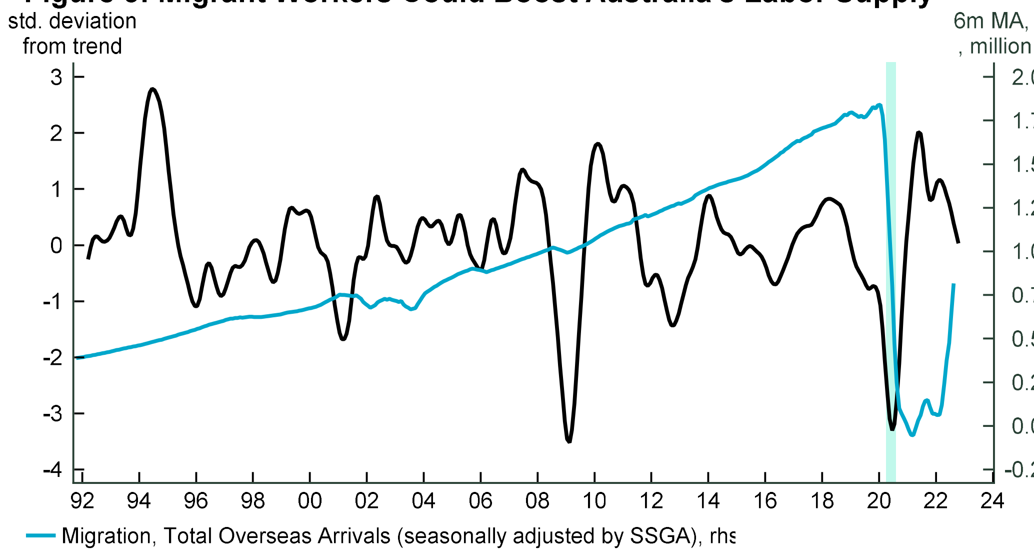
Australia

The **RBA minutes** showed that the board extensively discussed the merits of the downshift in hiking pace in the October meeting and emphasized the lagged effects of past hikes as the policy rate tightened 250 bps this year. Further, the minutes confirmed our view that the policy will continue tightening, even if gradually. They are further supported by RBA Deputy Governor Michele Bullock's speech on Oct 18 (our emphasis): *"There was no doubt that a further increase in interest rates was warranted…"* and *"You should be in no doubt, though, that the Board is determined to do what is necessary to return inflation to target."*

However, **employment data** continued to show that the Australian labor market remains at full capacity as it added just 923 jobs in September, against expectations of 25k, down from an upwardly revised 36.3k in August. Unemployment and participation rates remained at 3.5% and 66.6%, respectively. Furthermore, the Australian government's leading indicator for employment fell for the eight straight month, indicating a likely slowdown in hiring.

To be sure, labor demand is still robust with job openings trending near record highs, making us wonder if the improving inbound migration will support the labor market in the months ahead.

Figure 3: Migrant Workers Could Boost Australia's Labor Supply



Sources: SSGA Economics, Australian Department of Employment, Skills, Small & Family Business, ABS

Week in Review (October 17 – October 21)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, October 17					
US	Empire Manufacturing (Oct)	-4.3	-9.1	-1.5	Details were a little better.
CA	BoC Overall Business Outlook Survey (Q3)	na	1.7	4.9	In retreat.
JN	Tertiary Industry Index (Aug, m/m)	0.3%	0.7%	-0.6%	Stronger as expected.
JN	Industrial Production (Aug, m/m, final)	2.7% (p)	3.4%	0.8%	Solid.
JN	Capacity Utilization (Aug, m/m)	na	1.2%	2.4%	Improving.
Tuesday, October 18					
US	Industrial Production (Sep, m/m)	0.1%	0.4%	-0.1% (↑)	Good.
US	NAHB Housing Market Index (Oct)	43	38	46	7.0% mortgage rates are a huge hurdle.
CA	Housing Starts (Sep, thous)	265.0	299.6	270.4 (↑)	Surprising resilience.
GE	ZEW Survey Expectations (Oct)	-66.5	-59.2	-61.9	When will it find a bottom?
Wednesday, October 19					
US	Housing Starts (Sep, thous)	1,461	1,439	1,566 (↓)	Unsurprising given bleak expectations.
US	Building Permits (Sep, thous)	1,530	1,564	1,542 (↑)	Trending lower despite modest Sep. gain.
CA	Industrial Product Price (Sep, m/m)	-0.8%	0.1%	-1.6% (↓)	Up 9.0% y/y.
CA	Raw Materials Price Index (Sep, m/m)	-3.6%	-3.2%	-4.3% (↓)	Up 11.0% y/y.
CA	CPI (Sep, y/y)	6.7%	6.9%	7.0%	Elevated.
UK	CPI (Sep, y/y)	10.0%	10.1%	9.9%	Matching July's 40-year high,
EC	CPI (Sep, y/y, final)	10.0% (p)	9.9%	9.1%	Near the peak?
AU	Employmnet Change (Sep, m/m, thous)	25.0	0.9	36.3 (↑)	Peak labor market.
AU	Unemploymnet Rate (Sep)	3.5%	3.5%	3.5%	Low.
Thursday, October 20					
US	Initial Jobless Claims (15 Oct, thous)	233	214	226 (↓)	Low.
US	Continuing Claims (08 Oct, thous)	1,378	1385	1,364 (↓)	Low.
US	Philly Fed Business Outlook (Oct)	-5.0	-8.7	-9.9	Big increase in employment.
US	Existing Home Sales (Sep, m/m)	-2.1%	-1.5%	-0.8% (↓)	Down almost 24% y/y.
US	Leading Index (Sep, m/m)	-0.3%	-0.4%	0.0% (↑)	Miss more than offset by favorable revision.
CA	Teranet/National Bank HPI (Sep, y/y)	na	8.3%	11.5%	Moderating.
UK	GfK Consumer Confidence (Oct)	-52.0	-47.0	-49.0	Fiscal policy support expectations?
GE	PPI (Sep, y/y)	45.4%	45.8%	45.8%	Sky high!
FR	Business Confidence (Oct)	101	102	102	Stabilizing?
JN	National CPI (Sep, y/y)	2.9%	3.0%	3.0%	Upside surprise as expected.
Friday, October 21					
CA	Retail sales (Aug, m/m)	0.2%	0.7%	-2.2% (↑)	Welcome improvement.
UK	Retail Sales Inc Auto Fuel (Sep, m/m)	-0.5%	-1.4%	-1.6%	Down 6.9% y/y.

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

Week In Preview (October 24 – October 28)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, October 24				
UK	Manufacturing PMI (Oct, prelim)	48.0	48.4	
UK	Services PMI (Oct, prelim)	49.0	50.0	
EC	Manufacturing PMI (Oct, prelim)	48.0	48.4	
EC	Services PMI (Oct, prelim)	48.2	48.8	
EC	Composite PMI (Oct, prelim)	47.8	48.1	
GE	Manufacturing PMI (Oct, prelim)	47.0	47.8	
GE	Services PMI (Oct, prelim)	45.0	45.0	
FR	Manufacturing PMI (Oct, prelim)	47.0	47.7	
JN	Manufacturing PMI (Oct, prelim)	na	50.8	
Tuesday, October 25				
US	FHFA House Price Index (Aug, m/m)	-0.6%	-0.6%	House prices are now correcting lower.
US	S&P CoreLogic CS 20-city (Aug, m/m)	-0.70%	-0.44%	House prices are now correcting lower.
US	Conf. Board Consumer Confidence (Oct)	105.3	108.0	
GE	IFO Business Climate (Oct)	83.5	84.3	
AU	CPI (Q3, y/y)	7.0%	6.1%	On the rise.
Wednesday, October 26				
US	New Home Sales (Sep, thous, saar)	580	685	
CA	Bank of Canada Rate Decision (Oct 26)	3.75%	3.25%	Not done yet!
FR	Consumer Confidence (Oct)	77.0	79.0	
Thursday, October 27				
US	GDP (Q3, q/q, saar, advance)	2.3%	-0.6%	Aided by trade.
US	Durable Goods Orders (Sep, m/m, prelim)	0.6%	-0.2%	
US	Initial Jobless Claims (Oct 22, thous)	na	214	
EC	ECB Main Refinancing Rate (Oct 27)	2.00%	1.25%	Signals for future moves extremely important.
GE	GfK Consumer Confidence (Nov)	-42	-42.5	
IT	Consumer Confidence Index (Oct)	93.5	94.8	
IT	Manufacturing Confidence (Oct)	100.0	101.3	
IT	Industrial Sales (Aug, m/m)	na	-0.1%	
JN	Unemployment Rate (Sep)	2.5%	2.5%	
JN	BoJ Policy Balance Rate (Oct 28)	-0.1%	-0.1%	Last dove standing!
Friday, October 28				
US	Employment Cost Index (Q3, q/q, sa)	1.2%	1.3%	Still far too high.
US	Personal Income (Sep, m/m)	0.3%	0.3%	
US	Personal Spending (Sep, m/m)	0.4%	0.4%	
US	Pending Home Sales (Sep, m/m)	-5.3%	-2.0%	
US	U.of Mich. Sentiment (Oct, final)	59.6	59.8	
CA	GDP (Aug, m/m)	0.0%	0.1%	
UK	Nationwide House PX (Oct, m/m)	na	0.0%	
GE	GDP (Q3, q/q, sa, prelim)	-0.2%	0.1%	Will be worse in Q4.
GE	CPI (Oct, y/y, prelim)	10.1%	10.0%	
FR	GDP (Q3, q/q, prelim)	0.2%	0.5%	
IT	CPI NIC incl. tobacco (Oct, y/y, prelim)	9.5%	8.9%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		May	Jun	Jul	Aug	Sep
US	Target: PCE price index 2.0% y/y	6.5	7.0	6.4	6.2	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	7.7	8.1	7.6	7.0	6.9
UK	Target: CPI 2.0% y/y	9.1	9.4	10.1	9.9	10.1
Eurozone	Target: CPI below but close to 2.0% y/y	8.1	8.6	8.9	9.1	9.9
Japan	Target: CPI 2.0% y/y	2.5	2.4	2.6	3.0	3.0
Australia	Target Range: CPI 2.0%-3.0% y/y	6.1	6.1			

Source: Macrobond

Key Interest Rates

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
US (top of target range)	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.75	2.50	2.50	3.25
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.50	1.00	1.00	1.50	2.50	2.50	3.25
UK (Bank Rate)	0.10	0.25	0.25	0.50	0.75	0.75	1.00	1.25	1.25	1.75	2.25
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	1.25
Japan (OCR)	-0.05	-0.02	-0.02	-0.01	-0.02	-0.02	-0.03	-0.04	-0.01	-0.04	-0.07
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.33	0.73	1.28	1.81	2.25

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2014	2015	2016	2017	2018	2019	2020	2021	Forecast 2022	Forecast 2023
US	-2.7	-2.5	-3.6	-4.1	-5.1	-5.7	-10.8	-9.5	-4.0	-5.3
Canada	-0.6	0.0	0.1	-0.3	0.0	-0.2	-8.6	-4.0	-2.7	-1.2
UK	-3.9	-3.6	-2.8	-2.3	-2.4	-2.7	0.5	-3.2	-4.3	-1.7
Eurozone	-0.7	-0.5	-0.5	-0.5	-0.3	-0.5	-4.3	-3.8	-3.5	-2.9
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-2.9	-3.0	-3.0	-1.8
France	-2.5	-2.1	-1.9	-1.9	-1.5	-2.1	-5.7	-5.1	-4.5	-4.8
Italy	-1.0	-0.6	-1.2	-1.5	-1.6	-0.9	-6.0	-5.1	-5.7	-3.6
Japan	-5.5	-4.2	-4.0	-3.4	-2.5	-2.6	-8.2	-6.3	-7.3	-3.2
Australia	-2.7	-2.6	-2.2	-1.6	-1.1	-4.0	-7.9	-6.2	-3.5	-3.1

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	May	Jun	Jul	Aug	Sep		May	Jun	Jul	Aug	Sep
US	8.6	9.1	8.5	8.3	8.2		11.1	11.3	9.8	8.7	8.5
Canada	7.7	8.1	7.6	7.0	6.9		15.5	14.3	11.6	10.2	9.0
UK	9.1	9.4	10.1	9.9	10.1		15.6	16.3	17.0	16.4	15.9
Eurozone	8.1	8.6	8.9	9.1	9.9		36.2	36.0	38.0	43.3	
Germany	7.9	7.6	7.5	7.9	10.0		33.6	32.7	37.2	45.8	45.8
France	5.2	5.8	6.1	5.9	5.6		25.0	25.3	26.2	27.7	
Italy	6.8	8.0	7.9	8.4	8.9		34.6	34.1	36.9	40.1	
Japan	2.5	2.4	2.6	3.0	3.0		9.2	9.5	9.1	9.4	9.7
Australia	6.1	6.1					5.6	5.6			

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22
US	1.7	0.7	1.7	-0.4	-0.1	12.5	5.0	5.7	3.7	1.8
Canada	-0.8	1.3	1.6	0.8	0.8	11.7	3.8	3.2	2.9	4.6
UK	6.5	1.8	1.6	0.7	0.2	24.3	8.5	8.9	10.9	4.4
Eurozone	2.0	2.3	0.5	0.6	0.8	14.2	3.9	4.8	5.5	4.3
Germany	1.9	0.8	0.0	0.8	0.1	10.2	1.8	1.2	3.5	1.7
France	1.0	3.4	0.5	-0.2	0.5	18.6	3.6	5.0	4.7	4.2
Italy	2.5	2.8	0.8	0.1	1.1	16.7	4.8	6.6	6.4	5.0
Japan	0.4	-0.4	1.0	0.1	0.9	7.3	1.2	0.5	0.9	1.4
Australia	0.6	-1.8	3.9	0.7	0.9	9.8	4.1	4.5	3.3	3.6

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	May	Jun	Jul	Aug	Sep	May	Jun	Jul	Aug	Sep
US	-0.1	-0.1	0.7	-0.1	0.4	4.4	3.9	3.9	3.9	5.3
Canada	-0.8	0.1	0.5			6.4	4.3	4.6		
UK	0.4	-0.3	-1.1	-1.8		-3.4	-1.8	-3.1	-5.2	
Germany	0.3	0.9	0.0	-0.8		-1.7	0.1	-0.7	2.5	
France	0.3	1.2	-1.6	2.4		-0.4	1.1	-1.2	1.2	
Italy	-1.0	-2.0	0.5	2.3		3.4	-0.8	-1.1	2.6	
Japan	-7.5	9.2	0.8	3.4		-4.7	-2.8	-1.2	4.2	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
US	4.2	3.9	4.0	3.8	3.6	3.6	3.6	3.6	3.5	3.7	3.5
Canada	6.1	6.0	6.5	5.5	5.3	5.2	5.1	4.9	4.9	5.4	5.2
UK	4.0	4.0	3.8	3.7	3.8	3.8	3.8	3.6	3.5		
Eurozone	7.1	7.0	6.9	6.8	6.8	6.7	6.7	6.7	6.6	6.6	
Germany	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.3	5.4	5.5	5.5
France	7.4	7.4	7.3	7.3	7.4	7.5	7.6	7.6	7.4	7.3	
Italy	9.0	8.8	8.7	8.5	8.3	8.2	8.0	8.0	7.9	7.8	
Japan	2.8	2.7	2.8	2.7	2.6	2.5	2.6	2.6	2.6	2.5	
Australia	4.6	4.2	4.2	4.0	3.9	3.9	3.9	3.5	3.4	3.5	3.5

Source: Macrobond

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

	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22
US	-1.9	-2.0	-3.1	-3.2	-3.5	-3.4	-3.6	-3.8	-3.7	-4.6	-4.0
Canada	-1.6	-3.2	-1.1	-2.0	-0.8	0.1	-0.1	0.2	0.0	0.4	0.4
UK	0.2	-2.2	-1.1	-2.6	-6.6	-2.3	-1.2	-4.0	-0.5	-7.2	-5.5
Eurozone	1.8	0.4	1.2	2.1	3.2	3.5	3.1	2.3	1.2	0.4	-1.4
Germany	7.3	6.9	5.2	7.0	8.1	9.0	7.8	6.7	6.3	5.5	3.3
France	0.5	-1.3	-3.6	-2.0	-0.5	0.6	0.8	0.4	-0.4	-0.5	-1.9
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, 2020.

† This figure is presented as of December 31, 2021 and includes approximately $61.43 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.

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