November 13, 2020
Commentary

Weekly Economic Perspectives

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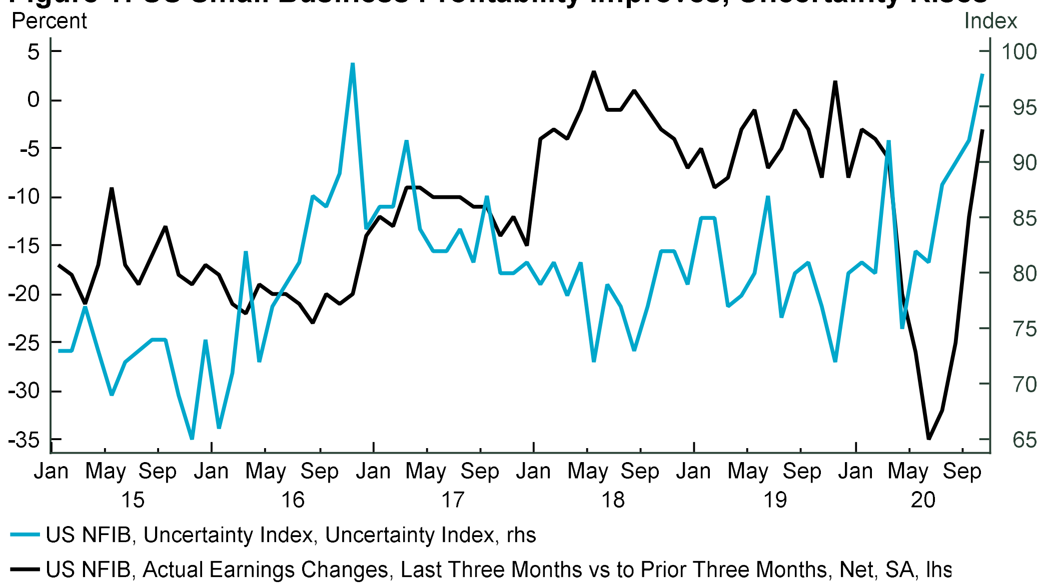
The Economy

A light data week dominated by vaccine news.

US

The last small business sentiment survey before elections showed essentially no change in the overall assessment but some telling shifts in details. The **NFIB optimism index** was unchanged at 104.0 in October, the twin-highest level since February. There seems to be a tug of war between recent improvements in business conditions, on one hand, and unease about whether these gains will be sustained. Indeed, even as firms reported a sharp improvement in profits, the uncertainty metric also jumped to the highest since November 2016. The combination of rising Covid cases and the election results could well push uncertainty even higher next month. This dichotomy was mirrored in some of the other details as well: while current hiring improved, hiring plans took a step back; current capex was unchanged but capex plans softened incrementally; sales expectations improved but general business conditions softened…We'll have to wait for at least next month's results for a more conclusive signal from the world of small business.

Figure 1: US Small Business Profitability Improves, Uncertainty Rises



Sources: SSGA Economics, NFIB

Consumer sentiment weakened noticeably in early November under the combined pressure of surging Covid cases and a tense election. The preliminary **Michigan consumer sentiment** index for November lost 4.8 points—the most since July—hitting a three-month low of 77.0. The current situation was almost unchanged but expectations plunged 7.9 points in what may well prove to be a sign of things to come. After retreating from the May-August highs in the last couple of months, inflation expectations actually picked up a little in November, with both short-term (1-year) and longer-term expectations (5-10 years) up two tenths to 2.8% and 2.6%, respectively.

The **JOLTS survey** is perhaps the least timely labor market indicator, but it compensates that with some labor market details that can't be found elsewhere. The September headline of an 84,000 increase in opening was of little additive value given it followed a sharply lower August estimate, such that the level of openings in September (6.436 million) was actually less than where we had thought they stood in August. Hiring also declined by about 81,000. The combination would seem fairly ominous, yet there was a simultaneous sure in quits, up by 179,000, which seems to fly in the face of the softer headlines. If demand for jobs is decelerating and hiring declining, why would people take the risk of quitting their current jobs. Unless it's quits that's really a leading indicator here as, following those quits new replacement-type openings would have to come on the market…. We'll have to wait and see. Currently, there are about 1.7 unemployed people for each opening, less than half the peak of 4.2 in May but still far above the 0.83 average that had prevailed in 2019. There is quite a bit of that labor market mountain left to climb before we can say we've retraced the Covid losses.

Unemployment claims have been materially improving in recent weeks. Even though some of this reflects exhaustion of the traditional benefits, leading people to move onto some of the alternative programs, the net trend remains one of improvement. Moreover, initial claims, which are not subject to these consideration and speak more to current labor shedding dynamics, are also improving. They declined by 48,000 to a new Covid-era low of 709,000 in the week ending November 7. Continuing claims declined by 436,000 to 6.786 million in the week ended October 31.

Mortgage delinquencies spiked in the second quarter, but it is unclear to what extent this reflected genuine inability to pay versus opportunistic behavior encouraged by generous forbearance provisions under the CARES Act. For instance, home owners have been able to defer mortgage payments up to one year—an action that causes those loans to be categorized as delinquent by the servicers—but not suffer a negative credit score impact, which is not typically the case. This could, potentially, overestimate the number of troubled loans. On the other hand, a temporary halting of foreclosure proceedings is also likely underestimating the count of truly problematic loans. In essence, we are running a little blind at the moment in regards to how to interpret the delinquency figures. We have the numbers, but we are unsure what exactly they mean. For what it's worth, the share of delinquent loans eased slightly during the third quarter, down to 7.65% from 8.22% in the second quarter. To some extent this is also likely a reflection of strong home sales over the summer months, as those new mortgages are less likely to become delinquent so soon after issuance.

Various Inflation metrics remain below where they stood prior to the Covid crisis, but they have started to normalize recently. Admittedly, October brought a bit of a pause in the normalization process as both headline and core **consumer prices** were flat during the month. Food prices continued to rise, up 0.2% m/m, but this was offset by a large 0.4% decline in medical care and a 1.2% drop in apparel prices. Housing costs, with a 40%+ weight in the index, posted a modest 0.1% increase. Inflation measures moderated slightly, with headline CPI inflation down two tenths to 1.2% y/y and core down one tenth to 1.6% y/y.

The **producer price** data was a little more mixed. Overall producer prices rise 0.3% in October, but the two core measures exhibited divergent trends. Traditional core prices (excluding food and energy) were flat whereas the alternative measure of core prices (also excluding volatile trade services) increased 0.2%. Indeed, it was a big 1.1% jump in transportation/warehousing prices that drove the headline higher and, given that component's volatility, it is quite possible that a reversal may occur soon. Overall PPI inflation accelerated a tenth to 0.5% y/y the highest since February. The traditional core measure moderated a tenth to 1.1% y/y, while the alternative core inflation measure rose a tenth to 0.8% y/y.

It was not that long ago—in fact just in the wake of the TJCA in late 2017—that seemingly everyone fretted about the **federal budget deficit** exceeding $1 trillion It didn't quite get there the following year, though it was close at $984 billion. And yet, that was nothing compared to what transpired in the just concluded fiscal year (ended in September). Amid the Covid crisis, the deficit hit a record $3.13 trillion. The 2021 fiscal year didn't start any better, as data for October indicate $284 billion shortfall, more than twice the year-earlier level. And yet, despite this, the 10-year yield has halved over that same period, to just 90 basis points right now. Indeed, one few expense lines that showed a decline over the past year is, actually, interest expenses. Make no mistake about this, the interest burden is huge—over $32 billion in October alone—but this was incrementally lower than in October of 2019. It goes to prove the (obvious!) point that price is not simply a matter of supply, but of demand as well.

Canada

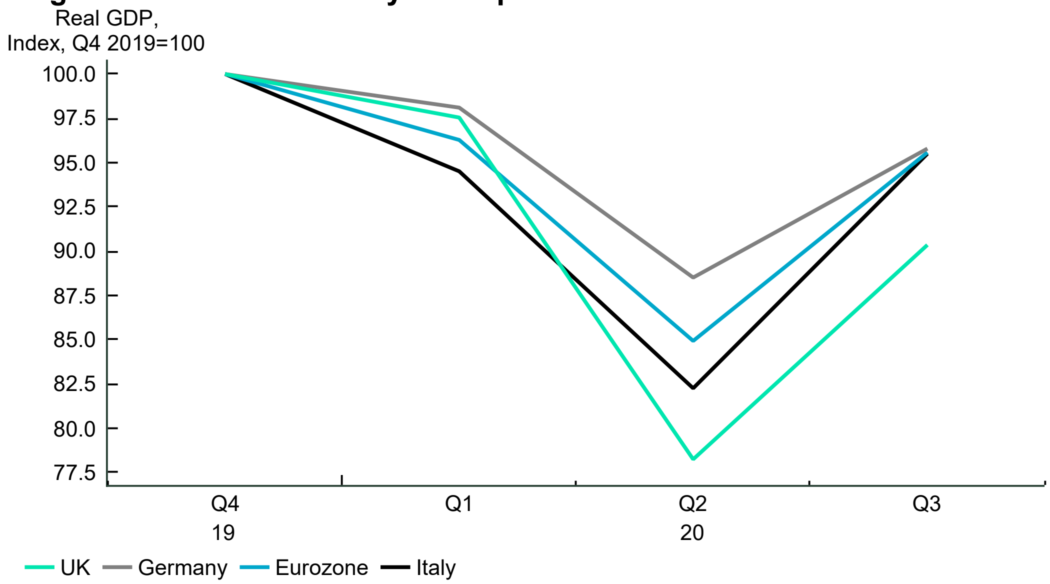
No major data release.

UK

The UK economy rebounded sharply during the third quarter, but even so, it continues to underperform its peers (Figure 2, page 5). Following a 19.8% q/q contraction in the second quarter, **GDP** rebounded 15.5% in the third. About two thirds of that lift came from household consumption, with the remaining third split roughly between inventories and fixed investment. Government spending was a minor positive contributor while trade was a net drag as the export rebound lagged the import surge (which then fueled the inventory rebuild). Despite the third quarter performance, real GDP remained 9.6% lower than a year earlier; it shrank by an average of 11% y/y during the first nine months of 2020.

The **labor market** is still deteriorating. Employment declined by 164,000 in the three months to September, compared with 153,000 in the three months to August and 200,000 in the three months to June (the prior non-overlapping three-month period that the National Statistics Office advises as the most accurate comparison). The official unemployment rate jumped another three tenths to 4.8%, the highest level since late 2016. By contrast, the claimant count unemployment rate moderated a tenth to 7.5% (it peaked at 4.9% during the Great Recession!). Notably, vacancies increased by 34,000 for a fourth consecutive gain…though a relapse here is quite possible given new lockdown measures…The best news in the report was the acceleration in wages, now up to 2.2% y/y in September and 1.3% y/y in the three months to September. This will help support household purchasing power and, implicitly, consumption.

Figure 2: The UK Economy Underperforms Its Peers



Sources: SSGA Economics, Istat, Eurostat, DESTATIS, ONS

Industrial production managed a 0.5% improvement in September, on broad gains that saw mining activity expand for the first time in three months and water utilities gain 1.7%. But manufacturing only rose 0.2%, the least during the post-lockdown recovery phase. The outlook is once again under threat given renewed lockdowns, even though the industrial sector should be more resilient in the face of mobility restrictions than service industries. Overall industrial production is still down 6.3% y/y, with mining down 10% and manufacturing down 7.8%.

Eurozone

The industrial sector recovery seems to be losing some momentum as eurozone **industrial production** contracted 0.4% in September, the first such decline since April. A 1.6% gain in Germany and a 1.4% improvement in France were outweighed by a much larger than expected plunge in Italy, where output declined 5.6% during the month. The overall level of industrial production in the eurozone remains 6.8% lower than in September 2019.

The spike in Covid case in Europe is denting business sentiment. In a troubling sign, the **ZEW *German* investor confidence index** plunged for the second consecutive month, down 17.1 points to a seven-month low of 39.0. Current conditions declined much less precipitously, down only 4.8 points and only to a two-month low. However, in light of new mobility restrictions, the current activity measure is likely to deteriorate more materially come next month.

The ***French* mainland unemployment rate** surged far higher than anticipated during the third quarter, up 1.8 percentage point (ppt) to 8.8%. Naturally given the magnitude of the move, the deterioration was broad-based. However, in a pattern repeated in other countries, female unemployment deteriorated at a faster pace: while the male unemployment rate increased 1.4 ppt to 88%, the female unemployment rate jumped two full percentage points to 8.7%. The disparity reflect the sectoral distribution of employment, with women more engaged in service sectors that have suffered the most during the Covid crisis.

Japan

Core machinery orders (private sector orders other than for ships and electricity generating equipment) fell 4.4% mom in September, the first decline in three months. Total manufacturing orders rose by 2.0%, but orders for automobiles declined (-1.8%) for the first time in four months. Orders from the non-manufacturing sector (excludes orders for ships and from electric power companies) increased by 3.2% in September, led by transportation & postal (+14.5%), telecommunications (+45.8%) and finance & insurance (+29.4%). But core orders for manufacturing and services combined declined. Foreign orders, a leading indicator of capital goods exports, declined by 16.7% after rising sharply by 49.6% mom in August. The Cabinet Office maintained its machinery orders assessment at "ceasing to fall."

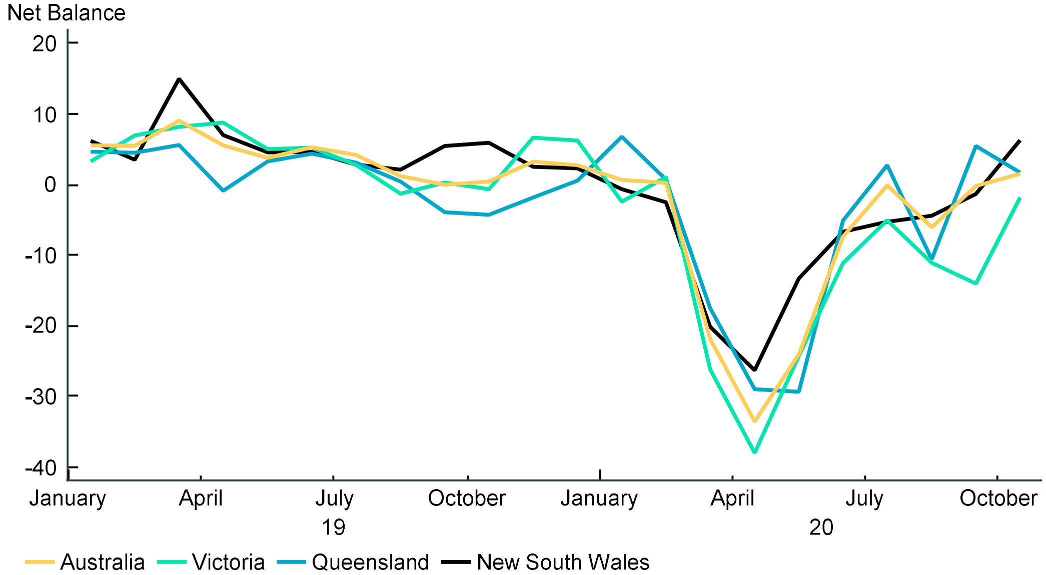
Services activity rose for the fourth month in September, now at the highest since March. The **index of tertiary activities** rose 1.8%, slightly above consensus. Some of the components which should benefit from the “Go To Travel” campaign saw strong gains—living and amusement-related services showed a strong gain (+10.5%) after declining in August, while transport activities also rose 4.8%. Both wholesale (+3.3%) and retail (+1.0%) increased. We expect continuing support to services due to the incentives in place under the “Go To” campaigns. A meaningful recovery will follow once we have clarity on how soon the vaccine can be deployed.

The **index of leading economic indicators** improved for the fourth month in September, gaining 4.4 points to 92.9, the highest since July 2019. The coincident index also rose a further 1.4 points to 80.8. The lagging index also increased after two consecutive declines, by 0.9 points to 92.2.

Australia

The NAB monthly business confidence increased to its highest level since mid-2019, led by a large gain in Victoria (Figure 3, page 7). Confidence rose 8.5 points to +4.7. Business conditions also improved 1.7 points to +1.5, returning to positive levels for the first time since February. Most of the subcomponents for business conditions improved—trading conditions rose 4 points to +8 and profitability rose 3 points to +4. The employment index also edged up by a point, but stayed negative at -5. The rebound was driven by Victoria, as Melbourne saw an easing in lockdown restrictions late in October. There should be ongoing improvement in conditions alongside a further easing in restrictions and a likely vaccine rollout in H1 2021.

Figure 3: Business Confidence Jumps In Victoria



Sources: SSGA Economics, NAB

The Market This Week

With earnings season nearly over, Japanese companies beat analysts' earnings expectations by the widest margin in almost three years. Foreign buying also accelerated over the past week.

Figure 4. Japanese Equities Have Outperformed Recently

Sources: Macrobond, SSGA Economics, Nikkei Inc.

Equities: Hopeful vaccine news lifts equities.

Bonds: Bonds sold off but limited their losses on cautious Fed, softer inflation.

Currencies: The dollar retraced some of last week's losses.

Commodities: Crude oil gained vaccine-driven higher demand expectations.

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Stock Markets					10 Year Bond Yields			Currencies		
Country	Exchange	Last	% Ch Week	% Ch YTD	Last	BP Ch Week	BP Ch YTD	Last	% Ch Week	% Ch YTD
US	S&P 500®	3585.19	2.2%	11.0%	0.89	7	-103	92.734	0.5%	-3.8%
Canada	TSE 300	16678.42	2.4%	-2.3%	0.73	8	-97	1.3147	0.7%	1.2%
UK	FTSE®	6316.39	6.9%	-16.3%	0.34	6	-48	1.3198	0.3%	-0.4%
Germany	DAX	13076.72	4.8%	-1.3%	-0.55	7	-36			
France	CAC-40	5380.16	8.5%	-10.0%	-0.31	5	-43	1.1835	-0.3%	5.5%
Italy	FTSE® MIB	20903.58	6.2%	-11.1%	0.67	3	-75			
Japan	Nikkei 225	25385.87	4.4%	7.3%	0.03	0	4	104.59	1.2%	-3.7%
Australia	ASX 200	6405.222	3.5%	-4.2%	0.88	13	-49	0.727	0.2%	3.5%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	42.03	8.3%	-36.7%	-33.4%
Gold	US $/troy oz	Bloomberg	1888.24	-3.2%	24.4%	29.0%

Source: Bloomberg®

Week in Review (November 9–November 13)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, November 9					
FR	Bank of France Ind. Sentiment (Oct)	90	97	101	Covid concerns.
JN	Leading Index (Sep, prelim)	92.6	92.9	88.5(↑)	Highest since July 2019.
Tuesday, November 10					
US	NFIB Small Business Optimism (Oct)	104.5	104.0	104.0	Mixed details, higher uncertainty.
US	JOLTS Job Openings (Sep, thous)	6500	6436	6352(↓)	Big downward revision, but quits jumped.
US	Mortgage Delinquencies (Q3, q/q)	na	7.6%	8.2%	Unclear how to interpret the data at this juncture.
UK	ILO Unemployment Rate (Sep)	4.8%	4.8%	4.5%	Highest since late 2016
UK	Average Weekly Earnings (Sep, 3m y/y)	1.1%	1.3%	0.1%(↑)	Positive for incomes.
GE	ZEW Investor Expectations (Nov)	44.3	39.0	56.1	Troubling signal…
FR	ILO Unemployment Rate (Q3)	7.5%	8.8%	7.0%	Fastest surge ever!
FR	Industrial Production (Sep, m/m)	0.7%	1.4%	1.1%(↓)	But mining, utilities, down.
IT	Industrial Production (Sep, m/m)	-2.0%	-5.6%	7.4%(↓)	Broad declines.
AU	NAB Business Confidence (Oct)	na	5	-4	Solid report.
Wednesday, November 11					
	No Major Releases				
Thursday, November 12					
US	Initial Jobless claims (Nov 7, thous)	731	709	757(↑)	New Covid era low.
US	Continuing claims (Oct 31, thous)	6825	6786	7222(↓)	New Covid era low.
US	CPI (Oct, y/y)	1.3%	1.2%	1.4%	Core slowed a tenth to 1.6^ y/y.
US	Monthly Budget Statement (Oct, $ bil.)	-275.0	-284.1	-124.6	Fiscal 2020 deficit (ending Sept) hit $3.13 trillion!
UK	GDP (Q3, prelim, q/q)	15.8%	15.5%	-19.8%	Still down 9.6% y/y.
UK	Industrial Production (Sep, m/m)	1.0%	0.5%	0.3%	But what happens next?
EC	Industrial Production (Sep, m/m)	0.6%	-0.4%	0.6%(↓)	Disappointing…
JN	Core Machine Orders (Sep, m/m)	-1.0%	-4.4%	0.2%	Decline in foreign orders.
JN	Tertiary Industry Index (Sep, m/m)	1.2%	1.8%	0.8%	Services faring better.
Friday, November 13					
US	U of Mich Cons Sentiment (Nov, prelim)	82.0	77.0	81.8	Big drop in expectations.
US	PPI (Oct, y/y)	0.4%	0.5%	0.4%	Highest since February.
EC	GDP (Q3, prelim q/q)	12.7%	12.6%	12.7%	Old news by now…

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

Week Preview (November 16–November 20)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, November 16				
US	Empire Manufacturing (Nov)	13.5	10.5	
CA	Manufacturing Sales (Sep, m/m)	na	-2.0%	Renewed surge in COVID cases might slow recovery.
CA	Existing Home Sales (Oct, m/m)	na	0.9%	
JN	GDP (Q3, prelim, q/q)	4.4%	-7.9%	Expected rebound post lockdown relaxation.
JN	Industrial Production (Sep, final, m/m)	4.0%(p)	1.0%	
Tuesday, November 17				
US	Retail Sales Advance (Oct, m/m)	0.5%	1.9%	Incomes remain supportive.
US	Import Price Index (Oct, y/y)	na	-1.1%	
US	Industrial Production (Oct, m/m)	1.0%	-0.6%	Fed surveys point to good print.
US	Business Inventories (Sep, m/m)	0.5%	0.3%	
US	NAHB Housing Market Index (Nov)	85	85	Should start moderating a little bit soon.
CA	Housing Starts (Oct, thous)	na	209.0	
AU	RBA Minutes			
Wednesday, November 18				
US	Building Permits (Oct, thous)	1568	1545(↑)	
US	Housing Starts (Oct, thous)	1450	1415	
CA	Teranet/National Bank HPI (Oct, y/y)	na	6.7%	
CA	CPI (Oct, y/y)	na	0.5%	Slight improvement?
UK	CPI (Oct, y/y)	0.6%	0.5%	
EC	CPI (Oct, final, y/y)	-0.3%(p)	-0.3%	
JN	Trade Balance Adjusted (Oct, ¥ bil.)	117.4	475.8	Expect further improvement in exports.
AU	Wage Price Index (Q3, y/y)	1.5%	1.8%	Lower on reduced hours.
Thursday, November 19				
US	Initial Jobless claims (Nov 14, thous)	na	709	Improving.
US	Continuing claims (Nov 7, thous)	na	6786	
US	Leading Index (Oct, m/m)	0.7%	0.7%	
US	Philadelphia Fed Business Outlook (Nov)	21	32.3	
US	Existing Home Sales (Oct, m/m)	-1.6%	9.4%	
US	Kansas City Fed Manf. Activity (Nov)	na	13	
AU	Unemployment Rate (Oct)	7.1%	6.9%	Likely the peak.
Friday, November 20				
CA	Retail Sales (Sep, m/m)	0.1%	0.4%	
UK	GfK Consumer Confidence (Nov)	-35	-31	
UK	Retail Sales (Oct, m/m)	-0.2%	1.5%	How much of a hit from new lockdowns?
IT	Industrial Orders (Sep, m/m)	na	15.1%	
JN	CPI (Oct, y/y)	-0.4%	0.0%	The trend is here to stay.
JN	Manufacturing PMI (Nov, prelim)	na	48.7	Manufacturing painfully slow…
JN	Services PMI (Nov, prelim)	na	47.7	…services little better maybe.

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	0.5	0.9	1.0	1.3	1.4
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	-0.4	0.7	0.1	0.1	0.5
UK	Target: CPI 2.0% y/y	0.5	0.6	1.0	0.2	0.5
Eurozone	Target: CPI below but close to 2.0% y/y	0.1	0.3	0.4	-0.2	-0.3
Japan	Target: CPI 2.0% y/y	0.1	0.1	0.3	0.2	0.0
Australia	Target Range: CPI 2.0%-3.0% y/y	-0.3	-0.3	0.7	0.7	0.7

Source: Macrobond

Key Interest Rates

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	#####	Sep-20	Oct-20
US (top of target range)	1.75	1.75	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Canada (Overnight Rate)	1.75	1.75	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
UK (Bank Rate)	0.75	0.75	0.75	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan (OCR)	-0.07	-0.04	-0.03	-0.07	-0.06	-0.07	-0.07	-0.02	-0.06	-0.06	-0.03
Australia (OCR)	0.75	0.75	0.75	0.43	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2012	2013	2014	2015	2016	2017	2018	2019	Forecast 2020	Forecast 2021
US	-4.9	-3.0	-2.6	-2.6	-3.7	-4.3	-5.7	-6.8	-15.0	-7.6
Canada	-2.3	-1.5	-0.6	0.0	0.0	-0.3	-0.7	-0.6	-16.5	-7.9
UK	-6.1	-4.3	-4.9	-4.3	-3.3	-2.6	-2.3	-2.2	-14.0	-6.4
Eurozone	-2.0	-1.1	-0.7	-0.6	-0.6	-0.6	-0.5	-0.6	-5.3	-3.1
Germany	0.0	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-5.8	-1.8
France	-4.0	-2.9	-2.6	-2.2	-2.1	-2.1	-1.7	-2.0	-4.5	-4.0
Italy	-1.6	-0.5	-1.0	-0.6	-1.3	-1.8	-1.9	-1.3	-3.8	-3.4
Japan	-7.6	-7.5	-5.5	-4.3	-4.1	-3.3	-2.5	-3.0	-12.7	-5.6
Australia	-3.5	-2.7	-2.8	-2.6	-2.3	-1.6	-1.2	-3.7	-9.2	-9.8

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Jun	Jul	Aug	Sep	Oct		Jun	Jul	Aug	Sep	Oct
US	0.6	1.0	1.3	1.4	1.2		-0.7	-0.4	-0.2	0.4	0.5
Canada	0.7	0.1	0.1	0.5			-3.4	-2.3	-2.2	-2.2	
UK	0.6	1.0	0.2	0.5			-0.9	-0.9	-0.9	-0.9	
Eurozone	0.3	0.4	-0.2	-0.3			-3.7	-3.2	-2.6	-2.4	
Germany	0.9	-0.1	0.0	-0.2	-0.2		-1.8	-1.7	-1.2	-1.0	
France	0.2	0.8	0.2	0.0	0.0		-2.2	-2.1	-2.1	-2.1	
Italy	-0.2	-0.4	-0.5	-0.6	-0.3		-4.5	-3.5	-3.0	-3.1	
Japan	0.1	0.3	0.2	0.0			-1.6	-0.9	-0.6	-0.8	-2.1
Australia	-0.3	0.7	0.7	0.7			-0.4	-0.4	-0.4	-0.4	

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20		Q3-19	Q4-19	Q1-20	Q2-20	Q3-20
US	0.6	0.6	-1.3	-9.0	7.4		2.1	2.3	0.3	-9.0	-2.9
Canada	0.3	0.1	-2.1	-11.5			1.6	1.5	-0.9	-13.0	
UK	0.3	0.1	-2.5	-19.8	15.5		1.0	1.0	-2.1	-21.5	-9.6
Eurozone	0.3	0.0	-3.7	-11.8	12.6		1.4	1.0	-3.3	-14.8	-4.4
Germany	0.3	0.0	-1.9	-9.8	8.2		0.8	0.4	-2.1	-11.2	-4.2
France	0.2	-0.2	-5.9	-13.7	18.2		1.6	0.7	-5.8	-18.9	-4.3
Italy	0.0	-0.2	-5.5	-13.0	16.1		0.5	0.1	-5.6	-17.9	-4.7
Japan	0.0	-1.8	-0.6	-7.9			1.7	-0.7	-1.9	-10.1	
Australia	0.5	0.6	-0.3	-7.0			1.8	2.3	1.6	-6.3	

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	0.7	6.2	4.2	0.4	-0.6		-15.8	-10.7	-6.8	-7.0	-7.3
Canada	3.7	6.0	3.7	-0.6			-18.0	-12.8	-7.9	-8.7	
UK	5.6	9.9	5.3	0.2	0.4		-20.3	-12.1	-7.3	-6.3	-6.3
Germany	7.3	9.4	1.2	0.5	1.6		-19.2	-10.8	-9.5	-9.0	-7.2
France	19.9	12.8	3.9	1.1	1.4		-23.3	-11.4	-8.3	-6.4	-6.0
Italy	41.7	8.2	7.3	7.4	-5.6		-20.5	-13.8	-7.6	-0.1	-5.2
Japan	-8.9	1.9	8.7	1.0	4.0		-24.5	-21.0	-14.7	-12.3	-10.5

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	#####	Sep-20	Oct-20
US	3.5	3.6	3.5	4.4	14.7	13.3	11.1	10.2	8.4	7.9	6.9
Canada	5.6	5.5	5.6	7.8	13.0	13.7	12.3	10.9	10.2	9.0	8.9
UK	3.9	4.0	4.0	4.0	4.1	4.1	4.3	4.5	4.8		
Eurozone	7.4	7.4	7.3	7.2	7.4	7.6	7.9	8.1	8.3	8.3	
Germany	5.0	5.0	5.0	5.0	5.8	6.3	6.4	6.4	6.3	6.3	6.2
France	8.2	8.1	7.7	7.5	7.8	6.9	6.6	7.1	7.5	7.9	
Italy	9.6	9.5	9.3	8.5	7.3	8.7	9.4	9.8	9.7	9.6	
Japan	2.2	2.4	2.4	2.5	2.6	2.9	2.8	2.9	3.0	3.0	
Australia	5.1	5.3	5.1	5.2	6.4	7.1	7.4	7.5	6.8	6.9	

Source: Macrobond

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

	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
US	-2.2	-2.5	-2.0	-2.3	-2.3	-2.1	-2.4	-2.8	-2.6	-2.4	
Canada	-2.2	-2.7	-3.4	-3.0	-2.8	-2.6	-1.8	-2.8	-3.0	-1.2	-1.7
UK	-3.2	-4.0	-3.4	-3.3	-3.4	-4.4	-4.3	-5.1	-6.0	-4.6	
Eurozone	3.1	1.9	3.9	3.6	3.5	3.6	2.6	2.8	3.1	2.4	
Germany	8.3	7.0	8.6	8.6	8.5	7.6	6.5	7.4	7.8	7.6	8.1
France	-1.3	-0.7	-0.7	-0.3	-0.3	-1.4	-0.5	-0.5	-0.8	-0.8	-1.0
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

About State Street Global Advisors

For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost-effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's third largest asset manager with nearly US $3.12 trillion* under our care.

*AUM reflects approximately $43.72 billion USD (as of December 31, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.