STATE STREET GLOBAL ADVISORS

April 2, 2021
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
Solid expansion in US and UK service sectors, but not in the eurozone. Unemployment to decline further in Canada. The RBA should hold the line.

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The Economy

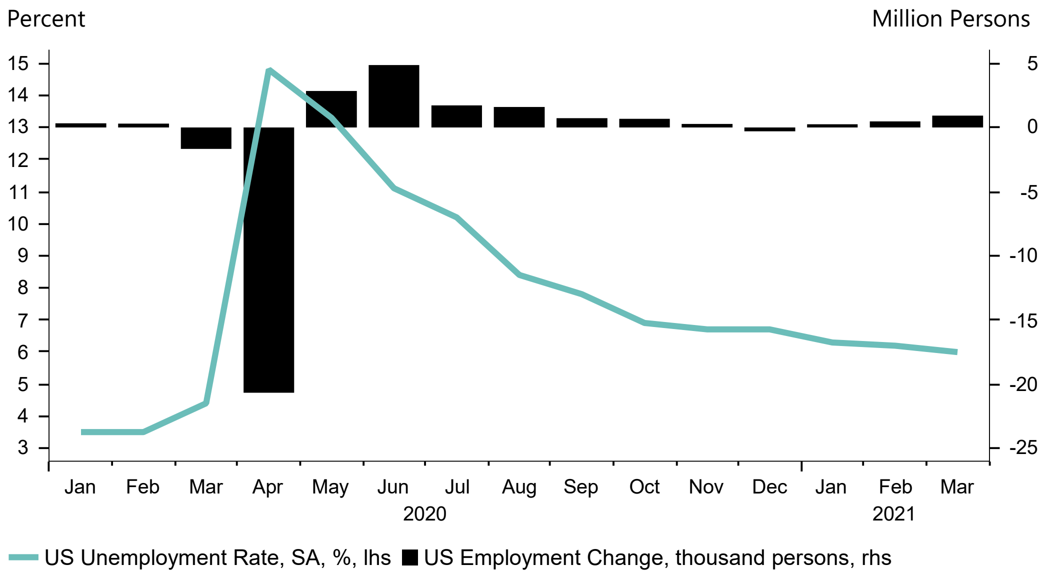
Big beats in macro data, milder market moves in holiday-shortened week.

US

Following a soft February, this week's releases imply a surge in economic activity in March as incoming data beat expectations across the board, from employment, to manufacturing, to vehicle sales.

Last month, we stated that "the soft patch in the US labor market is over". This month, we can confidently say that the much anticipated hiring surge has begun. Indeed, total **payrolls** soared by 916,000 in March (consensus was +660K) and the prior two months were revised up by 156,000! The private sector added 780,000 jobs and the government sector added 136,000. The two largest positive surprises came from construction (+110,000) and education (+190,000), though perhaps it's not quite fair to say these were true "surprises" since we knew residential construction is booming and we also knew that with schools reopening for in person instruction in big states like California and New York, education employment was poised to jump. Manufacturing also added an impressive 53,000 jobs—validating the boom-y signal from the ISM index. Elsewhere, leisure and entertainment made further progress with another 280,000 added, trade and transportation was up 94,000, and business services increased by 66,000.

Figure 1: US Labor Market Clawing Back Losses Step By Step



Sources: SSGA Economics, U.S. Bureau of Labor Statistics (BLS)

The household survey showed a 609,000 increase in employment, and a 262,000 drop in unemployment, leaving the labor force up by 347,000. The participation rate rose a tenth to 61.5% (it remains 1.8 percentage points below its pre-Covid level) and the **unemployment rate** declined wo tenths to 6.0%. The underemployment rate eased a more meaningful four tenths to 10.7% (lowest since March 2020) as the number of people working part time due to economic reasons dropped sharply. This was as much a function of recovering from the severe February weather as the broader economic reopening.

The **hours** data were great and bode well for March labor income. The manufacturing workweek hit a Covid-era high, the average workweek rebounded to near Covid-era highs, and the aggregate hours worked index surged 1.5%, the most since last June.

The **earnings** data were mixed but, given the many factors at work, it is hard to accurately interpret the implied inflation message from here. Total average hourly earnings declined 0.1%, but hourly earnings for production and non-supervisory employees (a more homogeneous group) increased 0.1%. The two respective measures of wage inflation stand at 4.2% y/y and 4.4% y/y, respectively.

Unsurprisingly given the confluence of vaccine, stimulus, and reopening, consumer confidence rebounded strongly in March. The **Conference Board consumer confidence index** soared a near-record 19.3 points in March to its highest level since the start of the pandemic. Gains were evenly distributed between the current situation and expectations component. Notably, the closely watched labor differential—which measures the difference between those who think jobs are abundant and those who think jobs are scarce—jumped 8.6 points to the highest level since March 2020.

With improving confidence comes higher spending, right? Correct, if we are to judge by the 13.3% jump in **motor vehicle sales** in March, now at 17.75 million units (annualized) and the highest level since October 2017.

Consumers are not only buying cars, but also lots of homes. With low supply, the result has been a sharp increase in prices, the magnitude of the acceleration only varying slightly depending on which measure one uses. According to the **FHFA, existing single family home prices** jumped another 1.0% increase in January, leaving prices up by a record 12.0 y/y. The **Case-Shiller 20-City composite price index** rose 1.2% in January, pushing prices up 11.1% y/y, the most since 2004.

The inventory challenged was quite evident in the 10.6% plunge in **pending home sales** in February, though the winter storms that plagued the country (and especially the South) then were equally to blame. Indeed, while sales declined in all regions, the 13.0% decline in the South was nearly double that registered in the West.

Meanwhile, it is full steam ahead for manufacturing activity. The **ISM manufacturing index** surged 3.9 points to 64.7, its highest level since 1983! Unsurprisingly given the magnitude of the move, there were outsized improvements in many of the components. Output surged 4.9 points to the highest since 2004, employment jumped 5.2 to 59.8, and new orders rose 3.2 to 68.0. Inventories are too low and dropping further—the inventory assessment metric indeed touched a record low. Following several steep increases, the price metric eased 0.4 point (but only to a highly elevated 85.6).

Canada

The monthly measure of **GDP** increased 0.7% in January, following a 0.1% increase in December. This ninth consecutive monthly increase still leaves GDP at 3% below its February 2020 level. Both goods-producing (+1.5%) and services (+0.4%) industries showed improvements. Output across several industrial sectors was stronger, including wholesale (+3.9%), manufacturing (+1.9%), mining (+2.7%) and construction (+1.4%). The impact of lockdowns is still showing up in the data though, as accommodation and food services (-3.0%) and retail trade (-1.7%) were weaker. Statistics Canada estimates that improvements in retail, construction, and real estate sectors will lead to an approximate 0.5% increase in GDP for February.

UK

Fourth-quarter **GDP growth** was revised up to 1.3% q/q from the 1.0% earlier estimate. However, this was not substantial enough to impact the 2020 annual result, which is still a 9.9% contraction.

The final read on the March **manufacturing PMI** was even better than the already strong initial print. The headline index jumped 3.8 points to 58.9, one point higher than initially estimated. The output component—most relevant for manufacturing production—contributed the bulk of the upward revision, up 6.1 points to 56.6, compared to 55.6 initially. Employment was 0.6-point stronger than in the initial estimate and 3.8 points better than in February, touching the highest level since 2014.

Housing demand remains robust. Admittedly, the number of approved **mortgage loans** declined for the third consecutive month in February, but net new mortgage lending rose to the highest level since before the Great Financial Crisis.

Eurozone

The initial read on the March ***eurozone*** **manufacturing PMIs** (purchasing managers' indexes) had indicated a sharp acceleration in activity and the final release largely confirmed those numbers. The regional headline was revised up by a tenth to 62.5, lifted by a 0.5-point upward revision to the French number, now at 59.3. The German index was confirmed at 66.6. The Italian and Spanish indexes, for which we have no preliminary releases, improved 2.9 and 4.0 points, to 59.8 and 56.9, respectively.

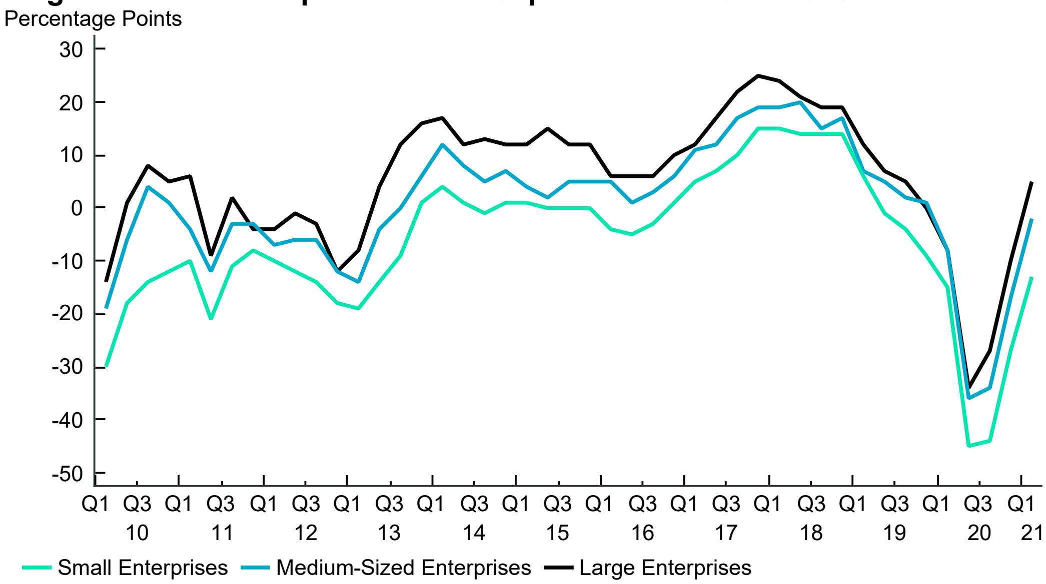
Recent lockdowns have dealt a severe blow to ***German*** **real retail sales** in December and January and the modest 1.2% February gain is not enough to make a meaningful dent in those losses. Indeed, sales remained 5.4% lower than a year earlier, not much better than January's 6.3% decline. By contrast, sales were up 6.5% y/y in Q4. We anticipate a much better March, but even so, Q1 will be extremely weak. Q2 should then bring fairly explosive growth from this low point.

There was a little improvement in the ***German*** **labor market** in March, but not much. Vacancies increased by 12,000 and unemployment declined by 8,000. The headline unemployment rate was again unchanged at 6.0%; the non-seasonally adjusted rate, which garners more attention domestically, declined a tenth to 6.2%.

Japan

The Bank of Japan's **Tankan survey of business conditions** improved again in the first quarter. The business conditions diffusion index for large manufacturers increased 15 points to 5, much better than anticipated. This increase was led by petroleum & coal products, production machinery, nonferrous metals, and motor vehicles. Business conditions for large non-manufacturers improved as well, by 4 points to -1. The state of emergency and suspension of the "Go To" campaigns heavily impacted sentiment in food and accommodation (down 15 points) and retail trade (down 4 points), but other service sectors performed well. Sentiment improved for small enterprises as well, though heavily skewed towards manufacturers (+14 points to -13). Conditions for small services firms only increased by 1 point to -11. The outlook for large manufacturers and non-manufacturers was mostly flat, as is that for small manufacturing firms; however, the outlook of small non-manufacturing firms deteriorated. A marked improvement is expected in food and accommodations. The initial headline FY2021 capex plan at large enterprises (all industries, including land) was revised up to 3.0% y/y, higher than the initial plan for FY2020. The capex plan for all industries was revised up 0.5%. Manufacturers' sentiment is back to pre-Covid levels, but non-manufacturing is understandably lagging. Barring a "fourth" wave, the situation is likely to improve over the next quarter, however.

Figure 2: Marked Improvement In Japan's Manufacturers' Sentiment



Sources: SSGA Economics, BOJ

The labor market held up pretty well in February, with the **unemployment rate** unchanged at 2.9%, slightly below consensus. The number of people employed increased by 30,000 from January, a second monthly rise, while unemployment was flat. Employment gains were almost entirely driven by wholesale and retail services (+370,000), while notable job losses were recorded in manufacturing (-220,000), transport and postal services (-160,000) and information/communication (-110,000). The number of employed also included 2.28 million furloughed workers (before seasonal adjustment), who remained employed but were unable to work, a decrease from 2.43 million in January, but up 320,000 from last year. Participation rate rose slightly to 61.9%. Both active and new job openings-to-applicants ratio edged down in February, from 1.1 to 1.09 and 2.03 to 1.88 respectively. The decline in the number of job offers was probably due to the state of emergency which was lifted in late March. An improvement can be expected in post March data, but concerns over a "fourth" wave of infections loom.

Industrial production dropped off after a sharp rise in January, falling 2.1% in February. Both shipments (-1.5%) and inventories (-1.0%) were down. This was in line with expectations by the Ministry of Economy, Trade and Industry (METI), which expects production to contract a further 1.9% in March, followed by a rebound of 9.3% in April. Production rose in just 3 out of 15 sectors, with motor vehicles (-8.8%), electrical machinery and ICT (-2.9%), and chemicals (-5.7%) the main detractors. METI maintained its overall assessment at "industrial production is picking up". A solid recovery is expected from April onwards.

Retail sales rose 3.1% in February, the first increase in three months, from a downwardly revised 1.75 fall in January. Sales rebounded sharply for general merchandise (+12.2%), and for apparels (+1.5%) and machinery & equipment (+7.2%). Sales were down 1.5% y/y, still an improvement from -2.4% in January.

Australia

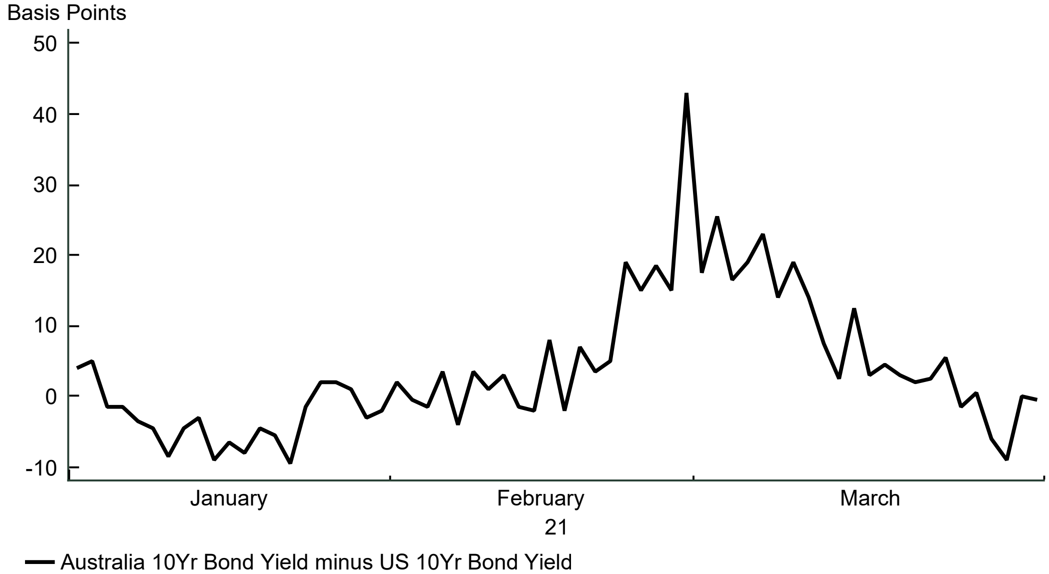
Total private sector **credit growth** edged up 0.2% in February. Growth in housing credit was unchanged at 0.4%, driven by a slight uptick in owner occupiers (+0.6%). Investor demand for housing credit was unchanged at 0.1%. Business credit stayed flat after a small decline in January. “Other personal” (-0.5%) credit continued to slow.

The final read for February **retail sales** was revised up to -0.8%. The drivers were weak food retailing (-3.0%) and recreation (-1.9%). Spending is still strong in annual terms (+9.1% y/y), with household goods up by 19.4% y/y.

The Market This Week

10 year yields shot up as Australian markets saw selling pressure on solid global manufacturing data and massive infrastructure plan in US.

Figure 3: Australian Yields Jumped Over The Week



Sources: SSGA Economics, Macrobond, U.S. Department of Treasury

Equities: Global equities rally further on good macro data.

Bonds: Bond yields jump in Australia but are little changed elsewhere.

Currencies: The dollar creeps higher on strong growth prospects.

Commodities: Oil and gold are little changed.

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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®	4019.87	1.1%	7.0%	1.72	5	81	93.06	0.3%	3.5%
Canada	TSE 300	18990.32	1.3%	8.9%	1.51	1	83	1.2571	0.0%	-1.2%
UK	FTSE®	6737.3	0.0%	4.3%	0.80	4	60	1.3819	0.2%	1.1%
Germany	DAX	15107.17	2.4%	10.1%	-0.33	2	24			
France	CAC-40	6102.96	1.9%	9.9%	-0.08	2	26	1.1758	-0.3%	-3.7%
Italy	FTSE® MIB	24710	1.3%	11.1%	0.63	1	9			
Japan	Nikkei 225	29854	2.3%	8.8%	0.13	4	11	110.73	1.0%	7.2%
Australia	ASX 200	6828.694	0.1%	3.7%	1.84	19	87	0.7603	-0.4%	-1.2%

Commodity Markets						
Commodity	**Unit**	**Source**	**Last Price**	**%Ch Week**	**%Ch YTD**	**%ChYr Ago**
Oil (Brent)	US $/Barrel	Bloomberg	64.21	0.8%	25.5%	157.8%
Gold	US $/troy oz	Bloomberg	1728.87	-0.2%	-8.9%	7.1%

Source: Bloomberg®

Week in Review (March 29–April 2)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, March 29					
UK	Mortgage Approvals (Feb, thous)	95.0	87.7	97.4(↓)	Lockdown impact likely.
Tuesday, March 30					
US	FHFA House Price Index (Jan, m/m)	1.2%	1.0%	1.2%	Sky-high demand + low inventory=higher price.
US	S&P CoreLogic CS 20-City (Jan, m/m)	1.2%	1.2%	1.3%	Sky-high demand + low inventory=higher price.
US	Consumer Confidence (Mar)	96.9	109.7	90.4(↓)	Surge!
FR	Consumer Confidence (Mar)	91	94	91	Resilient.
JN	Unemployment Rate (Feb)	3.0%	2.9%	2.9%	Robust.
JN	Retail Sales (Feb, m/m)	0.8%	3.1%	-1.7%(↓)	Increased across all industries.
Wednesday, March 31					
US	Pending Home Sales (Feb, m/m)	-3.0%	-10.6%	-2.4%(↑)	Limited inventory, plus bad weather.
CA	GDP (Jan, m/m)	0.5%	0.7%	0.1%	Activity less sensitive to restrictions.
UK	GDP (Q4, final, q/q)	1.0%(p)	1.3%	16.0%	Didn't change the full year 9.9% decline.
UK	Nationwide House PX (Mar, m/m)	0.4%	-0.2%	0.7%	Up 5.7% y/y.
GE	Unemployment Rate (Mar)	6.0%	6.0%	6.0%	Vacancies rose, unemployment declined slightly.
FR	Consumer Spending (Feb, m/m)	1.2%	0.0%	-4.9%(↓)	Weak Q1.
JN	Industrial Production (Feb, prelim, m/m)	-1.3%	-2.1%	4.3%	State of emergency hurt February production.
AU	Private Sector Credit (Feb, m/m)	0.3%	0.2%	0.2%	Slight uptick in owner-occupier housing credit.
Thursday, April 1					
US	Initial Jobless claims (Mar 27, thous)	680	719	658(↓)	Somewhat puzzling given payrolls report.
US	Continuing claims (Mar 20, thous)	3750	3798	3840(↓)	The special programs make up the bulk now.
US	ISM Manufacturing (Mar)	61.0	64.7	60.8	Highest since 1983!
CA	Building Permits (Feb, m/m)	-1.4%	2.1%	6.9%(↓)	Quite resilient.
UK	Manufacturing PMI (Mar, final)	57.9(p)	58.9	55.1	Even better than we thought!
EC	Manufacturing PMI (Mar, final)	62.4(p)	62.5	57.9	Confirming message from initial release.
GE	Retail Sales (Feb, m/m)	2.0%	1.2%	-6.5%(↓)	It's going to be a bad first quarter!
GE	Manufacturing PMI (Mar, final)	66.6(p)	66.6	60.7	Confirms initial release.
FR	Manufacturing PMI (Mar, final)	58.8(p)	59.3	56.1	Even better than we thought!
IT	Manufacturing PMI (Mar)	59.8	59.8	56.9	Very good, joining regional rebound.
JN	Tankan Large Mfg Index (Q1)	-1.0	5	-10	Marked improvement across industries.
JN	Manufacturing PMI (Mar, final)	52(p)	52.7	51.4	Faster growth in output and new orders.
AU	Retail Sales (Feb, final, m/m)	-1.1%(p)	-0.8%	0.5%	Dining out, apparels saw strong growth.
Friday, April 2					
US	Total Vehicle Sales (Mar, mil.)	16.4	17.8	15.7	Highest since October 2017.
US	Change in Nonfarm Payrolls (Mar, thous)	630	916	468(↑)	The anticipated hiring surge has begun.
US	Unemployment Rate (Mar)	6.0%	6.0%	6.2%	Underemployment down four tenths to 10.7%.

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

Week Preview (April 5–April 9)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, April 5				
US	ISM Services Index (Mar)	58.4	55.3	Another surge?
US	Factory Orders (Feb, m/m)	-0.5%	2.6%	
US	Durable Goods Orders (Feb, final, m/m)	-1.1%(p)	3.5%	
JN	Services PMI (Mar, final)	46.5(p)	46.3	
Tuesday, April 6				
US	JOLTS Job Openings (Feb, thous)	na	6917	
IT	Unemployment Rate (Feb, prelim)	na	9.0%	
JN	Labor Cash Earnings (Feb, y/y)	na	-0.8%	Slow.
AU	RBA Monetary Policy Decision	0.10%	0.10%	Status quo.
Wednesday, April 7				
US	FOMC Minutes			Always an interesting read, but especially now.
US	Consumer Credit (Feb, $ bil.)	3.5	-1.3	
US	Trade Balance (Feb, $ bil.)	-70.2	-68.2	
CA	Trade Balance (Feb, C$ bil.)	na	1.4	
CA	Ivey PMI (Mar)	na	60	
UK	Services PMI (Mar, final)	56.8(p)	49.5	
EC	Services PMI (Mar, final)	48.8(p)	45.7	
GE	Services PMI (Mar, final)	50.8(p)	45.7	
JN	Leading Index (Feb, prelim)	na	98.5	
Thursday, April 8				
US	Initial Jobless claims (Apr 3, thous)	690	719	
US	Continuing claims (Mar 27, thous)	3650	3794	
GE	Factory Orders (Feb, m/m)	1.0%	1.4%	
JN	Consumer Confidence (Mar)	na	33.8	
Friday, April 9				
US	PPI (Mar, y/y)	3.8%	2.8%	
CA	Unemployment Rate (Mar)	8.0%	8.2%	Solid.
GE	Industrial Production (Feb, m/m)	1.2%	-2.5%	
FR	Industrial Production (Feb, m/m)	na	3.3%	
IT	Retail Sales (Feb, m/m)	na	-3.0%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Oct	Nov	Dec	Jan	Feb
US	Target: PCE price index 2.0% y/y	1.2	1.1	1.2	1.4	1.6
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	0.7	1.0	0.7	1.0	1.1
UK	Target: CPI 2.0% y/y	0.7	0.3	0.6	0.7	0.4
Eurozone	Target: CPI below but close to 2.0% y/y	-0.3	-0.3	-0.3	0.9	0.9
Japan	Target: CPI 2.0% y/y	-0.4	-0.9	-1.2	-0.6	-0.4
Australia	Target Range: CPI 2.0%-3.0% y/y	0.9	0.9	0.9		

Source: Macrobond

Key Interest Rates

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
US (top of target range)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
UK (Bank Rate)	0.10	0.10	0.10	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	-0.07	-0.02	-0.06	-0.06	-0.03	-0.03	-0.03	-0.01	-0.02	-0.04
Australia (OCR)	0.25	0.25	0.25	0.25	0.25	0.25	0.11	0.10	0.10	0.10	0.10

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2013	2014	2015	2016	2017	2018	2019	2020	Forecast 2021	Forecast 2022
US	-3.0	-2.6	-2.6	-3.7	-4.3	-5.7	-6.8	-15.0	-7.6	-6.1
Canada	-1.5	-0.6	0.0	0.0	-0.3	-0.7	-0.6	-16.5	-7.9	-5.2
UK	-4.3	-4.9	-4.3	-3.3	-2.6	-2.3	-2.2	-14.0	-6.4	-5.4
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.6	-0.5	-0.6	-5.3	-3.1	
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-5.8	-1.8	1.0
France	-2.9	-2.6	-2.2	-2.1	-2.1	-1.7	-2.0	-4.5	-4.0	-3.8
Italy	-0.5	-1.0	-0.6	-1.3	-1.8	-1.9	-1.3	-3.8	-3.4	-2.9
Japan	-7.5	-5.5	-4.3	-4.1	-3.3	-2.5	-3.0	-12.7	-5.6	-2.8
Australia	-2.7	-2.8	-2.6	-2.3	-1.6	-1.2	-3.7	-9.2	-9.8	-5.9

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Nov	Dec	Jan	Feb	Mar		Oct	Nov	Dec	Jan	Feb
US	1.2	1.4	1.4	1.7			0.6	0.8	0.8	1.7	2.8
Canada	1.0	0.7	1.0	1.1			1.2	0.6	2.1	4.4	7.1
UK	0.3	0.6	0.7	0.4							
Eurozone	-0.3	-0.3	0.9	0.9			-2.0	-2.0	-1.1	0.0	
Germany	-0.3	-0.3	1.0	1.3	1.7		-0.7	-0.5	0.2	0.9	1.9
France	0.2	0.0	0.6	0.6	1.1		-2.0	-1.9	-1.2	0.1	1.5
Italy	-0.2	-0.2	0.4	0.6	0.8		-2.4	-2.3	-1.8	-0.3	0.7
Japan	-0.9	-1.2	-0.6	-0.4			-2.1	-2.3	-2.0	-1.5	-0.7
Australia	0.9	0.9					-0.1	-0.1	-0.1		

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20		Q4-19	Q1-20	Q2-20	Q3-20	Q4-20
US	0.6	-1.3	-9.0	7.5	1.1		2.3	0.3	-9.0	-2.8	-2.4
Canada	0.1	-1.9	-11.4	8.9	2.3		1.7	-0.3	-12.7	-5.3	-3.2
UK	0.0	-2.8	-19.5	16.9	1.3		1.2	-2.2	-21.4	-8.5	-7.3
Eurozone	0.1	-3.8	-11.6	12.5	-0.7		1.0	-3.3	-14.6	-4.2	-4.9
Germany	0.0	-2.0	-9.7	8.5	0.3		0.4	-2.2	-11.3	-4.0	-3.6
France	-0.2	-5.9	-13.5	18.5	-1.4		0.8	-5.6	-18.6	-3.7	-4.9
Italy	-0.4	-5.5	-13.0	15.9	-1.9		-0.2	-5.8	-18.2	-5.2	-6.6
Japan	-1.8	-0.6	-8.3	5.3	2.8		-1.0	-2.1	-10.3	-5.8	-1.3
Australia	0.4	-0.3	-7.0	3.4	3.1		2.2	1.4	-6.3	-3.7	-1.1

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Oct	Nov	Dec	Jan	Feb		Oct	Nov	Dec	Jan	Feb
US	1.0	0.9	1.0	1.1	-2.2		-4.8	-4.8	-3.5	-2.0	-4.2
Canada	0.0	2.3	1.1	1.8			-7.1	-4.6	-3.1	-1.6	
UK	0.9	0.3	0.2	-1.5			-5.4	-3.9	-3.3	-4.8	
Germany	3.5	1.5	1.9	-2.5			-2.9	-2.4	1.2	-3.8	
France	2.0	-0.3	-0.7	3.3			-4.5	-4.9	-3.2	-0.2	
Italy	1.4	-1.4	0.2	1.0			-2.2	-4.2	-1.3	-2.9	
Japan	4.0	-0.5	-1.0	4.3	-2.1		-3.2	-3.1	-4.2	-2.0	-3.8

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
US	13.3	11.1	10.2	8.4	7.8	6.9	6.7	6.7	6.3	6.2	6.0
Canada	13.7	12.5	10.9	10.2	9.2	9.0	8.6	8.8	9.4	8.2	
UK	4.1	4.3	4.5	4.8	4.9	5.0	5.1	5.0			
Eurozone	7.5	8.0	8.5	8.7	8.6	8.4	8.1	8.1	8.1		
Germany	6.3	6.4	6.4	6.3	6.3	6.2	6.1	6.1	6.0	6.0	6.0
France	6.8	7.2	8.7	9.3	9.3	8.5	8.1	7.8	7.9		
Italy	8.7	9.3	9.7	9.6	9.5	9.5	8.8	9.0			
Japan	2.8	2.8	2.9	3.0	3.0	3.1	3.0	3.0	2.9	2.9	
Australia	7.1	7.4	7.5	6.8	6.9	7.0	6.8	6.6	6.3	5.8	

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.