STATE STREET GLOBAL ADVISORS

April 28, 2023
Commentary

Weekly Economic Perspectives

Contents

Spotlight on Next Week
The Fed shouldn't hike anymore, but most likely will. The ECB should hike again, and will. The RBA may surprise with a 25 bps hike.

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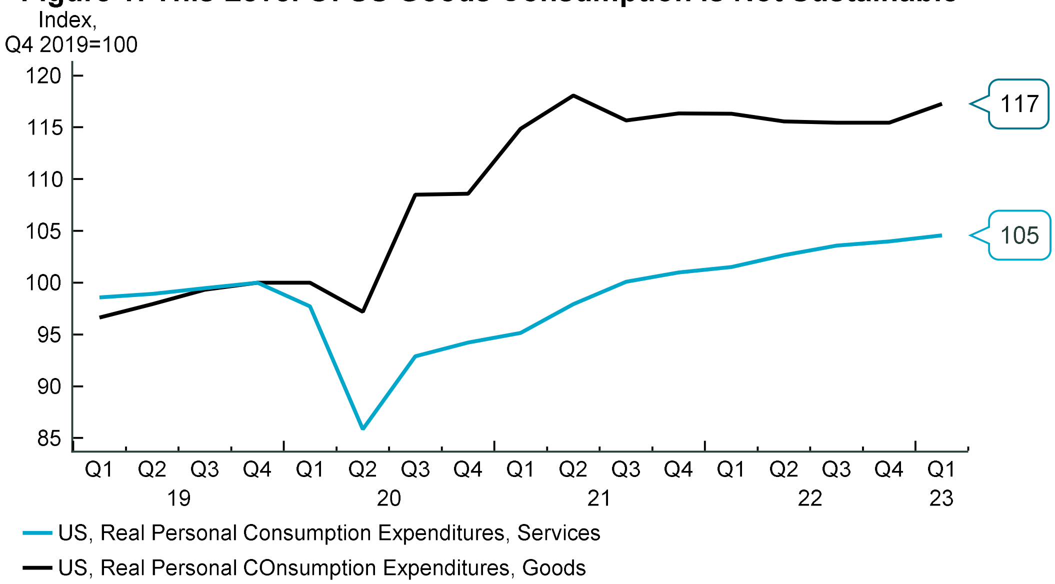
The Economy

Mixed signals on the macro front leave markets struggling for direction.

US

The advance read on **Q1 GDP** reflected two big forces: an upside surprise in consumer spending and a big detraction from inventories. In the event, growth slowed to 1.1% saar (seasonally adjusted annualized), missing consensus expectations by almost half. The drag from inventories had a lot to do with this: inventories subtracted 2.3 percentage points (ppts) from growth, almost entirely nullifying the boost from private consumption. We do not expect future hits of similar magnitude. However, we are equally skeptical that consumer spending will continue to display the sort of resilience evidenced in the Q1 data. There are two elements to our skepticism. On one hand, we suspect that some of the seasonal adjustment issues that had boosted January retails sales have transferred to some extent into the GDP data. There is also a notable degree of concentration in spending, with motor vehicle and parts surging in excess of 45% saar. We do believe there remains material pent-up demand for vehicles, but not to an extent that would support such gains in the future. Most importantly, the level of real goods spending—17% above pre-Covid levels—strikes us as utterly unsustainable. We anticipate not only a flatlining but outright incremental declines to bring goods consumption a little closer to historical trends.

Figure 1: This Level Of US Goods Consumption Is Not Sustainable



Sources: SSGA Economics, BEA

It is also curious that, in the face of this apparent consumption strength, business investment is actually weakening. We suspect this is telling and a better indication of where the economy is heading. Admittedly, it was good—and not all that surprising—to see that the decline in residential fixed investment slowed markedly. This was to be expected given the depth of prior declines and given high-frequency data that had been signaling attempts at a bottom. Indeed, we look for residential investment to turn positive in the second half of the year and continue to improve in 2024. This is one key factor limiting both the risk of, and the depth of, any impending recession.

Outside of residential investment, only structures investment can be seen as doing well. Within this category, manufacturing and mining exploration, shafts and wells both surged in evidence that efforts are being made to boost domestic manufacturing activity as well as domestic oil production. Other investment news was pretty downbeat. Business equipment investment declined 7.3% saar, the most since the initial Covid shock. Almost all categories retreated, with transportation equipment down 18.3% saar. Business equipment investment is now down 0.8% y/y, the first y/y decline since Q3 2020. Investment in intellectual property (IP) grew at the slowest pace since declining in Q2 2020. Elsewhere, net exports made a small positive contribution to GDP that my not necessarily be repeated in the second quarter.

Real GDP grew 1.6% y/y and the GDP deflator increased at a 4.0% saar, a tenth higher than in the fourth quarter. The Q1 data poses some upside risk to our-year 2023 growth forecast of 0.9%, but this is early enough in the year and there were enough question-raising details in the data that we do not feel all that much pressure to upgrade that forecast at the moment.

Durable goods orders jumped 3.2% in March but the news wasn't really as upbeat as that headline would suggest because most of the boost came from volatile aircraft orders. Indeed, core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—declined 0.4%. This was the second consecutive decline for core orders and the fourth in the past five months, mirroring the softness alluded to in the GDP accounts. Overall orders rose 5.4% y/y but core orders only rose 1.9% y/y.

Housing sector data this week were somewhat contradictory. **New home sales** rose 9.6% to a year-high of 683,000 (saar) in March, although the consensus beat was slightly attenuated by a downward revision to the prior month. Performance was heavily driven by outsized gains in the Northeast and West, where properties are generally more expensive and where fluctuations in mortgage rates tend to drive wider swings in affordability and, therefore, demand. Indeed, sales nearly tripled relative to February in the Northeast, reaching the highest level since 2007. Far from seeing this as representative of a new, higher level of sustainable demand, the burst likely reflects buyers' attempts to time their purchases to any dips in mortgage rates. Given the new home sales data is not revised to account for cancelled contracts, there is also a lack of clarity around that. The pick-up in sales helped lower inventory to 7.6 months' worth of sales, the lowest since March 2022. The median price rose 3.8% m/m and was 3.2% higher than in March 2022. By contrast, **pending home sales** declined 5.2% in March to settle 23.3% lower than a year earlier. Losses were geographically broad as all four regions save the South registered sizable declines; even the South barely eked a minor gain.

As personal income is settling onto a modest growth path driven by labor income, consumers are scaling back spending to preserve or rebuild a savings cushion. Overall nominal **personal income** grew 0.3% m/m in March, the same as in February, but nominal spending was flat. In addition, February's **spending** gain was revised lower, allowing the **savings rate** to tick up to 5.1% in March—the highest since December 2021. This is an interesting dynamics, suggesting that consumers in the aggregate are no longer running down savings, but rather, trying to build them back up. This also seems to imply that for most consumers no excess savings remain; it is yet another reason why we remain skeptical of the apparent consumption resilience shown by the Q1 GDP data. The price data were as expected in respect to the m/m changes. The PCE price index increased 0.1% m/m in March and the core PCE index rose 0.3% m/m. The PCE inflation rate slowed from an upwardly revised 5.1% to 4.2% y/y; core PCE slowed from an upwardly revised 4.7% y/y to 4.6% y/y.

The **employment cost index**—perhaps the labor cost indicator most closely watched by the Fed—rose 1.2% q/q in the first quarter, a tenth faster than in the prior three months. Base effects still allowed the y/y growth rate to slow three tenths, but only to a still very high 4.8% y/y. For our part, while we appreciate the stability of the ECI and its broad nature (it includes not only wages but also benefits), when the interest is particularly in inflection points, we prefer the average hourly earnings (AHE). The latter tend to lead the ECI and are now showing much faster deceleration in wage pressures than indicated by the ECI.

Canada

GDP grew 0.1% m/m in February, between our expectations of stalling and consensus' of a 0.2% rise. Performance was aided by the 0.2% rise in the public sector and 0.3% in construction activity, which expanded for a fifth month. The manufacturing sector edged down 0.1% as non-durable goods declined 0.3%, while durable goods were unchanged. More importantly, retail trade contracted for the first time in three months, down 0.5% as activity at gasoline stations and general merchandise stores plunged 5.3% and 3.3%, respectively. Statistics Canada estimates that activity would have contracted 0.1% m/m in March and may have risen by 0.6% q/q in the first quarter.

The **labor market** remains in great shape. February payroll employment rose by 62,500, taking cumulative gains since the start of the year to over 206,000. However, job vacancies dropped by 34,900 and average weekly earnings declined 0.4% m/m.

UK

There were no major data releases this week.

Eurozone

Economic activity was both a little softer than expected and more divergent across the key eurozone economies, according to preliminary estimates. There was slight downward revisions to fourth-quarter **GDP growth** in both Germany and France (each was revised down a tenth to -0.5% q/q and 0.0% q/q, respectively. Germany's performance also disappointed expectations in Q1, with the economy stalling instead of growing 0.2% as anticipated. France did deliver the expected 0.2% q/q growth. Italy had the best showing among the three big economies with a much better than anticipated 0.5% q/q gain. While these initial readings can, and likely will, be revised, the first impression is one where service-heavy economies like Italy are benefitting from the apparent resilience in services demand evident in the PMI data.

Japan

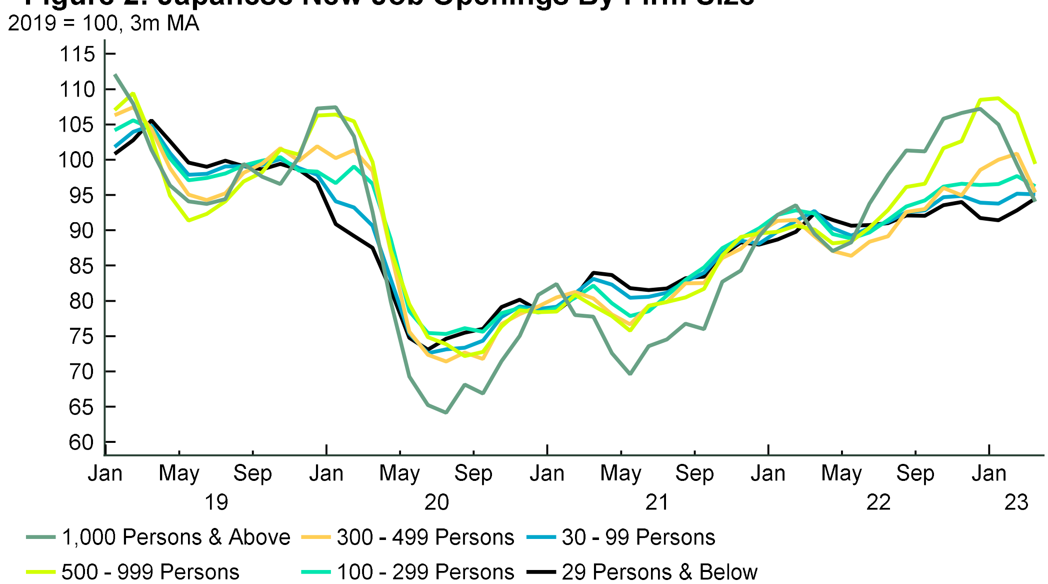
In its April meeting, the **Bank of Japan (BoJ)** left its monetary policy unchanged but offered an upbeat forward guidance. The Bank upgraded its inflation outlook, announced a surprise policy review, and maintained its infamous dovish bias. The two most important takeaways for us were that: a) the BoJ dropped forward guidance that pledged to keep interest rates at the current or lower levels and b) the BoJ now expects the output gap to turn positive.

Inflation outlook. The core CPI (excluding fresh food) for fiscal years 2023 and 2024 is now projected to rise 1.8% y/y and 2.0% y/y, respectively, both two-tenths higher than in January, before slowing to 1.6% in 2025, projected for the first time. The BoJ core CPI (ex fresh food and energy) is expected to rise by 2.5% y/y, 1.7% and 1.8% in FY 2023 and 2024 and 2025, respectively. The Bank projects acceleration in prices in 2024 on the closing of the output gap, rising inflation expectations & wages and, more importantly, expected change in firms' price-and wage-setting behavior. With high inflation expectations and the *shunto* wage outcomes, the Bank now expects 'sustained rise in prices accompanied by wage increases.' However, considering the planned hikes in electricity prices and the government's plan to hike the minimum wages, the BoJ's upbeat inflation outlook still has upside risks.

We still think the BoJ is underestimating inflation as price pressures continue accelerating, as reflected in the **Tokyo CPI** data for April. The BoJ core CPI (excluding fresh food and energy) rose 0.5% m/m, taking the annual rate to 3.9% y/y, five-tenths above March. This is also three-tenths above the consensus of 3.5%. Non-seasonally adjusted goods prices reaccelerated, taking the annual rise to 5.7% y/y, while services prices rose 1.7%.

Growth outlook. GDP growth projections for FY 2023 and 2024 are 1.4% (down by 0.3 ppts) and 1.2% (up by 0.1 ppt). The Bank expects a virtuous cycle from income to spending to gradually intensify from late 2023 onward. Corporate profits may remain elevated despite high raw material costs. Inbound tourism is expected to let services exports balance any slowing in goods. A tight labor market and rising prices may result in an upshift in wages allowing private consumption to 'keep increasing'.

Figure 2: Japanese New Job Openings By Firm Size



Sources: SSGA Economics, Japanese Ministry of Health, Labour & Welfare, Macrobond

However, the **unemployment rate** rose 0.2 ppts to 2.8% in March, a second month of deterioration. Is labor demand stalling? We do not know yet, but we have noted the pullback in job openings (Figure 3, page 5). Employment offers to the manufacturing and construction sectors fell 8.0% y/y and 6.3% y/y, respectively. Furthermore, new job offers have largely stalled; this bears close watching. Interestingly, among the 1.95 million unemployed, 820,000 left their jobs voluntarily, and 520,000 had to leave involuntarily. Job openings in organizations with 30 or more employees have already stalled. We do not know the reason for this, but if this trend continues, we are confident the BoJ will flag it as a risk to policy normalization.

Supportive of growing consumption, **retail sales** in March rose 0.6% m/m, above consensus, taking the annual rate to 7.2% y/y. Sales were again strong in autos, but the fall in textiles, apparel and machinery equipment is noteworthy.

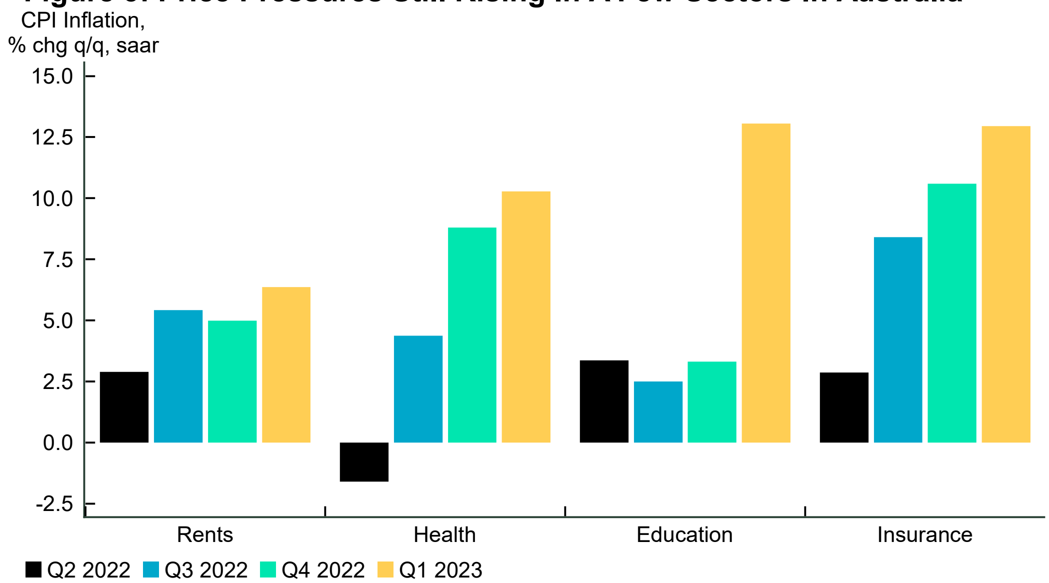
Finally, the Bank noted a significant risk in the uncertainty around the developments in overseas economic activity, including China. Overall, the meeting outcome was in line with our expectations, and we continue to expect another Yield Curve Control (YCC) policy adjustment by June or (now) July, absent any external stress events.

Australia

First-quarter inflation data shows that **CPI** inflation has peaked but we think the finer details warrant some additional policy tightening. Hence, we now expect an out-of-consensus 25 bps hike from the Reserve Bank of Australia (RBA) next week.

The headline inflation metric rose 1.4% q/q in Q1 (or 7.0% y/y), a touch above consensus but lower than Q4's 1.9% and the smallest increment since Q4 2021. The underlying inflation metric of trimmed-mean CPI was more reassuring, up 1.2% q/q (or 6.6% y/y), two-tenths below consensus and half a percentage point less than in Q4. While the consensus is fixated on the softer side of the print, we are troubled by some of the finer details that speak to considerable price pressures.

Figure 3: Price Pressures Still Rising In A Few Sectors In Australia



Sources: SSGA Economics, ABS, Macrobond

Firstly, price pressures appear to be intensifying in a few important service sectors, suggesting a persistence to inflationary pressures that should not be ignored (Figure 4 above). Secondly, the drivers of housing inflation are now shifting to utilities and rent, which rose 5.2% q/q and 1.6% q/q, respectively, above their long-run averages of 1.6% and 1.3% respectively. Although rents rose near the long-run average, this was fastest sequential growth since Q1 2009. Earlier in the month, the National Housing Finance and Investment Corporation warned of a shortage of 100,000 homes in the next five years. Amid high housing demand and rising migrant inflows, price pressures in housing may not diminish very soon. On the other hand, prices for utilities jumped 5.2% q/q, as prices rose in Melbourne, Brisbane and Hobart.

Another critical deviation was observed in insurance and financial services, which are not seasonal, but the average sequential rises since last year are considerably above historic averages. Financial services, which have a 4.4% weight, rose 1.4% q/q in Q1 and 1.2% on average since last year, far above the 0.4% historic average. Furthermore, price pressures in food and beverage sub-components accelerated.

As such, enough residual inflationary pressures remained in the Q1 data to warrant additional tightening. We think it makes sense for this tightening to be delivered sooner rather than later. Hence, we now expect the RBA to hike the cash rate target by 25 bps next week while retaining most of the inflation outlook. For now, we hold on to our 3.85% terminal expectation but this has upside risks after the CPI data.

Week in Review (April 24 – April 28)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, April 24					
GE	IFO Business Climate (Apr)	93.5	93.6	93.2 (↓)	Not much change.
JN	PPI Services (Mar, y/y)	1.7%	1.6%	1.7% (↓)	Down a touch, but still ok.
Tuesday, April 25					
US	FHFA House Price Index (Feb, m/m)	-0.1%	0.5%	0.1% (↓)	Rebound doesn’t appear sustainable.
US	S&P CoreLogic CS 20-City (Feb, m/m)	-0.35%	0.06%	-0.39% (↑)	Poor affordability to weigh on prices still.
US	New Home Sales (Mar, thous)	632	683	623 (↓)	Unsustainable surge in Northeast.
US	Conf. Board Consumer Confidece (Apr)	104.0	101.3	104.0 (↓)	Decline in expectations.
AU	CPI Trimmed Mean (Q1, y/y)	6.7%	6.6%	6.9%	Underlying details are stronger.
Wednesday, April 26					
US	Durable Goods Orders (Mar, m/m, prelim)	0.7%	3.2%	-1.2% (↓)	All about aircraft. Core orders down 0.4%.
GE	GfK Consumer Confidence (May)	-28.0	-25.7	-29.3 (↑)	Welcome improvement.
FR	Consumer Confidence (Apr)	81.0	83.0	82.0 (↑)	Still very weak but better up than down.
Thursday, April 27					
US	Initial Jobless Claims (Apr 22, thous)	248	230	246 (↑)	Have bottomed.
US	Continuing Claims (Apr 15, thous)	1,870	1,858	1,861 (↓)	Have bottomed.
US	GDP (Q1, q/q, saar, advance)	1.9%	1.1%	2.6%	Could well be the best quarter of the year.
US	Pending Home Sales (Mar, m/m)	0.8%	-5.2%	0.8%	As mortgage rate creep higher again…
IT	Consumer Confidence Index (Apr)	105.0	105.5	105.1	Steady.
IT	Manufacturing Confidence (Apr)	104.0	103.0	104.1 (↓)	Has put in a bottom but slow rebound.
JN	Leading Index CI (Feb, final)	97.7 (p)	98.0	96.7	Sideways.
JN	Jobless Rate (Mar)	2.5%	2.8%	2.6%	Slowing job openings is not a good sign.
JN	Job-To-Applicant Ratio (Mar)	1.34	1.32	1.34	Has it peaked?
JN	Industrial Production (Mar, m/m, prelim)	0.4%	0.8%	4.6%	Great!
JN	Retail Sales (Mar, m/m)	0.3%	0.6%	1.4%	Great!
AU	Private Sector Credit (Mar, m/m)	0.3%	0.3%	0.3%	Ok.
Friday, April 28					
US	Employment Cost Index (Q1, q/q)	1.1%	1.2%	1.1% (↑)	Still very elevated.
US	Personal Income (Mar, m/m)	0.2%	0.3%	0.3%	Wage and salary income also grew 0.3%.
US	Personal Spending (Mar, m/m)	-0.1%	0.0%	0.1% (↓)	Lower spending cushioning the savings rate.
US	U. of Mich. Sentiment (Apr, final)	63.5 (p)	63.5	62.0	Little change from initial read.
CA	GDP (Feb, m/m)	0.2%	0.1%	0.5%	GDP to stall in March.
EC	GDP (Q1, q/q, sa, advance)	0.2%	0.1%	0.0%	On the soft side.
GE	Unemployment Claims Rate (Apr)	5.6%	5.6%	5.6%	Steady.
GE	GDP (Q1, q/q, sa, prelim)	0.2%	0.0%	-0.5% (↓)	Soft.
GE	CPI (Apr, y/y, prelim)	7.3%	7.2%	7.4%	Moderation continues.
FR	GDP (Q1, q/q, prelim)	0.2%	0.2%	0.0% (↓)	Not great, but OK.
FR	CPI (Apr, y/y, prelim)	5.8%	5.9%	5.7%	Oscillating in downtrend.
FR	PPI (Mar, y/y)	na	12.9%	15.8% (↑)	Helpful base effects.
IT	GDP WDA (Q1, q/q, prelim)	0.2%	0.5%	-0.1%	A nice surprise!
IT	Hourly Wages (Mar, y/y)	na	2.2%	1.5%	Ticking higher.
JN	BoJ Policy Balance Rate	-0.1%	-0.1%	-0.1%	Featured upbeat guidance, higher CPI forecasts.
JN	Annualized Housing Starts (Mar, mn)	0.875	0.877	0.859	Demand green shoots.

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

Week In Preview (May 01 – May 05)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, May 01				
US	ISM Manufacturing (Apr)	46.8	46.3	
JN	Manufacturing PMI (Apr, final)	49.5 (p)	49.2	Should improve.
JN	Consumer Confidence Index (Apr)	34.8	33.9	Will higher wage outcomes elevate the consumer mood?
Tuesday, May 02				
US	JOLTS Job Openings (Mar, thous)	9,725	9,931	Some downside surprises from here on would not be surprising.
US	Factory Orders (Mar, m/m)	1.4%	-0.7%	
US	Durable Goods Orders (Mar, final)	3.2% (p)	-1.2%	
US	Wards Total Vehicle Sales (Apr, mn)	15.00	14.82	
UK	Nationwide House PX (Apr, m/m)	-0.4%	-0.8%	
UK	Manufacturing PMI (Apr, final)	46.6 (p)	47.9	
EC	Manufacturing PMI (Apr, final)	45.5 (p)	47.3	
GE	Retail Sales (Mar, m/m)	0.4%	-1.3%	
GE	Manufacturing PMI (Apr, final)	44.0 (p)	44.7	
FR	Manufacturing PMI (Apr, final)	45.5 (p)	47.3	
IT	Manufacturing PMI (Apr)	49.5	51.1	
IT	CPI NIC incl. tobacco (Apr, y/y, prelim)	7.2%	7.7%	
AU	RBA Cash Rate Target	3.6%	3.6%	We expect an out of consensus hike of 25 bps.
AU	Retail Sales (Mar, m/m)	0.3%	0.2%	Risk to both the sides.
Wednesday, May 03				
US	ISM Services Index (Apr)	51.8	51.2	
US	FOMC Rate Decision (Upper Bound)	5.25%	5.00%	We do not think the Fed should hike anymore, but they will.
IT	Unemployment Rate (Mar)	8.0%	8.0%	
Thursday, May 04				
US	Nonfarm Productivity (Q1, q/q, prelim)	-1.8%	1.7%	
US	Initial Jobless Claims (Apr 29, thous)	240	230	
US	Continuing Claims (Apr 22, thous)	1,873	1,858	
CA	Ivey PMI (Apr, sa)	na	58.2	May tick down.
UK	Mortgage Approvals (Mar, thous)	46.0	43.5	
UK	Services PMI (Apr, final)	54.9 (p)	52.9	
EC	Services PMI (Apr, final)	56.6 (p)	55.0	
EC	ECB Main Refinancing Rate (May 04)	3.75%	3.50%	This hike is warranted given where inflation stands.
GE	Services PMI (Apr, final)	55.7 (p)	53.7	
Friday, May 05				
US	Change in Nonfarm Payrolls (Apr, thous)	180	236	
US	Unemployment Rate (Apr)	3.6%	3.5%	
US	Consumer Credit (Mar, $ bn)	17,250	15.290	
CA	Net Change in Employment (Apr, thous)	na	37.4	Expecting a smaller increment than in March.
CA	Unemployment Rate (Apr)	5.1%	5.0%	May tick up a touch.
GE	Factory Orders (Mar, m/m)	-2.4%	4.8%	
FR	Wages (Q1, q/q, prelim)	na	0.7%	
FR	Industrial Production (Mar, m/m)	-0.5%	1.2%	
IT	Retail Sales (Mar, m/m)	na	-0.1%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Nov	Dec	Jan	Feb	Mar
US	Target: PCE price index 2.0% y/y	5.7	5.3	5.4	5.1	4.2
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	6.8	6.3	5.9	5.2	4.3
UK	Target: CPI 2.0% y/y	10.7	10.5	10.1	10.4	10.1
Eurozone	Target: CPI below but close to 2.0% y/y	10.1	9.2	8.6	8.5	6.9
Japan	Target: CPI 2.0% y/y	3.8	4.0	4.3	3.3	3.2
Australia	Target Range: CPI 2.0%-3.0% y/y	7.8	7.8	7.0	7.0	7.0

Source: Macrobond

Key Interest Rates

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
US (top of target range)	1.75	2.50	2.50	3.25	3.25	4.00	4.50	4.50	4.75	5.00	5.00
Canada (Overnight Rate)	1.50	2.50	2.50	3.25	3.75	3.75	4.25	4.50	4.50	4.50	
UK (Bank Rate)	1.25	1.25	1.75	2.25	2.25	3.00	3.50	3.50	4.00	4.25	4.25
Eurozone (Refi)	0.00	0.50	0.50	1.25	1.25	2.00	2.50	2.50	3.00	3.50	3.50
Japan (OCR)	-0.04	-0.01	-0.04	-0.07	-0.06	-0.08	-0.02	-0.01	-0.01	-0.03	
Australia (OCR)	0.73	1.28	1.81	2.25	2.58	2.84	3.05	3.10	3.29	3.54	

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

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

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Dec	Jan	Feb	Mar	Apr		Nov	Dec	Jan	Feb	Mar
US	6.5	6.4	6.0	5.0			7.4	6.6	5.9	4.9	2.7
Canada	6.3	5.9	5.2	4.3			9.0	7.4	5.0	1.6	-1.8
UK	10.5	10.1	10.4	10.1			16.0	14.5	13.4	12.0	8.7
Eurozone	9.2	8.6	8.5	6.9			27.0	24.6	15.0	13.3	
Germany	8.1	8.7	8.7	7.4	7.2		28.2	21.6	17.6	15.8	7.5
France	5.9	6.0	6.3	5.7	5.9		18.0	17.5	14.9	13.3	9.5
Italy	11.6	10.0	9.1	7.6			29.4	31.7	11.1	9.6	
Japan	4.0	4.3	3.3	3.2			9.9	10.6	9.5	8.3	7.2
Australia	7.8	7.0	7.0	7.0			5.8	5.8	5.2	5.2	5.2

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23
US	-0.4	-0.1	0.8	0.6	0.3		3.7	1.8	1.9	0.9	1.6
Canada	0.6	0.9	0.6	0.0			3.1	4.7	3.8	2.1	
UK	0.5	0.1	-0.1	0.1			10.6	3.8	2.0	0.6	
Eurozone	0.6	0.9	0.4	-0.1	0.1		5.5	4.4	2.5	1.8	1.3
Germany	1.0	-0.1	0.5	-0.5	0.0		3.8	1.7	1.4	0.8	-0.1
France	-0.2	0.5	0.1	0.0	0.2		4.7	4.2	1.0	0.4	0.8
Italy	0.1	1.1	0.4	-0.1	0.5		6.5	5.1	2.5	1.4	1.8
Japan	-0.5	1.2	-0.3	0.0			0.6	1.4	1.5	0.4	
Australia	0.6	0.9	0.7	0.5			3.0	3.1	5.9	2.7	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Nov	Dec	Jan	Feb	Mar		Nov	Dec	Jan	Feb	Mar
US	-0.3	-1.5	0.9	0.2	0.4		1.9	0.6	1.4	0.9	0.5
Canada	0.3	-1.2	0.7	0.2			2.7	1.3	2.0	1.7	
UK	0.0	0.2	-0.5	-0.2			-2.9	-2.7	-3.2	-3.1	
Germany	0.4	-2.4	3.7	2.0			-0.6	-3.6	-1.0	0.7	
France	1.9	1.4	-1.4	1.2			0.5	1.8	-1.6	1.3	
Italy	-0.2	1.2	-0.5	-0.2			-3.6	-0.9	1.9	-2.3	
Japan	0.2	0.3	-5.3	4.6	0.8		-0.9	-0.8	-3.8	-1.4	-0.8

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
US	3.6	3.5	3.7	3.5	3.7	3.6	3.5	3.4	3.6	3.5	
Canada	4.9	4.9	5.3	5.2	5.2	5.1	5.0	5.0	5.0	5.0	
UK	3.6	3.5	3.6	3.7	3.7	3.7	3.7	3.8			
Eurozone	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.6	6.6		
Germany	5.3	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.6	5.6
France	7.5	7.3	7.2	7.1	7.2	7.2	7.2	7.1	7.0		
Italy	8.0	8.0	8.1	8.0	7.9	7.9	7.9	8.0	8.0		
Japan	2.6	2.6	2.5	2.6	2.6	2.5	2.5	2.4	2.6	2.8	
Australia	3.6	3.5	3.5	3.6	3.4	3.5	3.5	3.7	3.5	3.5	

Source: Macrobond

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

	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22
US	-3.1	-3.2	-3.5	-3.4	-3.6	-3.8	-3.7	-4.5	-3.8	-3.4	-3.2
Canada	-1.5	-2.4	-1.4	0.0	-0.4	-0.6	0.0	0.4	0.8	-1.2	-1.5
UK	-1.1	-2.6	-6.6	-1.9	-0.4	-3.3	-0.4	-8.3	-4.6	-2.0	-0.4
Eurozone	1.2	2.1	3.2	3.5	3.1	2.3	1.2	0.4	-1.3	-3.6	1.0
Germany	5.3	7.2	8.3	9.0	8.4	7.4	6.5	5.7	4.1	2.4	4.9
France	-3.7	-2.0	-0.4	0.5	0.7	0.5	0.0	-0.2	-2.0	-3.6	-3.0
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

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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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