STATE STREET GLOBAL ADVISORS

July 23, 2021
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
The Fed will talk about, but not yet send a signal, on tapering asset purchases. Solid Q2 GDP rebound in the eurozone. Q2 inflation to jump in Australia.

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Contact

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

Kaushik Baidya
Economist
kaushik_baidya@ssga.com
+91-806-741-5048

Japan: BoJ's Push On Climate Change

ESG is becoming more of a concerted effort globally with central banks throwing in their weight behind climate action. The Bank of Japan's policy meeting on July 19th was watched closely for the new Fund Provisioning scheme to support loans and investments aimed at tackling climate change (green lending scheme). The scheme includes zero-interest loans to commercial banks to support lending for environmentally friendly projects and several types of financing, including green loans, green bonds, sustainability-linked loans and bonds with performance targets related to climate change efforts.

The measures stop a little short of expectations though, with no added incentives to encourage usage of the scheme. The BoJ decided not to pay additional interest on current account balances (reserves) held by participating financial institutions. The duration of the loan period was also shortened from four years in the predecessor scheme to one year in principle, though rollovers can be made for an unlimited number of times. This will ensure that counterparties can receive long-term financing even beyond March 2031 when the facility is set to expire. But on its own, the Scheme is unlikely to provide a major impetus to accelerate climate change initiatives in the short term.

The decision follows the July 8 statement by the European Central Bank—following the conclusion of its strategy review—that it would incorporate climate change more systematically into its monetary policy decision-making going forward. Earlier in June, the Bank of England had also introduced a climate stress testing measure, the results of which are due in Q1 2022. The BoE has added decarbonization to policy mandate, with plans to refocus corporate bond purchase program based on climate change measures at companies. These actions are part of a broader efforts by the Network for the Greening the Financial System (NGFS), a group of central banks and financial supervisors formed to support the Paris climate goals. The Federal Reserve has so far been more of a follower than a leader on climate change. However, it joined NGFS at the end of 2020 and internal debate on how to integrate climate into monetary policy considerations has certainly picked up.

Moves to formally tie climate change to monetary policy are not entirely free of controversy. Some have argued that an expansion of mandates into political areas such as climate change threatens to weaken central bank independence, leading to a slower response to policy parameters like higher inflation. The question of whether bond-buying programs should be used to tackle climate risk, for e.g. by selling the bonds of big carbon emitters and buying more green bonds continues to be one of the most contentious areas of monetary policy. There is also considerable debate over taxonomy for identifying green investments and economic activities, for example the Green Asset Ratio coined by the ECB.

Current central bank actions around climate change are only the first few steps on a long road ahead. The priority for the time being is to accumulate knowledge surrounding climate change initiatives, and eventually introduce measures that could have a bigger impact. Given the extremely long time horizon of climate change-related issues means that, unlike conventional monetary policy, normalization will not be dictated by cyclical fluctuations.

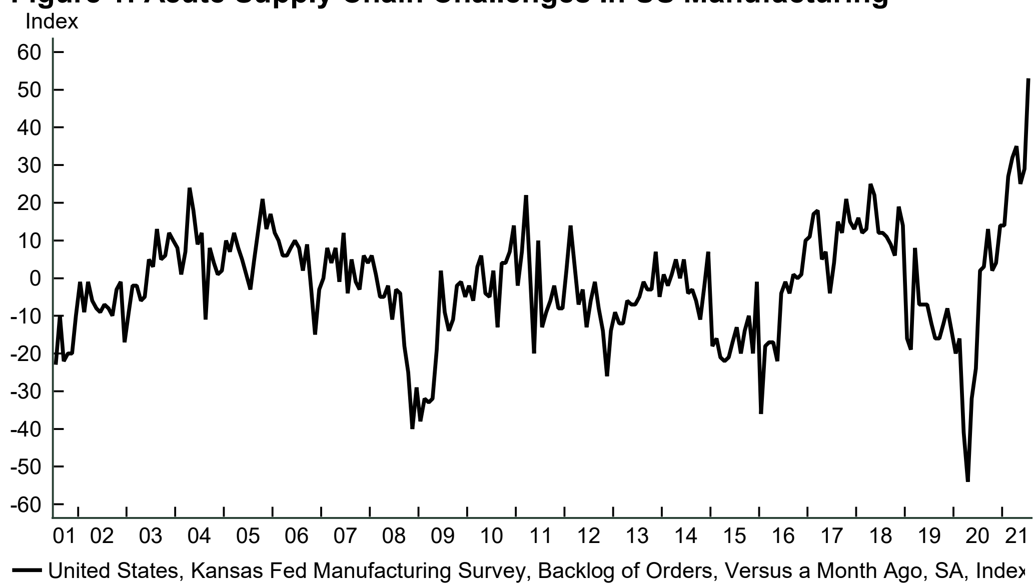
The Economy

A volatile week ends on a good note, with some record highs for stocks.

US

The July **Kansas City Fed manufacturing activity index** bucked expectations for a decline to instead gain 3.0 points to 30.0, just shy of April's record. The details were very strong, with substantial improvements in production, shipments, export orders, and the average workweek. New orders and employment posted smaller gains. Backlogs surged to unprecedented levels. Unsurprisingly, the price metrics remain very elevated. What's interesting is that while there are early indications that raw material prices might be peaking, prices received for finished goods continue to rise.

Figure 1: Acute Supply Chain Challenges In US Manufacturing



Sources: SSGA Economics, Federal Reserve Bank of Kansas City

Activity in the housing sector is moderating slightly from the torrid pace that had prevailed in recent months. Admittedly, the June data was mixed, with **housing starts** rising 6.3% but **building permits** dropping 5.1% for a third consecutive decline. The dramatic surge and subsequent correction in lumber prices this year may skew month-to-month starts and permits data as both builders and consumers try to understand the cost structure. We may need a few more months of data to see where the market finds a sustainable balance.

Following four consecutive declines, **existing home sales** rose 1.4% in June and were 22.9% higher y/y. Inventory improved and now stands at 2.6 months' worth of sales, compared with the record low 1.9 months in December-January. Homes are still selling very quickly: the average home stayed on the market just 17 days before selling, matching the record low first established in April and then maintained in May. Prices continue to rise, exacerbating a growing affordability problem. The median price for an existing single-family home reached $370,600, up 24.4% y/y.

Homebuilder sentiment remains historically elevated but there has been an unmistakable momentum loss over the past six months as sharply higher home prices undermine affordability. The NAHB index eased one point to 80 in July, its lowest level since August 2020. The prospective buyer traffic plunged by 6 points, also to the lowest level since last August. The present sales metric declined one point and the future sales metric rose two.

The **index of leading economic indicators (LEI)** rose 0.7% in June, suggesting further strong growth in the US economy. The biggest positive contributions came from unemployment claims and the ISM new orders, although financial-type components such as credit conditions and interest rate spreads were notable additives as well. The average workweek and building permits were the detractors.

Initial claims in the traditional **unemployment benefits** program had been gently declining for many months, but they've pretty much flat-lined since late May. They posted an unexpectedly large increase in the week ending July 17, up by 51,000 to a nine-week high of 419,000. Continuing claims continue to move lower and touched a post-pandemic low of 3.236 million in the week ending July 10. As more states end their participation in the federal special unemployment assistance programs, it has been in this space that claims have declined the most in recent weeks. Indeed, continuing claims in the special programs declined by nearly two million in the three weeks ending July 3 (data for the special programs is more lagged).

Canada

Retail sales dropped again in May, down 2.1% to the lowest since January. This coincided with continued restrictions imposed following the third wave of the pandemic. The largest declines were observed in building material and garden equipment and supplies dealers (-11.3%) and motor vehicle and parts dealers (-2.4%). Core retail sales also fell 2.4%. It is likely to get better from here though , with Statistics Canada projecting a 4.4% increase in June.

The monthly gain in 11-City **Teranet/Bank of Canada housing price index** decelerated slightly from May to 2.7%, not that far from a record high. The composite index is up 16.0% y/y in all 11 cities, the sharpest yearly growth on record. However, the most recent statistics show a moderation in the number of home sales, which could mean a slowing of price rises in the coming months.

UK

Preliminary readings on the July **purchasing managers' indexes** indicate a notable loss of momentum yet persistent strong growth as well. The manufacturing PMI lost 3.5 points and the services index plunged 4.6, but at 60.4 and 57.8, respectively, they remain comfortably in strong expansion territory.

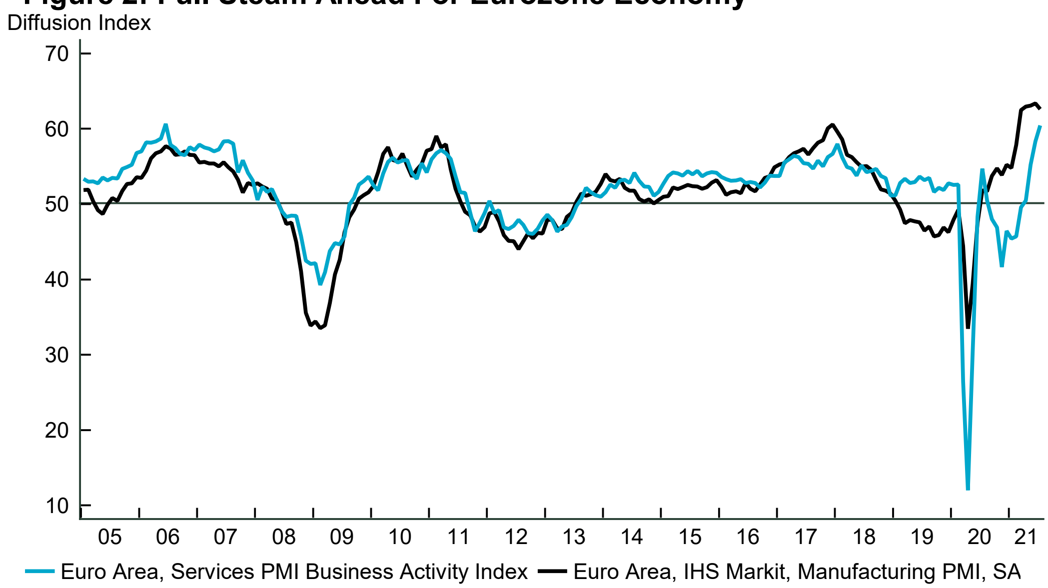
The **GFK consumer confidence index** improved two points in July to -7, its highest level since February 2020. However, despite the better than expected performance, we are a bit weary of a possible pullback down the line amid the latest Covid wave.

Eurozone

The **ECB** concluded its lengthy strategy review earlier this month. The most important change was the adoption of a symmetrical 2% inflation target over the medium term (the prior target was inflation of close to, but below 2.0%). This week's policy meeting was meant to clarify what the new inflation target will mean for the conduct of monetary policy. The most important change here came in the area of forward guidance, with took a notably more dovish tone. Indeed, "the Governing Council expects the key ECB interest rates to remain at their present or lower levels until it sees inflation reaching two per cent well ahead of the end of its projection horizon and durably for the rest of the projection horizon." This doesn't go quite as far as the Fed's average inflation targeting framework and its commitment to not hike pre-emptively based solely on forecasts, but it was a move in the same direction. The ECB may still tighten pre-emptively based on forecasted inflation, but if it does so, it would be based on forecasts that are not as far out into the future and, presumably, more reliable. Aside for the change to forward guidance, all other policy parameters—interest rates and asset purchases—were left unchanged. The Governing Council re-affirmed its economic assessment from June, with solid growth seen ahead despite the Delta variant. Inflation is expected to rise further, but for most of this boost to be the transitory reflection of higher energy prices and base effects. Risks to the outlook continue to be seen as balanced.

As economies reopen, service activity is now accelerating sharply even as manufacturing continues to power ahead at high speed. Preliminary readings on the July **purchasing managers' indexes** were quite encouraging. The Eurozone manufacturing index retreated a little but at 62.6 it remains entrenched in "boom-y" territory. Meanwhile, the services index jumped 2.1 point to a 60.4, the highest level since 2006! The German service index surged 4.8 points to a record high of 62.2. The price metrics remain extremely elevated, though, on the service side at least, there was an early hint of a possible topping off in the July data.

Figure 2: Full Steam Ahead For Eurozone Economy

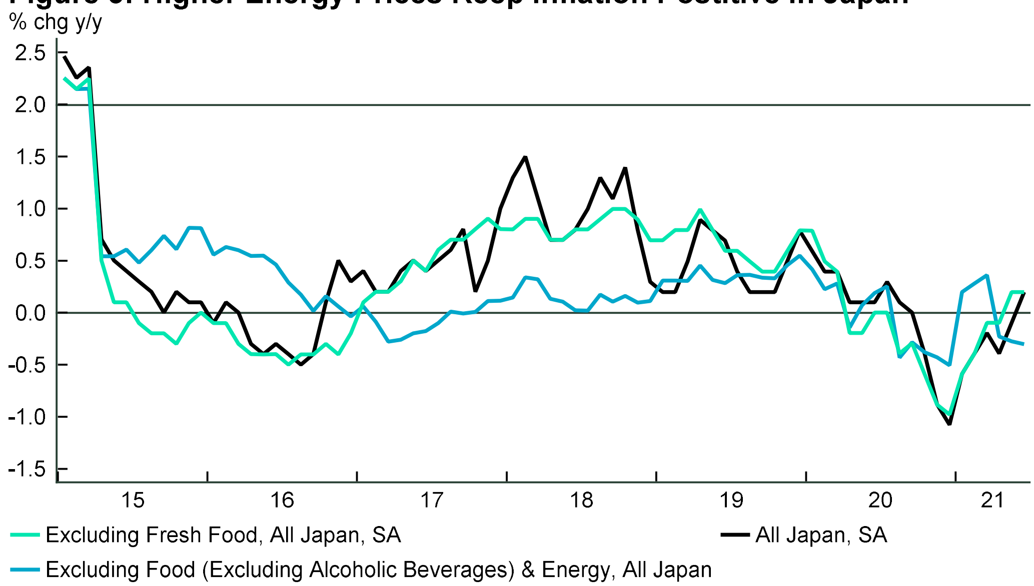


Sources: SSGA Economics, IHS Markit

Japan

Inflation trends remain pretty weak in Japan, with headline **CPI** edging up 0.2% y/y in June, following eight consecutive declines. The increase can be attributed to disinflationary trends amid the pandemic last year. Fresh food inflation came in at 0.6%, overturning the sharp decelerations over past two months. Higher crude oil prices are leading to an increase in gasoline price and electricity rates, resulting in energy prices higher by 4.6%. The underlying measures were broadly unchanged—the core measure of CPI (excluding fresh food) firmed one tenth to 0.2%, while the new BoJ core CPI (excluding fresh food and energy) came in at -0.2% for the third month. Stripping out the impact of special factors such as sharp reductions in mobile phone charges in March 2021 from the new core CPI, the trend was +0.4% in June and around +0.4% for April-June. Core inflation is likely to remain benign even as the health situation stabilizes, due to downward pressure from transitory factors.

Figure 3: Higher Energy Prices Keep Inflation Postitive In Japan



Sources: SSGA Economics, Japanese Statistics Bureau, Ministry of Internal Affairs & Communications

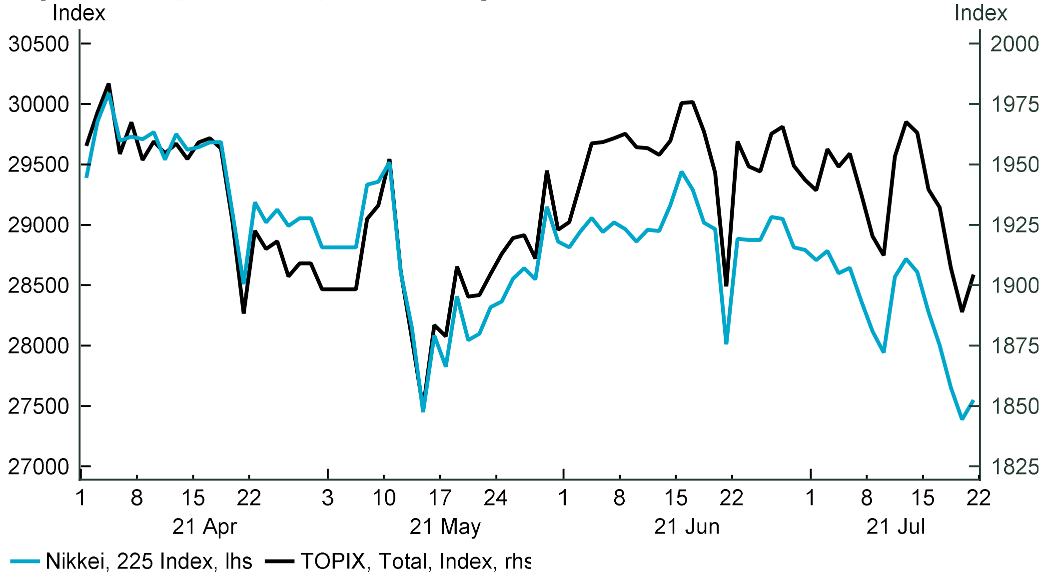
Australia

Australian **retail sales** dropped 1.8% m/m in June, much worse than anticipated. The June decline was led by Victoria (-3.5%) and New South Wales (-2.0%). All categories other than food retailing fell, which has been typical for lockdowns. We expect retail sales to fall again in July as the Sydney lockdown intensifies, another Melbourne lockdown starts, and South Australia also goes into lockdown.

The Market This Week

Japanese equities underperformed over the week as a fifth wave of infections plagues the economy before the start of Olympics.

Figure 4: Japanese Equities Plunged Over The Week



Sources: SPDJI, Tokyo Stock Exchange, Nikkei Inc.

Equities: Decline in Japanese stocks contrasts gains elsewhere.

Bonds: Australian yields plunge on virus concerns.

Currencies: Dollar slightly higher.

Commodities: Oil recoups some of its recent heavy losses to end 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®	4413.68	2.0%	17.5%	1.28	-1	37	92.887	0.2%	3.3%
Canada	TSE 300	20191.24	1.0%	15.8%	1.21	-3	53	1.2567	-0.4%	-1.2%
UK	FTSE®	7027.58	0.3%	8.8%	0.58	-4	39	1.375	-0.1%	0.6%
Germany	DAX	15669.29	0.8%	14.2%	-0.42	-7	15			
France	CAC-40	6568.82	1.7%	18.3%	-0.09	-7	25	1.1771	-0.3%	-3.6%
Italy	FTSE® MIB	25124.91	1.3%	13.0%	0.62	-9	8			
Japan	Nikkei 225	27548	-1.6%	0.4%	0.02	-1	0	110.55	0.4%	7.1%
Australia	ASX 200	7394.352	0.6%	12.3%	1.20	-9	23	0.7367	-0.5%	-4.3%

Commodity Markets						
Commodity	**Unit**	**Source**	**Last Price**	**%Ch Week**	**%Ch YTD**	**%ChYr Ago**
Oil (Brent)	US $/Barrel	Bloomberg	73.73	-0.1%	44.1%	72.2%
Gold	US $/troy oz	Bloomberg	1801.31	-0.6%	-5.1%	-4.6%

Source: Bloomberg®

Week in Review (July 19–July 23)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, July 19					
US	NAHB Housing Market Index (Jul)	82	80	81	Buyer traffic softened notably.
Tuesday, July 20					
US	Building Permits (Jun, thous)	1696	1598	1683(↑)	Lowest since October.
US	Housing Starts (Jun, thous)	1590	1643	1546(↓)	Solid. Up 29.1% y/y.
CA	Teranet/National Bank HPI (Jun, y/y)	na	16.0%	13.7%	Yet another record high.
JN	CPI (Jun, y/y)	0.2%	0.2%	-0.1%	Benign.
Wednesday, July 21					
IT	Industrial Sales (May, m/m)	na	-1.0%	3.3%	
JN	Trade Balance Adjusted (Jun, ¥ bil.)	22.6	-90.2	19.6(↓)	Export volume flat after adjusting for base effect.
AU	Retail Sales (Jun, prelim, m/m)	-0.7%	-1.8%	0.4%	Lockdown hit to sales.
Thursday, July 22					
US	Initial Jobless claims (Jul 17, thous)	350	419	368(↑)	Surprising uptick.
US	Continuing claims (Jul 10, thous)	3100	3236	3265(↑)	Steady, if slow, improvement.
US	Leading Index (Jun, m/m)	0.8%	0.7%	1.2%(↓)	Steady gains.
US	Existing Home Sales (Jun, m/m)	1.7%	1.4%	-1.2%(↓)	High prices are a challenge.
US	Kansas City Fed Manf. Activity (Jul)	25	30	27	Even stronger details.
EC	ECB Monetary Policy Decision	0.00%	0.00%	0.00%	Dovish changes to forward guidance.
FR	Business Confidence (Jul)	113	113	114(↑)	Elevated.
Friday, July 23					
CA	Retail Sales (May, m/m)	-3.0%	-2.1%	-5.7%	Lingering effect of the third wave.
UK	GfK Consumer Confidence (Jul)	-8	-7	-9	Ongoing improvement.
UK	Retail Sales (Jun, m/m)	-0.1%	0.5%	-1.3%(↑)	Good!
UK	Manufacturing PMI (Jul, prelim)	62.4	60.4	63.9	Still highly elevated.
UK	Services PMI (Jul, prelim)	62	57.8	62.4	Still growing solidly, but at risk from Covid cases.
EC	Manufacturing PMI (Jul, prelim)	62.5	62.6	63.4	Impressive.
EC	Services PMI (Jul, prelim)	59.3	60.4	58.3	Excellent!
GE	Manufacturing PMI (Jul, prelim)	64.1	65.6	65.1	Impressive.
GE	Services PMI (Jul, prelim)	59.5	62.2	57.5	Really great to see!
FR	Manufacturing PMI (Jul, prelim)	58.3	58.1	59.0	Still highly elevated.

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

Week Preview (July 26–July 30)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, July 26				
US	New Home Sales (Jun, thous)	800	769	We see a downside risk here due to prices.
GE	IFO Business Climate (Jul)	102.4	101.8	
JN	Manufacturing PMI (Jul, prelim)	na	52.4	Limited upside at the moment.
JN	Services PMI (Jul, prelim)	na	48	Should see an improvement in services.
Tuesday, July 27				
US	Durable Goods Orders (Jun, prelim, m/m)	2.1%	2.3%	
US	FHFA House Price Index (May, m/m)	na	1.8%	Extreme price appreciation.
US	S&P CoreLogic 20-City Index (May, m/m)	1.5%	1.6%	Extreme price appreciation.
US	Consumer Confidence (Jul)	124.1	127.3	Inflation concerns broadening?
Wednesday, July 28				
US	FOMC Monetary Policy Decision	0.25%	0.25%	How much taper talk?
CA	CPI (Jun, y/y)	3.2%	3.6%	New CPI weights will keep a lid on inflation.
UK	Nationwide House PX (Jul, m/m)	na	0.7%	
GE	GfK Consumer Confidence (Aug)	1.0	-0.3	Yet another reopening process.
FR	Consumer Confidence (Jul)	na	102	
IT	Consumer Confidence (Jul)	na	115.1	
JN	Leading Index (May, final)	102.6(p)	103.8	
AU	CPI (Q2, y/y)	3.7%	1.1%	Base effects.
Thursday, July 29				
US	Initial Jobless claims (Jul 24, thous)	na	419	
US	Continuing claims (Jul 17, thous)	na	3236	
US	GDP (Q2, first, q/q saar)	8.5%	6.4%	Trade and inventories will play a big role.
US	Pending Home Sales (Jun, m/m)	0.5%	8.0%	
GE	Unemployment Rate (Jul)	5.8%	5.9%	
GE	CPI (Jul, y/y)	3.2%	2.3%	Mostly transient, but fairly intense.
Friday, July 30				
US	Personal Income (Jun, m/m)	-0.6%	-2.0%	
US	Personal Spending (Jun, m/m)	0.6%	0.0%	
US	U of Mich Cons Sentiment (Jul, final)	85.5(p)	85.5	
US	Employment Cost Index (Q2, q/q)	0.9%	0.9%	
CA	GDP (May, m/m)	-0.2%	-0.3%	Modest decline expected.
EC	GDP (Q2, prelim, q/q)	1.5%	-0.3%	Further improvement in Q3.
GE	GDP (Q2, prelim, q/q)	2.1%	-1.8%	
IT	GDP (Q2, prelim, q/q)	na	0.1%	
IT	Unemployment Rate (Jun)	na	10.5%	
FR	Manufacturing PMI (May, prelim)	na	58.9	
FR	GDP (Q2, prelim, q/q)	0.8%	-0.1%	
JN	Unemployment Rate (Jun)	3.0%	3.0%	Steady as we go.
JN	Industrial Production (Jun, prelim, m/m)	5.0%	-6.5%	Much needed improvement.
JN	Retail Sales (Jun, m/m)	2.9%	-0.3%(↓)	Improved mobility should translate into higher sales.
AU	Private Sector Credit (Jun, m/m)	0.4%	0.4%	

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

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Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Feb	Mar	Apr	May	Jun
US	Target: PCE price index 2.0% y/y	1.6	2.4	3.6	3.9	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	1.1	2.2	3.4	3.6	
UK	Target: CPI 2.0% y/y	0.4	0.7	1.5	2.1	2.5
Eurozone	Target: CPI below but close to 2.0% y/y	0.9	1.3	1.6	2.0	1.9
Japan	Target: CPI 2.0% y/y	-0.4	-0.2	-0.4	-0.1	0.2
Australia	Target Range: CPI 2.0%-3.0% y/y	1.1	1.1			

Source: Macrobond

Key Interest Rates

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-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)	-0.06	-0.06	-0.03	-0.03	-0.03	-0.01	-0.02	-0.04	-0.02	-0.03	-0.05
Australia (OCR)	0.25	0.25	0.25	0.11	0.10	0.10	0.10	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	-5.4	-6.1	-11.7	-12.9	-6.8
Canada	-1.5	-0.6	0.0	0.1	-0.3	0.0	0.3	-7.8	-6.7	-4.2
UK	-4.2	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	0.5	-5.0	-4.8
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.5	-0.5	-0.5	-4.0	-4.6	-2.6
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-2.6	-4.0	-0.3
France	-2.9	-2.7	-2.3	-2.1	-2.1	-1.8	-2.0	-3.6	-5.2	-4.0
Italy	-0.5	-1.0	-0.6	-1.3	-1.7	-1.9	-1.1	-5.1	-5.2	-4.1
Japan	-7.4	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-11.3	-8.5	-3.6
Australia	-2.7	-2.7	-2.6	-2.3	-1.6	-1.2	-3.6	-9.1	-10.1	-6.9

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change					PPI Year/Year % Change				
	Feb	Mar	Apr	May	Jun	Feb	Mar	Apr	May	Jun
US	1.7	2.6	4.2	5.0	5.4	3.0	4.2	6.2	6.6	7.3
Canada	1.1	2.2	3.4	3.6		7.2	10.2	14.4	16.4	
UK	0.4	0.7	1.5	2.1	2.5					
Eurozone	0.9	1.3	1.6	2.0	1.9	1.5	4.4	7.6	9.6	
Germany	1.3	1.7	2.0	2.5	2.3	1.9	3.7	5.2	7.2	8.5
France	0.6	1.1	1.2	1.4	1.5	1.7	4.1	6.0	6.6	
Italy	0.6	0.8	1.1	1.3	1.3	0.7	2.7	6.8	8.0	
Japan	-0.4	-0.2	-0.4	-0.1	0.2	-0.6	1.2	3.8	5.1	5.0
Australia	1.1	1.1				0.2	0.2			

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21
US	-1.3	-9.0	7.5	1.1	1.6	0.3	-9.0	-2.8	-2.4	0.4
Canada	-2.0	-11.3	9.1	2.2	1.4	-0.4	-12.6	-5.1	-3.1	0.3
UK	-2.8	-19.5	16.9	1.3	-1.6	-2.2	-21.4	-8.5	-7.3	-6.1
Eurozone	-3.6	-11.4	12.4	-0.6	-0.3	-3.2	-14.4	-4.0	-4.6	-1.3
Germany	-2.0	-9.7	8.7	0.5	-1.8	-2.2	-11.2	-3.8	-3.3	-3.1
France	-5.9	-13.2	18.5	-1.5	-0.1	-5.5	-18.4	-3.5	-4.6	1.2
Italy	-5.7	-12.9	15.9	-1.8	0.1	-5.8	-18.1	-5.2	-6.5	-0.8
Japan	-0.5	-8.1	5.3	2.8	-1.0	-2.2	-10.2	-5.5	-1.0	-1.5
Australia	-0.3	-7.0	3.5	3.2	1.8	1.4	-6.2	-3.7	-1.0	1.1

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	Feb	Mar	Apr	May	Jun	Feb	Mar	Apr	May	Jun
US	-3.1	2.7	0.0	0.7	0.4	-4.9	1.5	17.5	16.1	9.8
Canada	-1.5	1.2	-0.2			-3.7	2.3	18.3		
UK	0.5	1.5	-1.0	0.7		-3.7	3.1	27.2	20.5	
Germany	-1.8	2.1	-0.3	-0.3		-6.4	4.8	27.7	17.2	
France	-4.6	1.0	0.1	-0.3		-6.4	14.3	44.2	20.5	
Italy	0.1	0.2	1.5	-1.5		-0.9	38.1	77.8	21.2	
Japan	-1.3	1.7	2.9	-6.5		-3.1	1.0	15.9	21.1	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
US	8.4	7.8	6.9	6.7	6.7	6.3	6.2	6.0	6.1	5.8	5.9
Canada	10.2	9.2	9.0	8.6	8.8	9.4	8.2	7.5	8.1	8.2	7.8
UK	4.8	5.0	5.1	5.2	5.1	5.0	4.9	4.8	4.8		
Eurozone	8.5	8.5	8.3	8.2	8.2	8.2	8.2	8.1	8.1	7.9	
Germany	6.3	6.3	6.2	6.2	6.1	6.0	6.0	6.0	6.0	5.9	5.9
France	8.9	8.9	8.3	8.0	7.8	7.9	8.1	8.2	7.8	7.5	
Italy	9.9	10.0	10.1	9.7	9.9	10.4	10.4	10.4	10.7	10.5	
Japan	3.0	3.0	3.1	3.0	3.0	2.9	2.9	2.6	2.8	3.0	
Australia	6.8	6.9	6.9	6.8	6.6	6.4	5.9	5.7	5.5	5.1	4.9

Source: Macrobond

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

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21
US	-2.3	-2.4	-2.4	-2.3	-2.2	-1.9	-2.1	-3.2	-3.3	-3.3	-3.5
Canada	-1.6	-2.8	-3.0	-1.7	-2.0	-1.6	-3.0	-1.6	-1.8	-0.9	0.2
UK	-3.3	-4.7	-6.3	-3.2	-3.2	0.3	-3.5	-3.0	-2.6	-4.8	-2.4
Eurozone	3.0	2.5	3.4	1.5	2.9	2.5	2.1	1.1	2.5	3.2	3.8
Germany	7.4	7.1	8.0	7.4	7.8	7.4	6.9	5.1	7.4	7.9	8.1
France	-0.7	-0.8	0.3	-0.3	-0.6	-0.4	-1.3	-3.5	-2.1	-0.9	-0.9
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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