STATE STREET GLOBAL ADVISORS

April 24, 2020
Commentary

Weekly Economic Perspectives

Contents

Spotlight on Next Week
The Fed, the ECB and the BoJ meet but no big announcements are expected. Early estimates of first quarter GDP will likely indicate deep contractions in Italy, France, and the eurozone, and a lesser one in the US.

Contact

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

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

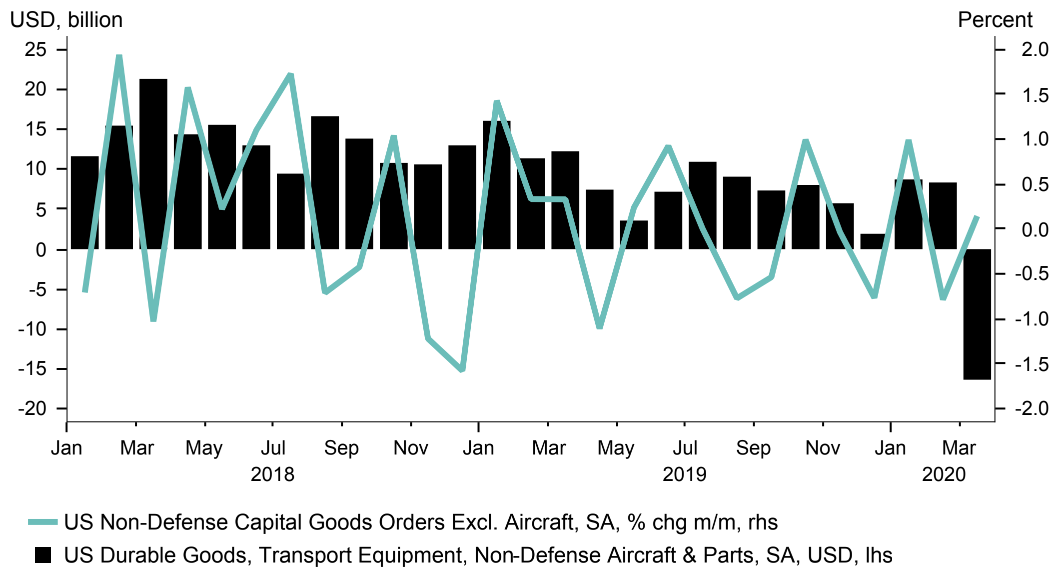
The Economy

Another week of bad macro data, though much of this was already anticipated. Worries over oversupply and insufficient storage capacity briefly drive WTI prices deep into negative territory.

US

There were some really unusual dynamics in the latest **durable goods orders** data. Overall durable orders plunged 14.4% in March, slightly worse than expected, as cancellations of prior orders turned non-defense aircraft orders into a record negative print for the month. Indeed, orders for non-defense aircraft and parts went from about $8.4 billion in February to a negative $16.3 billion in March, about four times the prior cancellation record set in December 2009. And yet, the real surprise was a positive one. Core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—inched up 0.1%, bucking expectations for a 6.7% decline. This will offer some support to first-quarter GDP estimates but it seems inevitable we are poised for worse readings in coming months as firms reassess demand conditions and trim capex plans. Overall durable goods orders declined 14.7% y/y, capital goods orders declined 24.5% y/y, and core orders were flat. Unsurprisingly, shipments fared considerably better than orders, with total shipments down (just!) 4.5% in March; capital goods shipments increased 1.3% and core shipments retreated 0.2%. Inventories increased 0.6% and backlogs declined 2.0%. The inventory to sales ratio surged from 1.74 to 1.82 months, the highest since June 2009. It is sure to get worse in April.

Figure 1: Mixed Signals In US Durable Goods Orders Data



Sources: U.S. Census Bureau

An additional 4.4 million filed people filed for **unemployment benefits** during the week ending April 18, extending a spike that began in mid-March as soon as lockdown orders took hold. There were some anomalies in state level data having to do with efforts to address claims backlogs. For example, Connecticut introduced a new software and Florida temporarily shifted to estimating its claims, causing claims to roughly triple in each state. Meanwhile, New York's initial claims almost halved—it is not clear whether this indicates a genuine slowdown in new filings or rather some glitches with the system. Continuing claims, which are reported with one week delay, touched almost 16.0 million during the week ended April 11. The next payroll report could show an unemployment rate approaching 20%.

The final print on the **University of Michigan consumer sentiment index** for April confirmed the massive deterioration indicated by the preliminary release. Admittedly, the headline came in 0.8 point better than initially reported, but that means almost nothing given the 17.3 point monthly decline. Current economic conditions collapsed by an unprecedented 29.4 points to the lowest level since August 2011, while expectations declined 9.4 points to the lowest level since March 2014. The inflation expectations data were unchanged from the preliminary release, with short term expectations down a tenth to 2.1% and long term expectations up two to 2.5%.

Having hit a thirteen year high in February, **existing home sales** declined 8.5% in March to a 5.27 million pace (saar). This still left them 0.8% higher than in March 2019 but with April poised to come in much weaker, the recent string of favorable y/y comparisons will break. The median selling price was up 8.0% y/y, with February's gain revised up to 8.1% y/y; the two-month average gain was the highest since mid-2015. The market loosened a little, with inventory at 3.4 months' worth of sales, up from 3.0 in February. Homes stayed on the market an average of 29 days, down from 36 in February and 43 in January.

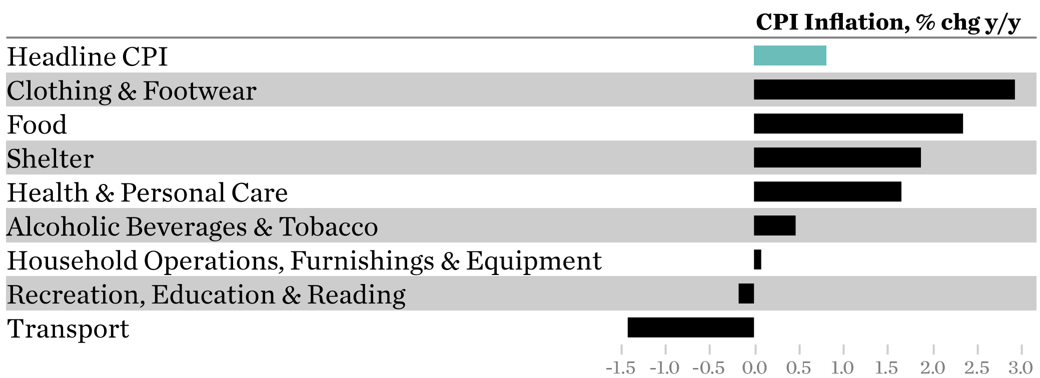
New home sales had also reached a thirteen-year high in January, but plunged 15.4% in March to 627,000 (annualized). This marked an eight-month low and left sales down 9.5% compared with March 2019—the first negative annual comparison since May. The number of homes for sale increased by 9,000, pushing inventory up to 6.4 months' worth of sales, the most in ten months. We noted the jump in the number of "not yet started" homes for sales—homebuilders are probably putting listings on the market on the expectation that any disruption to construction activity due to lockdowns will ultimately be resolved. The median sales price of a new single-family home declined by 2.6% during the month, although it was still 3.5% higher than in March 2019. The monthly drop may have something to do with the regional distribution of sales, as sales declined sharply in the higher priced Northeast and West regions, but only modestly in the lower-priced South.

Heading into the Covid-19 crisis, there was broadening evidence that **home price inflation** was reaccelerating. The FHFA existing single family home prices jumped by 0.7% in February, causing this measure of home price inflation to accelerate three tenths to a thirteen month high of 5.7% y/y. it will be interesting to observe the behavior of home prices in coming months. We are seeing a sudden drop in actual transaction activity, but whether this is accompanied by price declines (and of what magnitude) it remains to be seen.

Canada

Headline **consumer price inflation** decelerated sharply in March as global economic activity slowed in response to the Covid-19 outbreak. Inflation moderated to 0.9% y/y, down from 2.2% in February, and at the lowest since September 2006. The biggest pullback was from energy prices, which slumped by 11.6%. This in turn was dragged down by a 21.2% decline in gasoline prices, as demand for oil suffered due to restrictions on air and land travel, and global supply glut. Food (+2.4%) and shelter (+1.9%) contributed the most positively, but transportation (-1.2%) and recreation (-0.5%) saw outright contractions.

Figure 2: Canadian Inflation Moderates On Lower Gasoline Prices



Source: Statistics Canada

The average of core inflation measures fared better, but reflected the lack of domestic activity—as both the common component and weighted median dropped by one tenth to 1.7% and 2.0% respectively, while the trimmed mean lost two tenths to 1.8%. On a monthly basis, prices contracted 0.9% m/m, the sharpest decline on record. However, excluding food and energy, prices rose slightly by 0.1%. We will probably see inflation headed lower in April, as the full impact of social distancing measures hit the economy, and prices of crude still some way from recovering.

Retail sales increased for the fourth consecutive month, up 0.3% to C$52.2 billion in February. Supply disruptions posed by rail blockades and the onset of Covid-19 had a negative bearing on sales, with approximately 46% of participants acknowledging some impact of the outbreak on sales. The full impact will only be clear in the March and April reports. Higher sales at motor vehicle and parts dealers (+1.1%), and general merchandise stores (+1.4%) were partially offset by lower sales at food and beverage stores (-1.0%). Unadjusted retail e-commerce sales accounted for 3.6% of the total in February, resulting in 17.8% y/y increase. This segment will gain prominence over the next few months, as social distancing measures are implemented. Real sales increased 0.2%.

The **11-City house price index** published by Teranet and the Bank of Canada rose spectacularly in March, accelerating for the eighth consecutive month. The index was up 3.8% y/y, which translated into a 0.6% m/m monthly gain, the fifth consecutive one. The monthly gain also surpassed average increases observed over March. Rising prices in Ottawa (+1.1%), Vancouver (+1.0%), and Toronto (+0.9%) more than offset declines in Calgary (-0.1%) and Edmonton (−0.6%). Data provided by real estate boards such as Canadian Real Estate Association are more current and already show an expected dip in housing prices towards the end of March.

UK

Given lockdown orders, it was unsurprising to see **real retail sales** (including fuel) decline 5.1% in March. In fact, just like in the US, actual retail sales performance was impressively close to consensus expectations. Food sales jumped 10.4% but non-food sales plunged 19.2%, with clothing sales especially hard hit (down 34.8%). Aside from food, online sales were the only other area of strength, with a 5.9% monthly gain. Total real sales declined 5.8% y/y in March; they declined 1.6% y/y, on average, during the first quarter.

The **labor market** had taken a turn for the better around the turn of the year but in the new world of Covid-19 social distancing that won't last. It is too early yet to see the full crisis impact in the labor market numbers, especially given the 3-month moving average type of reporting that is prevalent in UK labor statistics. Thus, we take little comfort in the 172,000 increase in employment in December-February, which was not much different from the 208,000 increase reported during the prior non-overlapping three months period. The unemployment rate increased a tenth to 4.0% but that was more a reflection of a two-tenth rise in the participation rate (to a new record!) than a big jump in unemployment. Still, cracks are appearing: unemployment increased by 21,000, unemployment claims jumped by 12,000 and the claimant count unemployment rate touched a five-year high of 3.5%. It is poised to get a lot worse. After three consecutive increases, vacancies plunged by the most since June 2009, in a clear sign that labor demand is retreating in the face of the virus. Wage inflation moderated further. Overall average weekly earnings increased by 2.8% y/y in December-February, with regular pay (excluding bonuses) up 2.9% y/y, which is the least since mid-2018. However, the implications for real income growth are less dire since inflation has also been trending down.

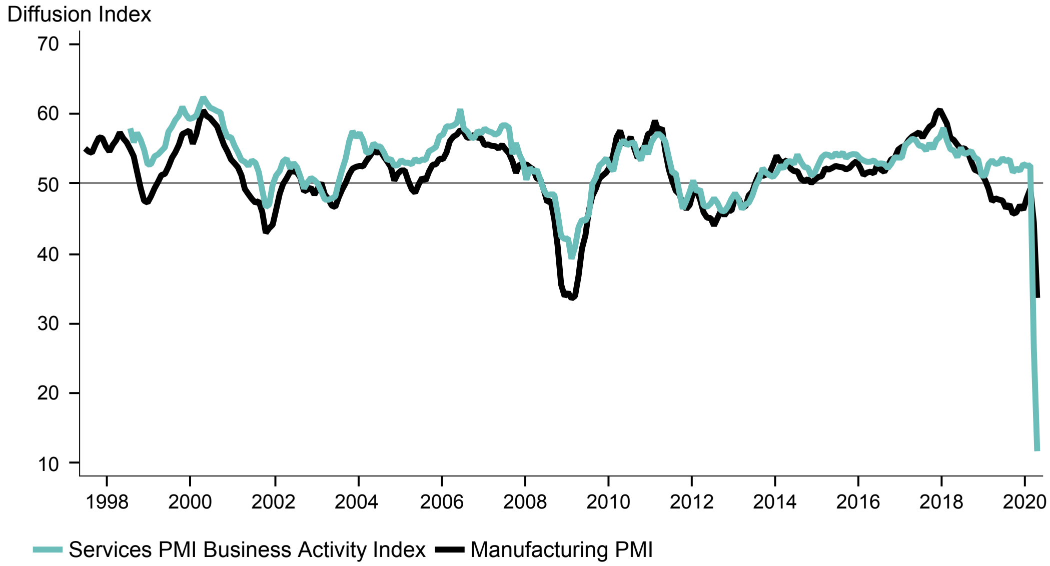
Purchasing managers' indexes (PMIs) are signaling trouble ahead for the labor market as lockdowns have brought about a sudden collapse in activity. The manufacturing PMI lost nearly 14.9 points and declined to a record low of 32.5. The output metric collapsed 27.2 points and employment lost 15.0 points to 16.6 and 29.2, respectively. But wait, there is more! The services PMI lost 22.3 points to an unprecedented 12.3 as incoming new business retreated 20.6 points (to 13.1) and employment plunged 18.2 points to 21.3. There is not much else to say…

Headline **consumer price inflation** moderated two tenths to 1.5% y/y in March on a steep, energy-driven deceleration in goods inflation that offset steady services inflation. Indeed, inflationary pressures have diverged greatly between goods and services, with the former at a mere 0.6% y/y and the latter at a healthy 2.5% y/y. Core inflation eased a tenth to 1.6 y/y.

Eurozone

Preliminary readings on ***eurozone*** **purchasing managers' indexes (PMIs)** show a complete collapse in economic activity in April. While the releases were worse than expected, the direction of travel had been well anticipated, having been set as soon as lockdown orders were imposed. Italy's March data had also been a good leading indicator of what is now the generalized condition across the region. As such, probably the best way to look at the April readings is to consider them a "mark to market" exercise, a snapshot of conditions today, but probably a poor indicator of future conditions. The **eurozone manufacturing PMI** lost 10.9 points to 33.6, matching the lowest levels since the Great Financial Crisis. The **services PMI** collapsed 14.7 points to a record low of 11.7. These are almost unimaginable numbers, but reflect a highly unusual situation with mandatory business closures. As countries take some steps toward reopening in May, we would expect to see sharp improvements in next months' updates. Some early glimmers of these could even come in the final April print, which will not be released for another ten days or so.

Figure 3: Unprecedented Collapse In Eurozone Service Activity



Sources: IHS Markit

The ***German* Zew index** is prone to large monthly moves but even by those standards, its swings over the last two months have been extraordinary. After a 58-point collapse in March, it surged 77 points in April in what undoubtedly was the biggest positive surprise ever relative to expectations. Indeed, consensus had been expecting very little improvement at all. An upside surprise such as this should normally leave no room for interpretation, but it's actually a bit tricky to read through what the index is actually telling us. It seems to be less of a measure of genuine confidence in the outlook and more a measure of how bad current conditions are. As in "it simply can't get worse than this"…It will be important to see whether these expectations materialize—the risk of the "V" turning into a "W" remains. And we will also be watching to see whether the ***German* Ifo index**, which usually follows the Zew with a lag, will pick up on the latter's positive signal. As of April, it actually collapsed to a record low (not surprising given the Zew's March plunge).

Japan

Headline **inflation** was unchanged in March at 0.4% y/y, at par with consensus. Energy prices dropped 1.7%, following a 0.2% decrease in February amid the steep decline in crude oil prices. As oil prices continue to remain low in April, we see further downward pressure on inflation going forward. Food inflation picked up marginally to 1.4%, especially due to a rebound in fresh food prices. Core CPI (excluding fresh food) printed at 0.4%, down two tenth from February, while the new BoJ core CPI (excluding fresh food and energy) was unchanged at 0.6%. There was no major shift in prices evident among the other key categories. Inflation is expected to progressively weaken more likely than not over coming months, with the pullback in economic activity taking its toll.

Both manufacturing and services activities touched historic lows according to the Jibun Bank's **purchasing managers' index (PMI)**. The survey period of 7-21st April encompasses the announcement of the initial lockdown, which was subsequently upgraded to a national emergency. The preliminary manufacturing PMI lost 1.1 points to 43.7 in April, the sharpest decline since April 2009; while the Services PMI was down by 11 points to 22.8. Sub-indices were weaker across the board, with new orders and export orders especially frail. Expectations for future output also saw a sharp deterioration. Activity indicators are unlikely to pick up steam anytime soon, but given the lagged response of the government to the catastrophe, effects are likely to drag out farther.

Australia

The **Reserve Bank of Australia's** minutes for the meeting convened on April 4th did not provide much of additional information. The rapid deterioration of financial conditions and central bank actions by various other countries were discussed, and several insights provided into the bank's own measures to lower funding costs and stabilize financial conditions. One comment of note was that "if conditions continued to improve, it was likely that smaller and less frequent purchases of government bonds would be required". The RBA already feels comfortable with existing liquidity provisions, with the scale of daily market operations likely to be smaller in the near term. Operations at longer term are expected to continue, albeit with lower frequency.

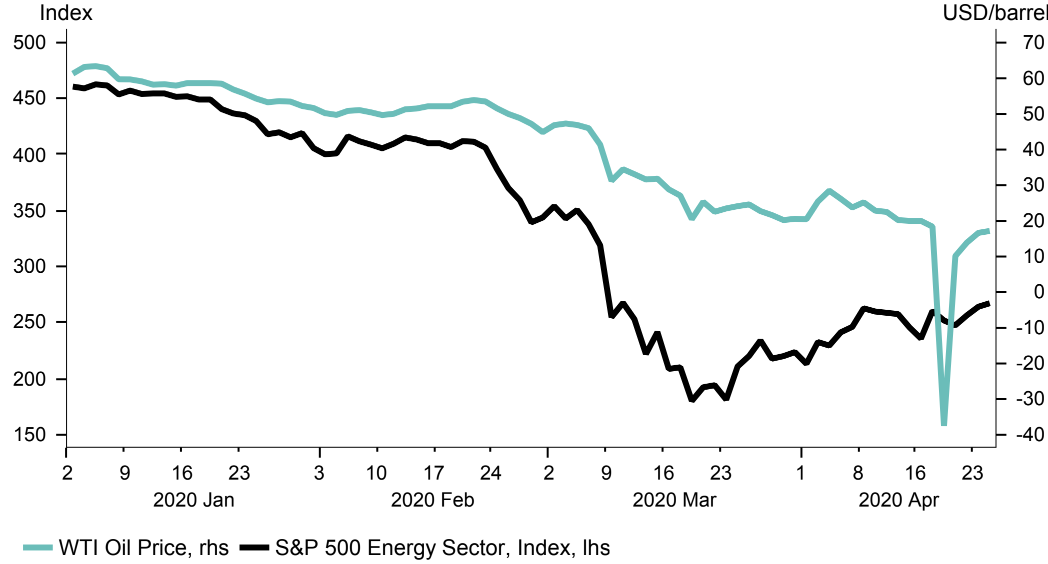
Of more interest was a **speech by RBA Governor Lowe** on Australia's macro outlook, where he noted that the bank's central scenario was now for GDP to fall around 10% in the first half of 2020, before recovering in the second half. The economy is expected to grow very strongly next year, with GDP growth of close to 6–7%, after a fall of around 6% this year. The Statement of Monetary Policy scheduled to be published on May 8 will contain some possible scenarios on the profile of the recovery. On the labor market, Governor Lowe flagged an expected 20% decline in hours worked over H1 2020 and noted Australia's unemployment rate was expected to increase to around 10%, although "it might be lower than this if businesses are able to retain their employees on lower hours". Given the overall soft outlook for inflation and unemployment, Governor Lowe noted the cash rate was likely to on hold for "years".

The Australian Bureau of Statistics released **new payrolls data** based on the Single Touch Payroll data from the Australian Taxation Office, which enables the exchequer to track wage payments at the source. There was a 6% decline in jobs over the three weeks ending 4 April 2020 (and 6.7% decline in total wages paid). While there are a number of caveats to the data—and they do not directly map to Australia's main household Labor Force Survey—it does give us an idea of April's labor report. Job losses were most pronounced in the accommodation & food services sector and for younger workers.

The Market This Week

There have been many "firsts" already in the Covid-19 crisis. Another occurred early this week, when WTI oil briefly traded at unprecedented negative levels. The resilience of the S&P500 energy sector is all the more intriguing.

Figure 4: WTI Oil Prices Briefly Crater



Sources: Macrobond, Bloomberg

Equities: A risk-off week amid bad macro data and extreme oil volatility.

Bonds: A pretty quiet week in bond markets with yields narrowing slightly.

Currencies: The dollar creeps a bit higher.

Commodities: Oil retreats, as price gap between Brent and WTI briefly explodes.

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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®	2836.6	-1.3%	-12.2%	0.59	-5	-133	100.256	0.5%	4.0%
Canada	TSE 300	14414.95	0.4%	-15.5%	0.58	-7	-113	1.4093	0.7%	8.5%
UK	FTSE®	5752.23	-0.6%	-23.7%	0.29	-1	-53	1.2367	-1.1%	-6.7%
Germany	DAX	10336.09	-2.7%	-22.0%	-0.47	0	-29			
France	CAC-40	4393.32	-2.3%	-26.5%	0.03	-1	-9	1.0815	-0.6%	-3.5%
Italy	FTSE® MIB	16858.89	-1.2%	-28.3%	1.84	5	43			
Japan	Nikkei 225	19262	-3.2%	-18.6%	-0.02	-4	-1	107.4	-0.1%	-1.1%
Australia	ASX 200	5242.622	-4.5%	-21.6%	0.88	2	-49	0.6388	0.3%	-9.0%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%Ch Yr Ago
Oil (Brent)	US $/Barrel	Bloomberg	20.22	-15.8%	-69.6%	-72.6%
Gold	US $/troy oz	Bloomberg	1726.22	2.6%	13.8%	35.3%

Source: Bloomberg®

Week in Review (April 20–April 24)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, April 20					
CA	Teranet/National Bank HPI (Mar, y/y)	na	3.8%	2.9%	Dated.
Tuesday, April 21					
US	Existing Home Sales (Mar, m/m)	-9.0%	-8.5%	6.3%(↓r)	Up 0.8% y/y, but April will change that.
CA	Retail Sales (Feb, m/m)	0.3%	0.3%	0.6%(↑r)	E-commerce to gain in prominence.
UK	ILO Unemployment Rate (Feb)	3.9%	4.0%	3.9%	Record high participation!
UK	Average Weekly Earnings (Feb, 3m y/y)	3.0%	2.8%	3.1%	Broad easing, but lower inflation helps.
GE	ZEW Investor Expectations (Apr)	-42.0	28.2	-49.5	Will the “V” turn to a “W”?
AU	RBA Meeting Minutes				GDP expected to drop 10% in H1 2020.
Wednesday, April 22					
US	FHFA House Price Index (Feb, m/m)	0.3%	0.7%	0.5%(↑r)	Up 5.7% y/y, thirteen-month high.
CA	CPI (Mar, y/y)	1.1%	0.9%	2.2%	Down on oil gyrations.
UK	CPI (Mar, y/y)	1.5%	1.5%	1.7%	Goods inflation sharply lower at 0.6% y/y.
UK	PPI Output (Mar, y/y)	0.1%	0.3%	0.5%(↑r)	Petroleum product prices down 6.6% y/y.
IT	Industrial Sales (Feb, m/m)	na	-2.1%	5.5%(↑r)	Too old to tell us much…
IT	Industrial Orders (Feb, m/m)	na	-4.4%	1.1%(↓r)	Bodes poorly for future sales.
JN	Trade Balance Adjusted (Mar, ¥ bil.)	-88.5	-190	482.2 (↓r)	Exports down 11.7% y/y.
Thursday, April 23					
US	Initial Jobless claims (Apr 18, thous)	4500	4427	5237(↓r)	Still high, but might have seen the peak.
US	New Home Sales (Mar, thous)	642	627	741(↓r)	Home sales pretty strong at the onset of crisis.
US	Kansas City Fed Manf. Activity (Apr)	-37	-30	-17	Future expectations index improved.
UK	Manufacturing PMI (Apr, prelim)	42	32.9	47.8	Record low.
UK	Services PMI (Apr, prelim)	27.8	12.3	34.5	Record low.
EC	Manufacturing PMI (Apr, prelim)	38	33.6	44.5	Twin record low.
EC	Services PMI (Apr, prelim)	22.8	11.7	26.4	Record low.
GE	GfK Consumer Confidence (May)	-1.8	-23.4	2.3(↓r)	50% of companies in “Kurzarbeit”.
GE	Manufacturing PMI (Apr, prelim)	39	34.4	45.4	Not quite as bad as GFC low, but close.
GE	Services PMI (Apr, prelim)	28	15.9	31.7	Record low.
FR	Manufacturing PMI (Apr, prelim)	37	31.5	43.2	Record low.
FR	Business Confidence (Apr)	80	62	94 (↓r)	Lowest on record.
JN	Manufacturing PMI (Apr, prelim)	na	43.7	44.8	Manufacturing expected to pick up little earlier…
JN	Services PMI (Apr, prelim)	na	22.8	33.8	…but lockdown will hurt services longer.
JN	Leading Index (Feb, final)	92.1(p)	91.7	90.5	Assessment: worsening.
Friday, April 24					
US	Durable Goods Orders (Mar, prelim, m/m)	-12.0%	-14.4%	1.2%	Core orders improved 0.1%.
US	U of Mich Cons Sentiment (Apr, final)	68.0	71.8	89.1	Will it look better a month from now?
UK	GfK Consumer Confidence (Apr, prelim)	-40	-34	-34	Stabilizing after enormous hit?
UK	Retail Sales (Mar, m/m)	-5.0%	-5.1%	-0.3%	April will likely be worse.
GE	IFO Business Climate (Apr)	79.7	74.3	85.9(↓r)	Will it follow ZEW higher next month?
JN	CPI (Mar, y/y)	0.4%	0.4%	0.4%	Down on lower energy prices.
JN	All Industry Activity Index (Feb, m/m)	-0.5%	-0.6%	0.6%(↓r)	The first decrease since October.

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

Week Preview (April 27–May 1)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, April 27				
	No Major Releases		1.4%	
Tuesday, April 28				
US	S&P CoreLogic 20-City Index (Feb, m/m)	0.4%	0.3%	
US	Conf. Board Consumer Confidence (Apr)	90	120	Record decline likely.
FR	Consumer Confidence (Apr)	77	103	
JN	BoJ Monetary Policy Decision	-0.10%	-0.10%	Further liquidity measures a question of when, not if.
JN	Unemployment Rate (Mar)	2.5%	2.4%	Spike expected.
Wednesday, April 29				
US	FOMC Monetary Policy Decision	0.25%	0.25%	Focus will be not on new measures, but on outlook.
US	GDP (Q1, first, q/q saar)	-3.9%	2.1%	Forecast range extremely wide.
US	Pending Home Sales (Mar, m/m)	-10.0%	2.4%	
UK	Nationwide House Prices (Apr, m/m)	-0.3%	0.8%	
AU	CPI (Q1, y/y)		1.8%	Lower on lower oil.
Thursday, April 30				
US	Initial Jobless claims (Apr 25, thous)	3500	4427	Incredible to say that this will be an improvement!
US	Personal Income (Mar, m/m)	-1.6%	0.6%	Could turn out better given hours worked/earnings data.
US	Personal Spending (Mar, m/m)	-5.0%	0.2%	May not be quite so bad (this month).
US	Employment Cost Index (Q1, q/q)	0.7%	0.7%	
CA	GDP (Feb, m/m)	0.0%	0.1%	Lower on strikes, disruptions; yet to reflect COVID impact.
EC	ECB Monetary Policy Decision	0.00%	0.00%	Probably more reassurances but no new actions.
EC	GDP (Q1, prelim, q/q)	-3.5%	0.1%	March collapse.
GE	Unemployment Rate (Apr)	5.2%	5.0%	
GE	Retail Sales (Mar, m/m)	-8.0%	0.8%(↓r)	
FR	GDP (Q1, prelim, q/q)	-4.0%	-0.1%	March collapse.
FR	Consumer Spending (Mar, m/m)	-3.5%	-0.1%	
IT	GDP (Q1, prelim, q/q)	-5.0%	-0.3%	March collapse.
IT	Unemployment Rate (Mar, prelim)	10.5%	9.7%	
JN	Retail Sales (Mar, m/m)	-4.3%	0.5%(↓r)	Downward spike expected.
JN	Industrial Production (Mar, prelim, m/m)	-5.0%	-0.3%	Early signs of disruption.
JN	Consumer Confidence (Apr)	31.5	30.9	Consensus is pretty optimistic to be honest.
JN	Manufacturing PMI (Apr, final)	43.7(p)	44.8	
AU	Private Sector Credit (Mar, m/m)	0.3%	0.4%	Look for the bottom after housing credit starts to fall.
Friday, May 1				
US	Total Vehicle Sales (Apr, thous)	6.25	11.4	This will hurt.
US	ISM Manufacturing (Apr)	37.5	49.1	
UK	Manufacturing PMI (Apr)	32.9(p)	47.8	
UK	Mortgage Approvals (Mar, thous)	63.0	73.5	Is consensus too optimistic?

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	1.3	1.6	1.8	1.8	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	2.2	2.2	2.4	2.2	0.9
UK	Target: CPI 2.0% y/y	1.5	1.3	1.8	1.7	1.5
Eurozone	Target: CPI below but close to 2.0% y/y	1.0	1.3	1.4	1.2	0.7
Japan	Target: CPI 2.0% y/y	0.5	0.8	0.7	0.4	0.4
Australia	Target Range: CPI 2.0%-3.0% y/y	1.8	1.8			

Source: Macrobond

Key Interest Rates

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	#####	Feb-20	Mar-20
US (top of target range)	2.50	2.50	2.50	2.25	2.00	1.75	1.75	1.75	1.75	1.75	0.25
Canada (Overnight Rate)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	0.25
UK (Bank Rate)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	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	-0.08	-0.07	-0.06	-0.06	-0.03	-0.03	-0.07	-0.04	-0.03	-0.07
Australia (OCR)	1.50	1.28	1.02	1.00	1.00	0.76	0.75	0.75	0.75	0.75	0.43

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2011	2012	2013	2014	2015	2016	2017	2018	Forecast 2019	Forecast 2020
US	-8.2	-6.4	-4.5	-3.8	-3.6	-4.4	-4.8	-6.0	-6.3	-6.3
Canada	-3.1	-2.1	-1.1	0.1	0.8	0.7	0.0	-0.2	-0.5	-0.8
UK	-5.9	-6.0	-4.0	-4.7	-4.1	-2.9	-2.0	-1.5	-1.3	-1.4
Eurozone	-3.9	-2.1	-1.2	-0.9	-0.8	-0.7	-0.7	-0.6	-0.7	-0.9
Germany	-1.4	0.0	0.6	1.2	1.2	1.3	1.1	1.4	0.9	1.0
France	-5.0	-4.4	-3.4	-3.3	-3.0	-2.8	-2.6	-2.5	-2.4	-2.5
Italy	-4.1	-1.5	-0.6	-1.1	-0.7	-1.4	-1.7	-1.8	-1.5	-2.1
Japan	-8.0	-7.6	-7.5	-5.5	-4.3	-4.1	-3.4	-3.1	-2.9	-2.1
Australia	-4.3	-3.3	-2.6	-2.6	-2.4	-2.2	-1.5	-0.6	-0.4	-0.4

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		Nov	Dec	Jan	Feb	Mar
US	2.1	2.3	2.5	2.3	1.5		1.0	1.3	2.1	1.3	0.7
Canada	2.2	2.2	2.4	2.2	0.9		-0.6	0.5	0.5	-0.3	
UK	1.5	1.3	1.8	1.7	1.5		0.5	0.8	1.0	0.5	0.3
Eurozone	1.0	1.3	1.4	1.2	0.7		-1.4	-0.6	-0.7	-1.3	
Germany	1.1	1.5	1.7	1.7	1.4		-0.7	-0.2	0.2	-0.1	-0.8
France	1.0	1.5	1.5	1.4	0.7		-0.3	0.7	0.2	-0.4	
Italy	0.2	0.5	0.5	0.3	0.1		-2.6	-2.1	-2.3	-2.6	
Japan	0.5	0.8	0.7	0.4	0.4		0.2	0.9	1.5	0.8	-0.4
Australia	1.8	1.8					1.4	1.4			

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter %Change						Year/Year %Change				
	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19		Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
US	0.3	0.8	0.5	0.5	0.5		2.5	2.7	2.3	2.1	2.3
Canada	0.2	0.2	0.9	0.3	0.1		1.8	1.5	2.0	1.6	1.5
UK	0.2	0.7	-0.2	0.5	0.0		1.4	2.0	1.3	1.3	1.1
Eurozone	0.4	0.5	0.1	0.3	0.1		1.2	1.4	1.2	1.3	1.0
Germany	0.2	0.5	-0.2	0.2	0.0		0.6	1.0	0.3	0.6	0.5
France	0.5	0.3	0.4	0.3	-0.1		1.2	1.3	1.5	1.5	0.9
Italy	0.1	0.2	0.1	0.1	-0.3		0.0	0.2	0.4	0.5	0.1
Japan	0.6	0.5	0.6	0.0	-1.8		-0.2	0.8	0.9	1.7	-0.7
Australia	0.2	0.5	0.6	0.6	0.5		2.2	1.7	1.6	1.8	2.2

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	0.9	-0.4	-0.5	0.5	-5.4		-0.4	-0.8	-0.9	0.0	-5.5
Canada	-0.2	0.0	0.2				-1.5	-1.3	-0.5		
UK	-1.1	-0.2	0.3	0.1			-2.5	-2.2	-2.7	-2.8	
Germany	1.3	-2.2	3.2	0.3			-2.5	-5.2	-0.9	-1.2	
France	-0.2	-2.4	1.1	0.9			0.5	-2.9	-2.8	-1.4	
Italy	0.2	-2.7	3.6	-1.2			-0.2	-3.3	-0.6	-2.5	
Japan	-0.6	0.2	1.9	-0.3			-6.6	-6.5	-2.4	-3.7	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	#####	Feb-20	Mar-20
US	3.6	3.7	3.7	3.7	3.5	3.6	3.5	3.5	3.6	3.5	4.4
Canada	5.4	5.6	5.7	5.7	5.5	5.6	5.9	5.6	5.5	5.6	7.8
UK	3.9	3.8	3.9	3.8	3.8	3.8	3.8	3.9	4.0		
Eurozone	7.6	7.5	7.6	7.5	7.5	7.4	7.4	7.4	7.4	7.3	
Germany	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
France	8.5	8.5	8.5	8.5	8.4	8.3	8.2	8.2	8.2	8.1	
Italy	10.0	9.8	9.9	9.6	9.9	9.7	9.7	9.8	9.8	9.7	
Japan	2.4	2.3	2.3	2.3	2.4	2.4	2.2	2.2	2.4	2.4	
Australia	5.2	5.3	5.2	5.3	5.2	5.3	5.2	5.1	5.3	5.1	5.2

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

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