STATE STREET GLOBAL ADVISORS

April 30, 2021
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
The RBA to remain on hold, reiterating accommodative stance. The BoE to remain on hold, might upgrade forecasts. Manufacturing and service activity to improve in the US and the eurozone.

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The Economy

Busy and solid week in macro data but not much risk-on sentiment in markets.

US

While the Fed acknowledged improved economic data and an easing of downside risks, nothing changed in its monetary policy parameters, nor in its forward guidance, following this week's **FOMC meeting**. That was both as planned and desired by the Committee and as expected by market participants. In the press conference, Chair Powell reiterated that the Committee would need to see "substantial further progress" toward its longer-term goals before starting to talk about tapering asset purchases. The conditions for rate increases (full employment, inflation at 2% and on track to moderately exceed that level for some time) are too far out to warrant much discussion at the moment. Indeed, much of the press conference revolved around tapering. Pressed about the "string" of positive data that the FOMC wants to see before initiating conversations about tapering, Chair Powell said it would imply several labor market reports similar to the 916,000 jobs gain in March. Given steady vaccine deployment and reopening, it seems more likely than not that we would get several such reports by summer. Whether the FOMC decides to start the taper conversation at the June meeting remains uncertain given the Committee's cautious approach, but we'd be really surprised if that does not happen soon thereafter. That would provide sufficient lead-in to actually begin the tapering process in early 2022. Unsurprisingly, there were several questions around inflation. As we fully expected, the FOMC believes that most of the upcoming inflation spike is related to transient factor. We generally agree with that viewpoint. The challenge is that just like the "substantial" in "substantial further progress, the "most" in "mostly transient" is not precisely defined… And that's where the ongoing inflation debate will focus in coming months.

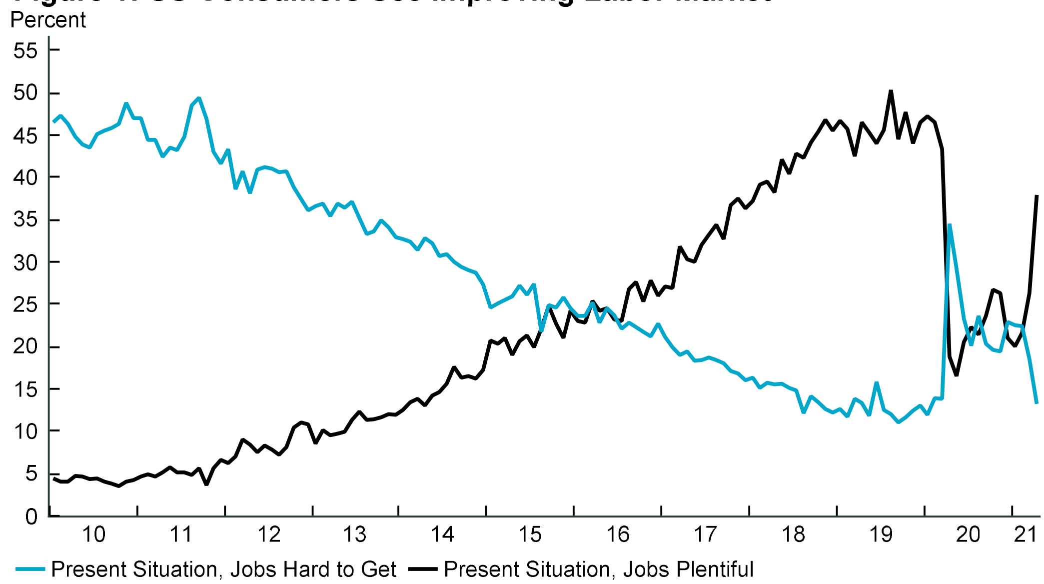
There wasn't much of a surprise in the headline **GDP** number for the first quarter. Admittedly, there was a small miss to the downside as the economy grew 6.4% annualized vs. 6.7% expected. But the far more interesting developments were below the surface. On the consumer side, goods consumption did exceedingly well, surging 23.6% (saar) and contributing over 7.0 percentage points to growth. But services consumption was pretty soft (4.6% saar), showing no pick-up in momentum relative to Q4. That should change dramatically in the second quarter, though, as vaccine deployment and easing of mobility restrictions will buoy services demand. Fixed investment was a bright spot, even if the story was not uniform across components. It was not at all unexpected to see residential investment build on earlier gains despite bad weather in February, but we were pleasantly surprised by the strength in equipment and IP investment. By contrast, structures investment contracted again, an indication of persistent pressures in non-residential construction and energy exploration. Trade activity was tepid, with exports declining outright and import growth slowing noticeably, leaving the trade deficit at a new record and net trade to subtract 0.9 percentage points from growth. Inventories subtracted nearly three times as much, as strong final demand had to be satisfied by inventory drawdowns. The supply chain challenges we hear about in every business survey out there are also clearly evident in the GDP statistics. Real GDP grew 0.4% y/y; expect that number to surge well into the double digits in Q2 on continued sequential gains and extraordinarily favorable base effects. The GDP deflator more than doubled to 4.1% y/y, while the core PCE measure of inflation accelerated one tenth to 2.3% y/y.

Extraordinary as they were, neither the **personal income** nor the **spending** data for March were in the least surprising. Personal income soared a record 21.1% on a 95.1% surge in transfer payments as the $1,400 checks reached consumers. The lift from transfers will obviously disappear in April, but the 1.1% improvement in wage and salary income has better staying power as the economy reopens and employment picks up. Real disposable income increased 23.0%. Nominal personal spending rose 4.2%, with real spending up 3.6%. The combination lifted the personal savings rate from 13.9% to 27.6%.

The **PCE (personal consumption expenditures) deflator** data were largely as expected, although the core print beat expectations slightly (it had disappointed last month). Headline PCE prices rose 0.5% and core PCE prices increased 0.4%, leaving the two measures of inflation at 1.8% and 2.3% y/y, respectively.

The combination of fiscal transfers, vaccine rollout, and re-opening is working wonders for consumer confidence. The **Conference Board consumer confidence index** jumped 12.7 points in April, the highest level since the start of the pandemic. Gains came almost exclusively from the present situation component, which soared 29.5 points, thereby brining its two-month gain to an extraordinary 50.0 points. The closely watched labor differential—which measures the difference between those who think jobs are abundant and those who think jobs are scarce—improved the most ever, up 16.7 points to 24.7, leaving it not that far off from pre-Covid levels.

Figure 1: US Consumers See Improving Labor Market



Sources: SSGA Economics, TCB

The **Michigan consumer sentiment index** rose 3.4 points to 88.3 in April, a little better than the initial estimate. The upward revision reflected stronger expectations, although the current situation still accounted for the bulk of the gain. Short term inflation expectations rose 0.3 percentage points to 3.4%, half the surge originally reported, but still the highest level since August 2012. Longer term (5-10 years) inflation expectations eased a tenth to 2.7%. The Fed will be closely watching the behavior of inflation expectations as it sees it as an important driver of future inflation. However, even if expectations continue to rise, the Fed would not react immediately but would likely wait to see whether the rise is sustained beyond several months.

Durable goods orders rose a smaller than expected 0.5% in March, but this was partly offset by an upward revision to the February data, now indicating a smaller 0.9% decline. Excluding transportation (a category that experienced a second monthly decline), orders rose a more robust 1.6%. Core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—were up 0.9%. Overall shipments rose 2.5%, retracing about two thirds of the February loss; core shipments rose 1.3% to fully retrace the prior month's decline. The inventory to shipments ratio dipped slightly to 1.68 months.

All measures of home prices inflation indicate sharp appreciation over the past year. The **Case-Shiller 20-City composite price index** jumped 1.2% in February, leaving prices 11.9% higher than a year earlier, the biggest increase in seven years. Gains are really broad-based, with only two cities (Las Vegas and Chicago) experiencing price gains of less than 10%. Phoenix led gains with a 17.4% y/y advance.

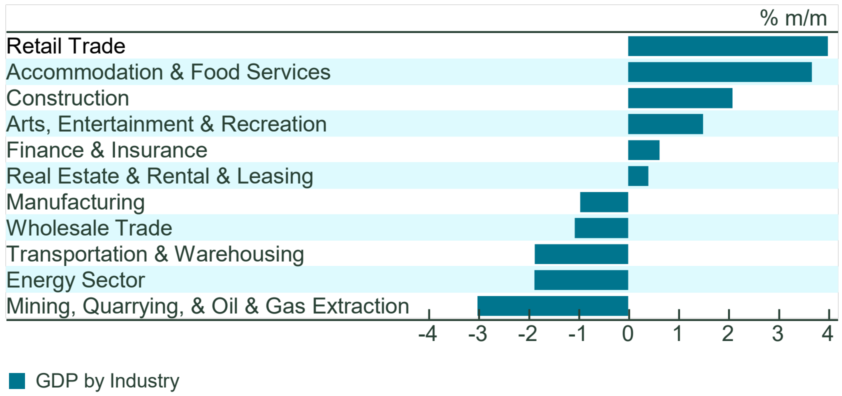
According to the **FHFA, existing single family home prices** rose 0.9% in February, pushing the annual increase to a record 12.2% y/y. Despite this strength, it is interesting to note that this was the smaller monthly increase since last June, possibly signally some building drag from affordability constraints.

Pending home sales rose a modest 1.9% in March, recovering only a fraction of February's weather-impacted large decline and suggesting that existing home sales will remain under pressure in April.   Sales rose notably in the Northeast +6.1%), moderately in the South and West (2.9% each) while declining 3.7% in the Midwest. Bare-bones inventories are a problem everywhere.

Canada

Canada's monthly measure of **GDP** increased 0.4% in February, following a 0.7% increase in January. This tenth consecutive monthly increase leaves GDP at 2% below its February 2020 level. Services industries (+0.6%) showed improvement, but good producing industries (-0.2%) contracted for the first time since April. Services industries actually saw broad based gains—retail trade activity jumped 4.5% and accommodation and food increased 3.5%, as many provinces lifted or eased restrictions on mobility. Mining activities declined 2.8%, while manufacturing contracted 0.9%. Statistics Canada estimates a healthy 0.9% increase in March, which implies a 1.6% increase in real GDP for the first quarter of 2021. This will be in line with the Bank of Canada's estimates released last week which significantly bumped up forecasts for Q1 GDP. Nevertheless, considerable uncertainty still remains concerning the evolution of the pandemic.

Figure 2: Canadian Service Sector Bounces Back



Retail sales rebounded 4.8% in February, the sharpest since July last year following an upward revision to January. Core retail sales—which exclude gasoline stations and motor vehicle and parts dealers—rose for the first time in three months, by 3.8% on strength in general merchandise (+6.1%) and at clothing and clothing accessories stores (+23.7%, first gain since September). Motor vehicles and parts sales also increased for the second consecutive month, rising 5.0%.

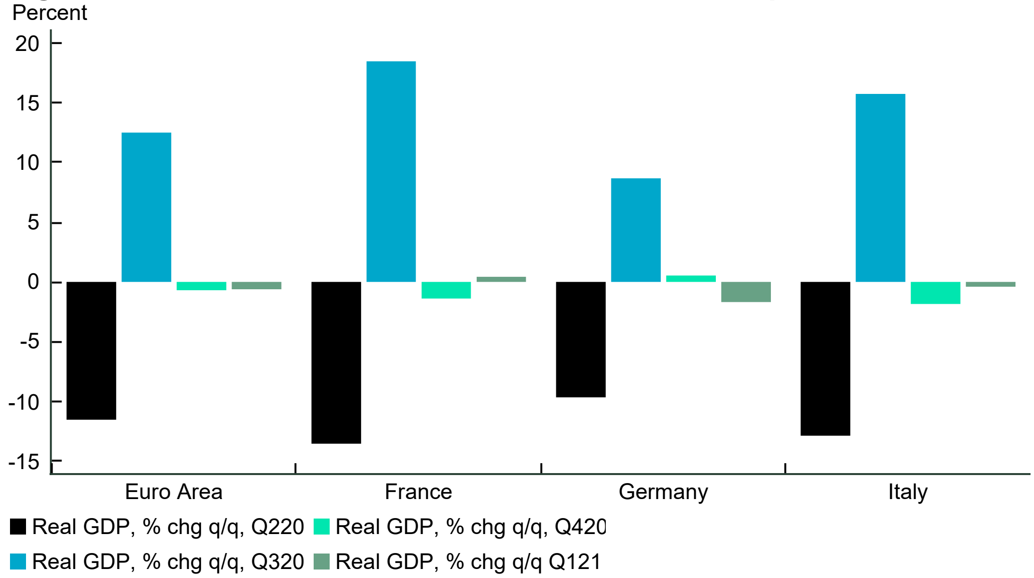
UK

House price inflation has been heating up in the UK and the trend continues. The **Nationwide index of house prices** surged 2.1% in March—the most since February 2004—leaving prices 7.1% higher than a year earlier.

Eurozone

For the second consecutive quarter we can say that while the **eurozone GDP** print was weak, it was actually better than anticipated. Indeed, the regional economy contracted 0.6% in the first quarter—the second consecutive decline—but expectations were for a larger 0.8% drop. We believe there remains scope for upward revisions as data becomes fully available, so we'll just wait and see how that plays out. So far, there is little in the way of component data available, but it is clear that mobility restrictions have impacted service activity and consumer spending. There were considerable performance differences across countries. Perhaps the biggest surprise of all came from France, where the economy bucked expectations of a flat print to instead growth 0.4%. Italy offered a smaller positive surprise, it's 0.4% GDP contraction beating consensus expectations by a tenth (on top of another tenth upward revision to Q4). The disappointment came from Germany, where the Q1 contraction of 1.7% was two tenths worse than expected. A two-tenth upward revision to Q4 offered an offset, but nonetheless, this was a big decline. Regional GDP remains 1.8% lower than a year earlier; German GDP is 3.0% lower, Italian GDP is down 1.4%, and French GDP is now 1.5% above its corresponding 2020 level.

Figure 2: Q1 Eurozone GDP Weak, But Better Than Expected



Sources: SGA Economics, INSEE, Istat, Eurostat, DESTATIS

***German* consumer confidence** softened for the first time in three months in May, likely under the impact of elevated Covid cases and ongoing mobility restrictions. The GfK index of consumer sentiment retreated 2.7 points to -8.8. ***French* consumer confidence** appears to be holding up better, unchanged at 94 in April, having recovered almost fully from its January dip. ***Italian* consumer confidence** fared even better, reaching a six-month high in April.

European labor markets are improving, albeit slowly. The ***German* unemployment rate** was unchanged at 6.0% in April, although other details were more encouraging. Vacancies, for instance, rose by the most since the Covid crisis began (and, in fact, by the most since December 2017). And the seasonally unadjusted rate—which garners more attention domestically—moderated two tenths to a four-month low of 6.0%. On the other hand, the number of unemployed increased by 9,000. The ***Italian* unemployment rate** moderated a tenth to 10.1% as employment rose by the most since August and unemployment declined by the most since November.

Japan

As expected, the **Bank of Japan** maintained the status quo in all key monetary policy areas, including short- and long-term policy rates (yield curve control), and JGB and risk asset purchase guidelines. Forward guidance was also unchanged. The BoJ released its Quarterly Outlook, where it upgraded the GDP forecasts for 2021 and 2022. The median forecast for headline inflation in 2021 however, was significantly downgraded. GDP growth is expected to range from 3.6% to 4.4% in 2021 (3.3%-4.0% earlier), and 2.1% to 2.5% in 2022 (significantly up from 1.5%-2.0% earlier). Despite the upgrade, the Bank admitted that the outlook remains highly uncertain, "since it could change depending on the consequences of COVID-19 and their impact on domestic and overseas economies." Risks to prices appear skewed to the downside. Forecasts for median inflation were pared back by 0.4 percentage points (ppts) to 0.1% in 2021, rising to 0.8% in 2022 (+0.1 ppts). The risks to inflation were adjudged to be due to Covid related uncertainties and reduction in mobile network charges. The latest state of emergency should help control the recent surge in cases to some extent, while Japan builds its (currently very low) stock of vaccines. The BoJ is likely remain on the sidelines for the foreseeable future.

The **unemployment rate** dropped 0.3 percentage points to 2.6% in March. While it may look to be a very good report, the devil is in the details. Employment plunged 130,000, the most in almost a year. Data across sectors were mixed—but the loss was by far concentrated in education (-250,000). The number of unemployed also fell by 230,000. The reduced employment figure also included a 280,000 fall in furloughed workers, who remained employed but were unable to work, a decrease from 2.28 million in February. The participation rate was unchanged at 61.9%. The reason that we saw unemployment rate head down was that many people who have lost their jobs have exited the labor market, thus leading to a shrinking labor force. New job openings-to-applicants ratio increased by 0.11 to 1.99, but active jobs openings edged up by just 0.01 to 1.1. Japan is unlikely to see noticeable improvement in labor market in the following months, given the restrictions in place to counter the fourth wave of infections.

Industrial production surprised on the upside in March, rising 2.2%, which was in contrast to both the market and Ministry of Economy, Trade and Industry's (METI) expectations. Shipments were up 0.8% and inventories by 0.1%. METI maintained its overall assessment at "industrial production is picking up". Production rose in 9 of 15 sectors, led by motor vehicles which saw a large upturn of 7.5% continuously declined over past three months.

Retail sales rose strongly in March, by 1.2% following a 3.1% increase in February. This likely reflects lifting of the previous state of emergency. Strong sales of 13.2% were seen in textiles, apparel and accessories. Excluding food & beverages (-0.4%), all other categories saw increasing sales—notably auto sales, which recorded an uptick for the tenth straight month, growing 4.2% in March.

Australia

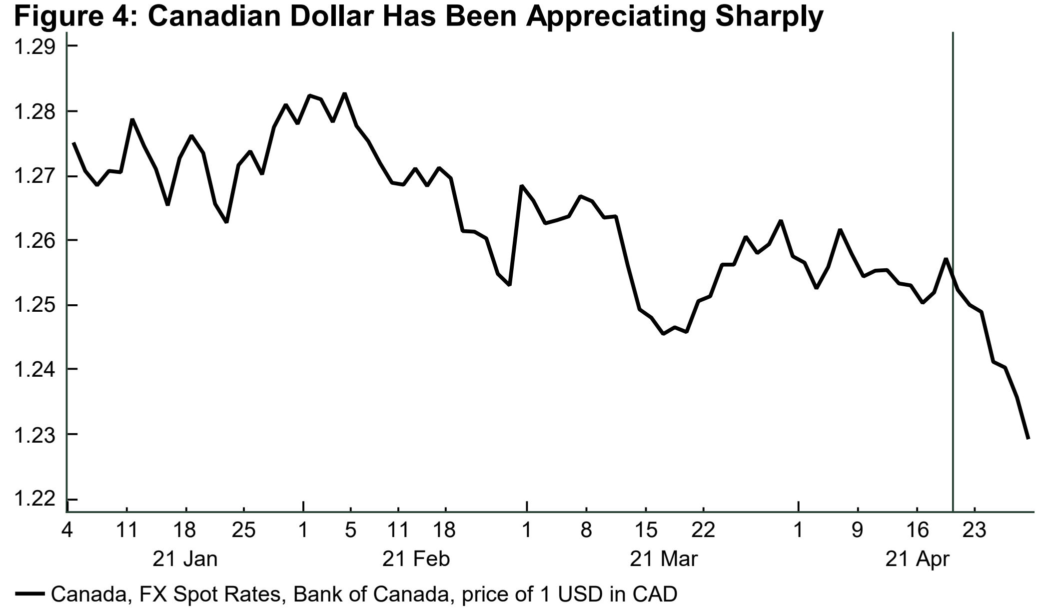
The headline **CPI** decelerated to 0.6% q/q in the first quarter of 2021, below consensus. Petrol prices rose by 9%, pushing transport costs up by 3.2%. But the impact of policy support offset the pass-through from supply constraints, ongoing normalization of childcare and rent prices. Detractions also came from household goods and recreation, both down by 0.2%. The underlying inflation measures remained soft overall - with the trimmed-mean measure rising 0.3% q/q and weighted-median measure rising 0.4% q/q. On an annual basis, headline inflation slowed by 0.2 percentage points to +1.1% y/y, while the trimmed mean and weighted median were at 1.1% and 1.3% y/y respectively. Inflation is still considerably below target, but could push above 3% due to strong base effects.

Total **private sector credit** rose 0.4% in March, stronger than expected, and the fastest since February of last year. Growth in housing credit picked up by 0.5%, driven by an uptick in owner occupiers (+0.7%). Investor demand for housing credit was unchanged at 0.2%. Business credit (+0.3%) rose modestly, while personal credit (+0.2%) turned positive after three years.

The Market This Week

The Canadian dollar has made notable gains since the BoC announced QE tapering. This week it climbed to the highest since early 2018 as oil rose and an index of commodities hovered close to a 3 year high.

Figure 4: Canadian Dollar Has Been Appreciating Sharply



Sources: Macrobond, SSGA Economics, BoC

Equities: Mixed week for global equities.

Bonds: Italian yields rise even as Draghi announces recovery plan.

Currencies: The Canadian Dollar catches a bid.

Commodities: Oil recoups last week's losses.

4/30/21 4:00 PM

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®	4177.92	-0.1%	11.2%	1.63	7	71	91.301	0.5%	1.5%
Canada	TSE 300	19116.31	0.1%	9.7%	1.55	3	87	1.2292	-1.5%	-3.4%
UK	FTSE®	6969.81	0.5%	7.9%	0.84	10	65	1.3811	-0.5%	1.0%
Germany	DAX	15135.91	-0.9%	10.3%	-0.20	6	37			
France	CAC-40	6269.48	0.2%	12.9%	0.16	8	49	1.2024	-0.6%	-1.6%
Italy	FTSE® MIB	24141.16	-1.0%	8.6%	0.90	12	36			
Japan	Nikkei 225	28812.63	-0.7%	5.0%	0.10	3	8	109.29	1.3%	5.8%
Australia	ASX 200	7025.817	-0.5%	6.7%	1.75	1	78	0.7705	-0.4%	0.1%

Commodity Markets						
Commodity	**Unit**	**Source**	**Last Price**	**%Ch Week**	**%Ch YTD**	**%ChYr Ago**
Oil (Brent)	US $/Barrel	Bloomberg	66.67	1.9%	30.3%	181.3%
Gold	US $/troy oz	Bloomberg	1767.99	-0.5%	-6.9%	4.8%

Source: Bloomberg®

Week in Review (April 26–April 30)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, April 26					
US	Durable Goods Orders (Mar, prelim, m/m)	2.5%	0.5%	-0.9%(↑)	OK.
GE	IFO Business Climate (Apr)	97.8	96.8	96.6	Steady.
Tuesday, April 27					
US	FHFA House Price Index (Feb, m/m)	1.0%	0.9%	1.0%	Up a record 12.2% y/y.
US	S&P CoreLogic 20-City Index (Feb, m/m)	1.1%	1.2%	1.2%	Up 11.9% y/y, most since 2014.
US	Consumer Confidence (Apr)	113.0	121.7	109.0(↓)	Massive improvement in the present situation.
IT	Consumer Confidence (Apr)	101.8	102.3	100.9(↑)	Seven-month high.
JN	BoJ Monetary Policy Decision	-0.10%	-0.10%	-0.10%	GDP forecasts revised up, CPI down.
Wednesday, April 28					
US	FOMC Monetary Policy Decision	0.25%	0.25%	0.25%	On hold, too soon to talk about tapering.
CA	Retail Sales (Feb, m/m)	4.0%	4.8%	0.0%(↑)	Impressive rebound.
GE	GfK Consumer Confidence (May)	-4.2	-8.8	-6.2	First decline in three months.
FR	Consumer Confidence (Apr)	93	94	94	Steady.
AU	CPI (Q1, y/y)	1.4%	1.1%	0.9%	Inflation subdued in March quarter.
JN	Retail Sales (Mar, m/m)	0.5%	1.2%	3.1%	Good.
Thursday, April 29					
US	Initial Jobless claims (Apr 24, thous)	540	553	566(↑)	Still elevated, but in downtrend.
US	Continuing claims (Apr 17, thous)	3590	3660	3651(↓)	Still elevated, but in downtrend.
US	GDP (Q1, first, q/q saar)	6.7%	6.4%	4.3%	Strong consumer spending.
US	Pending Home Sales (Mar, m/m)	4.4%	1.9%	-11.5%(↓)	Low inventory.
GE	Unemployment Rate (Apr)	6.0%	6.0%	6.0%	A pause.
GE	CPI (Apr, prelim, y/y)	1.9%	2.0%	1.7%	Big base effects.
Friday, April 30					
US	Personal Income (Mar, m/m)	20.1%	21.1%	-7.0%(↑)	Record increase; transfers nearly doubled.
US	Personal Spending (Mar, m/m)	4.1%	4.2%	-1.0%	Solid; savings rate rose to 27.6%.
US	Chicago PMI (Apr)	63	72.1	66.3	Impressive!
US	U of Mich Cons Sentiment (Apr, final)	86.5(p)	88.3	84.9	Even better than we thought.
CA	GDP (Feb, m/m)	0.5%	0.4%	0.7%	En route to a solid quarter.
UK	Nationwide House PX (Apr, m/m)	na	2.1%	-0.3%(↓)	Huge jump!
EC	GDP (Q1, prelim, q/q)	-0.8%	-0.6%	-0.7%	Weak, but not as bad as feared.
GE	GDP (Q1, prelim, q/q)	-1.5%	-1.7%	0.5%(↑)	Weak, but temporary.
FR	GDP (Q1, prelim, q/q)	-0.1%	0.4%	-1.4%	Huge upside surprise!
FR	Consumer Spending (Mar, m/m)	0.5%	-1.1%	0.0%	Disappointing.
IT	GDP (Q1, prelim, q/q)	-0.5%	-0.4%	-1.8%(↑)	Weak, but not as bad as feared.
IT	Unemployment Rate (Mar, prelim)	10.3%	10.1%	10.2%	Slow healing.
JN	Unemployment Rate (Mar)	2.9%	2.6%	2.9%	The devil is in the details.
JN	Industrial Production (Mar, prelim, m/m)	-2.0%	2.2%	-1.3%	Pleasant surprise!
JN	Manufacturing PMI (Apr, final)	53.3(p)	53.6	52.8	Quicker expansions in output and new orders.
JN	Consumer Confidence (Apr)	34.2	34.7	36.1	Morale dented by rising infections.
AU	Private Sector Credit (Mar, m/m)	0.3%	0.4%	0.2%	Housing credit picks up.

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

Week Preview (May 3–May 7)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, May 3				
US	Total Vehicle Sales (Apr, mil.)	17.5	17.8	Holding up at high level.
US	ISM Manufacturing (Apr)	65.0	64.7	Impressive!
EC	Manufacturing PMI (Apr, final)	63.3(p)	62.5	Impressive!
GE	Manufacturing PMI (Apr, final)	66.4(p)	66.6	Impressive!
GE	Retail Sales (Mar, m/m)	3.0%	2.7%(↑)	Modest given size of Dec-Jan declines.
FR	Manufacturing PMI (Apr, final)	59.2(p)	59.3	Impressive!
IT	Manufacturing PMI (Apr)	60.9	59.8	Impressive!
AU	ANZ Job Advertisements (Apr, m/m)	na	7.4%	
Tuesday, May 4				
US	Factory Orders (Mar, m/m)	1.6%	-0.8%	
US	Durable Goods Orders (Mar, final, m/m)	0.5%(p)	-0.9%	
US	Trade Balance (Mar, $ bil.)	-74.5	-71.1	From bad to worse…
CA	Building Permits (Mar, m/m)	na	2.1%	Supply catching up to demand.
CA	Trade Balance (Mar, C$ bil.)	na	1.0	
UK	Mortgage Approvals (Mar, thous)	86.5	87.7	
UK	Manufacturing PMI (Apr, final)	60.7(p)	58.9	
AU	RBA Monetary Policy Decision	0.10%	0.10%	RBA will reiterate commitment to accommodative policy.
Wednesday, May 5				
US	ISM Services (Apr)	64.2	63.7	Vaccines, reopening, nicer weather, all help.
EC	Services PMI (Apr, final)	50.3(p)	49.6	
GE	Services PMI (Apr, final)	50.1(p)	51.5	
Thursday, May 6				
US	Initial Jobless claims (May 1, thous)	na	553	
US	Continuing claims (Apr 24, thous)	na	3660	
US	Nonfarm Productivity (Q1, prelim, q/q)	3.7%	-4.2%	
UK	BoE Monetary Policy Decision	0.10%	0.10%	On hold, but will it upgrade forecasts?
UK	Services PMI (Apr, final)	60.1(p)	56.3	
GE	Factory Orders (Mar, y/y)	1.8%	1.2%	
Friday, May 7				
US	Change in Nonfarm Payrolls (Apr, thous)	975	916	Building toward “substantial further progress”…
US	Unemployment Rate (Apr)	5.8%	6.0%	Building toward “substantial further progress”…
US	Consumer Credit (Mar, $ bil.)	21.3	27.6	
CA	Unemployment Rate (Apr)	na	7.5%	Red hot.
CA	Ivey PMI (Apr)	na	72.9	
GE	Industrial Production (Mar, m/m)	2.0%	-1.6%	
FR	Industrial Production (Mar, m/m)	2.0%	-4.7%	
FR	Wages (Q1, prelim, q/q)	na	0.3%	
IT	Retail Sales (Mar, m/m)	-0.6%	6.6%	
JN	Services PMI (Apr, final)	48.3(p)	48.3	
JN	Labor Cash Earnings (Mar, y/y)	-0.3%	-0.4%(↓)	

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	1.1	1.2	1.4	1.6	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	1.0	0.7	1.0	1.1	
UK	Target: CPI 2.0% y/y	0.3	0.6	0.7	0.4	
Eurozone	Target: CPI below but close to 2.0% y/y	-0.3	-0.3	0.9	0.9	1.3
Japan	Target: CPI 2.0% y/y	-0.9	-1.2	-0.6	-0.4	
Australia	Target Range: CPI 2.0%-3.0% y/y	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

								Forecast	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	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				
	Nov	Dec	Jan	Feb	Mar		Nov	Dec	Jan	Feb	Mar
US	1.2	1.4	1.4	1.7	2.6		0.8	0.8	1.7	2.8	4.2
Canada	1.0	0.7	1.0	1.1			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	1.3		-2.0	-1.1	0.4	1.5	
Germany	-0.3	-0.3	1.0	1.3	1.7		-0.5	0.2	0.9	1.9	
France	0.2	0.0	0.6	0.6	1.1		-1.9	-1.2	0.1	1.5	
Italy	-0.2	-0.2	0.4	0.6	0.8		-2.3	-1.8	-0.3	0.7	
Japan	-0.9	-1.2	-0.6	-0.4			-2.3	-2.0	-1.6	-0.6	1.0
Australia	0.9	0.9					-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				
	Nov	Dec	Jan	Feb	Mar		Nov	Dec	Jan	Feb	Mar
US	0.9	1.0	0.9	-2.6	1.4		-4.7	-3.4	-2.1	-4.8	1.0
Canada	2.3	1.1	1.8				-4.6	-3.1	-1.6		
UK	0.8	0.0	-1.8	1.0			-2.7	-2.3	-4.3	-3.5	
Germany	1.2	1.8	-2.0	-1.6			-2.6	0.8	-3.9	-6.1	
France	-0.3	-0.6	3.2	-4.7			-4.9	-3.2	-0.2	-6.6	
Italy	-1.3	0.2	1.1	0.2			-4.0	-1.2	-2.5	-1.0	
Japan	-0.5	-1.0	4.3	-2.1			-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	7.5
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	8.7	8.5	8.3	8.2	8.3	8.3	
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	7.3	8.8	9.3	9.3	8.5	8.1	7.8	7.9	8.0	
Italy	8.5	9.3	9.9	9.9	10.0	10.0	9.7	9.8	10.3	10.2	
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	5.6

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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