STATE STREET GLOBAL ADVISORS

August 19, 2022
Commentary

Weekly Economic Perspectives

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Contact

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

Krishna Bhimavarapu
Economist
VenkataVamseaKrishna_Bhimavarapu@ssga.com
+91-806-741-5000

Amy Le
Macro-Investment Strategist
amy_le@ssga.com
+44-203-395-6590

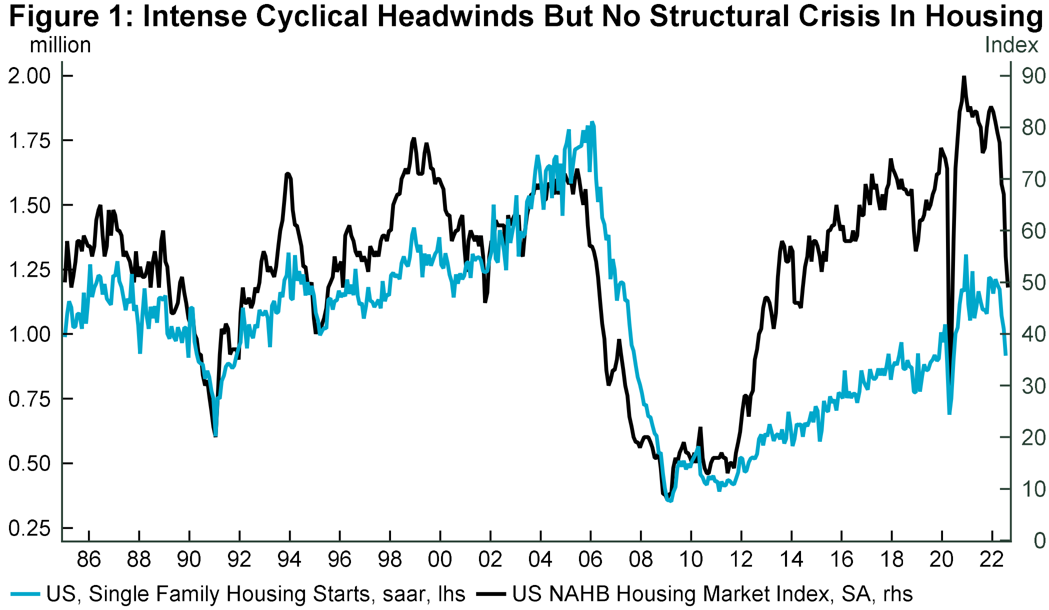
The Economy

A fairly quiet data week that highlights persistent inflation pressures.

US

The anticipated deceleration in housing construction took some time to emerge in the aftermath of rising interest is now unfolding in full force. **Housing starts** plunged 9.6% in July to 1.446 million (seasonally adjusted annualized rate), 8.1% below year earlier levels and the lowest level since September 2020. The more expensive single-family segment is, unsurprisingly, exhibiting more acute weakness, with single-family starts down 10.1% in July and 18.5% y/y. Multi-family starts declined 8.6% in July but are still 18.0% higher than a year earlier. Their share in total starts reached 36.7%, the highest level since January 2020. Meanwhile, **housing permits** declined 1.3%, again weighed down by a 4.3% retreat in single-family permits, now back to the lowest level since June 2020 and a little below where they stood in the six months before the pandemic. The ongoing downshift likely has further to run but we take a lot of comfort in the fact that it is not occurring in a backdrop of excess supply…quite the opposite! We believe this limits downside risks both in terms of the intensity and the duration of this slowdown.

Figure 1: Intense Cyclical Headwinds But No Structural Crisis In Housing



Sources: SSGA Economics, NAHB, U.S. Census Bureau

Existing home sales declined 5.9% in July to the lowest level since May of 2020. The number of available homes increased 4.8% to a year high, lifting inventory to 3.3 months' worth of sales. July marked the first time since August of 2020 that we managed to get back above the 3.0 month mark. The improved supply backdrop, combined with higher interest rates that equate diminishing affordability required lower prices for the market to clear. The median price of a single-family home retreated slightly to $410,600. This is still 10.8% higher than a year earlier, but the rate of growth is moderating and is headed lower still. This is not a bad dynamic, in fact we actually want prices to moderate. And while the deceleration in activity is material, it is hard to think of the current period as a genuine housing "crisis" given that there remain enough buyers out there to move inventory quickly. Indeed, houses stayed on the market for an average of just 14 days, matching June's record low.

Nevertheless, builder sentiment has taken a serious hit. The **NAHB homebuilder sentiment index** lost another 6 points in August to stand at its lowest level since May of 2020 and. It has now declined for eight consecutive months, but further downside appears limited and we would not be surprised to see this measure find a bottom over the next few months.

Industrial production proved a little more resilient than expected in July, thanks largely to a rebound in motor vehicle production. Overall industrial output increased 0.6%, the most since April, with manufacturing and mining each advancing 0.7% and utilities retreating 0.8%. The latter was somewhat surprising given the very hot weather. Within manufacturing, motor vehicles was the clear outperformer, up 6.6% m/m and 13.3% y/y. In fact, production of motor vehicles and parts reached a record high, perhaps the best evidence of improving supply chain conditions. In time, we suspect this will put downward pressure on inflation (at least the used car part of the market) although elevated production costs for new models and what we believe is a considerable degree of pent-up new car demand won't make this a quick process. By contrast, furniture output declined 1.6% for a fifth consecutive retreat. The slowdown in the housing market is being felt here.

While prospects for motor vehicle production remain encouraging, other areas of manufacturing are facing a bumpier outlook, at least according to some of the regional Fed manufacturing surveys. The August **Empire Fed index**, for instance, unexpectedly collapsed to the lowest level since May 2020. New orders, shipments, and the average workweek all plunged to their lowest levels since May of 2020, backlogs declined to the lowest since November 2020 and the employment metric was the second lowest since March of 2021. The prices paid measure eased to the lowest since March 2021, but the prices received measure inched up incrementally after the big July drop. Even in the context of the Empire Fed's outsized jerky moves this past year, the August print stands out as quite troublesome.

Admittedly, the **Philly Fed index** offered a much more reassuring message, surging 18.5 points to 6.2, a four-month high. New orders jumped 19.7 points to -5.1, but this still only retraced less than half of the decline in the previous two months. Shipments, backlogs, and employment all improved. The price measures moderated once again: the prices paid metric now stands at the lowest since December 2020 and prices received at the lowest since February 2021. In a sense, the Philly Fed is an illustration of what a soft landing would look like. Activity holds up, even if not at the levels that prevailed in 2021, but price pressures dissipate.

Retail sales were largely as expected in July. Total sales were flat, and June's growth rate was revised down two tenths. Control sales (excluding food services, building materials, autos dealers and gas stations) advanced a better than expected 0.8%, although the size of the upside surprise was curbed by a slight downward reduction to the June data. The biggest declines were at gasoline stations (-1.8%) and auto dealers (-1.7%). The former was definitely not surprising given price declines; the latter was. Other areas were mixed. Online sales were strong, up 2.7% m/m, but sales at bars and restaurants barely rose (+0.1%), likely reflecting inflation's detrimental impact on discretionary spending. Total sales were 8.6% above year earlier levels while control sales rose 7.2%.

Canada

Lower gasoline prices allowed inflation to ease in July but price pressures remain broad-based. **Headline inflation** slowed to 7.6% during the month, down from an almost 40-year high of 8.1% in June. Excluding gasoline, inflation accelerated a tenth to 6.6% y/y. Core inflation measures remained high across the board with the CPI common measure rising by 0.2 percentage points (ppts) to 5.5% y/y. The weighted median edged up 0.1 ppts to 5.0% y/y while the trimmed mean measure inched down 0.1 ppts to 5.4% y/y. Given those, we expect to see a rate hike between 50-75 bps at the September meeting.

Manufacturing sales contracted more than expected at 0.8% in June following an upwardly revised loss of 1.1% in May. The decline was driven by lower sales in 8 of 21 industries, led by the petroleum and coal products (-7.8%), wood products (-7.2%) and aerospace products and parts (-16.8%). Real sales rose marginally by 0.1% during the month. The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector rose to 79.3%, up from 78.8% in May, on higher production.

Retail sales once again bested expectation again in June, rising 1.1% on top of May's large 2.3% gain. This sixth consecutive increase was led by higher sales at gasoline stations and motor vehicle and parts dealers. Core retail sales rose 0.2%, with gains at general merchandise stores, clothing and clothing accessories stores largely offset by declines in food and beverage.

July saw further moderation in housing market activity. **Existing home sales** retreated again, albeit at the slower pace than expected. Home sales declined 5.3% during the month, but this was the smallest drop among the last five consecutive declines. Sales were down in about three-quarters of all local markets, with steepest declines in Greater Toronto Area, Greater Vancouver and the Fraser Valley, Calgary and Edmonton. The number of newly listed properties also fell by 5.3% m/m.

House price inflation is slowing. **The 11-City Teranet/Bank of Canada house price index** rose 14.2% y/y in July, the third consecutive moderation. On a monthly basis and after seasonal adjustment, the index fell 0.2% during the month, the first reduction since June 2020. Four of the eleven cities in the composite index experienced contractions: Toronto (-1.1%), Halifax (-1.0%), Hamilton (-0.7%) and Ottawa-Gatineau (-0.2%).

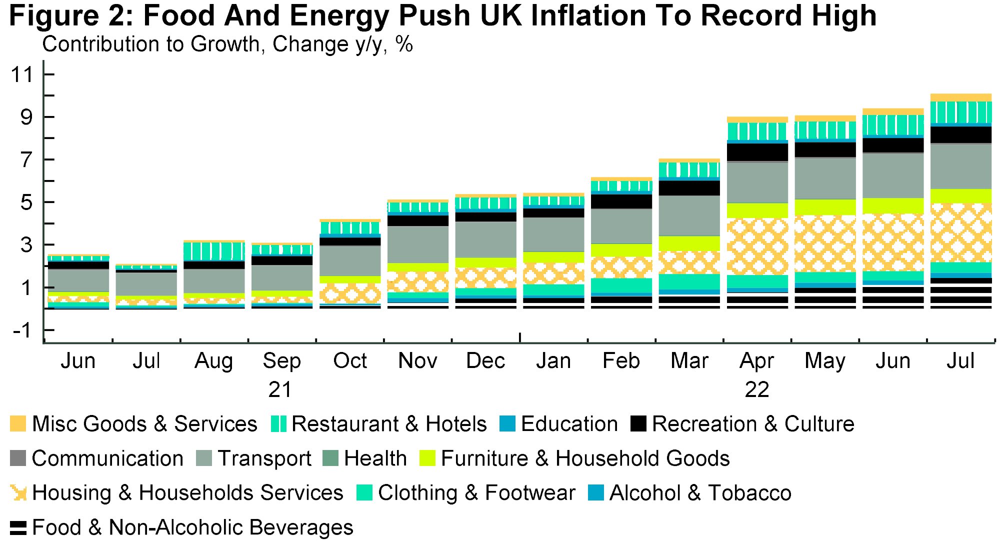
Despite the decline in housing prices and existing home sales, housing starts remained robust in July. **Housing starts** came in at a seasonally adjusted annualized rate of 275,329 units, up 1.1% from the previous month. The trend measure, a six-month moving average of the monthly seasonally adjusted annual rate of housing starts, remained strong at 264,426 units in July, up from 257,862 units in the previous month. Given the increasing interest rates, we still expect housing starts to trend lower in the coming months.

UK

The latest labor market data is sending mixed messages although the overall signal is that it remains very tight. The **unemployment rate** was unchanged at a historic low of 3.8% and wage growth exceeded expectations. During the three months to June, total employment grew by 160k compared to the quarter before, driven by rising full-time employment. Labor demand may be starting to cool, however; job vacancies declined in the three months to July for the first time since mid-2020. However, we note that at 1,247,000, job vacancies remain close to record highs. While job-to-job flows dropped in the latest period, they remained high and continued to be driven by resignations rather than dismissals, suggesting that upward pressure on wages may continue in the next few months. Indeed, wage growth moderated less than expected, with growth in average total pay (including bonuses) rising to 5.1% y/y, above expectations. The growth in regular pay (excluding bonuses) was 4.7% y/y, up from an upwardly revised gain of 4.4% in previous period. Despite the acceleration in wages, surging inflation meant real earnings (including bonuses) plunged 2.5% y/y, the most since March 2009.

Inflation remains elevated and continues to surprise to the upside, driven by rising food prices and energy costs. **Headline inflation** rate quickened to 10.1% y/y in July, well above expectations of 9.8% gain, and up from 9.4% in June. Core inflation also strengthened by 0.4 percentage points to 6.2% y/y. The acceleration during the month was contributed by 9 out of 12 components, with food and non-alcoholic beverages again the biggest contributor, up 12.6% y/y and adding 0.32 percentage points (ppts) to the change in the annual CPI rate. Good inflation jumped by 0.8 percentage points to 13.5% y/y, while services inflation continued to escalate, up to 5.7% y/y from 5.2% y/y in previous month. Despite that the economy is sliding into recession, with inflationary pressure broadening and deepening as well as the job market remaining tight, we expect that the Bank of England will deliver at least one more outsized rate increase in September.

Figure 2: Food And Energy Push UK Inflation To Record High



Sources: SSGA Economics, ONS

Consumer sentiment continues to worsen. The **GFK consumer confidence index** fell 3 points to a fresh record low of -44 in August, with declines in all measures. Given such a low consumer confidence during the last few months, it’s no surprise to see that retail sales continue to weaken.

July **retail sales** unexpectedly rose 0.3%, lifted by a 4.8% surge in online spending. Meanwhile, hot weather reduced travelling and lowered automotive fuel sales during the month (-0.9%). Sales at food stores rose 0.1% while sales at other non-food stores and clothing stores fell noticeably, down 1.2% and 1.5%, respectively.

Eurozone

There was not much in the way of new data releases for the eurozone this week. Updated preliminary estimates of second-quarter ***eurozone*** **real GDP** growth point to a 0.6% q/q advance, a tenth less than initially reported. Sector details are still not available. The economy performed surprisingly well during the first half of the year, with re-opening and tourism-related demand boosting performance, but momentum will soften going into the latter part of the year. There remain acute concerns around not only the price but also the supply of energy, although there has been a fairly encouraging build-up of natural gas inventories lately.

The **ZEW *German* Investor Confidence index** has yet to put in a convincing bottom. Having plunged almost 26 points in July, it crept another 1.5 points lower in August. In the process, it narrowly took out the 2011 low to now reach the lowest level since November 2008. Acute inflationary pressures no doubt play a huge role in the dismal sentiment backdrop: **PPI inflation** made another high of 37.2% y/y in July!.

Japan

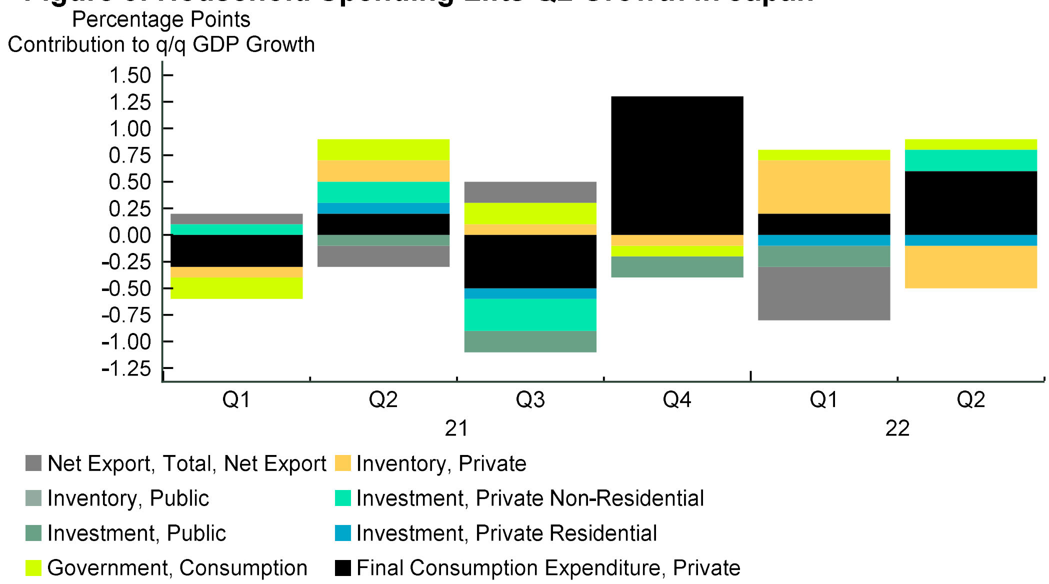
Japan's economy grew 0.5% q/q during the second quarter, two tenths slower than consensus expectations but in line with our view. Consumer spending and private nonresidential investment were the main contributors, adding 0.6 and 0.2 percentage points (ppts), respectively. Interestingly, the recovery in consumption was primarily a function of services spending, which accounted for about two thirds of the increase. We see this shift towards services consumption as reflecting both a response to higher inflation in certain areas such as food and energy, but also the delayed normalization in services consumption due to the pandemic.

In a reversal from Q1, inventories were a big detractor, which was to be expected given the unsustainably robust inventory buildup at the start of the year. And also in a related reversal from Q1, net trade was essentially neutral (versus a big detractor). This was mostly a function of imports being a far lesser drag on growth. The combination suggests that a lot of the inventory buildup in the first quarter was done via imports and was subsequently unwound in Q2.

Elsewhere, **CPI** inflation accelerated two tenths to 2.6% y/y, in line with consensus. Excluding energy & fresh food, prices rose 1.2% y/y, one tenth above consensus. We think electricity prices in winter will have a bigger impact on prices despite authorities beginning the preparations ahead of usual timelines. However, this may be offset by government subsidy programs which are set to expand.

We worry that sticky and above target inflation will squeeze household spending and hence will have a material impact on the outlook for H2; especially as we expect exports to moderate as demand from Europe and China is set to slow. Imports might also slow as pent-up demand from Q2 will retreat, but will probably remain elevated. Hence, full year 2022 growth may slow to around 0.8%, as opposed to the 1.2% gain we expected back in June.

Figure 3: Household Spending Lifts Q2 Growth In Japan



Sources: SSGA Economics, CaO

Australia

For the first time since October 2021, there was a loss of employment in the Australian economy in July. It is far too soon to raise the alarm, especially given likely impact from flooding, but we had highlighted last week that downside risks, especially in the job market, might be developing. In any case, employment dropped by almost 41k (consensus expected a roughly 25k increase), made more severe by a shift away from full-time employment, which fell by about 87k. The participation rate plunged four tenths to 66.4%, the lowest since January, allowing the u**nemployment rate** to retreat a tenth to a new record low of 3.4%.

Separately, wage inflation accelerated a bit less than expected during the second quarter. Wages excluding bonuses rose 2.6% y/y, up two tenths from the prior quarter and the highest since late 2018. Within the private sector, wage inflation (excluding bonuses) reached 2.7% y/y, the highest since 2013. Including bonuses, wage inflation in the private sector was even stronger at 3.3% y/y, the highest since 2012. By contrast, both measures of wage inflation in the public sector stood at a somewhat tamer 2.4% y/y. The Australian Statistics Bureau also noted that a higher proportion of jobs received a wage raise compared to previous data for Q2. The average raise in private sector hourly wage is 3.8% - the highest since June 2012.

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Week in Review (August 15– August 19)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, August 15					
US	Empire Manufacturing (Aug)	5.0	-31.3	11.1	Ouch!
US	NAHB Housing Market Index (Aug)	55	49	55	Bottom likely not too far off.
CA	Manufacturing Sales (Jun, m/m)	-0.5%	-0.8%	-1.1% (↑)	Weakening.
CA	Existing Home Sales (Jul, m/m)	-8.2%	-5.3%	-5.6%	Further moderation.
JN	GDP (q/q, Q2, prelim)	0.7%	0.5%	0.0% (↑)	Solid growth driven by consumption.
JN	Industrial Production (Jun, m/m, final)	8.9%(p)	9.6%	-7.5%	Stronger revision.
Tuesday, August 16					
US	Housing Starts (Jul, thous, saar)	1,527	1,446	1,599 (↑)	Slowdown centered on single-family segment.
US	Building Permits (Jul, thous, saar)	1,640	1,674	1,685	Slowdown centered on single-family segment.
US	Industrial Production (Jul, m/m)	0.3%	0.6%	0.0% (↑)	Bounce in motor vehicle output.
CA	Housing Starts (Jul, thous)	n/a	275.3	272.4 (↓)	Remaining robust but expect to trend lower.
CA	CPI (Jul, y/y)	n/a	7.6%	8.1%	Slowing but remaining elevated.
UK	Average Weekly Earnings (Jun, 3m)	5.0%	5.1%	6.4% (↑)	Remaining elevated.
UK	ILO Unemployment Rate (Jun, 3m)	3.8%	3.8%	3.8%	Remaining at record low.
GE	ZEW Survey Expectations (Aug)	-52.7	-55.3	-53.8	From worse to…worse!
JN	Tertiary Industry Index (Jun, m/m)	0.4%	-0.2%	1.1% (↑)	Weak.
Wednesday, August 17					
US	Retail Sales Advance (Jul, m/m)	0.1%	0.0%	0.8% (↓)	Mixed details.
US	Business Inventories (Jun)	1.4%	1.4%	1.6% (↑)	Still building.
UK	CPI (Jul, y/y)	9.8%	10.1%	9.4%	Continuing to escalate.
EC	GDP (q/q, Q2, prelim)	0.7%	0.6%	0.5%	Likely the last strong quarter for a while.
JN	Core Machine Orders (Jun, m/m)	1.0%	0.9%	-5.6%	In line with expectations.
AU	Wage Price Index (Q2, y/y)	2.7%	2.6%	2.4%	No evidence of wage pressure.
Thursday, August 18					
US	Philly Fed Business Outlook (Aug)	-5.0	6.2	-12.3	Improvement, easing price pressures.
US	Initial Jobless Claims (13 Aug, thous)	264	250	252 (↓)	But still in gentle uptrend.
US	Continuing Claims (06 Aug, thous)	1,455	1,437	1,430 (↑)	But still in gentle uptrend.
US	Existing Home Sales (Jul, m/m)	-5.3%	-5.9%	-5.5%(↓)	Inventory rising but houses still sell quickly.
US	Leading Index (Jul, m/m)	-0.5%	-0.4%	-0.7% (↑)	Fifth consecutive decline.
CA	Teranet/National Bank HPI (Jul, y/y)	n/a	14.2%	16.7%	House Price appreciation further moderated.
EC	CPI (Jul, y/y, final)	8.9% (p)	8.9%	8.6%	Feels almost surreal, but here we are!
AU	Unemployment Rate (Jul)	3.5%	3.4%	3.5%	Low due to fall in participation.
AU	Employment (Jul, m/m, thous)	25.0	-40.9	88.4	Steep drop.
Friday, August 19					
CA	Retail Sales (Jun, m/m)	n/a	1.1%	2.3% (↑)	OK.
UK	GfK Consumer Confidence (Aug)	-42	-44	-41	New record low.
UK	Retail Sales Incl Auto Fuel (Jul, m/m)	-0.2%	0.3%	-0.2% (↓)	Mainly supported by online promotions.
JN	CPI (Jul, y/y)	2.6%	2.6%	2.4%	Inflationary pressures still building.

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

Week In Preview (August 22– August 26)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, August 22				
No major data releases				
Tuesday, August 23				
US	New Home Sales (Jul, thous)	580	590	Could be even worse.
UK	Manufacturing PMI (Aug, prelim)	51.0	52.1	Weakening.
UK	Services PMI (Aug, prelim)	52.0	52.6	Weakening.
EC	Manufacturing PMI (Aug, prelim)	48.9	49.8	
EC	Services PMI (Aug, prelim)	50.5	51.2	
EC	Composite PMI (Aug, prelim)	48.9	49.9	
GE	Manufacturing PMI (Aug, prelim)	48.2	49.3	
GE	Services PMI (Aug, prelim)	49.0	49.7	
FR	Manufacturing PMI (Aug, prelim)	49.0	49.5	
JN	Manufacturing PMI (Aug, prelim)	n/a	52.1	Could be treading water.
Wednesday, August 24				
US	Durable Goods Orders (Jul, m/m, prelim)	0.6%	2.0%	
US	Pending Home Sales (Jul, m/m)	-3.0%	-8.6%	
Thursday, August 25				
US	Initial Jobless Claims (20 Aug, thous)	255	250	
US	Continuing Claims (13 Aug, thous)	1,460	1,437	
US	GDP (Q2, q/q saar, second estimate)	-0.9%	-1.6%	
GE	GDP (Q2, q/q, final)	0.0%	0.8%	
GE	IFO Business Climate (Aug)	86.8	88.6	
FR	Business Confidence (Aug)	101	103	
JN	PPI Services (Jul, y/y)	2.2%	2.0%	Might surprise to the upside.
Friday, August 26				
US	Personal Income (Jul, m/m)	0.6%	0.6%	
US	Personal Spending (Jul, m/m)	0.4%	1.1%	
US	U. of Mich. Sentiment (Aug, final)	55.5	51.5	
GE	GfK Consumer Confidence (Sep)	-32.0	-30.6	
FR	Consumer Confidence (Aug)	79	80	
IT	Consumer Confidence (Aug)	92.8	94.8	
IT	Manufacturing Confidence (Aug)	104.5	106.7	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Mar	Apr	May	Jun	Jul
US	Target: PCE price index 2.0% y/y	6.6	6.3	6.3	6.8	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	6.7	6.8	7.7	8.1	7.6
UK	Target: CPI 2.0% y/y	7.0	9.0	9.1	9.4	10.1
Eurozone	Target: CPI below but close to 2.0% y/y	7.4	7.4	8.1	8.6	8.9
Japan	Target: CPI 2.0% y/y	1.2	2.5	2.5	2.4	2.6
Australia	Target Range: CPI 2.0%-3.0% y/y	5.1	6.1	6.1	6.1	

Source: Macrobond

Key Interest Rates

	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
US (top of target range)	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.75	2.50
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.25	0.25	0.50	1.00	1.00	1.50	2.50
UK (Bank Rate)	0.10	0.10	0.10	0.25	0.25	0.50	0.75	0.75	1.00	1.25	1.25
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Japan (OCR)	-0.05	-0.03	-0.05	-0.02	-0.02	-0.01	-0.02	-0.02	-0.03	-0.04	-0.01
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.33	0.73	1.28

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2014	2015	2016	2017	2018	2019	2020	2021	Forecast 2022	Forecast 2023
US	-2.7	-2.5	-3.5	-4.2	-5.2	-6.1	-10.4	-8.0	-5.3	-4.6
Canada	-0.6	0.0	0.1	-0.3	0.0	-0.2	-8.6	-3.6	-2.3	-1.3
UK	-3.9	-3.6	-2.8	-2.3	-2.4	-2.7	0.5	-3.2	-4.4	-2.0
Eurozone	-0.7	-0.6	-0.5	-0.5	-0.3	-0.5	-4.5	-4.0	-3.5	-2.3
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-3.1	-2.6	-2.0	-0.5
France	-2.5	-2.1	-2.0	-1.9	-1.5	-2.1	-5.9	-5.9	-5.3	-3.4
Italy	-1.0	-0.6	-1.3	-1.6	-1.7	-1.0	-6.0	-4.6	-5.2	-3.7
Japan	-5.4	-4.2	-4.1	-3.3	-2.5	-2.5	-8.1	-6.9	-7.3	-3.3
Australia	-2.8	-2.6	-2.3	-1.6	-1.2	-4.1	-7.8	-7.7	-5.4	-3.6

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Mar	Apr	May	Jun	Jul		Mar	Apr	May	Jun	Jul
US	8.5	8.3	8.6	9.1	8.5		11.7	11.2	11.1	11.3	9.8
Canada	6.7	6.8	7.7	8.1	7.6		18.1	17.0	15.5	14.3	11.9
UK	7.0	9.0	9.1	9.4	10.1		12.0	14.7	15.6	16.4	17.1
Eurozone	7.4	7.4	8.1	8.6	8.9		36.9	37.3	36.2	35.8	
Germany	7.3	7.4	7.9	7.6	7.5		30.9	33.5	33.6	32.7	37.2
France	4.5	4.8	5.2	5.8	6.1		24.8	25.1	24.9	25.0	
Italy	6.5	6.0	6.8	8.0	7.9		36.9	35.3	34.6	34.1	
Japan	1.2	2.5	2.5	2.4	2.6		9.3	10.0	9.3	9.4	8.6
Australia	5.1	6.1	6.1	6.1			4.9	5.6	5.6	5.6	

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22
US	1.6	0.6	1.7	-0.4	-0.2	12.2	4.9	5.5	3.5	1.6
Canada	-0.8	1.3	1.6	0.8		11.7	3.8	3.2	2.9	
UK	5.6	0.9	1.3	0.8	-0.1	24.5	6.9	6.6	8.7	2.9
Eurozone	2.1	2.3	0.4	0.5	0.6	14.6	3.9	4.8	5.4	3.9
Germany	2.0	0.7	0.0	0.8	0.0	10.2	1.8	1.2	3.6	1.5
France	1.0	3.3	0.6	-0.2	0.5	18.6	3.6	5.1	4.8	4.2
Italy	2.6	2.7	0.7	0.1	1.0	17.5	4.0	6.4	6.2	4.6
Japan	0.5	-0.5	1.0	0.0	0.5	7.3	1.2	0.5	0.9	1.0
Australia	0.8	-1.8	3.6	0.8		9.7	4.1	4.4	3.3	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	Mar	Apr	May	Jun	Jul	Mar	Apr	May	Jun	Jul
US	0.7	0.7	-0.1	0.0	0.6	4.8	5.3	4.4	4.0	3.9
Canada	1.2	1.6	-0.8			4.1	7.5	6.8		
UK	0.3	-0.1	1.3	-0.9		1.0	1.6	1.9	2.3	
Germany	-4.2	1.3	-0.1	0.4		-4.5	-2.5	-1.7	-0.4	
France	-0.4	-0.3	0.2	1.4		-0.1	-0.6	-0.3	1.4	
Italy	0.1	1.3	-1.1	-2.1		3.1	3.4	3.4	-1.0	
Japan	0.3	-1.5	-7.5	9.2		-0.8	-3.4	-4.7	-2.8	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
US	4.7	4.6	4.2	3.9	4.0	3.8	3.6	3.6	3.6	3.6	3.5
Canada	7.0	6.8	6.1	6.0	6.5	5.5	5.3	5.2	5.1	4.9	4.9
UK	4.2	4.1	4.0	4.0	3.8	3.7	3.8	3.8	3.8		
Eurozone	7.3	7.3	7.1	7.0	6.9	6.8	6.7	6.6	6.6	6.6	
Germany	5.4	5.4	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.3	5.4
France	7.6	7.5	7.4	7.4	7.3	7.3	7.3	7.2	7.2	7.2	
Italy	9.1	9.2	9.0	8.9	8.7	8.5	8.3	8.3	8.2	8.1	
Japan	2.8	2.7	2.8	2.7	2.8	2.7	2.6	2.5	2.6	2.6	
Australia	4.7	5.2	4.6	4.2	4.2	4.0	3.9	3.9	3.9	3.5	3.4

Source: Macrobond

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

	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22
US	-1.9	-2.0	-3.1	-3.2	-3.5	-3.4	-3.6	-3.9	-3.7	-4.8	
Canada	-1.6	-3.2	-1.1	-2.0	-0.8	0.1	-0.1	0.2	0.0	0.7	
UK	0.5	-2.2	-1.4	-1.4	-4.8	-2.2	-2.0	-4.9	-1.2	-8.3	
Eurozone	1.5	0.6	1.3	2.5	3.4	4.0	3.3	2.5	0.9	0.8	-0.2
Germany	7.4	6.7	5.2	7.3	8.2	8.8	7.8	7.0	6.4	5.1	3.3
France	0.5	-1.3	-3.7	-2.0	-0.4	0.7	0.7	0.4	-0.3	-0.2	-1.3
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, 2020.

† This figure is presented as of December 31, 2021 and includes approximately $61.43 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.

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Exp. Date: 08/31/2023