August 5, 2022
Commentary

Weekly Economic Perspectives

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The Economy

Data flow sustains hawkish narrative as monetary tightening wave advances.

US

The **July employment report** came in far stronger than expected, with 528,000 jobs added, more than twice the consensus rate. May and June data were revised also revised higher by a cumulative 28,000. The unemployment rate declined a tenth to 3.5%, the lowest level since February 2020 and, prior to that, 1969. There were no major surprises in the sector composition, with pretty much everything coming in a little better than expected to add up to a big upside surprise.

Does this report mean that labor demand is picking up? Doubtful. But it does suggest an improvement in the ability to hire. It is possible that job seekers, perceiving an incremental deterioration in the ease of finding a job (as suggested by the Conference Board labor differential), are deciding to strike the iron while still hot and finally choose among the multiple job offers likely available to them. The big 242,000 drop in the number of unemployed and the fact that, at the very short-term end of the spectrum, the duration of unemployment is creeping higher, are both consistent with this idea. If true, we might actually see some persistent strength in payrolls numbers in the next couple of months, especially as the number of people quitting jobs is simultaneously moderating. In other words, payrolls can swell thanks to the dual benefit of a faster hiring cycle and less “leakage” from quits, not because underlying labor demand itself is strengthening. The good news from this dynamic would be that wage pressures should moderate as firms’ ability to secure labor improves. This is, in effect, the ideal soft landing scenario for the labor market, where job openings can indeed decline without much detrimental impact on employment as a whole.

Time will tell whether that is what’s actually happening here. In the meantime, it’s probably wise to not read overly much into this one report, especially as it also had some inherent inconsistencies. For instance, we couldn’t help but notice that the household survey was once again weaker than the establishment report, and that the labor force participation rate retreated again. The decline to a seven-month low in the latter is quite perplexing and reminiscent of last year’s pattern, which was subsequently altered after annual revisions.

The average **workweek** was unchanged in both manufacturing and the overall economy, but the rise in employment lifted aggregate hours by 0.2% and 0.3%, respectively. **Average hourly earnings** were a little stronger than expected, although the peak in wage inflation according to this metric remains intact. Total average hourly earnings (AHE) increased 0.5% while AHE for production and non-supervisory employees rose 0.4%. The two corresponding measures of wage inflation stood at 5.2% y/y and 6.2% y/y, respectively. The former was unchanged, the latter moderated two tenths from June.

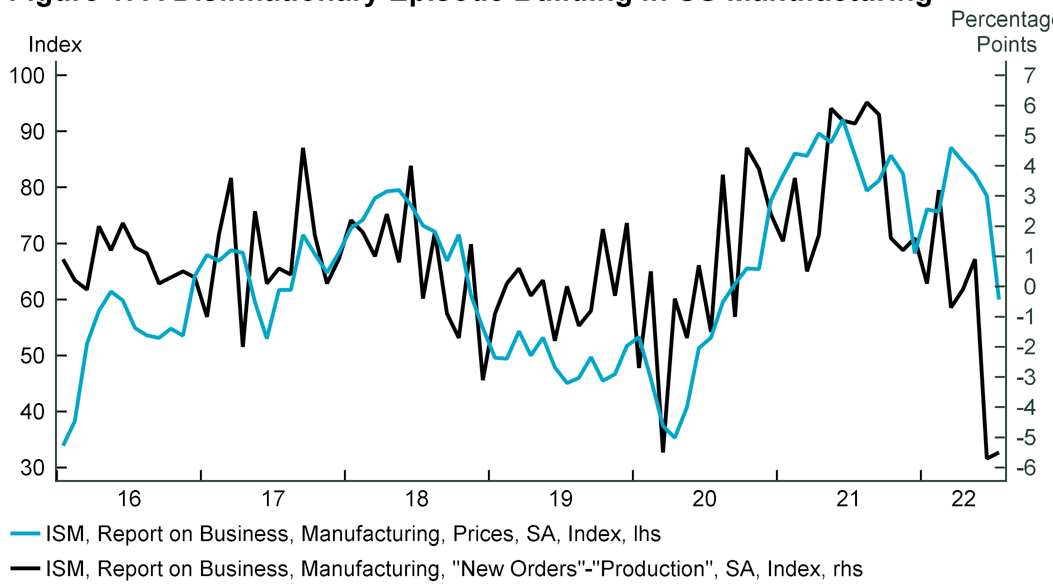
Unemployment claims continue to rise. Initial claims touched 260,000 in the week ending July 30th, the highest level in about eight months. Continuing claims are bottoming and moving erratically higher as well. They rose to a roughly three-month high of 1.416 million in the week ending July 23.

We commented last month that the persistently elevated **job openings** level had become increasingly puzzling in a world where employment is essentially back to pre-Covid levels and leading indicators of employment (such as the ISM indexes) are turning lower. That puzzle may soon be reconciled by a material pullback in job openings. The report for June brought the first real evidence of a turn lower. We had not only the third retreat in openings in that many months, but also the largest since the start of the recovery in 2020. Openings declined by 605,000 to 10.698 million; hires declined 133,000 to 6.374million. Both measures are now back to August-September 2021 levels, which, make no mistake, are extremely healthy still. But further declines are likely since these figures are barely starting to reflect the impact of the June Fed rate hike, let alone July's 75 bp move.

The blockbuster July employment report notwithstanding, the tide is shifting in the US labor market. While there is an argument that openings could come down a lot without pushing unemployment noticeably higher (this argument was recently made in a recent FEDS Notes paper and supported by the July jobs numbers), it seems unlikely that, confronted with softening demand conditions, firms would only adjust prospective hiring needs but not current headcount levels. It is also interesting to note big behavioral differences depending on employer size. While job openings at very large and very small firms remain near recent highs, there has been a sharp retrenchment in the middle of the size distribution. Firms with 50-249 and 250-999 employees now showcase opening levels not much different than what prevailed in early 2021. It is probably here where hiring plans are most sensitive to changing economic conditions; it can't be a coincidence that peak openings in this segment were recorded in March, the month when the Fed began the tightening campaign. We suspect that openings at small firms remain highly elevated because these employers simply have had an extremely hard time filling position due to competition from larger players; they might see some relief now, assuming their own hiring needs aren't revisited. And the very large firms likely have some degree of ability to move people within the firm to adjust to changing market conditions.

At first glance, the July **ISM manufacturing index** surprised to the upside…but that was mostly an illusion driven by a surge in the inventory metric. Indeed, while the headline bested expectations with a minimal 0.2 point retreat to 52.8, the details were soft. We were particularly troubled by the deepening contraction in new orders, now at 48.0 and their lowest level since May 2020. In combination with the highest inventories reading since 1984, this implies a rapidly deteriorating backlogs pipeline. Admittedly, backlogs continued to expand in July, but at 51.3, they may be just a month away from contraction. Unless new orders rebound from here, deteriorating backlogs should trigger a downshift in production down the line; they would also imply diminishing pricing power. For now, the production metric remained solid at 53.5, but it, too, hit the lowest level since May of 2020; it is hard to believe that the pullback stops here. The employment picture has already softened, with July bringing the third consecutive reading below the neutral 50 level. The good news here was that there was a noticeable sequential improvement in July and the 49.9 level is close enough to neutral to not be of major concern. Still, it bears watching. The most spectacular shift in the report occurred with the price metric, which plunged 18.5 points to 60.0. According to the press release, the retreat was driven by " (1) volatility in the energy markets, (2) softening in the copper, steel, aluminum and corrugate markets and (3) a significant decrease in chemical demand".

Figure 1: A Disinflationary Episode Building In US Manufacturing



Sources: Macrobond, SSGA Economics, ISM

The beat on the July **ISM non-manufacturing index** was more convincing. The index surprised with a 1.4-point increase to 56.7, the first gain in four months. The details were good, but not without some blemishes. The best news were the robust readings on business activity and new orders, at 59.9 each. The other good piece of news was the easing of price pressures as the price metric dropped 7.8 points to a Covid-era low of 72.3. The less encouraging news was that employment contracted again, though more slowly than in June. Still, at 49.1 this was the second consecutive reading below the neutral 50.0 level and the third in the last four months. Employment trends in the sector are softening. Inventories declined but they were, for the first time in five months, were seen as “too high”. This would seem to imply both that the decline was intentional and that further downward adjustments may be in store.

Canada

Following a year of strong gains, employment unexpectedly declined for the second consecutive month in July (-30,600), in both full-time and part time segments. The u**nemployment rate** was unchanged at a record low of 4.9. Services employment declined for the second month in a row (-53,000), mainly on losses in wholesale and retail trade. Employment in goods-producing sectors rose by 23,000. Total hours worked fell by 0.5% and were 1.5% below the recent March peak. Average hourly wages increased 5.2% y/y, same as in June. The participation rate fell by 0.2 percentage points to 64.7%, with core-age labor force participation rate continuing to ease from recent record highs. While the July data was a bit disappointing, the decline in employment was modest and the labor market remains very tight. Given persistently high inflation, we expect a 50 basis point interest rate hike in September.

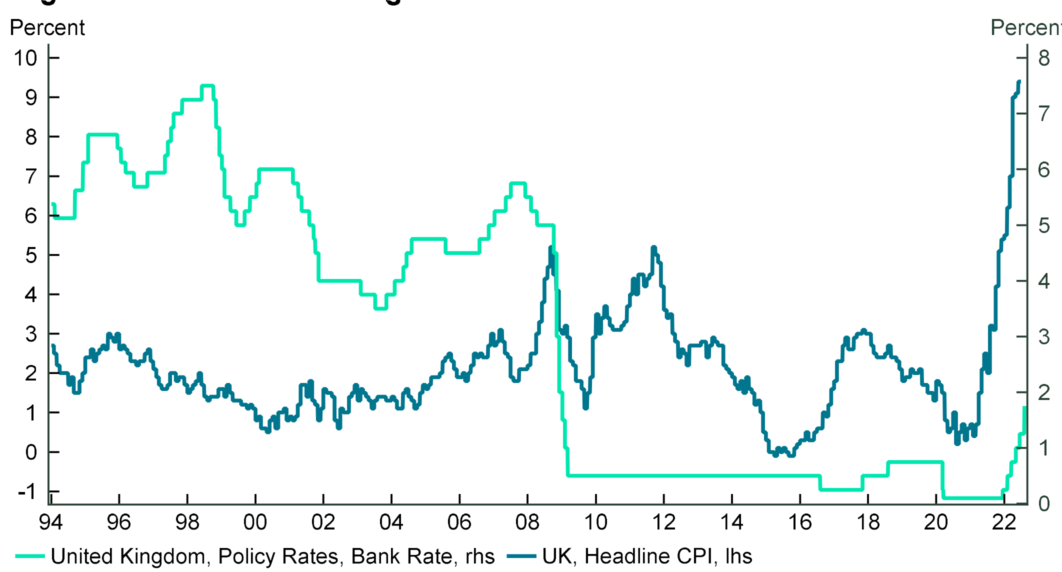
Building permits retreated 1.5% in June, driven mainly by the decline in non-residential sector (-10.4%). The residential sector saw higher intentions for the multi-family component (+3.1%), led by Ontario. Overall, building permits were down in six provinces, with British Columbia recording the largest decrease.

UK

As largely expected, the **Bank of England (BoE)** delivered an outsized 50-basis point rate hike this week. This is the sixth consecutive rate hike since December and the largest since December 1994. It shows the bank's determination to tame high inflation amid a tight labor market, surging energy costs, and on-going supply chain problems. It was an 8-1 majority vote, with only one member favoring a smaller 25-bp hike. The bank also warned that the economy will enter recession in the fourth quarter and continue to contract throughout 2023, with consumer spending to weaken in the near term. The BoE also projected that CPI inflation would exceed the forecast in their May Report, from 9.4% in June to over 13% in 2022 Q4, and would stay at elevated levels during much of 2023, before returning to the 2% target two years ahead. Unusually high risks around this forecast were noted, with two-sided risks depending on commodity price assumptions.

The BoE repeated that the bank was ready to move forcefully if needed to combat persistent inflationary pressures. However, policy is "not on a pre-set path". Also, "the scale, pace and timing of any further changes in Bank Rate will reflect the Committee's assessment of the economic outlook and inflationary pressures." The bank also expected to start selling down its government bonds, with active sales of around 10 billion pounds a quarter, shortly after its September meeting. The gilt holdings peaked at £875 billion in December and have since dropped to £844 billion after the bank stopped reinvesting the proceeds of maturing bonds in February.

Figure 2: BoE Delivers Largest Rate Hike In 27 Years



Sources: Macrobond, SSGA Economics, ONS, BoE

Manufacturing lost more steam in July as escalating economic uncertainty and cost of living continued to hit consumer demand. The final reading on the **manufacturing PMI** fell to 25-month low of 52.1, slightly below earlier flash estimate, and down from 52.8 in June. Output contracted for the first time since May 2020 as intakes of new work and new export business both continued to decline. But it wasn't all bad news, with the rate of job creation accelerating to a three-month high and inflationary pressures cooling. The rise in input costs was the weakest since January 2021 and selling prices rose at the slowest pace since May 2021.

Meanwhile, services sector growth fell to 17-month low in the month, with the **services PMI** weaker than expected at 52.6. While still in expansion territory, this represented a significant loss of momentum compared to the recent March peak of 62.6. New business growth improved modestly from June's 16-month low, but remained weaker than in preceding periods. Employment was robust but talent shortages continued to hinder business capacity. In addition, despite input cost inflation softening, average prices charged continued to rise at elevated rates, albeit at 5-month low. Business optimism was the second weakest since May 2020.

The housing market is showing further signs of cooling. The **Nationwide index of house prices** rose 0.1% in July, well below market expectations, and the weakest increase in a year. But earlier gains still kept prices 11.0% higher than a year earlier. Deteriorating affordability, elevated inflation, and rising interest rates will continue to pose challenges for the housing market in coming months.

Eurozone

The June **industrial production** data for the "big-3" economies was mixed. Upside surprises in ***France*** (+1.4%) and, to a lesser extent, in ***Germany*** (+0.4%), were offset by a big miss in ***Italy*** (-2.1%). France remains the relative outperformer for now, with production still up a modest 1.4% compared with a year earlier. German production was down 0.4% y/y and Italian output fell 1.2% y/y.

The June **retail sales** print for ***Germany*** was bad, and we suspect more weakness lies ahead. However, it was probably not quite as disastrous at it looked at first glance. Yes, the 1.6% decline in real retail sales (ex cars) was big and more than unwound the May gains. But the 5.0% plunge in clothing/shoes was largely payback after the 15.3% surge in May. Admittedly, aside from pharmaceuticals/cosmetics, no category managed an increase, and the annual comparison was awful: down 8.8% y/y (seasonally and calendar adjusted). Sales increased 0.8% y/y during the first half but things are poised to deteriorate from here on.

Japan

Labor cash earnings rose 2.2% y/y in June, well ahead of the 1.9% consensus expectation and 1.0% y/y in May. Overtime payments strengthened due to the reopening dynamic but real earnings shrunk for third month in a row amid elevated inflation. This seems to justify the 3.3% minimum wage hike recommendation to the government by a technical panel, potentially taking the minimum wage to ¥961 per hour. If materialized, this will be a great development for the government as Prime Minister Kuroda considers wage growth as a material driver of the economy.

Australia

The RBA raised the **cash rate target** by 50 basis points to 1.85% as widely expected. However, it gave itself some breathing space by stating that the timing of future hikes was not on a "pre-set path." The emphasis on data dependency going forward was reminiscent of similar comments from both Fed and BoE officials. Nonetheless, we think the RBA will continue to hike in the near term at least for two reasons. Firstly, that the current cash rate level is 65 bps away from RBA's self-assessed neutral rate and secondly, inflation continues to come in higher, with **Melbourne Institute**

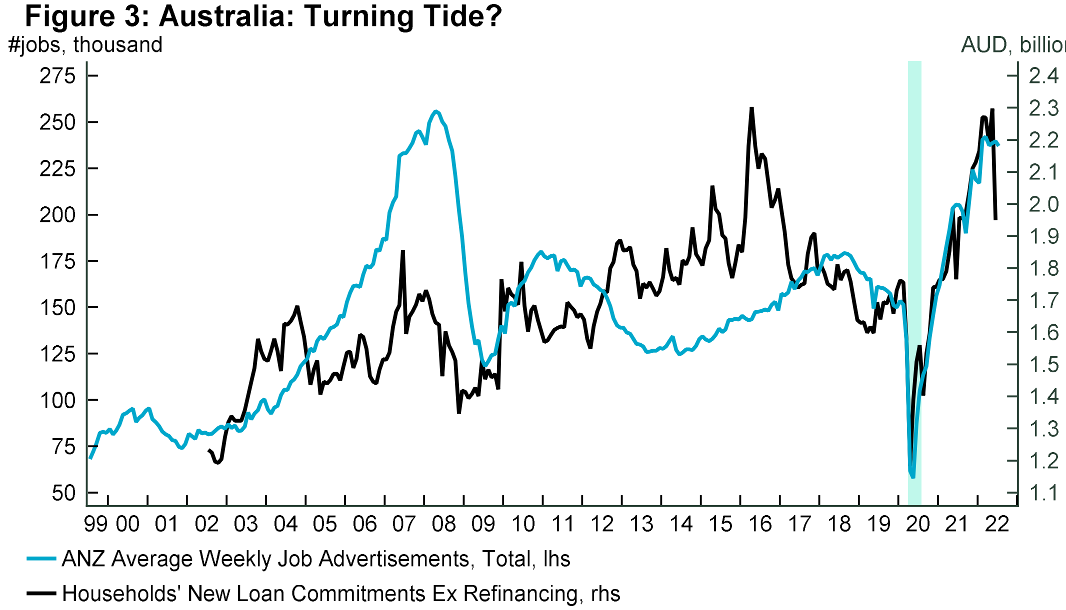
Inflation rising 5.4% y/y in July against 4.7% previously. Improving terms of trade, evidenced in the record June trade surplus, offer additional support for further hikes.

Separately, the RBA downgraded its growth forecast and raised inflation and wage growth projections. It now sees 2022 growth at 3.25% and headline inflation at 7.75% in December 2022 while noting that gas & electricity prices would increase 10-15% in the second half. The **Statement on Monetary Policy** noted that inflation has become broad-based as a lot of items in the CPI basket have risen over 3% annually. Further, the pass-through of inflation to consumers has increased and hence trimmed mean inflation could also reach 6% in 2022. The RBA expects inflation to remain sticky and to revert back to 2-3% range only in 2024.

The RBA expects the unemployment rate to decline further to 3.25% by December expects this tight labor market to result in strong wage growth. The business liaison program survey revealed that over 60% firms surveyed expect a wage growth of 3% or more over the next year. The RBA assumes that the cash rate will reach 3% by December 2022 and exchange rate unchanged in making the forecasts. This is in line with our expectations as well.

However, a pause may be warranted if housing and consumer spending slow materially. We are already observing that momentum is shifting as **commitments to housing finance** slowing down dramatically to A$ 371.4 mn in June from A$ 618.3 mn in March, two months ahead of when RBA began raising rates.

Figure 3: Australia: Turning Tide?



Sources: SSGA Economics, ANZ, ABS

Week in Review (August 1– August 5)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, August 01					
US	ISM Manufacturing (Jul)	52.0	52.8	53.0	The details were notably weaker.
UK	Manufacturing PMI (Jul, final)	52.2	52.1	52.8	Slowing, but still growing…for now.
EC	Manufacturing PMI (Jul, final)	49.6	49.8	52.1	Conditions set to deteriorate further.
GE	Manufacturing PMI (Jul, final)	49.2	49.3	52.0	Conditions set to deteriorate further.
GE	Retail Sales (Jun, m/m)	0.3%	-1.6%	1.2% (↑)	Bad, but not entirely disastrous.
FR	Manufacturing PMI (Jul, final)	49.6	49.5	51.4	Conditions set to deteriorate further.
IT	Manufacturing PMI (Jul)	49.0	48.5	50.9	Conditions set to deteriorate further.
IT	Unemployment Rate (Jun)	8.1%	8.1%	8.2% (↑)	Not much movement yet.
JN	Manufacturing PMI (Jul, final)	n/a	52.1	52.7	Holding ground.
AU	Melbourne Institute Inflation (Jul, y/y)	n/a	5.4%	4.7%	No respite.
Tuesday, August 02					
US	JOLTS Job Openings (Jun, thous)	11,000	10,698	11,303 (↑)	Further retreat in store.
US	Wards Total Vehicle Sales (Jul, mn)	13.4	13.4	13.0	Still heavily supply-constrained.
UK	Nationwide House PX (Jul, m/m)	0.2%	0.1%	0.2% (↓)	Cooling down.
AU	RBA Cash Rate Target (Aug 2)	1.85%	1.85%	1.35%	Moving higher.
Wednesday, August 03					
US	Factory Orders (Jun, m/m)	1.2%	2.0%	1.8% (↑)	Solid.
US	Durable Goods Orders (Jun, m/m, final)	1.9%	2.0%	0.8%	Solid.
US	ISM Services Index (Jul)	53.5	56.7	55.3	Surprising acceleration; first in four months.
UK	Services PMI (Jul, final)	53.3	52.6	54.3	Slowing down.
EC	Services PMI (Jul, final)	50.6	51.2	53.0	Welcome resilience; how long can it last.
GE	Services PMI (Jul, final)	49.2	49.7	52.4	Soft.
IT	Retail Sales (Jun, m/m)	n/a	-1.1%	2.0% (↑)	Uninspiring.
Thursday, August 04					
US	Trade Balance (Jun, $ bn)	-80.0	-79.6	-84.9 (↑)	Improving.
US	Initial Jobless Claims (30 Jul, thous)	260	260	254 (↓)	Turning higher.
US	Continuing Claims (23 Jul, thous)	1,383	1,416	1,368 (↑)	Have bottomed, turning gently higher.
CA	Building Permits (Jun, m/m)	-2.0%	-1.5%	1.6% (↓)	Declining.
UK	BoE Bank Rate	1.75%	1.75%	1.25%	Biggest rate hike in 27 years
GE	Factory Orders (Jun, m/m)	-0.9%	-0.4%	-0.2% (↓)	Uninspiring.
Friday, August 05					
US	Change in Nonfarm Payrolls (Jul, thous)	250	528	398 (↑)	Still solid, but slowing.
US	Unemployment Rate (Jul)	3.6%	3.5%	3.6%	Back to Feb 2020 levels.
US	Consumer Credit (Jun, $ bn)	27.0	40.2	22.8	Another explosion higher!
CA	Unemployment Rate (Jul)	5.0%	4.9%	4.9%	Still at record low.
GE	Industrial Production (Jun, m/m)	-0.3%	0.4%	-0.1% (↓)	Uninspiring.
FR	Industrial Production (Jun, m/m)	-0.3%	1.4%	0.2% (↑)	Still relative leadership.
IT	Industrial Production (Jun, m/m)	-0.1%	-2.1%	-1.1%	Disappointing.
JN	Labor Cash Earnings (Jun, y/y)	1.9%	2.2%	1.0%	Impressive pick-up.

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

Week In Preview (August 8– August 12)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, August 08				
No major data releases				
Tuesday, August 09				
US	NFIB Small Business Optimism (Jul)	89.3	89.5	
US	Nonfarm Productivity (Q2, prelim)	-4.5%	-7.3%	
AU	NAB Business Confidence (Jul)	n/a	1	
AU	Westpac Consumer Conf Index (Aug)	n/a	83.8	
Wednesday, August 10				
US	CPI (Jul, y/y)	8.7%	9.1%	Lower gasoline prices help a lot.
US	Real Avg Weekly Earnings (Jul, y/y)	n/a	-4.4%	
US	Monthly Budget Statement (Jul, $bn)	n/a	-88.8	
GE	CPI (Jul, y/y, final)	7.5%	7.5%	
JN	PPI (Jul, y/y, final)	8.5%	9.2%	
Thursday, August 11				
US	PPI (Jul, y/y)	10.4%	11.3%	
US	Initial Jobless Claims (06 Aug, thous)	265	260	
US	Continuing Claims (30 Jul, thous)	1,405	1,416	
Friday, August 12				
US	U. of Mich. Sentiment (Aug, prelim)	52.5	51.5	
UK	GDP (Q2, q/q, prelim)	-0.2%	0.8%	Q2 is expected to be weak.
UK	Industrial Production (Jun, m/m)	-1.4%	0.9%	Weakening.
EC	Industrial Production (Jun, m/m)	0.2%	0.8%	
FR	Unemployment Rate (Q2)	7.1%	7.1%	
FR	CPI (Jul, y/y, final)	6.1%	6.1%	

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

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	6.3	6.6	6.3	6.3	6.8
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	5.7	6.7	6.8	7.7	8.1
UK	Target: CPI 2.0% y/y	6.2	7.0	9.0	9.1	9.4
Eurozone	Target: CPI below but close to 2.0% y/y	5.9	7.4	7.4	8.1	8.6
Japan	Target: CPI 2.0% y/y	0.9	1.2	2.5	2.5	2.4
Australia	Target Range: CPI 2.0%-3.0% y/y	5.1	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		Feb	Mar	Apr	May	Jun
US	8.5	8.3	8.6	9.1			10.4	11.6	11.0	10.9	11.3
Canada	6.7	6.8	7.7	8.1			16.0	18.1	17.0	15.7	14.3
UK	7.0	9.0	9.1	9.4			10.3	12.1	14.8	15.7	16.5
Eurozone	7.4	7.4	8.1	8.6			31.5	36.9	37.3	36.2	35.8
Germany	7.3	7.4	7.9	7.6	7.5		25.9	30.9	33.5	33.6	32.7
France	4.5	4.8	5.2	5.8	6.1		20.2	24.8	25.1	24.9	25.0
Italy	6.5	6.0	6.8	8.0	7.9		32.7	36.9	35.3	34.6	34.1
Japan	1.2	2.5	2.5	2.4			9.4	9.3	9.9	9.3	9.2
Australia	5.1	6.1	6.1	6.1			4.9	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		24.5	6.9	6.6	8.7	
Eurozone	2.1	2.3	0.4	0.5	0.7	14.6	3.9	4.8	5.4	4.0
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	0.6	-0.8	1.0	-0.1		7.4	1.2	0.4	0.7	
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				
	Feb	Mar	Apr	May	Jun	Feb	Mar	Apr	May	Jun
US	0.8	0.7	0.8	0.0	-0.2	7.0	4.9	5.6	4.8	4.2
Canada	0.9	1.2	1.6	-0.8		3.7	4.1	7.5	6.8	
UK	-0.5	0.3	0.0	0.8		1.9	1.0	1.7	1.4	
Germany	0.4	-4.2	1.3	-0.1	0.4	2.8	-4.5	-2.5	-1.7	-0.4
France	-1.2	-0.4	-0.3	0.2	1.4	2.1	-0.1	-0.6	-0.3	1.4
Italy	3.9	0.1	1.3	-1.1	-2.1	3.3	3.1	3.4	3.4	-1.0
Japan	2.0	0.3	-1.5	-7.5	8.9	0.5	-0.8	-3.4	-4.7	-3.1

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			
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	

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	
Germany	7.4	6.7	5.2	7.3	8.2	8.8	7.8	7.0	6.4	5.0	
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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