August 6, 2021
Commentary

Weekly Economic Perspectives

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The Economy

A pretty good week in macro drives risk-on sentiment in markets.

US

As service industries benefit from improved "re-opening" demand, employment gains remain brisk. In fact, the July **payroll report** bested expectations with 943,000 new jobs added during the month and a 119,000 upward revision to prior months. Seasonal factors that lifted government payrolls by 261,000 flattered the report, but private sector job gains were also solid at 703,000. Job gains were broad, with retail being the notable exception to the improving trend. There were no huge surprises in the report, not big changes from recent trends. Leisure and hospitality once again accounted for the bulk of job gains (+390,000). Two encouraging details was the 11,000 increase in construction jobs; this comes after three consecutive declines and perhaps suggest that the moderating lumber prices may drive builders to reaccelerate activity. If so, it would be not a moment too soon to help ameliorate extreme upward pressures in house prices. Financial services added (+22,000), most since October.

The household survey showed a 1,043,000 surge in employment (the most since last October) and a 782,000 decline in unemployment. This lifted the labor force participation rate by a tenth to 61.7% and lowered the **unemployment rate** by half a percentage point to 5.4%. The manufacturing workweek lengthened by 12 minutes to 40.5 hours, although the overall workweek was unchanged. Even so, thanks to higher employment, total hours worked increased 0.6%.

The **wage data** were stronger than expected; this may well be the most important piece of the entire report. Average hourly earnings rose 0.4% m/m for both the total employed population and for production and non-supervisory employees (a more homogeneous group). The two respective measures of wage inflation stand at 4.0% y/y and 4.7% y/y, respectively. This is materially higher than where the labor market was clearing prior to the Covid crisis and warrants close watching.

Figure 1: US Wage Inflation Settling At Elevated Levels

Sources: SSGA Economics, BLS, NFIB

The pace of growth in manufacturing activity is slowing but remains historically elevated. Moreover, at least part of this slowdown likely reflects supply chain challenges rather than deteriorating demand conditions. The **ISM manufacturing** index moderated another 1.1 points in August, but only to a still very robust 59.5. Production eased 2.4 points to 58.4, the lowest level since June 2020. However, despite ticking a bit lower, new orders remain extremely high at 64.9. Supply chain challenges remain acute. Admittedly, supplier deliveries shortened for the first time since February, but are elevated historically. Inventories declined—it seems manufacturers just can't get ahead of demand to rebuild depleted stocks! And while respondents have been saying for months that customer inventories are too low, that metric just touched another record low. Having dipped briefly (and ever so slightly) into contraction in June, the employment metric rebounded to a three-month high of 52.9. Conversely, the price metric—which rose in June to the highest levels since 1979—dropped 6.4 points in July, but only to a highly elevated 85.7.

Non-manufacturing activity accelerated sharply and somewhat unexpectedly in July. The **non-manufacturing ISM index** surged 4.0 points to a new record of 64.1. Notably, the string of 60+ readings has now extended to a record five consecutive months (the prior record was three in 2018). The details were very strong. New orders rose, new export orders surged, and employment rebounded sharply in what should be a good signal for payrolls growth. The supply chain challenges so obvious in manufacturing are evident here also, though not quite as acute. Supplier deliveries lengthened, backlogs continue to accumulate at a rapid pace (but not quite as aggressively as before) and inventories are shrinking. Price pressures continue to build; indeed, the price metric hit a new record high of 82.3. Are we in the midst of an "inflation rotation" from goods to services?

Consumer credit surged way past expectations for the second consecutive month in June. And once again, there was a big contribution (nearly half, in fact) from revolving credit; this component skyrocketed by $18 billion—the most since an anomalous surge in January 2006. Meanwhile, non-revolving credit (mostly mortgages and auto loans) posted another big increase to touch yet another record high.

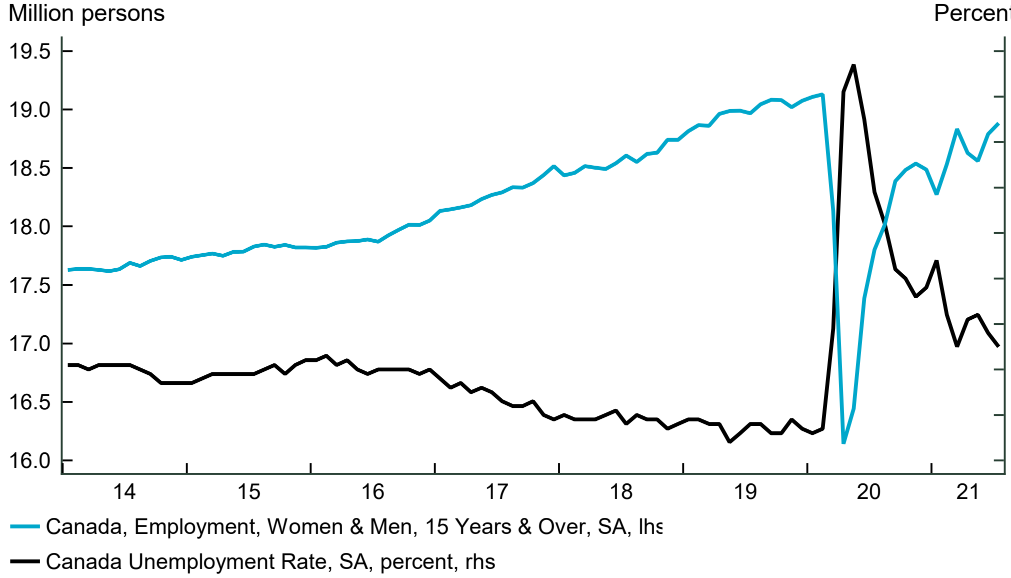
One thing consumers don't seem to be directing that credit towards is new cars. Having declined 8.2% m/m in May and 9.6% in June, **motor vehicle sales** declined another 4.0% in July. The annualized 14.7 million level was the lowest since July 2020. Even if this likely reflect supply constraints rather than materially softer demand, it will nonetheless be a drag on July retail sales and private consumption.

Factory orders rose a better than expected 1.5% in June, a positive surprise further accentuated by a sizable upward revision to the May data. Aircraft orders are now making a positive contribution, following months of order cancellations in 2020 amid the Dreamliner debacle. Capital goods orders increased 2.7% but core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—posted a more modest 0.7% gain. Factory orders are up 22.3% y/y with core orders up 18.6% y/y.

Canada

As public health restrictions eased materially in July, the **labor market** improved again, although not quite as much as anticipated. Employment rose by 94,000, only two thirds of the expected gain. The good news, however, was that full-time jobs made up the vast majority of the gains, reversing the prior month's dynamics. The participation rate was unchanged at 65.2%, and the unemployment rate eased three tenths to 7.5%. The labor underutilization rate dropped 1.2 percentage points to 14.4%. The labor market is poised for further improvements in coming months amid "re-opening" demand.

Figure 2: Canada's Labor Market Continues To Heal



Sources: SSGA Economics, StatCan

Building permits increased 6.9% in June. Seven provinces contributed to the gain, led by Ontario, which jumped 22.7%. Construction intentions in the residential sector were up 9.1%, while that for the non-residential sector advanced 2.2%.

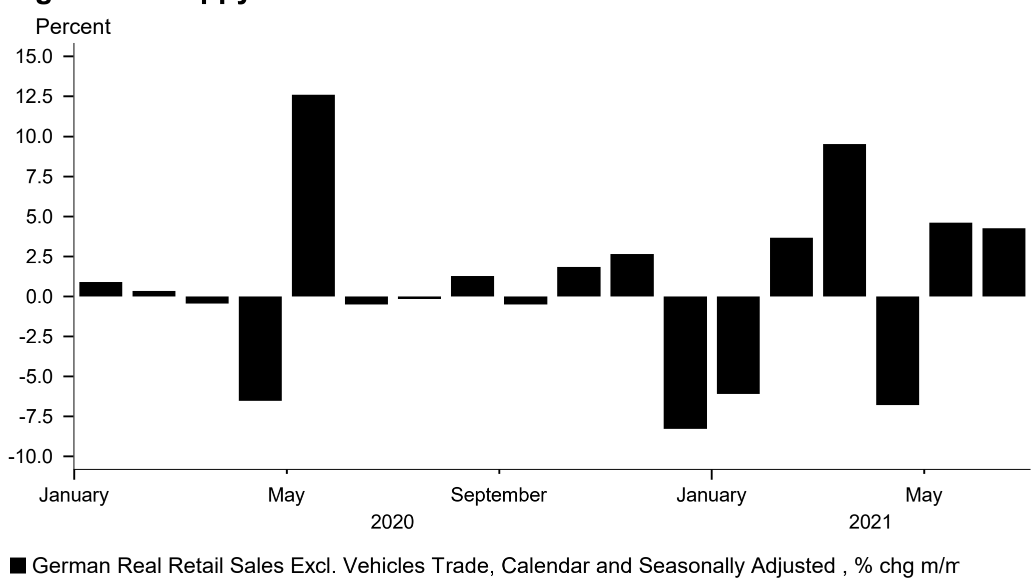
UK

At the time, we described **Bank of England**'s June meeting as "a placeholder for more meaningful decisions to be taken perhaps at the August meeting". And indeed, August brought us a meaningful discussion—including a dissent on the asset purchase target—and some important changes to forward guidance. It also brought us the formal inclusion of negative interest rates in the Bank's operational toolkit. As always when there is a new Monetary Policy report, there was a lot of attention on the new forecasts. The changes to the growth projections were almost insignificant but the 2021 inflation forecast was raised sharply from 2.5% to 4.0%. Still, by 2023, both inflation and the output gap are seen converging to the same place where they were projected to be in the May forecast. In terms of the actual decision, no changes were made to either the Bank Rate or the QE program, although there was a dissent in favor of reducing the ultimate target of government bond purchases from £875 to £830 billion. Former Chief Economist Andy Haldane had dissented along similar lines in May, so it is interesting to see another person taking that view. The change—and it was a hawkish one—came in respect to forward guidance around tapering asset purchases. Specifically, the Bank said that, provided economic conditions warranted the move, it would initiate tapering via ending reinvestments when the Bank Rate reached 0.5% (1.5% previously) and would consider actively selling assets when it reached 1.0%. The addition of negative interest rates as a policy tool was one reason for this change, as was the MPC's view that the impact of any unwind would be "smaller than that of asset purchases on average over the past". We would add our own third rationale: that given uncertainty over the terminal rate and given the increase in the size of the balance sheet, it makes sense to start unwinding at a lower level of interest rates if the MPC is to make meaningful inroads towards reducing the balance sheet. Even so, the balance sheet is expected to remain "materially higher at any given level of Bank Rate than it was before the financial crisis".

Eurozone

The ***German*** macro data has been somewhat disappointing recently, but this week's releases included some positive surprises. For one, **factory orders** bested expectations with a 4.1% jump in June, twice the expected rate; it was also accompanied by an upward revision to the May print. This took some—though not all—the sting out of the industrial production miss. **Industrial production** contracted 1.3% in June, bucking expectations of a modest gain; and the May data was revised lower. Part of the miss was due to a sizable 2.6% decline in construction, but manufacturing and mining also contracted 0.9%. Production stood 5.1% higher than in June of 2020. By far the best news was the 4.2% jump in **retail sales**, more than twice the expected gain. Here, too, the May data was revised higher, leaving sales 4.6% higher than a year earlier. We are not sure of this is enough to warrant a small upward revision to the Q2 GDP estimate, but it might.

Figure 3: Choppy Moves In German Retail Sales



Sources: German Federal Statistical Office (Statistisches Bundesamt)

Japan

Having touched 1.9% y/y in May, Japanese wage inflation moderated sharply in June, with overall wages actually down 0.1% compared to a year earlier. Bonuses were a big driver, contracting 2.3% y/y following May's 3.7% y/y advance, but the pattern held across all compensation components. Regular contracted wages only rose 0.3% y/y—the least since February and down from 0.7% in May. Only bonuses remained perky, up 18.8% y/y; but even this was about 1.6 percentage points lower than last month. The combination of softer wage growth and higher inflation resulted in a 0.4 y/y decline in real wages, a risk to future consumption.

Consumer confidence was little changed in July, partially reflecting the impact of Tokyo lockdowns imposed later in the month. The Cabinet Office maintained its assessment of consumer sentiment at "remains weak, but recovery continuing."

Australia

The **Reserve Bank of Australia** left its key policy parameters unchanged at the latest board meeting. Surprisingly though, the RBA chose to follow through with the decision to taper its asset purchase program at the September meeting to A$4 billion/week (from A$5 billion/week). We had expected a rollback of the taper decision because the original announcement in July was a finely balanced decision and the health and economic situation has deteriorated significantly since then. The RBA retained its dovish guidance for rate hikes, not before 2024. The immediate outlook for the economy was downgraded, but the bank expects a quick recovery once the outbreak is contained. Given the extension in lockdowns in Sydney (at least 2 months and ongoing), Victoria & South Australia (about 2 weeks with ongoing restrictions), and now Brisbane (at least 1 week and ongoing), we still think that the RBA might choose to delay the taper decision in September.

In his statement to Parliament's Standing Committee on Economics Governor Lowe insisted that the fiscal response was critical to RBA's decision. The Statement of Monetary Policy (SoMP) released later in the week also provides some insight. Notwithstanding the hit to the economy from lockdowns, the August SoMP upgraded the economic outlook. Wage growth has been revised higher and unemployment lower. The RBA would like to see inflation overshoot 2% on a consistent basis, which according to RBA's forecasts is breached only in the latter half of 2023. We still feel the RBA might choose to push the QE taper back until November, with a strong case for lift-off commencing in end 2023.

Other Notables

Sticky underlying inflation is fast becoming a concern in emerging markets. *Turkey's* **inflation** climbed more than expected in July (19% y/y) to nearly the level of the central bank's benchmark interest rate, quashing chances of an early cut.

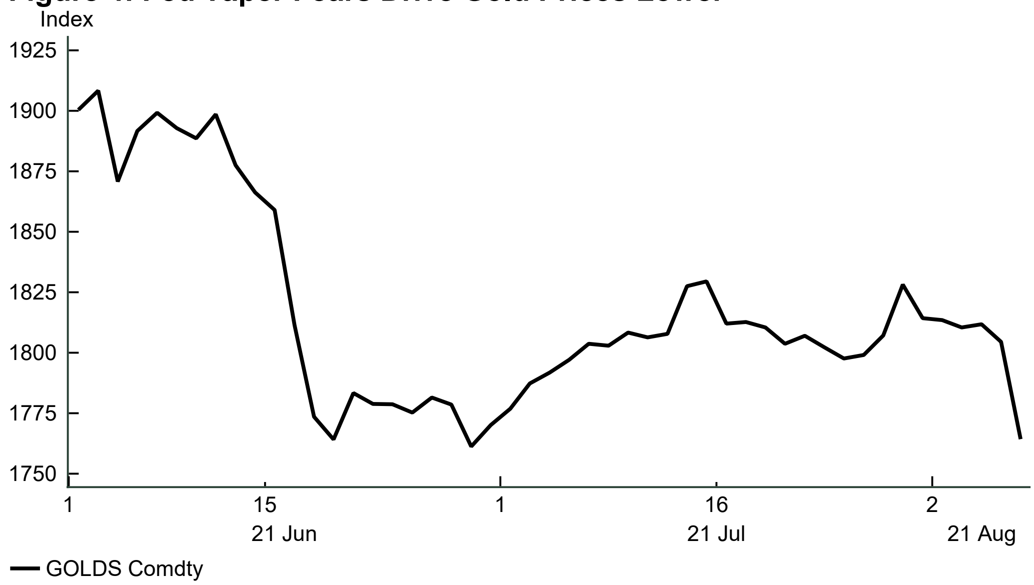
The **Brazilian central bank** (BCB) hiked the Selic rate by 100 basis points to 5.25% over inflation concerns.

The **Reserve Bank of India** kept policy parameters unchanged but upgraded its inflation outlook for FY 2022 from 5.1% to 5.7% y/y and held on to the growth outlook at 9.5%. On a positive, manufacturing PMI rebounded to above 50, while Services PMI also improved.

The Market This Week

A stronger than expected US payrolls report reignited worries around an earlier Fed taper and drove gold prices sharply lower on Friday.

Figure 4: Fed Taper Fears Drive Gold Prices Lower



Sources: SSGA Economics, Bloomberg

Equities: An all-around strong week for equities.

Bonds: Yields are mixed, with US up the most on strong payroll report.

Currencies: Early taper worries lift the dollar.

Commodities: Oil plunges on higher inventories, gold plunges on taper worries.

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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®	4436.52	0.9%	18.1%	1.30	7	38	92.8	0.7%	3.2%
Canada	TSE 300	20475.42	0.9%	17.4%	1.24	4	57	1.2554	0.6%	-1.3%
UK	FTSE®	7122.95	1.3%	10.3%	0.61	5	41	1.3872	-0.2%	1.5%
Germany	DAX	15761.45	1.4%	14.9%	-0.46	1	11			
France	CAC-40	6816.96	3.1%	22.8%	-0.12	-1	22	1.1762	-0.9%	-3.7%
Italy	FTSE® MIB	26000.28	2.5%	16.9%	0.57	-5	2			
Japan	Nikkei 225	27820.04	2.0%	1.4%	0.02	-1	-1	110.25	0.5%	6.8%
Australia	ASX 200	7538.416	2.0%	14.4%	1.19	1	22	0.7356	0.2%	-4.4%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	70.28	-6.8%	37.3%	58.9%
Gold	US $/troy oz	Bloomberg	1763.03	-2.8%	-7.1%	-14.6%

Source: Bloomberg®

Week in Review (Aug 2–Aug 6)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, Aug 2					
US	ISM Manufacturing (Jul)	60.9	59.5	60.6	Still very elevated historically.
UK	Manufacturing PMI (Jul, final)	60.4(p)	60.4	63.9	Confirms initial read.
EC	Manufacturing PMI (Jul, final)	62.6(p)	62.8	63.4	Very good.
GE	Retail Sales (Jun, m/m)	2.0%	4.2%	4.6%(↑)	One piece of good news. We need more!
GE	Manufacturing PMI (Jul, final)	65.6(p)	65.9	65.1	Excellent.
FR	Manufacturing PMI (Jul, final)	58.1(p)	58.0	59.0	Very good.
IT	Manufacturing PMI (Jul)	61.5	60.3	62.2	Still very strong.
JN	Consumer Confidence (Jul)	36.9	37.5	37.4	Partially reflects impact of lockdown.
JN	Manufacturing PMI (Jul, final)	52.2(p)	53	52.4	Output and new orders rise.
Tuesday, Aug 3					
US	Factory Orders (Jun, m/m)	1.0%	1.5%	2.3%(↑)	Good.
US	Durable Goods Orders (Jun, final, m/m)	0.8%(p)	0.9%	2.3%	Aircraft orders now helping.
US	Total Vehicle Sales (Jul, mil.)	15.1	14.7	15.4	Lowest since July 2020.
AU	RBA Monetary Policy Decision	0.10%	0.10%	0.10%	RBA chooses to retain QE taper in September.
Wednesday, Aug 4					
US	ISM Services (Jul)	60.5	64.1	60.1	New record high!
CA	Building Permits (Jun, m/m)	6.3%	6.9%	-12.9%(↑)	A healthy rebound.
UK	Services PMI (Jul, final)	57.8(p)	59.6	62.4	Much better than the preliminary read!
EC	Services PMI (Jul, final)	60.4(p)	59.8	58.3	Solid.
GE	Services PMI (Jul, final)	62.2(p)	61.8	57.5	Solid.
IT	Retail Sales (Jun, m/m)	1.9%	0.7%	-0.1%(↓)	Somewhat disappointing.
JN	Services PMI (Jul, final)	46.4(p)	47.4	48	Renewed contraction in employment.
AU	Retail Sales (Jun, final, m/m)	-1.8%(p)	-1.8%	0.4%	Quarterly volumes up 0.8% q/q in Q2.
Thursday, Aug 5					
US	Initial Jobless claims (Jul 31, thous)	383	385	399(↓)	Better, but still high.
US	Continuing claims (Jul 24, thous)	3255	2930	3296(↑)	Biggest decline in a while.
US	Trade Balance (Jun, $ bil.)	-74.2	-75.7	-71.0(↑)	New record!
CA	Trade Balance (Jun, C$ bil.)	-0.6	3.2	-1.6(↓)	Sharp increase in energy exports.
UK	BoE Monetary Policy Decision	0.10%	0.10%	0.10%	More Hawkish forward guidance around taper.
GE	Factory Orders (Jun, m/m)	2.0%	4.1%	-3.2%(↑)	Good!
FR	Industrial Production (Jun, m/m)	0.5%	0.5%	-0.4%(↓)	OK.
Friday, Aug 6					
US	Change in Nonfarm Payrolls (Jul, thous)	858	943	938(↑)	Solid report, sizable upward revision.
US	Unemployment Rate (Jul)	5.7%	5.4%	5.9%	Should intensify the taper debate.
US	Consumer Credit (Jun, $ bil.)	23.0	37.7	36.7(↑)	Big surge in revolving credit.
CA	Unemployment Rate (Jul)	7.4%	7.5%	7.8%	Improving.
GE	Industrial Production (Jun, m/m)	0.5%	-1.3%	-0.8%(↓)	Disappointing.
IT	Industrial Production (Jun, m/m)	1.1%	1.0%	-1.6%(↓)	In line with expectations.
JN	Labor Cash Earnings (Jun, y/y)	1.1%	-0.1%	1.9%	Sharp fall in special wages (includes bonuses).
AU	RBA Statement on Monetary Policy				Going ahead with taper in September.

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

Week Preview (Aug 9–Aug 13)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, Aug 9				
US	JOLTS Job Openings (Jun, thous)	9270	9209	
FR	Bank of France Ind. Sentiment (Jul)	na	107	
Tuesday, Aug 10				
US	NFIB Small Business Optimism (Jul)	102.0	102.5	This indicator bears close watching.
US	Nonfarm Productivity (Q2, prelim, q/q)	3.5%	5.4%	
GE	ZEW Investor Expectations (Aug)	na	63.3	
AU	NAB Business Confidence (Jul)	na	11	Impact of lockdowns to show up.
JN	Tertiary Industry Index (Mar, m/m)	na	0.3%	
Wednesday, Aug 11				
US	CPI (Jul, y/y)	5.3%	5.4%	
US	Real Avg Weekly Earnings (Jul, y/y)	na	-1.4%	
US	Monthly Budget Statement (Jul, $ bil.)	-255	-174.2	
Thursday, Aug 12				
US	Initial Jobless claims (Aug 7, thous)	na	385	
US	Continuing claims (Jul 31, thous)	na	2930	
US	PPI (Jul, y/y)	7.1%	7.3%	
UK	GDP (Q2, prelim, q/q)	4.8%	-1.6%	Solid rebound.
UK	Industrial Production (Jun, m/m)	na	0.8%	
EC	Industrial Production (Jun, m/m)	0.4%	-1.0%	
JN	PPI (Jul, y/y)	5.0%	5.0%	
Friday, Aug 13				
US	U of Mich Cons Sentiment (Aug, prelim)	81.2	81.2	
FR	Unemployment Rate (Q2)	na	7.8%	

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	1.6	2.5	3.6	4.0	4.0
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	1.1	2.2	3.4	3.6	3.1
UK	Target: CPI 2.0% y/y	0.4	0.7	1.5	2.1	2.5
Eurozone	Target: CPI below but close to 2.0% y/y	0.9	1.3	1.6	2.0	1.9
Japan	Target: CPI 2.0% y/y	-0.4	-0.2	-0.4	-0.1	0.2
Australia	Target Range: CPI 2.0%-3.0% y/y	1.1	1.1	3.8	3.8	3.8

Source: Macrobond

Key Interest Rates

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
US (top of target range)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
UK (Bank Rate)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan (OCR)	-0.06	-0.03	-0.03	-0.03	-0.01	-0.02	-0.04	-0.02	-0.03	-0.05	-0.04
Australia (OCR)	0.25	0.25	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2013	2014	2015	2016	2017	2018	2019	2020	Forecast 2021	Forecast 2022
US	-3.0	-2.6	-2.6	-3.7	-4.3	-5.4	-6.1	-11.7	-12.9	-6.8
Canada	-1.5	-0.6	0.0	0.1	-0.3	0.0	0.3	-7.8	-6.7	-4.2
UK	-4.2	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	0.5	-5.0	-4.8
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.5	-0.5	-0.5	-4.0	-4.6	-2.6
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-2.6	-4.0	-0.3
France	-2.9	-2.7	-2.3	-2.1	-2.1	-1.8	-2.0	-3.6	-5.2	-4.0
Italy	-0.5	-1.0	-0.6	-1.3	-1.7	-1.9	-1.1	-5.1	-5.2	-4.1
Japan	-7.4	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-11.3	-8.5	-3.6
Australia	-2.7	-2.7	-2.6	-2.3	-1.6	-1.2	-3.6	-9.1	-10.1	-6.9

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Mar	Apr	May	Jun	Jul		Feb	Mar	Apr	May	Jun
US	2.6	4.2	5.0	5.4			3.0	4.2	6.2	6.6	7.3
Canada	2.2	3.4	3.6	3.1			7.3	10.3	14.5	17.0	16.8
UK	0.7	1.5	2.1	2.5							
Eurozone	1.3	1.6	2.0	1.9			1.5	4.4	7.6	9.6	10.2
Germany	1.7	2.0	2.5	2.3	3.8		1.9	3.7	5.2	7.2	8.5
France	1.1	1.2	1.4	1.5	1.2		1.7	4.2	6.1	6.7	7.1
Italy	0.8	1.1	1.3	1.3	1.8		0.7	2.7	6.8	8.1	9.1
Japan	-0.2	-0.4	-0.1	0.2			-0.6	1.2	3.8	5.1	5.0
Australia	1.1	3.8	3.8	3.8			0.2	0.2	2.2	2.2	2.2

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21		Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
US	-8.9	7.5	1.1	1.5	1.6		-9.1	-2.9	-2.3	0.5	12.2
Canada	-11.3	9.1	2.2	1.4			-12.6	-5.1	-3.1	0.3	
UK	-19.5	16.9	1.3	-1.6			-21.4	-8.5	-7.3	-6.1	
Eurozone	-11.4	12.4	-0.6	-0.3	2.0		-14.4	-4.0	-4.6	-1.3	13.7
Germany	-10.0	9.0	0.7	-2.1	1.5		-11.3	-3.7	-2.9	-3.2	9.2
France	-13.5	18.8	-1.0	0.0	0.9		-18.7	-3.6	-4.2	1.7	18.7
Italy	-13.1	16.0	-1.8	0.2	2.7		-18.2	-5.2	-6.5	-0.7	17.3
Japan	-8.1	5.3	2.8	-1.0			-10.2	-5.5	-1.0	-1.5	
Australia	-7.0	3.5	3.2	1.8			-6.2	-3.7	-1.0	1.1	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Feb	Mar	Apr	May	Jun		Feb	Mar	Apr	May	Jun
US	-3.1	2.7	0.0	0.7	0.4		-4.9	1.5	17.5	16.1	9.8
Canada	-1.5	1.4	-0.2	0.6			-3.4	3.6	19.5	15.3	
UK	0.5	1.5	-1.0	0.7			-3.7	3.1	27.2	20.5	
Germany	-1.8	2.1	-0.3	-0.8	-1.3		-6.4	4.8	27.7	16.6	5.1
France	-4.6	0.9	0.1	-0.4	0.5		-6.4	14.2	43.9	20.5	7.1
Italy	0.1	0.3	1.6	-1.6	1.0		-0.9	38.3	78.1	21.2	13.7
Japan	-1.3	1.7	2.9	-6.5	6.2		-3.1	1.0	15.9	21.1	22.6

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
US	7.8	6.9	6.7	6.7	6.3	6.2	6.0	6.1	5.8	5.9	5.4
Canada	9.2	9.0	8.6	8.8	9.4	8.2	7.5	8.1	8.2	7.8	7.5
UK	5.0	5.1	5.2	5.1	5.0	4.9	4.8	4.8			
Eurozone	8.5	8.3	8.1	8.1	8.2	8.2	8.1	8.1	8.0	7.7	
Germany	6.3	6.2	6.2	6.1	6.0	6.0	6.0	6.0	5.9	5.9	5.7
France	8.9	8.2	8.0	7.8	7.9	8.1	8.1	7.8	7.5	7.3	
Italy	10.0	10.1	9.7	9.9	10.3	10.3	10.2	10.4	10.2	9.7	
Japan	3.0	3.1	3.0	3.0	2.9	2.9	2.6	2.8	3.0	2.9	
Australia	6.9	6.9	6.8	6.6	6.4	5.9	5.7	5.5	5.1	4.9	

Source: Macrobond

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

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
US	-2.5	-2.4	-2.3	-2.2	-1.9	-2.1	-3.2	-3.3	-3.3	-3.6	
Canada	-2.8	-3.0	-1.7	-2.0	-1.6	-3.0	-1.6	-1.8	-0.9	0.2	
UK	-4.7	-6.3	-3.2	-3.2	0.3	-3.5	-3.0	-2.6	-4.8	-2.4	
Eurozone	2.5	3.4	1.5	2.9	2.5	2.1	1.1	2.5	3.2	3.8	
Germany	7.1	8.0	7.4	7.8	7.3	6.9	5.1	7.3	7.8	8.0	
France	-0.8	0.3	-0.3	-0.7	-0.4	-1.3	-3.5	-2.1	-0.9	-1.1	-0.9
Japan	4.3	3.7	4.6	4.2	3.6	4.0	3.4	3.1	3.4	3.5	3.5
Australia	-1.5	-2.5	-2.8	-3.5	-2.2	-2.7	-2.2	-1.4	-0.2	1.2	

Source: Macrobond

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