STATE STREET GLOBAL ADVISORS

December 2, 2022
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
US service sector to continue expanding. Bank of Canada may downshift to a 25 bps hike. The Reserve Bank of Australia seen hiking by 25 bps as well.

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The Economy

A heavy data week that doesn't necessarily clarify the inflation picture.

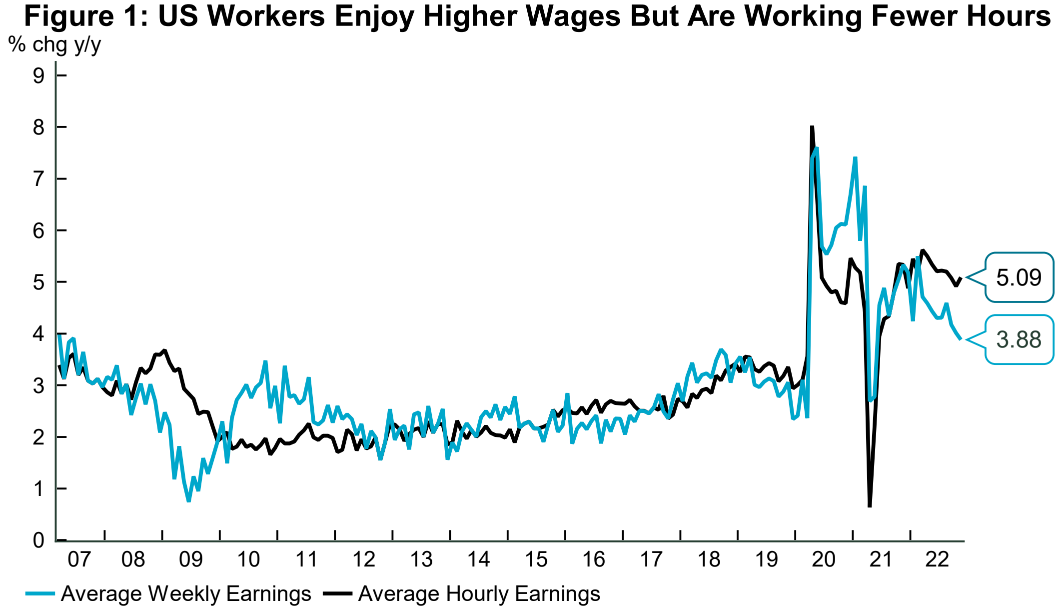
US

Employment growth surprised to the upside again in November, indicating an impressive degree of resilience in the US labor market. Payroll gains in the establishment report exceeded expectations at 263,000, even though the prior two months were revised down by a net 23,000. Notably, for the second straight month, the household report showed a sizable decline in employment (-138,000). The number of unemployed declined by 48,000, a combination that reduced the labor force by 186,000 and the participation rate by one tenth to 62.1%. The **unemployment rate** was unchanged at 3.7%.

Private payrolls rose by 221k, the lowest since April 2021, while government added 42,000. Goods producing sectors added 37k jobs, with construction accounting for more than half of those. Service industries added 184,000 jobs, the least since an outright decline in December 2020. Within services, the sector breakdown showed a little more divergence than last month. Employment gains remained robust in education and health (82,000) and in leisure and hospitality (88,000) but there were sizable losses in trade and transportation (-49,000) and retail trade (-30,000).

The most troubling bit of the report was the much stronger than expected wage data. Total **average hourly earnings (AHE)** rose 0.6%, which was twice the expected rate, a surprise augmented by an upward revision to the prior month. AHE for production and non-supervisory employees rose 0.7%, the most since last December. These big gains caused the two corresponding measures of wage inflation to reaccelerate by two tenths each to 5.1% y/y and 5.8% y/y, respectively.

Figure 1: US Workers Enjoy Higher Wages But Are Working Fewer Hours



Sources: Macrobond, SSGA Economics, BLS

The only partial offset to this was that the hours data were quite soft, implying a less intense use of existing labor resources by employees. The manufacturing workweek dipped to the lowest level since December 2020 and the overall workweek was the shortest since April 2020. Total aggregate hours worked declined 0.2% and aggregate manufacturing hours declined 0.4%. This has created a widening gap between the growth in average hourly earnings and average weekly earnings, with the latter lagging. This typically happens before labor demand dips enough to pull wage inflation lower. Indeed, a gap of this magnitude was last seen in 2009. How it resolves this time around will determine how the economic cycle plays out in 2023.

For now, labor demand still greatly exceeds labor supply. **Job openings** declined by 353,000 in October, unwinding most of September's surprise gain, but they are still very elevated at 10.3 million. Below the headline number, the performance divergence between small, medium, and large firms has widened. While job openings are medium to large firms have turned meaningfully lower, they have held up extremely well at firms will less than 50 employees. Such divergence is unusual and unlikely to be sustained. For the time being, this dynamic might suggest that smaller companies are finally having a chance to compete for labor now that labor demand from larger players is cooling. This could keep hiring healthy yet still facilitate ongoing moderation in wage inflation going forward. However, given November's payrolls report this may not be quite as easily achieved so long as labor demand remains this elevated. The message of persistently robust labor demand was reinforced by the slight uptick in the **Conference Board labor differential** measure in November.

Despite the strong labor market, consumer finances are deteriorating. While nominal spending remains resilient—it indeed grew 0.8% in October—it has consistently outpaced income this year, pushing the **personal savings rate** to an extremely low 2.3%. This is the lowest level ever recorded save for a one month dip to 2.1% in July 2005 and raises serious concerns about the sustainability of the current consumer spending path. The good news for now is that the 0.5% jump in real spending in October will boost Q4 GDP growth.

The manufacturing sector has slipped into recession. The **ISM manufacturing index** dipped below the neutral 50 level for the first time since May 2020, losing 1.2 points to settle at 49.0. The production subcomponent was stronger at 51.5 but forward-looking new orders moved further into contraction territory at 47.2. Backlogs are now rapidly shrinking, down to 40.0, the lowest level since and barely a shade above April-May 2020 lows. Price pressures are receding, with the price component at 43.0, indicating outright price declines for the second month running. Interestingly, one of the comments included in the report noted that "Pushing for cost reductions" from suppliers "based on market evidence has been surprisingly successful". Should demand continue to slow, suppliers may actually start to voluntarily lower prices.

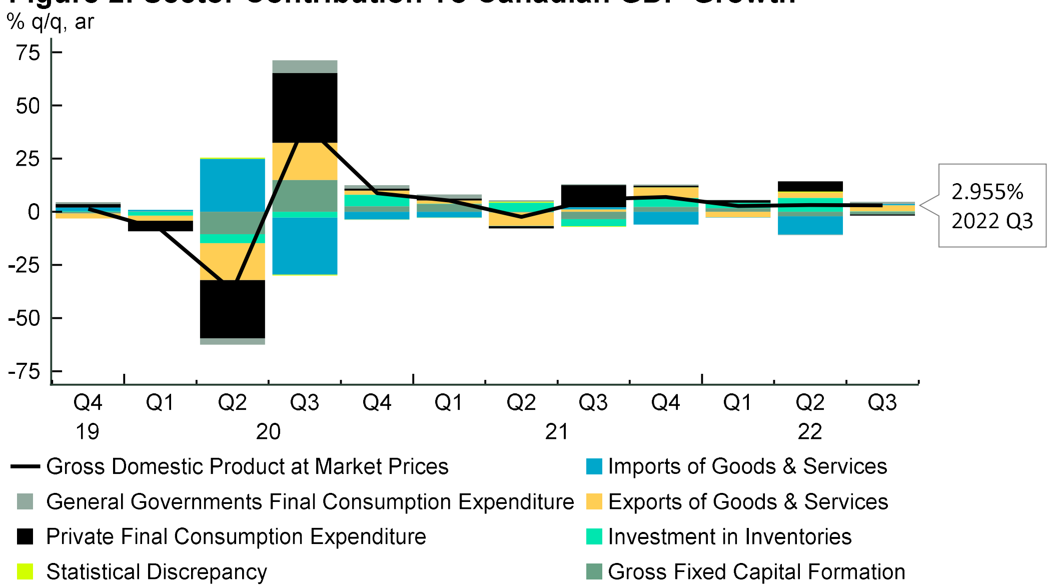
After incredible run-ups over the previous two years, house prices are now in the process of correcting materially lower. The **S&P CoreLogic/Case-Shiller composite 20-city home price index** dropped another 1.2% in September (and it was just one hundredth of a percent away from rounding to -1.3%), marking the third consecutive decline. This lowered this measure of house price inflation from 13.1% y/y in August to 10.4% y/y in September. The 3 months annualized growth rate has collapsed from close to 30% y/y in April to -12.5% in September. Further declines are in store. Some cities fared substantially worse: the 3-month annualized change in home prices in

San Diego, Seattle, and San Francisco was -22.7%, -25.5%, and -32.1% y/y, respectively! The **FHFA house price measure** help up much better in August, edging up 0.1% after two sizable declines. Even so, this measure of house price inflation also moderated, down one percentage point to 11.0% y/y.

Canada

A strong contribution from foreign trade lifted Canada's **Q3 GDP** growth to 2.9% seasonally adjusted annualized rate (saar), almost twice the consensus expectations. Exports rose 9.0%, while imports declined 1.5%, turning net exports into the largest contributor to growth during the quarter. However, the devil was in the details. The underlying weaknesses in consumption and business investment persisted. Household consumption declined 1.0% saar, detracting over half a percentage point from growth. Business fixed capital formation continued to contract after plunging in the previous quarter. Growth in residential investments remained negative at -15.4%. Inventory accumulation remained extremely high and while their contribution to growth was small, the absolute levels of inventories raises serious concerns about a correction in the opposite direction in coming quarters. Household disposable income rose 0.8% q/q while spending slowed to 0.5% from 4.3% in Q2. This allowed the savings rate to increase to 5.7% from 5.1% in Q2.

Figure 2: Sector Contribution To Canadian GDP Growth



Sources: SSGA Economics, StatCan

The **November employment data** showed renewed signs of a cooling economy as only 10,000 jobs were added. Although this was twice the consensus expectations, it is much less than the 2022 monthly average of 26.4 thousand. The tepid print makes the gargantuan 108,300 job additions in October a data aberration. The unemployment rate dropped to 5.1% and wages rose 5.4% y/y in November. All these data bolsters our view that the Bank of Canada (BoC) is closer to its terminal policy rate this cycle. We expect the BoC to raise its policy rate by 25 bps next week, taking the policy rate to 4.0% and likely pausing in H1 2023.

UK

Amid higher interest rates and slowing economic growth, housing demand is fading, causing house prices to ease. The **Nationwide house price index** plunged 1.4% m/m in November, the third consecutive decline and the largest of the three. This reduced the rate of y/y price gains to 4.4%, down nearly ten percentage points from the 14.3% y/y March peak. Further declines seem likely.

Eurozone

It would be unwise to read too much into the slight improvement in ***eurozone*** **manufacturing PMI** in November. While welcome, it remains far too soon to interpret it as a sign of the sector's bottoming out, especially since energy supply concerns could resurface in acute fashion be winter's end. Nevertheless, any improvement is welcome, especially after the persistent deterioration seen over the course of this yea. The regional index gained 0.7 points in November for the first improvement since January, although this still left it well in contraction territory at 47.1. New orders and output improved more forcefully, but from lower levels and remain weak at 40.7 and 46.0, respectively. Employment edged down, but only to 52.0; and while both input and output price measures retreated, both remained in the 60's range. Regional dynamics were mirrored in the key economies, with the German, French, and Italian indexes all up slightly during the month to stand at 46.2, 48.3, and 48.4, respectively.

The retrenchment in ***German*** **consumer spending** is now intense. Real retail sales (excluding cars) dropped 2.8% m/m in October on broad based weakness that included a 5.7% plunge in clothing and shoes. October sales were 5.0% lower than a year ago. Although strong performance in the early months of 2022 means year to date sales are still up by almost 1.0% y/y.

Japan

The Ministry of Finance's **Corporate Statistics** showed that aggregated recurring profit (ARP) reached a record high in Q3 at 19.8 trillion yen. The ARP grew 18.3% y/y, driven mainly by manufacturing, where profits jumped 30.6%, largely behind a weak yen and a departure from traditional price-setting behavior. However, non-manufacturing profits dipped 43.6% on weak services demand between July and September. The silver lining is that the outlook for Q4 is better for non-manufactures on demand revival. The report showed an elevated capex (including software) growth of 9.8% y/y in Q3, raising hopes of a positive GDP revision.

The impact of the global tech-demand slowdown is seen at large on **industrial production,** which fell -2.6% m/m in October, a second consecutive decline. Production machinery fell the most by -5.4% reflecting weaknesses in demand for tech products such as semiconductors and flat panel products. However, manufacturers expect a 3.3% and 2.4% rebound in November and December. We continue to expect a production recovery to happen led by autos. However, uneasy supply-demand conditions pose substantial headwinds.

The November **manufacturing PMI** was revised lower by four-tenths to 49.0—the first contraction since January 2021. While cost pressures remained high, overseas demand slowed, undermining new orders. Further, **consumer confidence** worsened for a third month in November, reaching 28.6, almost 2 points below consensus on higher inflation. Expectations of inflation remain high at 5.0%.

Separately, **retail sales** grew a modest 0.2% m/m in October. While sales in most categories remained firm, the main drag came from autos which plunged 6.8%. This fall comes after an outlier 11.0% growth in September, however.

The **labor market** remains tight, albeit with modest improvement in supply-demand conditions. The unemployment rate remained at 2.6% in October after rising by 0.1 ppt in September. The jobs-offers ratio has improved to 1.35 on better-than-expected job openings led by the personal services sector.

Despite all data releases, the week's main news was from central bank speak. **Asahi Noguchi**, one of the biggest advocates of monetary easing, sounded surprisingly hawkish, saying the BoJ could “pre-emptively” withdraw monetary stimulus if trend inflation overshoots expectations and stays above 2%. Furthermore, the new board member Naoki Tamura opined that the BoJ should review its monetary policy framework and amend its stimulus program based on the outcome. Deputy governor Masayoshi Amamiya separately commented that uncertainties on the Japanese economy are high and assessed that a meager 1% jump in yields across the curve would incur a $212 billion valuation loss to the BoJ. Although monetary policy speeches remain vague, the fact that there is an increased discussion on policy normalization is encouraging.

Australia

The October monthly **CPI** shows that price pressures may be moderating in Australia. Inflation eased to 6.9% y/y, considerably below the 7.6% consensus expectation. Food and travel prices retreated meaningfully by -6.3% and -6.4% m/m, respectively, while fuel prices and rents jumped 7.0% and 0.5%, respectively. The trimmed-mean CPI also eased to 5.3% y/y, four-tenths below expectations. However, it is essential to exercise caution while interpreting the monthly CPI as 38% of items in the basket are marked as 0% in the first month of every quarter, as surveys report data in the subsequent months.

The moderation in CPI was echoed in **retail sales**, which fell -0.2% m/m in October bucking expectations of a modest rise. This is the first monthly contraction since December 2021; compositionally, sales fell across items except for food.

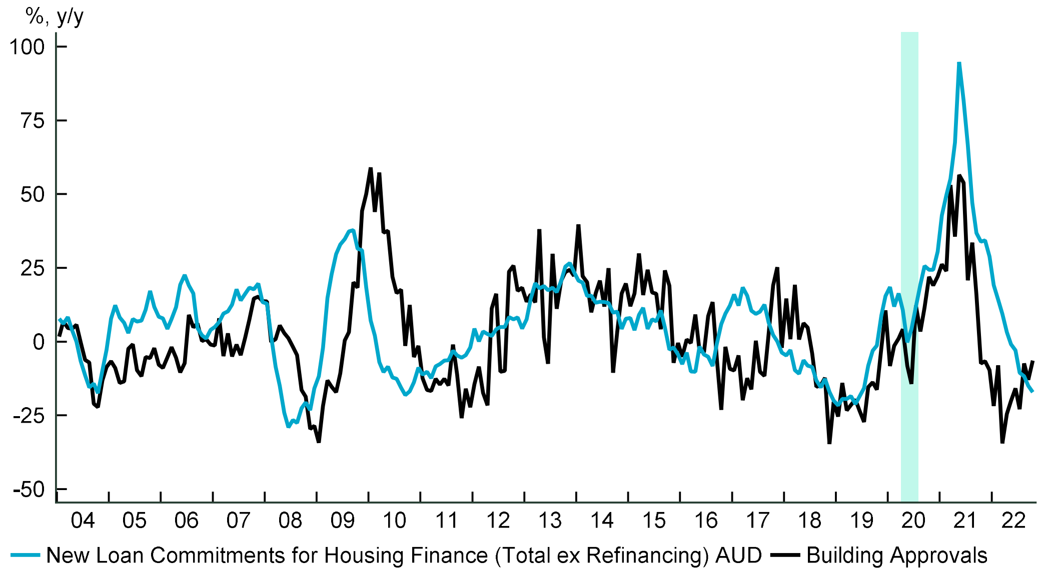
Concerns around housing are intensifying; **residential building approvals** fell -6.0% m/m in October, driven by an 11.3% drop in high-density dwelling approvals. Overall approvals are now 34% below their 2021 peak in 2021. Furthermore, **new housing loan commitments** fell 2.7% m/m in October, lower than the consensus. The fall is even between owner-occupier (-2.9%) as well as investor loans (-2.0%). Refinancing also fell slightly but remains elevated historically as borrowers look for loans at lower rates among competing loan providers (Figure 3, page 7).

Despite these weaknesses in the residential sector, **construction work done** in Q3 rose 2.2% q/q, against modest expectations, implying that lags due to material and worker scarcity are keeping housing investments going for now.

Ahead of GDP data next week, the first batch of partials showed that **capex** fell -0.6% q/q against expectations of a rise. The fall is led by a -1.6% decline in machinery & equipment investments, while capex rose +0.5% for buildings and structures. Nonetheless, forward-looking indications are robust. The fourth estimate of capex

plans in FY 2023 rose to A$ 155.7 billion, nearly 12% higher than the equivalent estimate for FY 2022.

Figure 3: Australia's Housing Sector Is Correcting



Sources: SSGA Economics, ABS

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Week in Review (November 28 – December 02)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, November 28					
JN	Unemployment Rate (Oct)	2.5%	2.6%	2.6%	Surprise.
JN	Retail Sales (Oct, m/m)	1.0%	0.2%	1.5% (↑)	Drag from autos.
AU	Retail Sales (Oct, m/m)	0.5%	-0.2%	0.6%	Broad-based fall.
Tuesday, November 29					
US	FHFA House Price Index (Sep, m/m)	-1.2%	0.1%	-0.7%	Likely just a pause on the way lower.
US	S&P CoreLogic CS 20-City (Sep, m/m)	-1.20%	-1.24%	-1.30% (↑)	Correcting lower.
US	Conf. Board Consumer Confidence (Nov)	100.0	100.2	102.2 (↓)	Labor differential ticked a little higher.
CA	GDP Annualized (Q3, q/q)	1.5%	2.9%	3.2% (↓)	Weakness in consumption more important.
GE	CPI (Nov, y/y, prelim)	10.4%	10.0%	10.4%	May have peaked.
IT	Industrial Sales (Sep, m/m)	na	-1.2%	3.4% (↓)	Unsurprisingly soft.
IT	PPI (Oct, y/y)	na	33.7%	52.0% (↓)	Base effects kicking in.
JN	Industrial Production (Oct, m/m, prelim)	-1.8%	-2.6%	-1.7%	Dragged by tech.
AU	Private Sector Credit (Oct, m/m)	0.6%	0.6%	0.7%	Well behaved and in line.
Wednesday, November 30					
US	GDP Annualized (Q3, q/q, second)	2.8%	2.9%	2.6%	Personal consumption a touch better.
US	Pending Home Sales (Oct, m/m)	-5.3%	-4.6%	-8.7% (↑)	Unsurprising given high mortgage rates.
US	JOLTS Job Openings (Oct, thous)	10,250	10,334	10,687 (↓)	Still very elevated.
GE	Unemployment Claims Rate (Nov, sa)	5.5%	5.6%	5.5%	Largely driven by war-driven migration.
FR	CPI (Nov, y/y, prelim)	6.1%	6.2%	6.2%	May have peaked.
FR	GDP (Q3, q/q, final)	0.2%	0.2%	0.2%	As initially reported.
IT	GDP WDA (Q3, q/q, final)	0.5%	0.5%	0.5%	As initially reported.
IT	CPI NIC incl. tobacco (Nov, y/y, prelim)	11.3%	11.8%	11.8% (↓)	May have peaked.
JN	Annualized Housing Starts (Oct, mn)	0.866	0.871	0.858 (↑)	In-line.
JN	Manufacturing PMI (Nov, final)	49.4 (p)	49.0	50.7	External weakness dragging below 50.
Thursday, December 01					
US	Personal Income (Oct, m/m)	0.4%	0.7%	0.4%	Wage growth more modest.
US	Personal Spending (Oct, m/m)	0.8%	0.8%	0.6%	Savings rate extremely low at 2.3%.
US	Continuing Claims (Nov 19, thous)	1,570	1,608	1,551	Highest since February.
US	ISM Manufacturing (Nov)	49.7	49.0	50.2	Manufacturing now in recession.
US	Wards Total Vehicle Sales (Nov, million)	14.50	14.14	14.90	Struggling on persistent supply limitations.
CA	Labor Productivity (Q3, q/q)	na	0.6%	0.1% (↓)	Better.
UK	Nationwide House PX (Nov, m/m)	-0.4%	-1.4%	-0.9%	In rapid retreat.
UK	Manufacturing PMI (Nov, final)	46.2 (p)	46.5	46.2	Trying to stabilize?
EC	Manufacturing PMI (Nov, final)	47.3 (p)	47.1	46.4	Stabilizing?
GE	Manufacturing PMI (Nov, final)	46.7 (p)	46.2	45.1	Stabilizing?
GE	Retail Sales (Oct, m/m)	-0.5%	-2.8%	1.2% (↑)	Another ouch!
FR	Manufacturing PMI (Nov, final)	49.1 (p)	48.3	47.2	Stabilizing?
IT	Manufacturing PMI (Nov, final)	47.0	48.4	46.5	Stabilizing?
IT	Unemployment Rate (Oct)	8.0%	7.8%	7.9%	Still OK.
JN	Consumer Confidence Index (Nov)	30.0	28.6	29.9	Inflation worries dragging confidence.
Friday, December 02					
US	Change in Nonfarm Payrolls (Nov, thous)	200	263	284 (↑)	Strong report, very strong wage growth.
US	Unemployment Rate (Nov)	3.7%	3.7%	3.7%	Participation rate declined.
CA	Unemployment Rate (Nov)	5.3%	5.1%	5.2%	Surprise, but could bounce back.

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

Week In Preview (December 05 – December 09)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, December 05				
US	Factory Orders (Oct, m/m)	0.7%	0.3%	
US	Durable Goods Orders (Oct, m/m, final)		1.0%	
US	ISM Services Index (Nov)	53.4	54.4	
CA	Building Permits (Oct, m/m)	na	-17.5%	Could fall again.
UK	Services PMI (November, final)	48.8 (p)	48.8	
EC	Services PMI (November, final)	48.6 (p)	48.6	
GE	Services PMI (November, final)	46.4 (p)	46.5	
JN	Labor Cash Earnings (Oct, y/y)	na	2.2% (↑)	A surprise beat could be in store.
Tuesday, December 06				
GE	Factory Orders (Oct, m/m)	0.1%	-4.0%	
AU	RBA Cash Rate Target (Dec 06)	3.10%	2.85%	Nearing terminal.
Wednesday, December 07				
US	Nonfarm Productivity (Q3, final)	0.3% (p)	-4.1%	
US	Consumer Credit (Oct, $, billion)	25.000	24.976	
CA	BoC Rate Decision (Dec 7)	4.00%	3.75%	We expect 25 bps, although 50 bps is equally likely.
EC	GDP (Q3, q/q, final)	0.2% (p)	0.8%	
GE	Industrial Production (Oct, m/m, sa)	-0.6%	0.6%	
IT	Retail Sales (Oct, m/m)	-0.5%	0.5%	
JN	Leading Index CI (Oct, prelim)	98.3	97.5	
JN	GDP (Q3, q/q, final, sa)	-0.3% (p)	1.1%	Could be raised a touch higher on better Capex.
AU	GDP (Q3, q/q, sa)	0.7%	0.9%	We expect 0.8%; net exports could positively surprise.
Thursday, December 08				
US	Initial Jobless Claims (Dec 03, thous)	230	225	
US	Continuing Claims (Nov 26, thous)	1,615	1,608	Trending higher.
CA	Ivey PMI (Nov, sa)		50.1	May slip below 50.
Friday, December 09				
US	PPI Final Demand (Nov, y/y)	7.1%	8.0%	Disinflation building in the pipeline.
US	U. of Mich. Sentiment (Dec, prelim)	56.4	56.8	
CA	Capacity Utilization Rate (Q3)	na	83.8%	Could be down a touch.
FR	Wages (Q3, q/q, final)	0.9% (p)	1.1%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target Jun	Jul	Aug	Sep	Oct
US	Target: PCE price index 2.0% y/y	7.0	6.4	6.2	6.3	6.0
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	8.1	7.6	7.0	6.9	6.9
UK	Target: CPI 2.0% y/y	9.4	10.1	9.9	10.1	11.1
Eurozone	Target: CPI below but close to 2.0% y/y	8.6	8.9	9.1	9.9	10.6
Japan	Target: CPI 2.0% y/y	2.4	2.6	3.0	3.0	3.7
Australia	Target Range: CPI 2.0%-3.0% y/y	6.1	7.3	7.3	7.3	

Source: Macrobond

Key Interest Rates

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
US (top of target range)	0.25	0.25	0.50	0.50	1.00	1.75	2.50	2.50	3.25	3.25	4.00
Canada (Overnight Rate)	0.25	0.25	0.50	1.00	1.00	1.50	2.50	2.50	3.25	3.75	3.75
UK (Bank Rate)	0.25	0.50	0.75	0.75	1.00	1.25	1.25	1.75	2.25	2.25	3.00
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	1.25	1.25	2.00
Japan (OCR)	-0.02	-0.01	-0.02	-0.02	-0.03	-0.04	-0.01	-0.04	-0.07	-0.06	-0.08
Australia (OCR)	0.10	0.10	0.10	0.10	0.33	0.73	1.28	1.81	2.25	2.58	2.84

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2014	2015	2016	2017	2018	2019	2020	2021	Forecast 2022	2023
US	-2.7	-2.5	-3.6	-4.1	-5.1	-5.7	-10.8	-9.5	-4.0	-5.3
Canada	-0.6	0.0	0.1	-0.3	0.0	-0.2	-8.6	-4.0	-2.7	-1.2
UK	-3.9	-3.6	-2.8	-2.3	-2.4	-2.7	0.5	-3.2	-4.3	-1.7
Eurozone	-0.7	-0.5	-0.5	-0.5	-0.3	-0.5	-4.3	-3.8	-3.5	-2.9
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-2.9	-3.0	-3.0	-1.8
France	-2.5	-2.1	-1.9	-1.9	-1.5	-2.1	-5.7	-5.1	-4.5	-4.8
Italy	-1.0	-0.6	-1.2	-1.5	-1.6	-0.9	-6.0	-5.1	-5.7	-3.6
Japan	-5.5	-4.2	-4.0	-3.4	-2.5	-2.6	-8.2	-6.3	-7.3	-3.2
Australia	-2.7	-2.6	-2.2	-1.6	-1.1	-4.0	-7.9	-6.2	-3.5	-3.1

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change Jul	Aug	Sep	Oct	Nov		PPI Year/Year % Change Jun	Jul	Aug	Sep	Oct
US	8.5	8.3	8.2	7.7			11.2	9.7	8.7	8.4	8.0
Canada	7.6	7.0	6.9	6.9			14.4	11.7	10.4	9.1	10.1
UK	10.1	9.9	10.1	11.1			19.4	19.8	18.9	18.0	17.1
Eurozone	8.9	9.1	9.9	10.6			36.1	38.1	43.4	41.9	30.8
Germany	7.5	7.9	10.0	10.4	10.0		32.7	37.2	45.8	45.8	34.5
France	6.1	5.9	5.6	6.2	6.2		25.3	26.2	27.9	26.0	21.4
Italy	7.9	8.4	8.9	11.8	11.8		34.1	36.9	40.1	41.7	28.0
Japan	2.6	3.0	3.0	3.7			9.6	9.3	9.6	10.2	9.1
Australia	7.3	7.3	7.3				5.6	6.4	6.4	6.4	

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22		Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
US	0.7	1.7	-0.4	-0.1	0.7		5.0	5.7	3.7	1.8	1.9
Canada	1.4	1.7	0.7	0.8	0.7		4.3	3.9	3.2	4.7	3.9
UK	1.8	1.6	0.7	0.2	-0.2		8.5	8.9	10.9	4.4	2.4
Eurozone	2.3	0.5	0.6	0.8	0.2		3.9	4.8	5.5	4.3	2.1
Germany	0.8	0.0	0.8	0.1	0.4		1.8	1.2	3.5	1.7	1.3
France	3.3	0.6	-0.2	0.5	0.2		3.6	5.1	4.8	4.2	1.0
Italy	2.8	0.8	0.2	1.1	0.5		4.8	6.5	6.4	5.0	2.6
Japan	-0.6	1.0	0.1	1.1	-0.3		1.2	0.5	0.9	1.6	1.9
Australia	-1.8	3.9	0.7	0.9			4.1	4.5	3.3	3.6	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Jun	Jul	Aug	Sep	Oct		Jun	Jul	Aug	Sep	Oct
US	-0.1	0.7	-0.1	0.1	-0.1		3.9	3.9	3.8	5.0	3.3
Canada	0.5	0.5	-0.4	0.0			4.3	4.6	3.8	3.6	
UK	-0.3	-0.7	-1.4	0.3			-1.8	-2.7	-4.4	-3.1	
Germany	0.9	0.0	-1.2	0.6			0.1	-0.7	2.1	2.5	
France	1.3	-1.7	2.5	-0.9	-2.6		1.0	-1.3	1.3	1.6	-2.7
Italy	-2.0	0.4	2.3	-1.8			-0.9	-1.2	2.6	-0.5	
Japan	9.2	0.8	3.4	-1.7	-2.6		-2.8	-1.2	4.2	9.6	4.5

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
US	4.0	3.8	3.6	3.6	3.6	3.6	3.5	3.7	3.5	3.7	3.7
Canada	6.5	5.5	5.3	5.2	5.1	4.9	4.9	5.4	5.2	5.2	5.1
UK	3.8	3.7	3.8	3.8	3.8	3.6	3.5	3.6			
Eurozone	6.9	6.8	6.8	6.7	6.7	6.7	6.6	6.7	6.6	6.5	
Germany	5.1	5.1	5.0	5.0	5.0	5.3	5.4	5.5	5.5	5.5	5.6
France	7.3	7.3	7.4	7.5	7.6	7.6	7.3	7.2	7.1	7.1	
Italy	8.7	8.5	8.3	8.2	8.1	8.0	7.9	7.9	7.9	7.8	
Japan	2.8	2.7	2.6	2.5	2.6	2.6	2.6	2.5	2.6	2.6	
Australia	4.2	4.0	3.9	3.9	3.9	3.5	3.4	3.5	3.5	3.4	

Source: Macrobond

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

	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
US	-2.0	-3.1	-3.2	-3.5	-3.4	-3.6	-3.8	-3.7	-4.6	-4.0	
Canada	-3.3	-1.5	-2.4	-1.4	0.0	-0.4	-0.6	0.0	0.1	0.4	-1.6
UK	-2.2	-1.1	-2.6	-6.6	-2.3	-1.2	-4.0	-0.5	-7.2	-5.5	
Eurozone	0.4	1.2	2.1	3.2	3.5	3.1	2.3	1.2	0.4	-1.4	-1.9
Germany	6.9	5.3	7.0	8.1	9.1	8.1	6.7	5.9	5.6	3.4	2.2
France	-1.3	-3.6	-2.0	-0.4	0.6	0.8	0.3	-0.3	-0.3	-1.7	-2.8
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

About State Street Global Advisors

For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost- effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's fourth-largest asset manager* with US $4.14 trillion† under our care.

* 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.