STATE STREET GLOBAL ADVISORS

February 18, 2022
Commentary

Weekly Economic Perspectives

Contents

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The Economy

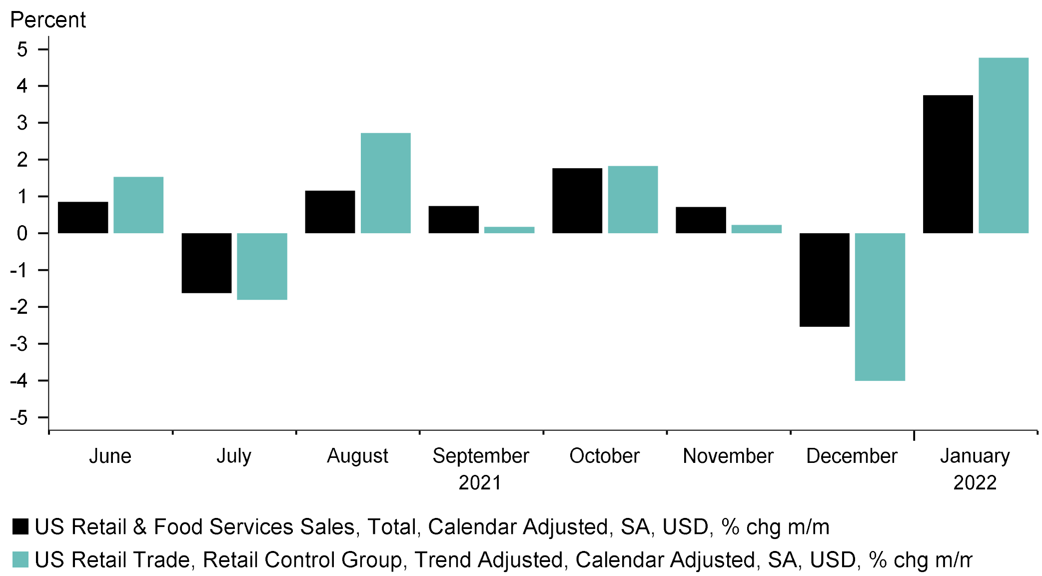
Another volatile week with geopolitics taking center stage..

US

The **minutes** from the January FOMC meeting were eagerly awaited but, in the event, proved rather anticlimactic. They had a dovish feel, not in an absolute sense, but certainly in relation to expectations that had gotten quite hyped up recently. However, while the committee has certainly teed up a March rate hike, we couldn't find visible indication of urgency for a 50 basis point move then. And we aren't quite sure what to make of repeated references to the need to move faster than during the 2015-16 tightening cycle. Could there be any doubt about that need, given how much stronger the economy is today? But what does that actually mean? In theory, even the current dot plot of three rate hikes in 2022 would meet that criteria since the first 2015 hike was followed by a year-long pause… We took the minutes as a welcome reminder that the Fed takes a more panoramic view of the economic landscape than the markets, who seem exclusively focused on inflation at the moment.

The January **retail sales** data blew expectations right out of the water, but that major upside surprise must be weighed against the equally disappointing one in December. In fact, the December data was revised meaningfully lower, especially for core sales. As such, rather than put too much weight on either data point, it is probably best to average the two when looking for a trend signal. Still, let us work through the January data details: total sales jumped 3.8% and control sales (excluding food services, building materials, autos dealers and gas stations) surged 4.8%. Unsurprisingly given the magnitude of the moves, gains were broad-based. Seasonally adjusted sales are up 12.9% y/y while control sales are up 8.9%.

Figure 1: Big Moves In US Retail Sales At Turn Of Year



Sources: SSGA Economics, U.S. Census Bureau

There are plenty of mixed signals in the **regional manufacturing Fed surveys** at the moment. Abstracting from month-to-month volatility, it feels as though an inflexion point is developing here, with leading indicators of demand appearing to soften. Both the Philly and the Empire indexes came in weaker than expected in February, though not dramatically so and with mixed, rather than broadly downbeat details. Employment remains robust, with related indicators improving in both surveys. But new orders slipped in the Philly index and while they improved in the Empire index, they nonetheless remained at the second lowest level since August 2020. Price pressures remain elevated but seem to be peaking, at least in regard to input prices. The prices received metric was more divergent, surging in the Empire and easing in the Philly index.

Industrial production rose a larger than expected 1.4% in January, but performance was very uneven across the components. Utilities soared 9.9%, mining rose 1.0%, and manufacturing posted only a modest 0.2% gain. Production was 4.1% higher than in January 2021.

There has been little movement in **homebuilder sentiment** in recent months and the NAHB index lost just one point in February. Present sales actually improved one point, perhaps reflecting buyers rushing to front-run further increases in mortgage rates. But buyer traffic deteriorated to a four-month low. We see this as a harbinger of broader erosion in coming months as rising mortgage rates undermine affordability and will become a growing headwind in coming months.

Existing home sales jumped 6.7% in January, a much better than anticipated result. But, just as with retail sales, we’d advise taking this apparent strength with a grain of salt. We don’t deny that demographic trends and years of underinvestment remain structurally supportive of the housing sector, but see cyclical headwinds developing amid high prices and rising interest rates. Because of that, we suspect the trend over the next year will be one of moderating activity and easing house price inflation as the frenzied post-lockdown spike in demand eases. We suspect that the robustness in the January data may have partly to do with seasonal factors and also with buyers’ desire to front run the rise in interest rates telegraphed by the Fed. The market certainly remains extremely tight for now, with inventory touching a record low of 1.6 months’ worth of sales. Houses are still very selling fast (19 days on the market on average) and prices remain high. The median price for an existing single-family home was $357,100, up 15.9% y/y.

Housing starts eased in January, almost exclusively on account of single family units. Following a broad shift in favor of single-family housing during Covid, a revival in multi-family housing demand appears afoot. For example, the share of multi-family housing starts in total starts reached 31.9% in January, the highest level since July of 2020. Overall housing starts are still up 2.8% y/y, with single family starts down 2.4% and multi-family starts up 8.3% y/y. **Housing permits** improved incrementally to reach the highest level since May 2006! Total permits rose 0.8% y/y, with single family permits down 5.0% y/y and multi-family permits up 12.8% y/y.

We don’t always comment on the index of **leading economic indicators (LEI)** because its signals aren’t usually powerful enough to warrant close analysis. But the 0.3% drop in January is worth mentioning because it was not only the second but also the largest decline since the onset of the Covid epidemic. It remains to be seen if this marks an inflexion point towards weaker growth, but it warrants watching, especially since it could have been even worse if not for a large favorable contribution from the interest rate spread.

Canada

Headline **inflation** well exceeded market expectations, rising to 5.1% y/y in January, up from 4.8% y/y in December as food and housing prices continued to rise. On a monthly basis, the CPI rose 0.9% in January, the largest increase since January 2017, following a 0.1% decline in December 2021. Shelter prices rose 6.2% y/y, the fastest pace since 1990, and were the main driver of January's increase. Excluding gasoline, the CPI rose 4.3% y/y, the fastest pace since the beginning of the index in 1999. The various core inflation measures all increased from previous month: the common component measure up by 0.2 ppts to 2.3% y/y, the weighted median up by 0.2 ppts to 3.3% y/y, and the trimmed mean measure up by 0.2 ppts to 4.0% y/y.

House price appreciation quickened again in January as the **11-City Teranet/Bank of Canada** rose to 16.6% y/y in January, up from 15.5% y/y in December. This price increase coincides with renewed robust demand in the resale market. **Existing home sales** increased by 1.0% in January, up from 0.2% in December and remained historically high. The newly listed properties fell by 11% and inventory remained at 1.6 months' worth of sales , the lowest level ever recorded. Meanwhile, **housing starts** fell 3% in January compared with December as a decline in multiple urban outweighed a gain in single-detached urban starts. The seasonally adjusted annualized rate of housing starts dropped to 230,754 units in January, down from a revised 238,405 units in December.

Retail sales fell 1.8% in December on lower sales of clothing/accessories and furniture/home furnishings, amid Omicron concerns. Sales were down in eight of 11 subsectors, representing 62.9% of retail trade. Core retail sales, which exclude gasoline stations and motor vehicle and parts dealers, decreased 2.4%.

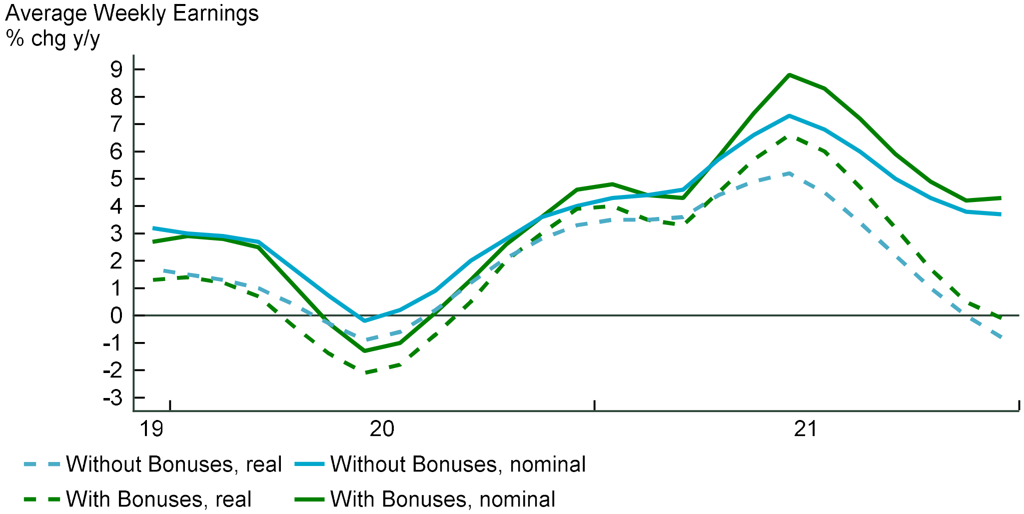
Manufacturing sales rose by more than expected at 0.7% in December from November, led by the plastic and rubber and motor vehicle industries. Flooding in British Columbia had a moderate impact on manufacturing activities in December. Sales of plastic and rubber products rose 11.8% in December, mainly driven by higher seasonal demand for plastic products. Sales in the plastic and rubber industry rose 7.8% in Q4. Motor vehicle sales increased 8.2% and motor vehicle part rose by 1.6%. Sales of motor vehicles recovered 21.0% overall in Q4, following a 10.1% increase in Q3. Excluding vehicles and parts, manufacturing sales were up by 0.2%.

UK

While latest data revealed that the labor market remained tight and stable despite Omicron, there are some warning signs on wage inflation for the BoE. The u**nemployment rate** during the three months to December was unchanged at a low 4.1%. Payroll employment rose by 108k in January to stand 436k above the pre-pandemic level. However, total worked hours remain below pre-covid levels and inactivity increased once again, largely driven by those who are inactive because of long-term sickness and "other" reasons.

Job vacancies rose to another record 1.3 million in the three months to January although the expansion rate has slowed. Wage growth averaged 4.3% y/y for the three months to December, well above market expectations of 3.8%, mainly reflecting bigger bonuses than a year ago, especially in the financial sector. Excluding bonuses, wages rose 3.7% y/y. However, the highest inflation in 30 years means that real wages are now contracting on a y/y basis.

Figure 2. Elevated UK Inflation Undermines Real Wage Growth



Sources: SSGA Economics, ONS

Headline CPI inflation once again exceeded the BoE and market's expectations to increase to 5.5% y/y in January from 5.4% y/y in December. While price pressure seems to get softer in hospitality services and transport, it remain strong in consumer goods, housing and food. In fact, clothing and footwear was the major contributor to the change in 12-month rate between January 2022 and December 2021 (+0.19 ppts). Food and non-alcoholic beverages rose by 4.3% y/y , the most since April 2013 and added 0.02 ptts to the change in the CPI rate. Housing and household services rose by 7.1% y/y. adding 0.03 ppts to the increase. Core inflation rose 0.2 ppts to 4.4% y/y, its highest since 1997. Goods inflation increased 0.2 ppts to 7.1% y/y while services fell 0.1% to 3.3% y/y. The BoE said the bank expected to tighten monetary policy again soon after second rate hike to curb surging inflation pressures. We suspect that could come as early as in March.

Retail sales had a strong rebound in January despite surging inflation is squeezing consumers' real income. Retail sales rose by 1.9% in January after a 4.0% decline in December, the largest increase since April 2021 when non-essential retailing reopened. UK retail sector has been relatively resilient due to big shift to online shopping. Non-store retailing sales volumes increased by 8.0% in January. Non-food stores sales volumes rose by 3.4% with strong growth in household goods stores (7.5%) . Automotive fuel sales volumes rose by 4.1% in January 2021 following a decline of 5.0% in December. Food sales volumes fell by 2.3% over the month and were below pre-covid levels for the first time. Retail sales were 3.6% above their pre-pandemic February 2020 levels.

Eurozone

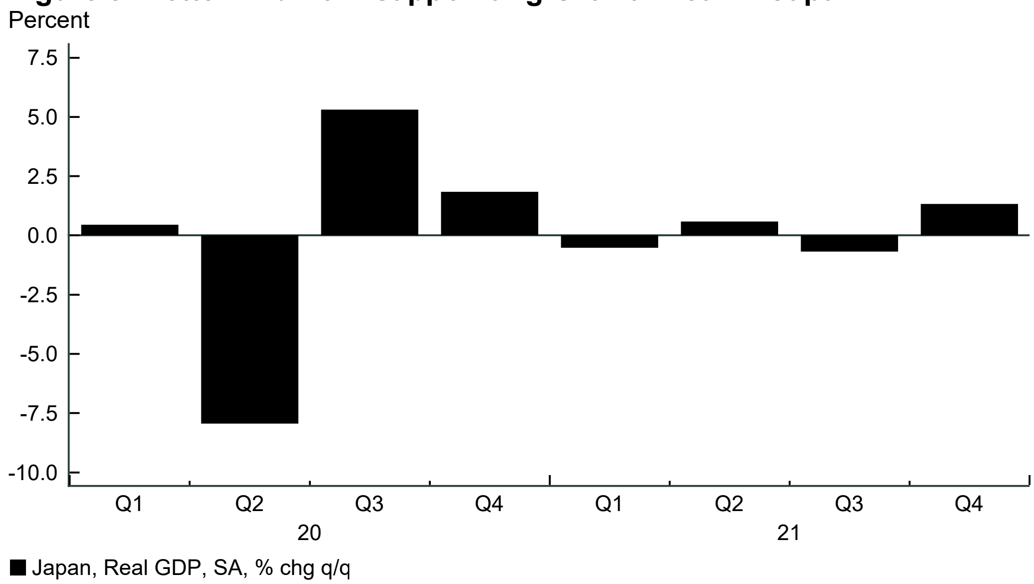
Three sizable consecutive declines were followed by two consecutive strong gains in ***eurozone* industrial production** in November and December. Indeed, output rose 2.4% in November and a further 1.2% in December, providing an excellent launching pad for Q1 performance. We suspect further gains are in store as global supply chain problems slowly alleviate.

The **ZEW *German* Investor Confidence index** has rebounded notably since its recent October low. In fact, it has more than doubled since then. It strengthened a little further in February; at 54.3, it is now back above average historical levels.

Japan

Japan's economy lagged the global recovery last year. Things took a turn for the better in the fourth quarter, however, as **real GDP** growth accelerated to 1.3% q/q, the best showing in a year. Nearly all of that came from domestic demand, with private consumption in particular exhibiting welcome strength. Net exports added 0.2 percentage points to growth. The economy expanded 1.7% in 2021.

Figure 3: Better End To Disappointing Growth Year In Japan



Sources: SSGA Economics, CaO

The latest industrial sector data offered mixed signals. On one hand, **industrial production** disappointed with a 1.0% retreat in December but this was, in our eyes, more than offset by another strong gain in core machine orders. In fact, the 3.6% rise in **core machine orders** was especially encouraging as it marked the third consecutive large gain. This bodes well for future improvement in industrial production, particularly manufacturing.

So far at least, Japan remains the exception to the high inflation rule. **Consumer price inflation** was a mere 0.5% y/y in January. This was, in fact, a three-month low. It is no surprise that the BoJ feels no urgency whatsoever to discard its dovish stance.

Australia

Following several outsized recent moves, January was a much quieter month for the Australian **labor market**. Employment increased by a modest 12.9 thousand, driven by part time employment. The participation rate rose a tenth and the unemployment rate was unchanged from December's 4.2% record low. The labor market is certainly giving the RBA green light to begin raising rates later this year!

Week in Review (February 14 – February 18)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, February 14					
JN	GDP (Q4, q/q, prelim)	1.5%	1.3%	-0.9%	Some revival, finally.
JN	Industrial Production MoM (Dec, final)	n/a	-1.0%	-1.0%	Soft.
Tuesday, February 15					
US	Empire Manufacturing (Feb)	10.0	3.1	-0.7	Pricing power, but new orders less buoyant.
US	PPI Final Demand (Jan, y/y)	9.0%	9.7%	9.8% (↑)	No let-up yet.
CA	Housing Starts (Jan, thous)	n/a	230.8	238.4 (↑)	Soft
CA	Existing Home Sales (Jan,m/m)	n/a	1.0%	0.2%	Strong
UK	Average Weekly Earnings (3m/yoy, Dec)	3.8%	4.3%	4.2%	Pick-up in growth but real earnings decline
UK	ILO Unemployment Rate (3 mths, Dec)	4.1%	4.1%	4.1%	Strong data
EC	GDP (Q4, q/q, prelim)	0.3% (p)	0.3%	2.3%	Confirms earlier release.
GE	ZEW Survey Expectations (Feb)	55.0	54.3	51.7	OK.
JN	Tertiary Industry Index (Dec, m/m)	0.3%	0.4%	0.7% (↑)	OK.
Wednesday, February 16					
US	Retail Sales Advance (Jan, m/m)	1.8%	3.8%	-2.5% (↓)	Look at December-January average instead.
US	Import Price Index (Jan, y/y)	n/a	10.8%	10.2% (↓)	
US	Industrial Production (Jan, m/m)	0.4%	1.4%	-0.1%	Surge in utilities; modest manufacturing..
US	Capacity Utilization (Jan)	76.8%	77.6%	76.6% (↑)	Improving.
US	Business Inventories (Dec)	2.0%	2.1%	1.5% (↑)	Bit of old news by now.
US	NAHB Housing Market Index (Feb)	83	82	83	Bound to soften.
US	FOMC Minutes (Jan meeting)				No visible urgency for 50 bp in March.
CA	Manufacturing Sales (Dec, m/m)	n/a	0.7%	2.6%	Good
CA	CPI (Jan, y/y)	n/a	5.1%	4.8%	Well above expectations
UK	CPI (Jan, y/y)	5.4%	5.5%	5.4%	Above the BoE and market expectations
EC	Industrial Production (Dec, m/m)	0.3%	1.2%	2.4% (↑)	Welcome improvement.
JN	Core Machine Orders (Dec, m/m)	-2.0%	3.6%	3.4%	Welcome improvement.
AU	Unemployment Rate (Jan)	4.2%	4.2%	4.2%	Decent report in light of Omicron.
Thursday, February 17					
US	Building Permits (Jan, thous)	1,750	1,899	1,885	Trying to front-run rising rates?
US	Housing Starts (Jan, thous)	1,700	1,638	1,708 (↑)	Pullback in single family starts.
US	Initial Jobless Claims (12 Feb)	218	248	225 (↑)	Look to have bottomed.
US	Continuing Claims (5 Feb)	n/a	1,593	1,619 (↓)	Extremely low.
US	Philadelphia Fed Business Outlook (Feb)	20.4	16.0	23.2	Demand pipeline softening a little.
CA	Teranet/National Bank HPI (Jan, y/y)	n/a	16.6%	15.5%	Still very elevated
JN	Natl CPI (Jan, y/y)	0.6%	0.5%	0.8%	The exception to the high inflation rule.
Friday, February 18					
US	Existing Home Sales (Jan, m/m)	-1.3%	6.7%	-3.8% (↑)	Surprising strength. Can it last?
US	Leading Index (Jan)	0.2%	-0.3%	0.7% (↓)	Largest drop since early Covid days.
CA	Retail Sales (Dec, m/m)	n/a	-1.8%	0.8% (↑)	Weak demand amid Omicron concerns
UK	Retail Sales Inc Auto Fuel (Jan, m/m)	0.9%	1.9%	-4.0% (↓)	Strong
FR	Unemployment Rate (Q4)	7.6%	7.2%	7.8% (↓)	Big improvement.
FR	CPI (Jan, y/y, final)	2.9%	2.9%	2.8%	Mild by comparison to other countries.

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

Week Preview (February 21 -February 25)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, February 21				
UK	Services PMI (Feb, prelim)	55.5	54.1	Likely to increase
UK	Manufacturing PMI (Feb, prelim)	57.0	57.3	Robust growth
EC	Manufacturing PMI (Feb, prelim)	58.7	58.7	
EC	Services PMI (Feb, prelim)	52.0	51.1	
GE	PPI YoY (Jan)	24.2%	24.2%	
GE	Manufacturing PMI (Feb, prelim)	59.5	59.8	
GE	Services PMI (Feb, prelim)	53.1	52.2	
FR	Manufacturing PMI (Feb, prelim)	55.5	55.5	
JN	Jibun Bank Japan PMI Mfg (Feb, prelim)	n/a	55.4	
JN	PPI Services YoY (Jan)	1.20%	1.10%	
Tuesday, February 22				
US	FHFA House Price Index (Dec, m/m)	1.1%	1.1%	
US	Conf. Board Consumer Confidence (Feb)	110.0	113.8	
GE	IFO Business Climate (Feb)	96.5	95.7	
AU	Wage Price Index (Q4, y/y)	2.4%	2.2%	
Wednesday, February 23				
EC	CPI (Jan, final, y/y)	5.1%	5.0%	
GE	GfK Consumer Confidence (Mar)	-6.3	-6.7	
FR	Business Confidence (Feb)	108	107	
Thursday, February 24				
US	Initial Jobless Claims (19-Feb, k)	235	248	
US	Continuing Claims (12-Feb, k)	n/a	1,593	
US	GDP (Q4, q/q)	7.0%	6.9%	
US	New Home Sales (Jan, k)	806	811	Still solid, but higher mortgage rates a headwind.
US	Kansas City Fed Manf. Activity (Feb)	n/a	24	
UK	GfK Consumer Confidence (Feb)	-17	-19	Remain weak due to high inflation
FR	Consumer Confidence (Feb)	100	99	
IT	Industrial Sales (Dec, m/m)	n/a	2.4%	
Friday, February 25				
US	Personal Income (Jan)	-0.3%	0.3%	
US	Durable Goods Orders (Jan, prelim)	1.0%	-0.7%	
US	Personal Spending (Jan)	1.4%	-0.6%	
US	Pending Home Sales (Jan, m/m)	-1.0%	-3.8%	
US	U. of Mich. Sentiment (Feb, final)	61.8	67.2	
GE	GDP (Q4, q/q, final)	-0.7%	1.7%	
FR	CPI (Feb, y/y, preilm)	n/a	2.9%	
FR	PPI (Jan, y/y)	n/a	17.7%	
FR	Consumer Spending (Jan, m/m)	-0.4%	0.2%	
FR	GDP (Q4, q/q, final)	0.7%	3.0%	
IT	Consumer Confidence Index (Feb)	113.7	114.2	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Aug	Sep	Oct	Nov	Dec
US	Target: PCE price index 2.0% y/y	4.2	4.4	5.1	5.7	5.8
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	4.1	4.4	4.7	4.7	4.8
UK	Target: CPI 2.0% y/y	3.2	3.1	4.2	5.1	5.4
Eurozone	Target: CPI below but close to 2.0% y/y	3.0	3.4	4.1	4.9	5.0
Japan	Target: CPI 2.0% y/y	-0.4	0.2	0.1	0.6	0.8
Australia	Target Range: CPI 2.0%-3.0% y/y	3.0	3.0	3.5	3.5	3.5

Source: Macrobond

Key Interest Rates

	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
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	0.25	0.25
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)	-0.04	-0.02	-0.03	-0.05	-0.04	-0.04	-0.05	-0.03	-0.05	-0.02	-0.02
Australia (OCR)	0.10	0.10	0.10	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

	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	-10.7	-8.8	-8.3	-7.1
Canada	-0.6	0.0	0.1	-0.3	0.0	0.3	-8.1	-6.6	-2.7	-1.0
UK	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	1.4	-5.6	-4.9	-3.5
Eurozone	-0.7	-0.6	-0.5	-0.5	-0.3	-0.5	-4.6	-5.9	-3.1	
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-3.1	-5.7	-1.6	-0.3
France	-2.5	-2.1	-1.9	-1.9	-1.6	-2.1	-6.3	-7.5	-4.6	-3.9
Italy	-1.0	-0.6	-1.3	-1.6	-1.7	-0.9	-5.9	-7.1	-3.8	-3.3
Japan	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-9.2	-8.0	-3.6	-2.0
Australia	-2.7	-2.6	-2.3	-1.6	-1.2	-4.1	-7.9	-8.1	-5.8	-3.8

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Sep	Oct	Nov	Dec	Jan		Sep	Oct	Nov	Dec	Jan
US	5.4	6.2	6.8	7.0	7.5		8.8	8.9	9.8	9.7	
Canada	4.4	4.7	4.7	4.8			15.1	16.6	17.1	16.1	
UK	3.1	4.2	5.1	5.4			7.1	8.8	9.4	9.3	
Eurozone	3.4	4.1	4.9	5.0			16.1	21.9	23.7	26.2	
Germany	4.1	4.5	5.2	5.3	4.9		14.2	18.4	19.2	24.2	
France	2.2	2.6	2.8	2.8	2.9		11.2	14.4	16.7	16.9	
Italy	2.5	3.0	3.7	3.9	4.8		13.3	20.4	22.2	22.6	
Japan	0.2	0.1	0.6	0.8			6.5	8.4	9.2	8.7	8.6
Australia	3.0	3.5	3.5	3.5			2.9	3.7	3.7	3.7	

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21		Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
US	1.1	1.5	1.6	0.6	1.7		-2.3	0.5	12.2	4.9	5.5
Canada	2.2	1.2	-0.8	1.3			-3.1	0.3	11.8	4.0	
UK	1.5	-1.2	5.6	1.0	1.0		-6.4	-5.0	24.6	7.0	6.5
Eurozone	-0.3	-0.2	2.2	2.3	0.3		-4.4	-1.1	14.4	3.9	4.6
Germany	0.7	-1.7	2.2	1.7	-0.7		-2.9	-2.8	10.3	2.9	1.4
France	-1.1	0.1	1.3	3.1	0.7		-4.3	1.7	19.0	3.5	5.4
Italy	-1.7	0.3	2.7	2.6	0.6		-6.4	-0.3	17.3	4.0	6.4
Japan	2.3	-0.7	0.5	-0.9			-0.8	-1.8	7.3	1.1	
Australia	3.3	1.8	0.7	-1.9			-0.8	1.4	9.5	3.9	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Aug	Sep	Oct	Nov	Dec		Aug	Sep	Oct	Nov	Dec
US	-0.2	-1.0	1.2	0.7	-0.1		5.3	4.6	4.8	5.0	3.7
Canada	0.6	0.1	1.1	0.0			7.3	5.7	7.0	4.5	
UK	0.5	-0.5	-0.8	0.7	0.3		3.2	1.8	0.1	-0.2	0.4
Germany	-3.5	-0.3	2.3	0.3	-0.3		1.7	-0.5	-1.4	-2.2	-4.2
France	1.0	-1.6	0.9	-0.5	-0.2		3.9	0.5	-0.5	-0.5	-0.5
Italy	-0.2	0.1	-0.6	2.1	-1.0		-0.2	4.6	2.0	6.4	4.6
Japan	-3.6	-5.4	1.8	7.0	-1.0		7.1	-2.3	-2.6	3.5	2.7

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
US	6.0	6.0	5.8	5.9	5.4	5.2	4.7	4.6	4.2	3.9	4.0
Canada	7.5	8.0	8.0	7.6	7.4	7.1	7.0	6.8	6.1	6.0	6.5
UK	4.8	4.8	4.7	4.6	4.5	4.3	4.2	4.1			
Eurozone	8.1	8.2	8.0	7.9	7.7	7.5	7.4	7.3	7.1	7.0	
Germany	6.0	6.0	5.9	5.8	5.6	5.5	5.5	5.4	5.3	5.2	5.1
France	8.1	8.3	8.3	8.1	8.0	7.9	7.7	7.6	7.5	7.4	
Italy	10.0	10.1	9.8	9.4	9.1	9.2	9.1	9.3	9.1	9.0	
Japan	2.6	2.8	3.0	2.9	2.8	2.8	2.8	2.7	2.8	2.7	
Australia	5.7	5.5	5.1	4.9	4.6	4.5	4.6	5.2	4.6	4.2	

Source: Macrobond

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

	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
US	-2.3	-2.2	-1.9	-2.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.7	
Canada	-1.3	-2.2	-1.6	-3.2	-1.1	-2.0	-0.8	0.3	0.2	0.2	
UK	-2.9	-2.5	0.5	-2.6	-1.6	-1.5	-4.7	-2.0	-2.3	-4.2	
Eurozone	1.8	3.1	1.7	0.6	1.6	2.7	3.1	3.5	2.9	2.4	
Germany	7.6	7.6	7.2	6.8	5.4	7.2	7.8	8.1	7.5	6.7	5.6
France	-0.4	-0.6	-0.4	-1.2	-3.6	-2.1	-0.9	-0.8	-0.5	-0.8	-2.0
Japan	4.3	3.7	4.6	4.2	3.6	4.0	3.4	3.1	3.4	3.5	3.5
Australia	-1.5	-2.5	-2.8	-3.5	-2.2	-2.7	-2.2	-1.4	-0.2	1.2	

Source: Macrobond

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* 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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