

---

February 26, 2021  
Commentary

## Weekly Economic Perspectives

---

### Contents

---

01 **The Economy**

US personal income surges on fiscal transfers. UK employment declines further. German GDP is revised higher. Manufacturing activity bounces back in Japan. Australia's fourth quarter capex surprised on the upside.

---

07 **The Market**

Equities in broad volatile retreat amid rising yield worries. Australian spike leads broader move higher in yields. The US dollar gets a bid, the Aussie does not. Oil rebounds, but gold is hurt by higher bond yields.

---

08 Week in Review

---

09 Week in Preview

---

10 Economic Indicators

---

**Spotlight on Next Week**

Broad manufacturing sector expansion should continue. Positive fourth-quarter GDP growth expected in Canada and Australia.

---

### Contact

**Simona Mocuta**  
Senior Economist  
[simona\\_mocuta@ssqa.com](mailto:simona_mocuta@ssqa.com)  
+1-617-664-1133

**Kaushik Baidya**  
Economist  
[kaushik\\_baidya@ssqa.com](mailto:kaushik_baidya@ssqa.com)  
+91-806-741-5048

**The Economy**

A week of decent macro data and some upheaval in markets.

**US**

Boosted by the \$600 stimulus checks approved in the December fiscal package, nominal personal income surged 10.0% in January, with real disposable income up an even larger 11.0%. The good news is that transfers were not the only component supporting income during the month: wage and salary income rose 0.7%, the most since October, highlighting continued labor market improvements. Spending rose 2.4%, with real spending up 2.0%. The divergence between the rate of improvement in income versus the acceleration in spending propelled the personal savings rate up by 7.1 percentage points to 20.5%.

The PCE (personal consumption expenditures) deflator data were stronger than expected, especially on core prices. Indeed, both headline PCE and core PCE prices up 0.3% during the month, the latter coming in substantially above the anticipated 0.1% increase. Both measures of inflation now stand at 1.5% y/y.

**Figure 1: Another Fiscal Boost To US Household Income**



Sources: SSGA Economics, U.S. Bureau of Economic Analysis (BEA)

Following two big declines totaling 14.3 points in November-December, the **Conference Board consumer confidence index** improved 1.8 points in January and another 2.4 in February. Unlike in January, the February improvement was driven entirely by the current situation (+6.5) while expectations worsened incrementally. Notably, the labor differential—which measures the difference between those who think jobs are abundant and those who think jobs are scarce—improved for the first time in four months, although it retraced only about third of its recent losses.

The final read on the February **Michigan consumer sentiment index** was a tad better than the initial release, but it still showed a 2.2-point decline relative to January and remains at a six-month low (76.8). The expectations component declined 3.3

points (vs. 4.2 initially) while the current situation eased 0.5 (unchanged from the preliminary release). Inflation expectations were unchanged from the preliminary release, with the short term (1-year) inflation expectations at 3.3%—highest since 2014, and longer-term expectations (5-10 years) at 2.7%.

**Durable goods orders** surged 3.4% in January—the most since July—partly in response to a burst higher in transportation orders. This positive surprise was further accentuated by a sizable upward revision to the December data, now showing a 1.2% increase. Core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—increased a more modest 0.5%. The big difference between the two reflects an unusually robust month for non-defense aircraft orders: these nearly quadrupled to the highest level in eleven months. rose 0.5% and are now 8.3% higher than in January of 2020. Durable goods shipments rose 2.0% and core shipments rose 2.1%. The inventory to shipments ratio declined to 1.63 months, the twin-lowest level in almost two years.

All measures of home prices inflation indicate rapid appreciation over the past year. The **Case-Shiller 20-City composite price index** jumped another 1.3% in December, leaving prices 10.1% higher than a year earlier, the biggest increase in nearly seven years. Gains are becoming more evenly distributed across the big cities, with prices in former laggards New York and San Francisco now up by close to 10.0% y/y. According to the **FHFA**, existing single family home prices jumped another 1.1% increase in December, leaving prices up by a record 11.4% y/y!

**New home sales** increased 4.3% in January and are now re-approaching the July-October highs. At 923,000 (annualized) they were 19.3% higher than a year earlier. The number of homes sold but not yet started spiked to the highest level since March 2007, implying a solid pipeline for residential construction in coming months and quarters. The number of homes available for sale increased by 8,000 but the jump in sales nonetheless caused the market to tighten a little: inventory declined to 4.0 months' of sales, compared with 4.1% previously. More competition among buyers, combined with lower interest rates that allow buyers to digest higher purchase prices drove the median price up 5.3% y/y and the mean price up 6.5% y/y.

---

Canada

---

No major data releases.

---

UK

---

The UK **labor market** may soon put the worst behind it, but for now conditions are still deteriorating. Employment declined by 114,000 in the three months to December, compared with 88,000 in the three months to November and 164,000 in the three months to September (the prior non-overlapping three-month period that the National Statistics Office advises as the most accurate comparison). The official unemployment rate increased one tenth to 5.1% (highest since mid-2016) although the claimant count unemployment rate moderated a tenth to 7.2% (it peaked at 4.9% during the Great Recession!). Vacancies rose a modest 9,000 for the seventh consecutive gain. Wages are surging, although we advise taking the data with a big grain of salt since compositional changes in employment likely skew this figure

higher. Still, there is enough broad pickup across industries that we reckon there is also a genuine wage acceleration trend at play here. Total wages (including bonuses) increased by 4.7% y/y in the three months to December, with the single-month data for December showing an even steeper 5.4% jump. Excluding bonuses, wages rose 4.1% y/y in the three months to December and by 4.5% y/y in December itself..

---

## Eurozone

New details are now available regarding **Germany's** fourth-quarter **GDP** outturn...and they are encouraging. Performance was better than initially estimated, with GDP growing 0.3% q/q versus the 0.1% initially reported. This reduced the full-year contraction to -4.9% as opposed to -5.0% previously estimated. This upside surprise, while not substantial, still has positive implications for 2021 as well insofar as it provides a higher entry point to this year's performance. In that sense, we see the Q4 data as supporting our optimistic 2021 forecast relative to consensus; we see scope for a substantial rebound across the board, in consumption as well as investment.

Just like their US counterparts, German households, on average, are in a good financial condition and have the resources to spend, given the opportunity. In this regard, it was encouraging to note the slight improvement in consumer sentiment in March. Despite an exceedingly slow vaccine rollout, the GfK index of German consumer sentiment rose 2.6 points in March. Notably, the income expectations component jumped 9.4 points to the highest level since October.

---

## Japan

**Industrial production** jumped 4.2% in January, as producers ramped up activity ahead of the Lunar New Year. Shipments also increased 3.2%, with inventories edging down 0.2%. Notable gainers included auto parts (+6.7%), electrical machinery & information and communication electronics equipment (+7.5%), and electronic parts & devices (+10.5%). Looking ahead, the Ministry of Economy, Trade and Industry expects production to slow to 2.1% in February, followed by a contraction of 6.1% in March. A solid recovery is expected from then on, due to progress with the COVID-19 vaccine roll-out, particularly in the US and Europe, and the lifting of the state of emergency as infections steadily decline in Japan.

**Retail sales** declined 0.5% in January. Sales slowed sharply for general merchandise (-10.5%), and for apparels (-18.0%) due to the state of emergency. On an annual basis sales were down 2.4% y/y, a marked slowdown from -0.2% in December.

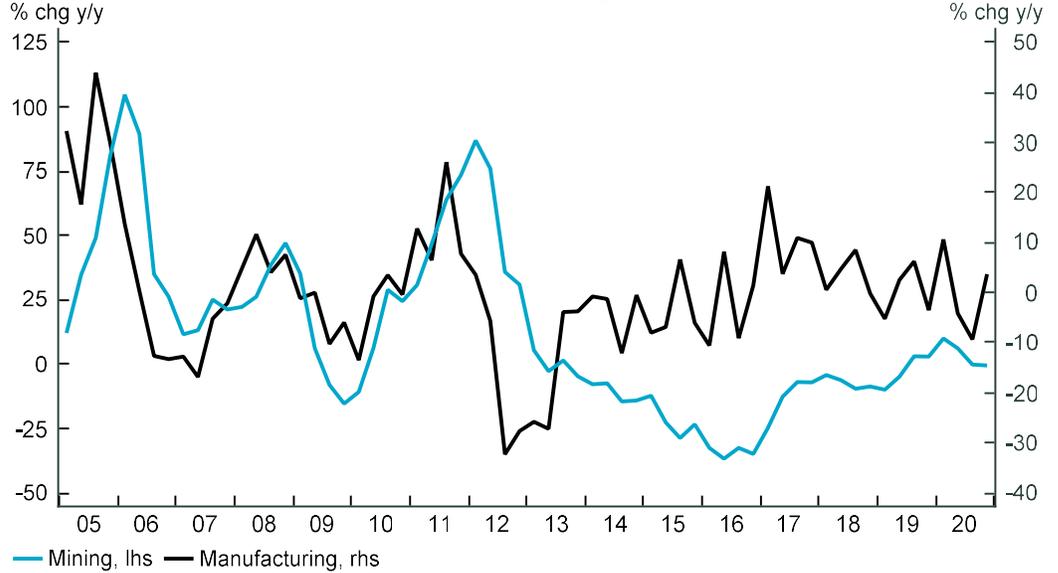
---

## Australia

In a positive surprise, **capital spending** exceeded expectations with a 3.0% q/q gain in the fourth quarter. This almost reversed the 3.1% drop in Q3 and follows five quarterly contractions. The increase was driven by a strong rebound in machinery & equipment investment (+5.7%) in the non-mining sector, including in newly captured sectors (health & education) recently added to the survey. Overall, non-mining capex jumped 4.9%. This was the first quarterly rise in two years and the sharpest since 2014. But mining capex continued to weaken, falling 1.4%. The forward-looking capex intentions data also improved somewhat more than expected, although they remained fairly soft in levels terms. In particular, the 5th estimate for FY 2021 capex intentions

came in at A\$121.4 billion, which is around 5% above the 4th estimate but around 7% below the equivalent estimate last year.

**Figure 2: Boost For Australia's Non-Mining Capex**



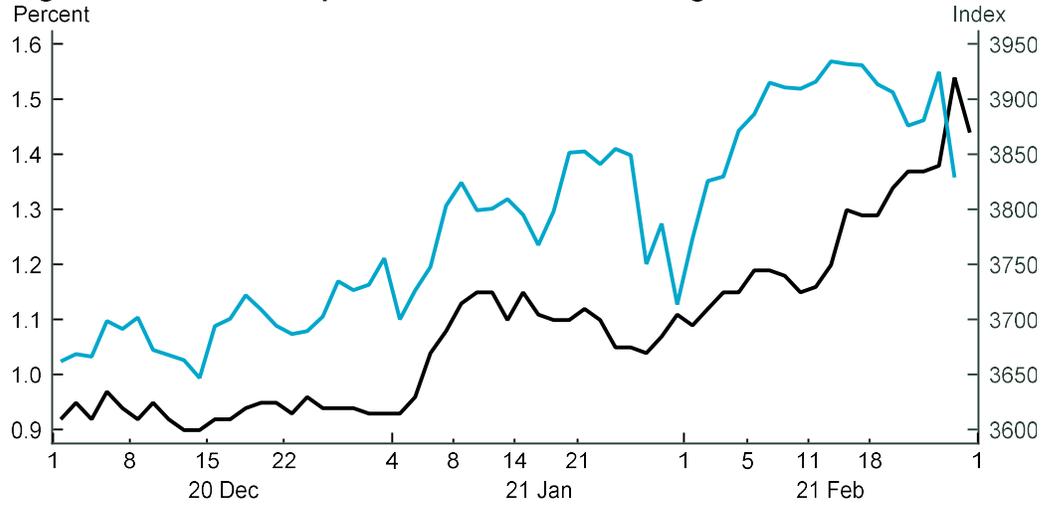
Sources: SSGA Economics, ABS

**Wage growth** accelerated by 0.6% q/q in the fourth quarter, more than expected, but due to base effects. The strong quarterly result was boosted by the reversal of pandemic-era wage cuts, as well as the deferred minimum wage increase being introduced for workers in most industries from 1 November. Private sector wages rose 0.5%, while public sector wages were subdued at 0.3%. Wage growth across industries were mixed—rising noticeably for professional services (+1.2%), but sticky for accommodation, finance and healthcare (all up by 0.1%). On an annual basis, wage inflation maintained the historically low growth rate of 1.4% y/y for a second quarter. Looking ahead, nominal wage growth will remain subdued since it will be some time before the economy comes close to 'full employment'.

**The Market This Week**

Treasury yields spiked above 1.6% during the week before pulling back, while tech stocks saw the brunt of the losses. Further selloff in bonds or equities could trigger at least a verbal intervention from the Fed.

**Figure 3: Sell Off In Equities As Bond Yields Surge**



— Equity Indices, S&P, 500, Index, Price Return, Close, USD, rhs  
 — Government Benchmarks, Federal Reserve, 10 Year, Yield, lhs  
 Sources: Macrobond, SSGA Economics, U.S. Department of Treasury, SPDJI

**Equities:** Equities in broad volatile retreat amid rising yield worries.

**Bonds:** Australian spike leads broader move higher in yields.

**Currencies:** The US dollar gets a bid, the Aussie does not.

**Commodities:** Oil rebounds, but gold is hurt by higher bond yields.

2/26/21 4:28 PM

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®	3811.15	-2.4%	1.5%	1.41	8	50	90.939	0.6%	1.1%
Canada	TSE 300	18060.26	-1.8%	3.6%	1.35	14	67	1.2716	0.8%	-0.1%
UK	FTSE®	6483.43	-2.1%	0.4%	0.82	12	62	1.3939	-0.5%	2.0%
Germany	DAX	13786.29	-1.5%	0.5%	-0.26	5	31			
France	CAC-40	5703.22	-1.2%	2.7%	-0.01	5	33	1.207	-0.4%	-1.2%
Italy	FTSE® MIB	22848.58	-1.2%	2.8%	0.76	14	22			
Japan	Nikkei 225	28966.01	-3.5%	5.5%	0.16	5	14	106.55	1.0%	3.2%
Australia	ASX 200	6673.268	-1.8%	1.3%	1.92	48	95	0.7709	-2.0%	0.2%

Commodity Markets							
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago	
Oil (Brent)	US \$/Barrel	Bloomberg	64.48	3.8%	26.0%	22.3%	
Gold	US \$/troy oz	Bloomberg	1732.32	-2.9%	-8.7%	5.6%	

Source: Bloomberg®

**Week in Review (February 22–February 26)**

Country	Release (Date, format)	Consensus	Actual	Last	Comments
<b>Monday, February 22</b>					
US	Leading Index (Jan, m/m)	0.4%	0.5%	0.4%(↑)	Indication of solid growth ahead.
GE	IFO Business Climate (Feb)	90.5	92.4	90.3(↑)	Getting better.
<b>Tuesday, February 23</b>					
US	FHFA House Price Index (Dec, m/m)	1.0%	1.1%	1.0%	Surging house prices everywhere you look.
US	S&P CoreLogic 20-City Index (Dec, m/m)	1.3%	1.3%	1.5%(↑)	Surging house prices everywhere you look.
US	Consumer Confidence (Feb)	90	91.3	88.9(↓)	Slightly better current situation.
UK	ILO Unemployment Rate (Dec)	5.1%	5.1%	5.0%	Claimant count rate eased a tenth to 7.2%.
UK	Average Weekly Earnings (Dec, 3m y/y)	4.1%	4.7%	3.7%(↑)	Skewed higher by compositional effects.
IT	Industrial Orders (Dec, m/m)	na	1.7%	-1.4%(↓)	Encouraging.
<b>Wednesday, February 24</b>					
US	New Home Sales (Jan, thous)	856	923	885(↑)	Lots of strength in housing.
GE	GDP (Q4, final, q/q)	0.1%(p)	0.3%	8.5%	Pleasant surprise, better launching pad for 2021.
AU	Wage Price Index (Q4, y/y)	1.1%	1.4%	1.4%	Labor market slack a drag on wage inflation.
<b>Thursday, February 25</b>					
US	Initial Jobless claims (Feb 20, thous)	825	730	841(↓)	Big decline, but hard to interpret.
US	Continuing claims (Feb 13, thous)	4460	4419	4520(↑)	Modest improvement, more to come.
US	GDP (Q4, second, q/q saar)	4.0%(p)	4.1%	33.4%	Incrementally better, full-year unchanged.
US	Durable Goods Orders (Jan, prelim, m/m)	1.1%	3.4%	1.2%(↑)	Excellent!
US	Pending Home Sales (Jan, m/m)	0.0%	-2.8%	0.5%(↑)	No inventory!
US	Kansas City Fed Manf. Activity (Feb)	15	24	17	Surprise, surprise!
GE	GfK Consumer Confidence (Mar)	-14	-12.9	-15.5(↑)	Improving!
FR	Consumer Confidence (Feb)	92	91	92	Holding up.
AU	Private Capital Expenditure (Q4, q/q)	1.0%	3.0%	-3.1%	A positive surprise.
<b>Friday, February 26</b>					
US	Personal Income (Jan, m/m)	9.5%	10.0%	0.6%	Surge on stimulus checks.
US	Personal Spending (Jan, m/m)	2.5%	2.4%	-0.4%(↓)	Savings rate surged to 20.5%.
US	U of Mich Sentiment (Feb, final)	76.2(p)	76.8	79.0	Still at 6-month low.
FR	GDP (Q4, final, q/q)	-1.3%(p)	-1.4%	18.5%	GDP contracted 8.2% in 2020.
FR	Consumer Spending (Jan, m/m)	-4.0%	-4.6%	22.4%(↓)	Will weigh on Q1 GDP.
JN	Industrial Production (Jan, prelim, m/m)	3.8%	4.2%	-1.0%	Solid bounce back in activity.
JN	Retail Sales (Jan, m/m)	-1.2%	-0.5%	-0.7%(↑)	Expected.
AU	Private Sector Credit (Jan, m/m)	0.3%	0.2%	0.3%	Driven by a decline in business credit.

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

**Week Preview (March 1–March 5)**

Country	Release (Date, format)	Consensus	Last	Comments
<b>Monday, March 1</b>				
US	ISM Manufacturing (Feb)	58.9	58.7	Good momentum for industrial sector.
UK	PMI Manufacturing (Feb, final)	54.9(p)	54.1	
UK	Mortgage Approvals (Jan, thous)	100.0	103.4	
EC	PMI Manufacturing (Feb, final)	57.7(p)	54.8	
GE	PMI Manufacturing (Feb, final)	60.6(p)	57.1	
FR	PMI Manufacturing (Feb, final)	55.0(p)	51.6	
IT	PMI Manufacturing (Feb)	57.0	55.1	
JN	PMI Manufacturing (Feb, final)	50.6(p)	49.8	
<b>Tuesday, March 2</b>				
US	Total Vehicle Sales (Feb, mil.)	16.4	16.6	
CA	GDP (Q4, q/q saar)	7.2%	40.5%	Pretty impressive recovery so far.
UK	Nationwide House PX (Feb, m/m)	-0.4%	-0.3%	
GE	Retail Sales (Jan, m/m)	0.9%	-9.1%(↑)	Could we get a positive surprise?
GE	Unemployment Rate (Feb)	6.0%	6.0%	
JN	Unemployment Rate (Jan)	3.0%	2.9%	Slight uptick expected due to state of emergency.
AU	RBA Monetary Policy Decision	0.10%	0.10%	Maintain accommodative stance.
<b>Wednesday, March 3</b>				
US	Fed Beige Book			
US	ISM Services (Feb)	58.7	58.7	Should improve further in March.
CA	Building Permits (Jan, m/m)	na	-4.1%	
UK	PMI Services (Feb, final)	49.7(p)	39.5	
EC	PMI Services (Feb, final)	44.7(p)	45.4	
GE	PMI Services (Feb, final)	45.9(p)	46.7	
IT	GDP (Q4, final, q/q)	-2.0%(p)	16.0%	
JN	PMI Services (Feb, final)	45.8(p)	46.1	
AU	GDP (Q4, q/q)	2.3%	3.3%	Well on the way to recovery.
<b>Thursday, March 4</b>				
US	Initial Jobless claims (Feb 27, thous)	na	730	
US	Continuing claims (Feb 20, thous)	na	4419	
US	Durable Goods Orders (Jan, final, m/m)	3.4%(p)	1.2%	
US	Factory Orders (Jan, m/m)	1.0%	1.1%	
US	Nonfarm Productivity (Q4, final, q/q)	-4.8%(p)	5.1%	
JN	Consumer Confidence (Feb)	29.7	29.6	
AU	Retail Sales (Jan, final, m/m)	0.6%(p)	-4.1%	
<b>Friday, March 5</b>				
US	Change in Nonfarm Payrolls (Feb, thous)	133	49	
US	Unemployment Rate (Feb)	6.4%	6.3%	
US	Consumer Credit (Jan, \$ bil.)	13.5	9.7	
US	Trade Balance (Jan, \$ bil.)	-67.5	-66.6	
CA	Trade Balance (Jan, C\$ bil.)	na	-1.7	
CA	Ivey PMI (Feb)	na	48.4	
GE	Factory Orders (Jan, m/m)	1.0%	-1.9%	
IT	Retail Sales (Jan, m/m)	na	2.5%	

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

## Economic Indicators

### Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Sep	Oct	Nov	Dec	Jan
US	Target: PCE price index 2.0% y/y	1.4	1.2	1.2	1.3	1.5
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	0.5	0.7	1.0	0.7	1.0
UK	Target: CPI 2.0% y/y	0.5	0.7	0.3	0.6	0.7
Eurozone	Target: CPI below but close to 2.0% y/y	-0.3	-0.3	-0.3	-0.3	0.9
Japan	Target: CPI 2.0% y/y	0.0	-0.4	-0.9	-1.2	-0.6
Australia	Target Range: CPI 2.0%-3.0% y/y	0.7	0.9	0.9	0.9	

Source: Macrobond

### Key Interest Rates

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	#####	Jan-21	Feb-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	
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	
Japan (OCR)	-0.06	-0.07	-0.07	-0.02	-0.06	-0.06	-0.03	-0.03	-0.03	-0.01	
Australia (OCR)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.11	0.10	0.10	

Source: Macrobond

### General Government Structural Balance as a % of Potential GDP

										Forecast	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
US	-3.0	-2.6	-2.6	-3.7	-4.3	-5.7	-6.8	-15.0	-7.6	-6.1	
Canada	-1.5	-0.6	0.0	0.0	-0.3	-0.7	-0.6	-16.5	-7.9	-5.2	
UK	-4.3	-4.9	-4.3	-3.3	-2.6	-2.3	-2.2	-14.0	-6.4	-5.4	
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.6	-0.5	-0.6	-5.3	-3.1		
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-5.8	-1.8	1.0	
France	-2.9	-2.6	-2.2	-2.1	-2.1	-1.7	-2.0	-4.5	-4.0	-3.8	
Italy	-0.5	-1.0	-0.6	-1.3	-1.8	-1.9	-1.3	-3.8	-3.4	-2.9	
Japan	-7.5	-5.5	-4.3	-4.1	-3.3	-2.5	-3.0	-12.7	-5.6	-2.8	
Australia	-2.7	-2.8	-2.6	-2.3	-1.6	-1.2	-3.7	-9.2	-9.8	-5.9	

Source: International Monetary Fund, World Economic Outlook

### Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Oct	Nov	Dec	Jan	Feb		Sep	Oct	Nov	Dec	Jan
US	1.2	1.2	1.4	1.4			0.3	0.5	0.8	0.8	1.7
Canada	0.7	1.0	0.7	1.0			1.1	1.1	0.5	2.0	4.0
UK	0.7	0.3	0.6	0.7			-0.9				
Eurozone	-0.3	-0.3	-0.3	0.9			-2.3	-2.0	-1.9	-1.1	
Germany	-0.2	-0.3	-0.3	1.0			-1.0	-0.7	-0.5	0.2	0.9
France	0.0	0.2	0.0	0.6	0.4		-2.1	-2.0	-1.9	-1.2	0.1
Italy	-0.3	-0.2	-0.2	0.4			-3.1	-2.4	-2.3	-1.8	
Japan	-0.4	-0.9	-1.2	-0.6			-0.8	-2.1	-2.3	-2.0	-1.6
Australia	0.9	0.9	0.9				-0.4	-0.1	-0.1	-0.1	

Source: Macrobond

**Real GDP Growth (Q/Q Seasonally Adjusted)**

	Quarter/Quarter % Change						Year/Year % Change				
	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20		Q4-19	Q1-20	Q2-20	Q3-20	Q4-20
US	0.6	-1.3	-9.0	7.5	1.0		2.3	0.3	-9.0	-2.8	-2.4
Canada	0.1	-1.9	-11.3	8.9			1.7	-0.3	-12.5	-5.2	
UK	0.0	-2.9	-19.0	16.1	1.0		1.2	-2.2	-21.0	-8.7	-7.8
Eurozone	0.1	-3.7	-11.7	12.4	-0.6		1.0	-3.2	-14.7	-4.3	-5.0
Germany	0.0	-2.0	-9.7	8.5	0.3		0.4	-2.2	-11.3	-4.0	-3.6
France	-0.2	-5.9	-13.7	18.5	-1.3		0.8	-5.7	-18.8	-3.9	-5.0
Italy	-0.4	-5.5	-13.0	16.0	-2.0		0.1	-5.6	-18.1	-5.1	-6.6
Japan	-1.8	-0.6	-8.3	5.3	3.0		-1.0	-2.1	-10.3	-5.8	-1.1
Australia	0.4	-0.3	-7.0	3.3			2.2	1.4	-6.4	-3.8	

Source: Macrobond

**Industrial Production Index (M/M Seasonally Adjusted)**

	Month/Month % Change						Year/Year % Change				
	Sep	Oct	Nov	Dec	Jan		Sep	Oct	Nov	Dec	Jan
US	-0.1	1.1	0.9	1.3	0.9		-6.1	-4.7	-4.7	-3.2	-1.8
Canada	1.8	-0.4	2.4				-7.1	-7.8	-5.2		
UK	0.7	0.9	0.3	0.2			-5.6	-5.4	-3.9	-3.3	
Germany	1.7	3.5	1.5	0.0			-7.1	-2.9	-2.4	-0.7	
France	1.6	1.8	-0.7	-0.8			-5.8	-4.0	-4.5	-3.0	
Italy	-5.0	1.4	-1.4	-0.2			-4.8	-2.2	-4.2	-1.9	
Japan	3.9	4.0	-0.5	-1.0	4.2		-10.6	-3.2	-3.1	-4.2	-2.1

Source: Macrobond

**Unemployment Rate (Seasonally Adjusted)**

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	#####	Dec-20	Jan-21
US	4.4	14.8	13.3	11.1	10.2	8.4	7.8	6.9	6.7	6.7	6.3
Canada	7.9	13.1	13.7	12.5	10.9	10.2	9.2	9.0	8.6	8.8	9.4
UK	4.0	4.1	4.1	4.3	4.5	4.8	4.9	5.0	5.1		
Eurozone	7.4	7.3	7.6	7.9	8.6	8.6	8.6	8.4	8.3	8.3	
Germany	5.0	5.8	6.3	6.4	6.4	6.3	6.3	6.2	6.1	6.0	6.0
France	8.0	7.3	7.2	6.9	9.4	9.0	8.8	8.6	8.8	8.9	
Italy	8.5	7.4	8.7	9.3	9.7	9.6	9.5	9.5	8.8	9.0	
Japan	2.5	2.6	2.9	2.8	2.9	3.0	3.0	3.1	2.9	2.9	
Australia	5.2	6.4	7.1	7.4	7.5	6.8	6.9	7.0	6.8	6.6	6.4

Source: Macrobond

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

	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
US	-2.2	-2.5	-2.0	-2.3	-2.3	-2.1	-2.4	-2.8	-2.6	-2.4	
Canada	-2.2	-2.7	-3.4	-3.0	-2.8	-2.6	-1.8	-2.8	-3.0	-1.2	-1.7
UK	-3.2	-4.0	-3.4	-3.3	-3.4	-4.4	-4.3	-5.1	-6.0	-4.6	
Eurozone	3.1	1.9	3.9	3.6	3.5	3.6	2.6	2.8	3.1	2.4	
Germany	8.3	7.0	8.6	8.6	8.5	7.6	6.5	7.4	7.8	7.6	8.1
France	-1.3	-0.7	-0.7	-0.3	-0.3	-1.4	-0.5	-0.5	-0.8	-0.8	-1.0
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

---

**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 third largest asset manager with nearly US \$3.12 trillion\* under our care.

\*AUM reflects approximately \$43.72 billion USD (as of December 31, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

---

[ssga.com](http://ssga.com)

**Important Risk Discussion**

Investing involves risk including the risk of loss of principal.

The whole or any part of this work may not be reproduced, copied, or transmitted or any of its contents.

This material is for informational purposes only, not to be construed as investment advice, or a recommendation or offer to buy or sell any security and should not be construed as such. The views expressed in this material are the views of the SSGA Economics Team, through the period ending

February 26 2021, and are subject to change without notice based on market and other conditions. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Past performance is not a guarantee of future results. SSGA may have or may seek investment management or other business relationships with companies discussed in this

material or affiliates of those companies, such as their officers, directors and pension plans.

**Intellectual Property Information**

BLOOMBERG®, a trademark and service mark of Bloomberg Finance L.P. and its affiliates, and BARCLAYS®, a trademark and service mark of Barclays Bank Plc.

Standard & Poor's S&P 500 Index® is a registered trademark of Standard & Poor's Financial Services LLC. FTSE 100® is a trademark jointly owned by the London Stock Exchange Plc and The Financial Times Limited, and is used by FTSE International Limited

under license. "All-World", "All-Share" and "All-Small" are trademarks of FTSE International Limited.

© 2021 State Street Corporation.  
All Rights Reserved.  
2537623.40.1.GBL.RTL  
Exp. Date: 2/26/2022