January 10, 2020
Commentary

Weekly Economic Perspectives

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The Economy

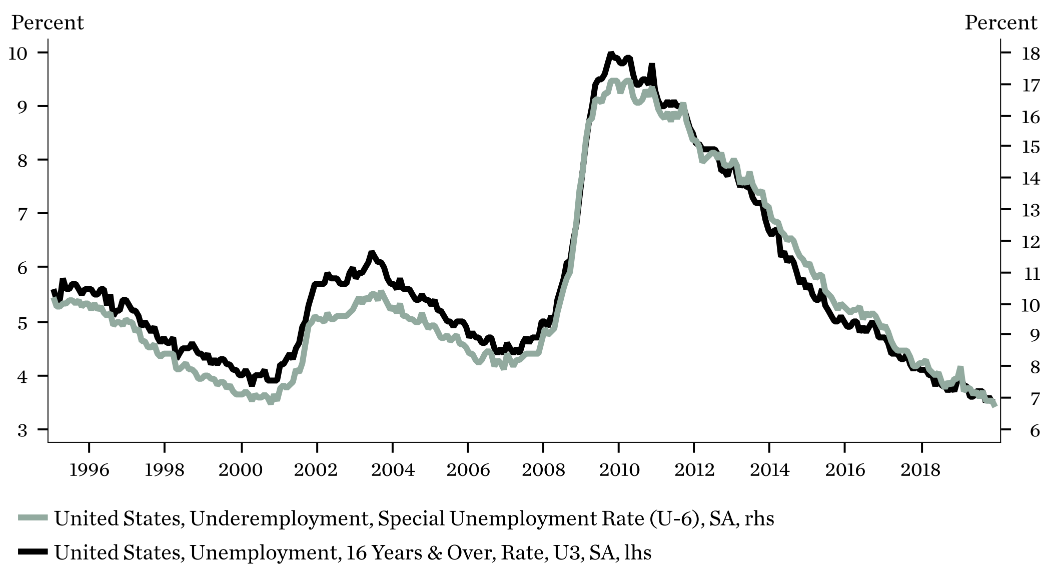
Incoming data remains consistent with our expectation of a gentle bottoming out of global growth. The resilience of the service sector globally is notable and important.

See our commentary on wildfires' economic impact in the Australia section below.

United States

We had cautioned even at the time of the blockbuster November **employment report** not to expect a repeat and warned that the December print would be weaker. And so it was. But *weaker* does not mean *weak* and we actually see the 145,000 print as good enough. If anything, we had been worried about possible sizable downward revisions to prior months, but the revisions were in fact minor at -14,000. Private payrolls increased by 139,000, while government added 6,000. Gains were driven by services, where payrolls rose by 140,000. Within services, there was an unsurprising solid increase in retail (+41,000) and a similar one in leisure/hospitality (+40,000), accompanied by a decent one in education (+36,000) and a soft one in business services (+10,000). Temporary help rose by 6,000. Goods producing sectors lost 1,000 jobs, solely on account of manufacturing. Indeed, manufacturing declined 12,000, which is obviously disappointing, but should be viewed in the context of November's upwardly revised 58,000 jump and the fact that manufacturing employment is actually up 1,000 over the last three months. Thus, it is more accurate to talk about a flattening of manufacturing employment rather than a trend decline. The good—and not really surprising news to us, who have been highlighting the clear improvement in housing over the last few months—was a 20,000 jump in construction employment. At over 7.5 million people, employment in construction is how at the highest level since October 2007. Looking forward to January, we could see drag from retail being offset by support from business services and education.

Figure 1: Impressive US Unemployment/Underemployment Metrics



Sources: U.S. Bureau of Labor Statistics (BLS)

The **household report** painted better picture for December, but that doesn't mean much because it had been much worse in November. According to the household survey, payrolls rose by 267,000 while unemployment declined by 58,000, implying a 209,000 increase in the labor force. The participation rate was unchanged at 63.2% and the unemployment rate was unchanged at a multi-decade low of 3.5% which it first touched in September. But the number of people employed part time for economic reasons dropped by another 140,000 to the lowest since mid-2006, lowering the underemployment rate by two ticks to a new record low of 6.7%.

The **hours data** were a bit soft. Both the manufacturing and the overall workweek were unchanged, but the rise in employment meant that the aggregate hours index—a measure of work effort—rose a modest 0.1% during the months. By contrast, the manufacturing hours index retreated 0.1%.

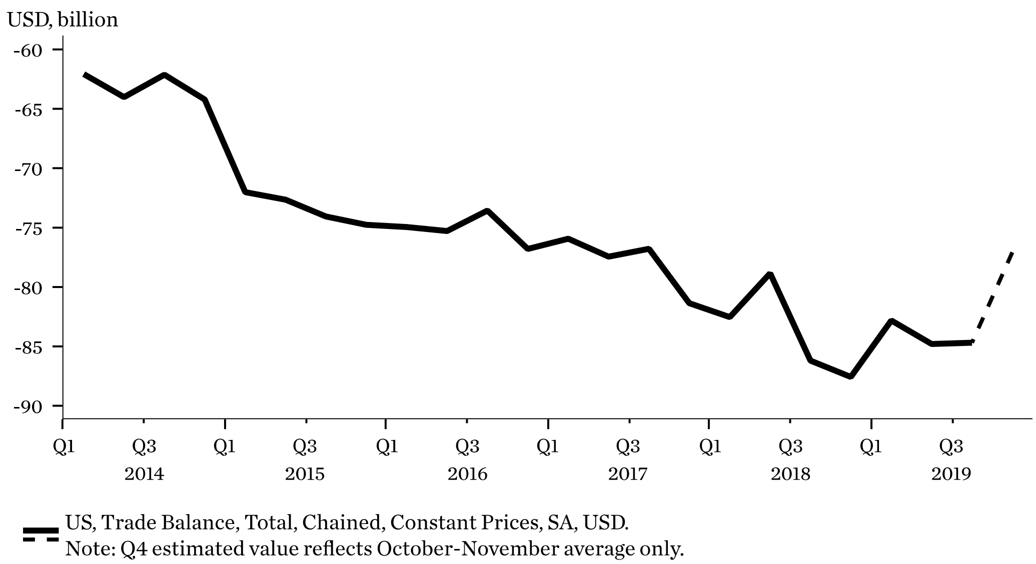
The **wage data** were also on the soft side. Total average hourly earnings increased just 0.1% m/m, against the 0.3% expected. However, the November gain, which was initially reported as 0.2% but we had noted at the time was "within a hairbreadth of rounding up to 0.3%" was actually revised up to 0.3%. Average hourly earnings for production and non-supervisory employees (a more homogeneous group) also came in at 0.1% m/m. It has lost some momentum over the last three months, which is likely related to the recent weakness in manufacturing. Overall wage inflation moderated two tenths to 2.9% y/y (based on seasonally adjusted data) to the lowest since June 2018. The corresponding measure for production and non-supervisory employees moderated four tenths to 3.0% y/y, the lowest since September 2018. While critical to watch, we would caution against reading too much into December's wage print given that other data suggest continued labor demand and diminishing slack. For instance, the household report noted a drop in the number of people who lost jobs and an increase in the number of people leaving jobs, implying more voluntary departures, which may, in turn speak to better income opportunities down the line. In any case, the combination of modest increases in hours and wages suggest rather uninspiring wage and salary gains for the month.

The disappointment of last week's miss on the manufacturing ISM (47.2 versus 49.0 expected) was more than offset by this week's positive surprise on its non-manufacturing counterpart. Indeed, the **non-manufacturing ISM** index rose 1.1 point to a four-month high of 55.0, signaling a solid rate of expansion. The business activity measure (the old headline) erased what we described at the time as a "puzzlingly large" November drop, jumping 5.6 points to 57.2, also a four-month high. The other details were mixed, the new orders down 2.2 points but only to a solid 54.9 and new export orders down 1.0 to a soft 51.0 The employment metric was incrementally lower but that follows two solid gains and at 55.2 it continues to signal robust employment growth. Still, with the end of the holiday season and diminished demand for seasonal employment, we would expect the employment metric to deteriorate somewhat in the first quarter.

Factory orders have had a tough year so far and one still needs to squint a little to detect signs of improvement. Indeed, after downwardly revised 0.2% gain in October orders fell 0.7% in November, leaving them 1.5% lower than a year earlier. Durable goods orders exerted considerable drag as they fell 2.1%, a tenth more than originally reported. Their weakness, in turn, reflected a 7.7% decline in capital goods orders, with defense orders down 35.6%. Boeing's troubles remain evident in the data as core orders (non-defense capital goods excluding aircraft) actually rose 0.2% and were 0.4% higher than in November 2018. Manufacturing shipments increased 0.3% but core shipments retreated 0.3%. Inventories increased 0.3% as well, but the inventory-to-shipments ratio was unchanged at 1.4 months.

The trade war has caused considerable volatility with trade statistics all year. Imports spiked over the summer months as business sought to front-load anticipated tariffs, then pulled back noticeably into year end. The **trade deficit** narrowed to a three year low of $43.1 billion in November as exports increased 0.7% while imports declined 1.4% for a third consecutive sizable retreat. But there is more than just the trade war at play here. Indeed, we see the improvement in the petroleum balance as the more lasting trend. Having averaged a deficit of more than $4 billion per month as recently as 2018, the petroleum balance it has swung into surplus since October and hit a record high of $0.8 billion in November. The real goods trade deficit—the most relevant for growth—narrowed by 4.7%. In conjunction with the favorable October print, trade seems poised to make a big positive contribution to Q4 GDP growth.

Figure 2: Net Trade Poised To Lift US GDP In Q4



Sources: U.S. Census Bureau, SSGA Economics

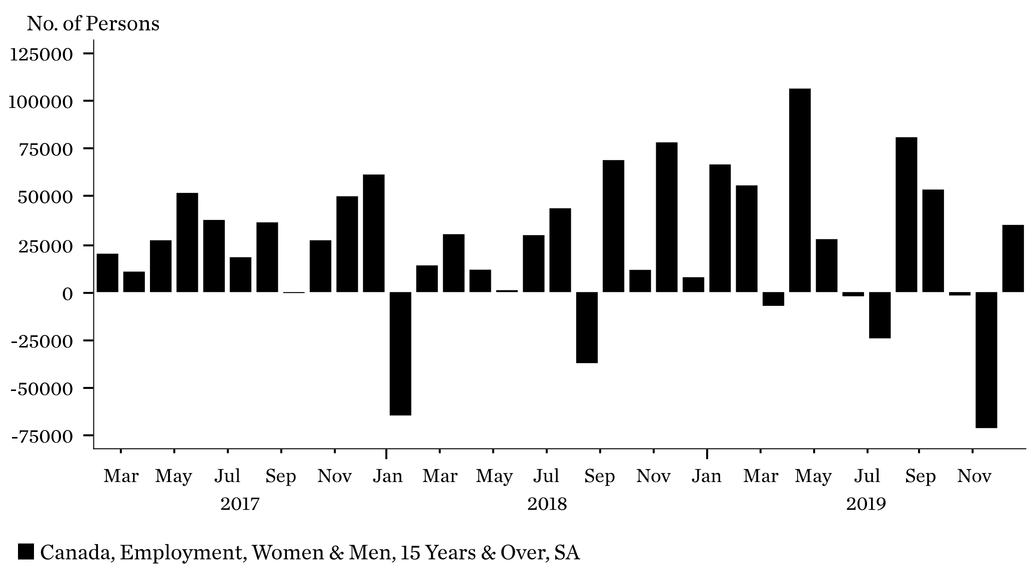
Unemployment claims have ticked up lately and while this is not really unusual around this time of the year, it bears watching. Initial claims—a measure of job shedding—had surged by 49,000 to 253,000 during the week ended December 7 but they've moderated steadily since then and by the week ending January 4 they were back to a low 214,000. Continuing claims—a measure of unemployment—spiked by 75,000 to 1,803,000 in the week ending December 28, marking the first time since April 2018 that they've settled above the 1,800,000 mark. However, it is far too soon to panic given that this reading coincided with the Christmas holiday and any people who might have found jobs may have intentionally delayed starting until January.

Consumer credit continues to expand at a steady pace, but the impetus for those gains has recently come more from non-revolving credit. Indeed, credit expanded by a moderate $12.5 billion in November, driven entirely by non-revolving credit (mostly mortgages), which rose by $15.0 billion. Revolving credit (mostly credit cards) outstanding actually shrank by $2.4 billion. The total level of consumer credit outstanding increased 4.5% y/y, the least since July 2018.

Canada

The Canadian **labor market** ended the year on a high note—employment increased by 35,000 in December, partly recouping the 71,000 fall over the previous month, while the unemployment rate retreated 0.3 percentage points (ppts) to 5.6%. Overall, employment grew by 320,000 or 1.7% over the course of the year, mainly due to gains in full-time employment. The decline in unemployment rate was mildly accentuated by a 0.1 ppts ease in the participation rate to 65.5%. December's job gains were in full-time employment, which increased by 38,400, perfectly offsetting the November loss; part time employment fell 3,200, a modest decline, but the second in a row. Employment growth has been rather patchy throughout the year, with episodes of stellar growth punctuated by sharp declines. Despite the positive end to 2019, employment losses over the past couple of months exceed those seen in any of the brief decline episodes going back to the Great Recession, raising some questions over the assumed strength and resilience of the Canadian economy.

Figure 3. Canadian Employment Growth Has Been Patchy



Sources: Statistics Canada

Housing starts fell in December, as was indicated by the permits data earlier. Starts are actually down by about 46,000 since June, with December seeing 6,991 less starts than November at 197,329. A 1.1% increase in urban single family starts was offset by 5.3% retreat in multi-family starts. We are downbeat about the prospect for starts over coming months due to the downturn observable in permits data.

Building permits contracted again in November, the seventh monthly contraction in 2019. Permits fell 2.4% to C$8.1 billion. Residential permits dropped 4.0% to C$4.7 billion, mainly due to a 11.3% decline in multi-family dwellings. Single family permits rose by 5.6%. Non-residential permits contracted by 0.1% after two modest gains, led by a 13.5% drop in commercial permits.

A rail strike in November disrupted transportation, causing a strong decline in goods traded by rail. Exports were particularly affected, falling 1.4% to C$48.7 billion, also the third consecutive decline. This was led by a 7.4% slump in crude exports, which again were impacted by supply disruptions due to the Keystone pipeline leak. Imports also fell 2.4% to C$49.8 billion after rising 0.6% in October. The **merchandise trade deficit** thus narrowed slightly from a downwardly revised C$1.6 billion in October to C$1.1 billion in November. Exports to the United States decreased 3.3%, while imports fell 1.1%, narrowing the trade surplus with US to C$4.2 billion, the smallest since April.

United Kingdom

The services sector had managed to hold onto modest gains through most of last year but buckled into contraction in recent months. In that context, December's 50.0 print on **services PMI** was somewhat reassuring even if weak in absolute terms—at least things didn't worsen further! More importantly, behind the rather dull headline, the details were more encouraging. Incoming new business jumped 3.1 points to 51.2, the best reading since July and, prior to that, October 2018. Employment rose 1.0 point to a five-month high of 51.1. Expectations of future business also jumped noticeably, up 3.3 points to the highest level since July 2018. For now, though, backlogs continue to shrink, even though at the slowest pace since August. The price metrics were mixed, with input prices continuing to rise briskly (59.2) while output prices barely did so (50.8).

Eurozone

Service activity has held up much better than manufacturing, although it is hardly buoyant. The good news is that it picked up in December, according to the latest **purchasing managers' index (PMI) for services**. The region-wide index improved 0.9 point to a three-month high of 52.8. The details were mixed, with better readings on incoming new business but a slowdown in employment growth. Gains were broad based geographically, but Germany and Spain stood out with improvements of 1.2 and 1.7 points to 52.9 and 54.9, respectively. Italy improved 0.7 point to 51.1 while France was up just 0.2 point to 52.4.

German **industrial production** has really struggled in 2019 and declined by an average 3.4% y/y during the first eleven months of the year. There is no conclusive evidence yet of a bottom either, but we do have some very early indications that the worst might be over. Output increased a better than expected 1.1% in November and October's data was positively revised to show a much smaller decline. However, production was still down 2.7% y/y in November and it will take many months of solid gains to retrace recent losses. Given the 1.3% decline in **factory orders** in November, December will probably not be the month to bring about such solid improvement.

French **industrial production** has been holding up much better. It edged up 0.3% in

November. Support came from transport equipment (+3.1%), electricity and gas (+2.5%), coke and refinery (+2.2%). Overall industrial production rose 1.3% y/y, the best print since May. Manufacturing rose 1.2% y/y. Construction activity, which is not included in the headline index, grew 2.5% in November, leaving it 1.6% higher than a year ago.

***Italian* industrial production** has been somewhere in the middle. It inched 0.1% higher in November, but that still left it 0.6% lower than a year earlier. During the first eleven months of 2019, it contracted by an average of 1.1% y/y. Mining activities rebounded 5.8% in November but that followed an even larger drop the month before; manufacturing improved 0.4% on the month but was still down 0.5% y/y.

After soaring in 2017, French business sentiment has since moved rather steadily lower. There are some indications it is trying to bottom but it is too soon to be sure given the ongoing protests against macro reforms that appear to be manifesting either violently or through widespread strikes. The Bank of France business sentiment was unchanged at 97 in December, having hovered around the middle of its five-year range in recent months.

The slow healing of ***Italy*'s labor market** was interrupted in late 2018 but, despite occasional hiccups, has broadly resumed since then. Admittedly, the unemployment rate was unchanged at 9.7% in November, with unemployment rising by 12,300. However, this largely reflected an expansion in the labor force—itself a positive development—as employment also posted a healthy gain of 40,600.

Japan

Wage pressures eased in November, partly due to the government-initiated reform which requires firms to limit working hours per workers, and is scheduled to be extended to SMEs in April. **Labor cash earnings** fell for 0.2% y/y in November for the first retreat in three months; October's initially reported 0.5% y/y gain was revised down to a flat reading. Earnings have now been revised downward for each of the last four months, in most cases reversing direction. The volatile bonus component was down by 3.9%, the second consecutive decline, but is expected to recover in December as the yearend bonuses are paid. Regularly contracted cash earnings—excluding bonuses and overtime pay—edged up 0.1%, while scheduled earnings rose 0.2%. Real earnings however, fell 0.9%, following a downwardly revised 0.4% fall in the previous month. The recent slack in labor market will pose headwinds to wage growth, which compounded by the hike in VAT spells bad news for consumption.

Australia

Australia is burning. The bushfires in the country have razed close to 10 million hectares, with the death toll now at 26. Countless animal lives have been lost, and thousands of homes demolished. The impact on consumer sentiment and the stock markets aside, the catastrophe threatens to have significant negative impact on real activity as well.

- The estimated impact has already topped A$2 billion, and Moody's estimates that the cost is likely to exceed A$4.4 billion set by Black Saturday blazes.
- The A$3.9 billion Emergency Response Fund established in the 2019-20

Budget will help cover the cost of fighting and rebuilding post the catastrophe. The targeted underlying cash surplus is still likely to be met in 2019-20.

- Some of Australia's key tourism areas, including East Gippsland in Victoria and the New South Wales south coast have been impacted, which will have negative repercussions for domestic as well as international tourism.
- The Insurance Council of Australia estimates insurance losses at A$431 million.
- As the smoke descends onto the cities, loss in worker output, transport interruptions and reduced spending is estimated at A$ 12-50 million each day in Sydney, as estimated by SGS Economics.

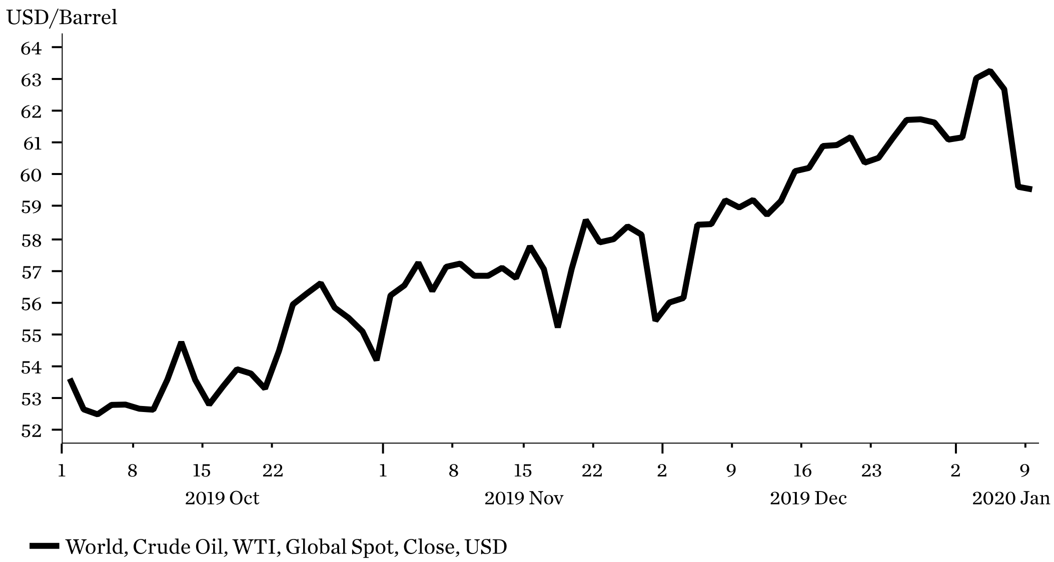
The immediate negative impact on the first and second quarter GDP is likely to be around 0.1-0.2 percentage points. But insurance payouts and government assistance will act to negate the impact on activity. This is another blow to consumer sentiment however, which already are at pretty low levels. This probably reinforces our call for a 25 basis point cut by the Reserve Bank of Australia in early 2020, as it looks to offset the negative impact on sentiment and activity.

Retail sales jumped 0.9% in November, after the data for the previous month was revised slightly upward to 0.1%. However, this was more of a temporary boost from Black Friday and other promotional sales preceding the holiday season. The fiscal and monetary stimuli are yet to reflect in consumer spending which has been depressed by sluggish wage growth and high household debt. The sectors which contributed positively to sales were apparels (+3.1%), department store sales (+3.4%), household goods (+1.2%), and restaurants (+0.9%), partially offset by 0.5% drop in 'other' retailing. Ceteris paribus, December should have been a positive month for sales, but the outlook has been clouded by the bushfires and smoke haze razing Australia at the moment.

Markets This Week

US-Iran tensions spiked further in the early part of the week as Iran attacked US military assets without, however, inflicting any casualties. Both sides subsequently signaled a willingness to pull back. Oil promptly dropped.

Figure 4: Oil Prices Retreat On Easing Iran Tensions



Sources: Macrobond

Equities: Risk-on mood re-emerged as US-Iran tensions appeared to subside.

Bonds: Bond yields end higher in volatile week dominated by geopolitical risks.

Currencies: The dollar regains some lost ground.

Commodities: Oil ends lower, gold ends little changed in fairly wild trading week.

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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®	3275.4	1.3%	1.4%	1.82	3	-9	97.353	0.5%	1.0%
Canada	TSE 300	17235.36	1.0%	1.0%	1.60	6	-11	1.3049	0.4%	0.5%
UK	FTSE®	7587.85	-0.5%	0.6%	0.77	3	-5	1.306	-0.2%	-1.5%
Germany	DAX	13483.31	2.0%	1.8%	-0.20	8	-1			
France	CAC-40	6037.11	-0.1%	1.0%	0.04	2	-7	1.112	-0.4%	-0.8%
Italy	FTSE® MIB	24021.4	1.3%	2.2%	1.32	-3	-9			
Japan	Nikkei 225	23850.57	0.8%	0.8%	0.00	1	1	109.51	1.3%	0.8%
Australia	ASX 200	6929.027	2.9%	3.7%	1.25	0	-12	0.6905	-0.6%	-1.7%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	65.35	-5.2%	-1.6%	8.1%
Gold	US $/troy oz	Bloomberg	1558.75	0.4%	2.7%	21.1%

Source: Bloomberg®

Week in Review (January 6- January 10)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, January 6					
UK	PMI Services (Dec, final)	49.0(p)	**50.0**	49.3	Welcome improvement!
EC	PMI Services (Dec, final)	52.4(p)	**52.8**	51.9	Welcome improvement!
GE	PMI Services (Dec, final)	52.0(p)	**52.9**	51.7	Welcome improvement!
GE	Retail Sales (Nov, m/m)	1.0%	**2.1%**	-1.3%(↑r)	Welcome improvement!
JN	PMI Manufacturing (Dec, final)	48.8(p)	**48.4**	48.9	Disappointing.
Tuesday, January 7					
US	ISM Non-Manufacturing (Dec)	54.5	**55.0**	53.9	Very good news!
US	Trade Balance (Nov, $ bil.)	-43.6	**-43.1**	-46.9(↑r)	Very positive for Q4 GDP.
US	Factory Orders (Nov, m/m)	-0.6%	**-0.7%**	0.2%(↓r)	Uninspiring…
CA	Trade Balance (Nov, C$ bil.)	-1.2	**-1.1**	-1.6(↓r)	No real surprises.
Wednesday, January 8					
US	Consumer Credit (Nov, $ bil.)	16.0	**12.5**	19.0(↑r)	Modest.
GE	Factory Orders (Nov, m/m)	0.2%	**-1.3%**	0.2%(↑r)	A bit odd…certainly disappointing!
FR	Consumer Confidence (Dec)	104	**102**	105(↓r)	Historically elevated.
JN	Consumer Confidence (Dec)	39.5	**39.1**	38.7	A clear uptrend is visible.
JN	Labor Cash Earnings (Nov, y/y)	-0.1%	**-0.2%**	0.0%(↓r)	Seems to be easing.
Thursday, January 9					
US	Initial Jobless claims (Jan 4, thous)	221	**214**	223(↑r)	But continuing claims rose.
CA	Housing Starts (Dec, thous)	211.9	**197.3**	204.3(↑r)	To be weak for some time.
GE	Industrial Production (Nov, m/m)	0.8%	**1.1%**	-1.0%(↑r)	Good news, big favorable revision.
IT	Unemployment Rate (Nov, prelim)	9.8%	**9.7%**	9.7%	Better details as labor force rose.
Friday, January 10					
US	Change in Nonfarm Payrolls (Dec, thous)	160	**145**	256(↓r)	Good report, some softness in hours/wages.
US	Unemployment Rate (Dec)	3.5%	**3.5%**	3.5%	Underemployment touched record low.
CA	Unemployment Rate (Dec)	5.8%	**5.6%**	5.9%	Ends the year on a high.
FR	Industrial Production (Nov, m/m)	0.1%	**0.3%**	0.5%(↑r)	Modest improvement.
FR	Bank of France Ind. Sentiment (Dec)	96	**97**	97	Hovering in middle of 5-year range.
IT	Industrial Production (Nov, m/m)	0.0%	**0.1%**	-0.3%	Still very weak.
JN	Leading Index (Nov, prelim)	90.9	**90.9**	91.6	Lowest in a decade.
AU	Retail Sales (Nov, m/m)	0.4%	**0.9%**	0.1%(↑r)	Spike in Black Friday sales.

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

Week Preview (January 13- January 17)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, January 13				
US	Monthly Budget Statement (Dec, bil.)	0.0	-208.8	
UK	Industrial Production (Nov, m/m)	0.0%	0.1%	Completely uninspiring.
IT	Retail Sales (Nov, m/m)		-0.2%	
Tuesday, January 14				
US	NFIB Small Business Optimism (Dec)	104.8	104.7	Likely to stay elevated.
US	CPI (Dec, final, y/y)	2.4%	2.1%	Will bonds care?
Wednesday, January 15				
US	PPI (Dec, final, y/y)	1.3%	1.1%	
US	Empire Manufacturing (Jan)	4.0	3.5	
CA	Existing Home Sales (Dec, m/m)		0.6%	
UK	CPI (Dec, y/y)	1.5%	1.5%	
UK	PPI Output (Dec, y/y)	0.9%	0.5%	
EC	Industrial Production (Nov, m/m)	0.3%	-0.5%	
Thursday, January 16				
US	Initial Jobless claims (Jan 11, thous)		214	
US	Philadelphia Fed Business Outlook (Jan)	3.8	2.4(↑r)	Important signal.
US	Retail Sales Advance (Dec, m/m)	0.3%	0.2%	Key piece for Q4 GDP.
US	NAHB Housing Index (Jan)	74	76	
US	Business Inventories (Nov, m/m)	-0.1%	0.2%	
US	Import Price Index (Dec, y/y)		-1.3%	
JN	Core Machinery Orders (Nov, m/m)	3.0%	-6.0%	Up ahead of holiday season.
Friday, January 17				
US	Housing Starts (Dec, saar, thous)	1380	1365	One area of strength at the moment.
US	Building Permits (Dec, saar, thous)	1467	1482	
US	Industrial Production (Dec, m/m)	0.0%	1.1%	Boeing is a big drag here.
US	U of M Cons. Sentiment (Jan, prelim)	99.2	99.3	Watch inflation expectations.
US	JOLTS Job Openings (Nov, thous)	7270	7268	
UK	Retail Sales (Dec, m/m)	0.6%	-0.6%	
EC	CPI (Dec, y/y)	1.3%	1.0%	

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

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Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Jul	Aug	Sep	Oct	Nov
US	Target: PCE price index 2.0% y/y	1.4	1.4	1.3	1.4	1.5
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	2.0	1.9	1.9	1.9	2.2
UK	Target: CPI 2.0% y/y	2.1	1.7	1.7	1.5	1.5
Eurozone	Target: CPI below but close to 2.0% y/y	1.0	1.0	0.8	0.7	1.0
Japan	Target: CPI 2.0% y/y	0.5	0.3	0.2	0.2	0.5
Australia	Target Range: CPI 2.0%-3.0% y/y	1.7	1.7	1.7		

Source: Macrobond

Key Interest Rates

	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
US (top of target range)	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.00	1.75	1.75	1.75
Canada (Overnight Rate)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
UK (Bank Rate)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
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)	-0.05	-0.06	-0.07	-0.06	-0.08	-0.07	-0.06	-0.06	-0.03	-0.03	-0.07
Australia (OCR)	1.50	1.50	1.50	1.50	1.28	1.02	1.00	1.00	0.76	0.75	0.75

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2011	2012	2013	2014	2015	*2016*	2017	2018	2019	2020
									Forecasts	
US	-8.2	-6.4	-4.5	-3.8	-3.6	-4.4	-4.8	-6.0	-6.3	-6.3
Canada	-3.1	-2.1	-1.1	0.1	0.8	0.7	0.0	-0.2	-0.5	-0.8
UK	-5.9	-6.0	-4.0	-4.7	-4.1	-2.9	-2.0	-1.5	-1.3	-1.4
Eurozone	-3.9	-2.1	-1.2	-0.9	-0.8	-0.7	-0.7	-0.6	-0.7	-0.9
Germany	-1.4	0.0	0.6	1.2	1.2	1.3	1.1	1.4	0.9	1.0
France	-5.0	-4.4	-3.4	-3.3	-3.0	-2.8	-2.6	-2.5	-2.4	-2.5
Italy	-4.1	-1.5	-0.6	-1.1	-0.7	-1.4	-1.7	-1.8	-1.5	-2.1
Japan	-8.0	-7.6	-7.5	-5.5	-4.3	-4.1	-3.4	-3.1	-2.9	-2.1
Australia	-4.3	-3.3	-2.6	-2.6	-2.4	-2.2	-1.5	-0.6	-0.4	-0.4

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change					PPI Year/Year % Change				
	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jul-19	Aug-19	#####	Oct-19	Nov-19
US	1.7	1.7	1.8	2.1		1.6	1.8	1.4	1.1	1.1
Canada	1.9	1.9	1.9	2.2		-1.7	-1.0	-1.3	-1.4	-0.4
UK	1.7	1.7	1.5	1.5		1.9	1.7	1.2	0.8	0.5
Eurozone	1.0	0.8	0.7	1.0		0.1	-0.8	-1.1	-1.9	-1.4
Germany	1.4	1.2	1.1	1.1	1.5	1.1	0.3	-0.1	-0.6	-0.7
France	1.0	0.9	0.8	1.0	1.4	-0.2	-0.5	-0.7	-1.1	-0.5
Italy	0.4	0.3	0.2	0.2	0.5	-0.7	-1.4	-1.6	-2.9	-2.5
Japan	0.3	0.2	0.2	0.5		-0.6	-0.9	-1.1	-0.4	0.1
Australia	1.7	1.7				1.6	1.6	1.6		

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
US	0.7	0.3	0.8	0.5	0.5	3.1	2.5	2.7	2.3	2.1
Canada	0.6	0.2	0.2	0.9	0.3	2.0	1.8	1.5	1.9	1.7
UK	0.6	0.2	0.6	-0.2	0.4	1.6	1.4	2.0	1.2	1.1
Eurozone	0.2	0.3	0.4	0.2	0.2	1.6	1.2	1.4	1.2	1.2
Germany	-0.1	0.2	0.5	-0.2	0.1	1.1	0.6	1.0	0.3	0.5
France	0.3	0.4	0.3	0.3	0.3	1.5	1.2	1.3	1.4	1.4
Italy	-0.1	0.1	0.1	0.1	0.1	0.4	-0.1	0.0	0.1	0.3
Japan	-0.6	0.3	0.6	0.5	0.4	-0.3	-0.3	0.8	0.8	1.9
Australia	0.3	0.2	0.5	0.6	0.4	2.5	2.1	1.7	1.6	1.7

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	Jul	Aug	Sep	Oct	Nov	Jul	Aug	Sep	Oct	Nov
US	-0.2	0.8	-0.4	-0.9	1.1	0.4	0.4	-0.2	-1.3	-0.8
Canada	-1.7	0.2	-0.3	-0.4		-2.3	-2.2	-2.0	-2.4	
UK	0.1	-0.7	-0.2	0.1		-1.1	-1.9	-1.4	-1.3	
Germany	-0.7	0.6	-0.6	-1.0	1.1	-4.2	-4.0	-4.5	-4.7	-2.7
France	0.3	-0.9	0.4	0.5	0.3	0.1	-1.2	0.4	-0.1	1.3
Italy	-0.8	0.4	-0.5	-0.3	0.1	-0.6	-1.8	-2.2	-2.4	-0.6
Japan	1.3	-1.2	1.7	-4.5	-0.9	-1.1	-2.0	-0.3	-6.6	-6.6

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
US	3.8	3.8	3.6	3.6	3.7	3.7	3.7	3.5	3.6	3.5	3.5
Canada	5.8	5.8	5.7	5.4	5.5	5.7	5.7	5.5	5.5	5.9	5.6
UK	3.8	3.8	3.8	3.9	3.8	3.9	3.8	3.8			
Eurozone	7.8	7.7	7.6	7.6	7.5	7.6	7.5	7.6	7.5	7.5	
Germany	5.0	4.9	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
France	8.6	8.6	8.5	8.5	8.5	8.6	8.6	8.5	8.5	8.4	
Italy	10.5	10.1	10.1	10.0	9.8	9.9	9.6	9.9	9.7	9.7	
Japan	2.3	2.5	2.4	2.4	2.3	2.2	2.2	2.4	2.4	2.2	
Australia	5.0	5.1	5.2	5.2	5.3	5.2	5.3	5.2	5.3	5.2	

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

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