**January 7, 2022**
Commentary

# Weekly Economic Perspectives

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**Spotlight on Next Week**
US CPI inflation poised to exceed 7.0%. Small improvements seen in UK and eurozone industrial production.

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**The Economy**

Big moves to start the year as markets digest hawkish Fed signals.

US

The **Fed** made a major hawkish pivot in December so the **minutes** associated with that meeting were likely to be hawkish as well. Indeed, they were. For the longest time, the Fed's focus had been on aiding the labor market's return to full employment, but "policy normalization" seems to have become the new buzz word. This implies rate hikes—already signaled by the wholesale shift higher in the SEP "dots" in December—as well as a reduction in the Fed's balance sheet. It was mostly the latter that gave the minutes their "even more hawkish than expected" tone. As we said at the time, Chair Powell did not bring up the balance sheet during the press conference for no reason. The Committee apparently had quite a lengthy discussion about this, suggesting a degree of urgency that speaks to a much quicker transition from tapering to runoffs. There is general agreement that "changes in the target range for the federal funds rate should be the Committee's primary means for adjusting the stance of monetary policy in support of its maximum-employment and price-stability objectives". But "some participants judged that a significant amount of balance sheet shrinkage could be appropriate over the normalization process" and that runoffs should begin much sooner after the first rate hike than had been the case in the past. We sympathize with this view and especially with those participants who commented that "removing policy accommodation by relying more on balance sheet reduction and less on increases in the policy rate could help limit yield curve flattening during policy normalization'. It is part of the reason we expect fewer rate hikes than the Fed had penciled in for this year and next. Later on Friday, comments by Mary Daly identified her as one of those favoring this combo of fewer rate hikes/more runoffs. We think that's the right mix; better for the Fed to go a little slower on hikes then trigger a cure inversion and a shallow technical recession in 2023 and be forced to backtrack.

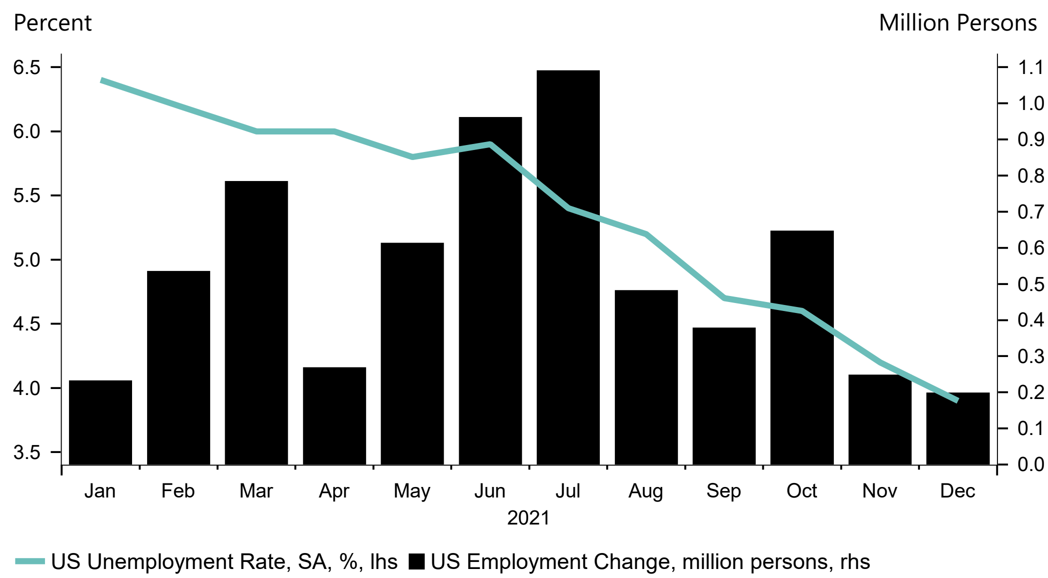
The **December employment report** certainly supports the idea that monetary policy normalization should begin. On one hand, the report was considerably softer than expected. Even the large 141,000 upward revision wasn't enough to offset the miss on payrolls, which came in at just 199,000 in December or less than half the expected rate. But robust wage growth, a stagnant participation rate, and a further decline in the number of people working part time due to economic reasons (now below 2019 levels) imply a full-employment situation. We should make some further gains in the participation rate over the course of 2022, but our expectation of another six tenths rise to 62.5% might be optimistic…What's especially awkward about the Fed's current policy stance is that it is still buying assets even though these labor market dynamics had been prevalent for some months now. In retrospect, it might be been preferrable to taper sooner and allow for a less rushed transition from easing to tightening. But the past being what it is, it seems we'll be in for very swift transition timeline. A March rate hike still seems too much to us, but it is not impossible.

Back to the details of the payroll report, goods producing sectors added 54,000 jobs, services added 157,000, and government lost 12,000. Nothing was especially shocking, although the small gains in leisure and hospitality—a repeat of November's experience—are a little perplexing given strength of demand during the holidays. This could well be the result of elevated turnover as high quits levels partly offset new hiring. Weakness may persist into January, not only because of the quits story, but also due to Omicron. Temporary help has been very weak over the last two months and even declined incrementally in December. Normally, this would be seen as a negative omen for labor demand but in this market it likely means than people willing to work are able to find permanent placements instead.

For the second month in a row, the household report was notably stronger. It showed a 651,000 increase in employment and a 483,000 drop in unemployment, leaving the **unemployment rate** at a new post-Covid low of 3.9%. The underemployment rate eased four tenths to 7.3% and is just three-four tenths away from pre-Covid levels.

The hours data were  bit soft, as the average workweek was flat so the 0.2% increase in total hours was driven exclusively by employment gains. Wages were robust once again. Overall average hourly earnings rose 0.6% and earnings for production and non-supervisory employees increased 0.7% during the month. However, given less favorable base effects, both measures of **wage inflation** moderated, the former down four tenths to 4.7% y/y and the latter down two tenths to 5.8% y/y.

**Figure 1: Is This What Full Employment Looks Like?**




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

Manufacturing activity remained robust in December. Admittedly, the **ISM manufacturing index** retreated 2.4 points (the most since April) to 58.7 (the lowest level since January 2021), but this remains a highly elevated level historically. Production stood at 59.2 and new orders stood at 60.4, implying solid demand and activity levels. Employment improved slightly to 54.2, the highest level since April, suggesting that firms may be having better luck finding workers than in recent months. Evidently, these data points reflect a pre-Omicron period but we believe it unlikely that any Omicron impact would be more than a one- or two-month phenomenon. Specifically, there are concerns around renewed supply chain pressures due to Omicron but we hold a more sanguine view on this and believe that the incipient signs that these pressures are moderating will become more pronounced in coming months. The December ISM details were mixed but encouraging in that respect. Most notably, the price metric moderated by a sharp 14.2 points to 64.8, the lowest level since November 2020, while the inventories and supplier deliveries metrics all showed some improvements. The associated comments included several references to slowly easing supply chain problems, including this: “Price increases appear to be slowing. Lead times are shrinking slowly, and inventories are growing. I hope we have reached the top of the hill to start down a gentle slope that lets us get back to something that resembles normal.” We fully share the sentiment!

The **non-manufacturing ISM index** exhibited a more pronounced Omicron impact, down 7.1 points and unwinding the big improvement of the prior two months. That’s the glass half empty read; the glass half full is that the headline is still at 62.0. Moreover, the business activity index (old headline), new orders, new export orders, backlogs, and supplier deliveries all held up above 60…For now at least, things are slowing but not contracting. It will be interesting to see what happens in January, however. A brief contraction next month is not out of the question given we are coming off high levels of activity, which, combined with new mobility restrictions and a post-holiday lull in travel and entertainment activities may bring the headline close to the neutral level. To be fair, that never happened during the Delta wave,  but the difference is that a lot of the “reopening” that was yet to happen back in the middle of the year had since occurred so the basis of comparison is much more challenging now. The details also showed persistent price and supply chain pressures, with the price metric holding close to record highs at 82.5. Indeed, whereas comments in the manufacturing ISM seemed to hint at easing supply chain issues, comments in the non-manufacturing ISM suggested otherwise. For instance, a wholesale trade respondent noted that “Demand is good, but supply chain issues continue to get worse. Trucking availability is worsening. Labor shortages are causing issues. We could do much more business if we had more people and access to more products.”

The **labor market** remains in an excess demand/insufficient supply situation, though recent payroll gains may be starting to ease the pain a little. There were 10.6 million open positions in November, half a million less than in October but still well above the sub-8 million levels that prevailed prior to Covid. Tellingly, the number of quits hit another record high at 4.5 million and the quits rate revisited its recent 3.0% record. Worker-initiated separations are likely to remain a serious challenge for employers in coming quarters, pushing wages higher.

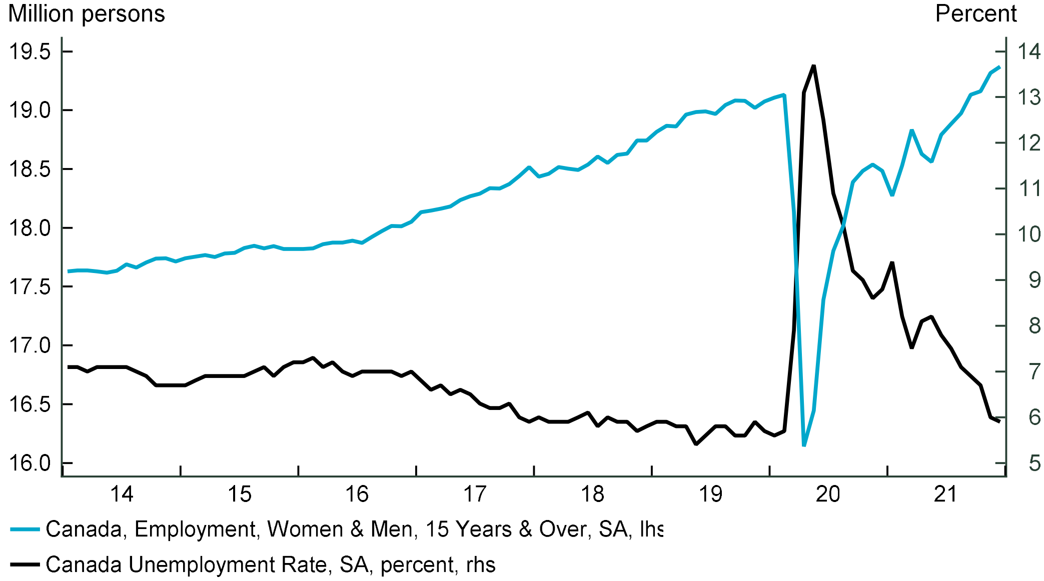
**Motor vehicle sales** remain heavily constrained by inventory constraints. Indeed, they unexpectedly declined to a 12.44 million saar in December, closing the year on a soft note. On average, sales increased 3.6% in 2021, which didn’t make much of a dent in retracing the 14.8% decline recorded in 2020.

**Consumer credit** exploded higher in November and for once, revolving credit accounted for a big chunk (almost half) of the increase. Total credit spiked by a record $40 billion and the surge in revolving credit marked a new record high as well. The dynamic suggests consumers are making higher use of credit to finance spending as the excess liquid savings accumulated in 2020 and 2021 are depleted. Indeed, the savings rate had dipped to a post-Covid low of 6.9% in November; it will likely move lower still as the end of moratoriums on rent, mortgage, and student debt will divert more consumer income towards meeting these obligations.

## Canada

Labor market slack has been absorbed to a significant degree. In December, the economy added a net 54,700 jobs, beating expectations, and the **unemployment rate** dipped to 22-month low of 5.9% from 6.0% in November, slightly above its prepandemic February 2020 level of 5.7%. Total unemployment which stood at 1.21 million was little changed in December, and 5.8% higher than the February 2020 level of 1.15 million. Full-time jobs increased by 122,500, partially offset by the loss of 67,700 part-time jobs. Full-time employment which has increased since June was 1.6% higher than its February 2020 level in December. Meanwhile, part-time employment remained at virtually the same level as it was in February 2020. The economy added 10,600 service-sector jobs and 44,200 jobs in the goods-producing sector. Long-term unemployment declined for a second consecutive month and labor underutilization moderated to a new pandemic low of 12.0%. Given overall employment trend is strong, the pressure on the BoC to move quickly is likely to increase and a first rate hike is expected to come soon in next few months.

**Figure 2: Canada's Labor Market Back To Pre-Covid State**




*Sources: SSGA Economics, StatCan*

The value of **building permits** rose 6.8% in November, with seven of ten provinces recording gains. The residential sector rose for the third consecutive month, with higher intentions for both the single-family (+3.3%) and multi-family components (+20.2%). Institutional permits fell 49.2% in November to the lowest level since April 2020. Industrial and commercial components rose but did not outweigh this decline.

UK

UK manufacturing grew more quickly than expected in December as production, new orders and employment saw further growth at the end of 2021. The final reading of **manufacturing PMI** rose to 57.9 in December, up from a preliminary reading of 57.6 and little changed from November's 58.1. The manufacturing PMI has remained in the expansion territory for 19 months. Growth in output improved to four-month high as domestic market conditions continued to strengthen. Meanwhile, new export orders fell for fourth month running, mainly reflecting a steep decrease at consumer goods producers. Manufacturing employment rose for the twelfth successive month in December, with the rate of jobs growth staying close to November's three-month high.

Although the supply chain problems are easing, cost inflation remained elevated and selling price inflation hits fresh record high.

Services sector suffered biggest loss of momentum in December since last lockdown as travel, leisure and hospitality got hit by rapid spread of the Omicron variant. **Services PMI** dropped to ten-month low of 53.6 in December, down sharply from 58.5 in November. New orders saw the weakest rate of expansion since the current phase of recovery began in March, with export orders declining for the first time in six months and at the steepest rate since February. However, this did not deter businesses from strong levels of job creation, reflecting upbeat business activity expectations for 2022. Inflationary pressure slightly eased, with input prices increasing at the lowest pace in three months. In addition, while price charged remain elevated, the speed of inflation slowed down for the first time since August.

Housing demand seems to be cooling following the end of the stamp duty holidays. **Mortgage approvals** in November reached the lowest level since June 2020, declining slightly to 66,964. Net borrowing of mortgage debt by individuals increased to £3.7 billion in November from October's slump to £1.1 billion but November's net borrowing was still £2.9 billion below the 12-month average to June 2021, when the full stamp duty holiday was in effect.

Eurozone

The final readings on eurozone December **manufacturing PMIs** confirmed the initial releases signaling continued robust growth across the region. Activity was little changed during the month, with the regional and "big-four" indexes in the mid- to high-50s. Italy continues to lead the pack with a 62.0 reading.

**Services PMIs** show a clear hit from Omicron, as was evident from the preliminary releases, but the impact so far varies widely. The German index slipped into outright contraction, though a little less severely than initially reported (48.7 vs 48.4). Italy, Spain, and France remained well in expansion at 53.0, 55.8, and 57.0, respectively, leaving the regional index at 53.1.

The German macro data remains disappointing. Admittedly, retail sales fared better than expected in November, up 0.6%, but that still left them 2.9% below year-earlier. Meanwhile, German industrial production declined incrementally to settle 2.3% below the November 2020 level. French industrial production was also under pressure, with a 0.4% decline in November that bucked consensus expectations for a gain.

Japan

Very limited data releases, with the manufacturing PMI almost unchanged at 54.3 and consumer sentiment slightly lower in December.

Australia

No major data releases this week.

## Week in Review (January 3- January 7)

| Country | Release (Date, format) | Consensus | Actual | Last | Comments |
|---|---|---|---|---|---|
| **Monday, January 3** | | | | | |
| EC | Manufacturing PMI (Dec, final) | 58.0 (p) | 58.0 | 58.4 | Confirming initial estimate. |
| GE | Manufacturing PMI (Dec, final) | 57.9(p) | 57.4 | 57.4 | No new news here. |
| FR | Manufacturing PMI (Dec, final) | 54.9(p) | 55.6 | 55.9 | No new news here. |
| IT | Manufacturing PMI (Dec) | 61.5 | 62.0 | 62.8 | Robust. |
| JN | Manufacturing PMI (Dec, final) | n/a | 54.3 | 54.5 | Good. |
| **Tuesday, January 4** | | | | | |
| US | ISM Manufacturing (Dec) | 60.1 | 58.7 | 61.1 | Some signs of easing supply pressures. |
| US | JOLTS Job Openings (Nov, k) | 11,057 | 10,562 | 11,091(↑) | Quits touched another record high. |
| US | Wards Total Vehicle Sales (Dec, m) | 13.1 | 12.4 | 12.9 | Supply chain constraints are binding. |
| CA | Industrial Product Price (Nov, m/m) | n/a | 0.8% | 1.6%(↑) | Up 18.1% y/y. |
| CA | Raw Materials Price Index (Nov, m/m) | n/a | -1.0% | 4.8% | Up 36.2% y/y. |
| UK | Net Lending Sec. on Dwellings (Nov, b) | 3.1 | 3.7 | 1.1 | Rebound from October's slump |
| UK | Mortgage Approvals (Nov, k) | 66.0 | 67.0 | 67.1 | Lowest level since June 2020 |
| UK | Manufacturing PMI (Dec, final) | 57.6 | 57.9 | 58.1 | Robust growth |
| GE | Retail Sales (Nov m/m) | -0.3% | 0.6% | 0.5% (↑) | OK, but we need more. |
| GE | Unemployment Claims Rate (Dec) | 5.3% | 5.2% | 5.3% | One area of steady improvement. |
| FR | CPI (Dec, y/y, prelim) | 2.9% | 2.8% | 2.8% | Not yet done rising. |
| **Wednesday, January 5** | | | | | |
| US | Fed Minutes (Dec 14-15 meeting) | | | | Hawkish tone; balance sheet runoff in focus. |
| CA | Building Permits (Nov, m/m) | n/a | 6.8% | 2.4%(↑) | Strong report. |
| EC | Services PMI (Dec, final) | 53.3(p) | 53.1 | 55.9 | Likely to get worse in January. |
| GE | Services PMI (Dec. final) | 48.4(p) | 48.7 | 52.7 | No new news here, likely to get worse still. |
| FR | Consumer Confidence (Dec) | 97 | 100 | 98 (↓) | Impressive resilience |
| IT | CPI NIC incl. tobacco (Dec, y/y, prelim) | 3.8% | 3.9% | 3.7% | Not yet done rising. |
| JN | Consumer Confidence (Dec) | 39.9 | 39.1 | 39.2 | Range-bound. |
| **Thursday, January 6** | | | | | |
| US | Initial Jobless Claims (01-Jan), k | 195 | 207 | 200 (↑) | Fluctuating around 200k. |
| US | Continuing Claims (25-Dec), k | 1,695 | 1,754 | 1,718 (↑) | Fluctuating at low levels now. |
| US | Factory Orders (Nov) | 1.5% | 1.6% | 1.2% (↑) | Solid; up 15.5% y/y. |
| US | ISM Services Index (Dec) | 67.0 | 62.0 | 69.1 | Price pressures still intense. |
| US | Durable Goods Orders (Nov, final) | n/a | 2.6% | 2.5% | Core orders flat after two strong prior prints. |
| US | Trade Balance (Nov, $b) | -76.5 | -80.2 | -67.2 (↓) | Pre-holiday import surge? |
| UK | Services PMI (Dec, final) | 53.2 | 53.6 | 58.5 | Ten-month low |
| GE | Factory Orders (Nov, m/m) | 2.2% | 3.7% | -5.8% (↑) | OK, but not great. |
| GE | CPI (Dec, y/y, prelim) | 5.1% | 5.3% | 5.2% | Should be peaking soon. |
| **Friday, January 7** | | | | | |
| US | Change in Nonfarm Payrolls (Dec, k) | 412 | 199 | 249 (↑) | Details suggest full employment. |
| US | Unemployment Rate (Dec) | 4.1% | 3.9% | 4.2% | We look to be at full employment. |
| CA | Unemployment Rate (Dec) | 6.0% | 5.9% | 6.0% | Robust report. |
| GE | Industrial Production (Nov, m/m) | 1.0% | -0.2% | 2.4% (↓) | Persistently disappointing of late. |
| FR | Consumer Spending (Nov, m/m) | 0.5% | 0.8% | -0.6% (↓) | OK. |
| FR | Industrial Production (Nov, m/m) | 0.5% | -0.4% | 0.9% | Soft. |

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

## Week Preview (January 10– January 14)

| Country | Release (Date, format) | Consensus | Last | Comments |
|---|---|---|---|---|
| **Monday, January 10** | | | | |
| IT | Unemployment Rate (Nov) | 9.3% | 9.4% | |
| AU | Retail Sales MoM (Nov) | 3.8% | 4.9% | |
| **Tuesday, January 11** | | | | |
| US | NFIB Small Business Optimism (Dec) | 98.5 | 98.4 | Important barometer. |
| FR | Bank of France Ind. Sentiment (Dec) | 104 | 104 | |
| IT | Retail Sales (Nov, m/m) | 0.5% | 0.1% | |
| JN | Leading Index CI (Nov, prelim) | 102.8 | 101.5 | |
| **Wednesday, January 12** | | | | |
| US | CPI (Dec, y/y) | 7.1% | 6.8% | Fed's pivot explained, right here! |
| US | Real Avg Weekly Earnings (Dec, y/y) | n/a | -1.9% | |
| US | Monthly Budget Statement (Dec, $b) | n/a | -191.3 | |
| EC | Industrial Production (Nov, m/m) | 0.5% | 1.1% | |
| **Thursday, January 13** | | | | |
| US | PPI Final Demand (Dec, y/y) | 9.8% | 9.6% | |
| US | Initial Jobless Claims (08- Jan,k) | 208 | 207 | |
| US | Continuing Claims (01-Jan,k) | n/a | 1,754 | |
| IT | Industrial Production (Nov, m/m) | 0.5% | -0.6% | |
| JN | PPI (Dec, y/y) | 8.8% | 9.0% | |
| **Friday, January 14** | | | | |
| US | Retail Sales Advance (Dec, m/m) | -0.1% | 0.3% | Imply big decline in real sales. |
| US | Import Price Index (Dec, y/y) | n/a | 11.7% | |
| US | Capacity Utilization (Dec) | 77.0% | 76.8% | |
| US | Industrial Production (Dec, y/y) | 0.3% | 0.5% | |
| US | Business Inventories (Nov) | 1.0% | 1.2% | |
| US | U. of Mich. Sentiment (Jan, prelim) | 70.0 | 70.6 | Potential for a downside surprise. |
| UK | Industrial Production (Nov, m/m) | 0.2% | -0.6% | |

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

# 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 | 4.2 | 4.2 | 4.4 | 5.1 | 5.7 |
| Canada | Target: CPI 2.0% y/y, 1.0%-3.0% control range | 3.7 | 4.1 | 4.4 | 4.7 | 4.7 |
| UK | Target: CPI 2.0% y/y | 2.0 | 3.2 | 3.1 | 4.2 | 5.1 |
| Eurozone | Target: CPI below but close to 2.0% y/y | 2.2 | 3.0 | 3.4 | 4.1 | 4.9 |
| Japan | Target: CPI 2.0% y/y | -0.3 | -0.4 | 0.2 | 0.1 | 0.6 |
| Australia | Target Range: CPI 2.0%-3.0% y/y | 3.0 | 3.0 | 3.0 | | |

Source: Macrobond

**Key Interest Rates**

| | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| US (top of target range) | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Canada (Overnight Rate) | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| UK (Bank Rate) | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.25 |
| 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) | -0.02 | -0.04 | -0.02 | -0.03 | -0.05 | -0.04 | -0.04 | -0.05 | -0.03 | -0.05 | -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**

| | | | | | | | | | Forecast | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 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 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Aug | Sep | Oct | Nov | Dec | | Jul | Aug | Sep | Oct | Nov |
| US | 5.3 | 5.4 | 6.2 | 6.8 | | | 8.0 | 8.4 | 8.8 | 8.8 | 9.6 |
| Canada | 4.1 | 4.4 | 4.7 | 4.7 | | | 16.0 | 14.5 | 15.1 | 16.7 | 18.1 |
| UK | 3.2 | 3.1 | 4.2 | 5.1 | | | | | | | |
| Eurozone | 3.0 | 3.4 | 4.1 | 4.9 | | | 12.4 | 13.5 | 16.1 | 21.9 | 23.7 |
| Germany | 3.9 | 4.1 | 4.5 | 5.2 | 5.3 | | 10.4 | 12.0 | 14.2 | 18.4 | 19.2 |
| France | 1.9 | 2.2 | 2.6 | 2.8 | 2.8 | | 8.5 | 9.8 | 11.1 | 14.3 | 16.3 |
| Italy | 2.0 | 2.5 | 3.0 | 3.7 | 3.9 | | 11.2 | 11.6 | 13.3 | 20.4 | 22.1 |
| Japan | -0.4 | 0.2 | 0.1 | 0.6 | | | 5.8 | 5.9 | 6.5 | 8.3 | 9.0 |
| Australia | 3.0 | 3.0 | | | | | 2.9 | 2.9 | 2.9 | | |

Source: Macrobond

# Economic Indicators

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

| | Quarter/Quarter % Change | | | | | | Year/Year % Change | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q3-20 | Q4-20 | Q1-21 | Q2-21 | Q3-21 | | Q3-20 | Q4-20 | Q1-21 | Q2-21 | Q3-21 |
| US | 7.5 | 1.1 | 1.5 | 1.6 | 0.6 | | -2.9 | -2.3 | 0.5 | 12.2 | 4.9 |
| Canada | 9.0 | 2.2 | 1.2 | -0.8 | 1.3 | | -4.9 | -3.1 | 0.3 | 11.8 | 4.0 |
| UK | 17.6 | 1.5 | -1.3 | 5.4 | 1.1 | | -7.8 | -6.4 | -5.1 | 24.2 | 6.8 |
| Eurozone | 12.6 | -0.4 | -0.2 | 2.2 | 2.2 | | -4.1 | -4.4 | -1.1 | 14.4 | 3.9 |
| Germany | 9.0 | 0.7 | -1.9 | 2.0 | 1.7 | | -3.7 | -2.9 | -3.0 | 10.0 | 2.6 |
| France | 18.5 | -1.1 | 0.1 | 1.3 | 3.0 | | -3.6 | -4.3 | 1.5 | 18.8 | 3.3 |
| Italy | 15.6 | -1.6 | 0.3 | 2.7 | 2.6 | | -5.4 | -6.6 | -0.6 | 17.1 | 3.9 |
| Japan | 5.1 | 2.3 | -0.7 | 0.5 | -0.9 | | -5.4 | -0.8 | -1.8 | 7.3 | 1.1 |
| Australia | 3.4 | 3.3 | 1.8 | 0.7 | -1.9 | | -3.5 | -0.8 | 1.4 | 9.5 | 3.9 |

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 | 0.8 | -0.1 | -1.0 | 1.7 | 0.5 | | 6.7 | 5.4 | 4.7 | 5.3 | 5.3 |
| Canada | 0.2 | 0.5 | 0.2 | 1.5 | | | 6.2 | 7.0 | 5.6 | 7.2 | |
| UK | 0.3 | 1.0 | -0.4 | -0.6 | | | 4.5 | 4.0 | 2.9 | 1.4 | |
| Germany | 1.0 | -3.5 | -0.5 | 2.4 | -0.2 | | 6.2 | 2.0 | -0.3 | -0.9 | -2.3 |
| France | 0.4 | 1.0 | -1.6 | 0.9 | -0.4 | | 4.1 | 3.9 | 0.5 | -0.6 | -0.5 |
| Italy | 0.9 | -0.3 | 0.1 | -0.6 | | | 7.2 | -0.3 | 4.5 | 2.0 | |
| Japan | -1.5 | -3.6 | -5.4 | 1.8 | 7.2 | | 13.3 | 7.1 | -2.3 | -2.6 | 3.7 |

Source: Macrobond

**Unemployment Rate (Seasonally Adjusted)**

| | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| US | 6.2 | 6.0 | 6.0 | 5.8 | 5.9 | 5.4 | 5.2 | 4.7 | 4.6 | 4.2 | 3.9 |
| Canada | 8.2 | 7.5 | 8.1 | 8.2 | 7.8 | 7.5 | 7.1 | 6.9 | 6.7 | 6.0 | 5.9 |
| UK | 4.9 | 4.8 | 4.8 | 4.7 | 4.6 | 4.5 | 4.3 | 4.2 | | | |
| Eurozone | 8.1 | 8.1 | 8.2 | 8.0 | 7.8 | 7.6 | | | | | |
| Germany | 6.0 | 6.0 | 6.0 | 5.9 | 5.8 | 5.6 | 5.5 | 5.5 | 5.4 | 5.3 | 5.2 |
| France | 8.1 | 8.1 | 8.3 | 8.3 | 8.1 | 8.0 | 7.9 | 7.7 | 7.6 | | |
| Italy | 10.1 | 10.0 | 10.1 | 9.9 | 9.4 | 9.2 | 9.3 | 9.2 | 9.4 | | |
| Japan | 2.9 | 2.6 | 2.8 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 | 2.7 | 2.8 | |
| Australia | 5.9 | 5.7 | 5.5 | 5.1 | 4.9 | 4.6 | 4.5 | 4.6 | 5.2 | 4.6 | |

Source: Macrobond

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

| | Q1-19 | Q2-19 | Q3-19 | Q4-19 | Q1-20 | Q2-20 | Q3-20 | Q4-20 | Q1-21 | Q2-21 | Q3-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| US | -2.4 | -2.3 | -2.2 | -1.9 | -2.1 | -3.2 | -3.3 | -3.3 | -3.4 | -3.5 | -3.7 |
| Canada | -3.2 | -1.3 | -2.2 | -1.6 | -3.2 | -1.1 | -2.0 | -0.8 | 0.3 | 0.2 | 0.2 |
| UK | -5.8 | -2.9 | -2.5 | 0.5 | -2.6 | -1.6 | -1.5 | -4.7 | -2.0 | -2.3 | -4.2 |
| Eurozone | 3.5 | 1.8 | 3.1 | 1.7 | 0.7 | 1.6 | 2.7 | 3.1 | 3.5 | 2.9 | 2.1 |
| Germany | 7.9 | 7.6 | 7.6 | 7.3 | 6.7 | 5.4 | 7.2 | 7.7 | 7.9 | 7.1 | 6.1 |
| France | 0.3 | -0.4 | -0.7 | -0.4 | -1.2 | -3.5 | -2.2 | -0.9 | -1.0 | -0.6 | -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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Exp. Date: 01/31/2023