STATE STREET GLOBAL ADVISORS

July 15, 2022
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
Inflation to make new highs in Canada and the UK. The ECB is expected to hike but the BoJ will remain on the sidelines.

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The Economy

Signs of economic deceleration broaden.

US

Another month, another bad US **inflation report**... Consumer prices surged 1.3% in June, two tenths ahead of expectations. Core prices (excluding food and energy) increased 0.7%, also two tenths faster than expected. In the process, the headline inflation rate touched a new 40-year high of 9.1% y/y while the core rate moderated to a six-month low, yet only by a mere tenth and only to a still highly elevated 5.9% y/y. While price pressures remained broad, energy was a major culprit behind the latest upside surprise, with energy prices up 7.5% during the month, roughly double May's rate. Gasoline prices surged 11.2% m/m, nearly three times May's rate. Food prices rose 1.0% and overall services prices jumped 0.9%, with housing up 0.8% and medical care up 0.7%. The latter marked a notable acceleration from the previous month and the fastest increase since January. Transportation prices increased 3.8%, nearly double May's rate as both new and used vehicle prices increased. Notably, though, and in a reversal of the past several months, airfare costs retreated incrementally. The key word here is incrementally, however: the 1.8% retreat in June doesn't even begin to make a dent in the price level given the magnitude of recent gains. One encouraging sign is that high frequency industry data seem to imply further moderation in July.

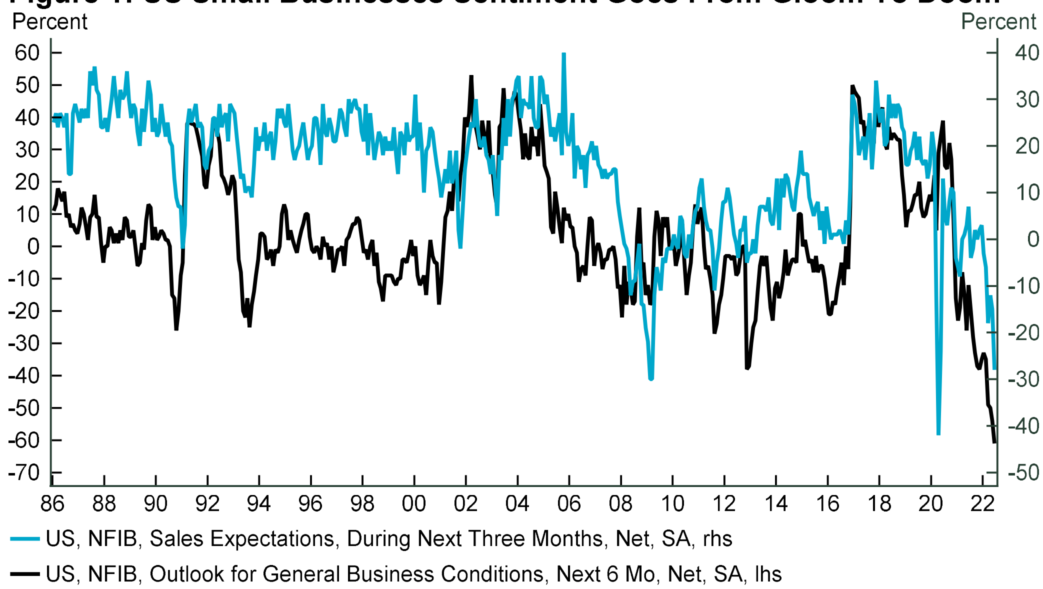
The other big differentiator is that, unlike last month, when both inflation and inflation expectations surged, this time around the latter offered a big dovish surprise. In this sense, the two updates from the University of **Michigan survey** could not have been more different. Indeed, in mid-June, the Michigan survey had signaled a jump in medium-term consumer **inflation expectations** to 3.3%. This, in conjunction with a higher than expected inflation print, then drove the FOMC to raise the Fed Funds rate by 75 basis points at the early June meeting, more aggressively than previously signaled. Ultimately, the final update reduced that increase to a tamer 3.1%. This month, the preliminary July report put that number lower still, in fact all the way down to a year-low of 2.8%. Seen in the abstract, this sizable retreat is somewhat surprising and it would not be a shock to see it partially reversed in the final report. However, we know that consumers' inflation expectations are disproportionately impacted by gasoline prices, which surged in June but have since moderated. Additionally (and in a more fundamental way) consumers may be reacting to rising mortgage rates and their assessment of declining real earnings. As we've often said, it is hard to sustain high inflation without sustained high wage inflation; consumers may be recognizing developing constraints here. Yet what is most important is not whether inflation expectations sit at 2.8% vs 3.0%, but whether they stabilize close to 3.0%. As long as they do, fears of "un-anchoring" should subside. Indeed, even if we assume a modest upward revision to this number, this report should give the FOMC quite a bit of comfort that a 75 basis point hike later this month is more than enough. The other elements of the report were also positive. The headline index improved slightly for the first time in three months (and only the second in the past seven), driven exclusively by the current situation component. Short term (1-year) inflation expectations also moderated, down one tent to a five-month low of 5.2%.

Other inflation measures were mixed. On one hand, **import prices** increased less than expected in June. Indeed, the 0.2% monthly gain was the smallest since an outright decline back in December and allowed the import price inflation rate to moderate to a six-month low of 10.7% y/y. Despite a 5.0% jump in petroleum import prices, declines in food/beverages and consumer goods kept the overall increase in check. Notably, China is no longer exporting inflation: import prices from China actually declined 0.2% in June, the first such retreat since October 2020 and the largest since February 2020. If there is a benefit to a stronger dollar, it should be most visible here, in terms of helping contain import price inflation.

The **producer price** data was mixed. Headline producer price inflation accelerated four tenths to 11.3% y/y as a 10.0% jump in energy prices pushed goods prices 2.5% higher during the month. Services prices increased a more modest 0.4% m/m, slightly less than in May. The core inflation measure (excluding food and energy) decelerated three tenths to 8.5% y/y; the alternative core measure (excluding food, energy, and trade services) also eased three tenths to 6.4% y/y.

Small business sentiment has gone from gloom to doom; in fact, it does not seem a stretch to say that small businesses anticipate a recession. Indeed, the NFIB index posted its largest monthly decline in one and a half years in June to settle at the lowest level since January 2013. In has now joined the Michigan consumer sentiment survey in falling below the lows seen in the early Covid days. Unsurprisingly given the magnitude of the move, nearly all components deteriorated, with expectations for sales and views on the general business outlook worsening the most. One exception was the compensation plans metric, which rose three points to unwind the modest retreat of the past two months, signaling that competition for workers remains intense. However, both hiring and capex plans softened. Price plans also retreated to a ten-month low but remain historically elevated.

Figure 1: US Small Businesses Sentiment Goes From Gloom To Doom



Sources: SSGA Economics, NFIB

The June **nominal retail sales** were slightly better than expected, although in real terms the data still imply a contraction in real spending. Total nominal sales rose 1.0% and control sales (excluding food services, building materials, autos dealers and gas stations) advanced 0.8%, besting expectations by 0.1 and 0.5 percentage points (ppt), respectively. Prior month revisions were mixed, positive for the overall sales and negative for the control data set. There were no major surprises in the sector composition, with some improvement in furniture, electronics and non-store retailers, but continued declines in sales of building materials and clothing. in aggregate, the report carries some modest positive implications for Q2 GDP but these will be partly offset by softer than expected industrial production (see below).

Somewhat surprisingly given signals from the ISM index, **industrial production** declined 0.2% in June on a 0.5% drop in manufacturing and a 1.4% decline in utilities. Mining production offered support with a 1.8% increase. Production stood 4.2% higher than in June of last year.

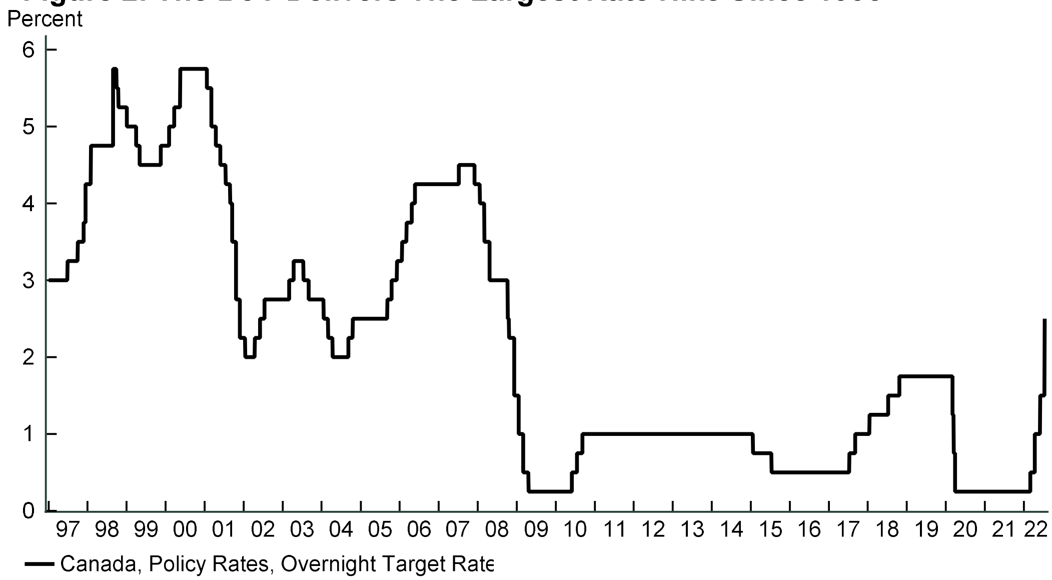
As a leading indicator of July manufacturing production, the **Empire manufacturing index** was encouraging. It rebounded to a three month high on a pronounced bounce in shipments and a slight improvement in new orders. The most striking detail for us, however, was the pronounced moderation in the price metrics, which we see as evidence of diminishing supply chain pressures. The prices paid measure retreated 14.3 points to 64.3, the lowest level since February 2021. And the prices received measure retreated 12.3 points to 31.3, the lowest level since March 2021.

Unemployment claims are trending higher. Initial claims increased by 9,000 to 244,000 in the week ending July 9. This marked their highest level since mid-November, right before Thanksgiving. Continuing claims, which jumped the week before, declined by 41,000 in the week ending July 1. We are a little skeptical of this improvement and suspect it might reflect some holiday-related distortions.

Canada

As inflation continues to surprise, global central banks have pivoted to more aggressive paths and the **Bank of Canada** (BoC) is no exception. The BoC raised the **policy rate** by a full percentage point to 2.50% this week, exceeding market expectations that the bank would follow the Fed in delivering a 75-basis-point hike. The full percentage point move is the largest since 1998 and is an all-out effort to tame elevated inflation. According to the bank, inflation has proven more intense and more persistent than assumed in the April Monetary Policy Report, and will likely remain around 8% for a few months. Indeed, headline inflation accelerated 0.9 percentage points to 7.7% y/y in May, the highest level since January 1983, well above market expectations and the BoC forecast. Inflationary pressure also remained broad-based with various core measures of inflation moving up to between 3.9% y/y and 5.4% y/y. As more businesses and consumers expect high inflation to persist for longer, coupled with tight labor market and increasing wage pressures, the BoC is worried about the risk of a wage-price spiral. The bank judged that interest rates will need to rise further; the pace of future increases will be guided by an ongoing assessment of the economy and inflation. Quantitative tightening continues and is complementing increases in the policy interest rate. In the accompanying monetary policy report, the bank also revised downward their outlook for the economy. They now expect GDP to grow 3.5% in 2022 and 1.8% in 2023, down from 4.2% and 3.2% respectively, as global growth moderates and monetary tightening limits activity.

Figure 2: The BoC Delivers The Largest Rate Hike Since 1998



Sources: SSGA Economics, BoC, StatCan

Nominal **manufacturing sales** contracted 2.0% in May following seven consecutive gains. A plunge in motor vehicle sales (-31.9%) due to retooling at auto assembly plants and semiconductor part shortages were key contributors to the soft performance. d the headline down. In addition, global supply problems exacerbated by the Russia's invasion of Ukraine have impacted primary metals. Sales of primary metals declined 4.1% in May. Meanwhile, sales of petroleum and coal products (+5.4%) and machinery (+3.3%) rose the most. Real sales decreased 3.9% in May. The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector decreased from 79.1% in April to 78.0%, mainly due to lower auto production.

The housing market moderated further in June, following two sharp falls in April and May. **Existing home sales** fell 5.6% during the month, with sales down in three-quarters of all local markets.. Rising interest rates and the uncertain economic outlook have dampened sales activity. The actual (not seasonally adjusted) number of transactions in June 2022 came in 23.9% below the record for the same month last year. The Aggregate Composite MLS® Home Price Index (HPI) edged down 1.9% on a month-over-month basis in June 2022.

UK

The **UK economy** surprised positively with an estimated 0.5% expansion in GDP in May, following two consecutive declines. Services grew 0.4% m/m in May as healthcare activities expanded 2.1%. However, output in consumer-facing services retreated 0.1%, driven by a 0.5% drop in retail trade as recent tax increases and high inflation weighed on consumer demand. Although May’s growth is welcome, we note that the data still points to a challenging economic outlook as households will remain under from surging living costs.

Industrial production increased 0.9% m/m in May, bucking expectations of a 0.5% m/m decline, and following the April’s upwardly revised loss of 0.1%. The strength in output resulted from the increase in two of the four production sectors, with manufacturing rising by 1.4% and electricity and gas by 0.3%. In contrast, mining and quarrying fell by 2.7%, and water supply and sewerage by 0.2%. Output still remained 0.5% below its February 2020 level.

Eurozone

***Eurozone* industrial production** (excluding construction) posted a better than expected 0.8% gain in May, leaving output 1.6% higher than in May of 2021. This is by no means impressive, but we nonetheless appreciate the resilience. During the first five months of 2022, industrial production averaged 0.3% less than in the corresponding period a year earlier.

The ***German* ZEW Index** of Investor Confidence joined a small but growing number of global economic indicators that are crashing below early Covid-era lows. Having improved slightly in the prior two months, it collapsed 25.8 points in June to the lowest level since December 2011. We had said back in May that "It is unclear what to make of the improvement but we certainly are reluctant to read too much into it. It may well be reflecting a "things can't get much worse than they already are" mentality; and, of course, they can get worse. Especially with the specter of energy supply disruptions on the horizon...". Unfortunately, we were right; things did get worse.

Japan

Data releases over the past week point to a weakening macro narrative. **Industrial production** plunged 7.5% m/m in May, worse than initially reported. Shipments fell 4.1% and inventories rose 3.1%, adding to our worries of slowing consumption. Industrial production stood 3.1% below its May 2021 level.

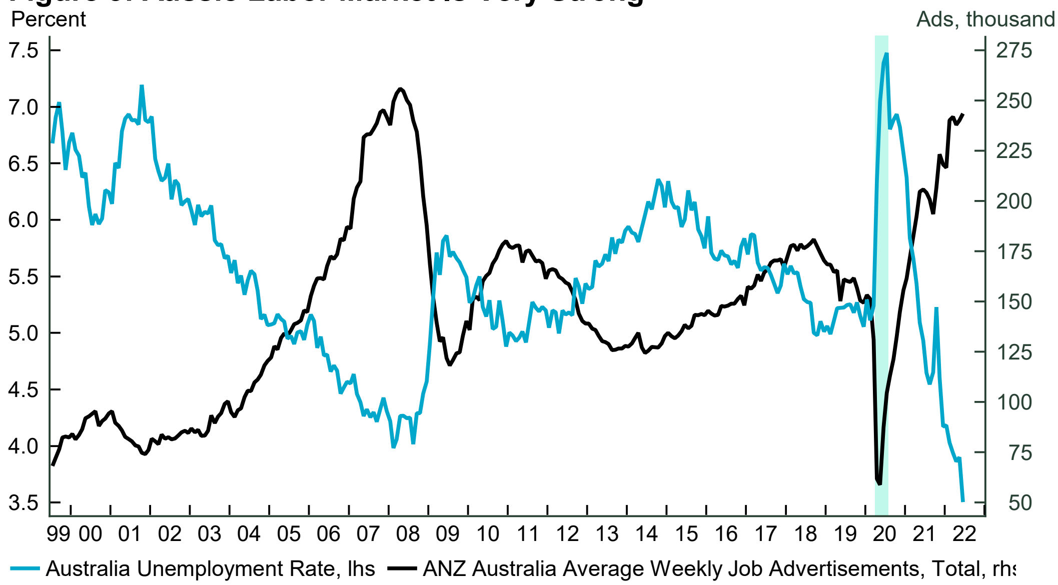
Meanwhile, producer prices jumped 0.7% in June, lifting producer price inflation to a higher than expected 9.2% y/y. The weaker yen is measurably contributing to imported inflation: the import price index (CY 2020=100) is at 175.7 on a Yen basis while it is on 147.3, on contract currency basis.

Despite the weak Yen, we expect the BoJ to maintain its policy stance during their upcoming meeting on July 21. However, we anxiously await the BoJ's updated GDP and inflation forecasts as well as any comments from Governor Kuroda on the Yen.

Australia

The economy added a bumper 88,400 jobs in June, a third more than in May and more than twice consensus expectations. Also, the participation rate edged up to 66.8% and the unemployment rate plunged four tenths to an almost 50 year low. This underscores Australia's underlying economic strength so expect the RBA to maintain its hawkishness in word and deed to persuade the Australian consumer to be discreet with spending.

Figure 3: Aussie Labor Market Is Very Strong



Sources: Macrobond, SSGA Economics, ANZ, ABS

At the same time, falling consumer confidence implies that households perhaps are still adjusting to rising rates. The Westpac Consumer Confidence Index eased to 83.8 in June, a 3% decline from last month. Respondents to the latest report expressed more worries about inflation than interest rates, indicating their sensitivity to inflation while adjusting to a higher interest rate environment.

STATE STREET GLOBAL ADVISORS

Week in Review (July 11 – July 15)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, July 11					
IT	Retail Sales (May, m/m)	0.4%	1.9%	0.3% (↑)	Welcome surprise.
JN	PPI (Jun, y/y)	8.9%	9.2%	9.3% (↑)	Large drop.
JN	Core Machine Orders (May, m/m)	-5.5%	-5.6%	10.8%	Weakening.
AU	NAB Business Confidence (Jun)	n/a	1.0	6.0	Softening.
AU	Westpac Consumer Conf Index (Jul)	n/a	83.8	86.4	Softening.
Tuesday, July 12					
US	NFIB Small Business Optimism (Jun)	92.5	89.5	93.1	Lowest since January 2013.
GE	ZEW Survey Expectations (Jul)	-40.5	-53.8	-28.0	Lowest since 2011!
Wednesday, July 13					
US	CPI (Jun, y/y)	8.8%	9.1%	8.6%	Another painful report.
US	Real Avg Weekly Earnings (Jun, y/y)	n/a	-4.4%	-4.0% (↓)	Painful.
US	Monthly Budget Statement (Jun, $bn)	-75.0	-88.8	-174.2	Roughly as expected.
CA	Bank of Canada Rate Decision	2.25%	2.50%	1.50%	Largest increase since 1998.
UK	GDP Estimate (May, m/m)	0.1%	0.5%	-0.2% (↑)	Welcome surprise.
UK	Industrial Production (May, m/m)	0.0%	0.9%	-0.1% (↓)	Good.
EC	Industrial Production (May, m/m sa)	0.3%	0.8%	0.5% (↑)	Welcome resilience.
GE	CPI (Jun, y/y, final)	7.6%	7.6%	7.6%	Already known.
FR	CPI (Jun, y/y, final)	5.8%	5.8%	5.8%	Already known.
AU	Unemployment Rate (Jun)	3.8%	3.5%	3.9%	Strongest in nearly 50 years.
Thursday, July 14					
US	PPI Final Demand (Jun, y/y)	10.7%	11.3%	10.9% (↑)	Core measures eased noticeably.
US	Initial Jobless Claims (9 Jul, thous)	235	244	235	On the rise.
US	Continuing Claims (2 Jul, thous)	1,380	1,331	1,372 (↓)	Have bottomed.
CA	Manufacturing Sales (May, m/m)	-2.4	-2.0%	2.6% (↑)	Weakening.
JN	Industrial Production (May, m/m, final)	n/a	-7.5%	-7.2%	Worrying.
JN	Capacity Utilization (May, m/m)	n/a	-9.2%	0.0%	Worrying.
Friday, July 15					
US	Empire Manufacturing (Jul)	-2.0	11.1	-1.2	Pleasant surprise. Price metrics sharply lower.
US	Retail Sales Advance (Jun, m/m)	0.9%	1.0%	-0.1% (↑)	Decent report.
US	Import Price Index (Jun, y/y)	11.4%	10.7%	11.6% (↓)	Import prices from China declined.
US	Industrial Production (Jun, m/m)	0.1%	-0.2%	0.0% (↓)	Weak manufacturing, utilities.
US	Business Inventories (May)	1.4%	1.4%	1.3% (↑)	OK.
US	U. of Mich. Sentiment (Jul, prelim)	50.0	51.1	50.0	Long term inflation expectations plunged.
CA	Existing Home Sales (Jun, m/m)	-4.8%	-5.6%	-8.6%	Sales activity continued to slow down.
JN	Tertiary Industry Index (May, m/m)	0.5%	0.8%	0.7%	Holding up.

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

Week In Preview (July 18– July 22)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, July 18				
US	NAHB Housing Market Index (Jul)	66	67	It has further to decline.
CA	Housing Starts (Jun, thous)	n/a	287.3	Slowing down.
Tuesday, July 19				
US	Housing Starts (Jun, thous, saar)	1595	1549	
US	Building Permits (Jun, thous, saar)	1680	1695	
UK	Average Weekly Earnings (May, y/y)	6.7%	6.8%	Wage pressure likely to get stronger.
UK	ILO Unemployment Rate (May, 3m)	3.8%	3.8%	Remaining low.
EC	CPI (Jun, y/y, final)	8.6%	8.1%	
Wednesday, July 20				
US	Existing Home Sales (Jun, m/m)	-0.2%	-3.4%	
CA	Industrial Product Price (Jun, m/m)	n/a	1.7%	Further increase is likely.
CA	CPI (Jun, y/y)	8.0%	7.7%	Escalating.
UK	CPI (Jun, y/y)	9.3%	9.1%	Escalating.
AU	NAB Business Confidence (Q2)	n/a	n/a	
Thursday, July 21				
US	Philly Fed Business Outlook (Jul)	-0.5	-3.3	
US	Initial Jobless Claims (16 Jul, thous)	240	244	
US	Continuing Claims (9 Jul, thous)	1,345	1,331	
US	Leading Index (Jun, m/m)	-0.5%	-0.4%	
UK	GfK Consumer Confidence (Jul)	-42	-41	Weak.
EC	ECB Main Refinancing Rate (Jul-21)	0.25%	0.00%	The first step in a longer journey.
FR	Business Confidence (Jul)	103	104	
JN	BoJ Policy Rate	-0.1%	-0.1%	No change expected.
JN	National CPI (Jun, y/y)	2.4%	2.5%	Might come in above consensus.
JN	Manufacturing PMI (Jul, prelim)	n/a	52.7	Might show a drop.
Friday, July 22				
CA	Retail Sales (May, m/m)	n/a	0.9%	
UK	Manufacturing PMI (Jul, prelim)	52.0	52.8	Slowing down.
UK	Services PMI (Jul, prelim)	53.4	54.3	Remaining robust.
UK	Retail Sales Incl Auto Fuel (Jun, m/m)	-0.2	-0.5%	Weak.
EC	Manufacturing PMI (Jul, prelim)	51.0	52.1	
EC	Services PMI (Jul, prelim)	52.0	53.0	
EC	Composite PMI (Jul, prelim)	51.0	52.0	
GE	Manufacturing PMI (Jul, prelim)	51.0	52.0	
GE	Services PMI (Jul, prelim)	51.3	52.4	
FR	Manufacturing PMI (Jul, prelim)	51.0	51.4	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target Jan	Feb	Mar	Apr	May
US	Target: PCE price index 2.0% y/y	6.0	6.3	6.6	6.3	6.3
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	5.1	5.7	6.7	6.8	7.7
UK	Target: CPI 2.0% y/y	5.5	6.2	7.0	9.0	9.1
Eurozone	Target: CPI below but close to 2.0% y/y	5.1	5.9	7.4	7.4	8.1
Japan	Target: CPI 2.0% y/y	0.5	0.9	1.2	2.5	2.5
Australia	Target Range: CPI 2.0%-3.0% y/y	5.1	5.1	5.1		

Source: Macrobond

Key Interest Rates

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
US (top of target range)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.75
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	1.00	1.00	1.50
UK (Bank Rate)	0.10	0.10	0.10	0.10	0.25	0.25	0.50	0.75	0.75	1.00	1.25
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	-0.05	-0.03	-0.05	-0.02	-0.02	-0.01	-0.02	-0.02	-0.03	-0.04
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.33	0.73

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	-10.4	-8.0	-5.3	-4.6
Canada	-0.6	0.0	0.1	-0.3	0.0	-0.2	-8.6	-3.6	-2.3	-1.3
UK	-3.9	-3.6	-2.8	-2.3	-2.4	-2.7	0.5	-3.2	-4.4	-2.0
Eurozone	-0.7	-0.6	-0.5	-0.5	-0.3	-0.5	-4.5	-4.0	-3.5	-2.3
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-3.1	-2.6	-2.0	-0.5
France	-2.5	-2.1	-2.0	-1.9	-1.5	-2.1	-5.9	-5.9	-5.3	-3.4
Italy	-1.0	-0.6	-1.3	-1.6	-1.7	-1.0	-6.0	-4.6	-5.2	-3.7
Japan	-5.4	-4.2	-4.1	-3.3	-2.5	-2.5	-8.1	-6.9	-7.3	-3.3
Australia	-2.8	-2.6	-2.3	-1.6	-1.2	-4.1	-7.8	-7.7	-5.4	-3.6

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change Feb	Mar	Apr	May	Jun		PPI Year/Year % Change Feb	Mar	Apr	May	Jun
US	7.9	8.5	8.3	8.6	9.1		10.4	11.6	11.0	10.9	11.3
Canada	5.7	6.7	6.8	7.7			15.9	17.9	16.4	15.0	
UK	6.2	7.0	9.0	9.1			10.3	12.0	14.7	15.6	
Eurozone	5.9	7.4	7.4	8.1			31.5	36.9	37.2	36.3	
Germany	5.1	7.3	7.4	7.9	7.6		25.9	30.9	33.5	33.6	
France	3.6	4.5	4.8	5.2	5.8		20.2	24.8	25.0	25.0	
Italy	5.7	6.5	6.0	6.8	8.0		32.7	36.9	35.3	34.6	
Japan	0.9	1.2	2.5	2.5			9.4	9.3	9.9	9.3	9.2
Australia	5.1	5.1					4.9	4.9			

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22
US	1.5	1.6	0.6	1.7	-0.4	0.5	12.2	4.9	5.5	3.5
Canada	1.1	-0.8	1.3	1.6	0.8	0.2	11.7	3.8	3.2	2.9
UK	-1.2	5.6	0.9	1.3	0.8	-5.0	24.5	6.9	6.6	8.7
Eurozone	-0.1	2.2	2.3	0.2	0.6	-0.9	14.7	4.0	4.7	5.4
Germany	-1.7	2.2	1.7	-0.3	0.2	-2.8	10.4	2.9	1.8	3.8
France	0.2	1.0	3.2	0.4	-0.2	1.8	19.2	3.0	4.9	4.5
Italy	0.2	2.7	2.6	0.7	0.1	0.0	17.5	4.0	6.4	6.2
Japan	-0.4	0.6	-0.8	1.0	-0.1	-1.7	7.4	1.2	0.4	0.7
Australia	1.8	0.8	-1.8	3.6	0.8	1.4	9.7	4.1	4.4	3.3

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	Feb	Mar	Apr	May	Jun	Feb	Mar	Apr	May	Jun
US	0.8	0.7	0.8	0.0	-0.2	7.0	4.9	5.6	4.8	4.2
Canada	0.8	1.0	1.9			3.6	3.8	7.2		
UK	-0.5	0.3	0.0	0.8		1.9	1.0	1.7	1.4	
Germany	0.4	-4.2	1.3	0.2		2.8	-4.5	-2.5	-1.4	
France	-1.2	-0.5	-0.3	0.0		2.0	-0.1	-0.6	-0.4	
Italy	4.0	0.2	1.4	-1.1		3.3	3.2	3.5	3.5	
Japan	2.0	0.3	-1.5	-7.5		0.5	-0.8	-3.4	-4.7	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
US	5.2	4.7	4.6	4.2	3.9	4.0	3.8	3.6	3.6	3.6	3.6
Canada	7.1	7.0	6.8	6.1	6.0	6.5	5.5	5.3	5.2	5.1	4.9
UK	4.3	4.2	4.1	4.0	4.0	3.8	3.7	3.8			
Eurozone	7.5	7.3	7.3	7.1	7.0	6.9	6.8	6.8	6.7	6.6	
Germany	5.5	5.4	5.4	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.3
France	7.7	7.6	7.5	7.4	7.4	7.3	7.3	7.3	7.2	7.2	
Italy	9.1	9.1	9.2	9.0	8.8	8.7	8.5	8.3	8.3	8.1	
Japan	2.8	2.8	2.7	2.8	2.7	2.8	2.7	2.6	2.5	2.6	
Australia	4.5	4.7	5.2	4.6	4.2	4.2	4.0	3.9	3.9	3.9	3.5

Source: Macrobond

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

	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22
US	-2.0	-1.9	-2.0	-3.1	-3.2	-3.5	-3.4	-3.6	-3.9	-3.7	-4.8
Canada	-2.2	-1.6	-3.2	-1.1	-2.0	-0.8	0.1	-0.1	0.2	0.0	0.7
UK	-2.5	0.5	-2.2	-1.4	-1.4	-4.8	-2.2	-2.0	-4.9	-1.2	-8.3
Eurozone	3.2	1.5	0.6	1.3	2.5	3.4	4.0	3.3	2.4	0.9	0.8
Germany	7.8	7.4	6.7	5.3	7.3	8.3	8.9	7.9	7.0	6.4	5.0
France	0.3	0.5	-1.3	-3.7	-2.0	-0.4	0.6	0.7	0.4	-0.3	-0.2
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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