STATE STREET GLOBAL ADVISORS

July 22, 2022
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
The Fed poised to deliver another big hike. Eurozone economy may have eked out a little growth in Q2. Australian inflation poised to jump.

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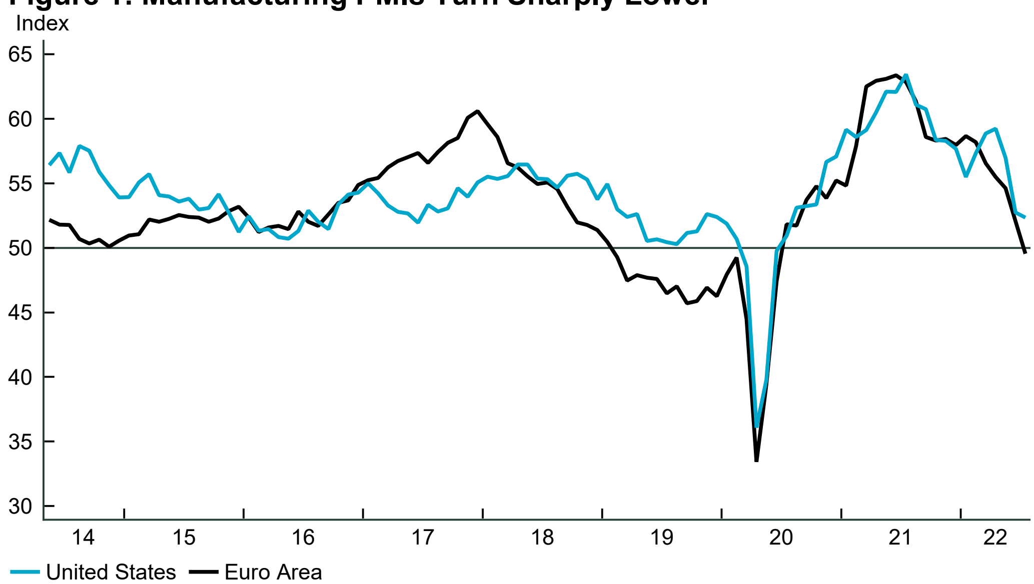
The Economy

Global manufacturing slowdown intensifies as monetary tightening cycle advances.

Global

Global manufacturing activity is rapidly decelerating, according to preliminary S&P Global manufacturing PMIs for July. The weakness is most visible in the eurozone, whose index lost another 2.5 points to 49.6, the lowest level since June of 2020. The details were even worse, with the output component at 46.1 and new orders at a mere 42.6, signaling further downside. The deceleration appears geographically broad-based, with both the German and French indexes dipping into contraction. For now, the US, UK, and Japanese indexes held up in expansion territory at 52.3, 52.2, and 52.2, respectively, but it remains to be seen whether this resilience can be sustained. A rebound in industrial activity in China following the relaxation of Covid restrictions could be an impetus to global manufacturing activity in coming months by alleviating supply chain problems, but this is not guaranteed.

Figure 1: Manufacturing PMIs Turn Sharply Lower



Sources: SSGA Economics, IHS Markit, S&P Global

US

The US economy is slowing at a fairly rapid rate. The evidence is broadening that this slowdown in not merely contained to real activity indicators, but that price pressures are starting to ease up as well. To us, the key message from the entirety of the US data flow is that while the Fed should continue tightening for now, it need not accelerate the pace. We expect a 75 point hike next week. Even a 50 might suffice.

On the back of rapidly rising interest rates, we had been anticipating a sharp decline in housing activity. So far, while the deceleration has been visible, it hasn't been acute. That may be about to change, however, if the July **homebuilder sentiment** data is to be believed. The NAHB index plunged 12 points to 55, the second largest monthly decline on record and the lowest level since May 2020.

The **index of leading economic indicators (LEI)** has declined in five of the last six months, a clear signal that economic activity is turning lower. In June, it plunged 0.8%, the most since April 2020. Moreover, declines were heavily driven by real-economy indicators such as consumer expectations, the average workweek, and jobless claims. Financial-type indicators had more mixed contributions, with the interest rate spread delivering the largest positive contribution.

Unemployment claims continue to rise. They touched 251,000 in the week ending July 16th, the highest level in about eight months. Continuing claims rose to a roughly three-month high of 1.384 million in the week ending July 9.

Canada

Canada's inflation rate accelerated again in June but not as sharply as expected. **Headline inflation** quickened four tenths to 8.1% y/y, mainly due to higher prices for gasoline. However, price increases remained broad-based with seven of eight major components rising by 3% or more. Excluding gasoline, inflation accelerated two tenths to 6.5% y/y. Core inflation measures remained high across the board, with the CPI common measure rising to 4.6% from 4.5% in May (this was revised up sharply from the 3.9% originally reported). The weighted median remained at 4.9% y/y while the trimmed mean measure inched up a tenth to 5.5% y/y. Against this inflation backdrop, the BoC is likely to remain hawkish and deliver another outsized 50-75 bp hike in September.

Consumers seem willing to continue spending despite the erosion in purchasing power due to high inflation. **Retail sales** once again exceeded market expectation to increase sharply by 2.2% m/m in May, albeit after a downwardly revised 0.7% April gain. This fifth consecutive increase was led by higher sales at gasoline stations and motor vehicle and parts dealers. Core retail sales increased 0.6%, led by higher sales at food and beverage stores despite food prices remained elevated in May. Real sales increased 0.4% in May.

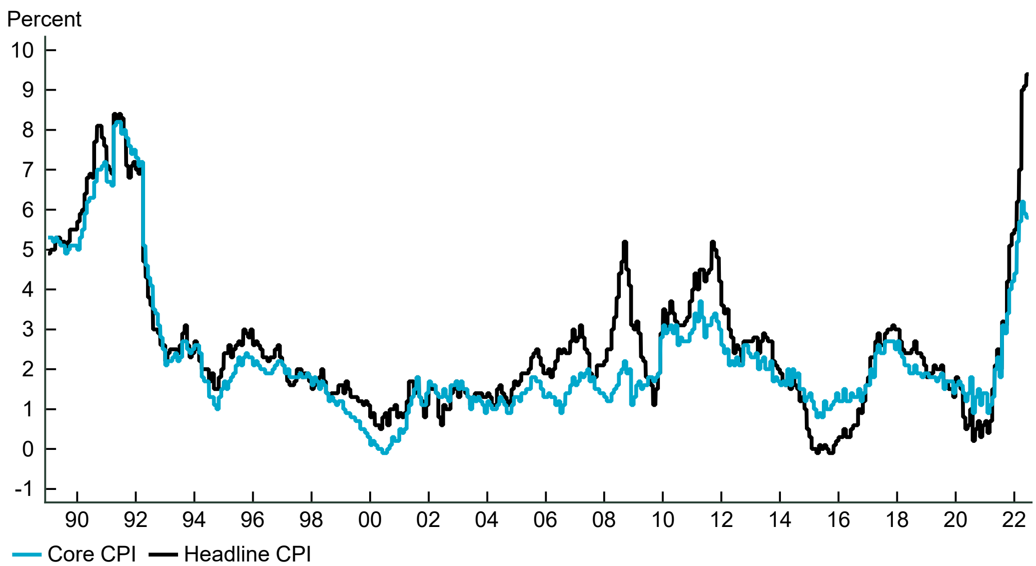
Housing activity is moderating. **Housing starts** fell 3.0% in June broad-based declines in both multi-unit and single-detached starts. The seasonally adjusted annualized rate of housing starts eased to 273,841 units, slightly below expectations. Meanwhile, housing price growth is slowing from still elevated levels. **The 11-City Teranet/Bank of Canada house price index** rose 16.7% y/y in June, lower than the 18.3% growth recorded in May. The outsized 100 basis-point rate hike that the Bank of Canada delivered on July 13 will likely calm the market even more in the coming months. The moderation in house prices is expected to deepen and broaden in the next few months given the expectations of further rate hikes.

UK

The UK labor market remains resilient despite concerns that high inflation and the uncertain economic outlook will hit demand for labor. During the three months to May, total employment grew strongly by 296k, the most since the three months to August last year. The increase was mainly due to full-time employment rising to a record high, while part-time employment continues to recover from large declines during the pandemic. The **unemployment rate** was unchanged at a historical-low of 3.8% in the three months to May, despite expectations for an increase. The economic inactivity rate decreased by 0.4 percentage points to 21.1% in March to May 2022, with broad-based reductions recorded, led by older workers rejoining the labor market amid a squeeze in household real incomes and high vacancies. Job vacancies also rose to a record high of 1,294,000 but the pace of increases continued to slow. Wage pressures may be peaking, as growth in total pay, including bonuses, slowed to 6.2% from 6.8% while growth in regular pay picked up slightly to 4.3% y/y. Real earnings continued to shrink with total pay falling by 0.9% and regular pay falling 2.8% when adjusted for inflation.

Alongside the tight labor market, the latest inflation data seem to provide support for the idea of a 50-bp hike in August. Headline **inflation** accelerated three tenths 9.4% y/y in June, a new 40-year high. The increase was mainly driven by rising food prices and energy cost. Both goods and services inflation accelerated three tenths, to 12.7% y/y and 5.2% y/y, respectively. Food and non-alcoholic beverages was the biggest contributor, adding 0.13 ppts to change in the CPI rate. Meanwhile, clothing and footwear inflation moderated to 6.1% y/y and offset nearly half of the increase in food and non-alcoholic beverages. Other non-energy industrial goods such as housing goods, vehicles, spare parts & accessories as well as audio-visual goods, also showed some moderation. Core inflation, which excludes food and energy prices eased one tenth to 5.8% y/y, in line with expectations, and below the MPC's forecast.

Figure 2: UK Consumer Price Inflation Hits New 40-Year High



Sources: SSGA Economics, ONS, BoE

The spike in the cost of living is severely denting consumer sentiment. The **GFK consumer confidence index** was unchanged at a record low of -41 in July. Meanwhile, **retail sales** declined 0.1% in June, following a 0.8% contraction in May. Sales declined 5.8% y/y, worse than expected. Sales excluding fuel rose 0.4% m/m, against expectations of a decline, although from a revised lower base. Automotive fuel sales volumes fell by 4.3% in June 2022, largest decline since October 2021, as drivers cut back on record-priced fuel. Non-food stores sales volumes fell by 0.7% over the month, driven by decline in clothing stores, and household goods stores.

In July, the UK private sector grew at the slowest paces since the lockdowns of early 2021. The **manufacturing PMI** touched a 25-month low of 52.2, while the **services PMI** lost one point to 53.3, a 17-month low. New orders rose modestly in July, mainly driven by the increase across services sector. Demand condition remained subdued with manufacturing production (49.7) falling for the first time since May 2020. Employment is still solid in July but the pace of job creation eased to a 16-month low. The good news is that the inflationary pressure has clearly cooled down, with the rise in input costs the lowest since September 2021. The latest rise in output charges was also the least marked since January as firms responded to softer customer demand. Business optimism within manufacturing fell to 26-month low with global economic outlook uncertainty and the prospects of further rate hikes contributing to weaker demands and lower output projections for the year ahead.

Eurozone

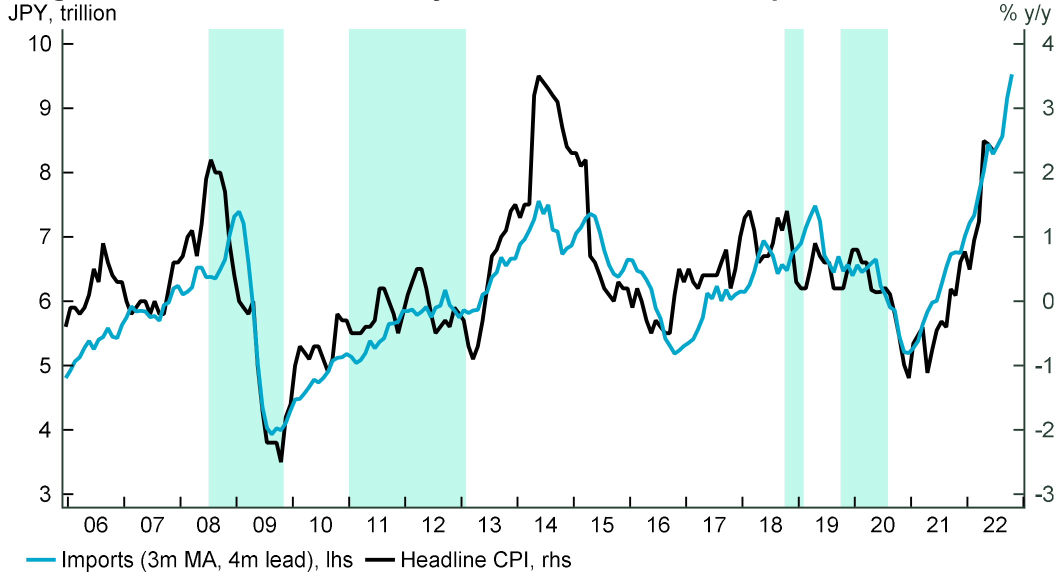
Amid record high inflation and with some reassurance from a newly approved Transmission Protection Instrument (TPI), the **ECB** Governing Council (GC) “judged that it is appropriate to take a larger first step on its policy rate normalization path than signaled at its previous meeting”. As such, all three policy rates were raised by a larger-than-expected 50 basis points. The main refinancing operations, the marginal lending facility, and the deposit facility rates were raised to 0.50%, 0.75% and 0.00% respectively. Unsurprisingly, further interest rates normalization is seen as appropriate and will be data dependent. The details around the TPI were fairly vague, most likely intentionally so. The intent is to allow the ECB to intervene to counter “unwarranted, disorderly market dynamics that pose a serious threat to the transmission of monetary policy across the euro area”. How exactly the Governing Council will determine that a move is unwarranted is not well defined. In order to minimize moral hazard risks, as well as political and legal backlash, the ECB spelled out a series of eligibility criteria for its TPI purchases. Most of these have to do with fiscal health and compliance with EU fiscal framework. However, they will only “be an input into the Governing Council’s decision-making and will be dynamically adjusted to the unfolding risks and conditions to be addressed”. So, we are not talking about any hard and fast rules here. As such, it is a bit hard to a priori pass judgement on how effective this instrument will be.

Japan

The Bank of Japan (BoJ) maintained its policy stance as widely expected this week. However, they downward GDP growth for FY 2022 to 2.4% from 2.9% in April and raised core inflation forecast to 2.3% from 1.9% previously. We still see upside risks to these inflation forecasts. Governor Kuroda defended low interest rates and the Yield Curve Control policy and reiterated no policy change. While the governor admitted that trend inflation could gradually rise, he emphasized that monetary policy will not change until inflation will reach the 2% target in a ‘sustainably and stable way’.

That said, inflationary pressures appear to be broadening. **Headline CPI** for June came in line with consensus at 2.4% y/y (2.5% in May), **core CPI** at 2.2% y/y (excluding fresh food) and **core-core CPI** at 1.0% y/y (ex. fresh food & energy). Food overtook energy as the largest contributor to inflation in June. The energy contribution moderated due to continued government subsidies that have reduced gasoline prices by 25% according to estimates by the METI. We anticipate further broadening of price pressures as higher costs get passed onto customers.

Figure 3: Price Pressures May Remain Elevated In Japan



Sources: SSGA Economics, Japanese Statistics Bureau, Ministry of Internal Affairs & Communications, MOF

The weaker yen could keep import prices elevated as Japan logged its 11th straight trade deficit in June. However while the deficit itself narrowed to Y1.38 trillion, there are signs of exports picking up. Exports rose 19.4% annually, more than consensus's 17% while imports grew faster at 46.1%, lower than past month's 48.9%.

The **preliminary PMI** data reflected concerns of higher prices and further, concerns of weakening growth. Manufacturing PMI expanded at 52.2 (vs 52.7) Composite expanded slower at 50.6 (vs. 53.0 previous) and services expanded at 51.2 (vs 54.0). The main concerns are elevated costs due to higher input prices and staffing costs but key take away is that respondents said supply chain disruptions eased further.

Australia

Minutes from **RBA**'s July meeting reinforce our view that RBA might continue to hike to 3% by the end of 2022. While the reference to "*still very low level of interest rates*" was dropped, "*members agreed that further steps would need to be taken to normalize monetary conditions in Australia over the months ahead.*"

Meanwhile, the July **purchasing managers indexes** (**PMIs)** were mixed. The manufacturing resilience was a silver lining, with the manufacturing PMI still at a solid 55.7 (vs. 56.2 previously). But a moderation in the services PMI to 50.4 (vs. 52.6) caused the composite index to slip to 50.6 (vs. 52.6).

Separately, the **Westpac Leading Index,** slipped 0.16% in June from May to 97.88. The six month annualized growth rate eased to 0.4% from 0.56% in May and remained above average, indicating growth is still above trend. The key drivers were a rebound in hours worked, higher commodity prices, moderation in dwelling approvals and improvements in the US industrial production.

Week in Review (July 18 – July 22)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, July 18					
US	NAHB Housing Market Index (Jul)	65	55	67	Second largest monthly decline on record.
CA	Housing Starts (Jun, thous)	274.0	273.8	282.2 (↓)	Weakening.
Tuesday, July 19					
US	Housing Starts (Jun, thous, saar)	1580	1559	1591 (↑)	But single family starts declined.
US	Building Permits (Jun, thous, saar)	1650	1685	1695	But single family permits declined.
UK	Average Weekly Earnings (May, y/y)	6.7%	6.2%	6.8%	Moderating.
UK	ILO Unemployment Rate (May, 3m)	3.8%	3.8%	3.8%	Remaining at historical-low.
EC	CPI (Jun, y/y final)	8.6%	8.6%	8.1% (↓)	Another record high.
Wednesday, July 20					
US	Existing Home Sales (Jun, m/m)	-1.1%	-5.4%	-3.4%	Down 14.2% y/y.
CA	Industrial Product Price (Jun, m/m)	-0.5%	-1.1%	1.8% (↑)	First decline since August 2021.
CA	CPI (Jun, y/y)	8.4%	8.1%	7.7%	Lower than expected but still accelerating.
CA	Teranet/National Bank HPI (Jun, y/y)	n/a	16.7%	18.3%	Slowing.
UK	CPI (Jun, y/y)	9.3%	9.4%	9.1%	New 40-year high.
GE	PPI (Jun, y/y)	33.7%	32.7%	33.6%	First moderation since May 2020.
AU	NAB Business Confidence (Q2)	n/a	5	15 (↑)	Weak.
Thursday, July 21					
US	Philly Fed Business Outlook (Jul)	0.8	-12.3	-3.3	Very troublesome report.
US	Initial Jobless Claims (16 Jul, thous)	240	251	244	Rising steadily now.
US	Continuing Claims (9 Jul, thous)	1340	1384	1333 (↑)	Have bottomed.
US	Leading Index (Jun, m/m)	-0.6%	-0.8%	-0.6% (↓)	Big decline.
UK	GfK Consumer Confidence (Jul)	-42	-41	-41	Very weak.
EC	ECB Main Refinancing Rate (Jul-21)	0.25%	0.50%	0.00%	Hawkish surprise.
FR	Business Confidence (Jul)	103	103	104	Stabilizing?
JN	BoJ Policy Balance Rate	-0.1%	-0.1%	-0.1%	Holding steady.
JN	National CPI (Jun, y/y)	2.4%	2.4%	2.5%	Broadening.
JN	Manufacturing PMI (Jul, prelim)	n/a	52.2	52.7	Soft.
Friday, July 22					
CA	Retail Sales (May, m/m)	1.6%	2.2%	0.7% (↓)	Strong, but on higher prices.
UK	Manufacturing PMI (Jul, prelim)	52.0	52.2	52.8	Weakening.
UK	Services PMI (Jul, prelim)	53.0	53.3	54.3	Weakening.
UK	Retail Sales Incl Auto Fuel (Jun, m/m)	-0.2%	-0.1%	-0.8% (↓)	Weakening.
EC	Manufacturing PMI (Jul, prelim)	51.0	49.6	52.1	Lowest level since June 2020.
EC	Services PMI (Jul, prelim)	52.0	50.6	53.0	Notable deceleration.
EC	Composite PMI (Jul, prelim)	51.0	49.4	52.0	Weak new orders.
GE	Manufacturing PMI (Jul, prelim)	50.7	49.2	52.0	Weak new orders.
GE	Services PMI (Jul, prelim)	51.4	49.2	52.4	Soft.
FR	Manufacturing PMI (Jul, prelim)	51.0	49.6	51.4	Soft.

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

Week In Preview (July 25– July 29)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, July 25				
GE	IFO Business Climate (Jul)	90.1	92.3	
JN	PPI Services (Jun, y/y)	2.0%	1.8%	Could accelerate.
Tuesday, July 26				
US	FHFA House Price Index (May, m/m)	1.5%	1.6%	These need to moderate.
US	S&P CoreLogic CS 20-City (May, m/m)	1.5%	1.8%	These need to moderate.
US	Conf. Board Cons. Confidence (Jul)	96.0	98.7	
US	New Home Sales (Jun, thous, saar)	664	696	Could be weaker.
AU	CPI Trimmed Mean (Q2, y/y)	4.7%	3.7%	Could come in stronger than consensus.
Wednesday, July 27				
US	Durable Goods Orders (Jun, prelim m/m)	-0.4%	0.8%	
US	Pending Home Sales (Jun, m/m)	-1.0%	0.7%	Higher rates are too much of a headwind.
US	FOMC Rate Decision (Upper Bound)	2.50%	1.75%	This would bring the Fed Funds rate to neutral.
GE	GfK Consumer Confidence (Aug)	-29.0	-27.4	
FR	Consumer Confidence (Jul)	80.0	82.0	
AU	Retail Sales (Jun, m/m)	0.4%	0.9%	Could hold up.
Thursday, July 28				
US	GDP (Q2, advance q/q saar)	0.4%	-1.6%	This would avoid technical recession…for now.
US	Initial Jobless Claims (23 Jul, thous)	248	251	
US	Kansas Fed Manufacturing Activity (Jul)	4	12	
UK	Nationwide House PX (Jul, m/m)	n/a	0.3%	Expect to get softer.
GE	CPI (Jul, prelim, y/y)	7.4%	7.6%	
IT	Industrial Sales (May, m/m)	n/a	2.7%	
JN	Jobless Rate (Jun)	2.5%	2.6%	Low.
JN	Retail Sales (Jun, m/m)	0.2%	0.7% (↑)	Could hold up.
JN	Industrial Production (Jun, prelim m/m)	4.0%	-7.5%	
Friday, July 29				
US	Employment Cost Index (Q2, q/q)	1.2%	1.4%	
US	Personal Income (Jun, m/m)	0.5%	0.5%	
US	Personal Spending (Jun, m/m)	0.9%	0.2%	
US	U. of Mich. Sentiment (Jul, final)	51.1(p)	50.0	
CA	GDP (May, m/m)	-0.2%	0.3%	Could be weakening.
UK	Mortgage Approvals (Jun, thous)	64.0	66.2	Likely to fall further.
EC	GDP (Q2, adv, q/q)	0.2%	0.6%	
GE	GDP (Q2, adv, q/q)	0.1%	0.2%	
GE	Unemployment Claims Rate (Jul)	5.4%	5.3%	
FR	GDP (Q2, prelim, q/q)	0.3%	-0.2%	
IT	GDP WDA (Q2, prelim QoQ)	0.2%	0.1%	
JN	Consumer Confidence Index (Jul)	31.3	32.1	Treading water.

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

Economic Indicators

Central Bank Policy Targets						
Region	Target	Year/Year % Change in Target				
		Feb	Mar	Apr	May	Jun
US	Target: PCE price index 2.0% y/y	6.3	6.6	6.3	6.3	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	5.7	6.7	6.8	7.7	8.1
UK	Target: CPI 2.0% y/y	6.2	7.0	9.0	9.1	9.4
Eurozone	Target: CPI below but close to 2.0% y/y	5.9	7.4	7.4	8.1	8.6
Japan	Target: CPI 2.0% y/y	0.9	1.2	2.5	2.5	2.4
Australia	Target Range: CPI 2.0%-3.0% y/y	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									Forecast	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
US	-2.7	-2.5	-3.5	-4.2	-5.2	-6.1	-10.4	-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					PPI Year/Year % Change				
	Feb	Mar	Apr	May	Jun	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	8.1	16.0	18.1	17.0	15.7	14.3
UK	6.2	7.0	9.0	9.1	9.4	10.3	12.1	14.8	15.7	16.5
Eurozone	5.9	7.4	7.4	8.1	8.6	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	32.7
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	2.4	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	2.1	2.3	0.4	0.5		-0.9	14.6	3.9	4.8	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	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	2.5	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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