June 10, 2022
Commentary

Weekly Economic Perspectives

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The Fed poised to deliver well-telegraphed 50-bp hike. The BoE to hike 25 bp. No hike from the BoJ.

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The Economy

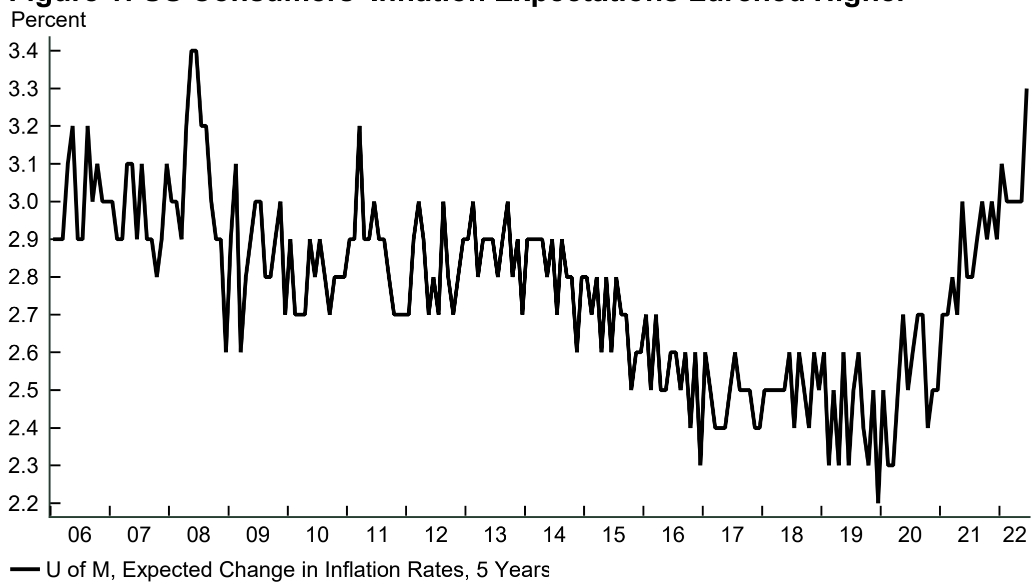
Upside inflation surprises reinforce hawkish rate expectations.

US

This was probably the worst week for US **inflation news** in the entire post-Covid period…and the fresh 40-year high in the headline CPI print in May (8.6% y/y vs 8.2% expected) was only part of it. We were even more troubled by the three-tenth surge in **long-term inflation expectations** in the Michigan survey, now at 3.3% and the highest level since mid-2008. This is the loudest alarm bell so far that medium-term consumer expectations may become unanchored. Previously, we had taken solace in this measure's steadiness at the 3.0% mark. Admittedly, one month does not settle the argument here, but the move was significant enough to cause concern. In that regard, this is indeed a delicate moment. Bad as they were, we do not believe that this week's data change the Fed's near-term trajectory. While debate around the merits of a 75 bp hike will be reignited, we suspect the Fed will stick to its essential pre-commitment of 50 bp hikes in June and July rather than augment the size of the steps. But we have to admit that the latest data flow diminishes the chances of a Fed pause in the fall, an idea we have found value in (and still do to some extent) and raises the odds of a longer streak of 50-bp hikes. At least for now, the hawks among the FOMC are being bolstered and the (relative) doves weakened. In addition to a rate decision, next week's FOMC meeting will also bring us an updated summary of economic projections. While growth forecasts need to be trimmed and headline inflation projections raised, this will be the first meeting in a while that core PCE inflation forecasts may not require much in the way of tweaking.

Let us turn back to the **CPI release**. The grim reality is that there was nothing good in the May report. Whatever encouraging evidence of a moderation in core goods inflation there had emerged in the prior two months dimmed considerably, although it did not entirely disappear. Upward pressures remain acute across a broad range of goods and services, including areas where we hoped to see some relief following April's robust increases. For instance, airfares, which surged 10.7% m/m in March and 18.6% April, jumped another 12.6% in May; they are now 37.8% higher than a year earlier. We'd argue that these are unsustainable levels but perhaps the combination of higher fuel and labor costs and pent-up demand for travel is causing consumers to absorb these increases no matter how unhappy they may make them. That the high costs come with unprecedented flight delays and cancellations only adds insult to injury, but so far at least, there seem to be enough willing buyers. Car prices also surprised to the upside. New car prices rose 1.0% and used car prices, which had dipped in the previous three months, rebounded 1.8%. Meanwhile, for all the talk about overstocking at key retailers and a major discounting season in the offing, apparel prices increased 0.7%. The 3.9% jump in energy, which more than unwound the April retreat, wasn't too surprising given the evolution of oil prices since the last report. Food prices jumped 1.2%, the most since April 2020. This is an area of genuine concern since supply disruptions due to the war in Ukraine exacerbate shortage worries across a range of agricultural commodities. Sadly, neither food nor energy supply can be improved by higher interest rates so in this context aggressive rate hikes may merely increase the likelihood of stagflation…Housing remains another area of concern, with shelter costs up 0.6%, a rate matched only twice since January 1991. Another headache for the Fed and consumers alike, and yet another area where insufficient supply plays a key role. All in all, these dynamics pushed overall and core consumer prices up 1.0% and 0.6%, respectively, in May. The headline inflation rate accelerated three tenths to 8.6% y/y while the core inflation rate moderated two to 6.0% y/y.

Figure 1: US Consumers' Inflation Expectations Lurched Higher



Sources: SSGA Economics, University of Michigan

Buffeted by high inflation, consumers sentiment is tanking. The **University of Michigan consumer sentiment index** hit a new record low of 50.2 in the preliminary reading for June, with declines evenly distributed across the current situation and expectations component. Short term (1 year) inflation expectations ticked up a tent to 5.4%, matching the March and April readings, but the long term (5-10 years) inflation expectation surged three tenths to 3.3%. The associated press release noted that "Half of all consumers spontaneously mentioned gas during their interviews, compared with 30% in May and only 13% a year ago."

One way that consumers appear to be dealing with higher prices is through renewed usage of credit. It is hard to tell how much of this is driven by need versus convenience, but we find it hard to believe that the surge in **consumer credit** (particularly revolving credit) in the last several months has nothing to do with the former. Overall consumer credit increased by $38.1 billion in April, with revolving credit up $17.8 billion and non-revolving credit up $20.3 billion. Non-revolving credit is now up 13.1% from a year ago, the fastest growth rate since 2001.

We now have several weeks of data to support the assertion that **initial unemployment claims** have bottomed. Make no mistake, they still remain very low by historical standards, but the downtrend that took initial claims all the way to a low of 166,000 in mid-March appears to have ended. Indeed, initial claims rose to 229,000 in the week ending June 4 and the four-week moving average, with touched a low of 171,000 in early April, rose to 215,000 in the latest reading. Meanwhile, continuing claims have yet to show a similar uptrend, implying that those losing jobs are able to find new ones rather quickly.

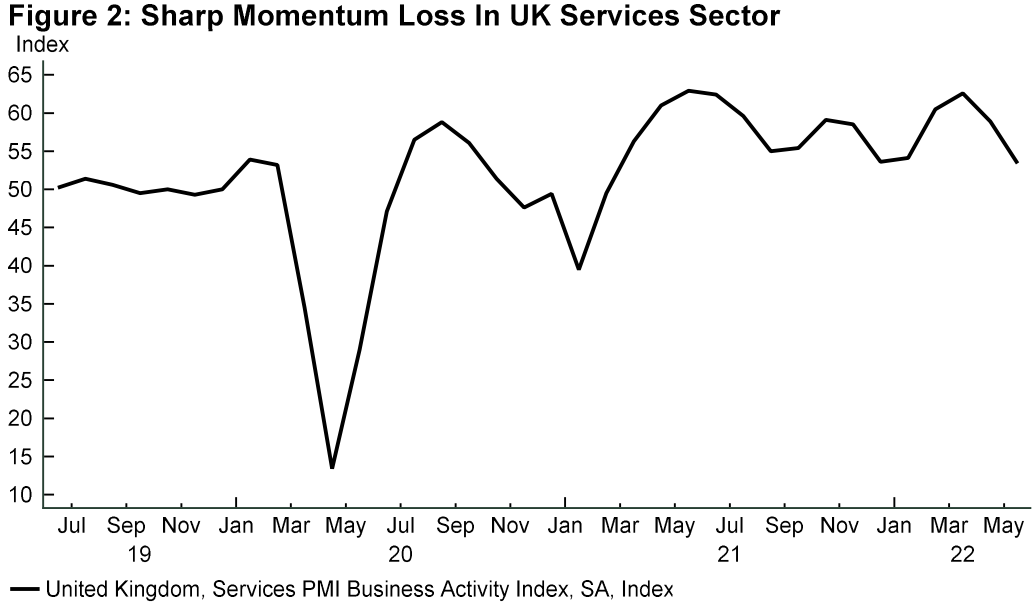
Canada

Employment rose by 40k (+0.2%) in May against a steady labor force participation rate, allowing the **unemployment rate** to edge down a tenth to new record low of 5.1%. The composition of the gains was very favorable, driven exclusively by full time positions (+135k; +0.9%) at the expense of part-time jobs. The services sector added 81k but manufacturing lost 41k. Total hours worked were little changed in May, but were up 5.1% compared with a year earlier. While the overall labor force participation rate was unchanged at 65.3%, the participation rate among core-aged women rose to a record 85.0%. Tight labor market has also pushed average hourly wages up 3.9% y/y in May, compared to 3.3% in April, and strengthened the case of another oversized rate hike in July.

UK

The UK services sector slowed down sharply in May as inflation hit consumer demand. The **services PMI** declined 5.5 points to 53.4, the largest single-month retreat since July 1996 outside of the pandemic lockdowns. Except travel, leisure and entertainment which benefited from the lifting of restrictions, other service businesses are facing softer demand. New order growth slowed to the lowest since December 2021. In contrast, employment continued to expand at a steady rate as many companies are rebuilding capacity. Backlogs rose modestly in May, with higher levels of unfinished work now recorded for fifteen consecutive months. Inflationary pressure continues to escalate with cost inflation the highest since July 1996, leading to record increases in prices charged. Given weaker growth prospects and rising inflation, business confidence fell to the lowest since October 2020.

Figure 2: Sharp Momentum Loss In UK Services Sector



Sources: SSGA Economics, IHS Markit

Eurozone

The **ECB** caused a bit of a stir in markets this week, not by what it did—nothing for the moment—but by what it promised to do, and soon. Namely, to raise interest rates by 25 basis points in July and likely by a larger increment in September. Indeed, nobody could fault the ECB for not making its intensions clear about next month: “the Governing Council intends to raise the key ECB interest rates by 25 basis points at its July monetary policy meeting.” There! The Council also “expects to raise the key ECB interest rates again in September. The calibration of this rate increase will depend on the updated medium-term inflation outlook. If the medium-term inflation outlook persists or deteriorates, a larger increment will be appropriate at the September meeting.” Since it seems unlikely that the medium-term inflation outlook would improve in any meaningful way between now and September (a de-escalation in the Ukraine war would likely be needed for this to occur, and that seems like a low probability event) the odds favor a 50 basis point hike then. After that, gradual but steady additional tightening is anticipated. Market pricing is for more than just gradual tightening, with close to 250 bp worth of rate hikes delivered through next May. Whether that is a tenable path is very much open to debate. Time and data will tell. For its part, the Governing Council wisely intends to “maintain optionality, data-dependence, gradualism and flexibility in the conduct of monetary policy.”

Asset purchases under the APP (asset purchase program) will end July 1 but reinvestments will continue for an undefined “extended period”. We read this to mean six months at the minimum but more likely double that and quite possibly longer if conditions warrant it. To the extent that the ECB made repeated reference to the possibility of financial fragmentation suggest a concern that future conditions may, indeed, require an extended reinvestment period. For their part, reinvestments under the Pandemic Emergency Purchase Program (PEPP) and there is every intention to conduct these “flexibly across time, asset classes and jurisdictions”. We were also told that “net purchases under the PEPP could also be resumed, if necessary, to counter negative shocks related to the pandemic.” While this implies a clear pandemic link, it is unclear how that would be framed and defined. All in all, the ECB seems to be trying to signal a genuine intent to normalize the policy stance while acutely aware of risks to the outlook and seeking to preserve future optionality.

There were substantial revisions to the **staff economic forecasts** (downgrades to 2022-23 growth and upgrades to inflation), all of which seem reasonable in light of incoming data. 2022 growth was downgraded by nine tenths to 2.8% and 2023 by seven to 2.1%, partly offset by a 2024 upgrade. The 2022 growth projection is very closely aligned with our current expectations following the upward revision to Q1 growth. Inflation was revised up by 1.7 percentage points to 6.8% and 1.4 ppt to 3.5% in 2022 and 2023, respectively. Even 2024 was revised up two tenths to 2.1%, implying considerable “stickiness”. It would changes (or lack thereof) to this medium term forecast that we were told would determine the size of the September hike.

The industrial sector recovered a little in April, with German industrial production up 0.7% and Italian industrial production up 1.6%. Challenges to the outlook remain acute, however, as evidenced by the 2.7% decline in German factory orders in May.

Japan

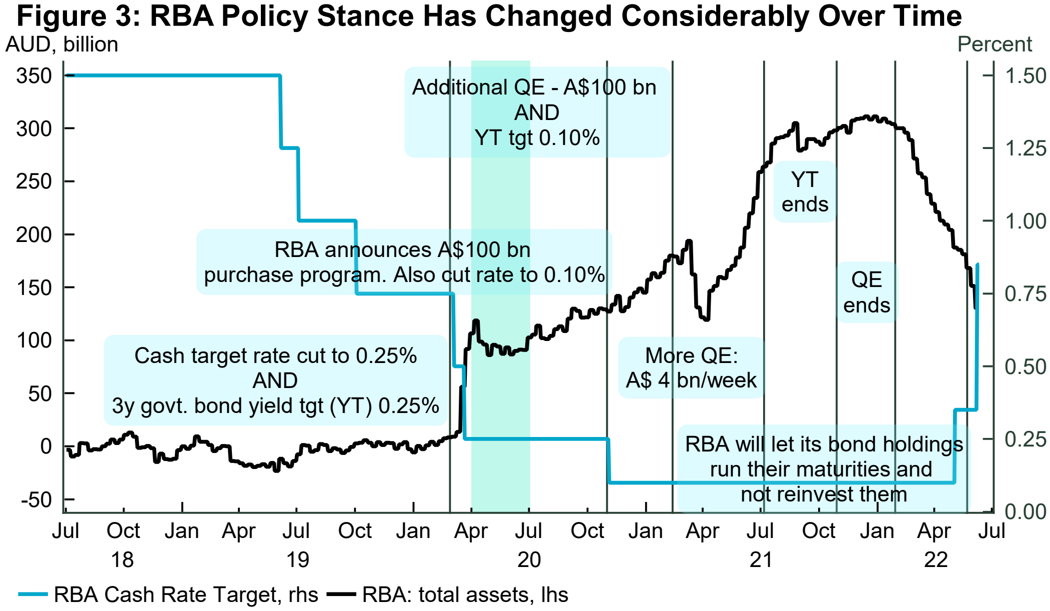
PPI inflation cooled seven tenths to 9.1% y/y in May, undershooting consensus expectations of an acceleration to 10.0%. The surprise reflecting a raft of fuel subsidies worth ¥6.2 trillion ($48.5 bn) announced in April. However, a weakening yen and rising global energy prices mean pipeline price pressures remain intense.

Australia

Having finally initiated a rate hiking cycle last month with a larger than expected 25 basis point move, the Reserve Bank of Australia (RBA) once again surprised markets by doubling the size of its June hike. The cash target rate now stands at 0.85% and is poised to move considerably higher.

Governor Lowe noted the pick-up in inflation and the resilience of the domestic economy, not least the labor market, as reasons why the emergency monetary policy setting of the pandemic era are no longer required. The markets indeed are pricing an aggressive hike path leading to a terminal rate of 3.15% by December 2022. The accompanying policy statement, however, struck a less aggressive tone in our interpretation. While there was a clear commitment “doing what is necessary to ensure that inflation in Australia returns to target over time”, there were also references to uncertainties around the future path of consumer spending and the expected fading of inflationary impulses from high global commodity prices. Given the many (one could easily argue, too many!) twists and turns in RBA’s messaging in the recent past, it is perhaps wise for Governor Lowe to leave the formulation vaguer for the time being and simply state the obvious: “The size and timing of future interest rate increases will be guided by the incoming data and the Board's assessment of the outlook for inflation and the labor market.”

Figure 3: RBA Policy Stance Has Changed Considerably Over Time



Sources: SSGA Economics, RBA

Week in Review (Jun 6 – Jun 10)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, Jun 6					
JN	Labor Cash Earnings YoY	1.5%	1.7%	2.0% (↑)	Steady.
Tuesday, Jun 7					
US	Trade Balance (Apr, $bn)	-89.5	-87.1	-107.7 (↑)	Huge improvement.
US	Consumer Credit (Apr, $bn)	35.0	38.1	47.3	Third consecutive large increase.
UK	Services PMI (May, final)	51.8	53.4	58.9	Weakening.
GE	Factory Orders (Apr, m/m)	0.4%	-2.7%	-4.2% (↑)	Weak.
JN	GDP (Q1, q/q, final)	-0.3%	-0.1%	1.0%	Consumer stronger than anticipated.
JN	Leading Index (Apr, prelim)	102.4	102.9	100.8	Boost from reopening.
AU	RBA Cash Rate Target	0.60%	0.85%	0.35%	Larger than consensus raise.
Wednesday, Jun 8					
EC	GDP (Q1, q/q, final)	0.3%	0.6%	0.3%	Distorted by Irish data, but still OK.
GE	Industrial Production (Apr, m/m)	1.2%	0.7%	-3.7% (↑)	Little solace, but better up than down.
IT	Retail Sales (Apr, m/m)	0.1%	0.0%	-0.6% (↓)	Could have been worse.
Thursday, Jun 9					
US	Initial Jobless Claims (4 Jun, thous)	208	229	202 (↑)	Initial claims have bottomed.
US	Continuing Claims (28 May, thous)	1,305	1306	1,306 (↓)	Still at lows.
EC	ECB Main Refinancing Rate	0.00%	0.00%	0.00%	Hiking cycle will start in July.
JN	PPI (May, y/y)	10.0%	9.1%	9.8% (↓)	Cooled down due to subsidies.
Friday, Jun 10					
US	CPI (May, y/y)	8.2%	8.6%	8.3%	A bad report all around.
US	Real Avg Weekly Earnings (May, y/y)	na	-3.9%	-3.4%	Unpleasant.
US	U. of Mich. Sentiment (Jun, prelim)	58.2	50.2	58.4	Record low.
US	Monthly Budget Statement (May, $bn)	-147.5	-66.2	-132.0	Only thing seemingly doing well right now…
CA	Unemployment Rate (May)	5.2%	5.1%	5.2%	New record low.
IT	Industrial Production (Apr, m/m)	-1.1%	1.6%	0.2% (↑)	Welcome positive surprise.

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

Week In Preview (Jun 13– June 17)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, Jun 13				
UK	Industrial Production (Apr, m/m)	0.3%	-0.20%	Still soft.
AU	NAB Business Confidence (May)	--	10	Tilting downward due to high prices & hawkish RBA.
Tuesday, Jun 14				
US	NFIB Small Business Optimism (May)	93.0	93.2	Could be worse.
US	PPI Final Demand (May, y/y)	10.8%	11.0%	
CA	Manufacturing Sales (Apr, m/m)	n/a	2.5%	Weakening.
UK	Average Weekly Earnings (Apr, 3m y/y)	7.5%	7.0%	Inflation might continue to erode real earnings.
UK	ILO Unemployment Rate 3Mths (Apr)	3.6%	3.7%	Still low.
GE	CPI (May, y/y, final)	7.9%	7.4%	
GE	ZEW Survey Expectations (Jun)	-26.8	-34.3	
JN	Core Machine Orders (Apr, m/m)	-1.3%	7.1%	Might be soft due to weak external demand.
JN	Industrial Production (Apr, m/m, final)	--	0.3%	Might be soft due to weak external demand.
AU	Westpac Consumer Conf Index (Jun)	--	90.4	Might continue downward movement.
Wednesday, June 15				
US	Retail Sales Advance (May, m/m)	0.2%	0.9%	Would imply sizable drop in sales volumes.
US	Empire Manufacturing (Jun)	3.0	-11.6	Can it improve this much?
US	Import Price Index (May, y/y)	12.2%	12.0%	Could be even higher due to rising commodity prices.
US	Business Inventories (Apr)	1.4%	2.0%	
US	NAHB Housing Market Index (Jun)	68	69	
US	FOMC Rate Decision (Upper Bound)	1.50%	1.00%	Well telegraphed move.
CA	Housing Starts (May, thous)	n/a	267.3	Slow down.
CA	Existing Home Sales (May, m/m)	n/a	-12.6%	Slow down.
EC	Industrial Production (Apr, m/m)	--	-1.8%	
FR	CPI (May, y/y, final)	--	4.8%	
JN	Tertiary Industry Index (Apr, m/m)	0.8%	1.3%	Might remain steady due to recovering services.
AU	Unemployment Rate (May)	3.8%	3.9%	Tight labor market.
Thursday, June 16				
US	Building Permits (May, thous)	1785	1823(↑)	Builders may start to scale back activity.
US	Housing Starts (May, thous)	1707	1724	Builders may start to scale back activity.
US	Philadelphia Fed Business Outlook (Jun)	5.0	2.6	Soft.
US	Initial Jobless Claims (11 Jun)	215	229	
US	Continuing Claims (4 Jun)	1301	1306	
UK	Bank of England Bank Rate	1.25%	1.00%	More cautious than others.
Friday, June 17				
US	Industrial Production (May, m/m)	0.4%	1.1%	Modest.
US	Leading Index (May)	-0.4%	-0.3%	
UK	Retail Sales Inc Auto Fuel (May, m/m)	-0.6%	1.4%	Weak.
EC	CPI (May, y/y, final)	8.1%(p)	7.4%	
JN	BOJ Policy Balance Rate	na	-0.1%	No change in BoJ stance; might comment on weakening Yen.

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Dec	Jan	Feb	Mar	Apr
US	Target: PCE price index 2.0% y/y	5.8	6.0	6.3	6.6	6.3
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	4.8	5.1	5.7	6.7	6.8
UK	Target: CPI 2.0% y/y	5.4	5.5	6.2	7.0	9.0
Eurozone	Target: CPI below but close to 2.0% y/y	5.0	5.1	5.9	7.4	7.4
Japan	Target: CPI 2.0% y/y	0.8	0.5	0.9	1.2	2.5
Australia	Target Range: CPI 2.0%-3.0% y/y	3.5	5.1	5.1	5.1	

Source: Macrobond

Key Interest Rates

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

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						PPI Year/Year % Change				
	Jan	Feb	Mar	Apr	May		Jan	Feb	Mar	Apr	May
US	7.5	7.9	8.5	8.3	8.6		10.1	10.4	11.5	11.0	
Canada	5.1	5.7	6.7	6.8			16.2	16.0	17.9	16.4	
UK	5.5	6.2	7.0	9.0			10.0	10.2	11.9	14.0	
Eurozone	5.1	5.9	7.4	7.4			30.8	31.5	36.9	37.2	
Germany	4.9	5.1	7.3	7.4	7.9		25.0	25.9	30.9	33.5	
France	2.9	3.6	4.5	4.8	5.2		20.5	20.2	24.6	25.0	
Italy	4.8	5.7	6.5	6.0	6.9		32.9	32.7	36.9	35.3	
Japan	0.5	0.9	1.2	2.5			9.0	9.4	9.3	9.8	9.1
Australia	5.1	5.1	5.1				4.9	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				
	Dec	Jan	Feb	Mar	Apr	Dec	Jan	Feb	Mar	Apr
US	-0.3	0.8	1.0	0.9	1.1	3.5	3.2	7.5	5.4	6.4
Canada	0.4	-0.7	0.7	0.9		2.2	1.0	3.4	3.3	
UK	0.3	0.9	-0.3	-0.2		0.9	3.3	2.1	0.7	
Germany	1.0	1.4	0.1	-3.7	0.7	-2.8	0.7	2.8	-3.1	-2.1
France	-0.1	1.8	-1.1	-0.4	-0.1	-0.1	-1.3	2.1	0.1	-0.3
Italy	-0.9	-3.3	4.0	0.2	1.6	5.0	-1.9	3.4	3.2	3.7
Japan	0.2	-2.4	2.0	0.3	-1.3	2.8	-1.6	0.5	-0.8	-3.3

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
US	5.4	5.2	4.7	4.6	4.2	3.9	4.0	3.8	3.6	3.6	3.6
Canada	7.4	7.1	7.0	6.8	6.1	6.0	6.5	5.5	5.3	5.2	5.1
UK	4.5	4.3	4.2	4.1	4.1	3.9	3.8	3.7			
Eurozone	7.7	7.5	7.4	7.3	7.1	7.0	6.9	6.8	6.8	6.8	
Germany	5.6	5.5	5.4	5.4	5.3	5.2	5.1	5.1	5.0	5.0	5.0
France	7.9	7.8	7.6	7.5	7.4	7.4	7.3	7.3	7.3	7.2	
Italy	9.1	9.1	9.1	9.2	9.1	8.9	8.7	8.6	8.4	8.4	
Japan	2.8	2.8	2.8	2.7	2.8	2.7	2.8	2.7	2.6	2.5	
Australia	4.6	4.5	4.7	5.2	4.6	4.2	4.2	4.0	3.9	3.9	

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	-2.2	-1.9	-2.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.8	-3.6	
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	
Eurozone	3.1	1.6	0.7	1.4	2.7	3.1	3.7	3.2	2.6	0.8	1.2
Germany	7.8	7.4	6.7	5.4	7.3	8.3	8.9	8.0	7.0	6.5	4.9
France	-0.6	-0.4	-1.4	-3.5	-2.1	-0.9	-0.8	-0.3	-0.6	-1.3	-0.8
Japan	4.3	3.7	4.6	4.2	3.6	4.0	3.4	3.1	3.4	3.5	3.5
Australia	-1.5	-2.5	-2.8	-3.5	-2.2	-2.7	-2.2	-1.4	-0.2	1.2	

Source: Macrobond

About State Street Global Advisors

For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost- effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's fourth-largest asset manager* with US $4.14 trillion† under our care.

* 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.