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**June 24, 2022**

Commentary

## Weekly Economic Perspectives

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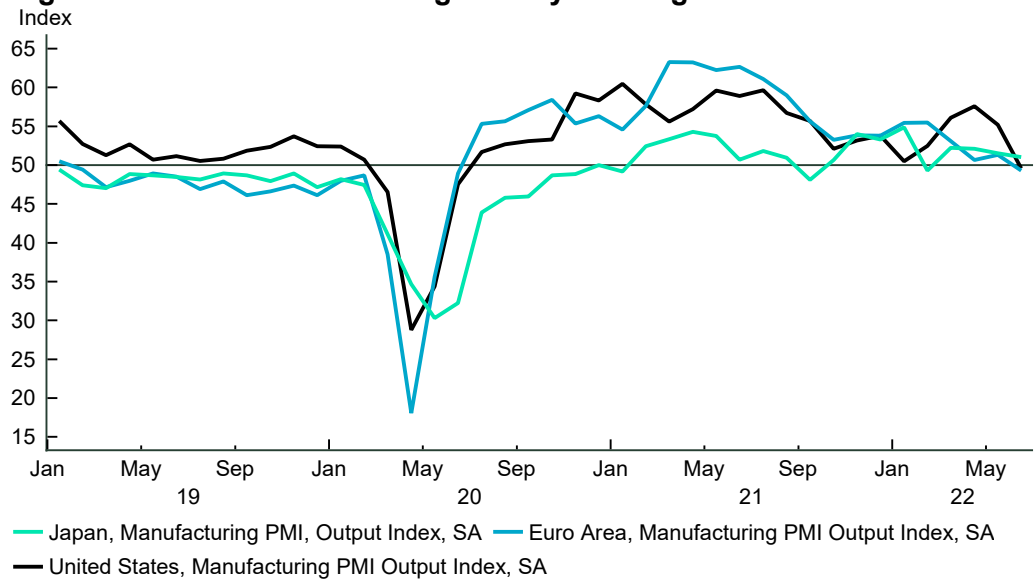
**The Economy**

Signs of economic deceleration broaden.

Global

Global manufacturing activity is decelerating rapidly. Admittedly, preliminary readings for the June manufacturing PMIs still indicated moderate growth in key developed economies, but the output subcomponents—most relevant for GDP growth—sent a more worrisome signal, as did other forward-looking metrics. While awaiting the more widely watched ISM manufacturing index for the US (to be released next week), the **US S&P Global manufacturing PMI** was a reliable signal of deceleration. It slowed sharply to a 23-month low of 52.4, with output falling into contraction territory for the first time since June 2020. Both new orders and new export orders declined as well, the first such occurrence since May of 2020. Backlogs shrunk for the first time since July of 2020. Meanwhile, the **eurozone manufacturing PMI** retreated 2.6 points to 52.0, with output in contraction at 49.3 for the first time since June of 2020. The dual contraction in new orders and new export orders persisted for a second month and intensified. Somewhat surprisingly, the **Japanese manufacturing PMI** was perhaps least disappointing of all: the headline only retreated 0.6 point to 52.7 and the output subcomponent remained in expansion at 51.0.

**Figure 1: Global Manufacturing Activity Slowing**



Sources: SSGA Economics, S&P Global

Despite softening demand, price pressures remain intense. In the eurozone, for instance, the output price subcomponent remained moderated to a six-month low but was still an incredibly elevated 71.4. The US metric stood at 69.4 (a five-month low) while the corresponding measure for Japan accelerated to a record high of 62.7.

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**US**

In a very light data week, the **new home sales** data was by far the biggest surprise. Luckily, it was a positive one. New home sales rebounded 10.7% in May, retracing nearly all of April's sharp decline. Lower prices appear to have been what facilitated this bounce; if true, this would be the ideal adjustment mechanism in the face of rising mortgage rates. Although median prices only declined 1.3% during the month, the average price plunged 10.2%. The two corresponding measures of home price inflation decelerated 5.7 percentage points (ppts) and 16.1 ppts to 15.0% y/y and 14.8% y/y, respectively. A sustained moderation in home prices would require a smaller decline in real activity to bring demand and supply into balance, not to mention it would carry favorable implications for future inflation (via the shelter component). Still, it is highly unlikely that sales activity won't slow further. Indeed, despite the better than expected May performance, new home sales remained 5.9% below year-earlier levels; they declined 10.6% y/y, on average, during the first five months of 2022.

The other positive surprise of the week came from the **University of Michigan consumer sentiment index**. Not from the headline itself, which drifted 0.2-point lower than the initial estimate, hence establishing an even lower record low of 50.0. The good news came from inflation expectations, which had jumped markedly in the preliminary read but were subsequently revised lower. Indeed, it turns out that short-term (1 year) inflation expectations were, after all, unchanged at 5.3%, one tenth below the recent highs reached in March and April. Most importantly, the increase in long term (5-10 years) inflation expectations—initially reported as a three-tenth jump to 3.3%—was trimmed to one tenth and 3.1%, respectively. While still very elevated by recent years' norms, and while inflation uncertainty appears very high, it is nonetheless reassuring to see this metric moderate. At the margin, this lowers the chances of another 75 bp rate hike in July, but a smaller move will be considered against FOMC's desire to move "expeditiously" toward the neutral level of Fed Funds, still 75 bp away according to Committee estimates.

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**Canada**

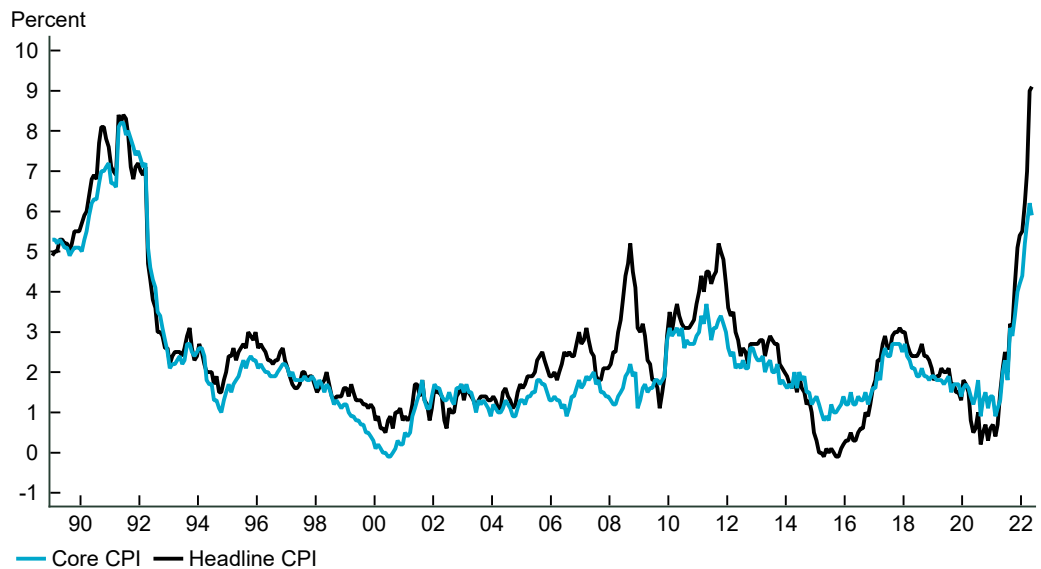
Inflation data released this week was quite alarming, as **headline inflation** exceeded both market expectations and the BoC forecast, accelerating 0.9 percentage points to 7.7% y/y in May, the highest level since January 1983. Inflationary pressure remained broad-based; CPI excluding gasoline accelerated half a percentage point to 6.3% y/y. However, higher gasoline prices played a big role. Elsewhere, services inflation accelerated to 5.2% y/y in May from 4.6% in April. Food prices and shelter inflation remained elevated in May but did not accelerate further. The various core inflation measures all accelerated: the common component measure accelerated 0.4 percentage points (ppt) to 3.9% y/y, the weighted median accelerated 0.3 ppts to 4.9% y/y, and the trimmed mean measure accelerated 0.2 ppts to 5.4% y/y.

**Retail sales** increased 0.9% in April—a little better than expected—building on the upwardly revised 0.2% March gain. The increase was led by higher sales at general merchandise stores. Core retail sales, which exclude gasoline stations and motor vehicle and parts dealers, increased 1.0%. Sales at gasoline station was up 5.4% while sales declined 0.3% at motor vehicle and parts dealers as lower sales at new car dealers offset better sales at used car dealers (the first increase in six months). Shortages in semiconductor chip are continuing to impact production and prices for motor vehicles.

UK

Soaring food and energy prices pushed **headline inflation** another tick higher to 9.1% y/y in May, a new 40-year high. Goods inflation remain elevated at 12.4% y/y, while services inflation continued to escalate, up two tenths to 4.9% y/y. Food and non-alcoholic beverages were the biggest driver of the increase in May, rising by 8.6% y/y, adding 0.22 pts to change in the CPI rate. Meanwhile, clothing and footwear inflation moderated to 6.9% y/y from 8.3% in April, offsetting half of the increase in food and non-alcoholic beverages. Core inflation, which excludes food and energy prices, retreated for the first time since September, easing three tenths to 5.9% y/y. In their meeting last week, the BoE warned that inflation was likely to remain above 9% over the next few months before peaking at slightly above 11% in October, when regulated household energy bills are due to increase again.

**Figure 2: UK Inflation Hits 40-Year Highs**



Sources: SSGA Economics, ONS

Escalating economic uncertainty and living costs are undermining both confidence and private sector activity. The **manufacturing PMI** touched a 23-month low of 53.4 in June. Meanwhile, the **services PMI** fared better, unchanged at 53.4, supported by resilient activity trends across the services economy. With demand conditions remaining subdued in June, current business growth is being supported by orders placed in prior months. New order growth was at its lowest point since February 2021, with manufacturing order index slid to slightly below the 50.0 neutral threshold. Price pressures remained historically high, driven by strong wage growth and energy prices. The input price metric was still the second-fastest on record. Selling prices also increased sharply in June due to strong cost pressures. However, the supply chain disruptions seemed to have little impact on the staffing numbers as the employment metric hit a three-month high.

The **GfK consumer confidence index** lost one point to new record low of -41 in June. The rapidly rising cost of living is severely impacting households' confidence in the economy and their personal finances. It was therefore not a surprise to see **retail sales** decline 0.5% m/m in May; the April gain was also revised downwards sharply.

Eurozone

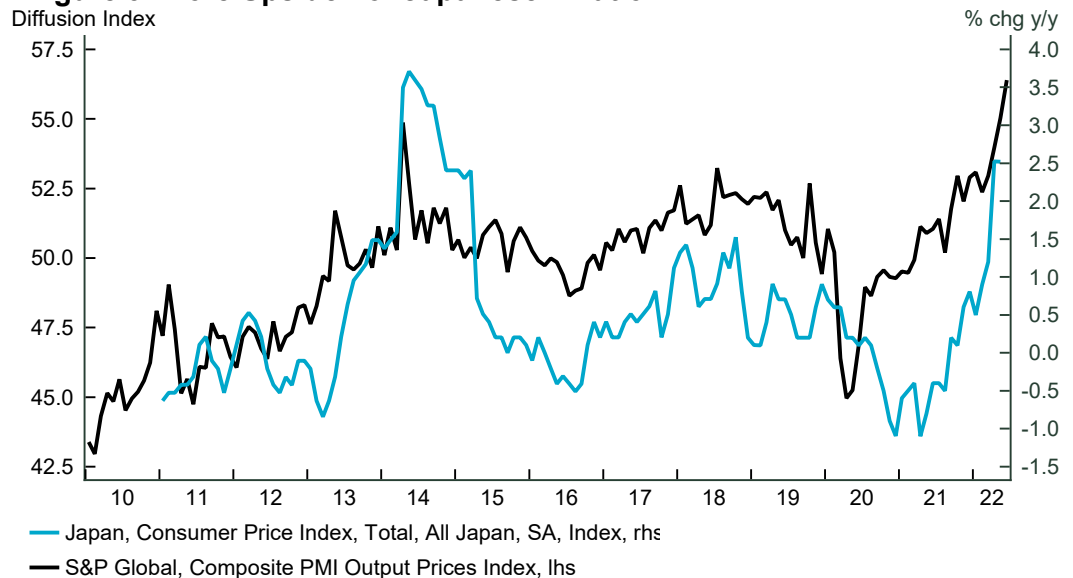
Not only manufacturing, but services activity also decelerated notably in June. The **eurozone services PMI index** retreated 3.3 points to a five-month low of 52.8 in June. This marked the single largest monthly decline since late 2020 and was accompanied by marked retreats in both new orders and employment metrics, which, however, remained in expansion territory. The German index lost 2.6 points to 52.4 while the French one lost 3.9 to 54.4.

Given difficulties around high inflation and risks to growth stemming from Russia’s invasion of Ukraine, it is perhaps a little surprising that **business sentiment** has held up as well as it has so far. The INSEE French business confidence index, for instance, has been eroding in recent weeks yet it still remains at levels similar to those prevalent prior to the Covid crisis. And business confidence in the Italian manufacturing sector, while off recent highs, is still hovering near the pre-Covid cycle highs recorded in late 2017.

Japan

**Consumer prices inflation** remained elevated in May, continuing to fuel debate on whether the BoJ should tighten monetary conditions. Headline CPI inflation was unchanged at 2.5% y/y while the national core measure (excluding food) was unchanged at 2.1% y/y, both in line with consensus. The traditional core measure, which excludes both fresh food and energy, only increased 0.8% y/y, implying heavy contribution from energy costs.

**Figure 3: More Upside For Japanese Inflation**



Sources: SSGA Economics, S&P Global, Japanese Statistics Bureau

The bad news is that inflation is affecting household budgets as a weak yen exacerbates rising import costs. The good news however, is that government measures are offering much needed relief. These measures include gasoline subsidies and official estimates suggest these would shave half a percentage point off inflation between May and September. Even so, we think it will be near impossible to prevent an acceleration in inflation during the second half of the year; indeed, we

expect average CPI inflation to reach 2.8% in 2022 as companies pass even a small portion of rising costs to consumers. These pipeline inflationary pressures are clear in the PMI data. For instance, the manufacturing output price metric touched a record high of 62.7 in June, while the corresponding services measure accelerated to 53.5, the highest level since late 2019.

Otherwise, the headline **manufacturing PMI** index moderated to 52.7 in June from 53.3 previously and the services PMI gained 1.8 point to 54.2, the highest reading since October 2013. This is further reflected in PPI services inflation, which accelerated a tenth in May, to 1.8% y/y.

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**Australia**

RBA Governor Dr. Philip Lowe reiterated this week that rate hikes will continue in 25 bps or 50 bps increments. He also mentioned that the Australian economy is resilient to these rate hikes and that it is likely to avoid a recession. This echoes the June minutes released earlier this week. We expect the RBA to hike 50 bps in July taking the cash target rate to 1.35%. While Governor Lowe mentioned a possible 4% terminal rate, we expect the RBA to get to 3% by end of 2022.

This hiking plan could be derailed by high wage growth. The central bank was getting regular feedback from the business liaison unit that wages are going to rise faster than the previous years as companies struggle find workers in a record tight labor market. This prompted Governor Lowe to seek a cap on wage growth at 3.5%, insisting that real wage growth stay subdued and cautioning against a 1970s style wage-price spiral. This is well received by the government but labor unions continue to negotiate for higher raises.

**Week in Review (Jun 20 – Jun 24)**

Country	Release (Date, format)	Consensus	Actual	Last	Comments
<b>Monday, Jun 20</b>					
GE	PPI (May, y/y)	33.8%	33.6%	33.5%	Awful, but not as bad as it was.
<b>Tuesday, Jun 21</b>					
CA	Retail Sales (Apr, m/m)	0.8%	0.9%	0.2% (↑)	Strong.
US	Existing Home Sales (May, m/m)	-3.7%	-3.4%	-2.6% (↑)	Will continue to slow.
<b>Wednesday, Jun 22</b>					
UK	CPI (May, y/y)	9.1%	9.1%	9.0%	Food prices will continue to drive inflation.
CA	CPI (May, y/y)	7.3%	7.7%	6.8%	Alarming!
JN	Manufacturing PMI (Jun, prelim)	n/a	52.7	53.3	Still expanding.
<b>Thursday, Jun 23</b>					
FR	Business Confidence (Jun)	105	104	106	OK.
FR	Manufacturing PMI (Jun, prelim)	54.0	51.0	54.6	Sharp deceleration.
GE	Manufacturing PMI (Jun, prelim)	54.0	52.0	54.8	Sharp deceleration.
GE	Services PMI (Jun, prelim)	54.5	52.4	55.0	Sharp deceleration.
EC	Manufacturing PMI (Jun, prelim)	53.8	52.0	54.6	Sharp deceleration.
EC	Services PMI (Jun, prelim)	55.5	52.8	56.1	Sharp deceleration.
EC	Composite PMI (Jun, prelim)	54.0	51.9	54.8	Sharp deceleration.
UK	Manufacturing PMI (Jun, prelim)	53.6	53.4	54.6	Further slowdown.
UK	Services PMI (Jun, prelim)	52.9	53.4	53.4	Resilient activity in June.
US	Initial Jobless Claims (Jun 18, thous)	226	229	231 (↑)	Still very low but slowing turning higher.
US	Continuing Claims (Jun 11, thous)	1320	1315	1310 (↓)	Still very low.
US	Kansas Fed Manufacturing Activity (Jun)	10	12	23	Sharp deceleration.
UK	GfK Consumer Confidence (Jun)	-40	-41	-40	New record low.
JN	National CPI (May, y/y)	2.5%	2.5%	2.5%	Will move higher still.
JN	PPI Services (May, y/y)	1.7%	1.8%	1.7%	Inflation spreading to services?
<b>Friday, Jun 24</b>					
UK	Retail Sales incl. Auto Fuel (May, m/m)	-0.7%	-0.5%	0.4% (↓)	Weak.
GE	Ifo Business Climate (Jun)	92.8	92.3	93	Stabilizing.
IT	Consumer Confidence Index (Jun)	103	98.3	102.7	Retreating.
IT	Manufacturing Confidence (Jun)	108.5	110.0	109.3	OK.
US	U of M Consumer Sentiment (Jun, final)	50.2	50.0	50.2	Inflation expectations revised lower.
US	New Home Sales (May, thous, saar)	590	696	629	Lower prices facilitated the rebound.

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

**Week In Preview (Jun 27– July 01)**

Country	Release (Date, format)	Consensus	Last	Comments
<b>Monday, Jun 27</b>				
US	Durable Goods Orders (May, prelim)	0.1%	0.5%	
US	Pending Home Sales (May, m/m)	-3.9%	-3.9%	
<b>Tuesday, Jun 28</b>				
GE	GfK Consumer Confidence (Jul)	-27.6	-26.0	
IT	Industrial Sales (Apr, m/m)	1.9%	2.4%	
US	FHFA House Price Index (Apr, m/m)	1.6%	1.5%	
US	S&P CoreLogic CS 20-city (Apr, m/m)	1.7%	2.42%	
US	Conf. Board Cons. Confidence (Jun)	100.6	106.4	
JN	Retail Sales (May, m/m)	1.0%	1.0%	Might come in higher as rebound continues during holidays.
AU	Retail Sales (May, m/m)	0.4%	0.9%	Could slow.
<b>Wednesday, June 29</b>				
JN	Consumer Confidence Index (Jun)	34.8	34.1	Might come in higher as rebound continues in Q2.
GE	CPI (Jun prelim, y/y)	8.0%	7.9%	
US	GDP Annualized (Q1, third, q/q, saar)	-1.4%	-1.5%	
JN	Industrial Production (May, prelim, m/m)	-0.3%	-1.5%	Might come in better as economy rebounds in Q2.
<b>Thursday, June 30</b>				
GE	Retail Sales (May, m/m)	0.8%	-5.4%	
JN	Housing Starts (May, mil, saar)	0.887	0.883	Steady.
UK	GDP (Q1, final, q/q)	0.8%	0.8%	Likely to remain weak.
UK	Nationwide House PX (Jun, m/m)	0.5%	0.9%	
FR	CPI (Jun, prelim, y/y)	5.8%	5.2%	
GE	Unemployment Claims Rate (Jun)	5.0%	5.0%	
IT	Unemployment Rate (May)	8.4%	8.4%	
CA	GDP (Apr, m/m)	0.3%	0.7%	Expect to see some momentum.
US	Personal Income (May)	0.5%	0.4%	
US	Personal Spending (May)	0.4%	0.9%	
US	Initial Jobless Claims (Jun 25)	230	229	
JN	Jobless Rate (May)	2.5%	2.5%	Strong labor market.
JN	Tankan Large Mfg Index (Jun, final)	13	14	Steady.
JN	Manufacturing PMI (Jun, final)	n/a	52.7	Steady.
<b>Friday, July 01</b>				
IT	Manufacturing PMI (Jun)	50.5	51.9	
FR	Manufacturing PMI (Jun, final)	51.0	51.0	
GE	Manufacturing PMI (Jun, final)	52.0	52.0	
EC	Manufacturing PMI (Jun, final)	52.0	52.0	
UK	Manufacturing PMI (Jun, final)	53.4	53.4	Slowing down.
UK	Mortgage Approvals	64.0k	66.0k	Trending downwards.
IT	CPI NIC incl. tobacco (Jun, prelim, y/y)	7.4%	6.8% (↓)	
US	ISM Manufacturing (Jun)	55.0	56.1	
US	Motor Vehicle Sales (Jun, mil, saar)	13.5	12.7	

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	
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

	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

										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				
	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	10.9	10.8
Canada	5.1	5.7	6.7	6.8	7.7	16.1	15.9	17.9	16.4	15.0
UK	5.5	6.2	7.0	9.0	9.1	10.0	10.3	12.0	14.7	15.6
Eurozone	5.1	5.9	7.4	7.4	8.1	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	33.6
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	6.8	32.9	32.7	36.9	35.3	
Japan	0.5	0.9	1.2	2.5	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				
	Jan	Feb	Mar	Apr	May	Jan	Feb	Mar	Apr	May
US	0.8	1.0	0.5	1.4	0.2	3.2	7.4	5.0	6.3	5.8
Canada	-0.7	0.7	0.9			1.0	3.4	3.3		
UK	0.9	-0.3	-0.2	-0.6		3.3	2.1	0.7	0.7	
Germany	1.4	0.1	-3.7	0.7		0.7	2.8	-3.1	-2.1	
France	1.8	-1.1	-0.4	-0.1		-1.3	2.1	0.1	-0.3	
Italy	-3.3	4.0	0.2	1.6		-1.9	3.4	3.2	3.7	
Japan	-2.4	2.0	0.3	-1.5		-1.6	0.5	-0.8	-3.4	

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	4.4	4.3	4.2	4.1	4.0	4.0	3.8	3.7	3.8		
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	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	-2.0	-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	
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	0.3	0.5	-1.3	-3.7	-1.9	-0.5	0.6	0.7	0.4	-0.4	0.0
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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\* 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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