STATE STREET GLOBAL ADVISORS

June 4, 2021
Commentary

Weekly Economic Perspectives

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The Economy

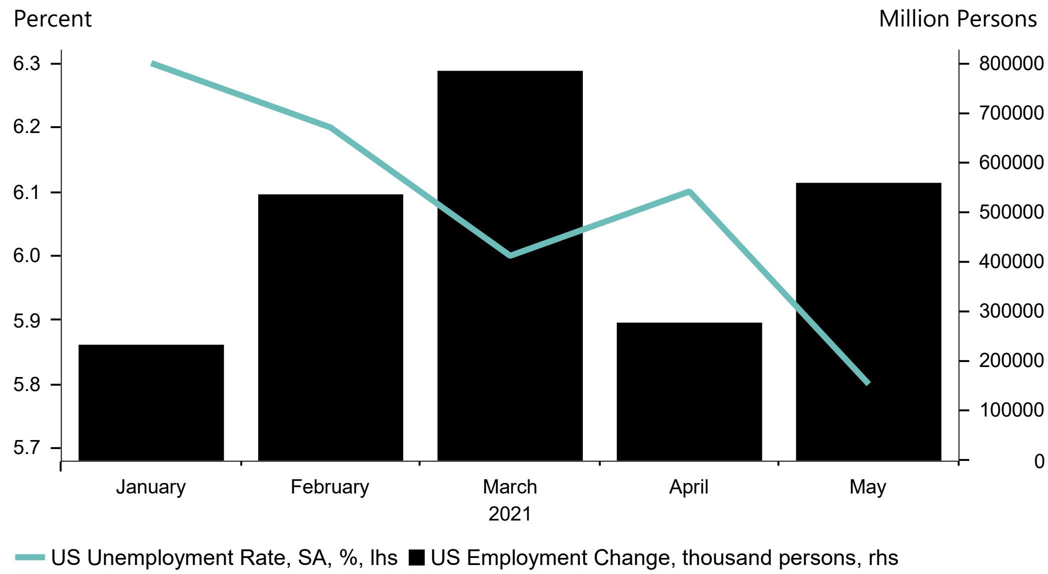
A quieter week in both economies and markets, with only oil making a splash.

US

Employment growth accelerated in May, although the 559,000 jobs added missed consensus expectations by about 100,000. However, just like last month, there are clear indications of labor supply constraints; absent those, we suspect the headline would have been much stronger. The June report should bring evidence of further improvement, and we'd argue that should be enough for the Fed to start the tapering conversation at its July meeting.

Private payrolls rose by 492,000, with government adding 67,000. The goods producing sectors and construction in particular appear to be really struggling to find workers. While manufacturing employment increased by 23,000 and thereby retraced about two thirds of April's decline, the construction sector lost another 20,000. Given this backdrop, it will be really hard to see housing starts pick up meaningfully in the near term. workers. payrolls rose by only 266,000 against expectations of a 1,000,000 gain. Services did better, with overall gains in the sector nearly doubling to 489,000, but performance was uneven. Leisure and hospitality led gains again (+292,000) and education/healthcare up 87,000. Most other categories experienced only modest improvement; temporary help barely rose following last month's plunge.

Figure 1: US Labor Market Takes Another Step Toward Healing



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

The household survey showed a 444,000 increase in employment, and a 496,000 drop in unemployment, resulting in a 53,000 reduction in the labor force and a one tenth decline in the participation rate to 61.6%. This flattered the **unemployment rate**, which dropped three tenths to 5.8%. Underemployment eased two tenths to 10.2%. We suspect (and hope!) that the decline in the labor force will be more than reversed in coming months. It is likely that as unemployment benefits lapse (and states start leaving the federal programs before they expire in September), the resulting increase in the opportunity cost of not working will drive more people back into the labor force. But, given households' relatively strong financial situation, there is probably not a huge urgency to look for jobs. As such, former benefit recipients may temporarily fall out of the labor force before they initiate job searches and move back into the labor force and employment over the next several months.

The **hours data** were fine. The manufacturing workweek increased by six minutes and so did manufacturing overtime. The overall workweek was steady by six minutes. Aggregate hours worked rose 0.5%, while manufacturing hours worked rose 0.3%. .

Composition-related distortions in this **wage data** are starting to dissipate, leading to a sharp moderation in wage inflation. However, in sequential terms (month-on-month), wage growth was strong once again. Total average hourly earnings and hourly earnings for production and non-supervisory employees (a more homogeneous group) rose 0.5% m/m each. The two respective measures of wage inflation stand at 2.0% y/y and 2.4% y/y, respectively.

Economic activity is thrumming along, with both manufacturing and services incrementally accelerating in May. The **ISM manufacturing index** gained 0.5 point to a "boom-y" 61.2. The details indicate strong demand (new orders up 2.7 points to 67.0, new export orders up 0.5 to 55.4) but also ongoing (possibly worsening?) challenges to supply chains as backlogs and supplier deliveries rose to new record highs and customers inventories' hit another record low. Because of this, and because of apparent constraints to labor supply, we suspect that the moderation in both production (down 4.0 points to 58.5 and employment (down 4.2 to 50.9) primarily reflects capacity issues rather than softening underlying activity. Indeed, we were struck by this particular respondent comment: "Demand is strong, but what good is that if you cannot get the materials needed to produce your finished goods?"…The price metric moderated slightly from last month's thirteen-month high, although at 88.0 it remains very elevated.

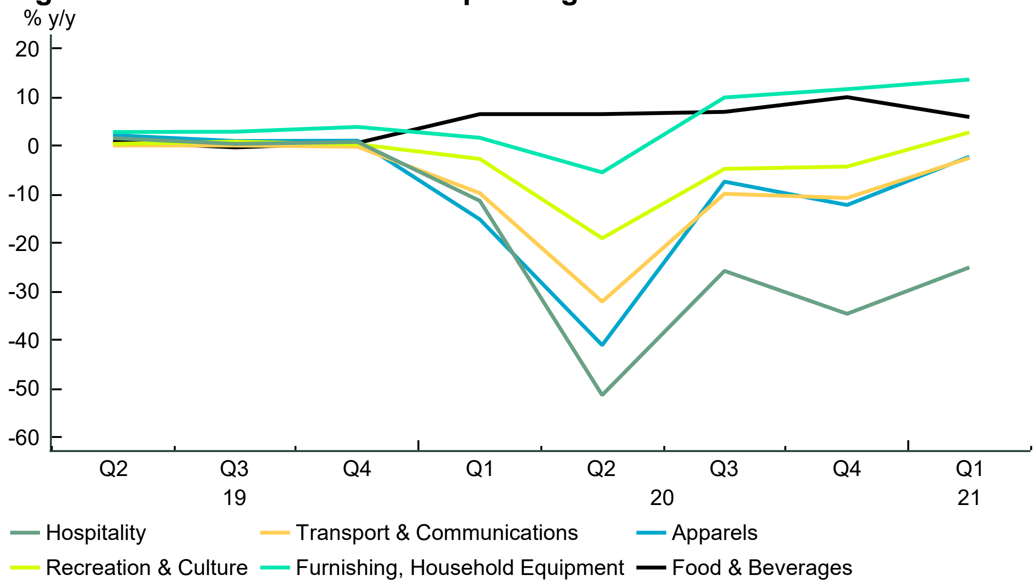
The **ISM non-manufacturing index** established a new record high of 64.0. Vaccine deployment and broader reopening drove the business activity metric (the old headline) up 3.5 points to 66.5, with orders moving higher, backlogs rising, supplier deliveries lengthening and inventory sentiment turning even more extreme (customer inventories seen as too low). Employment gains moderated but continue to indicate solid growth (55.3); this was also borne out in the May payrolls report discussed above. The price metric jumped 3.8 points to yet another record high of 80.6. This speaks to intense upward pressure on services inflation so we suspect the next CPI print may once again surprise to the upside.

Motor vehicle sales moderated notably in May and it is not clear whether this is because demand is normalizing from an unusually strong April (quite likely, especially given the timing of stimulus checks) or because supply constraints are pushing potential buyers to delay purchases (quite possible, given all we know about chip shortages impacting production). Chances are, both factors played a role in the 8.2% monthly drop in sales to 16.99 million (annualized) and it will only become evident in time how important each is. Despite the monthly pullback, base effects ensured that sales were up a hefty 39.1% compared with May of 2020.

Canada

Canadian **GDP** grew by 5.6% (annualized) in the first quarter, following a downwardly revised 9.3% Q4 gain. Though lower than the market and Bank of Canada's expectation, this represents solid growth, especially given the second wave of infections at the start of the year. Growth was supported by strong housing investment (+43.3%) and higher consumer spending (+2.7%). On a quarterly basis, GDP increased 1.4% q/q. Household spending rose 0.7% q/q, but was still down 1.9% from a year earlier. The spending pattern was similar to that of a year ago—with higher outlays on durables and stay-at-home essentials. On a positive note, services consumption edged up 0.2% in the first quarter, following a 0.3% gain in Q4.

Figure 2: Canada's Household Spending Still Skewed Towards Durables



Sources: SSGA Economics, StatCan

Private investment performed well, with residential investment in particular rising 9.4%. Investment in non-residential structures was also up, but machinery and equipment investment fell. The monthly measure of GDP grew for the 11th consecutive month, by 1.1% in March. Statistics Canada anticipates an approximate 0.8% decline in real GDP in April, following the restrictions due to the third wave. We might witness a slightly weaker Q2 than we were expecting, but the fiscal stimulus and ongoing vaccination will provide significant tailwinds in H2 2021.

The **unemployment rate** rose a tenth to 8.2%, reflecting closures in some provinces introduced in early May. Employment slipped by 68,000 in May, led by a decline in part-time jobs (-54,000). Goods producing sectors saw a drop in employment for the first time since April 2020, with decreases in both the manufacturing (-36,000) and construction (-16,000) industries. The labor force participation rate retreated 0.3 percentage points (ppts) to 64.6%. The underutilization rate rose 0.6 ppts to 17.6%, due to an increase in the number of people working part-time jobs working less than their desired hours. To sum it up, despite the negative nature of the report, it does not indicate a sustained downtrend in the labor market; employment should reaccelerate once current mobility restrictions ease.

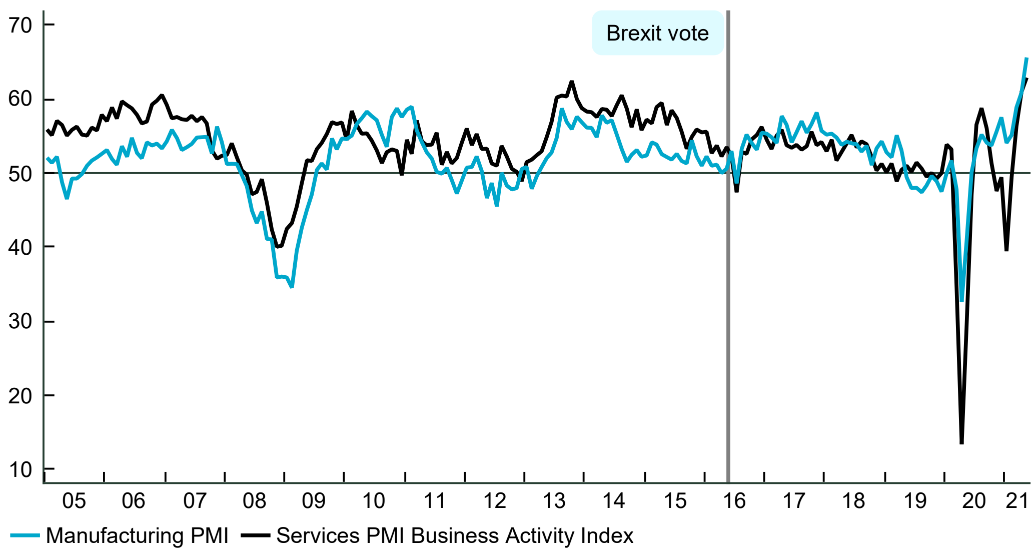
Though the Issuance of **building permits** dipped by 0.5% in April, total value remained at historically high levels. The drag came from a pullback in residential activity in British Columbia and Quebec, which offset gains in the non-residential sector. Overall, permits issued in the residential sector decreased 6.7%—attributable to both single (-7.0%) and multi-family (-6.7%) homes. Non-residential permits however, surged 28.7%.

UK

Reopening is driving a broad acceleration in economic activity as evidenced by purchasing managers' indexes (PMIs) The **manufacturing PMI** index rose 4.7 points to 65.9—still a record high even though slightly below the preliminary release. All key components posted big gains, with new orders up 6.2 points to 68.1 and employment up 6.1 points to 60.5. Both price metrics (input and output) hit new records at 87.6 and 68.3, respectively.

Figure 3: UK Economic Activity Surges Post Lockdowns

Diffusion Index



Sources: SSGA Economics, IHS Markit

The final read on the **services PMI** was 1.1 points better than the initial release, coming in at 62.9, a new record high. There were solid gains across components, with incoming new business up 2.5 points to 63.4 and employment up 1.4 to 56.7. Both price metrics rose, with input prices up 2.4 points to 67.3 and output prices up 2.5 to a record 57.6.

House price inflation has been heating up in the UK and the trend continues. The **Nationwide index of house prices** rose 1.8% in May on top of the upwardly revised 2.3% April gain, leaving prices 10.9% higher than a year earlier. This marked the first double-digit annual increase since August 2014. The big price gains reflect strong demand, as mortgage approvals increased a little over 4.0% in April.

Eurozone

***German* real retail sales** (excluding cars) disappointed with a 5.5% contraction in April as mobility restrictions drove a sharp pullback from the elevated March levels. Losses were broad and substantial, but look likely to be reversed as mobility restrictions ease again. There has been good news on the vaccination front, with close to 45% of the population having now received at least one vaccine dose, ahead of the EU 39% average. We therefore expect to see consumers gradually drawing down their elevated savings in coming months, boosting consumption. Despite the monthly decline, favorable base effects mean sales were actually up 6.7% y/y in April; they increased 1.2%, on average, during the first four months of 2021.

The headline **unemployment rate** has betrayed little indication of improvement in the ***German*** labor market of late, having been stuck at 6.0% since January. However, the seasonally unadjusted rate, which garners more attention domestically, eased another tenth in May to 5.9% and has declined by four tenths since the start of the year. Other details offer some encouragement as well. Vacancies surged by 20,000 in May and the number of unemployed declined by 15,000.

The upward revision to ***Italy*’s first quarter GDP** will help ease the sting from last week’s disappointing downward revision to French GDP. There was even a little poetic symmetry to the changes as Italian growth was revised up from a 0.4% q/q contraction to a 0.1% expansion, exactly mirroring the French changes. Investment surprised positively and was the only contributor to quarterly growth. Fixed investment added 0.7 percentage points (ppts) and inventories added 0.8 ppts. They were offset by a 0.7 ppts drag from consumption and a 0.6 ppts drag from net trade. Seasonally and workday adjusted real GDP was still down 0.8% y/y in Q1.

Japan

Industrial production showed resilience in April but was still a bit softer than expected. The production index rose to 99.6, exceeding its pre-pandemic level of output for the first time. Auto production, which drove the March value higher, declined by 0.8%. But there were broad-based gains across sectors—including general-purpose machinery (+16.1%) and electrical machinery / ICT equipment (+10.9%) Shipments were up 2.6%, while inventories fell 0.1%, signifying strong demand conditions. Capital goods (excluding transport equipment), which correlates closely with capex, rebounded 14.0%. METI maintained its overall assessment at "industrial production is picking up". Looking ahead, a contraction is expected in May, though it was upgraded to -1.7% from -4.3% in April. It is likely to be followed by a strong rebound of 5.0%, though we are not so bullish following the extension in state of emergency for the most part of June.

Retail sales disappointed in April, dropping 4.5% following a 1.2% increase in March. This is already lower than during the second state of emergency (January -1.7%), and also the largest contraction since April 2020. Sales were down in almost all categories, with the most notable declines in apparels (-16.8%) and autos (-11.2%). Department store sales were down 10.1% due to closures. The April report does not bode well for May and June data, which bore the brunt of restrictions.

Consumer confidence also declined for the second consecutive month in May, by 0.6 points to 34.1. The survey was conducted on May 15, overlapping both the extension and widening of the third state of emergency, which was originally scheduled to end on May 11. The Cabinet Office revised down its assessment of consumer sentiment to "recovery tempo is slowing" from "recovery continuing" earlier.

Australia

The **Reserve Bank of Australia** reaffirmed all current policy parameters, including the 0.1% cash rate, and the 0.1% yield target for 3-year Australian government bonds at the latest board meeting. The bank reiterated that a rate hike was “unlikely to be until 2024 at the earliest”. The RBA continues to “place a high priority on a return to full employment” and guide to adjustments to the Yield Curve Control (YCC) and QE programs at July’s Board meeting.

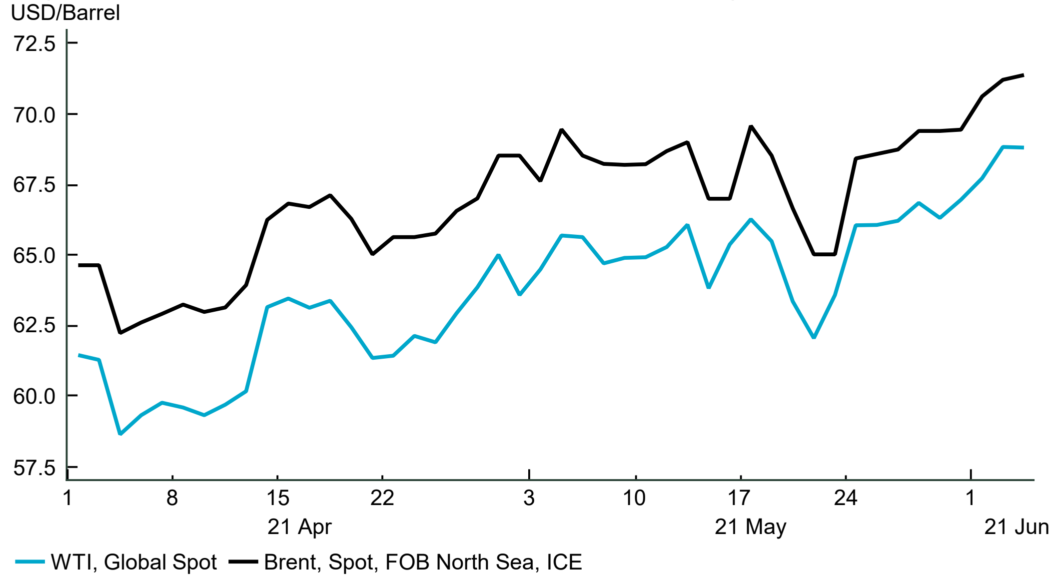
Accommodative monetary and fiscal policies are supporting the recovery in Australia. **GDP** grew by 1.8% in the first quarter of 2021, following a strong fourth quarter. GDP breached its pre-pandemic a quarter ahead of expected, now at 1.1% above end 2019 level. Final domestic demand was up a healthy 1.6% over the quarter, contributing 1.6 percentage points (ppts) to GDP. Household consumption slowed a tad, at 1.2%, after two very strong quarters (7.8% in Q3, 4.5% in Q4). Sectors most impacted by the pandemic are showing signs of revival, as spending rose strongly in hospitality spending (+14.8%), transport (+8.8%) and recreation (+3.3%). The savings rate edged lower from 12.2% to 11.6%, still much higher than historical average and indicates that consumers still have some fuel left in the tank. Encouragingly, private investment outpaced gains in Q4, rising 5.3%, sharpest growth in over three years. Net exports however, detracted 0.6 ppts from growth as rise in imports offset that of exports. Localized snap lockdowns and the expiry of the JobKeeper program might be bit of a drag, but the trend from recovery to expansion should continue.

Total **private sector credit** rose just 0.2% in April, after a strong showing in March (0.2%). Growth in housing credit stayed at 0.5%, driven by an uptick in investor housing (+0.4%). The drag came from business credit which fell 0.3%.

The Market This Week

Oil prices edged higher over the week as OPEC agreed to continue relaxing curbs on oil production amid expectations of an improving demand outlook and positive payrolls report in US.

Figure 4: Crude Has Had A Good Run On Improving Demand Outlook



Sources: Macrobond, SSGA Economics, ICE

Equities: Australian equities were buoyed by a strong GDP report.

Bonds: UK yields drive higher on higher growth outlook and inflation expectations.

Currencies: Expectations of a good jobs report drove the Dollar higher.

Commodities: Gold sees biggest weekly drop since February.

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Stock Markets					10 Year Bond Yields			Currencies		
Country	Exchange	Last	% Ch Week	% Ch YTD	Last	BP Ch Week	BP Ch YTD	Last	% Ch Week	% Ch YTD
US	S&P 500®	4228.41	0.6%	12.6%	1.56	-4	64	90.136	0.1%	0.2%
Canada	TSE 300	20025.61	0.9%	14.9%	1.46	-4	78	1.2074	0.0%	-5.1%
UK	FTSE®	7069.04	0.7%	9.4%	0.79	-1	59	1.4161	-0.2%	3.6%
Germany	DAX	15692.9	1.1%	14.4%	-0.21	-3	36			
France	CAC-40	6515.66	0.5%	17.4%	0.15	-2	49	1.2168	-0.2%	-0.4%
Italy	FTSE® MIB	25570.46	1.6%	15.0%	0.87	-4	33			
Japan	Nikkei 225	28941.52	-0.7%	5.5%	0.09	0	7	109.54	-0.3%	6.1%
Australia	ASX 200	7295.352	1.6%	10.8%	1.69	0	72	0.7745	0.4%	0.7%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	71.32	4.2%	39.4%	83.0%
Gold	US $/troy oz	Bloomberg	1891.25	-0.7%	-0.4%	10.3%

Source: Bloomberg®

Week in Review (May 31–June 4)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, May 31					
GE	CPI (May, prelim, y/y)	2.3%	2.5%	2.0%	Energy prices play huge role here.
JN	Industrial Production (Apr, prelim, m/m)	3.9%	2.5%	1.7%	A positive report.
JN	Retail Sales (Apr, m/m)	-1.7%	-4.5%	1.2%	Worrying months ahead.
JN	Consumer Confidence (May)	33	34.1	34.7	A decline, still better than expected.
AU	Private Sector Credit (Apr, m/m)	0.4%	0.2%	0.4%	Contraction in business credit.
Tuesday, June 1					
US	ISM Manufacturing (May)	61.0	61.2	60.7	Supply chain issues, hiring challenges.
CA	GDP (Q1, q/q, saar)	6.8%	5.6%	9.3%(↓)	Moderation, but still solid growth.
UK	Manufacturing PMI (May, final)	66.1(p)	65.6	60.9	Very strong.
UK	Nationwide House PX (May, m/m)	1.0%	1.8%	2.3%(↑)	Up 10.9% y/y.
EC	Manufacturing PMI (May, final)	62.8(p)	63.1	62.9	Excellent!
GE	Manufacturing PMI (May, final)	64.0(p)	64.4	66.2	Excellent!
GE	Unemployment Rate (May)	6.0%	6.0%	6.0%	Other details are more encouraging.
FR	Manufacturing PMI (May, final)	59.2(p)	59.4	58.9	Very good!
IT	GDP (Q1, final, q/q)	-0.4%(p)	0.1%	-1.8%	Very welcome surprise!
IT	Manufacturing PMI (May)	62.2	62.3	60.7	Excellent
IT	Unemployment Rate (Apr, prelim)	10.1%	10.7%	10.4%(↑)	Big increase in labor force.
JN	Manufacturing PMI (May, final)	52.5(p)	53.0	53.6	Bodes well for May production data.
AU	RBA Monetary Policy Decision	0.10%	0.10%	0.10%	Status quo maintained.
Wednesday, June 2					
US	Fed Beige Book Report				Faster expansion, labor shortages.
US	Total Vehicle Sales (May, mil.)	17.5	17.0	18.5	Moderating from unsustainably high levels.
CA	Building Permits (Apr, m/m)	-5.0%	-0.5%	7.6%(↑)	Still historically elevated.
UK	Mortgage Approvals (Apr, thous)	81.0	86.9	82.7	Going strong!
GE	Retail Sales (Apr, m/m)	-2.8%	-5.5%	7.7%	Hit by intensifying mobility restrictions.
AU	GDP (Q1, q/q)	1.5%	1.8%	3.2%(↑)	Excellent!
Thursday, June 3					
US	Initial Jobless claims (May 29, thous)	395	385	405(↓)	Slowly improving.
US	Continuing claims (May 22, thous)	3615	3771	3602(↓)	Surprising increase.
US	ISM Services (May)	63.0	64.0	62.7	New record high!
US	Nonfarm Productivity (Q1, final, q/q)	5.4%(p)	5.4%	-3.8%	Confirming earlier estimate.
UK	Services PMI (May, final)	61.8(p)	62.9	61.0	Impressive!
EC	Services PMI (May, final)	55.1(p)	55.2	50.5	Essentially confirms preliminary release.
GE	Services PMI (May, final)	52.8(p)	52.8	49.9	Confirming preliminary release.
JN	Services PMI (May, final)	45.7(p)	46.5	49.5	Activity disrupted by latest wave of infection.
AU	Retail Sales (Apr, final, m/m)	1.1%(p)	1.1%	1.3%	In line with preliminary reading.
Friday, June 4					
US	Change in Nonfarm Payrolls (May, thous)	663	559	278(↑)	More evidence of labor supply constraints.
US	Unemployment Rate (May)	5.9%	5.8%	6.1%	Participation rate declined a tenth.
US	Factory Orders (Apr, m/m)	-0.2%	-0.6%	1.4%(↑)	Drag from durable orders but core orders strong.
CA	Unemployment Rate (May)	8.2%	8.2%	8.1%	Restrictions hampered jobs growth.
CA	Ivey PMI (May)	na	64.7	60.6	Solid improvement in employment index.
CA	Labor Productivity (Q1, q/q)	-0.9%	-1.7%	-2.0%	Third consecutive decline.

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

Week Preview (June 7–June 11)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, June 7				
US	Consumer Credit (Apr, $ bil.)	22.5	25.8	
GE	Factory Orders (Apr, m/m)	0.5%	3.0%	
JN	Leading Index (Apr, prelim)	102.9	102.5	
AU	ANZ Job Advertisements (May, m/m)	na	4.7%	
Tuesday, June 8				
US	NFIB Small Business Optimism (May)	100.5	99.8	Labor shortages are a big drag here.
US	Trade Balance (Apr, $ bil.)	-68.5	-74.4	
US	JOLTS Job Openings Apr, thous)	na	8123	We might see another record!
CA	Trade Balance (Apr, C$ bil.)	na	-1.1	
EC	GDP (Q1, final, q/q)	-0.6%(p)	-0.7%	
GE	ZEW Investor Expectations (Jun)	85	84.4	
GE	Industrial Production (Apr, m/m)	-0.5%	2.5%	
IT	Retail Sales (Apr, m/m)	na	-0.1%	
JN	GDP (Q1, final, q/q)	-1.3%(p)	2.8%	Scarring from the latest wave.
JN	Labor Cash Earnings (Apr, y/y)	0.8%	0.6%(↑)	
AU	NAB Business Confidence (May)	na	26	Positive outlook expected.
Wednesday, June 9				
CA	BoC Monetary Policy Decision	0.25%	0.25%	Reiterate accommodative policy; hawkish neutral.
GE	Labor Costs (Q1, y/y)	na	3.5%	
Thursday, June 10				
US	Initial Jobless claims (Jun 5, thous)	na	385	
US	Continuing claims (May 29, thous)	na	3771	
US	CPI (May, y/y)	4.6%	4.2%	
US	Monthly Budget Statement (May, $ bil.)	na	-225.6	
EC	ECB Monetary Policy Decision	0.00%	0.00%	
FR	Industrial Production (Apr, m/m)	0.5%	0.8%	
IT	Industrial Production (Apr, m/m)	0.0%	-0.1%	
JN	PPI (May, y/y)	4.6%	3.6%	Rising commodity prices.
Friday, June 11				
US	U of Mich Cons Sentiment (Jun, prelim)	83.8%	82.9	
CA	Capacity Utilization (Q1)	na	79.2%	
UK	Industrial Production (Apr, m/m)	2.0%	1.8%	

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	1.2	1.4	1.6	2.4	3.6
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	0.7	1.0	1.1	2.2	3.4
UK	Target: CPI 2.0% y/y	0.6	0.7	0.4	0.7	1.5
Eurozone	Target: CPI below but close to 2.0% y/y	-0.3	0.9	0.9	1.3	1.6
Japan	Target: CPI 2.0% y/y	-1.2	-0.6	-0.4	-0.2	-0.4
Australia	Target Range: CPI 2.0%-3.0% y/y	0.9	1.1	1.1	1.1	

Source: Macrobond

Key Interest Rates	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
US (top of target range)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
UK (Bank Rate)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan (OCR)	-0.02	-0.06	-0.06	-0.03	-0.03	-0.03	-0.01	-0.02	-0.04	-0.02	-0.03
Australia (OCR)	0.25	0.25	0.25	0.25	0.11	0.10	0.10	0.10	0.10	0.10	0.10

Source: Macrobond

General Government Structural Balance as a % of Potential GDP									Forecast	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
US	-3.0	-2.6	-2.6	-3.7	-4.3	-5.4	-6.1	-11.7	-12.9	-6.8
Canada	-1.5	-0.6	0.0	0.1	-0.3	0.0	0.3	-7.8	-6.7	-4.2
UK	-4.2	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	0.5	-5.0	-4.8
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.5	-0.5	-0.5	-4.0	-4.6	-2.6
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-2.6	-4.0	-0.3
France	-2.9	-2.7	-2.3	-2.1	-2.1	-1.8	-2.0	-3.6	-5.2	-4.0
Italy	-0.5	-1.0	-0.6	-1.3	-1.7	-1.9	-1.1	-5.1	-5.2	-4.1
Japan	-7.4	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-11.3	-8.5	-3.6
Australia	-2.7	-2.7	-2.6	-2.3	-1.6	-1.2	-3.6	-9.1	-10.1	-6.9

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		Dec	Jan	Feb	Mar	Apr
US	1.4	1.7	2.6	4.2			0.8	1.7	2.8	4.2	6.2
Canada	1.0	1.1	2.2	3.4			2.1	4.3	7.2	10.3	14.3
UK	0.7	0.4	0.7	1.5							
Eurozone	0.9	0.9	1.3	1.6			-1.1	0.4	1.5	4.3	7.6
Germany	1.0	1.3	1.7	2.0	2.5		0.2	0.9	1.9	3.7	5.2
France	0.6	0.6	1.1	1.2	1.4		-1.1	0.2	1.7	4.1	6.4
Italy	0.4	0.6	0.8	1.1	1.3		-1.8	-0.3	0.7	2.7	6.5
Japan	-0.6	-0.4	-0.2	-0.4			-2.0	-1.5	-0.6	1.2	3.6
Australia	1.1	1.1	1.1				-0.1	0.2	0.2	0.2	

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21
US	-1.3	-9.0	7.5	1.1	1.6	0.3	-9.0	-2.8	-2.4	0.4
Canada	-2.0	-11.3	9.1	2.2	1.4	-0.4	-12.6	-5.1	-3.1	0.3
UK	-2.8	-19.5	16.9	1.3	-1.5	-2.2	-21.4	-8.5	-7.3	-6.1
Eurozone	-3.8	-11.6	12.5	-0.7	-0.6	-3.3	-14.6	-4.1	-4.9	-1.8
Germany	-2.0	-9.7	8.7	0.5	-1.8	-2.2	-11.2	-3.8	-3.3	-3.1
France	-5.9	-13.2	18.5	-1.5	-0.1	-5.5	-18.4	-3.5	-4.6	1.2
Italy	-5.7	-12.9	15.9	-1.8	0.1	-5.8	-18.1	-5.2	-6.5	-0.8
Japan	-0.5	-8.1	5.3	2.8	-1.3	-2.2	-10.2	-5.5	-1.0	-1.8
Australia	-0.3	-7.0	3.5	3.2	1.8	1.4	-6.2	-3.7	-1.0	1.1

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	1.2	1.0	-2.9	2.2	0.5	-3.2	-1.8	-4.9	1.1	17.6
Canada	1.1	1.4	-1.7	0.8		-3.0	-1.7	-4.0	1.7	
UK	0.0	-1.9	1.1	1.7		-2.3	-4.4	-3.5	3.6	
Germany	2.1	-2.2	-1.9	2.5		1.1	-3.9	-6.7	4.9	
France	-0.6	3.3	-4.8	0.8		-3.1	0.0	-6.6	13.7	
Italy	0.1	1.2	0.1	-0.1		-1.2	-2.5	-1.1	37.4	
Japan	-0.2	3.1	-1.3	1.7	2.5	-4.0	-2.2	-3.1	1.0	15.4

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
US	10.2	8.4	7.8	6.9	6.7	6.7	6.3	6.2	6.0	6.1	5.8
Canada	10.9	10.2	9.2	9.0	8.6	8.8	9.4	8.2	7.5	8.1	8.2
UK	4.5	4.8	4.9	5.0	5.1	5.0	4.9	4.8			
Eurozone	8.5	8.7	8.7	8.5	8.3	8.2	8.2	8.2	8.1	8.0	
Germany	6.4	6.3	6.3	6.2	6.1	6.1	6.0	6.0	6.0	6.0	6.0
France	8.8	9.3	9.3	8.5	8.1	7.8	7.9	8.0	7.9	7.3	
Italy	9.9	9.9	10.0	10.1	9.7	10.0	10.5	10.5	10.4	10.7	
Japan	2.9	3.0	3.0	3.1	3.0	3.0	2.9	2.9	2.6	2.8	
Australia	7.4	6.8	6.9	6.9	6.8	6.6	6.4	5.9	5.7	5.5	

Source: Macrobond

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

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21
US	-2.4	-2.5	-2.4	-2.4	-2.3	-1.9	-2.1	-3.3	-3.4	-3.5	
Canada	-1.6	-2.8	-3.0	-1.7	-2.0	-1.6	-3.0	-1.6	-1.8	-0.9	0.2
UK	-3.3	-4.7	-6.3	-3.2	-3.2	0.3	-3.5	-3.0	-2.6	-4.8	
Eurozone	3.0	2.4	3.4	1.5	2.8	2.5	2.0	1.2	2.5	3.4	3.0
Germany	7.4	7.1	8.0	7.4	7.8	7.4	6.9	5.1	7.4	7.7	8.0
France	-0.3	-0.6	-0.2	-0.4	-1.1	-0.8	-1.5	-4.1	-1.8	-0.4	-1.2
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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Exp. Date: 06/30/2022