March 12, 2021
Commentary

Weekly Economic Perspectives

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The Economy

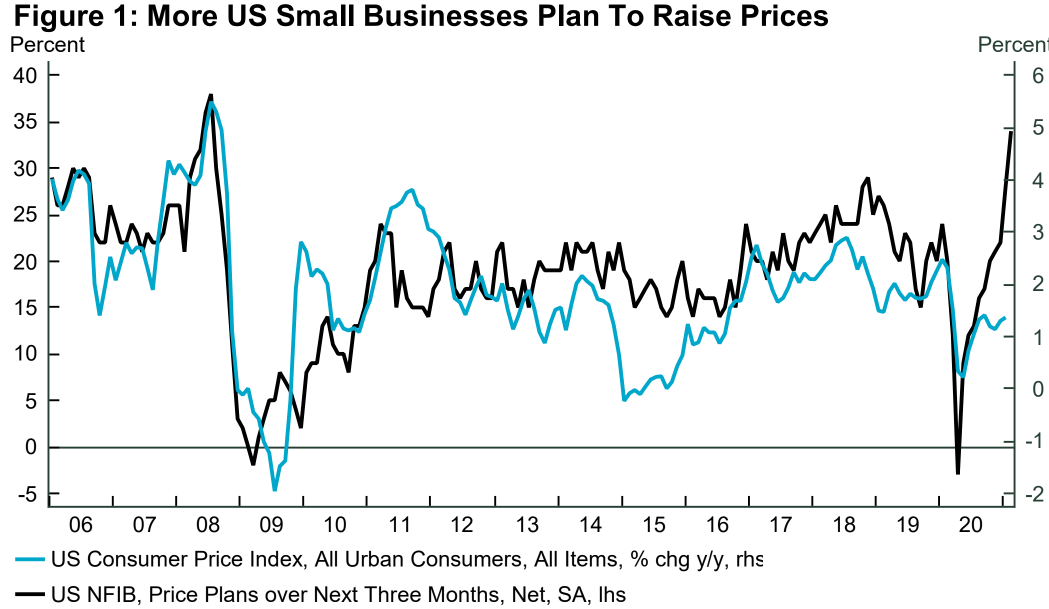
A light data week but stimulus and dovish central banks drive big equity rally.

US

The combination of declining Covid cases, accelerating vaccinations, and more fiscal stimulus is finally lifting consumer sentiment. Having declined in three of the previous four months, the **Michigan consumer sentiment** survey jumped 6.2 points to a year high of 83.0 points in the preliminary March reading. The present situation component improved 5.3 points to 91.5—also a year high—while expectations rose 6.8 points to a five-month high. Inflation expectations, which had moved sharply higher of late, receded slightly: the short term (1-year) inflation expectations eased two tenths to 3.1% while long-term expectations (5-10 years) were unchanged at 2.7%.

If there is a blemish in the string of rather positive US macro data of late, it is probably the small business sentiment index. Having tumbled in November-December, it eroded further in January and only recovered a little bit of those losses in February. The headline **NFIB index** rose 0.8 point to 95.8, its second lowest level since last May. Unsurprisingly, the details were mixed. Sales expectations deteriorated slightly and fewer respondents believe now is a good time to expand. On the other hand, general business conditions improved a little, as did actual profits. Most moves were small magnitude-wise but two components than exhibited outsized shifts. The share of respondents planning to raise prices jumped to the highest level since the summer of 2008. And the share of respondents saying they are unable to fill current job openings jumped to the highest level on record going back to the mid-1970s!

Figure 1: More US Small Businesses Plan To Raise Prices



Sources: SSGA Economics, NFIB, BLS

These claims were certainly corroborated by the latest JOLTS report, showing 6.9 million **job openings** in January, the most since February 2020. The immediate implication of this appears to be that, once the economy reopens fully, the pace of hiring could accelerate quite rapidly, reducing unemployment quite precipitously over the course of 2021. Of course, it is important to remember that openings were also running at a little over 7.0 million in the two years prior to the onset of the Covid crisis so a good chunk of these openings may reflect a permanent skills mismatch. We also do not expect openings to fall too precipitously in coming months either, as we assume many of the positions which are to be filled in coming months as life normalizes are not yet even advertised.

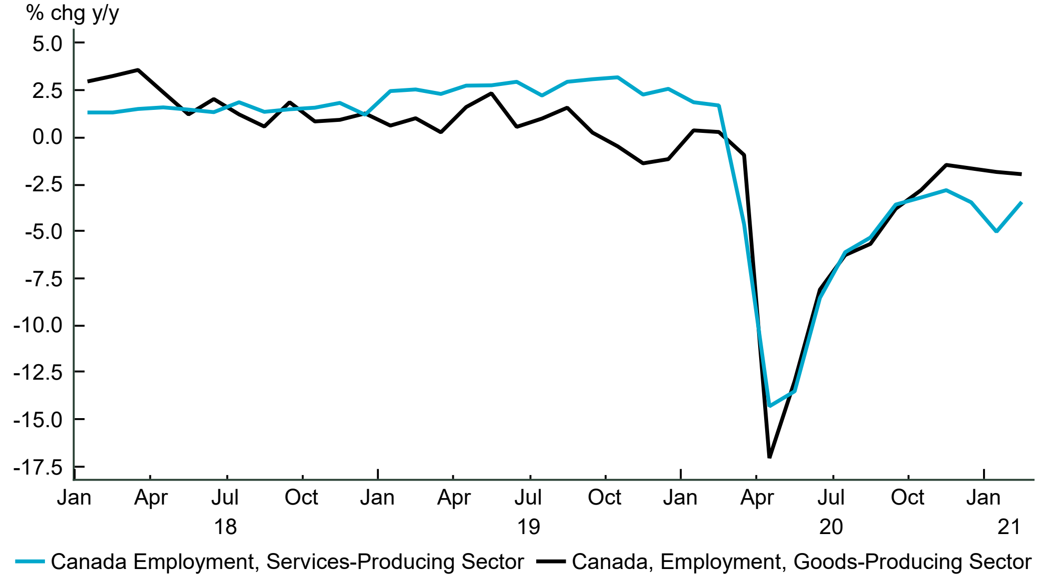
The “price plans” signal in the NFIB survey speaks directly to intensifying pipeline inflationary pressures, most evident so far in producer prices. Headline producer prices rose 0.5% in February, with core prices (excluding food and energy) rose 0.3%. Higher oil prices pushed energy costs up 6.0% during the month, lifting the goods component of the PPI up by 1.4% m/m. Service prices rose a much more modest 0.1%. Overall PPI inflation accelerated 1.1 percentage points to 2.8% y/y, the highest since October 2018. The traditional core measure accelerated half a percentage point to 2.5% y/y (the highest since April 2019), whereas the alternative core measure (which also excludes the volatile trade services component) accelerated two tenths to 2.2% y/y.

While these pipeline inflationary pressures are building, they haven’t yet translated into materially higher inflation, although that process may be not far off. The **consumer price inflation** data for February was a tale of two metrics. Headline prices rose 0.4% on the month, causing this measure of inflation to accelerate three tenths to 1.7% y/y, the highest level since February 2020. Higher energy prices were a key contributor as energy rose 3.9% m/m, with gasoline prices up 6.4%. Food prices rose a moderate 0.2%, medical care costs were up 0.3% and housing costs rose a modest 0.2%. Following three consecutive gains, apparel prices dropped a large 0.7% whereas recreation prices rose 0.6% after two back-to-back declines. Used car prices, which had been moderating for months as supply of new automobiles improved, slid another 0.9%. The mixed behavior of these components kept the monthly rise in core prices (excluding food and energy) at a soft 0.1%, below expectations, and pushed the core inflation rate down a tenth to 1.3% y/y. Base effects alone are bound to push inflation metrics sharply higher over the next several months, and we suspect that as the economy reopens there will be a notable improvement in pricing power across a number of industries that has most suffered during the pandemic. For instance, airline fares were still 25% lower y/y in February while hotel prices were down about 17%.

Canada

The **labor market** burst to life in February, reflecting the impact of additional restrictions being lifted in most parts of the country. Employment jumped by 259,000, almost fully recouping the 266,000 loss over the previous two months. Both part-time (+171,000) and full-time jobs (+88,000) increased due to resumption of activity in retail trade and hospitality. As a result, the unemployment rate fell 1.2 percentage points to 8.2%, the lowest since March 2020. The labor underutilization rate also came in at a year low of 16.6%. The participation rate held steady at 64.7%. It has continued to lag pre-pandemic levels, primarily among youth aged 15 to 24 (-2.0 percentage points), particularly young women (-2.8 percentage points). Along with employment, total hours worked increased by 1.4%, driven by gains in wholesale and retail trade. While very encouraging, the pace of job gains is likely to slow as the initial momentum fades in a month or two. But we believe the labor market is strongly poised for a recovery across the rest of the year.

Figure 2. Services Jobs Gained Post Reopening In Canada



Sources: SSGA Economics, StatCan

There were no changes to policy settings in the **Bank of Canada's** latest monetary policy meeting. The target for the overnight rate was maintained at 0.25%, while the large-scale asset purchase program was unchanged. The bank expressed optimism about the recovery ongoing globally, especially in US, before turning to the resilience in the domestic economy. There still remains considerable slack in the economy, with the labor market still a long way from full employment. Inflation is expected to move temporarily above the target rate in the next few months due to base effects and higher gasoline prices. But the BoC emphasized that the inflation target needs to be achieved "sustainably" as a pre-requisite for lift-off. It added that "to reinforce this commitment and keep interest rates low across the yield curve, the Bank will continue its QE program until the recovery is well underway."

The BoC sounded a little more hawkish in terms of tapering though. Admittedly, the BoC is still committed "to provide the appropriate degree of monetary policy stimulus to support the recovery and achieve the inflation objective". But they acknowledge that as the economy continues to gain momentum, "the pace of net purchases of Government of Canada bonds will be adjusted as required." This is suggestive of the BoC approaching tapering.

UK

Industrial production contracted 1.5% in January, the first monthly decline since April. Manufacturing dropped 2.3%, also the first retreat since April, and mining was down 0.7%. Water utilities and electricity production rose slightly, but not enough to offset losses elsewhere.. Overall industrial production declined 4.9% y/y.

Eurozone

The ECB struck an intentionally dovish tone at its meeting this week, signaling it would speed up the pace of asset purchases under the Pandemic Emergency Purchase Programs (PEPP) in order to prevent "a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation". However, all other policy parameters were unchanged, including the total size of the PEPP envelope. There were new staff macroeconomic projections which, overall, continue to strike us as too pessimistic. Indeed, we wonder whether won't see a repeat of the Q4 experience, when the economy bested even the staff's optimistic scenario projections…The main assumptions behind the new forecasts are that mobility restrictions are worse than previously anticipated during the first half of 2021 but are subsequently relaxed faster, with a "final resolution of the health crisis" by early 2022, as previously expected. We believe there is a good chance that final resolution might come sooner than that, even with the slow vaccine deployment so far. The new staff forecasts did not consider the new fiscal package in the US "due to uncertainty with respect to its size, composition, and timing". However, that package is large enough to have some implications for external demand in coming quarters so it should drive an upward revision to next quarter's staff forecasts, all else equal. For now, the only big changes relative to the December baseline was a half a percentage point upgrade to the 2021 headline inflation forecast, now at 1.5%, linked partly to incoming data and partly to higher assumer oil prices. Revisions to core inflation and real GDP growth were a mere 0.1 percentage points each—in other words, utterly insignificant. We believe more meaningful upgrades will be required down the line but for now, the ECB remains very much in risk management mode.

The ***eurozone* industrial sector** is rebounding after a soft patch…and that soft patch might not even have been as serious as initially thought. Region-wide industrial production rose a better than expected 0.8% in January. The biggest news in the report, however, was the big upward revision to the December data, now showing a mere 0.1% contraction versus the 1.6% drop reported earlier. ***France*** was a big contributor to the good January print, its output jumping 3.3% on the month. ***Italy***'s rose 1.0% (and the December data was revised upward to show a modest gain as opposed to a modest decline). ***Germany***'s January performance was most disappointing, although it was also the main contributor towards the December revision. German industrial production (including construction) fell 2.5% in January but the December data now shows a 1.9% gain (versus flat previously). Furthermore, a big reason behind the decline was the construction sector itself, where output shrank 12.2%. Excluding construction, output decline a much smaller 0.4% as manufacturing and mining declined 0.5% but energy rose 0.6%. Eurozone industrial production Industrial production declined 3.8% y/y.

Japan

The final print for Q4 2020 **GDP** was revised a touch lower to 2.8% q/q (11.7% annualized). The downward revision was driven by a sharper contraction of private inventories. This signifies robust industrial demand and sets the stage for re-stocking boosts down the road.

Wage inflation retreated a further 0.8% y/y in January, narrower than the 3.0% fall seen in December. Basic wages increased 0.3%, after two consecutive declines. However, both full-time (-0.1%) and part-time wages (-0.5%) continued to decline.

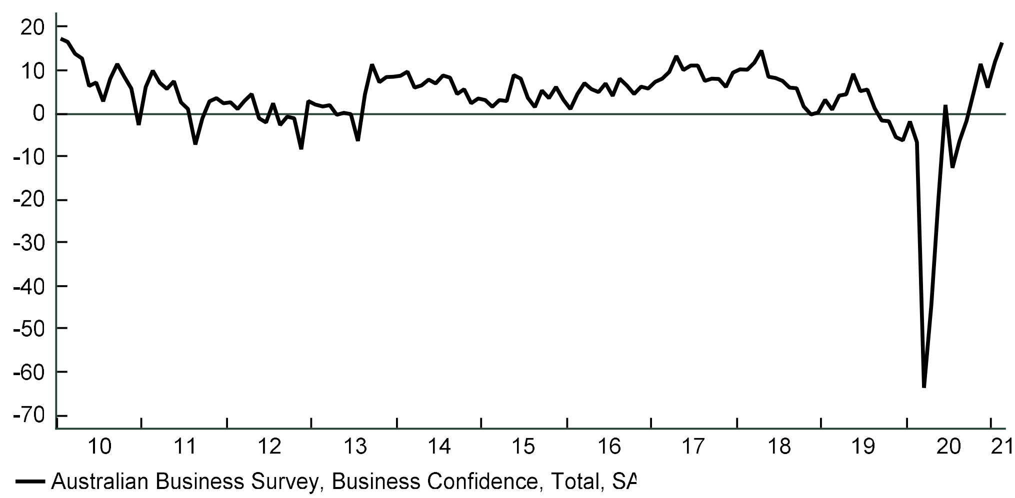
Overtime wages fell by 6.6%, as employers continued to curtail working hours. Hours worked were down 2.2%. Real wages also fell, albeit a moderate 0.1% y/y.

Australia

The **NAB monthly business confidence** jumped 4 points from an upwardly revised January to 16 in February, its highest level since early 2010. Business conditions also rebounded 6 points to 15, following a very weak January. The improvement in conditions was driven by an increase in all three sub-components with trading conditions leading the gain (+8 points to 21) and the employment index also rising in the month (+5 points to 8). There should be a continuing improvement in conditions alongside a normalization in activity and start of the vaccine rollout.

Figure 3: Sharp Rebound In Australian Business Confidence

Net Balance

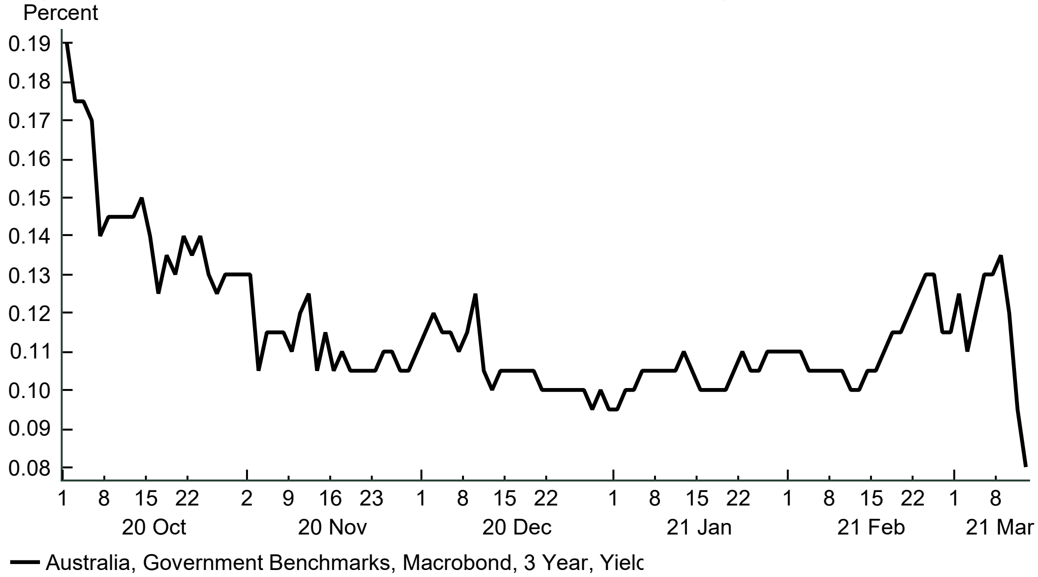


Sources: SSGA Economics, NAB

The Market This Week

Three-year bond yields dropped below target as the RBA doubled the fee charged for lending out April 2023 and April 2024 government bonds. Governor Lowe also pushed back against market speculation of an early interest rate hike.

Figure 4: Australia's 3 Year Yield Drops Below Target



Sources: SSGA Economics, Macrobond

Equities: Stimulus, growth, and dovish central banks propel equities' surge.

Bonds: The RBA drove down yields by pricing out shorts.

Currencies: The pound and Canadian dollar get a bid.

Commodities: Oil moderated as OPEC trimmed demand estimates.

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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®	3931.66	2.3%	4.7%	1.63	6	72	91.672	-0.3%	1.9%
Canada	TSE 300	18778.83	2.2%	7.7%	1.57	7	90	1.2471	-1.5%	-2.0%
UK	FTSE®	6761.47	2.0%	4.7%	0.82	7	63	1.3916	0.5%	1.8%
Germany	DAX	14502.39	4.2%	5.7%	-0.31	0	26			
France	CAC-40	6046.55	4.6%	8.9%	-0.07	-2	27	1.1952	0.3%	-2.2%
Italy	FTSE® MIB	24113.22	5.0%	8.5%	0.62	-13	8			
Japan	Nikkei 225	29717.83	3.0%	8.3%	0.12	3	10	109.07	0.7%	5.6%
Australia	ASX 200	6766.811	0.8%	2.7%	1.70	-13	73	0.7758	0.9%	0.8%

Commodity Markets						
Commodity	**Unit**	**Source**	**Last Price**	**%Ch Week**	**%Ch YTD**	**%ChYr Ago**
Oil (Brent)	US $/Barrel	Bloomberg	68.84	-0.8%	34.5%	120.4%
Gold	US $/troy oz	Bloomberg	1724.46	1.4%	-9.2%	9.4%

Source: Bloomberg®

Week in Review (March 8–March 12)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, March 8					
GE	Industrial Production (Jan, m/m)	-0.4%	-2.5%	1.9%(↑)	Big drop in construction.
JN	Leading Index (Jan, prelim)	96.8	99.1	97.7(↑)	Coincident index up first time in three months.
Tuesday, March 9					
US	NFIB Small Business Optimism (Feb)	97.0	95.8	95.0	Disappointingly soft.
EC	GDP (Q4, final, q/q)	-0.6%(p)	-0.7%	12.4%	Old news by now.
IT	Industrial Production (Jan, m/m)	0.7%	1.0%	0.2%(↑)	Better, but we need better still.
JN	GDP (Q4, final, q/q)	3.0%(p)	2.8%	5.3%	Sharper contraction in private inventories.
JN	Labor Cash Earnings (Jan, y/y)	-1.7%	-0.8%	-3.2%	Basic wages increase.
AU	NAB Business Confidence (Feb)	na	16	12(↑)	Confidence rises to a decade high.
Wednesday, March 10					
US	Monthly Budget Statement (Feb, $ bil.)	-305.0	-310.9	235.3	It will get worse.
US	CPI (Feb, y/y)	1.7%	1.7%	1.4%	Core moderated a tenth to 1.3% y/y.
CA	BoC Monetary Policy Decision	0.25%	0.25%	0.25%	Signals approaching tapering.
FR	Industrial Production (Jan, m/m)	na	3.3%	-0.7%(↑)	Excellent!
Thursday, March 11					
US	Initial Jobless claims (Mar 6, thous)	725	712	754(↑)	Gradual improvement.
US	Continuing claims (Feb 27, thous)	4200	4144	4337(↑)	Gradual improvement.
US	JOLTS Job Openings (Jan, thous)	6650	6917	6762(↑)	Fairly impressive!
EC	ECB Monetary Policy Decision	0.00%	0.00%	0.00%	Will speed up bond purchases.
GE	Labor Costs (Q4, y/y)	na	3.5%	1.7%	Skewed by crisis support.
Friday, March 12					
US	U of Mich Sentiment (Mar, prelim)	78.0	83.0	76.8	Highest in a year.
US	PPI Final Demand (Feb, y/y)	2.7%	2.8%	1.7%	Highest since October 2018.
CA	Unemployment Rate (Feb)	9.2%	8.2%	9.4%	Lowest in almost a year.
UK	Industrial Production (Jan, m/m)	-0.6%	-1.5%	0.2%	Pretty bad…
EC	Industrial Production (Jan, m/m)	0.3%	0.8%	-0.1%(↑)	Big upward revision to December.

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

Week Preview (March 15–March 19)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, March 15				
US	Empire Manufacturing (Mar)	12.1	12.1	
CA	Housing Starts (Feb, thous)	na	282.4	BoC keeping a tab on housing market.
CA	Manufacturing Sales (Jan, m/m)	na	0.9%	
CA	Existing Home Sales (Feb, m/m)	na	2.0%	
JN	Core Machine Orders (Jan, m/m)	-5.5%	5.2%	State of emergency to hit.
JN	Tertiary Industry Index (Jan, m/m)	-0.6%	-0.4%	
Tuesday, March 16				
US	Retail Sales Advance (Feb, m/m)	-0.7%	5.3%	Might be worse.
US	Industrial Production (Feb, y/y)	0.6%	0.9%	
US	Business Inventories (Jan, m/m)	0.3%	0.6%	
US	NAHB Housing Market Index (Mar)	84	84	
GE	ZEW Investor Expectations (Mar)	75	71.2	
JN	Industrial Production (Jan, final, m/m)	4.2%(p)	-1.0%	
AU	RBA Minutes			
AU	House Price Index (Q4, q/q)	1.9%	0.8%	RBA keeping a close eye on real estate.
Wednesday, March 17				
US	FOMC Monetary Policy Decision	0.25%	0.25%	No action, but new forecasts.
US	Building Permits (Feb, thous)	1723	1886(↑)	
US	Housing Starts (Feb, thous)	1570	1580	
CA	Teranet/National Bank HPI (Feb, y/y)	na	9.6%	
CA	CPI (Feb, y/y)	na	1.0%	
JN	Trade Balance Adjusted (Feb, ¥ bil.)	-200	392.8	
Thursday, March 18				
US	Initial Jobless claims (Mar 13, thous)	na	712	
US	Continuing claims (Mar 6, thous)	na	4144	
US	Philadelphia Fed Business Outlook (Mar)	24.0	23.1	
US	Leading Index (Feb, m/m)	0.3%	0.5%	
UK	BoE Monetary Policy Decision	0.10%	0.10%	Cautious, but not more dovish than it's been.
AU	Unemployment Rate (Feb)	6.3%	6.4%	Improves until March when the benefit programs expire.
Friday, March 19				
CA	Retail Sales (Jan, m/m)	na	-3.4%	Can expect an improvement.
UK	GfK Consumer Confidence (Mar)	na	-23	
FR	Wages (Q4, final, q/q)	na	0.3%	
JN	BoJ Monetary Policy Decision	-0.10%	-0.10%	Do not anticipate any major announcements.
JN	CPI (Feb, y/y)	-0.4%	-0.6%	Low.
AU	Retail Sales (Feb, prelim, m/m)	0.6%	0.5%	Improving.

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Sep	Oct	Nov	Dec	Jan
US	Target: PCE price index 2.0% y/y	1.4	1.2	1.2	1.3	1.5
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	0.5	0.7	1.0	0.7	1.0
UK	Target: CPI 2.0% y/y	0.5	0.7	0.3	0.6	0.7
Eurozone	Target: CPI below but close to 2.0% y/y	-0.3	-0.3	-0.3	-0.3	0.9
Japan	Target: CPI 2.0% y/y	0.0	-0.4	-0.9	-1.2	-0.6
Australia	Target Range: CPI 2.0%-3.0% y/y	0.7	0.9	0.9	0.9	

Source: Macrobond

Key Interest Rates

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-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)	-0.06	-0.07	-0.07	-0.02	-0.06	-0.06	-0.03	-0.03	-0.03	-0.01	-0.02
Australia (OCR)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.11	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	-5.7	-6.8	-15.0	-7.6	-6.1
Canada	-1.5	-0.6	0.0	0.0	-0.3	-0.7	-0.6	-16.5	-7.9	-5.2
UK	-4.3	-4.9	-4.3	-3.3	-2.6	-2.3	-2.2	-14.0	-6.4	-5.4
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.6	-0.5	-0.6	-5.3	-3.1	
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-5.8	-1.8	1.0
France	-2.9	-2.6	-2.2	-2.1	-2.1	-1.7	-2.0	-4.5	-4.0	-3.8
Italy	-0.5	-1.0	-0.6	-1.3	-1.8	-1.9	-1.3	-3.8	-3.4	-2.9
Japan	-7.5	-5.5	-4.3	-4.1	-3.3	-2.5	-3.0	-12.7	-5.6	-2.8
Australia	-2.7	-2.8	-2.6	-2.3	-1.6	-1.2	-3.7	-9.2	-9.8	-5.9

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Oct	Nov	Dec	Jan	Feb		Oct	Nov	Dec	Jan	Feb
US	1.2	1.2	1.4	1.4	1.7		0.6	0.8	0.8	1.7	2.8
Canada	0.7	1.0	0.7	1.0			1.1	0.5	2.0	4.0	
UK	0.7	0.3	0.6	0.7							
Eurozone	-0.3	-0.3	-0.3	0.9			-2.0	-2.0	-1.1	0.0	
Germany	-0.2	-0.3	-0.3	1.0	1.3		-0.7	-0.5	0.2	0.9	
France	0.0	0.2	0.0	0.6	0.4		-2.0	-1.9	-1.2	0.1	
Italy	-0.3	-0.2	-0.2	0.4	0.6		-2.4	-2.3	-1.8	-0.3	
Japan	-0.4	-0.9	-1.2	-0.6			-2.1	-2.3	-2.0	-1.5	-0.7
Australia	0.9	0.9	0.9				-0.1	-0.1	-0.1		

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20		Q4-19	Q1-20	Q2-20	Q3-20	Q4-20
US	0.6	-1.3	-9.0	7.5	1.0		2.3	0.3	-9.0	-2.8	-2.4
Canada	0.1	-1.9	-11.4	8.9	2.3		1.7	-0.3	-12.7	-5.3	-3.2
UK	0.0	-2.9	-19.0	16.1	1.0		1.2	-2.2	-21.0	-8.7	-7.8
Eurozone	0.1	-3.8	-11.6	12.5	-0.7		1.0	-3.3	-14.6	-4.2	-4.9
Germany	0.0	-2.0	-9.7	8.5	0.3		0.4	-2.2	-11.3	-4.0	-3.6
France	-0.2	-5.9	-13.5	18.5	-1.4		0.8	-5.6	-18.6	-3.7	-4.9
Italy	-0.4	-5.5	-13.0	15.9	-1.9		-0.2	-5.8	-18.2	-5.2	-6.6
Japan	-1.8	-0.6	-8.3	5.3	2.8		-1.0	-2.1	-10.3	-5.8	-1.3
Australia	0.4	-0.3	-7.0	3.4	3.1		2.2	1.4	-6.3	-3.7	-1.1

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Sep	Oct	Nov	Dec	Jan		Sep	Oct	Nov	Dec	Jan
US	-0.1	1.1	0.9	1.3	0.9		-6.1	-4.7	-4.7	-3.2	-1.8
Canada	1.7	-0.1	2.3	0.6			-7.1	-7.5	-5.0	-4.1	
UK	0.7	0.9	0.3	0.2	-1.5		-5.6	-5.4	-3.9	-3.3	-4.8
Germany	1.7	3.5	1.5	1.9	-2.5		-7.1	-2.9	-2.4	1.2	-3.8
France	1.8	2.0	-0.3	-0.7	3.3		-6.7	-4.5	-4.9	-3.2	-0.2
Italy	-4.9	1.4	-1.4	0.2	1.0		-4.7	-2.2	-4.2	-1.3	-2.9
Japan	3.9	4.0	-0.5	-1.0	4.2		-10.6	-3.2	-3.1	-4.2	-2.1

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
US	14.8	13.3	11.1	10.2	8.4	7.8	6.9	6.7	6.7	6.3	6.2
Canada	13.1	13.7	12.5	10.9	10.2	9.2	9.0	8.6	8.8	9.4	8.2
UK	4.1	4.1	4.3	4.5	4.8	4.9	5.0	5.1			
Eurozone	7.3	7.5	8.0	8.5	8.7	8.6	8.4	8.1	8.1	8.1	
Germany	5.8	6.3	6.4	6.4	6.3	6.3	6.2	6.1	6.1	6.0	6.0
France	7.4	6.8	7.2	8.7	9.3	9.3	8.5	8.1	7.8	7.9	
Italy	7.4	8.7	9.3	9.7	9.6	9.5	9.5	8.8	9.0		
Japan	2.6	2.8	2.8	2.9	3.0	3.0	3.1	3.0	3.0	2.9	
Australia	6.4	7.1	7.4	7.5	6.8	6.9	7.0	6.8	6.6	6.4	

Source: Macrobond

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

	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
US	-2.2	-2.5	-2.0	-2.3	-2.3	-2.1	-2.4	-2.8	-2.6	-2.4	
Canada	-2.2	-2.7	-3.4	-3.0	-2.8	-2.6	-1.8	-2.8	-3.0	-1.2	-1.7
UK	-3.2	-4.0	-3.4	-3.3	-3.4	-4.4	-4.3	-5.1	-6.0	-4.6	
Eurozone	3.1	1.9	3.9	3.6	3.5	3.6	2.6	2.8	3.1	2.4	
Germany	8.3	7.0	8.6	8.6	8.5	7.6	6.5	7.4	7.8	7.6	8.1
France	-1.3	-0.7	-0.7	-0.3	-0.3	-1.4	-0.5	-0.5	-0.8	-0.8	-1.0
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

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 third largest asset manager with nearly US $3.12 trillion* under our care.

*AUM reflects approximately $43.72 billion USD (as of December 31, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

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