STATE STREET GLOBAL ADVISORS

March 18, 2022
Commentary

Weekly Economic Perspectives

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The Economy

The Fed and geopolitics remain center stage for markets.

US

The **Fed** began a hawkish pivot in December, when it put three hikes into the 2022 dot plot. In March, it took that hawkish pivot to a whole new level, not only delivering a 25-basis point rate hike but penciling in six more through year-end. “Ongoing” tightening is seen as necessary to tame elevated inflation, a process that will continue with three additional hikes in 2023, at which point the Fed Funds rate will have crossed above the estimated neutral rate and the tightening cycle is scheduled to end. We were also told that balance sheet runoffs will be announced at “an upcoming meeting”, which we take to mean May.

Despite this substantial upward revision to the interest rate path, inflation forecasts moved higher throughout the forecast horizon, substantially so in 2022. The headline and core PCE inflation rates for Q4 of 2022 were raised by 1.7 and 1.4 percentage points, respectively, to 4.3% y/y and 4.1% y/y. The Q4 2022 real GDP growth was taken down from 4.0% to 2.8%, y/y, but neither 2023 nor 2024 growth projections were touched. And apart from an insignificant 0.1 ppt increase in the 2024 figure, there were no changes to the projected unemployment rate, either.

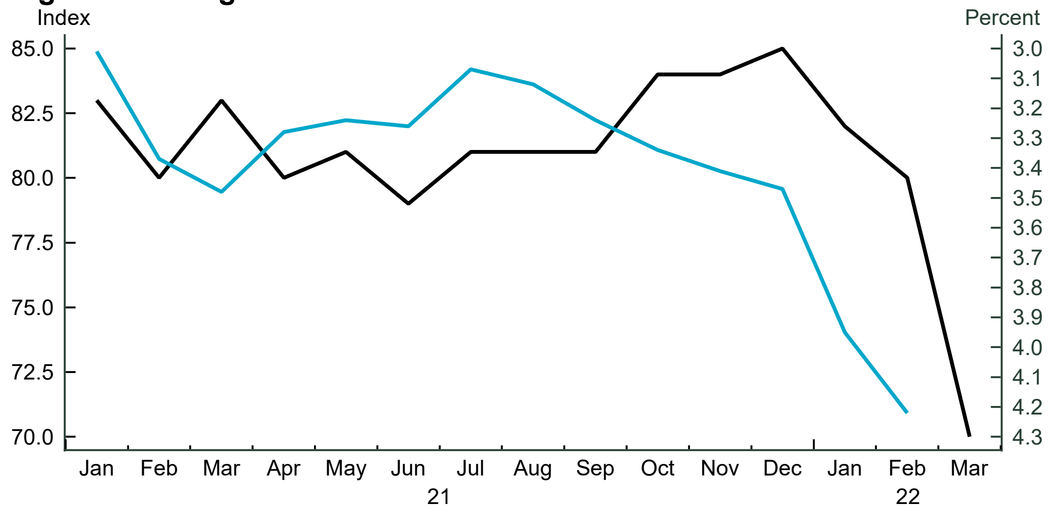
In short, the new summary of economic projections lays out an ideal scenario wherein the Fed fully normalizes policy without a detrimental impact on the economy, gradually bringing inflation back to target. It is not an impossible scenario insofar as nothing is impossible…but nor is it very likely. Instead, we see two alternative scenarios as having a better chance to materialize. The first is that inflation begins to moderate visibly in the third quarter as the exogenous factors that primarily contributed to its ascent (energy, supply chains) ease noticeably. Meanwhile, incoming data begins to evidence the slowdown we anticipate seeing in economic growth later this year. The combination prompts a reassessment by the Fed and a recalibration lower for the rate path. The last couple of rate hikes penciled in for this year do not materialize. This is still very much a soft landing scenario, but one where the moderation in inflation is driven less by Fed tightening and more by a natural demand and supply normalization process. The alternative scenario is one of a sharper deceleration in growth that brushes with technical recession sometimes in 2023. For factors outside of the Fed’s control, inflation fails to moderate, forcing the Fed to persist on its aggressive tightening path. We were already less upbeat than the Fed on 2023 and 2024 growth before the new dot plot; if the dot plot materializes fully, we’d put the chances of a 2023 technical recession at around 30-35%.

So far, there are no signs of slowdown in housing construction. We suspect, however, that a deceleration could become apparent over the next several months once demand slows in the face of higher mortgage rates. Even then, we might not get a very pronounced slowdown because the housing market has been, and remains, in a supply deficit situation for years. It is possible that rising interest rates may manifest not so much in an outright drop in demand, but in a shift toward cheaper homes, i.e., away from single family units. In fact, we might be already starting to see this shift emerging as the share of the share of multi-family housing starts in total starts has been creeping higher in recent months. Overall **housing starts** rebounded in February and were 22.3% higher than a year earlier; single-family starts were up 13.7% y/y, and multi-family starts increased 46.6% y/y. Within multi-family starts, there was an extraordinary surge in starts with 2-4 units. These quadrupled in

February and were more over three times higher than a year earlier; in fact, we'd have to go back all the way to July 2006 to find a higher print for this measure. Admittedly, one month does not make a trend, but this certainly caught our eye and we'll be monitoring closely. **Housing permits** were little changed at elevated levels in February and 7.7% higher than in February 2021.

Homebuilder sentiment is starting to show some cracks from higher interest rates and we suspect there is a lot more to come here. The NAHB index disappointed in March, losing two points to 79; the February data was also revised lower. Buyer traffic did improve—which is not that surprising given buyers may be trying to front-run the increase in rates—but present sales eased to a five-month low. The most meaningful development was the 10-point plunge in future sales expectations, which retreated to the lowest level since June of 2020. This is the most forward-looking sub-component of the NAHB index and it is here we look for the best signal on what to expect. The signal is pretty clear to us: a pullback in housing sales is coming.

Figure 1: Rising Interest Rates To Hurt US Home Sales



Mortgage Lending Rates, MBA, FRM 30-Year, Effective Rate (inverted scale), rhs

US, NAHB, Single Family Sales, Next 6 Months, NAHB - Wells Fargo, SA, Index, lhs

Sources: Macrobond, SSGA Economics, NAHB, MBA, NAR, Federal Reserve Bank of New York

When **existing home sales** did better than anticipated in January, we warned readers to "take this apparent strength with a grain of salt". That advice proved wise, as sales reversed course and dropped 7.2% to a six-month low in February. We expect further weakness ahead as rising mortgage rates and low inventory constrain activity. We also expect to see some impact on prices—at the very least a sharp slowdown in future price gains, but possibly even a partial reversal of last year's extraordinary increases. For now, though, little of that is visible: the median price for an existing single-family home was $363,800, up 15.5% y/y. The market certainly remains extremely tight, with inventory just off record lows at 1.7 months' worth of sales. Houses are still very selling fast, staying on the market a mere 18 days.

We offered the same advice last month in regard to **retail sales**, which, following a pretty disastrous December, blew expectations right out of the water in January. It turns out the advice was appropriate here as well. Sales only managed a meager

0.3% advance in February as several categories exhibited declines. Somewhat surprisingly, despite the decline in unit vehicle sales in February, motor vehicle and parts sales actually rose slightly. Sales at gasoline stations jumped 5.3%. Control sales (excluding food services, building materials, autos dealers and gas stations) fell 1.2%. Both measures remain far above year earlier levels, with total sales up an astounding 17.6% and control sales up 12.9% y/y.

There are plenty of mixed signals in the regional manufacturing Fed surveys at the moment. Abstracting from month-to-month volatility, it feels as though an inflexion point is developing here, with leading indicators of demand appearing to soften. The **Empire manufacturing index**, which had been softer than expected in February plunged unexpectedly in March to settle at its lowest level since May of 2020. It is not clear how much of this can be linked directly to the Ukraine war given timing of the survey and how much reflected other, perhaps more domestically-driven, considerations. Regardless, the survey's 14.9-point drop (to -11.8) offers a cautionary note. New orders and shipments both dropped by double digits, employment and the workweek both declined by high single digits, and inventories rose. Prices paid eased but prices received strengthened. On the brighter side, the outlook 6-months out remains quite robust. If the survey's overall weakness is linked to Ukraine, then perhaps the better outlook implies an assumption that this shock will be temporary.

The **Philly Fed index** offered a much more reassuring picture with an 11.4-point improvement that left it at the highest level since November. New orders and shipments jumped, and employment rose to a record. Supply chain problems persist, as do price pressures. Indeed, the prices paid measure rose to the highest since 1979 and the prices received measure rebounded after moderating the month before.

Canada

Canadian housing market indicators remain robust, though they have come off the early 2021 highs. **Existing home sales** jumped 4.6% in February, the biggest monthly gain since October. However, sales remain 8.2% lower than a year earlier, with the corresponding decline in Vancouver a much sharper 17.1% y/y.

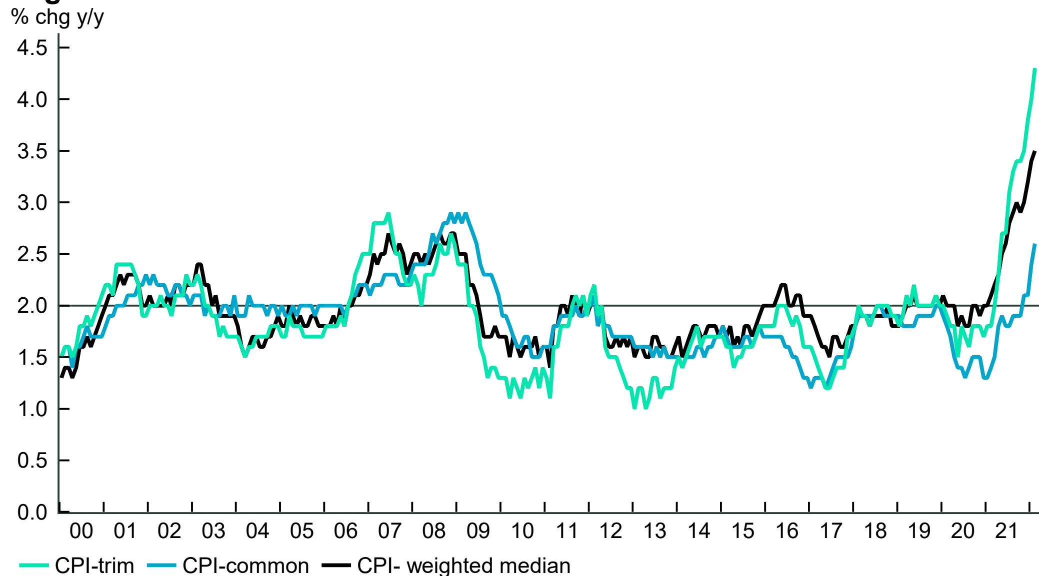
High prices remain a constrain. Indeed, the **11-City Teranet/Bank of Canada house price index** rose 17.7% y/y in February, 1.1 percentage points higher than in January. This is the fastest rate of home price appreciation since last August (18.3%) and, in the context of rising interest rates, poses renewed pressure on affordability.

Housing starts remain robust but they, too, have retreated from the highs registered in early 2021. Admittedly, they rebounded 7.9% in February but even so, they were still 7.4% lower than a year earlier. There is a degree of volatility introduced in monthly data by Covid waves, yet it appears as though activity is stabilizing at healthy levels rather than seeking to reaccelerate. Rising interest rates may also make builders more cautious in regard to future demand.

Inflation continues to surprise to the upside. With prices up 1.0% in February, headline consumer inflation accelerated six tenths to 5.7% y/y. Unsurprisingly given the magnitude of the move, price increases were broad-based, with food up 1.3%, transportation up 1.9% (within this, gasoline jumped 6.9%), and recreation/education up 1.4%. The various core inflation measures all increased from previous month: the common component measure up 0.2 percentage points (ppt) to 2.6% y/y, the

weighted median up by 0.1 ppts to 3.5% y/y, and the trimmed mean measure up by 0.3 ppts to 4.3% y/y.

Figure 2: Canadian Core Inflation Measures Well Above Historical Norms



Sources: SSGA Economics, StatCan

UK

The **Bank of England (BoE)** also delivered a 25-basis point hike this week but did so in a much more dovish manner than the Fed. The vote to raise the Bank rate to 0.75% was not unanimous: there was a dovish dissent in favor of leaving the rate unchanged. This is quite a departure from the February hike, when nearly half the Monetary Policy Committee favored a 50-basis point increase. Clearly, the war in Ukraine has changed things. And we fully agree that the right approach on the part of the MPC is a more cautious one. We have said from the start that the Ukraine war worsens the policy trade-off for nearly every central bank in the world, but especially for European economies dependent on imported energy. The UK is one of them. While the war makes both the near-term peak in inflation higher and more durable, it also weighs more on growth and on inflation prospects further down the line; Bank forecasts already envisioned inflation falling below the target in the outer years of the forecast. The war accentuates this dynamics. And so, the MPC will focus on medium term inflation outlook when setting policy, and expects that “some further modest tightening in monetary policy may be appropriate in the coming months”. This was quite a bit more dovish message than market expectations. Following the meeting, market pricing for additional hikes declined from about 6.5 to 4.5. Even this may prove too ambitious. Frankly, we tip our hats to MPC’s open acknowledgement that, when it comes to external price shocks, “this is something monetary policy is unable to prevent”. We also appreciated the reminder that “The role of monetary policy is to ensure that, as this real economic adjustment occurs, it does so consistent with achieving the 2% inflation target sustainably in the medium term, while minimizing

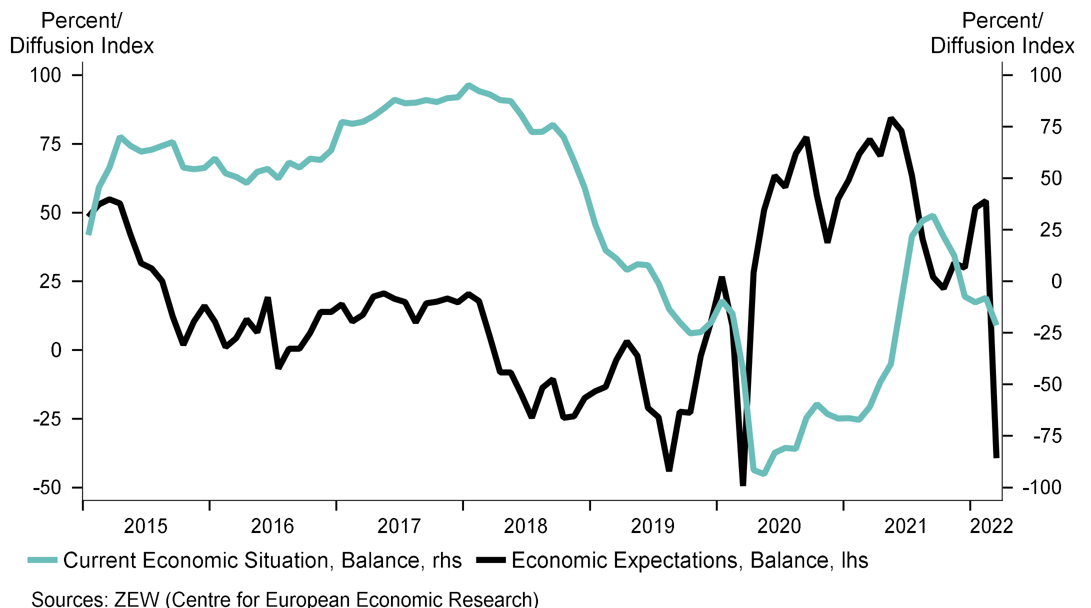
undesirable volatility in output." This is how we think about this, too, and this is why we feel the Fed's own new dot plot is too aggressive.

Labor market indicators have been a little mixed over the last two months, though there also are signs that a post-Omicron bounce is afoot. Employment declined by 12,000 in the three months to January—the second consecutive decline and only the second since early 2021—but the February data for payrolled employees showed a big 275,000 jump that month. The unemployment rate eased two tenths to 3.9% in the three months to January, on par with the January 2020 level. The participation rate decline a tenth to 63.1%; it still stands a full percentage point below pre-Covid levels. The retreat has been driven largely by workers aged 50 and above who have left the labor force in disproportionate numbers since the onset of Covid. The claimant count unemployment rate improved a tenth to 4.4% but remains 1.3 percentage points higher than pre-Covid. Vacancies continued to rise but February's 22,000 gain was the smallest since last March, perhaps reflecting the swelling of employment since then. Total wages (including bonuses) increased by 4.8% y/y in the three months to January, excluding bonuses, wages rose 3.8% y/y. Both declined y/y in real terms, reflecting the surge in inflation.

Eurozone

What a difference a month…or a war…makes! The **ZEW German Investor Confidence index** had been in the process of recovering from the Omicron hit and had reached a seven-month high in February. All that changed in March however, when an unprecedented 93.6-point plunge pushed it to the lowest level since March of 2020. Then, the index more than recovered those losses the following month but whether even something remotely close is possible this time is hard to tell. All of that hinges on whether the war in Ukraine would have de-escalated by mid-April. We work on the assumption that it will, but risk to that assumptions are extremely high.

Figure 3: Unprecedented Collapse In German ZEW Index



Sources: ZEW (Centre for European Economic Research)

Japan

Unlike most of its developed market peers, the **Bank of Japan (BoJ)** is in absolutely no rush to move away from its accommodating policy stance. And with good reason. So far, inflation has been essentially non-existent. And while it is poised to move higher due to higher commodity prices this year, this is by no means the same as meeting the inflation target on a consistent basis. Meanwhile, the incoming macro data remain uninspiring. Having disappointed last year, the Japanese economy hasn't started 2022 with much in the way of momentum. As such, the BoJ left its short term policy rate unchanged at -0.1% and the target on the 10-year yield at zero. There was a dovish dissent in favor of lowering both further. And the main bias for policy remains toward providing more, not less, accommodation: "For the time being, the Bank will closely monitor the impact of COVID-19 and will not hesitate to take additional easing measures if necessary, and also it expects short- and long-term policy interest rates to remain at their present or lower levels."

The inflation data, for one, makes BoJ's argument abundantly clear. **Consumer prices**, which actually declined 0.3% in 2021, rose a meager 0.9% y/y in February. They are bound to move higher, but not because of robust demand conditions; rather, only as a result of high global commodity prices and some base effects related to past reductions in cell phone rates. Nothing even remotely close to the type of price-wage spiral concerns that seem to be troubling the Fed.

The incoming activity data remains uninspiring. **Industrial production** declined 0.8% in January (and is down 0.5% y/y), while the **tertiary industry index** retreated 0.7% during the month. **Core machine orders** dropped 2.0% but this was a little less of a disappointment given it came on the heels of several strong prints and still left orders 5.1% higher than in January 2021.

Australia

The macro data out of Australia continue to impress. We already said last month that "the **labor market** is certainly giving the RBA green light to begin raising rates later this year". The message only became louder in February, when the unemployment rate dipped another two tenths to 4.0% even as the participation rate rose two tenths to 66.4%. The former is at the lowest level since 2008 and the latter is now at a record high. Impressive!

If fact, it's probably better that the RBA begins the tightening process soon, because house price appreciation is getting out of hand. **House prices** surged another 4.7% in the fourth quarter, bringing house price inflation to a record 23.7% y/y. And, unlike in prior episodes, these gains seem to be much more broadly distributed across the country. Only two markets (Perth and Darwin) experienced price increases of less than 20% y/y while several are approaching 30%y/y!

Week in Review (March 14– March 18)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, March 14					
AU	House Price Index (Q4, q/q)	3.5%	4.7%	5.0%	Up 23.7% y/y!
Tuesday, March 15					
US	PPI Final Demand (Feb, y/y)	10.0%	10.0%	10.0%(↑)	Core measure eased again.
US	Empire Manufacturing (Mar)	6.4	-11.8	3.1	Soft details but better outlook six months out.
CA	Housing Starts (Feb, thous)	240.0	247.3	229.2 (↓)	Positive.
CA	Manufacturing Sales (Jan, m/m)	1.2%	0.6%	0.7%	OK.
CA	Existing Home Sales (Feb, m/m)	n/a	4.6%	1.0%	Positive.
UK	Average Weekly Earnings 3M/YoY (Jan)	4.6%	4.8%	4.6%(↑)	Good.
UK	ILO Unemployment Rate 3Mths (Jan)	4.0%	3.9%	4.1%	Robust.
EC	Industrial Production (Jan, m/m)	0.4%	0.0%	1.3%(↑)	At risk of relapse due to Ukraine war.
GE	ZEW Survey Expectations (Mar)	5	-39.3	54.3	Ukraine war impact.
Wednesday, March 16					
US	Retail Sales Advance (Feb, m/m)	0.4%	0.3%	4.9%(↑)	Mixed performance across categories.
US	Import Price Index (Feb, y/y)	11.3%	10.9%	10.7%(↓)	Broad gains.
US	Business Inventories (Jan)	1.1%	1.1%	2.4%(↑)	Making progress with inventory rebuilding.
US	NAHB Housing Market (Mar)	81	79	82	Big drop in future sales expectations.
US	FOMC Rate Decision (Upper Bound)	0.50%	0.50%	0.25%	Six more hikes expected in 2022. Very hawkish.
CA	CPI (Feb, y/y)	5.5%	5.7%	5.1%	Not done peaking...
JN	Core Machine Orders (Jan, m/m)	-2.0%	-2.0%	3.1%(↓)	Uninspiring.
JN	Industrial Production (Jan, final)	n/a	-0.8%	-1.0%	Down 0.5% y/y.
AU	Unemployment Rate (Feb)	4.1%	4.0%	4.2%	Impressive!
Thursday, March 17					
US	Building Permits (Feb, thous)	1,865	1,859	1,895 (↓)	Fine.
US	Housing Starts (Feb, thous)	1,695	1,769	1,657(↑)	Fine.
US	Philadelphia Fed Business Outlook (Mar)	14.5	27.4	16.0	Solid.
US	Initial Jobless Claims (12- Mar)	220	214	2297(↑)	Very low, which is good.
US	Continuing Claims (5-Mar)	1,480	1,419	1,490(↓)	Extremely low!
US	Industrial Production (Feb, m/m)	0.5%	0.5%	1.4%	Manufacturing up 1.2%.
CA	Teranet/National Bank HPI (Feb, y/y)	n/a	17.7%	16.6%	Bound to moderate given rising rates.
UK	Bank of England Bank Rate	0.75%	0.75%	0.50%	A dovish hike with one dissent for no change.
EC	CPI (Feb, y/y, final)	5.8%(p)	5.9%	5.1%	A tenth higher than initially estimated.
JN	Natl CPI YoY (Feb)	0.9%	0.9%	0.5%	Moving higher.
Friday, March 18					
US	Existing Home Sales (Feb, m/m)	-4.6%	-7.2%	6.6%(↓)	At risk from higher rates.
US	Leading Index (Feb)	0.3%	0.3%	-0.5%(↓)	Fine, but off the boil.
CA	Retail Sales (Jan, m/m)	2.4%	3.2%	-2.0%(↓)	OK.
JN	BOJ Policy Balance Rate	-0.1%	-0.1%	-0.1%	No changes here.
JN	Tertiary Industry Index (Jan, m/m)	-1.0%	-0.7%	0.1%(↓)	Soft.

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

Week Preview (March 21 -March 25)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, March 21 – no major releases				
Tuesday, March 22				
CA	Industrial Product Prices (Feb, m/m)	2.5%	3.0%	
Wednesday, March 23				
US	New Home Sales (Feb, thou)	812	801	
UK	CPI (Feb, y/y)	6.0%	5.5%	Bound to rise further.
Thursday, March 24				
US	Initial Jobless Claims (19- Mar, thous)	211	214	
US	Continuing Claims (12-Mar, thous)	1,400	1,419	
US	Durable Goods Orders (Fed, m/m, prel)	-0.6%	1.6%	
UK	Kansas Fed Manuf. Index (Mar)	21.0	29.0	
UK	Services PMI (Mar, prelim)	58.0	60.5	
UK	Manufacturing PMI (Mar, prelim)	56.9	58.0	
EC	Manufacturing PMI (Mar, prelim)	56.0	58.2	
EC	Services PMI (Mar, prelim)	54.2	55.5	
GE	Manufacturing PMI (Mar, prelim)	56.0	58.4	
GE	Services PMI (Mar, prelim)	53.8	55.8	
FR	Manufacturing PMI (Mar, prelim)	55.1	57.2	
JN	Jibun Bank Japan PMI Mfg (Mar, prelim)	na	52.7	
Friday, March 11				
US	U. of Mich. Sentiment (Mar, final)	59.7(p)	62.8	
US	Pending Home Sales (Feb, m/m)	1.0%	-5.7%	
UK	GfK Consumer Confidence (Mar)	-30.0	-26.0	
UK	Retail Sales (Feb, m/m)	0.6%	1.9%	
GE	IFO Business Climate (Mar)	94.2	98.9	
IT	Consumer Confidence (Mar)	108.0	112.4	
IT	Manufacturing Confidence (Mar)	111.8	113.4	
JN	PPI Services (Feb, y/y)	1.2%	1.2%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target Oct	Nov	Dec	Jan	Feb
US	Target: PCE price index 2.0% y/y	5.1	5.6	5.8	6.1	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	4.7	4.7	4.8	5.1	5.7
UK	Target: CPI 2.0% y/y	4.2	5.1	5.4	5.5	
Eurozone	Target: CPI below but close to 2.0% y/y	4.1	4.9	5.0	5.1	5.9
Japan	Target: CPI 2.0% y/y	0.1	0.6	0.8	0.5	0.9
Australia	Target Range: CPI 2.0%-3.0% y/y	3.5	3.5	3.5		

Source: Macrobond

Key Interest Rates

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
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	0.25	0.25	0.50
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	-0.03	-0.05	-0.04	-0.04	-0.05	-0.03	-0.05	-0.02	-0.02	-0.01
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2014	2015	2016	2017	2018	2019	2020	2021	Forecast 2022	2023
US	-2.7	-2.5	-3.5	-4.2	-5.2	-6.1	-10.7	-8.8	-8.3	-7.1
Canada	-0.6	0.0	0.1	-0.3	0.0	0.3	-8.1	-6.6	-2.7	-1.0
UK	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	1.4	-5.6	-4.9	-3.5
Eurozone	-0.7	-0.6	-0.5	-0.5	-0.3	-0.5	-4.6	-5.9	-3.1	
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-3.1	-5.7	-1.6	-0.3
France	-2.5	-2.1	-1.9	-1.9	-1.6	-2.1	-6.3	-7.5	-4.6	-3.9
Italy	-1.0	-0.6	-1.3	-1.6	-1.7	-0.9	-5.9	-7.1	-3.8	-3.3
Japan	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-9.2	-8.0	-3.6	-2.0
Australia	-2.7	-2.6	-2.3	-1.6	-1.2	-4.1	-7.9	-8.1	-5.8	-3.8

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	6.2	6.8	7.0	7.5	7.9		8.9	9.9	9.9	10.0	10.0
Canada	4.7	4.7	4.8	5.1	5.7		16.6	17.1	15.9	16.9	
UK	4.2	5.1	5.4	5.5			8.8	9.4	9.4	9.9	
Eurozone	4.1	4.9	5.0	5.1	5.9		21.9	23.7	26.3	30.6	
Germany	4.5	5.2	5.3	4.9	5.1		18.4	19.2	24.2	25.0	
France	2.6	2.8	2.8	2.9	3.6		14.3	16.7	17.2	20.1	
Italy	3.0	3.7	3.9	4.8	5.7		20.4	22.2	22.8	32.9	
Japan	0.1	0.6	0.8	0.5	0.9		8.4	9.2	8.7	8.9	9.3
Australia	3.5	3.5	3.5				3.7	3.7	3.7		

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21		Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
US	1.1	1.5	1.6	0.6	1.7		-2.3	0.5	12.2	4.9	5.6
Canada	2.2	1.2	-0.9	1.3	1.6		-3.1	0.2	11.7	3.8	3.3
UK	1.5	-1.2	5.6	1.0	1.0		-6.4	-5.0	24.6	7.0	6.5
Eurozone	-0.3	-0.1	2.2	2.3	0.3		-4.3	-0.9	14.6	4.0	4.6
Germany	0.7	-1.7	2.2	1.7	-0.3		-2.9	-2.8	10.4	2.9	1.8
France	-1.1	0.2	1.3	3.1	0.7		-4.3	1.7	19.0	3.5	5.4
Italy	-1.6	0.3	2.7	2.5	0.6		-6.1	0.1	17.6	3.9	6.2
Japan	1.9	-0.5	0.6	-0.7	1.1		-0.8	-1.8	7.3	1.2	0.4
Australia	3.2	1.9	0.8	-1.9	3.4		-0.8	1.3	9.6	4.0	4.2

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	Oct	Nov	Dec	Jan	Feb		Oct	Nov	Dec	Jan	Feb
US	1.4	0.8	-0.4	1.4	0.5		4.7	5.0	3.4	3.6	7.5
Canada	1.4	0.1	-0.4				7.1	4.8	3.2		
UK	-0.8	0.7	0.3	0.6			0.1	-0.2	0.4	2.3	
Germany	2.3	0.3	1.1	2.7			-1.4	-2.2	-2.8	1.5	
France	1.4	-0.8	-0.1	1.6			-0.5	-0.4	0.0	-1.5	
Italy	-0.7	1.8	-1.1	-3.4			2.4	6.5	4.7	-2.2	
Japan	1.8	7.0	-1.0	-0.8			-2.6	3.5	2.7	-1.2	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
US	6.0	5.8	5.9	5.4	5.2	4.7	4.6	4.2	3.9	4.0	3.8
Canada	8.0	8.0	7.6	7.4	7.1	7.0	6.8	6.1	6.0	6.5	5.5
UK	4.8	4.7	4.6	4.5	4.3	4.2	4.1	4.1	3.9		
Eurozone	8.2	8.0	7.8	7.6	7.5	7.3	7.3	7.1	7.0	6.8	
Germany	6.0	5.9	5.8	5.6	5.5	5.5	5.4	5.3	5.2	5.1	5.0
France	8.2	8.2	8.1	8.0	7.9	7.7	7.5	7.3	7.2	7.0	
Italy	10.1	9.8	9.4	9.1	9.2	9.1	9.3	9.1	9.0	8.8	
Japan	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.8	2.7	2.8	
Australia	5.5	5.1	4.9	4.6	4.5	4.6	5.2	4.6	4.2	4.2	4.0

Source: Macrobond

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

	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
US	-2.3	-2.2	-1.9	-2.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.7	
Canada	-1.3	-2.2	-1.6	-3.2	-1.1	-2.0	-0.8	0.1	0.1	0.1	-0.1
UK	-2.9	-2.5	0.5	-2.6	-1.6	-1.5	-4.7	-2.0	-2.3	-4.2	
Eurozone	1.8	3.1	1.7	0.6	1.6	2.7	3.1	3.5	2.9	2.4	2.3
Germany	7.7	7.8	7.4	6.7	5.2	7.3	8.4	8.8	7.8	7.0	6.6
France	-0.4	-0.6	-0.4	-1.3	-3.5	-2.1	-0.9	-0.9	-0.5	-0.8	-2.0
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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