March 5, 2021
Commentary

Weekly Economic Perspectives

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The Economy

A week of generally good macro data but considerable market volatility.

US

The soft patch in the US **labor market** is over. Total payrolls rose 379,000 in February—nearly double the expected rate. There was a net positive 38,000 revision to the prior two months, although that involved a combination of a big upward revision to January (from 49,000 to 166,000) and a sizable downward revision to December. Private sector employment jumped 465,000, all in services, with 355,000 new jobs in leisure and hospitality, the very sector that had suffered so much in December due to mobility restrictions. Trade and transportation also added 49,000, the most since November. Other service areas were a bit softer, as business services added only 63,000, education added just 44,000 following two consecutive declines, while financial and information services incurred small losses. The undisputed disappointment in the report was the goods producing sector, which lost 48,000 jobs, although this looks to have been largely the result of bad weather. Construction was particularly hard hit, down 61,000, whereas manufacturing added 21,000. We would expect to see the rebound in construction as early as next month.

The household report showed a 208,000 increase in employment and a 158,000 decline in unemployment, resulting a modest 50,000 increase in the labor force, an unchanged labor force participation rate of 61.4%, and a one-tenth decline in the **unemployment rate** to 6.2%.

The **hours data** were another weak point. The manufacturing workweek declined by 12 minutes and the overall workweek declined by 18 minutes, leaving manufacturing hours worked down 0.3% and overall hours worked down 0.5%. Both total average hourly earnings and average hourly earnings for production and non-supervisory employees (a more homogeneous group) increased 0.2% , leaving the two respective measures of wage inflation at 5.3% and 5.1% y/y, respectively.

Both ISM surveys—the manufacturing and services indexes—continue to indicate robust levels of economic activity. In fact, the **manufacturing ISM** has moved into outright “boom-y” territory as its 2.1-point gain in February left it at 60.8, its twin-highest level in two years and, prior to that, highest level since 2004! Production and new orders—which took a step down last month—recovered more than half of those losses to settle at 63.2 and 64.8, respectively. Backlogs surged, supplier deliveries lengthened, and firms further accelerated their hiring efforts as the employment metric rose to the highest level since March 2019. The price metric jumped another 3.9 points to 86.0, the highest level since 2008.

The **services ISM** was softer than expected, although the details were more mixed than the large 3.4-point drop in the headline might suggest at first glance. Importantly, at 55.3, the index remains in a healthy expansion range. The business activity metric (the old headline) moderated 4.4 points to 55.5. New orders pulled back hard from last month’s high level, but new export orders surged to the highest level since June 2020 and backlogs jumped to the highest since August. Employment moderated but only to 52.7, which remains the second highest level since February 2020. The price metric surged 7.6 points to the highest level since 2008. Many of the comments submitted by respondents highlighted these intensifying prices pressures.

Factory orders rose a better than expected 2.6% in January and the December data was also revised up to show a larger, 1.6% gain. For the first time since February 2020, orders were higher than a year earlier; in fact, the 2.8% y/y increase was the best annual comparison since January 2019. Things are looking up! Gains continue to be primarily driven by non-durable goods, which jumped 3.4% and are up 6.3% y/y, but durable goods also rose 1.9% and are closing in on their year-earlier levels (only off by 0.6%). Core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—increased 0.4% to stand 9.1% higher than in December 2019. Overall shipments rose 1.71.9 and core shipments rose 1.8%. A minimal increase in inventories lowered the inventory to shipments ratio to 1.36, the lowest since March 2019.

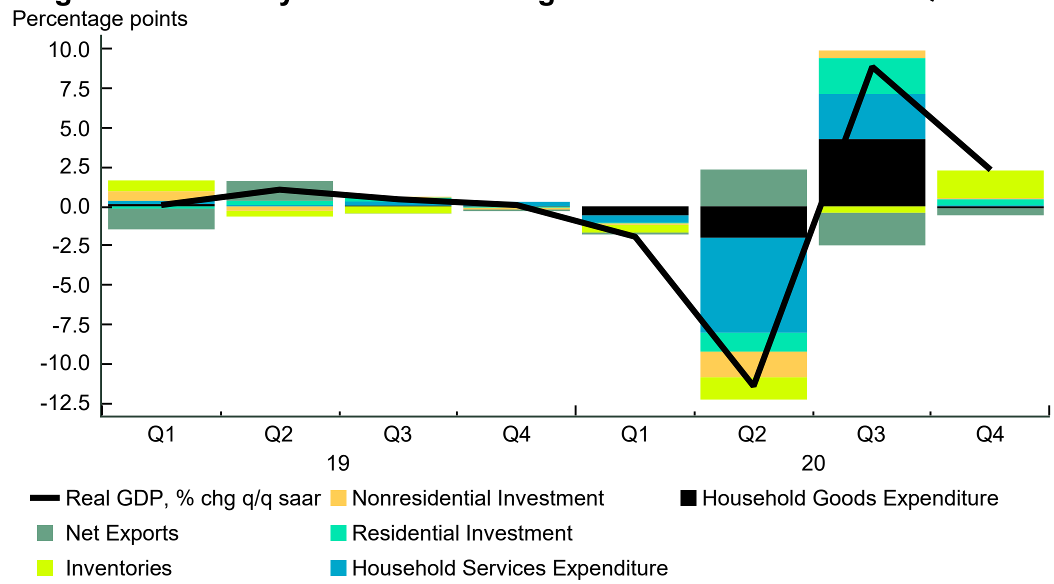
The latest **Fed Beige Book**, referencing data and information collected through February 22, noted a modest expansion in activity in most districts, as respondents generally “remain optimistic regarding the next 6-12 months as COVID-19 vaccines become more widely distributed”. Performance continues to vary across sectors, with manufacturing generally faring best with “moderate growth”. Employment increased slightly in most districts, with labor shortages most acute in “low-skilled occupations and skilled trade positions. Constraints on labor supply included those related to COVID-19, childcare, and unemployment benefits”. This latter contributor to labor supply constraints had been mentioned in past editions of the Beige Book, but mostly in the individual district chapter. Its inclusion in the overall commentary may suggest that this is becoming a more important issue as the economic reopening progresses. Wage increases have been modest so far, and while centered around “high demand positions”, many districts noted higher wages were used as a tool to not only attract but also retain employees. Also, “wage increases for many Districts are expected to persist or to pick up somewhat over the next several months”. Outside of labor, other input costs increased moderately, with steel and lumber seeing more “notable” gains. Pricing power anecdotes remained “mixed, with some retailers and manufacturers affected by input cost increases reporting the ability to pass prices through, while many others were unable to raise prices”.

Having surprised positively in the prior two months, **motor vehicle sales** came in softer than expected in February. Sales declined 5.8% on the month to an annualized rate of 15.7 million units. Sales were 6.9% lower than in February 2020.

Canada

Canadian **GDP** grew 9.6% (annualized) in the fourth quarter, following a 40.6% rebound in Q3. In 2020, real GDP shrank 5.4%, the steepest annual decline on record and in line with our estimate. On a quarterly basis, GDP increased 2.3% q/q. The rise in domestic demand was muted in the fourth quarter—just 0.9%—mainly due to a 0.1% contraction in household spending. Private investment performed well, with residential investment in particular rising 4.3%. Non-residential investment was up 1.6%, but investment in non-residential buildings fell 10.9% reflecting weak demand for office buildings and shopping malls. As we had expected, inventory accumulation was a positive for growth, with businesses accumulating C$34.9 billion of inventories. Net exports detracted from growth again—as export volumes slowed from 14.7% in the third quarter to 1.2% in the fourth, while imports rose 2.6%. The monthly measure of GDP grew 0.1% in December, lower than expected. Thus the strength in quarterly recovery was mainly due to strong October and November data, before restrictions were imposed in December. Statistics Canada anticipates an approximate 0.5% increase in real GDP in January 2021. Looking ahead, the fiscal stimulus and ongoing vaccination should provide significant tailwinds in 2021.

Figure 2: Inventory Accumulation Big Contributor to Canada's Q4 GDP



Sources: SSGA Economics, StatCan

Issuance of **building permits** reached a record high in January, offsetting the 4.4% December decline. Permits rose 8.2%, driven primarily by gains in the residential sector. Permits issued in the residential sector increased 10.6% attributable to single-family homes, which in turn climbed 15.1%. Non-residential permits were also higher by a respectable 2.6%.

Contrary to predictions of a collapse made early into the pandemic, the housing market has grown from strength to strength. But the possibility of a bubble is now making policymakers uneasy. BoC Governor Macklem in a recent Q&A stated that the bank is surprised at the strength of the rebound in the housing market. He indicated there are early signs of "excess exuberance," with people maybe expecting the recent increases in prices to go on indefinitely. This is unlikely to factor in BoC's policy decisions, but we would not be surprised to see some regulatory tightening in the property market later this year if prices keep rising.

UK

UK **fiscal policy** is poised to become more expansionary over the next couple of years. The newly announced budget extended many of the emergency labor and income support measures by about six months as part of the “rescue” bucket of actions. In order to help the “recovery” phase, tax allowances are being made available to firms in order to encourage investment. The fiscal stance will then turn more contractionary in outer years as corporate tax rates go up and tax income thresholds for individuals are frozen for some years in order to “repair” public finances. Interestingly, despite the sizable net new fiscal injection, the OBR cut its 2021 growth forecast for the UK to just 4.0%. We believe this to be an overly pessimistic projection and anticipate instead growth in the neighborhood of 6.0% or even higher.

Manufacturing activity continues to expand, although the latest improvement in the **manufacturing purchasing managers' index** was driven primarily by the forward looking components of new orders rather than the "current" metric of production. This makes intuitive sense given ongoing lockdowns (in the UK and key trading partners) and expectations that these will ease in coming months. The headline index rose 1.1 points to 55.1 as new orders jumped 30. (to 52.4), new export orders rose 2.1 (to 50.4) and employment rose 1.3 (to 51.9). Both the input and output price metrics jumped, the former to the highest level since January 2017 and the latter to the highest level since January 2018. Meanwhile, declines in service activity have moderated, with the services PMI index up to 49.5, two tenths less than initially reported but very close to the neutral 50 mark. We expect it to cross above it in the next update.

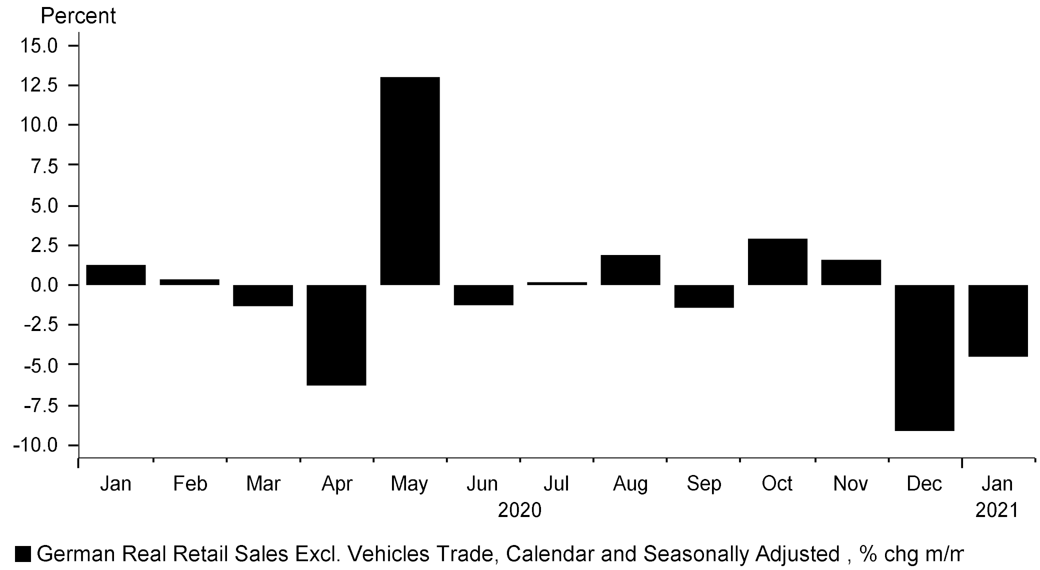
House price inflation has been heating up in the UK and the trend continues. The **Nationwide index** of house prices rose 0.7% in February, leaving prices 6.9% higher than a year earlier. With the exception of a small dip in January, prices have risen each and every month since July 2020.

Eurozone

Impressively given lingering lockdowns in key parts of the eurozone, manufacturing activity hit a three-year high in February. The **manufacturing PMI** surged 3.1 points—the most since July—to a very strong 57.9 on broad improvements across components and geographies. Output and new orders jumped 3.1 points each, new export orders rose 3.0 points, and employment rose 2.0 to the first expansionary print since April 2019. Input prices rose 5.6 points to 73.9 (highest since April 2011) and output prices rose 4.3 to 56.5 (highest since April 2018). The geographical improvements were equally convincing: the French index surged 4.5 points to 56.1; the German and Spanish indexes rose 3.6 points each to 60.7 and 52.9, respectively; and the Italian index improved 1.8 to 56.9. By contrast, service activity remains heavily constrained as service PMIs—generally stuck in the mid-40s range across the region and little different from the preliminary estimates—indicate continued contraction. Conditions in the sector should improve markedly over the next couple of months, however, as vaccine rollout accelerates and mobility restrictions ease.

German **real retail sales** (excluding cars) did just horribly in December and not much better in January, when they plunged a 4.5% against expectations of a modest improvement (Figure 2, pg. 6). Sales of food/tobacco and pharmaceuticals/cosmetics rose, but these gains were overshadowed by far larger declines in other categories. Clothing sales collapsed almost 59%, furniture sales plunged 39%, and IT sales dropped by a quarter. All this left seasonally and workday-adjusted retail sales down 5.5% y/y, the worst comparison since 2007 (even the April 2020 decline was incrementally smaller at -5.4% y/y).

Figure 2: Steep Back To Back Declines In German Retail Sales



Sources: German Federal Statistical Office (Statistisches Bundesamt)

Just as with retail sales, the ongoing mobility restrictions are taking a toll on the ***German* labor market**. Admittedly, the headline unemployment rate was unchanged at 6.0% (and the non-seasonally adjusted rate, more prominent domestically, was also unchanged at 6.3%), but some of the other details were more downbeat. The number of unemployed increased for the first time in eight months in February (up by 8,000) and vacancies declined slightly for the second consecutive month. Conditions should improve—and quite markedly—within a couple of months, but it is clear that Germany's slow rollout of vaccinations is inflicting considerable economic pain.

It might be just a coincidence (though maybe not), but just days following these releases, the German government announced a speedier path for reopening the economy and allowing various activities to resume. This should notably accelerate the pace of improvement in domestic demand over the next two months.

***Italian* retail sales** also dropped a sizable 3.0% in January, as non-food sales plunged 5.8%. Sales were 6.8% lower than in January 2020.

Japan

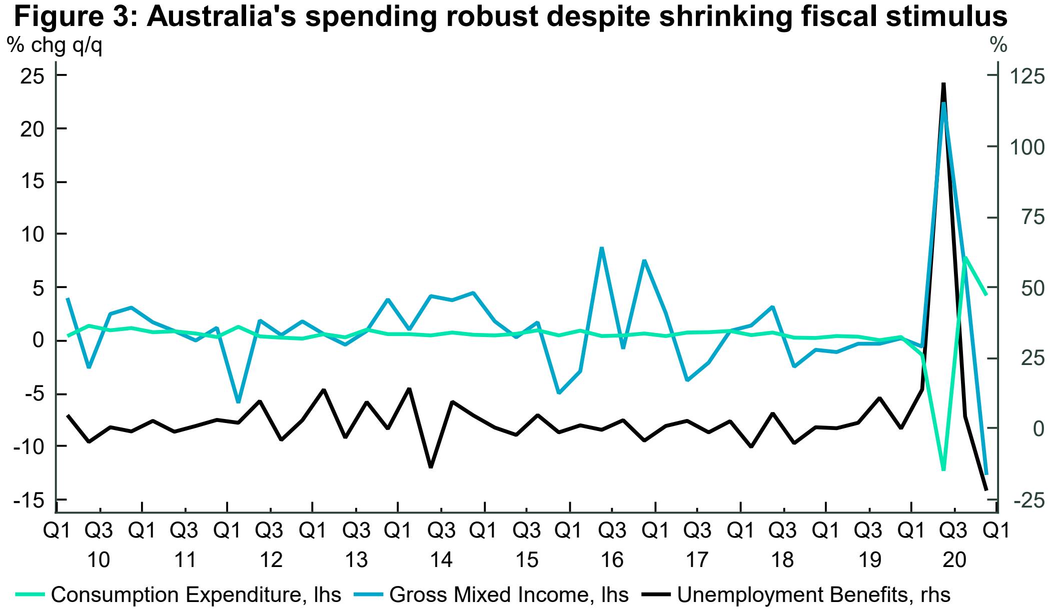
Japan's labor market escaped the difficult month of January—during which the daily increase in number of infections surpassed the previous two peaks—relatively unscathed. The **unemployment rate** came in at 2.9%, a tad below upwardly revised 3.0% in December. The number of people employed increased by 110,000 from December, while the number of unemployed decreased by 70,000. The increase in employment was almost single-handedly driven by hiring in transport and portal services (+170,000), while performance across sectors most impacted by COVID-19 lagged again. Most notable job losses occurred in accommodation (-180,000) and construction (-140,000). The number of employed also included 2.43 million furloughed workers (before seasonal adjustment), who remained employed but were unable to work, an increase from 2.02 million in December. Participation rate dropped slightly to 61.8%. The active job openings-to-applicants ratio in January edged up from 1.05 to 1.10, but new openings to applicants ratio edged decreased 0.08 points to 2.03. We do not expect a drastic deterioration in the labor market in February given continued state of emergency, but it also reduces prospects of an improvement anytime soon.

Consumer confidence recovered sharply in February, up 4.2 points to 33.8. The Cabinet Office revised its assessment of consumer sentiment to "still weak, but showing signs of recovery" in February from "weakening" in January.

Australia

As with the implementation, calibration and impending withdrawal of fiscal stimulus, Australia is showing the way on how a post-pandemic recovery might look like. In a period unscathed by the fear of rising infections, **GDP** defied expectations to grow 3.1% q/q in the fourth quarter, almost matching the 3.4% increase recorded in Q3. GDP for the whole of 2020 came in just 2.4% below its 2019 level. Some of the recovery was led by the reopening of Victoria (final demand: +6.8% q/q), which accounts for about 23% of Australia's GDP. Household consumption, which had increased 7.9% in Q3 was up 4.3% in the latest quarter and contributed 2.3 percentage points to growth. The savings rate came down from 18.7% to 12.0%, still much higher than historical average and indicates that consumers still have some fuel left in the tank. Speaking of which, vehicles purchases rose a record 31.8%.

Figure 3: Australia's spending robust despite shrinking fiscal stimulus



Sources: SSGA Economics, ABS

Encouragingly, private investment outpaced gains in Q3, rising 3.9% and contributed a further 0.7 percentage points to growth. Net exports however, detracted 0.1 percentage points from growth as rise in imports offset that of exports. Looking ahead, the expiry of various support payment programs from the government will be a slight drag, but the economy should continue to recover strongly.

Given that the cash rate is already at its effective lower bound, the **Reserve Bank of Australia** reaffirmed the targets for the cash rate and the yield on 3-year Australian government bonds at 0.10%. There was an attempt to sooth the nerves in the bond market in the accompanying statement, as the curve has steepened quite a bit of late:

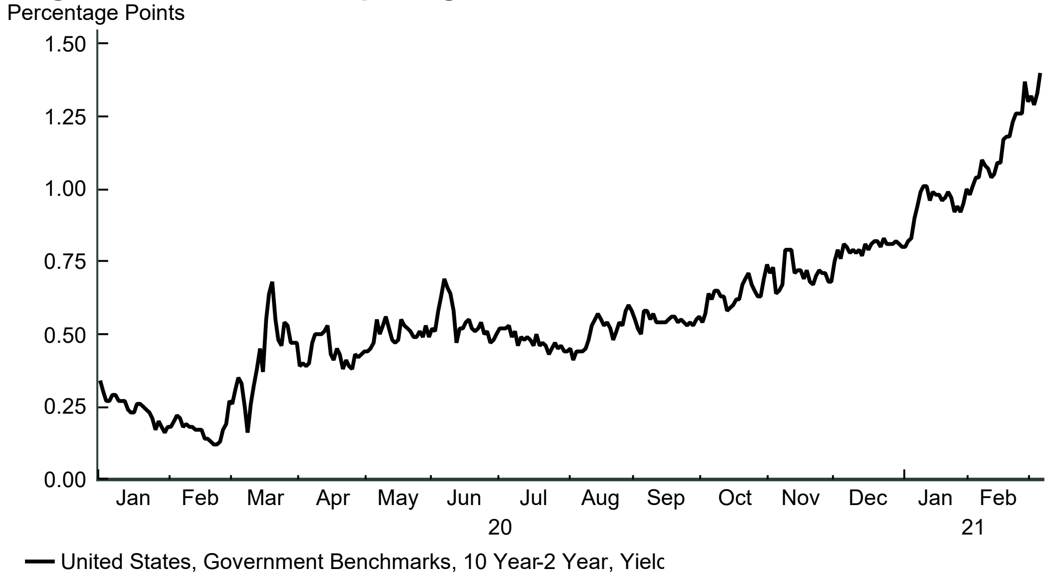
“The Bank remains committed to the 3-year yield target and recently purchased bonds to support the target and will continue to do so as necessary…The Bank is prepared to make further adjustments to its purchases in response to market conditions. To date, a cumulative (A)$74 billion of government bonds…have been purchased under the initial (A)$100 billion program. A further $100 billion will be purchased following the completion of the initial program and the Bank is prepared to do more if that is necessary.”

The bank acknowledged that on the domestic economy, recovery "is well under way and has been stronger than was earlier expected." But underlying wages and price pressures "are subdued" and added this would remain the case "for some years." The targets for wage growth and labor market are not expected to be met “until 2024 at the earliest”. We think the RBA might choose to announce an extension to its longer-dated QE program later this year to mitigate the upward pressure on AUD.

The Market This Week

The US treasury curve resumed steepened anew amid considerable broader market volatility as investors felt Fed Chairman Jerome Powell did not push back strongly enough on the recent move higher in yields.

Figure 4: US Curve Steepening Resumes



Sources: SSGA Economics, US Department of Treasury

Equities: UK leads equity gains on fiscal boost.

Bonds: US and Canadian yields move sharply higher.

Currencies: The dollar catches a strong bid.

Commodities: Oil rallies after OPEC+ puts off supply increase.

3/5/21 3:20 PM

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®	3838.29	0.7%	2.2%	1.56	15	64	91.978	1.2%	2.3%
Canada	TSE 300	18358.87	1.7%	5.3%	1.50	15	82	1.2658	-0.6%	-0.5%
UK	FTSE®	6630.52	2.3%	2.6%	0.76	-6	56	1.3844	-0.6%	1.3%
Germany	DAX	13920.69	1.0%	1.5%	-0.30	-4	27			
France	CAC-40	5782.65	1.4%	4.2%	-0.05	-4	29	1.1916	-1.3%	-2.5%
Italy	FTSE® MIB	22965.63	0.5%	3.3%	0.75	-1	21			
Japan	Nikkei 225	28864.32	-0.4%	5.2%	0.10	-7	8	108.36	1.7%	4.9%
Australia	ASX 200	6710.846	0.6%	1.9%	1.83	-8	86	0.7692	-0.2%	0.0%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	69.31	7.6%	35.5%	38.6%
Gold	US $/troy oz	Bloomberg	1699	-2.0%	-10.5%	1.6%

Source: Bloomberg®

Week in Review (March 1–March 5)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, March 1					
US	ISM Manufacturing (Feb)	58.9	60.8	58.7	Excellent!
UK	PMI Manufacturing (Feb, final)	54.9(p)	55.1	54.1	Excellent.
UK	Mortgage Approvals (Jan, thous)	100.0	99.0	102.8(↓)	Solid demand for housing.
EC	PMI Manufacturing (Feb, final)	57.7(p)	57.9	54.8	Excellent!
GE	PMI Manufacturing (Feb, final)	60.6(p)	60.7	57.1	Excellent!
FR	PMI Manufacturing (Feb, final)	55.0(p)	56.1	51.6	Excellent!
IT	PMI Manufacturing (Feb)	57.0	56.9	55.1	Excellent!
JN	PMI Manufacturing (Feb, final)	50.6(p)	51.4	49.8	Excellent!
Tuesday, March 2					
US	Total Vehicle Sales (Feb, mil.)	16.0	15.7	16.6	A drag on February retail sales?
CA	GDP (Q4, q/q saar)	7.2%	9.6%	40.6%(↑)	Inventory boost to GDP.
UK	Nationwide House PX (Feb, m/m)	-0.4%	0.7%	-0.3%	Up 6.9% y/y.
GE	Retail Sales (Jan, m/m)	0.3%	-4.5%	-9.1%(↑)	Another “ouch”…but it will rebound.
GE	Unemployment Rate (Feb)	6.0%	6.0%	6.0%	Weaker details, but poised for improvement.
JN	Unemployment Rate (Jan)	3.0%	2.9%	3.0%(↑)	Held up well despite state of emergency.
AU	RBA Monetary Policy Decision	0.10%	0.10%	0.10%	Verbal easing to calm bond markets..
Wednesday, March 3					
US	Fed Beige Book				Modest growth, improvement expected.
US	ISM Services (Feb)	58.7	55.3	58.7	The details were better.
CA	Building Permits (Jan, m/m)	2.5%	8.2%	-4.4%(↓)	Up to a record high.
UK	PMI Services (Feb, final)	49.7(p)	49.5	39.5	Should get much better next month.
EC	PMI Services (Feb, final)	44.7(p)	45.7	45.4	Should get much better next month.
GE	PMI Services (Feb, final)	45.9(p)	45.7	46.7	Should get much better next month.
IT	GDP (Q4, final, q/q)	-2.0%(p)	-1.9%	16.0%	GDP contracted -8.9% in 2020.
JN	PMI Services (Feb, final)	45.8(p)	46.3	46.1	Mild upward revision.
AU	GDP (Q4, q/q)	2.5%	3.1%	3.4%(↑)	Pleasant surprise!
Thursday, March 4					
US	Initial Jobless claims (Feb 27, thous)	750	745	736(↑)	Improving,
US	Continuing claims (Feb 20, thous)	4300	4295	4419	Skewed by benefit expiration.
US	Durable Goods Orders (Jan, final, m/m)	3.4%(p)	3.4%	1.2%	Confirms earlier estimate.
US	Factory Orders (Jan, m/m)	2.1%	2.6%	1.6%(↑)	Very good!
US	Nonfarm Productivity (Q4, final, q/q)	-4.8%(p)	-4.2%	5.1%	Skewed by abnormal economic conditions.
JN	Consumer Confidence (Feb)	30	33.8	29.6	Sharp rebound.
AU	Retail Sales (Jan, final, m/m)	0.6%(p)	0.5%	-4.1%	Queensland recorded an unsurprising drop.
Friday, March 5					
US	Change in Nonfarm Payrolls (Feb, thous)	198	379	166↑)	Much better than expected!
US	Unemployment Rate (Feb)	6.3%	6.2%	6.3%	Improving.
US	Trade Balance (Jan, $ bil.)	-67.5	-68.2	-67.0(↓)	Hovering near the 70 billion mark.
CA	Trade Balance (Jan, C$ bil.)	-1.4	1.4	-2.0(↓)	Encouraging improvement.
GE	Factory Orders (Jan, m/m)	0.5%	1.4%	-2.2%(↓)	Recovering after soft spot?
IT	Retail Sales (Jan, m/m)	-0.5%	-3.0%	2.4%(↓)	Early-year soft patch.

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

Week Preview (March 8–March 12)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, March 8				
GE	Industrial Production (Jan, m/m)	-0.4%	0.0%	
FR	Bank of France Ind. Sentiment (Feb)	na	98	
JN	Leading Index (Jan, prelim)	96.8	95.3	
Tuesday, March 9				
US	NFIB Small Business Optimism (Feb)	96	95	We want this to recover.
EC	GDP (Q4, final, q/q)	-0.6%(p)	12.4%	Old news by now.
IT	Industrial Production (Jan, m/m)	0.7%	-0.2%	
JN	GDP (Q4, final, q/q)	3.0%(p)	5.3%	
JN	Labor Cash Earnings (Jan, y/y)	-1.6%	-3.2%	Will remain low.
AU	NAB Business Confidence (Feb)	na	10	High expectations.
Wednesday, March 10				
US	Monthly Budget Statement (Feb, $ bil.)	na	-162.8	
US	CPI (Feb, y/y)	1.7%	1.4%	
CA	BoC Monetary Policy Decision	0.25%	0.25%	Will we see some measure of verbal easing?
FR	Industrial Production (Jan, m/m)	na	-0.8%	
Thursday, March 11				
US	Initial Jobless claims (Mar 6, thous)	725	745	
US	Continuing claims (Feb 27, thous)	4191	4295	
US	JOLTS Job Openings (Jan, thous)	6650	6646	
EC	ECB Monetary Policy Decision	0.00%	0.00%	Probably still very dovish despite better outlook.
GE	Labor Costs (Q4, y/y)	na	1.7%	
Friday, March 12				
US	U of Mich Sentiment (Mar, prelim)	78.0	76.8	
CA	Unemployment Rate (Feb)	9.2%	9.4%	Labor market should reflect recovery in output.
UK	Industrial Production (Jan, m/m)	-0.6%	0.2%	
EC	Industrial Production (Jan, m/m)	0.3%	-1.6%	

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	#####	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

	2013	2014	2015	2016	2017	2018	2019	2020	Forecast 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		Sep	Oct	Nov	Dec	Jan
US	1.2	1.2	1.4	1.4			0.3	0.5	0.8	0.8	1.7
Canada	0.7	1.0	0.7	1.0			1.1	1.1	0.5	2.0	4.0
UK	0.7	0.3	0.6	0.7			-0.9				
Eurozone	-0.3	-0.3	-0.3	0.9			-2.3	-2.0	-2.0	-1.1	0.0
Germany	-0.2	-0.3	-0.3	1.0	1.3		-1.0	-0.7	-0.5	0.2	0.9
France	0.0	0.2	0.0	0.6	0.4		-2.1	-2.0	-1.9	-1.2	0.1
Italy	-0.3	-0.2	-0.2	0.4	0.6		-3.1	-2.4	-2.3	-1.8	
Japan	-0.4	-0.9	-1.2	-0.6			-0.8	-2.1	-2.3	-2.0	-1.6
Australia	0.9	0.9	0.9				-0.4	-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	-3.7	-11.7	12.4	-0.6		1.0	-3.2	-14.7	-4.3	-5.0
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	3.0		-1.0	-2.1	-10.3	-5.8	-1.1
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			-5.6	-5.4	-3.9	-3.3	
Germany	1.7	3.5	1.5	0.0			-7.1	-2.9	-2.4	-0.7	
France	1.6	1.8	-0.7	-0.8			-5.8	-4.0	-4.5	-3.0	
Italy	-5.0	1.4	-1.4	-0.2			-4.8	-2.2	-4.2	-1.9	
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	#####	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	
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

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