STATE STREET GLOBAL ADVISORS

November 5, 2021
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
CPI inflation poised for another step higher in the US. Modest Q3 GDP growth seen in the UK. Producer price inflation to climb further in Japan.

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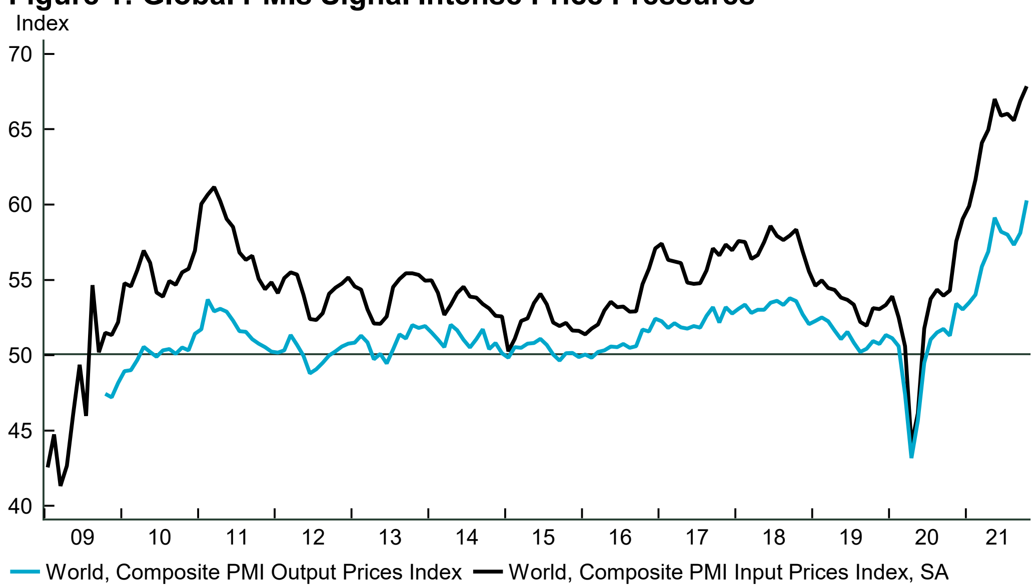
The Economy

A heavy data and policy week ends positively for most markets.

Global

Global manufacturing activity continues to chug along at a historically elevated pace. It would do even better if not for supply chain problems, which remain front and center as the biggest concern for businesses at the moment. In the United States, the ISM manufacturing index eased 0.3 point to 60.8 in October but nonetheless came in above expectations. Production was almost unchanged at 59.3, but new orders moderated sharply, albeit only a very high 59.8. Inventories remain far too low—perhaps reflecting a decline in imports—and price pressures seem to be intensifying once again. Final readings on the manufacturing PMIs in Europe confirmed the narrative of robust, if somewhat nuanced, growth. Performance remains very strong in Italy (61.1), Germany (57.8), and Spain (57.4), with France a bit lower at 53.6. The overall eurozone index came in at 58.3, which represents a minor deceleration from the prior month and the lowest level since February, but still an excellent performance from a longer-term historical context. Supply chain problems remain evident, however, as the production component deteriorated more meaningfully to 53.3 (but this still indicates growth) and price pressures intensified for both inputs and outputs. In fact, the output price component for the eurozone hit a new record high of 72.6. The UK data sent a very similar message: the headline remained elevated at 57.8, but the output component was notably softer at 51.3 while both the input and output price metrics moved higher, with the latter touching a record high.

Figure 1: Global PMIs Signal Intense Price Pressures



Sources: SSGA Economics, IHS Markit

US

The **Fed** will start tapering asset purchases. "In light of the substantial further progress the economy has made toward the Committee's goals since last December, the Committee decided to begin reducing the monthly pace of its net asset purchases by $10 billion for Treasury securities and $5 billion for agency mortgage-backed securities." The door was left open for adjusting the future pace of tapering if economic conditions warrant it and we would indeed not be surprised to see purchases decline at a faster rate in Q1 as a means of expanding optionality in regard to the timing of the first rate hike. For now, Chair Powell made it clear that the Committee is not focusing on rate increases at this time because the pre-conditions set out for hikes are unlikely to be met for some time. Nonetheless, he did acknowledge during the press conference that those conditions could be met in 2022. We suspect the next step in the journey toward policy normalization will be for the December Summary of Economic Projections to incorporate one rate hike in 2022. Our expectation is that we would actually get two hikes by the end of 2022, but it seems unlikely that the Committee would commit to that next month. Elsewhere, the language around inflation seemed to betray a little less confidence in the "transitory" narrative, but this was partly offset by the reminder that the Fed lacks the tools to alleviate inflationary pressures driven by supply chain constraints.

The October **employment report** marked a clear improvement over the prior two updates, offering some reassuring signals that the labor market healing continues at a reasonable pace. According to the establishment report, payrolls rose by a larger than expected 531,000 in October, with yet another huge (235,000) upward revision to the prior two months. Job gains were even stronger in the private sector (604,000) but the government sector lost 73,000. Within the private sector, the details were quite strong. Good producing sectors did especially well, adding 108,000 jobs, the most since March. Services sectors added 496,000, with gains in leisure/hospitality doubling to 164,000; temporary help surging by 41,000, and education/health improving to 64,000. Performance elsewhere was within recent ranges.

Unlike last month, the household report was somewhat weaker, though perhaps only insofar as the headline. According to this report, employment increased by 359,000 while unemployment declined by 255,000, leaving the labor force participation rate unchanged at 61.7% and lowering the unemployment rate by two tenths to 4.6%. The underemployment rate eased two tenths to 8.3%.

The hours data were bit soft, as the average workweek declined incrementally in both manufacturing and the economy as a whole, but this could simply mean that new hires are taking some of the burden off existing employees. The aggregate hours index rose only 0.2% this month, suggesting more subdued labor income gains.

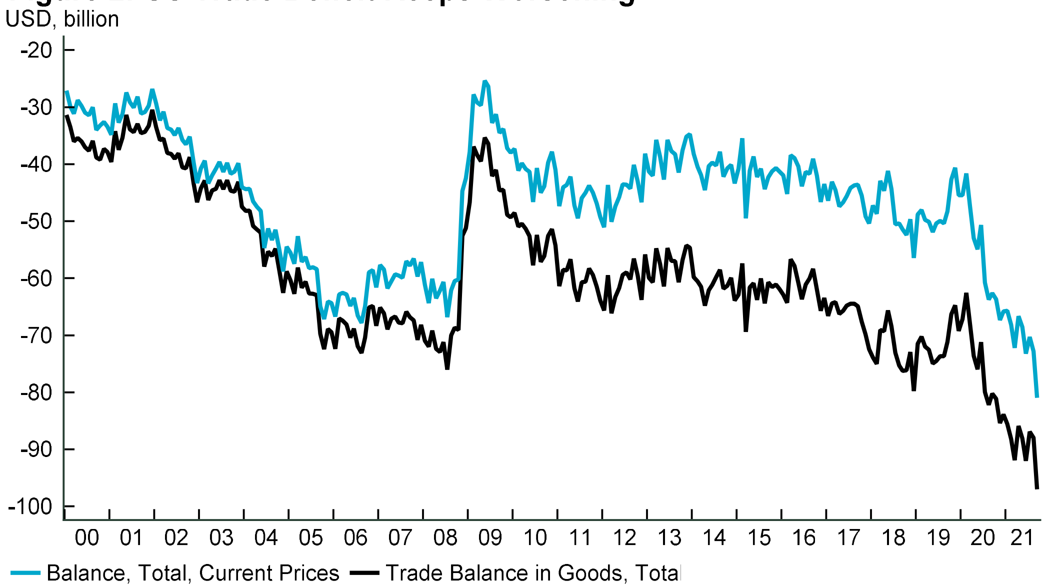
By contrast, the wage numbers were robust once again. Overall **average hourly earnings** and earnings for production and non-supervisory employees increased 0.4%, each, lifting the two corresponding measures of wage inflation to 4.9% y/y and 5.8% y/y, respectively. The former is the highest since February and the latter is the highest since May 2020.

If the manufacturing ISM was a slight upside surprise, the **non-manufacturing ISM index** was a huge one! In fact, a new historical record was made as the headline jumped 4.8 points to 66.7 in October. Even more impressively, the business activity metric (the old headline) surged 7.5 points and new orders rose 6.2, both establishing new historical records at 69.8 and 69.7, respectively. Supply constraints seem to be worsening insofar as backlogs and supplier deliveries both surged to new records. Inability to find workers likely plays a part in this as the employment component actually weakened 1.4 points to 51.6, the lowest level since June. Inventories declined further and inventory sentiment deteriorated further (inventories are seen as too low). Unsurprisingly given all these dynamics, the price metric jumped 5.4 points to a record high of 82.9.

Perhaps nowhere are supply chain constraints more obvious (and more painful) than in the automotive sector. Real consumer spending on motor vehicles and parts collapsed at a 53% saar during the third quarter. On a monthly basis, we've now had three recession-level prints on **motor vehicle sales**: 13.1, 12.2, and 13.0 million saar in August, September, and October, respectively. We take some encouragement from the improvement in October, however, and we are watching for evidence that we can build on these gains through the remainder of 2021 and in 2022.

The **trade deficit** hit a new record of $80.9 billion in September from $72.8 billion in August. The petroleum balance accounted for about a third of the deterioration, with the non-petroleum balance accounting for the rest. Indeed, the petroleum deficit surged to a two and a half year high of $3.4 billion. In a broader sense, the deterioration in the trade balance reflected a 3.0% decline in exports accompanied by a 0.6% increase in imports. The real deficit widened 9.4% to a new record.

Figure 2: US Trade Deficit Keeps Worsening



Sources: SSGA Economics, U.S. Census Bureau

Canada

Employment returned to pre-pandemic levels in September, and remained steady in October. The economy added net 31,000 jobs (+0,2%) in October, below expectations, while the unemployment rate fell for the fifth consecutive month to the twenty-month low of 6.7%, slightly ahead of a consensus estimate of 6.8%.

Employment increases in a number of industries, including retail trade (+72,000), were offset by declines elsewhere, including in accommodation and food services (-27,000). Strong gains for private-sector employees (+70,000) were offset by a sharp decline in the self-employed (-38,000). The participation rate declined two tenths points to 65.3% in October, consistent with pre-pandemic monthly variations, and almost the same as pre-pandemic rate of 65.5% in February 2020. Total hours worked increased 1.0% in October, and were 0.6% below their pre-pandemic level. We expect further labor market improvement in coming months.

Building permits rose by 4.3% to $10.1bn in September. Residential sector rose 8.2% while non-residential sector declined by 3.2%. Within residential sector, multi-family permits rose sharply by 18.6%, offsetting 2.7% decline in single-homes. Industrial component led the gains in the non-residential sector, up by 72.1%. The value of building permits were up in seven provinces, with Ontario recording the largest increase (+6.3%).

We rarely report on the **Ivey Purchasing Managers Index** since it is extremely volatile and does not appear to send reliable signals on the economy, except perhaps when registering outsized movements. The headline index dropped 11.1 points in October, led by weaknesses in supplier deliveries. At 59.3, the index remains above the 50 threshold that indicates an increase in activity for the ninth straight month.

UK

This week's **BoE meeting** caused quite a stir, even though nothing actually changed in the policy stance. In fact, that's precisely what made it so interesting, because the Bank defied market expectations for a 15 basis point hike, remaining on hold instead. We think this was the right decision and had said so last week when we argued for patience. It's not so much the idea of higher rates that we disagree with but rather the circumstances in which such tightening would have occurred, namely the appearance of caving to market pressure to tighten despite lingering uncertainties around the economy in general and labor market in particular. Earlier hawkish comments from Governor Bailey were the source of the apparent disconnect between market expectations and ultimate MPC action but in our view those comments were misread by market participants. They were intended to alert the market of the possibility of raising rates even before asset purchases end, but they were by no means a commitment to act immediately. In fact, we would have found it outright disappointing if the MPC had made such an abrupt stance shift! At this point, if we were to peg a month for the first rate hike, we would choose February over December. We thought it telling that the vote on rates was 7-2 in favor of no change and that the vote on maintaining the current target level for asset purchases was 6-3. That distribution doesn't seem hawkish enough for us to feel urgency for a December hike.

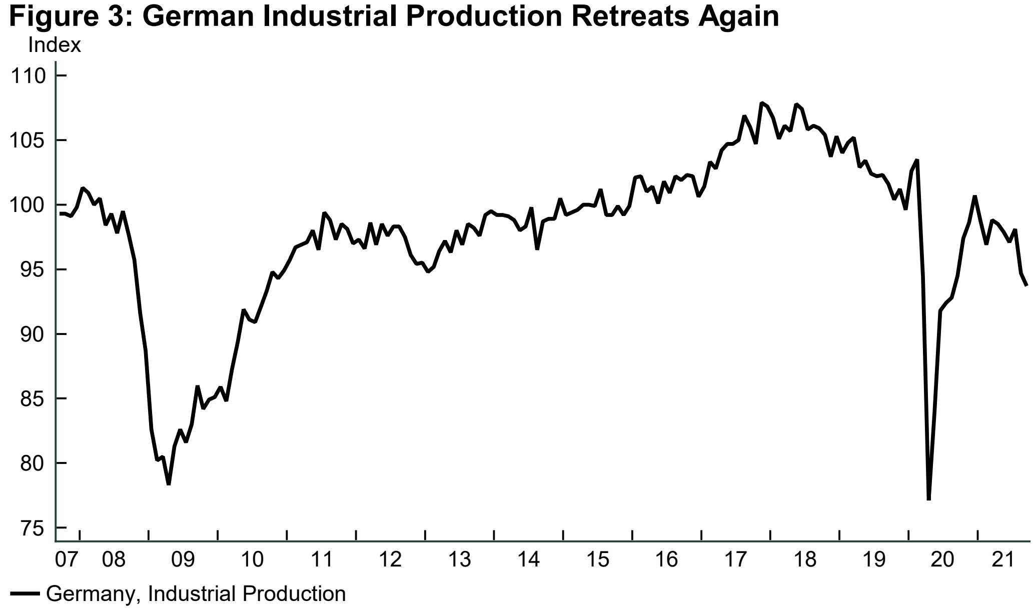
Ultimately, there is no question that the MPC should move off of current extremely low rate levels over the next few months. But a 15 basis point move won't even register in respect to fighting inflation so it's not as though delaying a small move like that would really make the situation worse. By contrast, there are some benefits to waiting: the MPC can get a better reading on the state of both the labor market and inflation, and it gains a window to finesse its message, assess developments overseas, and crafts a more deliberate policy path. A scenario in which the MPC moves later but more aggressively— either in a faster cadence or a larger first step of a 40 bp hike—seems increasingly appealing to us.

Manufacturing PMI slightly exceeded expectations and rose for the first time in five months to 57.8 in October, up from 57.1 in September. The modest expansion was driven by new orders and employment growth, but the headline index was held back by further deceleration in output growth. Manufacturing production growth slowed to eight-month low, constrained by rising supply chain disruption and staff shortages. New orders growth improved slightly, led by domestic market but new export business fell for the second successive month as overseas demand softened. Employment rose for the tenth month running, but staff shortages and difficulties in recruiting for certain skills continued. Selling prices rose at record pace as input price inflation accelerated and remained close to record highs.

Eurozone

The ongoing supply chain problems are hurting industrial activity most everywhere, but particularly acutely in Germany. Following a 3.5% plunge in August, ***German* industrial production** (including construction) declined another 1.1% in September to settle 0.8% lower than a year ago. This marked the first y/y decline since February. Losses were concentrated in manufacturing and mining, which declined 1.5% during the month, whereas energy output increased 1.0% and construction rose 1.1%. French industrial production declined 1.3%—the first retreat since a minor blip in May—but managed to remain 0.8% higher than a year earlier.

Figure 3: German Industrial Production Retreats Again



Sources: SSGA Economics, DESTATIS

The ***German* retail sales** data was equally disappointing. Sales fell 2.5% in September, more than unwinding the modest September gain and exacerbating the large August decline. Sales are now just 0.8% higher than a year earlier; during the first nine months of 2021, sales rose an average 1.9% y/y. Employment has been rising rapidly in recent months, unemployment is declining, and vacancies are surging, but German consumers are behaving rather apathetically. Are they being spooked by higher inflation? It may well be, especially since recent rounds of wage negotiations haven't yielded the increases hoped for by labor unions. ***Italian* retail sales** fared better, up another 0.8% in September and up 2.5% year over year.

Japan

No major releases.

Australia

Just as in the case of the UK, market expectations around **RBA policy** stance had also gotten a bit ahead of themselves. Indeed, although the RBA took a hawkish step by removing the 0.1% target on the April 2024 bond, 10-year Aussie yields dropped by almost 40 basis points over the past week. Governor Lowe rightly reminded us that while economic conditions are improving and growth and inflation are expected to be a little higher than previously forecast, "we are not expecting the surge in inflation that has been experienced in some other countries. The situation in Australia is different. We have not seen the same fall in labor force participation as experienced elsewhere, and the impact of other supply disruptions, including in energy markets, is less evident in our CPI." We completely agree with this assessment: inflation is not nearly as acute a concern in Australia as it is elsewhere. And so the RBA has room to remain on the sidelines for longer, though a rate hike in 2023 does look likely at this point. For now, though, the cash rate remains at 0.1% and asset purchases continue at a A$4 billion a week. The pace of purchases will be re-evaluated (and possibly reduced further) in February.

Real retail sales plunged 4.4% in the third quarter as lockdowns impacted spending, but this is old news by now that is bound to give way to much better performance in Q4. The sectoral composition exhibited clear lockdown "skews": food spending surged 5.3%—the most since Q1 2020—but everything else collapsed. Clothing sales declined by a quarter, while department store sales and sales at cafes and restaurants declined by almost a fifth. What is somewhat puzzling is that the loss of sales at department stores was far more severe in the latest lockdowns than at any point since the Covid crisis—we wonder whether this hits at some structural shift in consumer patterns, perhaps a higher penetration of online sales.

Week in Review (November 1–November 5)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, November 1					
GE	Retail Sales MoM (Sep)	0.4%	-2.5%	1.2%(↑)	Disappointing, but a bit out of date.
UK	PMI Manufacturing (Oct, final)	57.7(p)	57.8	57.1	Softer production, good employment, high prices.
US	ISM Manufacturing (Oct)	60.5(p)	60.8	61.1	Strong production; price pressures worsening.
JN	PMI Manufacturing (Oct, final)	53.0(p)	53.2	51.5	Improving.
AU	RBA Cash Rate Target	0.10%	0.10%	0.10%	0.1% target yield on 2024 bond discontinued.
Tuesday, November 2					
IT	Manufacturing PMI (Oct)	59.6 (p)	61.1	59.7	Very strong.
FR	Manufacturing PMI (Oct, final)	53.5 (p)	53.6	55.0	Strong despite supply chain challenges.
GE	Manufacturing PMI (Oct, final)	58.2 (p)	57.8	58.4	Strong.
EC	Eurozone Manufacturing PMI (Oct, final)	58.5 (p)	58.3	58.6	Strong despite supply chain challenges.
CA	Building Permits MoM (Sep)	3.0%	4.3%	-2.0%	Solid.
US	Wards Total Vehicle Sales (Oct, m	12.50	12.99	12.18	Still very low but at least improving.
Wednesday, November 3					
UK	Nationwide House PX MoM (Oct)	0.3%	0.7%	0.2%(↑)	Impressive!
IT	Unemployment Rate (Sep)	9.3%	9.2%	9.3%	Very good.
UK	Services PMI (Oct, final)	58.0 (p)	59.1	55.4	Excellent!
US	ISM Services Index (Oct)	62.0	66.7	61.9	Quite extraordinary! New record high.
US	Factory Orders (Sep)	0.1%	0.2%	1.0%(↓)	Up 14.9% y/y.
US	Durable Goods Orders (Sep, final)	-0.4%	-0.3%	-0.4%	Core orders rose 0.8%.
US	FOMC Rate Decision (Upper Bound)	0.25%	0.25%	0.25%	QE taper starts this month.
AU	Real Retail Sales (Q3, q/q)	-5.0%	-4.4%	0.8%	Expect much better Q4.
Thursday, November 4					
GE	Factory Orders MoM (Sep, m/m)	1.8%	1.3%	-8.8%(↓)	German data continues to disappoint.
GE	Services PMI (Oct. final)	52.4(p)	52.4	56.2	Notable deceleration, but still growing.
EC	Eurozone Services PMI (Oct. final)	54.7(p)	54.6	56.4	Notable deceleration, but healthy level.
UK	Bank of England Bank Rate (Oct. final)	0.1%	0.1%	0.1%	Surprised markets, but confirmed our view.
US	Initial Jobless Claims (30 Oct, thous)	275	269	283	Covid-era low.
US	Continuing Claims (23 Oct, thous)	2147	2105	2243	Covid-era low.
US	Nonfarm Productivity (Q3, saar)	-3.1%	-5.0%	2.1%	Temporary plunge.
US	Trade Balance (Sep, $b)	-80.2	-80.9	-73.3	New record!
Friday, November 5					
GE	Industrial Production (Sep, m/m)	1.0%	-1.1%	-3.5%(↑)	Disappointing, but somewhat old news by now.
FR	Industrial Production (Sep, m/m)	0.0%	-1.3%	1.0%	Disappointing, but somewhat old news by now.
IT	Retail Sales MoM (Sep)	0.2%	0.8%	0.8%(↑)	Good.
CA	Unemployment Rate (Oct)	6.8%	6.7%	6.9%	Twenty-month low.
CA	Ivey PMI (Oct)	na	59.3	70.4	Still indicating robust growth.
US	Change in Nonfarm Payrolls (Oct, thous)	450	531	312 (↑)	Good, and made better by big upward revision.
US	Unemployment Rate (Oct)	4.7%	4.6%	4.8%	The participation rate was unchanged.

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

Week Preview (November 8–November 12)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, November 8				
JN	Leading Index CI (Sep, p)	99.8	101.3	
JN	Labor Cash Earnings YoY (Sep)	0.6%	0.6%(↓)	
AU	NAB Business Confidence (Oct)	na	13	
US	Mortgage Delinquencies (Q3)	na	5.47%	
Tuesday, November 9				
GE	ZEW Survey Expectations (Nov)	20.0	22.3	
US	NFIB Small Business Optimism (Oct)	99.5	99.1	Struggling with labor shortages, high costs.
US	PPI Final Demand (Oct, y/y)	8.6%	8.6%	
AU	Westpac Consumer Conf Index (Nov)	na	104.6	
FR	Bank of France Ind. Sentiment (Oct)	100	100	
Wednesday, November 10				
GE	CPI (Oct, y/y, final)	4.5% (p)	4.1%	
IT	Industrial Production (Sep, m/m)	-0.1%	-0.2%	
US	Initial Jobless Claims (06-Nov)	265	269	
US	Continuing Claims (30-Oct)	na	2105	
US	CPI (Oct, y/y)	5.9%	5.4%	Wow!
US	Real Avg Weekly Earnings Oct, y/y)	na	-0.8%	
US	Monthly Budget Statement (Oct, $b)	-175.0	-284.0	
JN	PPI (Oct, y/y)	6.9%	6.3%	Still climbing.
AU	Unemployment Rate (Oct)	4.8%	4.6%	Might turn out better.
Thursday, November 11				
UK	Industrial Production (Sep, m/m)	0.2%	0.8%	
UK	GDP (Q3, q/q, prelim)	1.5%	5.5%	Could it be better?
Friday, November 12				
EC	Industrial Production (Sep, m/m)	-0.5%	-1.6%	
US	JOLTS Job Openings (Sep, thous)	10400	10439	
US	U. of Mich. Sentiment (Nov, prelim)	72.5	71.7	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		May	Jun	Jul	Aug	Sep
US	Target: PCE price index 2.0% y/y	4.0	4.0	4.2	4.2	4.4
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	3.6	3.1	3.7	4.1	4.4
UK	Target: CPI 2.0% y/y	2.1	2.5	2.0	3.2	3.1
Eurozone	Target: CPI below but close to 2.0% y/y	2.0	1.9	2.2	3.0	3.4
Japan	Target: CPI 2.0% y/y	-0.8	-0.5	-0.3	-0.4	0.2
Australia	Target Range: CPI 2.0%-3.0% y/y	3.8	3.8	3.0	3.0	3.0

Source: Macrobond

Key Interest Rates

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-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)	-0.03	-0.01	-0.02	-0.04	-0.02	-0.03	-0.05	-0.04	-0.04	-0.05	-0.03
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2013	2014	2015	2016	2017	2018	2019	2020	Forecast 2021	Forecast 2022
US	-3.2	-2.7	-2.5	-3.5	-4.2	-5.2	-6.1	-10.7	-8.8	-8.3
Canada	-1.5	-0.6	0.0	0.1	-0.3	0.0	0.3	-8.1	-6.6	-2.7
UK	-4.2	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	1.4	-5.6	-4.9
Eurozone	-1.0	-0.7	-0.6	-0.5	-0.5	-0.3	-0.5	-4.6	-5.9	-3.1
Germany	0.6	1.2	1.2	1.2	1.1	1.6	1.3	-3.1	-5.7	-1.6
France	-2.8	-2.5	-2.1	-1.9	-1.9	-1.6	-2.1	-6.3	-7.5	-4.6
Italy	-0.5	-1.0	-0.6	-1.3	-1.6	-1.7	-0.9	-5.9	-7.1	-3.8
Japan	-7.4	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-9.2	-8.0	-3.6
Australia	-2.7	-2.7	-2.6	-2.3	-1.6	-1.2	-4.1	-7.9	-8.1	-5.8

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	Jun	Jul	Aug	Sep	Oct		May	Jun	Jul	Aug	Sep
US	5.4	5.4	5.3	5.4			7.0	7.3	7.8	8.3	8.6
Canada	3.1	3.7	4.1	4.4			17.5	17.4	16.1	14.6	14.9
UK	2.5	2.0	3.2	3.1							
Eurozone	1.9	2.2	3.0	3.4			9.6	10.3	12.4	13.4	16.0
Germany	2.3	3.8	3.9	4.1	4.5		7.2	8.5	10.4	12.0	14.2
France	1.5	1.2	1.9	2.2	2.6		6.7	7.4	8.5	9.5	10.8
Italy	1.3	1.9	2.0	2.5	2.9		8.1	9.1	11.2	11.6	13.3
Japan	-0.5	-0.3	-0.4	0.2			4.9	5.2	5.8	5.8	6.3
Australia	3.8	3.0	3.0	3.0			2.2	2.2	2.9	2.9	2.9

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21		Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
US	7.5	1.1	1.5	1.6	0.5		-2.9	-2.3	0.5	12.2	4.9
Canada	9.1	2.2	1.4	-0.3			-5.1	-3.1	0.3	12.7	
UK	17.4	1.1	-1.4	5.5			-8.1	-7.1	-5.8	23.6	
Eurozone	12.6	-0.4	-0.3	2.1	2.2		-4.0	-4.4	-1.2	14.2	3.7
Germany	9.0	0.7	-1.9	1.9	1.8		-3.7	-2.9	-3.0	9.9	2.5
France	18.5	-1.1	0.1	1.3	3.0		-3.6	-4.3	1.5	18.8	3.3
Italy	15.6	-1.7	0.3	2.7	2.6		-5.4	-6.6	-0.7	17.0	3.8
Japan	5.4	2.8	-1.1	0.5			-5.4	-0.8	-1.3	7.7	
Australia	3.6	3.2	1.9	0.7			-3.6	-0.9	1.3	9.6	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change						Year/Year % Change				
	May	Jun	Jul	Aug	Sep		May	Jun	Jul	Aug	Sep
US	0.7	0.5	1.0	-0.1	-1.3		16.4	10.2	6.9	5.7	4.6
Canada	-0.4	2.5	-0.8	0.2			12.3	9.9	5.7	6.7	
UK	0.9	-0.6	0.2	0.8			23.4	10.3	4.4	3.7	
Germany	-0.6	-0.8	1.0	-3.5	-1.1		16.7	5.8	6.2	2.0	-0.8
France	-0.4	0.4	0.5	1.0	-1.3		20.4	7.0	4.0	3.9	0.8
Italy	-1.6	1.1	1.0	-0.2			21.2	13.8	7.2	-0.1	
Japan	-6.5	6.5	-1.5	-3.6	-5.4		21.1	23.0	13.3	7.1	-2.3

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
US	6.7	6.3	6.2	6.0	6.1	5.8	5.9	5.4	5.2	4.8	4.6
Canada	8.8	9.4	8.2	7.5	8.1	8.2	7.8	7.5	7.1	6.9	6.7
UK	5.1	5.0	4.9	4.8	4.8	4.7	4.6	4.5			
Eurozone	8.1	8.2	8.1	8.1	8.2	8.0	7.8	7.6	7.5	7.4	
Germany	6.1	6.0	6.0	6.0	6.0	5.9	5.8	5.6	5.5	5.5	5.4
France	7.8	7.9	8.1	8.1	8.3	8.3	8.0	8.0	8.0	7.7	
Italy	9.8	10.2	10.1	10.0	10.1	9.9	9.3	9.2	9.3	9.2	
Japan	3.0	2.9	2.9	2.6	2.8	3.0	2.9	2.8	2.8	2.8	
Australia	6.6	6.4	5.9	5.7	5.5	5.1	4.9	4.6	4.5	4.6	

Source: Macrobond

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

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
US	-2.5	-2.4	-2.3	-2.2	-1.9	-2.1	-3.2	-3.3	-3.3	-3.4	-3.3
Canada	-2.8	-3.0	-1.7	-2.0	-1.6	-3.0	-1.6	-1.8	-0.9	0.3	0.6
UK	-4.1	-5.8	-2.9	-2.5	0.5	-2.6	-1.3	-1.7	-4.6	-1.6	-1.5
Eurozone	2.7	3.7	1.7	3.0	1.8	0.9	1.0	2.7	3.3	3.9	2.4
Germany	7.0	7.9	7.6	7.7	7.3	6.8	5.2	7.2	7.8	8.0	7.0
France	-0.8	0.2	-0.3	-0.6	-0.4	-1.3	-3.5	-2.1	-0.9	-1.0	-0.6
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: 11/30/2022