November 6, 2020
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
UK GDP to show decent Q3 bounce. Eurozone industrial production should pick up. Services activity should improve in Japan.

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The Economy

A mixed data week with headlines (and market action) dominated by US elections.

US

We had used the “non-event” label for several **Fed** meetings in the past, but perhaps none deserved it as fully as this week’s meeting. Nothing changed policy wise, and aside from a handful of inconsequential words, even the statement was identical. Overall, one got the sense that, amid all the elections drama, the FOMC sought to stay as completely out of the limelight as possible. It succeeded. The Fed, of course, remains “committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals”. This we already knew. And, it doesn’t imply anything new for policy in the near term, at least not unless new stresses develop in the economy and markets. The delay in fiscal stimulus is not sufficient, in our view, to trigger more Fed action absent such stresses actually becoming visible.

For now, those signs of stress are not evident. In fact, the **employment** picture improved considerably in October as nonfarm payrolls rose by a larger than expected 638k on broad private sector gains. The private sector added 906k jobs; goods producing sectors added 123k, their most since June, with construction displaying real strength (up 84k). Private service producing industries added 783k jobs, essentially the same as in September, with good performance across subsectors ranging from business services to retail, and leisure and hospitality. Temporary help increased by a solid 109k. Indeed, only government was a significant detractor, with a 268k loss, nearly 150k of which was accounted for by declining census employment. The household survey painted an even brighter picture, with employment up by over 2.2 million, unemployment down by over 1.5 million, the labor force up by 724k and the unemployment rate down a full percentage point to 6.9%. That this occurred despite a three-tenth increase in the participation rate is heartening, despite other details such as the lengthening duration of unemployment that clearly indicate areas where considerable further healing is needed. One particularly encouraging detail was that the number of people describing themselves as permanently unemployed declined by about 72k. Should it be the case that this number peaked in September at 3.756 million, the road to recovery would imply a significantly lower hill to climb than after the great recession, when it peaked at 6.818 million.

The **hours data** remain good, indicating firms are making intensive use of existing employees. The manufacturing workweek increased another 18 minutes to 40.5 hours, while manufacturing overtime increased by 12 minutes to an elevated 3.2 hours. The overall workweek was unchanged at an elevated 34.8. Given higher employment, aggregate hours worked increased by 0.8%, with favorable implications for wage and salary incomes.

Compositional changes to the employed population have caused significant distortions in wage data since the Covid outbreak that their message should be taken with a healthy dose of skepticism. Total average hourly earnings increased a modest 0.1% in October while earnings for production and non-supervisory employees rose 0.2%. Both measures of wage inflation stand 4.5% higher than a year earlier.US manufacturing activity is notably accelerating.

The **ISM manufacturing** index blew well past expectations with a 3.9-point surge in November. The headline hit a two-year high of 59.3, new orders surged 7.7 points to the highest since 2007, employment gained 3.6 to a sixteen-month high of 53.2, and production improved 2.0 to 63.0. Most other details were good: export orders improved 1.4 points to 55.7, the highest since mid-2018. Supply chain pressures continue to build, with delivery times lengthening and backlogs increasing further. Inventories are starting to be rebuilt, although respondents still overwhelmingly consider customer inventories as too low. Part of that inventory re-built is being satisfied via imports, with the imports component up 4.1 points to 58.1, the highest level since early 2018. Unsurprisingly, the combination of improving demand and tight supply chains is creating upward price pressures, with many commodities reportedly up in price and only one (caustic soda) reportedly declining. Respondents were generally optimistic this month, with two positive comments for every cautious one.

Figure 1: Expansion Accelerates In US Manufacturing, Slows In Services

Sources: Macrobond, SSGA Economics, ISM, BLS, IHS Markit, Fed

By contrast, the pace of expansion in service activity moderated slightly in October. However, it is hard to complain too much given that, despite a 1.2-point retreat, the **ISM non-manufacturing index** remained well entrenched in robust territory at 56.6. Indeed, the details were largely supportive with the business activity metric (the old headline) still at a “boom-y” 61.2 points, new orders at 58.8 and new export orders at 53.7. Supplier deliveries slowed and backlogs increased. The most disappointing part of the survey was the employment component, which retreated 1.7 points to 50.1, suggesting a near-stalling of new hiring.

Factory orders continue to improve, with September’s 1.1% increase marking the fifth consecutive gain since massive lockdown-induced declines in March and April. Capital goods orders rose 1.9%, and core orders (non-defense capital goods excluding aircraft) rose 1.0%, each confirming the earlier estimates. Shipments improved slightly and inventories were flat (core inventories declined 0.1%). The inventory to shipments ratio declined incrementally to 1.42 months, down sharply from a Covid peak of 1.7 months.

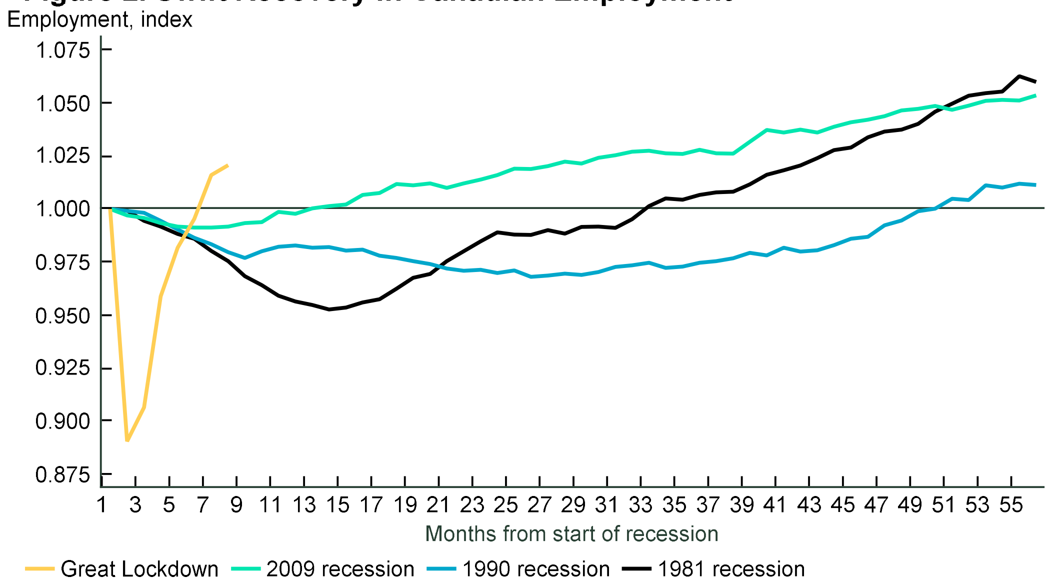
For the first time in several months, **motor vehicle sales** undershot expectations, and for the first time since April, they declined—albeit incrementally—in October. Sales eased 0.1% to an annualized rate of 16.21 million units. Overall motor vehicle sales were only down 2.1% y/y in October, although they declined 16.5% y/y during the first ten months of the year.

The **trade deficit** swung widely this year as the Covid epidemic wreaked havoc on global supply chain and port activities. It widened sharply in July and August, but the September data suggests it may have peaked. However, it is too soon to be sure given the building wave of new cases, both in Europe and the United States. For what it's worth, however, the nominal deficit narrowed by about $3 billion in September, aided by a 2.6% increase in exports accompanied by a more modest 0.5% increase in imports. The real trade deficit narrowed about 5% from the record level in August.

Canada

Employment growth slowed in Canada as the number of COVID cases picked up. Employment grew by 83,600 in October, compared to an average of 457,000 since May. Most of the job gains were full-time (+69,000), while the number of people working part time rose by 14,500. The unemployment rate edged down by one tenth to 8.9%, despite the participation rate rising by 0.2 percentage points to 65.2%. Total hours worked grew by 0.8% in October as fewer employed people worked reduced hours.

Figure 2. Swift Recovery In Canadian Employment



Sources:SSGA Economics, StatCan, Macrobond

But, employment growth stalled in several sectors. Following five consecutive monthly increases, employment in accommodation and food services declined by 48,000 in October, with almost all of the decline in Quebec (-42,000) given the reintroduction of public health measures there. Yet employment is only 3.4% lower than its February level, and the number of workers directly affected by the COVID-19 economic shutdown (unemployed and working reduced hours) at 1.1 million in October compared to 5.5 million in April.

UK

As generally anticipated, the **Bank of England (BoE)** took additional steps to support the economy this week. While the Monetary Policy Committee (MPC) decided to leave the Bank Rate unchanged at 0.1%, it agreed to increase the target stock of government bond purchases by £150 billion to £875 billion. The stock of corporate bond purchases was maintained at £20 billion. All decisions were unanimous and their backdrop clear: a rapid surge in Covid cases since the last meeting. That reality has altered expectations about near-term growth, with the Committee now expecting GDP to contract in the fourth quarter. As a result, slack in the economy is larger and persists longer than previously expected, requiring additional steps to bring inflation back to target. Indeed, “if the outlook for inflation worsens, the Committee stands ready to take whatever additional action is necessary to achieve its remit”. That additional action may well imply negative interest rates, an option which the MPC had been investigating closely over the summer and that seem increasingly likely in 2021. In fact, new economic forecasts, based on forward market rates, see the Bank rate at -0.1% in 2021 and 2022…Still, it bears repeating that the outlook for the economy “remains unusually uncertain”. For example, the new central forecast is based on the “assumption that Covid restrictions are in place until the end of 2021 Q1”. A vaccine becoming available within the next few months could significantly alter the current expected growth trajectory for the better…

UK manufacturing activity continued to expand in November, albeit at a slightly slower pace. The headline **manufacturing PMI index** retreated 0.4 point to 53.7, a little better than initially estimated. The details were mixed, with production down 3.2 points to 53.8 and employment down 1.1 to 45.4. New orders and new export orders remained in the 54-55 range, suggesting pipeline demand remains supportive.

For now, service activity continues to expand, but that may change come the next update given broadening lockdowns across the country. Already, the **purchasing managers’ index for services** declined a sharp 4.7 points to 51.4 in October. The 7.2-point plunge in incoming new business—to a four-month low of 47.3—was a particularly ominous sign of things to come. Even the 1.0 point improvement in the employment component can’t really be described as a bright spot given it merely indicates a slower pace of declines…

Eurozone

Manufacturing activity is also picking up in the eurozone, with the final reading on the **manufacturing PMI** for November showing a slightly larger improvement than initially estimated. The region-wise eurozone index improved 1.1 points to 54.8, driven by gains in new orders and production. Employment, by contrast, was little changed. The German index rose 1.8-point gain to a Covid era high of 58.2, the Spanish index gained 1.7 to 52.5. The Italian index improved 0.6 and the French one gained 0.1 to 53.8 and 51.3, respectively.

***German* industrial production** including construction increased 1.6% in September, with the August data revised noticeably higher to show a 0.5% gain instead of the small decline reported initially. Manufacturing and mining production rose 2.0%, construction was up 1.5%, while energy output declined 2.5%. Surging Covid cases across Europe pose a challenge to the sustainability of these gains, as evidenced by the moderating growth in industrial orders in September (up only 0.5% n/n) but we do believe further progress is likely as global supply chains come online and inventory rebuilding takes places across a range of industries. Perhaps most importantly, unlike in the first wave of infections, manufacturing facilities have implemented considerable alternations to the production process which should make them more resilient and able to remain operational during the current wave.

The surge in Covid cases across Europe is taking a clear toll on service activity. **Purchasing managers' indexes for services** have started to soften back in August, although at that point part of the retreat was a natural evolution following the post-lockdown bounce-back. Since September, however, the trend has taken a more troubling cast as indexes fell below the neutral 50 level that separates expansion from contraction. Unfortunately, the trend continued with the final October readings. The eurozone index dropped 1.1 points to 46.9, driven by a decline in incoming new business. The German index retreated 1.1 points to 48.5 and the French index retreated 0.9 to 46.5. Given new mobility restrictions, it is quite likely that things get worse before they get better again.

Japan

Wages declined 0.9% y/y in September, although the magnitude of declines appears to be moderating. Overtime wages fell by 12% y/y, dragging overall wage growth down by 0.8 percentage points. Employers continued to curtail working hours, with hours worked down 1.5% y/y. On the positive, the basic wage increased 0.2% y/y, following a decline in August. Real wages were down 1.1% y/y, the seventh consecutive decline.

Australia

The **Reserve Bank of Australia** reduced the cash rate by 15 basis points to 0.10% in a widely anticipated move. The target for 3 year bond yields and the interest rate on the term funding facility (TFF) were also adjusted to 0.10%. It also moved further into quantitative easing, with "the purchase of A$100 billion of government bonds of maturities of around 5 to 10 years over the next six months."

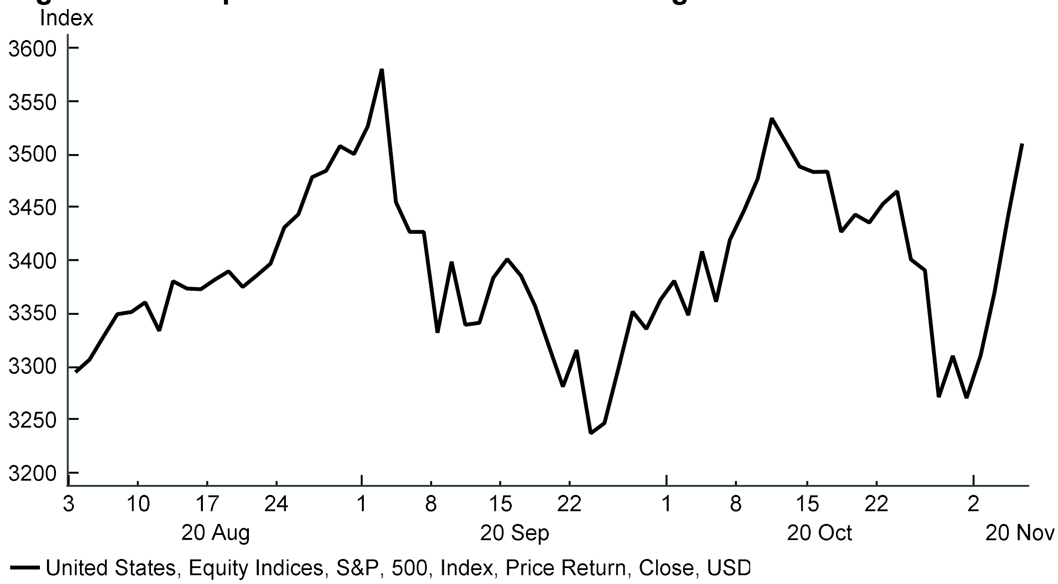
The accompanying statement by Governor Lowe gives a very detailed assessment of the decision. Firstly, the RBA has followed the Federal Reserve and other central banks in emphasizing the need to aid the recovery in the labor market, even at the expense of above-target inflation for a period of time. The additional easing is meant to "lower the whole structure of interest rates in Australia. This lower structure of interest rates will work to support the economy through the normal transmission mechanisms, including lower borrowing costs, a lower exchange rate than otherwise and higher asset prices." He felt it necessary to mention that inflation targeting still remains the cornerstone of their monetary framework. But “for inflation to be sustainably within the target range, wage growth will have to be materially higher than it is currently. This will require a lower rate of unemployment and a return to a tight labor market.” Lowe again reiterated the RBA’s reluctance toward a negative cash rate, but that by no means implies that it is short on options. “It is certainly possible for us to increase the size of our bond purchases…(and other) tools include further liquidity provision, asset purchases and transactions in the foreign exchange market.”

Retail sales contracted for the second consecutive month, down 1.1% in September. Sales were weighed down by a 3.6% decline in household goods retailing, mainly concentrated in home improvement goods. Some components which had been badly affected by COVID improved—department stores sales increased 1.0%, while sales at cafes and restaurants increased 3.5%. Despite the recent declines, sales volumes rose 6.5% in the third quarter—the sharpest on record—as comparisons were made against an exceedingly weak Q2. Social spending rebounded strongly as most parts of the economy re-opened. Restaurants (+28.1%) and apparels (+35%) both gained by more than triple their previous quarterly growth record, though still down on an annual basis. Household goods volumes fell a little during Q3 (−0.2%). Not surprisingly, all states other than Victoria saw sales rebound in Q3. All said, private consumption is unlikely to be as impressive.

The Market This Week

US stocks rallied as investors cheered the possibility of a divided congress which makes legislative changes like increasing corporate taxes difficult.

Figure 3: US Equities Ended The Week On A High



Sources: SPDJI

Equities: Global equities rally amid US elections roller coaster.

Bonds: Australia's 10y yields headed lower following RBA's QE announcement.

Currencies: Brexit deal optimism lifts the pound despite lockdown worries.

Commodities: Gold is boosted by a weaker dollar.

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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®	3509.44	7.3%	8.6%	0.82	-5	-110	92.26	-1.9%	-4.3%
Canada	TSE 300	16282.83	4.5%	-4.6%	0.65	-2	-106	1.3059	-2.0%	0.5%
UK	FTSE®	5910.02	6.0%	-21.6%	0.27	1	-55	1.3144	1.5%	-0.9%
Germany	DAX	12480.02	8.0%	-5.8%	-0.62	1	-44			
France	CAC-40	4960.88	8.0%	-17.0%	-0.36	-1	-47	1.1872	1.9%	5.9%
Italy	FTSE® MIB	19681.68	9.7%	-16.3%	0.64	-12	-77			
Japan	Nikkei 225	24325.23	6.9%	2.8%	0.02	-2	3	103.34	-1.3%	-4.9%
Australia	ASX 200	6190.179	4.4%	-7.4%	0.75	-8	-62	0.7258	3.3%	3.4%

Commodity Markets						
Commodity	**Unit**	**Source**	**Last Price**	**%Ch Week**	**%Ch YTD**	**%ChYr Ago**
Oil (Brent)	US $/Barrel	Bloomberg	38.79	5.1%	-41.6%	-37.4%
Gold	US $/troy oz	Bloomberg	1951.92	3.9%	28.6%	31.0%

Source: Bloomberg®

Week in Review (November 2–November 6)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, November 2					
US	ISM Manufacturing (Oct)	55.8	59.3	55.4	Impressive. Strong details!
UK	Manufacturing PMI (Oct, final)	53.3(p)	53.7	54.1	Good.
EC	Manufacturing PMI (Oct, final)	54.4(p)	54.8	53.7	Good.
GE	Manufacturing PMI (Oct, final)	58.0(p)	58.2	56.4	Good.
FR	Manufacturing PMI (Oct, final)	51.0(p)	51.3	51.2	Good.
IT	Manufacturing PMI (Oct)	53.7	53.8	53.2	Good.
JN	Manufacturing PMI (Oct, final)	48.0(p)	48.7	47.7	Painfully slow.
AU	ANZ Job Advertisements (Oct, m/m)	na	9.4%	8.3%(↑)	Now 13.5% below February level.
Tuesday, November 3					
US	Factory Orders (Sep, m/m)	1.0%	1.1%	0.6%(↓)	Positive.
US	Durable Goods Orders (Sep, final, m/m)	1.9%(p)	1.9%	0.4%	Positive.
AU	RBA Monetary Policy Decision	0.10%	0.10%	0.25%	Big easing by RBA.
Wednesday, November 4					
US	Vehicle Sales (Oct, mil.)	16.5	16.2	16.3	Decent.
US	Trade Balance (Sep, C$ bil.)	-63.9	-63.9	-67.0(↑)	Rising exports as global economy improves.
US	ISM Services (Oct)	57.5	56.6	57.8	Decent.
CA	Trade Balance (Sep, C$ bil.)	-2.3	-3.2	-3.2(↓)	Both exports and imports improved.
UK	Services PMI (Oct, final)	52.3(p)	51.4	56.1	Decent, but unlikely to last.
EC	Services PMI (Oct, final)	46.2(p)	46.9	48.0	Impact of Covid restrictions.
GE	Services PMI (Oct, final)	48.9(p)	49.5	50.6	Impact of Covid restrictions.
AU	Retail Sales (Sep, m/m)	-1.5%	-1.1%	-4.0%	Quarterly sales growth was at a record high.
Thursday, November 5					
US	Initial Jobless claims (Oct 31, thous)	735	751	758(↑)	Modest improvement.
US	Continuing claims (Oct 24, thous)	7200	7258	7823(↑)	Modest improvement.
US	FOMC Monetary Policy Decision	0.25%	0.25%	0.25%	Complete non-event.
US	Nonfarm Productivity (Q3, prelim, q/q)	5.6%	4.9%	10.6%(↑)	Distorted by Covid swings.
UK	BoE Monetary Policy Decision	0.10%	0.10%	0.10%	More QE.
GE	Factory Orders (Sep, m/m)	2.0%	0.5%	4.9%(↑)	Still growing, which is good.
JN	Services PMI (Oct, final)	46.6(p)	47.7	46.9	Softer fall in new orders.
Friday, November 6					
US	Unemployment Rate (Oct)	7.6%	6.9%	7.9%(↑)	Good details!
US	Change in Nonfarm Payrolls (Oct, thous)	593	638	672(↑)	Broad private sector gains.
CA	Unemployment Rate (Oct)	9.0%	8.9%	9.0%	Job market still robust.
CA	Ivey PMI (Oct)	na	54.5	54.3	Boosted by the employment index.
GE	Industrial Production (Sep, m/m)	2.5%	1.6%	0.5%(↑)	Slower growth, but growth nonetheless…
IT	Retail Sales (Sep, m/m)	-1.5%	-0.8%	8.2%	Let's see what happens in coming months.
JN	Labor Cash Earnings (Sep, y/y)	-1.1%	-0.9%	-1.3%	Still in decline.

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

Week Preview (November 9–November 13)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, November 9				
US	Mortgage Delinquencies (Q3, q/q)	na	8.2%	
JN	Leading Index (Sep, prelim)	92.7	88.4	
FR	Bank of France Ind. Sentiment (Oct)	na	101	
Tuesday, November 10				
US	NFIB Small Business Optimism (Oct)	104.5	104.0	Important indicator to watch.
US	JOLTS Job Openings (Sep, thous)	6500	6493	
UK	ILO Unemployment Rate (Sep)	4.7%	4.5%	
UK	Average Weekly Earnings (Sep, 3m y/y)	na	0.0%	
GE	ZEW Investor Expectations (Nov)	44	56.1	Expected activity slowdown due to Covid upsurge.
FR	ILO Unemployment Rate (Q3)	na	7.0%	
FR	Industrial Production (Sep, m/m)	0.7%	1.3%	
IT	Industrial Production (Sep, m/m)	-2.0%	7.7%	
AU	NAB Business Confidence (Oct)	na	-4	Expect slight improvement in Victoria.
Wednesday, November 11				
	No Major Releases			
Thursday, November 12				
US	Initial Jobless claims (Nov 7, thous)	na	751	
US	Continuing claims (Oct 31, thous)	na	7285	
US	CPI (Oct, y/y)	1.3%	1.4%	
US	Monthly Budget Statement (Oct, $ bil.)	na	-124.6	
UK	GDP (Q3, prelim, q/q)	15.8%	-19.8%	Sadly, momentum already softening again.
UK	Industrial Production (Sep, m/m)	0.8%	3.7%	
EC	Industrial Production (Sep, m/m)	0.7%	0.7%	
JN	Core Machine Orders (Sep, m/m)	na	0.2%	
JN	Tertiary Industry Index (Sep, m/m)	1.4%	0.8%	Services improving.
Friday, November 13				
US	U of Mich Cons Sentiment (Nov, prelim)	82	81.8	Will there be an elections effect?
EC	GDP (Q3, prelim q/q)	12.7%	12.7%	
FR	CPI (Oct, final, y/y)	na	0.0%	

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	0.5	0.9	1.0	1.3	1.4
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	-0.4	0.7	0.1	0.1	0.5
UK	Target: CPI 2.0% y/y	0.5	0.6	1.0	0.2	0.5
Eurozone	Target: CPI below but close to 2.0% y/y	0.1	0.3	0.4	-0.2	-0.3
Japan	Target: CPI 2.0% y/y	0.1	0.1	0.3	0.2	0.0
Australia	Target Range: CPI 2.0%-3.0% y/y	-0.3	-0.3	0.7	0.7	0.7

Source: Macrobond

Key Interest Rates

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	#####	Sep-20	Oct-20
US (top of target range)	1.75	1.75	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Canada (Overnight Rate)	1.75	1.75	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
UK (Bank Rate)	0.75	0.75	0.75	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)	-0.07	-0.04	-0.03	-0.07	-0.06	-0.07	-0.07	-0.02	-0.06	-0.06	-0.03
Australia (OCR)	0.75	0.75	0.75	0.43	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2012	2013	2014	2015	2016	2017	2018	2019	Forecast 2020	Forecast 2021
US	-4.9	-3.0	-2.6	-2.6	-3.7	-4.3	-5.7	-6.8	-15.0	-7.6
Canada	-2.3	-1.5	-0.6	0.0	0.0	-0.3	-0.7	-0.6	-16.5	-7.9
UK	-6.1	-4.3	-4.9	-4.3	-3.3	-2.6	-2.3	-2.2	-14.0	-6.4
Eurozone	-2.0	-1.1	-0.7	-0.6	-0.6	-0.6	-0.5	-0.6	-5.3	-3.1
Germany	0.0	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-5.8	-1.8
France	-4.0	-2.9	-2.6	-2.2	-2.1	-2.1	-1.7	-2.0	-4.5	-4.0
Italy	-1.6	-0.5	-1.0	-0.6	-1.3	-1.8	-1.9	-1.3	-3.8	-3.4
Japan	-7.6	-7.5	-5.5	-4.3	-4.1	-3.3	-2.5	-3.0	-12.7	-5.6
Australia	-3.5	-2.7	-2.8	-2.6	-2.3	-1.6	-1.2	-3.7	-9.2	-9.8

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	0.6	1.0	1.3	1.4			-1.1	-0.8	-0.4	-0.2	0.4
Canada	0.7	0.1	0.1	0.5			-4.9	-3.4	-2.3	-2.2	-2.2
UK	0.6	1.0	0.2	0.5			-1.2	-0.9	-0.9	-0.9	-0.9
Eurozone	0.3	0.4	-0.2	-0.3			-5.0	-3.7	-3.2	-2.6	-2.4
Germany	0.9	-0.1	0.0	-0.2	-0.2		-2.2	-1.8	-1.7	-1.2	-1.0
France	0.2	0.8	0.2	0.0	0.0		-3.3	-2.2	-2.1	-2.1	-2.1
Italy	-0.2	-0.4	-0.5	-0.6	-0.3		-5.3	-4.5	-3.5	-3.0	-3.1
Japan	0.1	0.3	0.2	0.0			-2.8	-1.6	-0.9	-0.6	-0.8
Australia	-0.3	0.7	0.7	0.7			-0.4	-0.4	-0.4	-0.4	-0.4

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20		Q3-19	Q4-19	Q1-20	Q2-20	Q3-20
US	0.6	0.6	-1.3	-9.0	7.4		2.1	2.3	0.3	-9.0	-2.9
Canada	0.3	0.1	-2.1	-11.5			1.6	1.5	-0.9	-13.0	
UK	0.3	0.1	-2.5	-19.8			1.0	1.0	-2.1	-21.5	
Eurozone	0.3	0.0	-3.7	-11.8	12.7		1.4	1.0	-3.3	-14.8	-4.3
Germany	0.3	0.0	-1.9	-9.8	8.2		0.8	0.4	-2.1	-11.2	-4.2
France	0.2	-0.2	-5.9	-13.7	18.2		1.6	0.7	-5.8	-18.9	-4.3
Italy	0.0	-0.2	-5.5	-13.0	16.1		0.5	0.1	-5.6	-17.9	-4.7
Japan	0.0	-1.8	-0.6	-7.9			1.7	-0.7	-1.9	-10.1	
Australia	0.5	0.6	-0.3	-7.0			1.8	2.3	1.6	-6.3	

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	6.2	4.2	0.4	-0.6		-15.8	-10.7	-6.8	-7.0	-7.3
Canada	3.7	6.0	3.7	-0.6			-18.0	-12.8	-7.9	-8.7	
UK	5.6	9.9	5.2	0.3			-20.3	-12.1	-7.4	-6.3	
Germany	7.3	9.4	1.2	0.5	1.6		-19.2	-10.8	-9.5	-9.0	-7.2
France	20.0	12.7	3.8	1.3			-23.2	-11.4	-8.4	-6.2	
Italy	41.7	8.2	7.0	7.7			-20.5	-13.8	-7.8	-0.2	
Japan	-8.9	1.9	8.7	1.0	4.0		-24.5	-21.0	-14.7	-12.3	-10.5

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	#####	Sep-20	Oct-20
US	3.5	3.6	3.5	4.4	14.7	13.3	11.1	10.2	8.4	7.9	6.9
Canada	5.6	5.5	5.6	7.8	13.0	13.7	12.3	10.9	10.2	9.0	8.9
UK	3.9	4.0	4.0	4.0	4.1	4.1	4.3	4.5			
Eurozone	7.4	7.4	7.3	7.2	7.4	7.6	7.9	8.1	8.3	8.3	
Germany	5.0	5.0	5.0	5.0	5.8	6.3	6.4	6.4	6.3	6.3	6.2
France	8.2	8.1	7.7	7.5	7.8	6.9	6.6	7.1	7.5	7.9	
Italy	9.6	9.5	9.3	8.5	7.3	8.7	9.4	9.8	9.7	9.6	
Japan	2.2	2.4	2.4	2.5	2.6	2.9	2.8	2.9	3.0	3.0	
Australia	5.1	5.3	5.1	5.2	6.4	7.1	7.4	7.5	6.8	6.9	

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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