STATE STREET GLOBAL ADVISORS

October 14, 2022
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
Mixed US housing data expected amid rising mortgage rates. Inflation updates to show persistent pressures in UK and Japan. Employment gain expected in Australia.

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The Economy

Mixed signals from macro data and U-turns on macro policy keep everyone on edge.

US

Inflation remains front and center for consumers, investors, economists, and the Fed alike. The trouble is that, depending on where you look, the data is sending very different signals. When we parse through leading inflation indicators such as supply chain stress measures, shipping costs, pricing plans from manufacturing and small business surveys, import prices, house prices, observed rents, etc., we see unmistakable disinflationary signals across the board. But when we look simply at current measures of inflation—namely the consumer price index (CPI)—there is precious little evidence so far that those disinflationary dynamics are taking hold.

To an extent, this is to be expected given the lagged effects of the former indicators. However, the slowness of the CPI to respond to these moderating signals is a genuine source of frustration. It is probably also a factor of data anomalies, which always exist given the comples nature of macroeconomic data compilation, but have likely been exacerbated during Covid simply by virtue of elevated data volatility across the board. Let us give three examples. It is well known that used vehicle prices have skyrocketed during the pandemic. However, according to the Manheim auction price measure, they are now down 0.1% y/y. By contrast, used car price inflation in the CPI report is still up 7.2% y/y. Secondly, according to Zillow data, observed rent inflation peaked back in February, yet rent of shelter inflation in the CPI has yet to peak. There is no hard and fast rule in regard to the lag between these two measures, but it is worth noting that when the Zillow measure bottomed in October 2020, the corresponding CPI component followed suit four months later. We believe it is only a matter of (short) time until rental inflation in the CPI peaks as well. The last example has to do with healthcare costs, specifically medical insurance costs. According to the CPI data, health insurance inflation was 28.2% y/y in September. That is a scary-sounding number and by far the highest in a while. However, that number is arrived at in a very indirect and backward looking fashion. It is estimated based on an annual exercise that looks at health insurance companies' retained earnings in the prior calendar year. So the September 2022 print actually reflects calculation based on 2020 conditions. Starting with the October release, the data will shift to reflect 2021 retained earnings. While still old, it should show at a sharp moderation if not outright declines since the rise in elective procedures in 2021 pressured earnings.

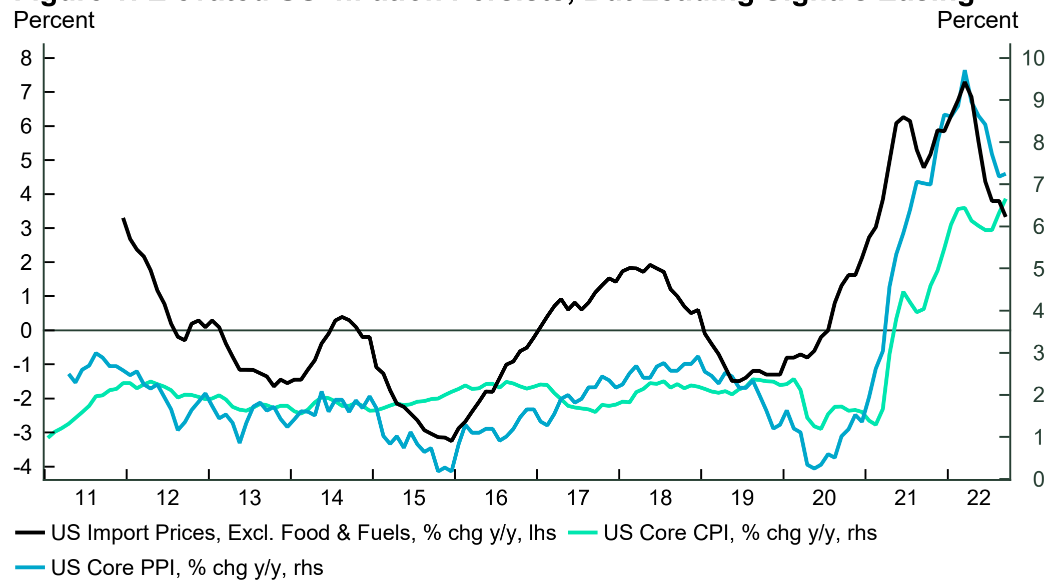
Do these three examples mean we simply can't trust the data anymore? Not at all. But we've always said that no data series (and certainly no single data point) should be trusted blindly. Rather, every release should be seen in the context of the broader data flow and broader macro backdrop. To us, the macro landscape is one of slowing demand and improving supply. It is because of this that, despite persistent disappointments on current inflation readings, we continue to hold onto the unfolding disinflation narrative. Time will tell; we certainly hope it will support our interpretation!

For now, there is no denying that consumer price inflation remains extremely and uncomfortably high. The headline measure eased only a tenth to 8.2% y/y in September, while the core measure accelerated three tenths to 6.6% y/y, the highest level since 1982. Core goods inflation has roughly halved from its February peak to stand at 6.6% y/y, but services inflation has accelerated to 6.7% y/y, the highest level since 1982.

Import and producer prices came in largely in line with expectations in September. Both inflation measures have clearly peaked. **Import price** inflation decelerated 1.8 percentage points (ppts) to 6.0% y/y, the lowest level since February 2021. The moderation in oil prices has helped the deceleration, but it is important to acknowledge that the improvement is actually broad-based. Prices of imported industrial supplies, for example, have posted three consecutive sizable monthly declines. Meanwhile, import prices from China—which had risen sharply in 2021 and early 2022—have since softened. Indeed, they are now only 2.0% higher than a year earlier, having peaked at 4.9% y/y in March.

Producer price inflation (final demand) decelerated 0.2 percentage points (ppt) to 8.5% y/y in September, a tenth less than expected but otherwise the lowest level since July 2021. Unlike the prior two months, there was no relief from energy (+0.7% m/m). Food prices jumped as well, up 1.2% m/m. As such, overall goods prices rose 0.4%, matching the increase in services prices. Goods PPI inflation stands at 11.3% y/y versus 6.8% y/y for services inflation. The former peaked at 17.7% y/y in June and is now the lowest since May 2021. Services PPI inflation, on the other hand, accelerated three tenths from August's ten month low. However, we do not believe a sustained new uptrend is unfolding. Both core PPI inflation measures were unchanged during the month. The traditional core (ex food and energy) was unchanged at 7.2% y/y, and the alternative core (excluding food, energy, and trade services) was steady at 5.6% y/y.

Figure 1: Elevated US Inflation Persists, But Leading Signals Easing



Sources: SSGA Economics, BLS

There is still far more caution than optimism in the **NFIB small business survey** so we can only describe its overall message as tentative improvement. Concerns about inflation appear to be receding at the margin, it seems that it is getting a little easier to hire, and respondents are becoming a little less pessimistic about whether now is a good time to expand. Still, small businesses are far from upbeat. Assessments of general business conditions six months hence have revived a little but, aside from this year's record lows, are still at the worst levels ever. On the brighter side, the headline survey measure improved 0.3 point to 92.1. While small, this was the third consecutive gain and marked the longest such streak since April 2021. Employment and capex improved, and hiring plans rose. The share of respondents saying they have open positions unable to fill remains historically elevated but eased to the lowest level since June 2021. Perhaps due to this, both current compensation and compensation plans measures softened to their lowest levels since February 2022 and May 2021, respectively. A similar dynamic is playing out in the price measures. The actual price metric slid to the lowest since September 2021 and the price plans metric retreated to the lowest since January 2021. In the past, these measures have been pretty reliable leading indicators of inflation. While current inflation prints remain extremely elevated, we continue to believe in the disinflationary signal sent by these NFIB survey metrics.

The preliminary October reading for the **Michigan consumer confidence** survey indicated a larger than expected 1.2-point improvement in the headline, now at a six-month high of 59.8. All of this was due to a 5.6-point jump in the current situation, also at a six-month high, but expectations deteriorated slightly. Perhaps more importantly given the acute focus on inflation indicators, both inflation expectations turned higher. Long-run (5-10 years) expectations, which had eased to a seventeen-month low of 2.7% in September, ticked back up to 2.9%, matching the July-August readings. Short term (1 year) inflation expectations increased for the first time since March, up 0.4 ppt to 5.4%. The combination of the higher than expected CPI print and the move higher in the Michigan inflation expectations data cements another big rate hike at the November 2 meeting.

On the whole, the September **retail sales** report was a little better than expected. At first glance, total retail sales disappointed with a flat print, but half of this was offset by a slight upward revision to the August data. Control sales (excluding food services, building materials, autos dealers and gas stations) slightly beat expectations with a 0.3% monthly gain, even as the August data was revised to show as 0.2% gain (originally no change). were definitely on the weak side, being flat in August even as the July gain was revised down to half the original estimate. Sector performance was mixed and we are disinclined to read too much into monthly changes seeing revisions to some of the components such as furniture have been sizable of late.

Having bottomed at 166,000 in mid-March, **initial unemployment claims** moved steadily higher and reached 261,000 in mid-July. That uptrend was subsequently interrupted and reversed, with claims back down to 190,000 by the latter part of September. Now, another leg higher may be starting. Initial claims rose to 228,000 in the week ended October 8, while continuing claims rose slightly to 1.368 million in the week ended October 1. We suspect further increases ahead given that layoffs appear to be on the rise again.

Canada

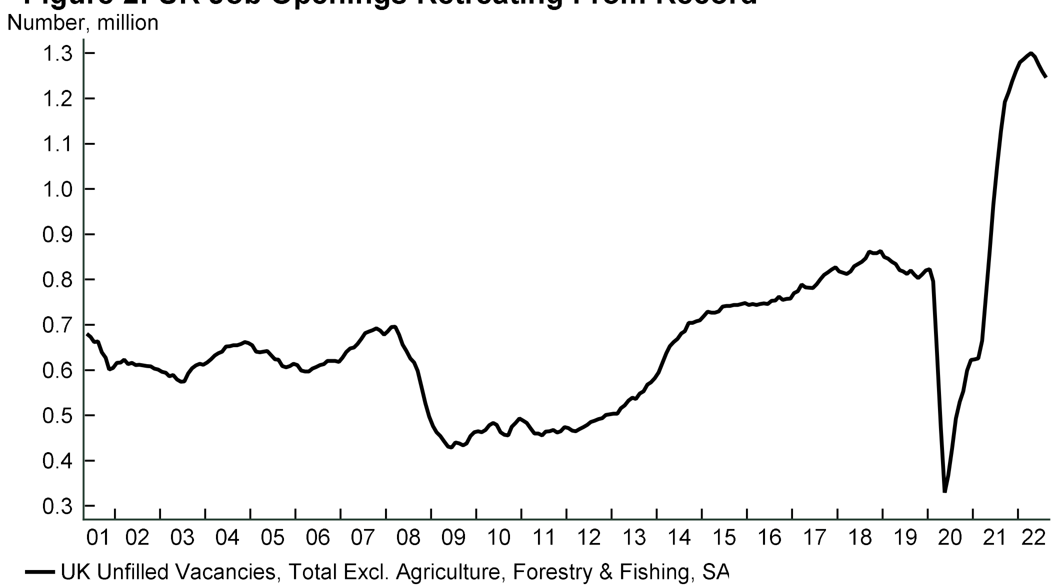
Existing home sales declined by 3.9% in September, nearly four times worse than expected. Sales activity has steadily declined in response to Bank of Canada's rate hiking cycle such that sales levels are now down by about a third from a year earlier. Newly listed properties declined 0.8% during the month but given lower sales, inventory is actually up noticeably from the start of the year (3.7 months' worth of sales compared with 1.7 in early 2022). Prices are also moderated: they declined 1.4% in September and are only 3.3% higher than a year earlier.

Manufacturing sales declined 2.0% in August to C$ 70.4 billion on lower petroleum and coal prices and volumes; the fall is slightly more than the consensus expectations of -1.8%. However, overall sales were still 15.9% higher than in August 2021.

UK

The latest data continue to point to a very tight labor market, although there are some signs of erosion on the margin. The **unemployment rate** declined to a record low of 3.5% in the June-August period, and while this was partially due to a decline in the economic activity rate, the level is exceedingly low. Meanwhile, total wage growth accelerated half a percentage point to 6.0% y/y in the three months to August, although, this, too, was biased higher by a very strong June print. On a single-month basis, total wage growth was unchanged at 5.8% y/y in August. Regular pay growth (excluding bonuses) ticked up two tenths to 5.4% y/y in June-August. That said, some indicators point to some softening in labor demand. **Vacancies** declined for the fourth consecutive month and the number of unemployed increased by the most since February 2021. It seems hard to imagine that the outlook for the labor market doesn't worse from here.

Figure 2: UK Job Openings Retreating From Record



Sources: Macrobond, SSGA Economics, ONS

The rate of decline in UK **industrial production** is accelerating. Output plunged 1.8% m/m in August as mining crashed 8.2% and manufacturing dropped 1.6%. This left overall output 5.2% lower than in August 2021.

For yet another week, however, the macro data has been completely overshadowed by policy announcements. This week was all about walking back earlier fiscal policy announcements and a new face at the helm of the Treasury in a frantic bid to restore confidence. Prime Minister Truss shelved the earlier plan to cancel an increase in corporate tax rates scheduled for 2023. Given the chaos so far, one can only anticipate more adjustments.

Eurozone

We thought that the German pullback in industrial production in August would undermine the regional aggregate but strength elsewhere helped **eurozone industrial production** gain 1.5% that month. The much better than expected performance was made possible by, among others, a 2.3% surge in ***Italian* industrial production**. If only this buoyancy could continue…

Japan

Price pressures continue to build in Japan, made worse by the weak yen. Headline **producer prices** rose more than twice as forecast at 0.7% m/m in September, which translated to 9.7% y/y, just shy of 9.8% in April, the highest rise since 1980. Furthermore, import prices rose 48.0% y/y in yen terms, almost five percentage points higher than in August, while they fell to 21.0% from 22.3% on a contract currency basis. The weak yen is negating the benefits of falling global commodity prices.

Prime Minister Kishida on Friday announced power bill subsidies to start from January next year and extended gasoline subsidies; without giving more details. Cold weather and likely elevated coal and gas prices may keep electricity prices under pressure. The magnitude of the impact is unknown yet, but we expect price pressures to intensify over the period. The yen is trading above August intervention levels and near the psychologically important 150 against the US dollar.

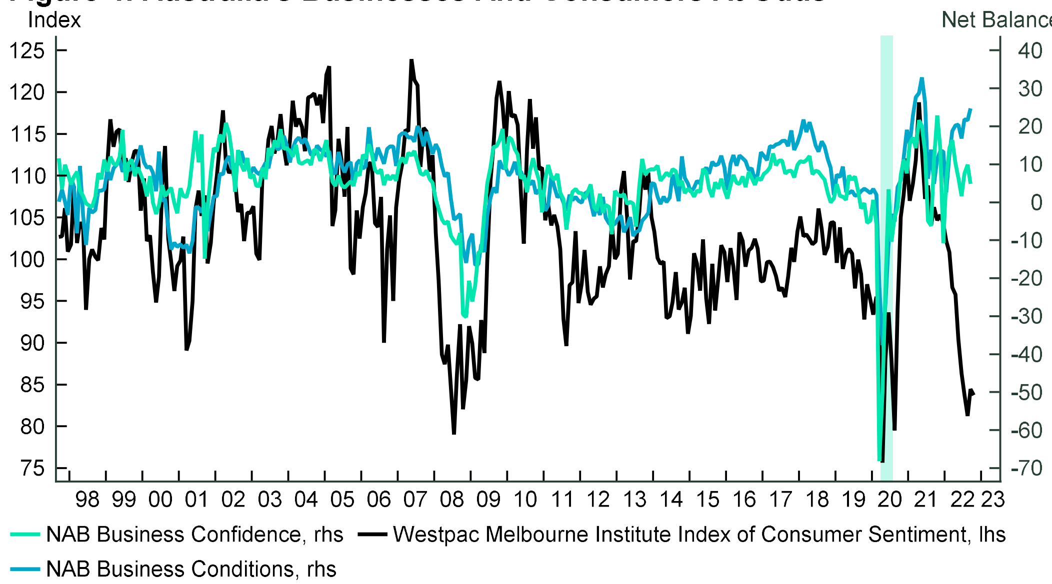
Following a 5.3% surge in July, **core machine orders** declined 5.8% in August. Unsurprisingly, the fall was led by non-manufacturers, whose core orders fell by 21.4% after spiking 15.1% in the previous month. Furthermore, overseas orders fell 18.9% as external demand moderated; nonetheless, total orders are still 12.9% above their long-term trend, which will support growth.

Australia

Australia's **NAB business conditions** improved three points to 25 in September thanks to buoyant trading conditions, which rose 9 points to 39. **Business confidence** eased slightly to 5 in September from 10 previously but still sits near the long-run average. The September report underscored persistently high demand and highlighted the view that businesses thus far have been resilient to rate hikes. Forward-looking indicators of the survey are also robust, with forward orders at 15 and capex at 17, indicating that businesses are actively investing in themselves amidst solid demand.

However, consumer sentiment continues to paint a different picture; the **Westpac consumer sentiment** fell 0.9% to 83.7 in October, remaining near historic lows but averting a much bigger fall. Respondents surveyed after the RBA's smaller-than-expected hike were 14.7% better than those surveyed before; the index would have been at 88.7 without those surveyed before the rate hike. Nonetheless, all survey metrics remain pessimistic, with the 'time to buy a major household item' sub-index at 85.4, much lower than its long-term average of 126.

Figure 4: Australia's Businesses And Consumers At Odds



Sources: SSGA Economics, Melbourne Institute of Applied Economic & Social Research, NAB

Separately, RBA assistant governor Luci Ellis spoke this week and assessed that the nominal neutral rate could be between 3.0-4.5%, somewhat higher than Governor Lowe's previous assessment between 2.5-3.5%. Although Dr. Ellis stressed that the neutral rates are uncertain and that "…we are better served by paying more attention to the ground as it shifts beneath our feet", with the current policy rate below the estimated nominal r*, the RBA may hike further out into 2023, taking the cash rate target to 3.6%.

Week in Review (October 10 – October 14)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, October 10					
AU	Westpac Consumer Conf Index (Oct)	na	83.7	84.4	Near record low.
AU	NAB Business Confidence (Sep)	na	5	10	Near long-term average.
Tuesday, October 11					
US	NFIB Small Business Optimism (Sep)	91.6	92.1	91.8	It seems to be getting easier to hire.
UK	Average Weekly Earnings (Aug, y/y)	5.9%	6.0%	5.5%	Robust.
UK	ILO Unemployment Rate (Aug, 3m)	3.6%	3.5%	3.6%	Resilient so far.
IT	Industrial Production (Aug, m/m)	-0.1%	2.3%	0.5% (↑)	Pleasant surprise.
JN	Core Machine Orders (Aug, m/m)	-2.8%	-5.8%	5.3%	Overseas orders slowing.
Wednesday, October 12					
US	PPI Final Demand (Sep, y/y)	8.4%	8.5%	8.7%	In downtrend.
UK	Industrial Production (Aug, m/m)	-0.1%	-1.8%	-1.1% (↓)	Down 5.2% y/y.
EC	Industrial Production (Aug, m/m sa)	0.7%	1.5%	-2.3%	Pleasant suprise.
JN	PPI (Sep, y/y)	8.9%	9.7%	9.0%	Weak yen adding price pressures.
Thursday, October 13					
US	Initial Jobless Claims (08 Oct, thous)	225	228	219	Rising again.
US	Continuing Claims (01 Oct, thous)	1,365	1,368	1,365 (↑)	Rising again.
US	CPI (Sep, y/y)	8.1%	8.2%	8.3%	Core rose to 6.6%.
GE	CPI (Sep, y/y, final)	10.0% (p)	10.0%	7.9%	Sigh…
Friday, October 14					
US	Retail Sales Advance (Sep, m/m)	0.2%	0.0%	0.4% (↑)	Core sales did better than expected.
US	Import Price Index (Sep, y/y)	6.2%	6.0%	7.8%	Broad-based moderation.
US	Business Inventories (Aug, m/m)	0.9%	0.8%	0.5% (↓)	Growing…too much?
US	U.of Mich. Sentiment (Oct, prelim)	58.8	59.8	58.6	Inflation expectations ticked higher.
CA	Manufacturing Sales (Aug, m/m)	-1.8%	-2.0%	-0.6% (↑)	Moderating on lower commodity prices.
CA	Existing Home Sales (Sep, m/m)	-1.0%	-3.9%	-1.0%	Low sales activity.
FR	CPI (Sep, y/y, final)	5.6% (p)	5.6%	5.9%	Stabilizing measures.

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

Week In Preview (October 17 – October 21)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, October 17				
US	Empire Manufacturing (Oct)	-4.0	-1.5	
JN	Tertiary Industry Index (Aug, m/m)	0.3%	-0.6%	Could come in higher than consensus.
JN	Industrial Production (Aug, m/m, final)	2.7% (p)	0.8%	Could remain high.
JN	Capacity Utilization (Aug, m/m)	na	2.4%	Could remain high.
Tuesday, October 18				
US	Industrial Production (Sep, m/m)	0.1%	-0.2%	
US	Capacity Utilization (Sep)	79.9%	80.0%	
US	NAHB Housing Market Index (Oct)	43	46	7.0% mortgage rates are a huge hurdle for housing sector.
CA	Housing Starts (Sep, thous)	261.9	267.4	Could come in lower than consensus on higher rates.
GE	ZEW Survey Expectations (Oct)	-66.6	-61.9	When will it find a bottom?
Wednesday, October 19				
US	Housing Starts (Sep, thous)	1,468	1,575	
US	Building Permits (Sep, thous)	1,530	1,542	
CA	Industrial Product Price (Sep, m/m)	-0.8%	-1.2%	Could trend low.
CA	Raw Materials Price Index (Sep, m/m)	-3.6%	-4.2%	Could trend low.
CA	CPI (Sep, y/y)	6.8%	7.0%	Can be sticky.
UK	CPI (Sep, y/y)	10.0%	9.9%	
EC	CPI (Sep, y/y, final)	10.0% (p)	9.1%	
AU	Unemploymnet Rate (Sep)	3.5%	3.5%	Labor market could remain tight.
Thursday, October 20				
US	Initial Jobless Claims (15 Oct, thous)	230	228	
US	Continuing Claims (08 Oct, thous)	1,380	1,368	
US	Philly Fed Business Outlook (Oct)	-5.0	-9.9	
US	Existing Home Sales (Sep, m/m)	-2.2%	-0.4%	
US	Leading Index (Sep, m/m)	-0.3%	-0.3%	
CA	Teranet/National Bank HPI (Sep, y/y)	na	11.5%	
UK	GfK Consumer Confidence (Oct)	-52.0	-49.0	
GE	PPI (Sep, y/y)	44.7%	45.8%	
FR	Business Confidence (Oct)	101	102	
JN	National CPI (Sep, y/y)	2.9%	3.0%	Upside surprise expected.
Friday, October 21				
CA	Retail sales (Aug, m/m)	0.1%	-2.5%	
UK	Retail Sales Inc Auto Fuel (Sep, m/m)	-0.5%	-1.6%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Apr	May	Jun	Jul	Aug
US	Target: PCE price index 2.0% y/y	6.4	6.5	7.0	6.4	6.2
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	6.8	7.7	8.1	7.6	7.0
UK	Target: CPI 2.0% y/y	9.0	9.1	9.4	10.1	9.9
Eurozone	Target: CPI below but close to 2.0% y/y	7.4	8.1	8.6	8.9	9.1
Japan	Target: CPI 2.0% y/y	2.5	2.5	2.4	2.6	3.0
Australia	Target Range: CPI 2.0%-3.0% y/y	6.1	6.1	6.1		

Source: Macrobond

Key Interest Rates

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
US (top of target range)	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.75	2.50	2.50	3.25
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.50	1.00	1.00	1.50	2.50	2.50	3.25
UK (Bank Rate)	0.10	0.25	0.25	0.50	0.75	0.75	1.00	1.25	1.25	1.75	2.25
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	1.25
Japan (OCR)	-0.05	-0.02	-0.02	-0.01	-0.02	-0.02	-0.03	-0.04	-0.01	-0.04	-0.07
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.33	0.73	1.28	1.81	2.25

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2014	2015	2016	2017	2018	2019	2020	2021	Forecast 2022	Forecast 2023
US	-2.7	-2.5	-3.6	-4.1	-5.1	-5.7	-10.8	-9.5	-4.0	-5.3
Canada	-0.6	0.0	0.1	-0.3	0.0	-0.2	-8.6	-4.0	-2.7	-1.2
UK	-3.9	-3.6	-2.8	-2.3	-2.4	-2.7	0.5	-3.2	-4.3	-1.7
Eurozone	-0.7	-0.5	-0.5	-0.5	-0.3	-0.5	-4.3	-3.8	-3.5	-2.9
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-2.9	-3.0	-3.0	-1.8
France	-2.5	-2.1	-1.9	-1.9	-1.5	-2.1	-5.7	-5.1	-4.5	-4.8
Italy	-1.0	-0.6	-1.2	-1.5	-1.6	-0.9	-6.0	-5.1	-5.7	-3.6
Japan	-5.5	-4.2	-4.0	-3.4	-2.5	-2.6	-8.2	-6.3	-7.3	-3.2
Australia	-2.7	-2.6	-2.2	-1.6	-1.1	-4.0	-7.9	-6.2	-3.5	-3.1

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change						PPI Year/Year % Change				
	May	Jun	Jul	Aug	Sep		May	Jun	Jul	Aug	Sep
US	8.6	9.1	8.5	8.3	8.2		11.1	11.3	9.8	8.7	8.5
Canada	7.7	8.1	7.6	7.0			15.5	14.3	11.5	10.6	
UK	9.1	9.4	10.1	9.9			15.6	16.4	17.1	16.1	
Eurozone	8.1	8.6	8.9	9.1			36.2	36.0	38.0	43.3	
Germany	7.9	7.6	7.5	7.9	10.0		33.6	32.7	37.2	45.8	
France	5.2	5.8	6.1	5.9	5.6		25.0	25.3	26.2	27.7	
Italy	6.8	8.0	7.9	8.4	8.9		34.6	34.1	36.9	40.1	
Japan	2.5	2.4	2.6	3.0			9.2	9.5	9.1	9.4	9.7
Australia	6.1	6.1					5.6	5.6			

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22
US	1.7	0.7	1.7	-0.4	-0.1	12.5	5.0	5.7	3.7	1.8
Canada	-0.8	1.3	1.6	0.8	0.8	11.7	3.8	3.2	2.9	4.6
UK	6.5	1.8	1.6	0.7	0.2	24.3	8.5	8.9	10.9	4.4
Eurozone	2.0	2.2	0.5	0.7	0.8	14.4	3.7	4.6	5.4	4.1
Germany	1.9	0.8	0.0	0.8	0.1	10.2	1.8	1.2	3.5	1.7
France	1.0	3.4	0.5	-0.2	0.5	18.6	3.6	5.0	4.7	4.2
Italy	2.5	2.8	0.8	0.1	1.1	16.7	4.8	6.6	6.4	5.0
Japan	0.4	-0.4	1.0	0.1	0.9	7.3	1.2	0.5	0.9	1.4
Australia	0.6	-1.8	3.9	0.7	0.9	9.8	4.1	4.5	3.3	3.6

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	Apr	May	Jun	Jul	Aug	Apr	May	Jun	Jul	Aug
US	0.7	-0.1	0.0	0.5	-0.2	5.3	4.4	4.0	3.8	3.7
Canada	1.5	-0.8	0.1	0.5		7.2	6.4	4.3	4.6	
UK	-0.2	0.4	-0.3	-1.1	-1.8	-2.2	-3.4	-1.8	-3.1	-5.2
Germany	0.9	0.3	0.9	0.0	-0.8	-2.9	-1.7	0.1	-0.7	2.5
France	-0.3	0.3	1.2	-1.6	2.4	-0.8	-0.4	1.1	-1.2	1.2
Italy	1.3	-1.0	-2.0	0.5	2.3	3.4	3.4	-0.8	-1.1	2.6
Japan	-1.5	-7.5	9.2	0.8	2.7	-3.4	-4.7	-2.8	-1.2	3.4

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
US	4.2	3.9	4.0	3.8	3.6	3.6	3.6	3.6	3.5	3.7	3.5
Canada	6.1	6.0	6.5	5.5	5.3	5.2	5.1	4.9	4.9	5.4	5.2
UK	4.0	4.0	3.8	3.7	3.8	3.8	3.8	3.6	3.5		
Eurozone	7.1	7.0	6.9	6.8	6.8	6.7	6.7	6.7	6.6	6.6	
Germany	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.3	5.4	5.5	5.5
France	7.4	7.4	7.3	7.3	7.4	7.5	7.6	7.6	7.4	7.3	
Italy	9.0	8.8	8.7	8.5	8.3	8.2	8.0	8.0	7.9	7.8	
Japan	2.8	2.7	2.8	2.7	2.6	2.5	2.6	2.6	2.6	2.5	
Australia	4.6	4.2	4.2	4.0	3.9	3.9	3.9	3.5	3.4	3.5	

Source: Macrobond

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

	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22
US	-1.9	-2.0	-3.1	-3.2	-3.5	-3.4	-3.6	-3.8	-3.7	-4.6	-4.0
Canada	-1.6	-3.2	-1.1	-2.0	-0.8	0.1	-0.1	0.2	0.0	0.4	0.4
UK	0.2	-2.2	-1.1	-2.6	-6.6	-2.3	-1.2	-4.0	-0.5	-7.2	-5.5
Eurozone	1.5	0.4	1.2	2.2	2.9	3.6	3.2	2.4	0.9	0.6	-1.3
Germany	7.3	6.9	5.2	7.0	8.1	9.0	7.8	6.7	6.3	5.5	3.3
France	0.5	-1.3	-3.6	-2.0	-0.5	0.6	0.8	0.4	-0.4	-0.5	-1.9
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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Exp. Date: 10/31/2023