STATE STREET GLOBAL ADVISORS

October 15, 2021
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
US existing home sales to rebound. Canadian inflation set to accelerate. Retail sales to improve in the UK.

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The Economy

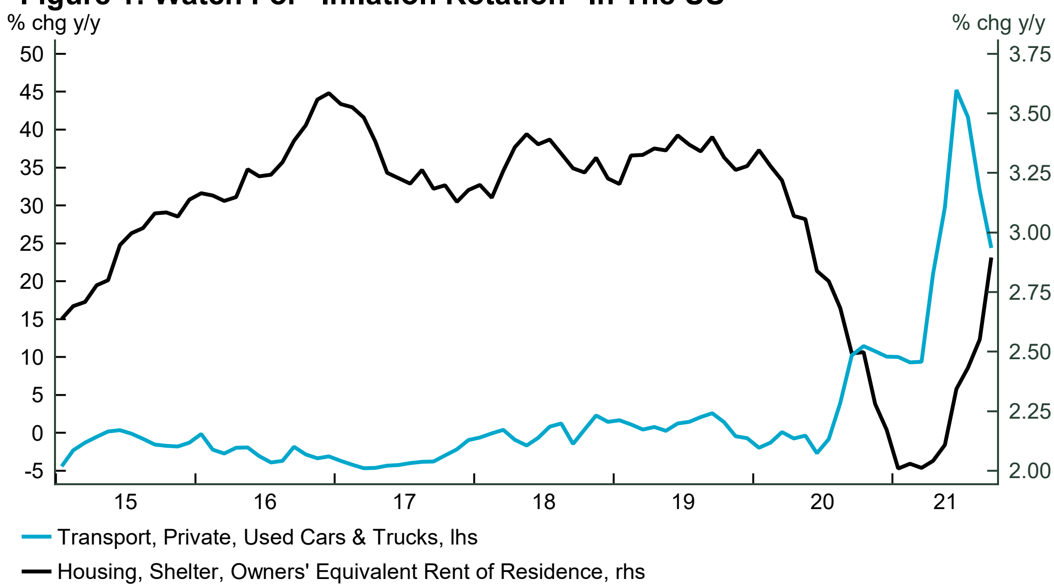
A decent week in both macro and markets.

US

The **Fed** is poised to taper asset purchases imminently. Although language in the September meeting **minutes** maintained some optionality between mid-November and mid-December as start points, we suspect the earlier timeline is more likely. There really is little to be gained by delaying, especially since the FOMC committee intends to completely wind-down purchases by around middle of 2022.

Inflation remains elevated and evidence of a near term peak still tentative. **Consumer price inflation** came in slightly stronger than expected in September, with the headline accelerating a tenth to 5.4% y/y and core inflation (excluding food and energy) unchanged at 4.0% y/y. The details hint at what we've come to term "inflation rotation", namely a process through which components that drove inflation during the economic reopening stage gradually pass the baton to other areas of the economy, such as housing. Indeed, housing-related costs increased 0.5%, the most since April. We look to shelter costs, particularly owners' equivalent rent to be a key driver of inflation in coming quarters as the rental market begins to close the gap with surging house prices. Owner equivalent rent was up a very strong 0.4% (and the result was rounded down!). Both food and energy were big contributors to inflation during the month; excluding food and energy, prices only rose 0.2% compared to the 0.4% overall gain. Apparel prices dropped 1.1%, airfare dropped 6.4%, and used car prices declined 0.7%, but new car prices rose 1.3%. Medical care costs were unchanged during the month, but education/communication rose a healthy 0.4%, leaving services prices up 0.3%.

Figure 1: Watch For "Inflation Rotation" In The US



Sources: SSGA Economics, BLS

One key area of focus in the debate around the transient (or otherwise) nature of inflation has to do with wages. While average hourly earnings hover above pre-Covid levels, it is unclear how much upward pressure on wages exists, and how long it will persist. The **NFIB small business survey** suggests there is quite a lot and likely to persist. It is likely part of the reason why small business sentiment just can't seem to regain its pre-Covid level. Indeed, the NFIB index unexpectedly retreated a point to a six-month low of 99.1 in September. Even though both sales and profits improved slightly, perceptions around general business conditions fell to the lowest level since 2012 and is, in fact, hovering close to historical lows. Both actual compensation and compensation plans touched new records as the share of respondents saying they have open position unable to be filled reached another record high. Unsurprisingly, the proportion of respondents saying they plan to raise prices in the next three months rose to the highest since 1979 and the second highest on record.

Retail sales surprised positively for the second consecutive month in September. Admittedly, as sales are reported in nominal terms, higher prices likely had a lot to do with this and the linkage to real consumer spending might be shakier than usual. Still, higher sales at the very least mean higher revenues for the businesses selling the products in question, and suggest that US consumers have the financial wherewithal to manage the price increases so far. We continue to believe that there remains a sizable amount of pipeline demand in the system whose materialization is currently being delayed by supply chain constraints and Delta-related concerns. Neither of these forces will linger indefinitely. The recent announcement that the US will open its borders for fully vaccinated international travelers from November 8 is another encouraging sign. So far, the travel channel has been only one way, with US consumers travelling overseas and supporting demand in destination economies, but no foreign tourists arriving in the US. It will certainly not be a game changer, but it will be a positive directional change. Returning to the September retail sales data: overall sales increased 0.7% in September (consensus anticipated a small decline!), with control sales (which exclude food services, building materials, autos dealers and gas stations) up 0.8%. Prior months were revised slightly higher. Gains were broad-based, with 11 out of 13 categories showing improvement. There was particular strength in clothing, sporting goods, gasoline, and miscellaneous goods category. Food/beverages at home rose 0.7% while sales at bars and restaurants increased a modest 0.3%. The good news is that they managed yet another incremental gain despite cooler weather than likely constrained outdoor activity in northern states; but of course this is tiny compared with the gains seen several months ago, suggesting that the Delta variant continues to weigh on the sector.

US consumer sentiment remains under pressure. After a shockingly large 10.9-point decline in August, the **Michigan consumer sentiment index** managed a 2.5-point improvement in September but gave back 1.4 of those points in the preliminary October reading. The current situation metric declined disproportionately, down 2.2 points; expectations eased 0.9 point. The inflation expectations signals were mixed: short term (1-year) inflation expectations rose two tenths to yet another cycle high of 4.8% and the highest since 2008. By contrast, long term (5-10 years) expectations eased two tenths to 2.8%.

The **Empire Fed manufacturing index** moderated more than expected in October, giving back nearly all of September's improvement. The headline dropped 14.5 points to 19.5, but remained in line with the average so far this year. There has been an unusual degree of volatility in the Empire index over the last few months as shipments swung widely from month to month, largely in response to reopening and supply chains buffeting activity. Indeed, an 18-point plunge in shipments drove much of the latest decline; we could well see the opposite next month, so we aren't overly alarmed. Notably, future expectations held up, with both new orders and shipments six months out seen higher. Additionally, it seems respondents anticipate some alleviation in supply chain pressures as inventory expectations six months out improved for the second consecutive month to stand at a six-month high. Price pressures are still intense and are expected to remain so.

Canada

Canadian **manufacturing sales** rose 0.5% in August, following a steep 1.2% decline in July. The 3.6% increase in June manufacturing sales was followed by a drop of 1.5% in July, below expectations. Sales of petroleum and coal (+7.3%), chemicals (+6.3) and primary metals (+3.3%) led the gains, which were partially offset by declines in wood products (-17.1%), motor vehicles (-8.7%) and motor vehicle parts (-10.5%). The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector rose to 77.5% in August from 75.7% in July on higher production. On an annual basis, sales were up 14.9% y/y.

Existing home sales increased slightly, by 0.9% in September. The number of newly listed properties were lower by 1.6%, the reduced supply causing the national sales-to-new listings ratio to tighten to 75.1%. The level of inventory was at 2.1 months down slightly from 2.2 months from August, indicating that the supply demand imbalance is normalizing. Prices were still higher though, with the Aggregate Composite MLS Home Price index rising 1.7% m/m.

UK

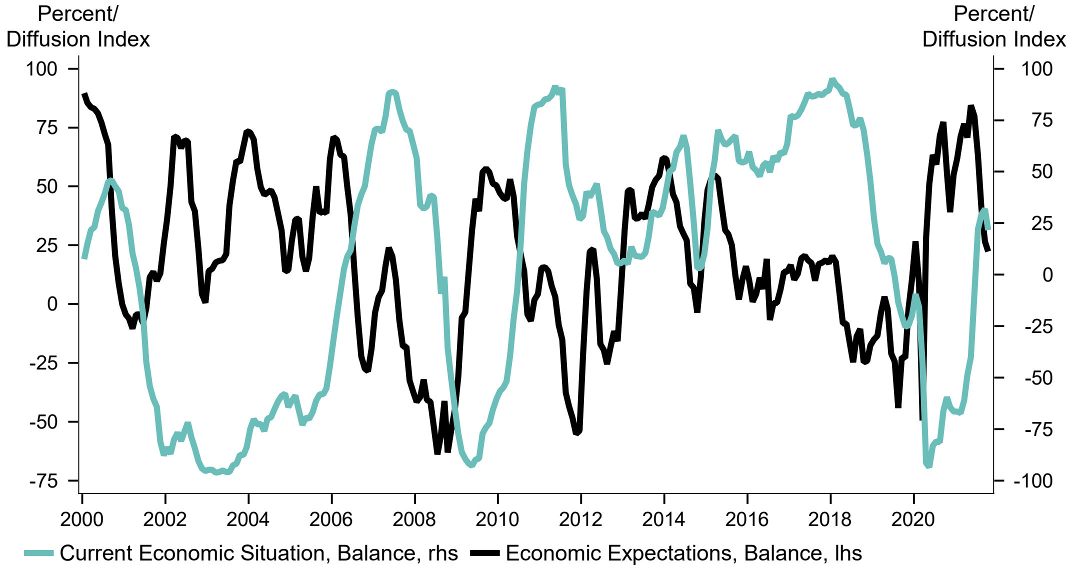
The **unemployment rate** declined to a year low of 4.5% in the three months to August, down one tenth from the three months to July and four tenths from the three months to May (the prior non-overlapping 3-month period that the UK statistics office recommends for comparisons). The number of payroll employees increased further in September by 207,000 to a record 29.2 million, returning to pre-covid level. Many industries have reported staff shortages as emigration, early retirement and furlough schemes limited labor supply. Job vacancies surged to a record 1.1 million in the three months to September, up nearly 30% from the early-2020 level. We are closely watching whether a tight labor market persists after end of September when furlough schemes expired. Total wages (including bonuses) increased by 7.2% y/y in the three months to August; excluding bonuses, wages rose 6.0% y/y.

Industrial production increased a larger than expected 0.8% in August. The rebound was driven by a huge 16% surge in mining output. Manufacturing increased by 0.5% , driven by an increase in 9 of the 13 manufacturing subsectors and led by a rise of 3.9% in of transport equipment. Elsewhere, electricity and gas was down 2.8% and water declined by 0.8%..

Eurozone

The ZEW German Investor Confidence index has been weakening for a few months now, and continued doing so in October. The economic expectations metric lost another 4.2 points to 22.3 (it stood at 84.4 in May). Moreover, assessments of the current situation also deteriorated notably, down 10.3 points to a four-month low.

Figure 2: Further Declines In German ZEW Index



Sources: ZEW (Centre for European Economic Research)

Japan

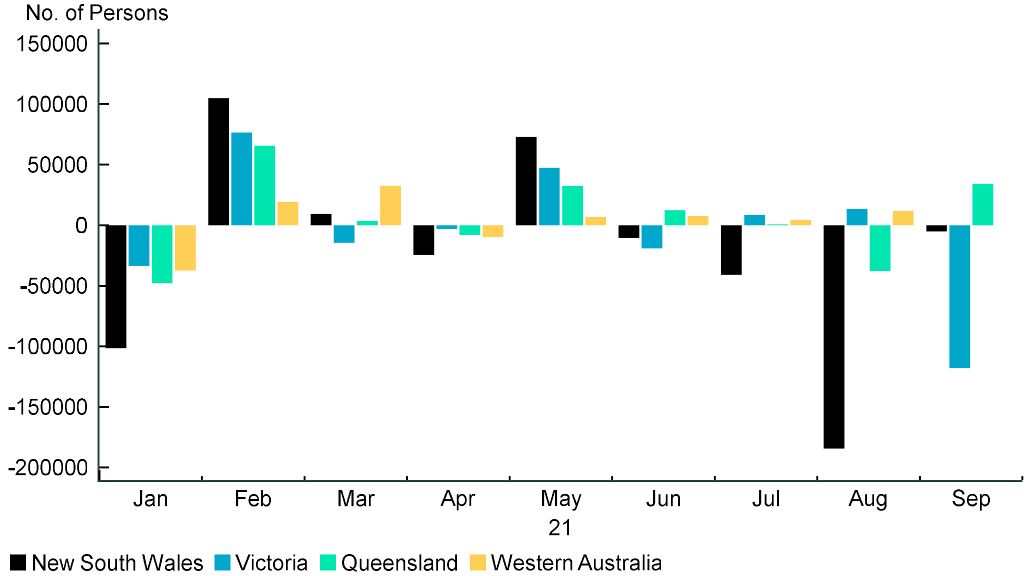
The domestic **corporate goods price index** (CGPI)—a measure of producer prices—rose 0.3% over September, having remained unchanged in August. Prices for petroleum and coal products increased again, at +0.9%, after a temporary decline in August. Other categories like lumber & woods, iron & steel showed notable increases as well. In annual terms, the index was up 6.3% y/y, the sharpest acceleration since September 2008. We expect high input prices to persist in the short term, following the global rally in commodity prices. However the sensitivity to consumer price inflation is limited in Japan, where producers cannot pass on higher prices to consumers as easily. Hence headline inflation is expected to remain muted even as input prices increase.

Contrary to expectations, **core machinery orders** (private sector orders other than for ships and electricity generating equipment) dropped 2.4% in August. Orders from the manufacturing sectors fell 13.5%, especially for food, paper products, non-ferrous metals, general purpose machinery and electrical machinery. Core orders from the non-manufacturing sectors increased 7.1%. Foreign orders—a leading indicator of capital goods exports—were down sharply by 14.7%.

Australia

Australia's labor market continued to reel under the impact of extended lockdowns and restrictions in September. **Employment** declined by 138,000, broadly in line with expectations. Victoria—which was put under lockdown in the previous month—saw the sharpest decline in employment (-3.5% m/m), followed by New South Wales (-0.6%). The participation rate decreased by 0.7 percentage points (ppts) to 64.5%, 1.3 ppts lower than in March. The unemployment rate edged up by one tenth to 4.6%, as the number of unemployed rose by 8,900. The underutilization rate (the number of persons unemployed and underemployed, expressed as a percentage of the labor force) increased slightly to 13.9%. Looking forward, the labor market should see a fairly rapid recovery once reopening commences over the rest of the year. The headline unemployment rate will probably rise a little over Q4 as laid-off workers return to the labor force.

Figure 3: Victoria Sees Significant Fall In Employment



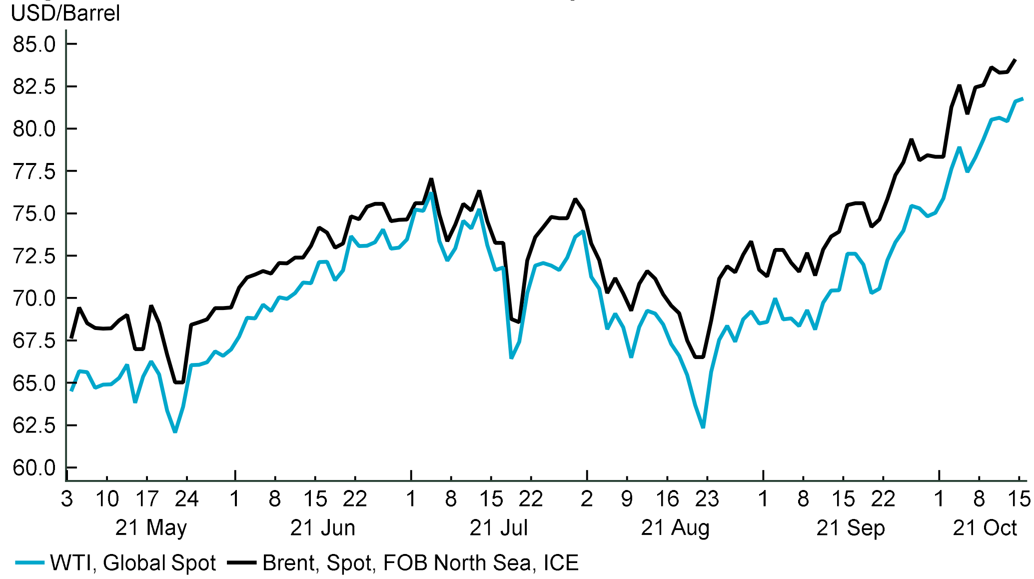
Sources: Macrobond, SSGA Economics, ABS

The **NAB business confidence index** rebounded strongly in September to +13 from -6 in August. This was because of massive improvements in confidence in New South Wales and Victoria which announced plans for reopening. Business conditions however, fell by 10 points to +5, just below the long average. Conditions were the weakest for the same states which showed optimism for the future, bogged down by the lockdowns and disruptions to activity. All components of conditions fell—with profitability (down 13 points to +2), and employment (down 7 points to +1) leading the decline.

The Market This Week

Oil prices kept rising on signs of tight supply over the next few months as soaring gas and coal prices lead to a switch to oil products.

Figure 4: Crude Prices Continue To Rally



Sources: Macrobond, SSGA Economics, ICE, SPDJI

Equities: Strong week for global equities.

Bonds: Not a bad week for bonds, either.

Currencies: Resource-based currencies including the AUD outperformed.

Commodities: Oil is up big again, gold swing sharply on inflation views.

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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®	4471.37	1.8%	19.0%	1.57	-4	66	93.958	-0.1%	4.5%
Canada	TSE 300	20928.1	2.5%	20.0%	1.59	-4	91	1.2365	-0.9%	-2.8%
UK	FTSE®	7234.03	2.0%	12.0%	1.11	-5	91	1.3758	1.1%	0.6%
Germany	DAX	15587.36	2.5%	13.6%	-0.17	-2	40			
France	CAC-40	6727.52	2.6%	21.2%	0.17	-2	51	1.1599	0.3%	-5.1%
Italy	FTSE® MIB	26489.18	1.7%	19.1%	0.87	-1	33			
Japan	Nikkei 225	29068.63	3.6%	5.9%	0.08	0	6	114.34	1.9%	10.7%
Australia	ASX 200	7361.977	0.6%	11.8%	1.71	7	74	0.7427	1.6%	-3.5%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	84.87	2.3%	65.9%	102.7%
Gold	US $/troy oz	Bloomberg	1767.3	0.6%	-6.9%	-7.2%

Source: Bloomberg®

Week in Review (October 11–October 15)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, October 11					
IT	Industrial Production (Aug, m/m)	-0.2%	-0.2%	1.0%(↑)	Ebb and flow.
Tuesday, October 12					
US	NFIB Small Business Optimism (Sep)	99.5	99.1	100.1	Six month low. Heavy cost pressures.
US	JOLTS Job Openings (Aug, thous)	10954	10439	11098(↑)	Record level of quits.
UK	ILO Unemployment Rate (Aug)	4.5%	4.5%	4.6%	Improving.
UK	Average Weekly Earnings (Aug, 3m y/y)	7.0%	7.2%	8.3%	Elevated.
GE	ZEW Investor Expectations (Oct)	23.5	22.3	26.5	Losing momentum.
JN	PPI (Sep, y/y)	5.8%	6.3%	5.8%(↑)	Highest growth rate since September 2008.
AU	NAB Business Confidence (Sep)	na	13	-6(↓)	Up on plans of reopening in NSW and VIC.
Wednesday, October 13					
US	FOMC Minutes				Taper seems imminent.
US	CPI (Sep, y/y)	5.3%	5.4%	5.3%	Stubbornly elevated.
UK	Industrial Production (Aug, m/m)	0.2%	0.8%	0.3%(↓)	Positive surprise.
EC	Industrial Production (Aug, m/m)	-1.7%	-1.6%	1.4%(↓)	Supply chain pain.
JN	Core Machine Orders (Aug)	1.4%	-2.4%	0.9%	Manufacturing orders drop sharply.
Thursday, October 14					
US	Initial Jobless claims (Oct 9, thous)	320	293	329(↑)	Covid-era low.
US	Continuing claims (Oct 2, thous)	2670	2593	2727(↑)	Normalizing.
US	PPI (Sep, y/y)	8.7%	8.6%	8.3%	Elevated.
CA	Manufacturing Sales (Aug, m/m)	0.3%	0.5%	-1.2%(↑)	A slight rebound.
JN	Industrial Production (Aug, final, m/m)	-3.2%(p)	-3.6%	-1.5%	Soft output data due to state of emergency.
AU	Unemployment Rate (Sep)	4.8%	4.6%	4.5%	Scarring from the lockdowns.
Friday, October 15					
US	U of Mich Cons Sentiment (Oct, prelim)	73.1	71.4	72.8	Has softened recently.
US	Retail Sales (Sep, m/m)	-0.2%	0.7%	0.9%(↑)	Boosted by higher prices, but still welcome.
US	Business Inventories (Aug, m/m)	0.6%	0.6%	0.6%(↑)	Slow rebuilding.
US	Empire Manufacturing (Oct)	25.0	19.8	34.3	Very volatile recently.
CA	Existing Home Sales (Sep, m/m)	na	0.9%	-0.5%	A rebound from August.

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

Week Preview (October 18–October 22)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, October 18				
US	NAHB Housing Market Index (Oct)	75	76	
US	Industrial Production (Sep, m/m)	0.2%	0.4%	Supply chain problems.
CA	Housing Starts (Sep, thous)	na	260.2	
Tuesday, October 19				
US	Building Permits (Sep, thous)	1680	1721(↓)	
US	Housing Starts (Sep, thous)	1610	1615	Pipeline of demand remains strong.
US	Monthly Budget Statement (Sep, $ bil.)	-180.0	-124.6	
AU	RBA Minutes		0.3%	Neutral stance.
Wednesday, October 20				
US	Fed Beige Book			
CA	CPI (Sep, y/y)	4.3%	4.1%	Broad pressure on prices.
CA	Teranet/National Bank HPI (Sep, y/y)	na	18.4%	
UK	CPI (Sep, y/y)	3.2%	3.2%	
EC	CPI (Sep, final, y/y)	3.4%(p)	3.0%	
JN	Trade Balance Adjusted (Sep, ¥bil.)	-686.8	-271.8	
Thursday, October 21				
US	Initial Jobless claims (Oct 16, thous)	300	293	
US	Continuing claims (Oct 9, thous)	2550	2593	
US	Existing Home Sales (Sep, m/m)	3.4%	-2.0%	Demand remains strong.
US	Leading Index (Sep, m/m)	0.4%	0.9%	Moderating.
US	Philadelphia Fed Business Outlook (Oct)	24.0	30.7	
FR	Business Confidence (Oct)	na	111	
IT	Industrial Sales (Aug, m/m)	na	0.9%	
Friday, October 22				
CA	Retail Sales (Aug, m/m)	1.9%	-0.6%	Shall we see a turn-around?
UK	GfK Consumer Confidence (Oct)	na	-13	
UK	Retail Sales (Sep, m/m)	0.6%	-0.9%	
UK	Manufacturing PMI (Oct, prelim)	na	57.1	
UK	Services PMI (Oct, prelim)	na	55.4	
EC	Manufacturing PMI (Oct, prelim)	na	58.6	
EC	Services PMI (Oct, prelim)	na	56.4	
GE	Manufacturing PMI (Oct, prelim)	na	58.4	
GE	Services PMI (Oct, prelim)	na	56.2	
FR	Manufacturing PMI (Oct, prelim)	na	55.0	
JN	CPI (Sep, y/y)	0.2%	-0.4%	Higher energy prices to impact headline.
JN	Manufacturing PMI (Oct, prelim)	na	51.5	
JN	Services PMI (Oct, prelim)	na	47.8	

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	3.6	4.0	4.0	4.2	4.3
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	3.4	3.6	3.1	3.7	4.1
UK	Target: CPI 2.0% y/y	1.5	2.1	2.5	2.0	3.2
Eurozone	Target: CPI below but close to 2.0% y/y	1.6	2.0	1.9	2.2	3.0
Japan	Target: CPI 2.0% y/y	-1.1	-0.8	-0.5	-0.3	-0.4
Australia	Target Range: CPI 2.0%-3.0% y/y	3.8	3.8	3.8		

Source: Macrobond

Key Interest Rates

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-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	-0.03	-0.01	-0.02	-0.04	-0.02	-0.03	-0.05	-0.04	-0.04	-0.05
Australia (OCR)	0.11	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	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				
	May	Jun	Jul	Aug	Sep	May	Jun	Jul	Aug	Sep
US	5.0	5.4	5.4	5.3	5.4	7.0	7.3	7.8	8.3	8.6
Canada	3.6	3.1	3.7	4.1		17.3	17.2	15.7	14.3	
UK	2.1	2.5	2.0	3.2						
Eurozone	2.0	1.9	2.2	3.0		9.6	10.3	12.4	13.4	
Germany	2.5	2.3	3.8	3.9	4.1	7.2	8.5	10.4	12.0	
France	1.4	1.5	1.2	1.9	2.2	6.7	7.3	8.4	9.5	
Italy	1.3	1.3	1.9	2.0	2.5	8.1	9.1	11.2	11.6	
Japan	-0.8	-0.5	-0.3	-0.4		4.9	5.2	5.8	5.8	6.3
Australia	3.8	3.8				2.2	2.2			

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change						Year/Year % Change				
	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21		Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
US	-8.9	7.5	1.1	1.5	1.6		-9.1	-2.9	-2.3	0.5	12.2
Canada	-11.3	9.1	2.2	1.4	-0.3		-12.6	-5.1	-3.1	0.3	12.7
UK	-19.6	17.4	1.1	-1.4	5.5		-21.4	-8.1	-7.1	-5.8	23.6
Eurozone	-11.7	12.6	-0.4	-0.3	2.2		-14.5	-4.0	-4.4	-1.2	14.3
Germany	-10.0	9.0	0.7	-2.0	1.6		-11.3	-3.7	-2.9	-3.1	9.4
France	-13.5	18.6	-1.1	0.0	1.1		-18.6	-3.6	-4.3	1.5	18.7
Italy	-13.1	15.9	-1.7	0.2	2.7		-18.2	-5.4	-6.6	-0.8	17.2
Japan	-7.9	5.4	2.8	-1.1	0.5		-10.1	-5.4	-0.8	-1.3	7.7
Australia	-7.0	3.6	3.2	1.9	0.7		-6.2	-3.6	-0.9	1.3	9.6

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	0.1	0.6	0.5	0.8	0.4		17.8	16.3	10.1	6.6	5.9
Canada	-0.8	-0.4	2.3	-1.1			17.6	12.3	9.6	5.1	
UK	-0.4	0.9	-0.6	0.2	0.8		29.8	23.4	10.3	4.4	3.7
Germany	-0.3	-0.8	-1.0	1.3	-4.0		27.7	16.6	5.4	6.1	1.6
France	-0.1	-0.4	0.4	0.5	1.0		44.0	20.5	7.1	3.9	3.9
Italy	1.7	-1.6	1.1	1.0	-0.2		78.3	21.2	13.8	7.2	-0.1
Japan	2.9	-6.5	6.5	-1.5	-3.6		15.9	21.1	23.0	13.3	7.1

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
US	6.7	6.7	6.3	6.2	6.0	6.1	5.8	5.9	5.4	5.2	4.8
Canada	8.6	8.8	9.4	8.2	7.5	8.1	8.2	7.8	7.5	7.1	6.9
UK	5.2	5.1	5.0	4.9	4.8	4.8	4.7	4.6	4.5		
Eurozone	8.1	8.1	8.2	8.1	8.1	8.2	8.0	7.8	7.6	7.5	
Germany	6.2	6.1	6.0	6.0	6.0	6.0	5.9	5.8	5.6	5.5	5.5
France	8.0	7.8	7.9	8.1	8.2	8.4	8.3	8.0	8.0	8.0	
Italy	9.6	9.8	10.2	10.1	10.0	10.1	9.9	9.4	9.3	9.3	
Japan	3.0	3.0	2.9	2.9	2.6	2.8	3.0	2.9	2.8	2.8	
Australia	6.8	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	7.1
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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