STATE STREET GLOBAL ADVISORS

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Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
A mixed inflation report expected in the US. UK labor market seen resilient. Core machine orders to slow in Japan.

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The Economy

A more balanced data week helps markets find a little footing.

US

We would describe the September **employment report** as solid but balanced. The payroll numbers were a tad better than expected, but this was offset by in-line wage growth and softish hours. Given the current context of acute concerns around inflation, perhaps the best news in this report was that it offered no new reasons to feed that panic.

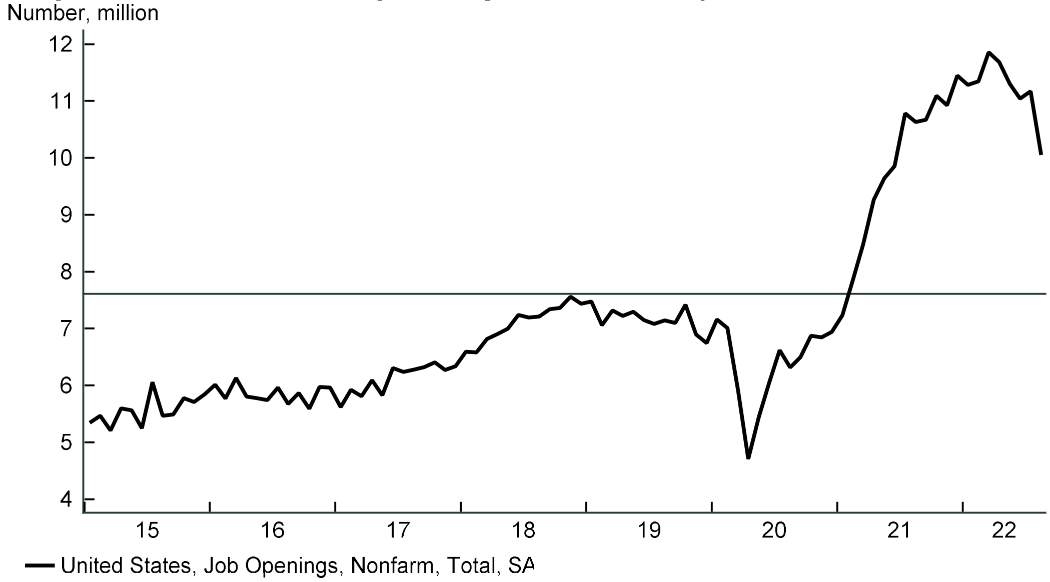
The economy added 263k jobs in September, in line with expectations of a 255k increase. The private sector added 288k and the government lost 25k. There was a small 22k upward revision to the prior two months. Goods producing sectors added 44k jobs, with construction up 19k and manufacturing up 22k, both in line with recent performance. Service industries added 244k, almost unchanged from August. However, there were some interesting developments in the sub-sector distribution. For example, whereas no main services sub-group experienced job losses in August, three did so in September: retail trade (-1.1k), transportation & warehousing (-7.9k) and financial activities (-8.0k). We've been waiting for this downshift to occur and believe there is more to come. Indeed, we wrote last month that the big surge in retail employment in August was "somewhat at odds with other indications that employment levels in the industry might have grown a little bloated". Transportation and warehousing employment is also more than 12% higher today than it was in January 2020. With goods demand slowing, it wouldn't be surprising to see hiring in this sector turn to modest firing before long, though the upcoming holiday season may attenuate and/or delay that adjustment. And, in the context of deteriorating financial markets, it seems more likely than not that the financial services industry will also demonstrate more hiring caution going forward. Healthcare and leisure & hospitality were the bright spots in September, adding around 80k each.

Following a huge increase in the labor force in August, the household report showed only a small pullback in September, with the labor force participation down a tenth to 62.3% as employment rose by 204k and unemployment declined by 261k. The **unemployment rate** declined two tenths to 3.5%.

The average workweek was flat, both in manufacturing and the overall economy. However, the rise in employment allowed aggregate hours worked to increase a modest 0.2% in both manufacturing and overall. Total **average hourly earnings (AHE)** rose 0.3% while AHE for production and non-supervisory employees rose 0.4%. These were identical with the August performance and allowed the two measures of wage inflation to moderate by two tenths each, to 5.0% y/y and 5.8% y/y, respectively. These were the lowest corresponding wage inflation prints since December 2021 and August 2021, respectively.

Last month we opened our JOLTS commentary by saying that "we admit to being rather perplexed by the July **job openings** data." That was because a previous trend of intensifying declines seemed to have been interrupted by upward revisions to earlier data and an initially reported 199,000 increase in July. The latest report, however, makes a lot more intuitive sense. It turns out that the July gain was a little smaller, at 130,000. By far the biggest news, however, was that openings reportedly plunged by 1.117 million in August. This is an inordinately large move for this series—monthly declines of this magnitude had only been previously recorded twice, in March and April of 2020. The level of openings, currently 10.053 million, remains extremely elevated historically, but is nonetheless the lowest since June 2021. The Fed has been trying hard to introduce some slack in the labor market in order to diminish inflationary pressures. This report is the first clear evidence that those efforts are yielding palpable results. To be fair, given the magnitude of the move and given sizable recent revisions, this report could still be revised to show a much smaller decline. At the same time, declines of this magnitude are not sustainable either; were they to persist for even 2-3 months, the labor market picture could very quickly change from one of extreme (but easing) tightness to something far less buoyant. As such, while declines of this magnitude are unlikely to persist, the downtrend should continue. During the month of August, hires were little changed and quits rose, although the latter only unwound half of the previous month's decline. The hiring rate retreated to 6.2%, the lowest since May 2021, and the quits rate was stable at 2.7% (twin-lowest since March 2021).

Figure 1: US Job Openings Plunge, But Still Very Elevated



Sources: SSGA Economics, BLS

Having surprised positively in the previous two months (though not quite as decisively as the headline metric suggested at the time), the **ISM manufacturing index** did the opposite in September. The headline dropped 1.9 points to 50.9, the lowest level since May 2020, when the manufacturing sector was emerging from the Covid-induced recession. New orders, which had rebounded in August following two prior months of contraction, dipped to 47.1, also the lowest level since May 2020. Similarly, employment had also briefly escaped contraction territory in August but returned there in September. The employment metric has now been below 50 in four of the last five months. In conjunction with the job opening data, which show manufacturing job openings falling below 800,000 in August (from just over a million back in April), this seems to be a clear signal that labor demand in the sector is softening. Inventories continue to build, backlogs are normalizing, and price pressures are easing. The price metric retreated to 51.7 in September, the lowest level since June 2020. It stood at 60.0 as recently as July and at 82.2 in May.

The resilience in the **ISM non-manufacturing index** over the last few months has been one of the brightest spots in the otherwise deteriorating US macro data flow. Admittedly, this has been at odds with softer readings in the similar survey from IHS Markit (now part of S&P Global), but the resilience is nonetheless there. It was still there in September, according to the latest release. The headline retreated just 0.2 point to 56.7, leaving it back to where it stood in July. There was more movement across the components however, with perhaps the biggest positive surprising coming from employment (+2.8 to 53.0 and highest since March) and export orders (+3.2 to 65.1 and highest since July 2021). The business activity (the old headline) and new orders grew at a slower pace than in August but remained very elevated at 59.1 and 60.6, respectively. Somewhat oddly, backlogs grew at a slower pace (and second slowest since March 2021). The price metric moderated for the fifth consecutive month, although it remains very elevated historically. From a shorter-term perspective, though, the 68.7 reading was the lowest since January 2021.

We have been expressing concerns around the consumer spending outlook in light of a dramatic decline in the personal saving rate this year (at 3.5% in the latest reading). That concern is further compounded by the steady rise in **consumer credit** in recent months, suggesting that even the consumption we've seen so far is financed not only by a drawdown in savings, but also by an increase in borrowing. The combination is troublesome and cannot persist indefinitely. Consumer credit rose by a larger than expected $32.2 billion in August, with revolving credit (mostly credit card debt) up by $17.2 billion. The latter marked the second largest increase in revolving credit this year. It is also one of the largest increases ever recorded.

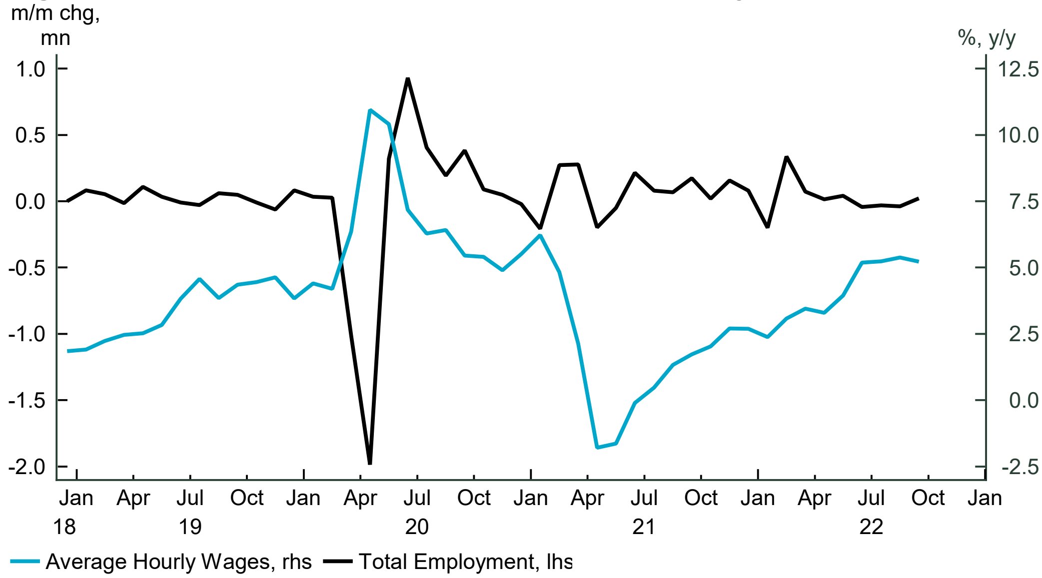
After a strong run for much of the year, **factory orders** appear to be softening a little. Having declined 1.0% in July, they were flat in August, though they remain 11.2% higher than a year earlier. Defense orders posted the second consecutive double-digit monthly jump in August but non-defense orders declined 2.7%. Durable goods orders retreated 0.2%, as previously reported. Core orders (non-defense capital goods excluding aircraft)—a leading indicator for business equipment investment (BEI) in the GDP accounts—surged 1.4%. This bodes well for third-quarter non-residential fixed investment.

Canada

The manufacturing PMI rose 1.1 point to 49.8 in September but remained in a contraction territory as output and new orders slid for the third month. Rising interest rates and softening economic conditions contributed to the pullback in orders. Moreover, price pressures continued to moderate as both the input and output price metrics touched 22-month lows. Nonetheless, BoC Governor Tiff Macklem stressed this week that there is 'more to be done' to curb inflation.

The labor market remains quite tight, although the 21.1k jobs added in September only unwound a fifth of the prior three months' losses. The September gains were driven by public sector employment which rose 35.0k while manufacturing sector lost 28k jobs. Hours worked declined by 0.6% and the unemployment rate eased two tenths to 5.2% as the labor force shrank. Average hourly wages rose 5.2% y/y, the fourth month above 5%, but below consensus and two-tenths less than in August.

Figure 2: Canada's Labor Market Is Near Full Employment



Sources: SSGA Economics, StatCan

Separately, the value of **building permits** in August rose 11.9% m/m to C$ 12.5 billion, higher than a 0.5% decline expected by consensus, driven largely by the residential sector, which rose 12% as permits in Ontario offset the other seven provinces. However, the July reading was revised further down to -7.3% m/m.

UK

There were no major data releases in the UK this week but nobody really cared about the data flow anyways. All eyes have been on the policy corner, specifically on fiscal policy. The government made some amendments to its original fiscal plan, helping to slightly calm frayed nerves among market participants. The situation remains fluid, however, and will likely remain so for some time, at least until the OBR (Office for Budget Responsibility) provides more clarity on the overall cost of the package later this month.

Eurozone

***German* factory orders** have been quite volatile in recent months, and prone to sizable revisions. That was the case again in August, when the incoming data disappointed expectations with a 2.4% decline, yet this was more than offset by a 3.0 percentage point (ppt) upward revision to the July growth figure. As such, it is perhaps best to not to read too much into any one data point but look more towards longer-term trends. These are clearly deteriorating. Orders were up 6.8% y/y in January-February but have since slowed such that they contracted 2.7% y/y during the first eight months of the year.

Unsurprising given the dramatic collapse in consumer confidence this year, ***German* real retail sales** are struggling. And, just as factory orders, they've been very volatile as well. Having jumped 1.9% in July, they fell 1.3% in August. Thanks to earlier strength, sales during the first eight months were essentially unchanged y/y.

Japan

We have been flagging a possibility of a consumption slowdown amid rising inflation and the recent data seem to substantiate this concern. **Real household spending** fell 1.7% m/m in August—the second consecutive decline—for the second month. Spending fell 13.0% in housing, 1.9% on food, 2.1% on fuel, light & water and 0.9% on furniture and rose 7.0% on medical care. Real spending was still 5,1% higher than in August 2022, although some of that growth reflects flattering base effects.

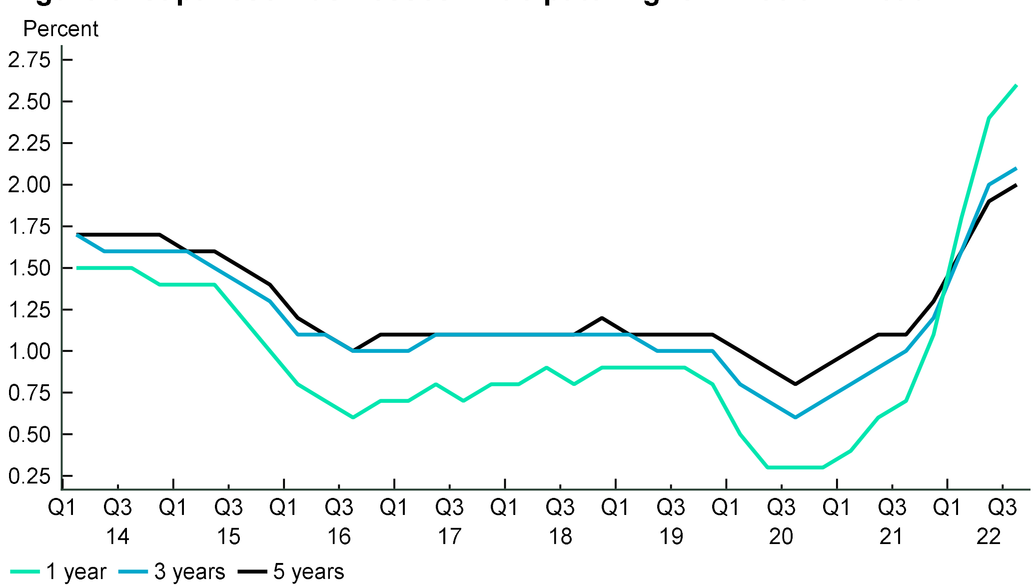
Furthermore, while nominal **labor cash earnings** rose 1.7% m/m in August, they declined by the same amount in real terms. Prime Minister Fumio Kishida is poised to unveil a new stimulus plan later this month but any outsized package without adequate funding could spark negative market reaction, as was the case in the UK.

The September **BoJ Tankan** survey showed mixed results as the large manufacturing diffusion index (DI) moderated one point to 8 in the last quarter, while consensus expected a one-point move in the opposite direction. On the other hand, the large non-manufacturing DI improved one point to 14, besting consensus expectations of no change.

However, the most striking outcome was **firms' capex plans** which rose to 21.5%, higher than the consensus expectation of 18.9% and 18.6% in the last quarter. This warrants a substantial contribution to growth from fixed investment in an upside risk to our 2022 growth forecast. Furthermore, inbound spending is expected to rebound sharply as Japan fully reopens for tourists.

We had written to length on higher consumer inflation expectations. Unsurprisingly given the weak yen and rising import costs, business inflation expectations are also on the rise. Firms now expect an average inflation of 2.6%, 2.1%, and 2.0% in the next one, three, and five years, respectively.

Figure 3: Japanese Businesses Anticipate Higher Inflation Ahead



Sources: SSGA Economics, BOJ

This view is supported by the September **Tokyo CPI** data**,** where the core-core CPI (ex-energy and fresh-food items) rose 1.7% y/y, one-tenth more than consensus and three-tenths more than in August. The headline rose 2.8% y/y, as expected and a tenth lower than August's 2.9%.

Separately, the final September **manufacturing PMI** was revised 0.2-point lower to 50.8 as new orders contracted at the fastest pace in two years; the weak yen is noted to have aided little in boosting exports as external demand slowed. Nonetheless, the **services PMI** was revised higher to 52.2 from 51.9.

Australia

In a surprise move, the RBA raised the **cash rate target** by 25 bps to 2.60%, half of consensus and our expectation. The top reasons behind this surprise were deteriorating global growth, confidence in range-bound wage growth, and a fear of overtightening following 250 basis points worth of hikes in the past six months. The RBA signaled further that future rate movements would depend on how the global economy and domestic wage-price conditions evolve. We continue to expect the cash rate target to reach 3.0% by December and peak at 3.60% in 2023, with risks skewed to the downside. However, given strong retail sales, a robust labor market, and a housing market largely on an even keel, the RBA may have to remain on a hiking trajectory for longer, considering the pivot to smaller rate hikes. Admittedly, a lot depends on incoming domestic and US inflation data. Should the incoming Aussie inflation data surprise to the upside and the US inflation remain sticky, the RBA may have to hike further out into 2023.

Building approvals surged 28.1% m/m in August, higher than 10.0% consensus, but the result was boosted by the more extremely volatile apartment sector, which essentially doubled following a big plunge the month before. That said, **new housing commitments** continued to slide on the impact of rising interest rates. Overall commitments fell 3.4% m/m in August to A$27.4 billion, down 17.5% from January's peak. Further, the **ANZ job ads** dropped 0.5% in September to about 240K, but remain about 27% higher than the pre-pandemic trend.

Separately, the **trade surplus** narrowed to A$8.3 billion in August, below consensus, but remains an astounding 3.4 times higher than the 10-year average. Exports rose 2.6%, primarily on strong external demand for coal. Imports rose 4.5%, driven by expensive fuel shipments, with the weaker Aussie likely offsetting falling international crude prices. We continue to see net exports driving growth in 2022, all the while taking cognizance of the alarming WTO report warning of a sharp slowdown in international trade next year and losing momentum in H2 2022. Global trade volumes are now seen to grow by 3.5% in 2022 and a meager 1.0% in 2023.

Week in Review (October 03 – October 07)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, October 03					
US	ISM Manufacturing (Sep)	52.0	50.9	52.8	Employment metric contracted.
US	Motor Vehicle Sales (Sep, mil, saar)	13.50	13.49	13.18	Still extremely constrained.
UK	Manufacturing PMI (Sep, final)	48.5 (p)	48.4	47.3	Soft.
EC	Manufacturing PMI (Sep, final)	48.5 (p)	48.4	49.6	Soft.
GE	Manufacturing PMI (Sep, final)	48.3 (p)	47.8	49.1	Soft.
FR	Manufacturing PMI (Sep, final)	47.8 (p)	47.7	50.6	Soft.
IT	Manufacturing PMI (Sep)	47.5	48.3	48.0	Soft.
JN	Tankan Large Mfg Index (Q3)	10	8	9	Soft.
JN	Manufacturing PMI (Sep, final)	51.0 (p)	50.8	51.5	Soft, but at least not in contraction.
AU	RBA Cash Rate Target (Oct)	2.85%	2.60%	2.35%	Dovish surprise.
Tuesday, October 04					
US	Factory Orders (Aug, m/m)	0.0%	0.0%	-1.0%	Still strong, but momentum has eased.
US	Durable Goods Orders (Aug, m/m, final)	-0.2% (p)	-0.2%	-0.1%	Core orders surged.
US	JOLTS Job Openings (Aug, thous)	11,088	10,053	11,170 (↓)	Massive decline.
Wednesday, October 05					
US	Trade Balance (Aug, $ bn)	-67.7	-67.4	-70.5 (↑)	Improving.
US	ISM Services (Sep)	56.0	56.7	56.9	Resilient.
CA	Building Permits (Aug, m/m)	-0.5%	11.9%	-7.3% (↓)	Driven by multi-family segment.
UK	Services PMI (Sep, final)	49.2 (p)	50.0	50.9	Deteriorating.
EC	Services PMI (Sep, final)	48.9 (p)	48.8	49.8	Deteriorating.
EC	Composite PMI (Sep, final)	48.2 (p)	48.1	48.9	Deteriorating.
GE	Services PMI (Sep, final)	45.4 (p)	45.0	47.7	Deteriorating.
FR	Industrial Production (Aug, m/m)	0.0%	2.4%	-1.6%	Welcome rebound.
Thursday, October 06					
US	Initial Jobless Claims (01 Oct, thous)	204	219	190 (↓)	Extremely low.
US	Continuing Claims (24 Sep, thous)	1,350	1,361	1,346 (↓)	Extremely low.
GE	Factory Orders (Aug, m/m)	-0.7%	-2.4%	1.9% (↑)	Soft print but offset by positive revision.
JN	Labor Cash Earnings (Aug, y/y)	1.4%	1.7%	1.8%	Strong.
Friday, October 07					
US	Change in Nonfarm Payrolls (Sep, thous)	255	263	315	As expected.
US	Unemployment Rate (Sep)	3.7%	3.5%	3.7%	Labor force participation down a tenth.
US	Consumer Credit (Aug, $ bn)	25.0	32.2	23.8	Consumption has become more credit driven.
CA	Unemployment Rate (Sep)	5.4%	5.2%	5.4%	Lower as participation edged down.
GE	Retail Sales (Aug, m/m)	-1.2%	-1.3%	0.7% (↓)	Weak.
GE	Industrial Production SA (Aug, m/m)	-0.5%	-0.8%	0.0% (↑)	Weak.
IT	Retail Sales (Aug, m/m)	0.0%	-0.4%	1.3%	Weak.
JN	Leading Index CI (Aug, prelim)	100.3	100.9	98.9	Steady.

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

Week In Preview (October 10 – October 14)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, October 10				
AU	Westpac Consumer Conf Index (Oct)	na	84.4	Could slip.
AU	NAB Business Confidence (Sep)	na	10	Could slip.
Tuesday, October 11				
US	NFIB Small Business Optimism (Oct)	91.8	91.8	It seems to be getting easier to hire.
US	Monthly Budget Statement (Sep, $bn)	na	-64.9	
UK	Average Weekly Earnings (Aug, y/y)	5.9%	5.5%	
UK	ILO Unemployment Rate (Aug, 3m)	3.6%	3.6%	
IT	Industrial Production (Aug, m/m)	0.2%	0.4%	
JN	Core Machine Orders (Aug, m/m)	-3.0%	5.3%	Moderation expected.
Wednesday, October 12				
US	PPI Final Demand (Sep, y/y)	8.4%	8.7%	
UK	Industrial Production (Aug, m/m)	-0.2%	-0.3%	
EC	Industrial Production (Aug, m/m sa)	0.7%	-2.3%	May dissappoint.
JN	PPI (Sep, y/y)	8.8%	9.0%	Could remain elevated.
Thursday, October 13				
US	Initial Jobless Claims (08 Oct, thous)	225	219	
US	Continuing Claims (01 Oct, thous)	na	1,361	
US	CPI (Sep, y/y)	8.1%	8.3%	
US	Real Avg Weekly Warnings (Sep, y/y)	na	-3.4%	
GE	CPI (Sep, y/y, final)	10.0% (p)	7.9%	
Friday, October 14				
US	Retail Sales Advance (Sep, m/m)	0.2%	0.3%	Softening.
US	Import Price Index (Sep, y/y)	6.2%	7.8%	Might not moderate quite as much.
US	Business Inventories (Aug, m/m)	0.9%	0.6%	Growing…too much?
US	U.of Mich. Sentiment (Oct, prelim)	59.0	58.6	
CA	Manufacturing Sales (Aug, m/m)	-1.2%	-0.9%	Could moderate on slowing demand.
CA	Existing Home Sales (Sep, m/m)	na	-1.0%	Could rise.
FR	CPI (Sep, y/y, final)	5.6% (p)	5.9%	

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	-3.5	-4.2	-5.2	-6.1	-10.4	-8.0	-5.3	-4.6
Canada	-0.6	0.0	0.1	-0.3	0.0	-0.2	-8.6	-3.6	-2.3	-1.3
UK	-3.9	-3.6	-2.8	-2.3	-2.4	-2.7	0.5	-3.2	-4.4	-2.0
Eurozone	-0.7	-0.6	-0.5	-0.5	-0.3	-0.5	-4.5	-4.0	-3.5	-2.3
Germany	1.2	1.2	1.2	1.1	1.6	1.3	-3.1	-2.6	-2.0	-0.5
France	-2.5	-2.1	-2.0	-1.9	-1.5	-2.1	-5.9	-5.9	-5.3	-3.4
Italy	-1.0	-0.6	-1.3	-1.6	-1.7	-1.0	-6.0	-4.6	-5.2	-3.7
Japan	-5.4	-4.2	-4.1	-3.3	-2.5	-2.5	-8.1	-6.9	-7.3	-3.3
Australia	-2.8	-2.6	-2.3	-1.6	-1.2	-4.1	-7.8	-7.7	-5.4	-3.6

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		Apr	May	Jun	Jul	Aug
US	8.6	9.1	8.5	8.3			11.2	11.1	11.3	9.8	8.7
Canada	7.7	8.1	7.6	7.0			17.0	15.5	14.3	11.5	10.6
UK	9.1	9.4	10.1	9.9			14.7	15.6	16.4	17.1	16.1
Eurozone	8.1	8.6	8.9	9.1			37.2	36.2	36.0	38.0	43.3
Germany	7.9	7.6	7.5	7.9	10.0		33.5	33.6	32.7	37.2	45.8
France	5.2	5.8	6.1	5.9	5.6		25.2	25.0	25.3	26.2	27.7
Italy	6.8	8.0	7.9	8.4	8.9		35.3	34.6	34.1	36.9	40.1
Japan	2.5	2.4	2.6	3.0			9.8	9.2	9.4	9.0	9.0
Australia	6.1	6.1					5.6	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	-0.1	1.3	-0.9	-0.3			1.6	1.9	2.3	1.1	
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	-1.2	-2.0	0.4			3.3	3.3	-0.9	-1.2	
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			
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	6.6	5.2	7.2	8.1	8.7	7.8	7.0	6.4	5.1	3.1
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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