October 8, 2021
Commentary

Weekly Economic Perspectives

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Spotlight on Next Week
US inflation to remain very elevated. The UK unemployment rate to ease slightly.

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The Economy

A mixed macro data but clear risk-on sentiment in markets.

US

For the second month in a row, we got an employment report that looked quite bad on the surface but much better under the hood. In another big downside surprise, **payrolls** increased by only 194,000 in September, not even half the expected rate. But that's pretty much where the bad news ended. Partly offsetting this disappointment was a big 169,000 upward revision to the prior two months, heavily concentrated in August. Given how unusual this period is for the labor market (start of school, end of supplemental benefits, Delta wave, etc.) above-average revisions should not be surprising. In fact, we wrote last month that "there was a large 134,000 upward revision to the prior two months, a reminder that the August data could itself be meaningfully revised". And, indeed, it was.

The other important point is that nearly the entire miss in the September report reflected a 123,000 decline in government employment, all of it driven by local government education employment. We would not look at this as representative of broad labor market trends. Rather, due to the Delta wave, it is likely that start-of-schoolyear hiring lagged typical patterns as not all schools returned to full in-person programs. But, with the Delta wave now easing and an emergency authorization for a Covid vaccine for children seemingly close at hand, we suspect the trend over the next few months will be towards more, not less, in person education, with all the auxiliary services that go with that. Meanwhile, private payrolls rose by 317,000, only slightly softer than in August. The goods-producing sectors surprised positively with a 52,000 gain. Manufacturing added 26,000 and construction added 22,000; the latter was the best since March. Perhaps now that lumber prices have normalized, builders are more comfortable starting work on projects. Services added 265,000, less than in August but not by a lot. And within the private sector, the main miss was once again in education/healthcare. Trade and transportation added 120,000 jobs, more than double the August rate and the strongest since June. Leisure and hospitality added 74,000, roughly double than in August but far below the April-July pace. Some slowdown in hiring here is to be expected as the sector retraces earlier losses, so we wouldn't consider the return to 350-400k range as the right benchmark for success.

The household survey had a more positive tone once again. In many ways, its dynamics were very similar to what we saw in August. The good news was that it showed a healthier 526,000 increase in employment—better than in August, actually. The bad news was that the participation rate declined a tenth to a three-month low of 61.6%. This is odd given the end of supplemental unemployment benefits, although it appears that the decline was disproportionately driven by the youngest age group, suggesting some drag from the school year starting. Unemployment declined by 710,000, driving a four-tenth decline in the unemployment rate to a pandemic low of 4.8%. The underemployment rate declined three tenths to 8.5%. it is probably fair to say that the payroll numbers themselves underestimate the strength of the September labor market, but that the **unemployment rate** prints overestimate it.

Perhaps the strongest bits of the report had to do with hours and wages. The average workweek increased by 0.6% (or 12 minutes), the first and largest increase since March, even though the manufacturing workweek was unchanged. There is a suggestion here that as employers struggle to hire new workers, they are more intensely utilizing the existing ones. Aggregate **hours** jumped 0.8%, the most since March. **Wages** came in strong as well. Overall average hourly earnings jumped 0.6%, the most since April, and wages for production and non-supervisory employees increased 0.5%. The two respective measures of wage inflation stand at 4.6% y/y and 5.5% y/y, respectively, materially higher than where the labor market was clearing pre-Covid. The combination of longer hours and stronger wages argues for a strong print on wage and salary income for September.

And, let us just say this: it would not be at all surprising to see payrolls explode higher over the next couple of months as the 8+ million people whose special unemployment benefits ended in September make their way back into the labor market. September might have been a transition month for them, but by October-November, an increasing number should have secured jobs (there are 11 million open positions, after all) and should show up in the official payrolls statistics. The November taper announcement should still be on.

Figure 1: US Wage Inflation Settling At Elevated Levels

Sources: SSGA Economics, BLS

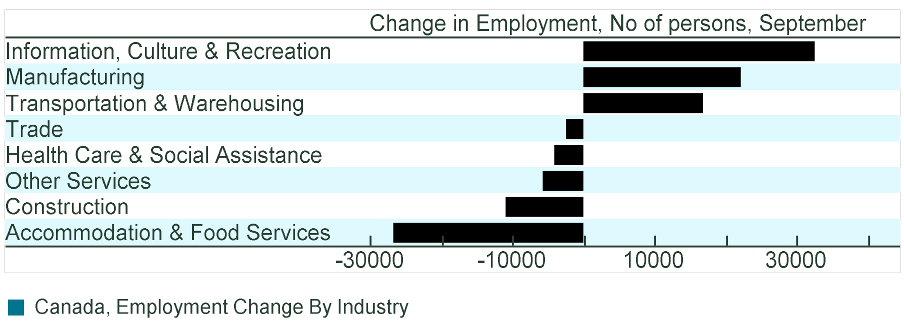
Despite Delta-variant headwinds, the services sector continues to impress. The **non-manufacturing ISM index** bucked expectations for a moderate decline to instead gain 0.2 points to 61.9, marking a record seventh consecutive month above the 60 level. The details were good, suggesting solid rates of expansion across a range of metrics. The business activity metric (the old headline) improved 2.2 points to 62.3 and new orders improved 0.3 to 63.5. Employment eased 0.7 points but, at 53.0, continues to indicate net new hiring. The price metric, which retreated from a record in August, reaccelerated in September (to 77.5). The August print made it seem as though pipeline inflationary pressures were peaking…but maybe they aren't just yet.

After surging in May and June, **consumer credit** growth has since moderated. Total consumer credit increased by 14.4 billion in August, the smallest gain since an outright contraction back in January. Both revolving and non-revolving credit moderated. With fewer houses and fewer cars being bought, the slowdown doesn't necessarily come as a surprise. We could see some reacceleration later in the year.

Canada

September marked a major milestone for Canada's labor market as employment finally returned to pre-pandemic levels. Employment increased by 157,000, with gains concentrated in full-time employment. The participation rate also increased to 65.5%, same as in February last year. As a result, the **unemployment rate** declined for the fourth consecutive month, down 0.2 percentage points to 6.9%, a post-pandemic low. Jobs in the service sector increased 142,000—led by public administration (+37,000), recreation (+33,000) and professional, scientific and technical services (+30,000). But employment in hospitality services fell for the first time in five months (-27,000), reflecting renewed restrictions in several provinces. We expect improvement in this sector, especially after restrictions on travelers from around the globe were eased on September 7, facilitating the arrival of tourists and new immigrants.

Figure 2: Hospitality Sector in Canada Hurt Again By Restrictions



Sources: SSGA Economics, StatCan

Supply continues to adjust to lower demand. The issuance of **building permits** decreased by 2.1% in August, the second consecutive fall. Permits fell 8.3% in the residential sector to the lowest since March, while non-residential permits were higher by 12.3%. Ontario and British Columbia saw notable declines.

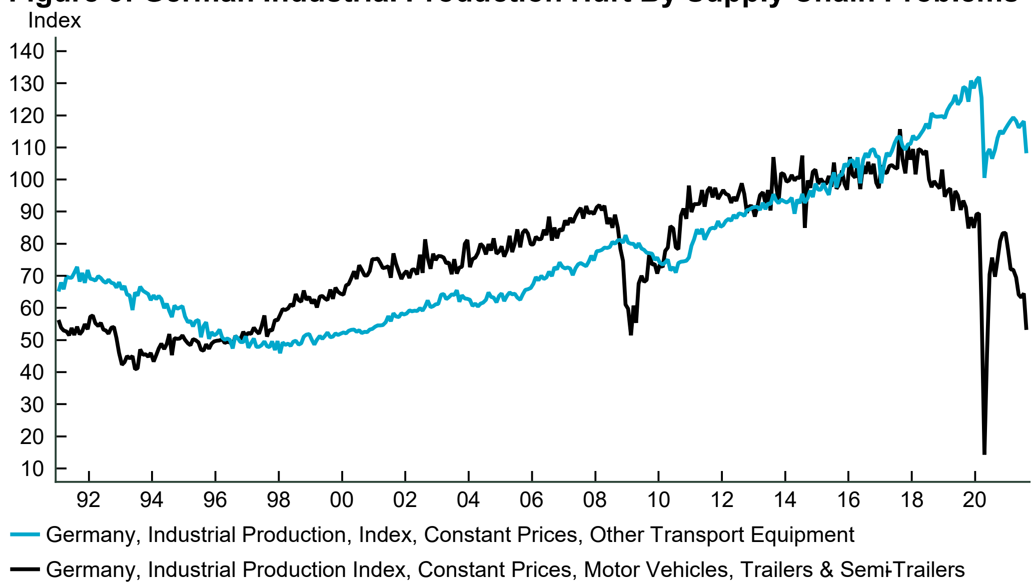
UK

Supply and staff shortages continued to hinder the recovery in the UK services sector, but the recovery continues nonetheless. The **services PMI** registered 55.4 in September, 0.8 ppt higher than the initial estimate and slightly better than the six-month low recorded in August. Naturally, the pace of expansion and incoming new business is slowing from the May-June peaks, but remain strong historically. Supply constraints and staff shortages means backlogs continued to increase, albeit at a marginally slower pace than in August. Employment also moderated, but only to a very strong 57.4, which bodes well for the labor market. Notably, both input and output price metrics strengthened, the latter up sharply to a record high of 61.6. This is sure to cause some unease among the members of the Monetary Policy Committee at the Bank of England.

Eurozone

***German* industrial production** (including construction) delivered a nasty downside surprise in August, when output plunged 4.0%. Manufacturing and mining were the main culprit, down a sharp 4.7% as supply chain constraints caused motor vehicle production to fall to decade lows (save from the early 2020 crash). It is painfully evident that the challenges around global supply chains are disproportionately impacting Germany's economy and delaying its full economic recovery. While Germany's higher reliance on manufacturing was an advantage in the early stages of the recovery, it has become a liability now. It won't remain one forever, though, and we should see a compensatory resurgence in production once the supply issues ease. Elsewhere, energy production increased 4.1% but construction declined 3.1%. Overall industrial production still managed a 1.6% y/y increase, though whether it can hold onto these gains in September is uncertain.

Figure 3: German Industrial Production Hurt By Supply Chain Problems



Sources: SSGA Economics, DESTATIS

Japan

Wage earnings accelerated marginally in August, increasing 0.7% y/y compared to 0.6% in July. Basic wages increased by 0.2%, slightly lower than July, while growth in overtime wages was also positive (+6.5%) but lower than the previous month. Special wages rebounded 2.0%. Real wages were higher by 0.2%.

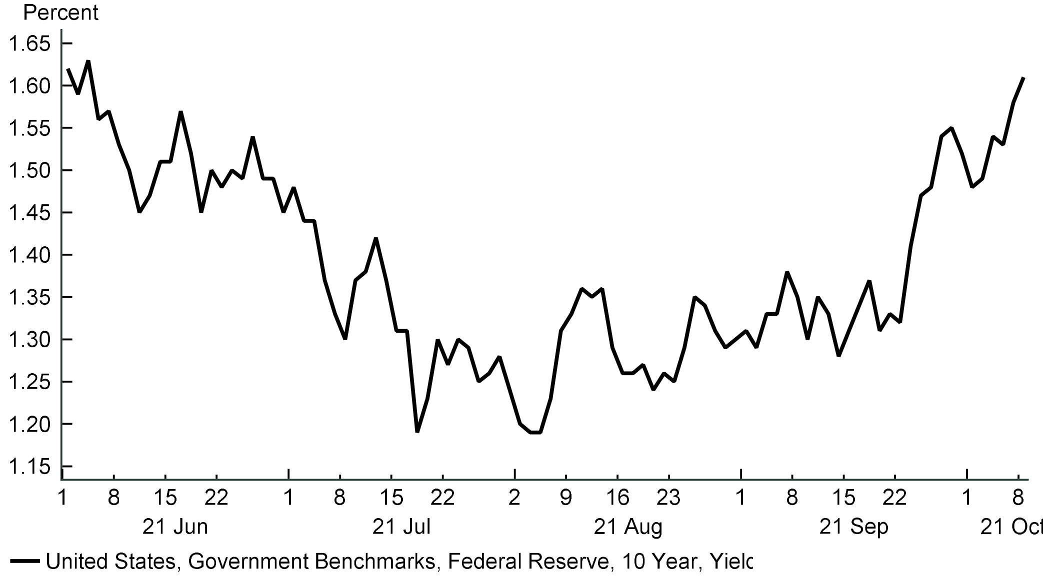
Australia

The **Reserve Bank of Australia** left its key policy parameters unchanged at the latest board meeting. The bank maintained a positive outlook on the medium term recovery, while acknowledging the disruptions from lockdowns in Sydney and Melbourne. The pace of asset purchases was confirmed at A$2 billion, pending a review in February 2022. The RBA has been talking about the implications of financial risks posed by rapid credit expansion and overheating of the housing market. They noted that "the Council of Financial Regulators has been discussing the medium-term risks to macroeconomic stability of rapid credit growth at a time of historically low interest rates. In this environment, it is important that lending standards are maintained and that loan serviceability buffers are appropriate.” Some macroprudential measures are likely to be introduced by the year end of this year, with APRA set to publish a framework soon. Restricting the proportion of high debt-to-incomes loans and/or increasing the interest rate buffer used in serviceability assessments (currently at +2.5%) seem to be the most likely options.

The Market This Week

US 10-year bond yields ended the week at 1.61, the highest level since early June. Despite the headline miss in the payrolls report, the market seems more focused now on Fed tapering and inflation signals that it has been over the summer.

Figure 4: US Bond Yield Move Higher Despite Payrolls Miss



Sources: SSGA Economics, U.S. Department of Treasury

Equities: Good week for equities, except in Japan.

Bonds: Global yields climb on inflation signals, monetary policy expectations.

Currencies: The Canadian Dollar strengthens on oil rally.

Commodities: Oil continues gains as OPEC+ decides not to increase supply.

10/8/21 7:15 PM

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®	4391.34	0.8%	16.9%	1.61	15	70	94.067	0.0%	4.6%
Canada	TSE 300	20416.31	1.3%	17.1%	1.63	16	95	1.2472	-1.4%	-2.0%
UK	FTSE®	7095.55	1.0%	9.8%	1.16	16	96	1.3615	0.5%	-0.4%
Germany	DAX	15206.13	0.3%	10.8%	-0.15	7	42			
France	CAC-40	6559.99	0.6%	18.2%	0.19	7	53	1.1569	-0.2%	-5.3%
Italy	FTSE® MIB	26051.01	1.7%	17.2%	0.88	6	33			
Japan	Nikkei 225	28048.94	-2.5%	2.2%	0.09	3	7	112.24	1.1%	8.7%
Australia	ASX 200	7320.091	1.9%	11.1%	1.64	15	67	0.7309	0.7%	-5.0%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	82.95	4.3%	62.1%	96.2%
Gold	US $/troy oz	Bloomberg	1757.13	-0.2%	-7.4%	-7.2%

Source: Bloomberg®

Week in Review (October 4–October 8)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, October 4					
US	Factory Orders (Aug, m/m)	1.0%	1.2%	0.7%(↑)	Good.
US	Durable Goods Orders (Aug, final, m/m)	1.8%(p)	1.8%	-0.1%	Good.
CA	Building Permits (Aug, m/m)	3.4%	-2.1%	-4.1%(↓)	Second monthly fall.
Tuesday, October 5					
US	ISM Services (Sep)	59.9	61.9	61.7	Impressive strength and resilience.
US	Trade Balance (Aug, $ bil.)	-70.8	-73.3	-70.3(↓)	Twin record high!
CA	Trade Balance (Aug, C$ bil.)	0.4	1.9	0.7	Higher exports, lower imports.
UK	Services PMI (Sep, final)	54.6(p)	55.4	55.0	Good.
EC	Services PMI (Sep, final)	56.3(p)	56.4	59.0	Good.
GE	Services PMI (Sep, final)	56.0(p)	56.2	60.8	Good.
FR	Industrial Production (Aug, m/m)	0.4%	1.0%	0.5%(↑)	Good; we want more.
JN	Services PMI (Sep, final)	47.4(p)	47.8	42.9	Gradual improvement.
AU	RBA Monetary Policy Decision	0.10%	0.10%	0.10%	Focus on financial risks.
Wednesday, October 6					
GE	Factory Orders (Aug, m/m)	-2.2%	-7.7%	4.9%(↑)	Oddly weak.
Thursday, October 7					
US	Initial Jobless claims (Oct 2, thous)	348	326	364(↑)	Slowly improving.
US	Continuing claims (Sep 25, thous)	2766	2714	2811(↑)	Not that far from normalization.
US	Consumer Credit (Aug, $ bil.)	17.5	14.4	17.3(↑)	Deceleration across the board.
CA	Ivey PMI (Sep)	na	70.4	66.0	Activity expands at a faster pace.
GE	Industrial Production (Aug, m/m)	-0.5%	-4.0%	1.3%(↑)	Supply chain problems really hurt here!
IT	Retail Sales (Aug, m/m)	0.3%	0.4%	-0.3%(↑)	Good.
JN	Leading Index (Aug, prelim)	102.0	101.8	104.1	Fall in coincident index sharpest in 15 months.
Friday, October 8					
US	Change in Nonfarm Payrolls (Sep, thous)	470	194	366(↑)	Miss due to education employment.
US	Unemployment Rate (Sep)	5.1%	4.8%	5.2%	Overestimates improvement as participation fell.
CA	Unemployment Rate (Sep)	6.9%	6.9%	7.1%	Held back by hospitality.
JN	Labor Cash Earnings (Aug, y/y)	0.4%	0.7%	0.6%(↓)	Marginally higher.

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

Week Preview (October 11–October 15)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, October 11				
UK	Industrial Production (Aug, m/m)	na	1.2%	
IT	Industrial Production (Aug, m/m)	na	0.8%	
Tuesday, October 12				
US	NFIB Small Business Optimism (Sep)	99.5	100.1	Could this surprise positively for a change?
US	JOLTS Job Openings (Aug, thous)	10938	10934	No inroads being made here…
UK	ILO Unemployment Rate (Aug)	4.5%	4.6%	
UK	Average Weekly Earnings (Aug, 3m y/y)	7.0%	8.3%	Still too high for comfort…
GE	ZEW Investor Expectations (Oct)	20.1	26.5	
JN	PPI (Sep, y/y)	5.9%	5.5%	
AU	NAB Business Confidence (Sep)	na	-5	Likely to have bottomed.
Wednesday, October 13				
US	FOMC Minutes			Probably a hawkish tone to the debate.
US	CPI (Sep, y/y)	5.3%	5.3%	Hmmm…not so transient, after all!
UK	Industrial Production (Aug, m/m)	0.2%	1.2%	
EC	Industrial Production (Aug, m/m)	-1.5%	1.5%	
JN	Core Machine Orders (Aug)	1.5%	0.9%	Encouraging.
Thursday, October 14				
US	Initial Jobless claims (Oct 9, thous)	na	326	
US	Continuing claims (Oct 2, thous)	na	2714	
US	PPI (Sep, y/y)	8.8%	8.3%	
CA	Manufacturing Sales (Aug, m/m)	0.3%	-1.5%	
JN	Industrial Production (Aug, final, m/m)	-3.2%	-1.5%	
AU	Unemployment Rate (Sep)	4.8%	4.5%	Higher due to lockdowns.
Friday, October 15				
US	U of Mich Cons Sentiment (Oct, prelim)	73.5	72.8	
US	Retail Sales (Sep, m/m)	-0.3%	0.7%	Motor vehicles a big drag here.
US	Business Inventories (Aug, m/m)	0.7%	0.5%	
US	Empire Manufacturing (Oct)	25.0	34.3	
CA	Existing Home Sales (Sep, m/m)	na	-0.5%	

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	Forecast 2022
US	-3.0	-2.6	-2.6	-3.7	-4.3	-5.4	-6.1	-11.7	-12.9	-6.8
Canada	-1.5	-0.6	0.0	0.1	-0.3	0.0	0.3	-7.8	-6.7	-4.2
UK	-4.2	-4.9	-4.4	-3.3	-2.5	-2.3	-2.3	0.5	-5.0	-4.8
Eurozone	-1.1	-0.7	-0.6	-0.6	-0.5	-0.5	-0.5	-4.0	-4.6	-2.6
Germany	0.6	1.2	1.2	1.2	1.2	1.3	1.3	-2.6	-4.0	-0.3
France	-2.9	-2.7	-2.3	-2.1	-2.1	-1.8	-2.0	-3.6	-5.2	-4.0
Italy	-0.5	-1.0	-0.6	-1.3	-1.7	-1.9	-1.1	-5.1	-5.2	-4.1
Japan	-7.4	-5.7	-4.4	-4.3	-3.5	-2.7	-2.6	-11.3	-8.5	-3.6
Australia	-2.7	-2.7	-2.6	-2.3	-1.6	-1.2	-3.6	-9.1	-10.1	-6.9

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	5.0	5.4	5.4	5.3			6.5	6.6	7.3	7.8	8.3
Canada	3.6	3.1	3.7	4.1			14.7	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			7.6	9.6	10.3	12.4	13.4
Germany	2.5	2.3	3.8	3.9	4.1		5.2	7.2	8.5	10.4	12.0
France	1.4	1.5	1.2	1.9	2.1		6.1	6.7	7.3	8.4	9.5
Italy	1.3	1.3	1.9	2.0	2.6		6.8	8.1	9.1	11.2	11.6
Japan	-0.8	-0.5	-0.3	-0.4			3.7	4.9	5.0	5.6	5.5
Australia	3.8	3.8					2.2	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	-0.8	0.6	-0.7	1.2			27.5	20.7	8.4	3.8	
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	1.8	-1.6	1.1	0.8			78.3	21.4	13.8	6.9	
Japan	2.9	-6.5	6.5	-1.5	-3.2		15.9	21.1	23.0	13.3	7.6

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			
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	

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	7.1	8.0	7.4	7.8	7.3	6.9	5.1	7.3	7.8	8.1	6.8
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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For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost-effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's third largest asset manager with nearly US $3.12 trillion* under our care.

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Exp. Date: 10/31/2022