October 9, 2020
Commentary

Weekly Economic Perspectives

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US retail sales and industrial production should continue to improve. The unemployment rate could rise in both the UK and Australia.

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The Economy

A light (but generally positive) data week and stimulus hopes support risk assets.

US

Service sector activity continues to improve, with the September **ISM non-manufacturing index** surprising positively with a 0.9-point increase to robust 57.8. The business activity metric (the old headline) improved 0.6 point (to 63.0) while new orders rose 4.7 to 61.5. New export orders grew at a slower pace and backlogs were almost unchanged. Perhaps the best news in the report was that the employment component improved 3.9 points to 51.8, the first time it has crossed above the neutral 50 level since February.

There were few changes in the **JOLTS** (Job Openings and Labor Turnover Survey) for August. Openings retreated by about 200k but remain fairly elevated at 6.5 million, hiring was essentially unchanged, and quits declined moderately for the first time since April. It is a bit surprising to see job openings so high despite the elevated unemployment claims and fairly high levels of hiring. The combination suggests tremendous churn in the labor market. It is too early to conclude what this means for the economy going forward, i.e., whether it would lead to a better labor resource allocation or whether, on the contrary, the crisis is forcing unemployed people to settle for sub-optimal employment choices. But at least, businesses appear to be looking for workers, which is good news under the circumstances.

Initial unemployment claims have barely budged over the last month. Admittedly, they've moderated slightly, but given their elevated levels (840k in the week ending October 3), this has been an inconsequential improvement. By contrast, continuing claims are visibly retreating, down by over a million (to 10.976 million) in the week ending September 26th. It could be that the expiration of benefits is starting to artificially flatter the continuing claims series. On the other hand, the initial claims data seems abnormally elevated, particularly in select states, relative to the level of employment prevailing at the start of the year.

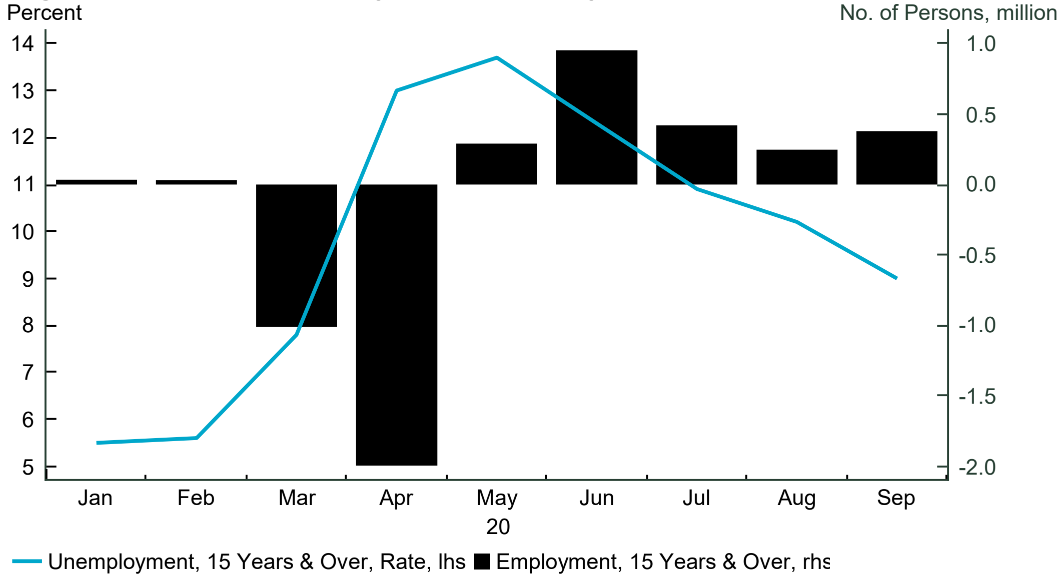
Having shrank to a four-year low in February, the **trade deficit** has since steadily widened and hit a near record high in August. Part of this reflects Covid's asymmetrical impact on goods versus services trade, with services trade (where the US traditionally enjoys a surplus) more severely curtailed. The other dynamic at play has to do with rebuilding of depleted inventories, a process which heavily relies on imports. The end result was an overall nominal trade deficit of $67 billion.

Consumer credit outstanding has declined materially this year, largely on account of revolving credit. The same dynamic played out in August, when overall outstanding credit declined by $7.2 billion. Revolving credit contracted $9.9 billion while the non-revolving credit posted a much more subdued gain than in prior months.

Canada

The labor market healing continues, and the September employment report surprised positively. Total employment increased a larger than expected 378k, almost all in full-time jobs and with good breadth across sectors. Thus, even though the participation rate ticked up four tenths to 65% (the highest since February), the **unemployment rate** fell from 10.2% to 9.0%. Two more months like this and the economy would regain all the job losses incurred in March-April! Unfortunately, the rising number of Covid cases casts doubts over whether future labor market reports will be as strong as this…The additional caveat is that the positive surprise was largely drive by the public sector, where employment surged during the month. A repeat seems unlikely.

Figure 1: Canada's Employment Recovery Continues



Sources: Statistics Canada

Housing starts declined 20.1% to 208,980 units in September, much lower than anticipated. Urban starts dropped 21.1%--led by a 27% decline in multi-unit starts, while single-detached urban starts were higher by 3.4%. High levels of multi-family starts in July and August were largely offset by lower levels in September, particularly in Ontario. The trend (six-month moving average of the monthly seasonally adjusted annual rates) in starts was little changed, however, up slightly to 214,647.

UK

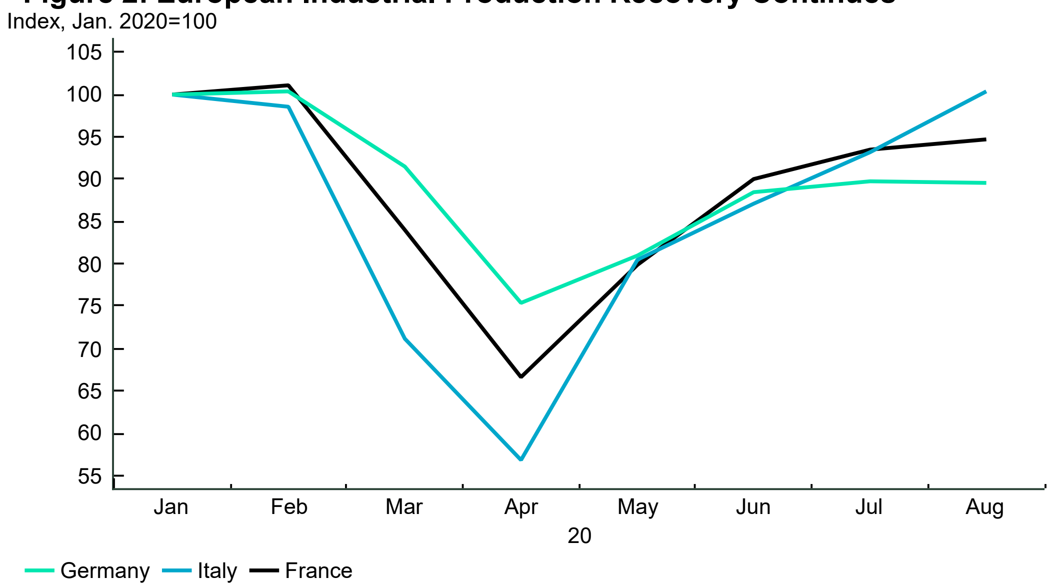
Data releases this week were mixed and the surge in Covid cases suggest we should be bracing for disappointments down the line. Admittedly, the final read on the September **purchasing managers' index (PMI) for services** indicated a faster pace of expansion than initially reported. At 56.1, the index was one point higher than the preliminary estimate. However, the details were mixed and seem to suggest that this may be more a reflection of earlier momentum rather than current strength because while backlogs lengthened, incoming new business declined. The employment component improved a sizable 3.9 points, but unfortunately, only to 42.0, which seems to imply job shedding is still prevalent.

Industrial production grew just 0.3% in August, considerably less than expected. The one slight consolation is that the headline was impacted by a large 4.1% contraction in mining output, whereas manufacturing production increased 0.7%.

Eurozone

The industrial sector recovery continues. Admittedly, ***Germany*** disappointed for the second consecutive months as the 0.3% contraction in its **industrial production** stood in stark contrast with a much better than expected 7.7% surge in ***Italy*** and a 1.3% gain in ***France***. Production has now nearly returned to year-earlier levels in Italy, but remains 10.0% lower y/y in Germany and 6.2% lower in France. It is worth noting, however, that on a year to date basis, Germany remains the outperformer thanks to smaller declines at the height of the crisis. Hopefully, next month's update will bring better news out of **Germany** as **industrial orders**—a leading indicator of production—increased 4.5% in August.

Figure 2: European Industrial Production Recovery Continues



Sources: INSEE, Istat, DESTATIS

Italy added to the positive surprises with an 8.2% jump in August **retail sales**. Unfortunately, this was very much tempered by a big downward adjustment to the July data, now showing a 6.0% contraction compared with the 2.2% originally reported. The strong August performance was driven by a 13.8% jump in non-food sales, with food sales up 1.6%. All this left August sales 0.8% higher than a year earlier. But, sales during the first eight months of the year were 7.1% lower than in the corresponding period of 2019.

Japan

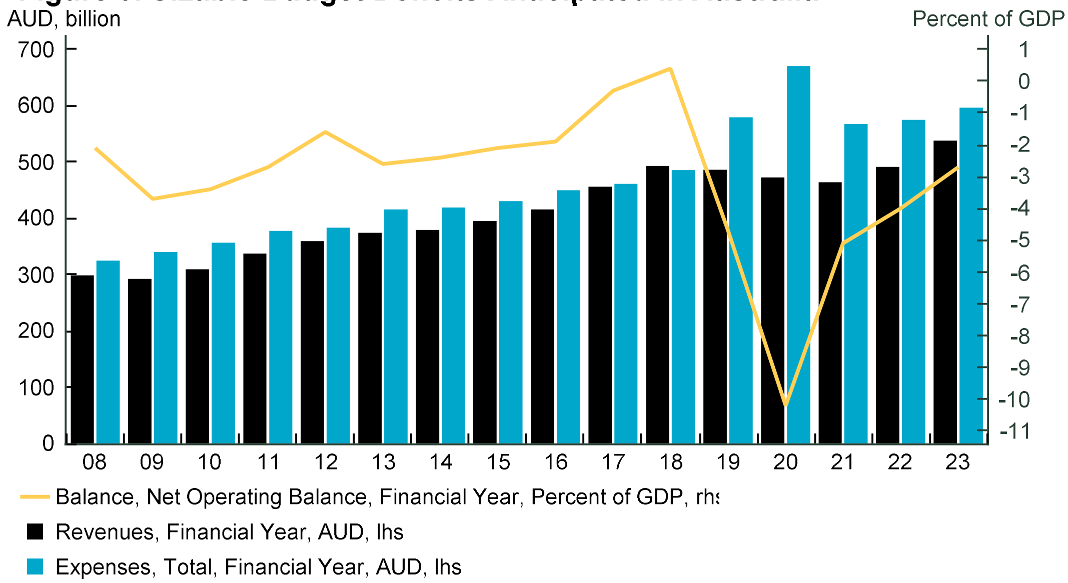
Japanese **wage inflation** has been persistently weak even before Covid, and that weakness has, unsurprisingly, intensified in recent months. Labor cash earnings declined 1.3% y/y, with a pronounced 14% y/y drop in overtime and a 4.0% decline in bonus payments. But even regularly scheduled earnings—the more stable and better measure of underlying wage pressures—declined 0.1% y/y. Soft incomes will continue to weigh on consumer spending going forward.

The **index of leading economic indicators** improved for the fourth month in August, gaining 2.1 points to 88.8, close to consensus. The coincident index also rose a further 1.1 points to 79.4. The lagging index however, fell 2.7 points to 89.7, the second monthly decline. We expect the worst is over, and sentiment to improve gradually hereon.

Australia

The Government delivered a large **Commonwealth Budget for 2020-21,** taking fiscal support measures to about 15% of GDP. The underlying cash deficit is now expected to reach $214bn in 2020-21, as spending is increased again and tax cuts are brought forward. Most of the deterioration in the estimated underlying cash balance is because of policy decisions taken before the Budget—most notably the A$101 billion JobKeeper and the A$32 billion boosting cash flow for employers' measures. Tax cuts worth around A$17 billion (of which A$12.5 billion this year) have been brought forward by two years, and backdated to July 2020. As a result, gross debt is estimated to rise to 55% of GDP, the highest since the 1950s, although debt service payments remain manageable thanks to low interest rates.

Figure 3. Sizable Budget Deficits Anticipated In Australia



Sources: SSGA Economics, Australian Department of the Treasury

Capital spending for the 2020-21 through to 2022-23 was revised up by A$33.4 billion since the Mid-Year Economic and Fiscal Outlook, with around A$12 billion for higher capital grants to the states and territories and an additional A$2.7 billion for direct capital investment by the Commonwealth.

Revised economic forecasts were also presented with the budget. The Government now expects GDP to contract -3.8% in 2020 but grow 4.3% in 2021. The 2021 projection is a significant increase from the 2.5% expansion assumed in July; it is also slightly higher than our own 3.9% forecast. The Budget assumes the availability of a vaccine sometime around mid-2021 (the government will spend A$1.7 billion on 85 million doses) and for borders to reopen early next year. Employment is not expected to return to pre-pandemic level until 2023-24, the final year of the forward projections. A A$4 billion JobMaker hiring credit was introduced to encourage businesses to hire 16-35 year olds and is expected to support 450,000 positions. The Budget also included A$1.2 billion for 50% wage subsidies (up to A$7,000 per quarter) available for businesses hiring new apprentices and trainees.

Overall, the budget places more emphasis on a private sector recovery than inflated public outlays. Still, the measures announced in the budget are substantial and may probably again serve as a blueprint to countries looking to calibrate and extend fiscal support measures.

The **Reserve Bank of Australia** kept all its monetary policy settings unchanged this week: the cash rate was left unchanged at 0.25%, while the target for the 3 year bond yield and the interest rate on the term funding facility (TFF) were left unchanged. The Board acknowledged that the unemployment rate is likley to peak at lower than earlier expected, but still will remain high for an extended period. Thus, the priority of the Bank is to "to do what it can to support jobs, incomes and businesses in Australia".

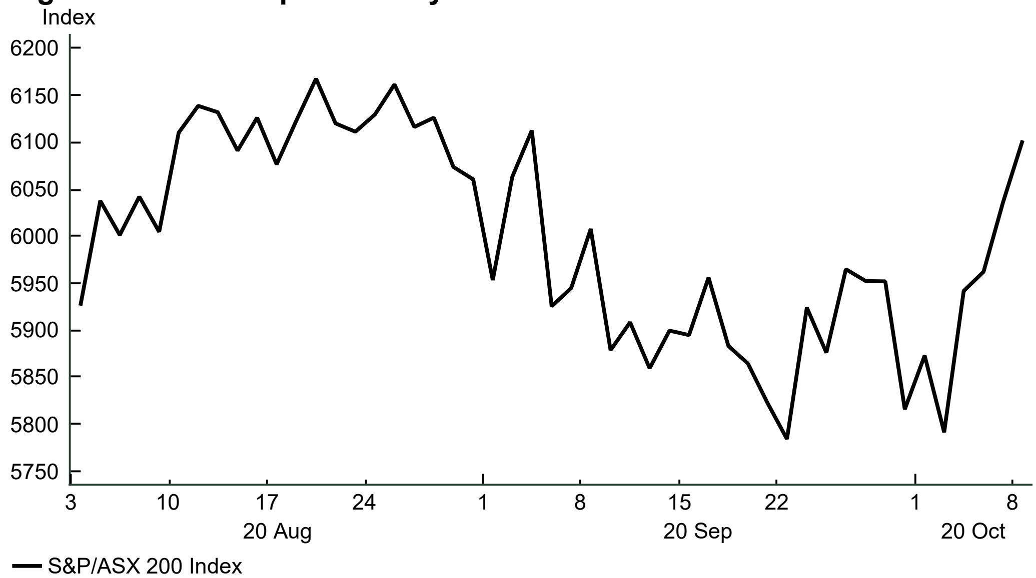
The concluding remark that the RBA "continues to consider how ***additional*** monetary easing could support jobs as the economy opens up further" has led us to think that the RBA might opt for a cut in November. It has surprised earlier in its September meeting with an expansion of the TFF facility, and a rate cut will be a clear alignment with the theme of the Budget. Governor Lowe's speech on October 15th should provide more clarity on the RBA's line of thinking.

The **NAB monthly business survey** gained moderately in September, as business confidence increased by 4 points to -4 for the third monthly improvement. Business conditions also rose 6 points to 0. All three subcomponents for business conditions improved—trading conditions rose 8 points to +6 and profitability rose 5 points to +2. The employment index also increased 8 points, but stayed negative at -6. Conditions were notably softer in Victoria, the epicenter of the second wave. But we have seen a decline in the number of cases recently, and note the improvement in forward looking indicators, albeit slow.

The Market This Week

All stock markets had a good run this week but the Aussie one rode a particularly high wave on the aftermath of an expansionary budget release (See analysis above).

Figure 4: Aussie Equities Rally On Fiscal Push



Sources: Macrobond, SSGA Economics,

Equities: Strong week for equities, with Australia riding expansionary budget wave.

Bonds: Bond yields generally widen, with Italy the big exception.

Currencies: Dollar weakness resumes.

Commodities: Oil rebounds after last week's plunge.

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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®	3477.14	3.8%	7.6%	0.77	7	-114	93.045	-0.9%	-3.5%
Canada	TSE 300	16562.81	2.2%	-2.9%	0.63	6	-107	1.3121	-1.4%	1.0%
UK	FTSE®	6016.65	1.9%	-20.2%	0.28	3	-54	1.3036	0.8%	-1.7%
Germany	DAX	13051.23	2.9%	-1.5%	-0.53	1	-34			
France	CAC-40	4946.81	2.5%	-17.3%	-0.27	-1	-39	1.1826	0.9%	5.5%
Italy	FTSE® MIB	19595.38	2.8%	-16.6%	0.72	-6	-69			
Japan	Nikkei 225	23619.69	3.8%	-0.2%	0.04	1	5	105.62	0.3%	-2.8%
Australia	ASX 200	6102.169	5.4%	-8.7%	0.85	2	-52	0.724	1.1%	3.1%

Commodity Markets						
Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%ChYr Ago
Oil (Brent)	US $/Barrel	Bloomberg	41.53	9.4%	-37.5%	-28.7%
Gold	US $/troy oz	Bloomberg	1930.4	1.6%	27.2%	28.2%

Source: Bloomberg®

Week in Review (October 5–October 9)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, October 5					
US	ISM Non-Manufacturing (Sep)	56.2	57.8	56.9	Very good!
UK	Services PMI (Sep, final)	55.1(p)	56.1	58.8	Good!
EC	Services PMI (Sep, final)	47.6(p)	48.0	50.5	Disappointing, although not shocking.
GE	Services PMI (Sep, final)	49.1(p)	50.6	52.5	Could be better…
JN	Services PMI (Sep, final)	45.6(p)	46.9	45.0	Slower declines in activity and new orders.
AU	NAB Business Confidence (Sep)	na	-4	-8	Progress, albeit slow.
Tuesday, October 6					
US	JOLTS Job Openings (Aug, thous)	6500	6493	6697(↑)	Lots of labor market churn.
US	Trade Balance (Aug , $ bil.)	-66.2	-67.1	-63.4(↑)	Near record.
CA	Trade Balance (Aug, C$ bil.)	-2.0	-2.4	-2.5	Both imports and exports slowed.
GE	Factory Orders (Aug, m/m)	2.8%	4.5%	3.3%(↑)	Good signal for future industrial production.
AU	RBA Monetary Policy Decision	0.25%	0.25%	0.25%	RBA likely to cut in November.
Wednesday, October 7					
US	FOMC Minutes				Little new insights.
US	Consumer Credit (Aug, $ bil.)	14.0	-7.2	14.7	Large drop in revolving credit.
GE	Industrial Production (Aug, m/m)	1.5%	-0.2%	1.4%(↑)	Surprising and disappointing.
IT	Retail Sales (Aug, m/m)	3.8%	8.2%	-6.0%(↓)	A wash given downward revision.
JN	Leading Index (Aug, prelim)	89	88.8	86.7	Improving.
Thursday, October 8					
US	Initial Jobless claims (Oct 3, thous)	820	840	849(↑)	Still very elevated.
US	Continuing claims (Sep 26, thous)	11400	10976	11979(↑)	Might be flattered by benefit expiration.
CA	Housing Starts (Sep, thous)	240.0	209.0	261.5(↓)	Drop in multi-family urban units.
Friday, October 9					
CA	Unemployment Rate (Sep)	9.8%	9.0%	10.2%	Good progress.
UK	Industrial Production (Aug, m/m)	2.5%	0.3%	5.2%	Disappointing!
FR	Industrial Production (Aug, m/m)	1.7%	1.3%	3.8%	Progress…
FR	Bank of France Ind. Sentiment (Sep)	105	101	105(↓)	OK.
IT	Industrial Production (Aug, m/m)	1.4%	7.7%	7.0%(↓)	Wow!
JN	Labor Cash Earnings (Aug, y/y)	-1.2%	-1.3%	-1.5%(↓)	Persistently weak.

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

Week Preview (October 12–October 16)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, October 12				
JN	Core Machine Orders (Aug, m/m)	0.3%	6.3%	Foreign orders to improve gradually.
Tuesday, October 13				
US	NFIB Small Business Optimism (Sep)	101.0	100.2	Important indicator to watch!
US	CPI (Sep, y/y)	1.4%	1.3%	
UK	ILO Unemployment Rate (Aug)	4.3%	4.1%	Many challenges remaining for UK labor market.
UK	Average Weekly Earnings (Aug, 3m y/y)	-0.6%	-1.0%	
GE	ZEW Investor Expectations (Oct)	na	77.4	
Wednesday, October 14				
US	Monthly Budget Statement (Sep, $ bil.)	-124.0	-200.1	
EC	Industrial Production (Aug, m/m)	na	4.1%	
JN	Industrial Production (Aug, final, m/m)	1.7%(p)	8.7%	
Thursday, October 15				
US	Initial Jobless claims (Oct 10, thous)	825	840	
US	Continuing claims (Oct 3, thous)	10400	10976	
US	Empire Manufacturing (Oct)	14	17	
US	Philadelphia Fed Business Outlook (Oct)	14	15	
CA	Existing Home Sales (Sep, m/m)	na	6.2%	
IT	Industrial Orders (Aug, m/m)	na	3.7%	
JN	Tertiary Industry Index (Aug, m/m)	na	-0.5%	
AU	Unemployment Rate (Sep)	7.1%	6.8%	Challenges remain.
Friday, October 16				
US	Retail Sales (Sep, m/m)	0.8%	0.6%	High savings rate supports further gains.
US	Industrial Production (Sep, m/m)	0.6%	0.4%	Further gains likely.
US	Business Inventories (Aug, m/m)	0.4%	0.1%	
US	U of Mich Sentiment (Oct, prelim)	80.5	80.4	
CA	Manufacturing Sales (Aug, m/m)	na	7.0%	Trending upward.

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	0.5	0.5	0.9	1.1	1.4
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	-0.2	-0.4	0.7	0.1	0.1
UK	Target: CPI 2.0% y/y	0.8	0.5	0.6	1.0	0.2
Eurozone	Target: CPI below but close to 2.0% y/y	0.3	0.1	0.3	0.4	-0.2
Japan	Target: CPI 2.0% y/y	0.1	0.1	0.1	0.3	0.2
Australia	Target Range: CPI 2.0%-3.0% y/y	-0.3	-0.3	-0.3		

Source: Macrobond

Key Interest Rates

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

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

	2012	2013	2014	2015	2016	2017	2018	2019	Forecast 2020	Forecast 2021
US	-6.4	-4.5	-3.8	-3.6	-4.4	-4.8	-6.0	-6.3	-6.3	-6.2
Canada	-2.1	-1.1	0.1	0.8	0.7	0.0	-0.2	-0.5	-0.8	-0.8
UK	-6.0	-4.0	-4.7	-4.1	-2.9	-2.0	-1.5	-1.3	-1.4	-1.5
Eurozone	-2.1	-1.2	-0.9	-0.8	-0.7	-0.7	-0.6	-0.7	-0.9	
Germany	0.0	0.6	1.2	1.2	1.3	1.1	1.4	0.9	1.0	0.7
France	-4.4	-3.4	-3.3	-3.0	-2.8	-2.6	-2.5	-2.4	-2.5	-2.4
Italy	-1.5	-0.6	-1.1	-0.7	-1.4	-1.7	-1.8	-1.5	-2.1	-2.3
Japan	-7.6	-7.5	-5.5	-4.3	-4.1	-3.4	-3.1	-2.9	-2.1	-1.9
Australia	-3.3	-2.6	-2.6	-2.4	-2.2	-1.5	-0.6	-0.4	-0.4	0.0

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	0.1	0.6	1.0	1.3			-1.5	-0.8	-0.8	-0.4	-0.2
Canada	-0.4	0.7	0.1	0.1			-6.0	-4.9	-3.4	-2.4	-2.3
UK	0.5	0.6	1.0	0.2			-0.7	-1.2	-0.9	-0.9	-0.9
Eurozone	0.1	0.3	0.4	-0.2			-4.5	-5.0	-3.6	-3.1	-2.5
Germany	0.6	0.9	-0.1	0.0	-0.2		-1.9	-2.2	-1.8	-1.7	-1.2
France	0.4	0.2	0.8	0.2	0.1		-3.7	-3.3	-2.2	-2.1	-2.1
Italy	-0.2	-0.2	-0.4	-0.5	-0.5		-5.1	-5.3	-4.5	-3.5	-3.0
Japan	0.1	0.1	0.3	0.2			-2.5	-2.8	-1.6	-0.9	-0.5
Australia	-0.3	-0.3									

Source: Macrobond

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20
US	0.4	0.6	0.6	-1.3	-9.0	2.0	2.1	2.3	0.3	-9.0
Canada	0.8	0.3	0.1	-2.1	-11.5	2.0	1.6	1.5	-0.9	-13.0
UK	0.0	0.3	0.1	-2.5	-19.8	1.3	1.0	1.0	-2.1	-21.5
Eurozone	0.1	0.3	0.1	-3.7	-11.8	1.2	1.4	1.0	-3.2	-14.7
Germany	-0.5	0.3	0.0	-2.0	-9.7	0.1	0.8	0.4	-2.2	-11.3
France	0.2	0.2	-0.2	-5.9	-13.8	1.8	1.6	0.8	-5.7	-18.9
Italy	0.1	0.0	-0.2	-5.5	-13.0	0.4	0.5	0.1	-5.6	-18.0
Japan	0.4	0.0	-1.8	-0.6	-7.9	0.9	1.7	-0.7	-1.9	-10.1
Australia	0.8	0.5	0.6	-0.3	-7.0	1.6	1.8	2.3	1.6	-6.3

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	-12.9	1.0	6.1	3.5	0.4	-16.5	-15.9	-10.7	-7.4	-7.7
Canada	-14.6	3.6	6.1	3.8		-21.0	-18.3	-13.1	-8.0	
UK	-19.5	5.6	9.9	5.2	0.3	-23.6	-20.3	-12.1	-7.4	-6.3
Germany	-17.6	7.4	9.3	1.4	-0.2	-24.8	-19.6	-11.3	-9.8	-10.0
France	-20.7	20.0	12.7	3.8	1.3	-34.9	-23.2	-11.4	-8.4	-6.2
Italy	-20.1	41.7	8.2	7.0	7.7	-43.4	-20.5	-13.8	-7.8	-0.2
Japan	-9.8	-8.9	1.9	8.7	1.7	-15.9	-24.5	-21.0	-14.7	-11.7

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
US	3.5	3.5	3.6	3.5	4.4	14.7	13.3	11.1	10.2	8.4	7.9
Canada	5.9	5.6	5.5	5.6	7.8	13.0	13.7	12.3	10.9	10.2	9.0
UK	3.8	3.9	4.0	3.9	3.9	3.9	3.9	4.1			
Eurozone	7.4	7.4	7.4	7.3	7.2	7.4	7.6	7.8	8.0	8.1	
Germany	5.0	5.0	5.0	5.0	5.0	5.8	6.3	6.4	6.4	6.4	6.3
France	8.2	8.2	8.1	7.7	7.5	7.8	6.9	6.6	7.1	7.5	
Italy	9.5	9.5	9.5	9.3	8.5	7.4	8.7	9.4	9.8	9.7	
Japan	2.2	2.2	2.4	2.4	2.5	2.6	2.9	2.8	2.9	3.0	
Australia	5.1	5.1	5.3	5.1	5.2	6.4	7.1	7.4	7.5	6.8	

Source: Macrobond

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

	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
US	-2.2	-2.5	-2.0	-2.3	-2.3	-2.1	-2.4	-2.8	-2.6	-2.4	
Canada	-2.2	-2.7	-3.4	-3.0	-2.8	-2.6	-1.8	-2.8	-3.0	-1.2	-1.7
UK	-3.2	-4.0	-3.4	-3.3	-3.4	-4.4	-4.3	-5.1	-6.0	-4.6	
Eurozone	3.1	1.9	3.9	3.6	3.5	3.6	2.6	2.8	3.1	2.4	
Germany	8.3	7.0	8.6	8.6	8.5	7.6	6.5	7.4	7.8	7.6	8.1
France	-1.3	-0.7	-0.7	-0.3	-0.3	-1.4	-0.5	-0.5	-0.8	-0.8	-1.0
Japan	4.3	3.7	4.6	4.2	3.6	4.0	3.4	3.1	3.4	3.5	3.5
Australia	-1.5	-2.5	-2.8	-3.5	-2.2	-2.7	-2.2	-1.4	-0.2	1.2	

Source: Macrobond

About State Street Global Advisors

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.

*AUM reflects approximately $43.72 billion USD (as of December 31, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.