STATE STREET GLOBAL ADVISORS

September 10, 2021
Commentary

Weekly Economic Perspectives

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US job openings hit another record high. A strong employment report in Canada. UK mining production jumps. The ECB upgrades outlook, will slow PEPP purchases. Wages move higher in Japan. RBA starts a dovish taper.

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Inflation to remain elevated most everywhere. US retail sales poised to decline. Unemployment rate should ease in the UK but could rise in Australia.

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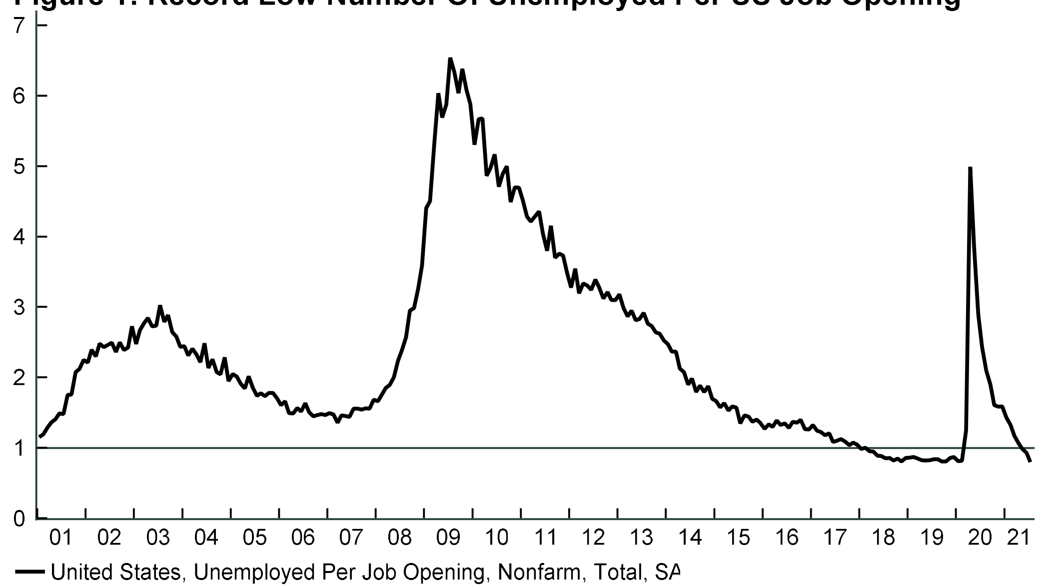
The Economy

A quieter but OK week on both macro and markets.

US

The **job openings** data continue to astound. Opening increased by 749,000 to yet another record high of 10.93 million in July, indicating such persistently strong labor demand that seems to belie the unexpectedly weak August employment report. In particular, quits increased by another 107,000 and are now within a hairbreadth away from April's record high. Notably, not only are there more openings than unemployed but the ratio of unemployed per job openings actually reached a record low. By this one measure, the labor market is tighter today than 20018-19!

Figure 1: Record Low Number Of Unemployed Per US Job Opening



Sources: Macrobond, SSGA Economics, BLS, Federal Reserve Bank of San Francisco

The latest **Fed Beige Book**, referencing data and information collected through August 30th, noted a slight downshift in economic activity, which nonetheless continued at a "moderate" pace. In most districts, this deceleration was concentrated in areas such as dining out, travel, and tourism, linked to the Delta variant. Where slowdowns occurred elsewhere, they were the result of "supply disruptions and labor shortages, as opposed to softening demand". Indeed, "all Districts noted extensive labor shortages that were constraining employment and, in many cases, impeding business activity". Unsurprisingly, "a number of Districts reported an acceleration in wages, and most characterized wage growth as strong". Broader inflation was reported as "steady at an elevated pace". Notably, "several districts indicated that businesses anticipate significant hikes in their selling prices in the months ahead".

That last finding likely reflects surging input costs for many businesses. Indeed, **producer prices inflation** accelerated another half a percentage point to 8.3% y/y in August, a record high. Services inflation hit 6.4% y/y. While still only half the rate of goods inflation (12.6% y/y) it is actually more of an outlier relative to its own history and suggests broader and perhaps less transient price pressures than one might assume. The core measure of PPI inflation (excluding food and energy) accelerated to 6.7% y/y, while the alternative core measure (which also excludes the volatile trade services component) touched 6.3% y/y.

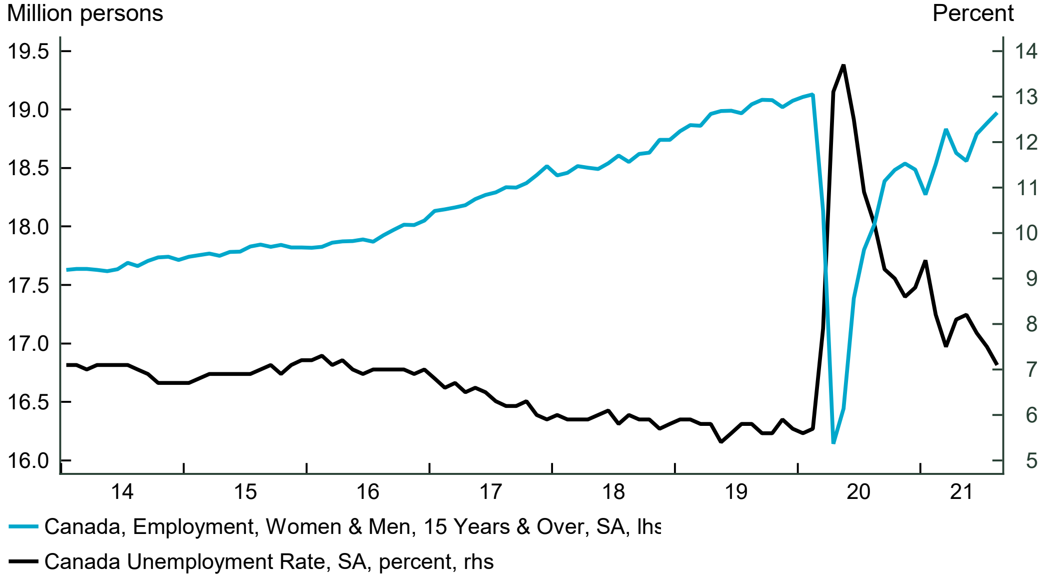
Canada

The **Bank of Canada** maintained the target for its overnight rate at 0.25%, while keeping the large-scale asset purchase programs unchanged at C$2 billion. The accompanying statement noted that the economy was weaker than expected in Q2, but domestic demand was pretty robust. The BoC expects the economy to strengthen in the second half, although the recent wave and supply bottlenecks will be headwinds. The message on inflation did not appear to be as assured as earlier, with the “persistence and magnitude” bearing considerable uncertainty. The Bank still expects GDP to catch up to potential, thus enabling inflation to hit 2% on a sustained basis in the second half of 2022, which is when the policy rate is likely to be raised.

In a separate speech, Governor Tiff Macklem laid out the possible exit scenario for the bank. The end of QE won’t mean the end of the BoC’s active participation at bond auctions. The bank will pivot to a “reinvestment phase” that will use the proceeds of maturing securities to maintain their portfolio at current levels, with purchases likely to average about C$1 billion per week. The BoC will look to raise the policy rate before reducing bond holdings.

The Canadian **labor market** improved notably in August. Employment increased by a larger than expected 90,200, with full time jobs representing three quarters of the total. One disappointment was the one-tenth drop in the participation rate to 65.1%. which contributed to an outsized decline in the unemployment rate from 7.5% to a pandemic-era low of 7.1%.

Figure 2: Canada's Labor Market Continues To Heal



Sources: SSGA Economics, StatCan

UK

Industrial production increased a larger than expected 1.2% in July, the best monthly print since March. The rebound was driven by a huge 22% surge in mining output that reversed a string of very weak prints. Elsewhere, performance was tepid: manufacturing was flat, electricity/gas was down 0.9% and water utilities rose a meager 0.3%. Production increased 3.8% y/y.

Eurozone

The **ECB** is embracing a more upbeat view of eurozone economic prospects but—in typical fashion—is taking a very gradual approach in regards to policy implications. So, despite much improved economic forecasts, all the Governing Council was ready to say at this time was that it "judges that favorable financing conditions can be maintained with a moderately lower pace of net asset purchases under the PEPP than in the previous two quarters." Every other aspect of policy was left unchanged. We see the underlying change in tone as more positive than what this small change seems to imply, but it may not be until December that we'll get a more forceful articulation of that improvement. By then, the Fed will likely have started tapering, we'd have clarity on at least some of Europe's electoral outcomes, and will know much more about how the economy handles the Delta wave.

Staff economic projections were indeed upgraded notably once again, bringing them much closer to our own robust projections. The new 2021 real GDP growth forecast now stands at 5.0%, up from 4.6% in June and 4.0% in March. (SSGA forecasts were 5.5% in March and 5.4% since June). Real GDP is expected to reach pre-Covid peak in Q4 of this year, just two quarters later than the US. Indeed, this is an important detail insofar as the relative performance story: not only will the US growth advantage be smaller this year (Bloomberg consensus forecasts have declined by half a percentage point to 6.1% since July, coming much closer to our own 5.9%) but seems poised to altogether disappear in 2022. To borrow a tennis term, we are moving from "advantage US" to "advantage Europe".

The inflation forecast was also raised a little (up 0.3 ppt to 2.2% in 2021, 0.2 ppt to 1.7% in 2022 and 0.1 ppt to 1.5% in 2023). The fact that these numbers were raised across the forecast horizon is notable and ties back to the heated debate around the transient nature of the current inflation surge.

For the second consecutive quarter, the final read on ***eurozone*** **GDP** growth brought about an upward revision. GDP grew 2.2%, up from the initial 2.0% estimate, driven almost entirely by private consumption. Investment overall was neutral to growth, reflecting a modest contribution from fixed investment that was offset by a drag from inventories. Net exports were an almost negligible contributor. The Delta variant and once-again tightening restrictions create a headwind for Q3 but we anticipate continued expansion nonetheless. Our 5.4% growth forecast from June might be scaled back slightly when updated later this month to account for somewhat disappointing German data, but on current trends 2021 growth should exceed 5.0%.

The July updates on **industrial production** were encouraging and might signal some improvement in the supply chain situation. Output jumped 1.0% m/m in ***Germany*** (the first increase since March), 0.8% in ***Italy***, and rose 0.3% in ***France***. Compared to a year earlier, production rose 7.0% in Italy, 5.7% in Germany, and 4.0% in France. In another positive sign, ***German*** **factory orders** jumped 3.4% in July for a second consecutive big gain that marks the best two-month expansion since mid-2020.

Japan

Wage earnings accelerated by 1.0% y/y in July, after the June reading was revised to a small gain of 0.1%. Basic wages increased by 0.4%, while overtime wages also rebounded 12.2% after solid gains in June. Overtime wages had declined sharply in July 2020, so this can be attributed to base effects. Meanwhile, the special wages rose marginally by 0.8%, pushing up the overall wage by two tenths. Real wages were also higher by 0.7%.

Australia

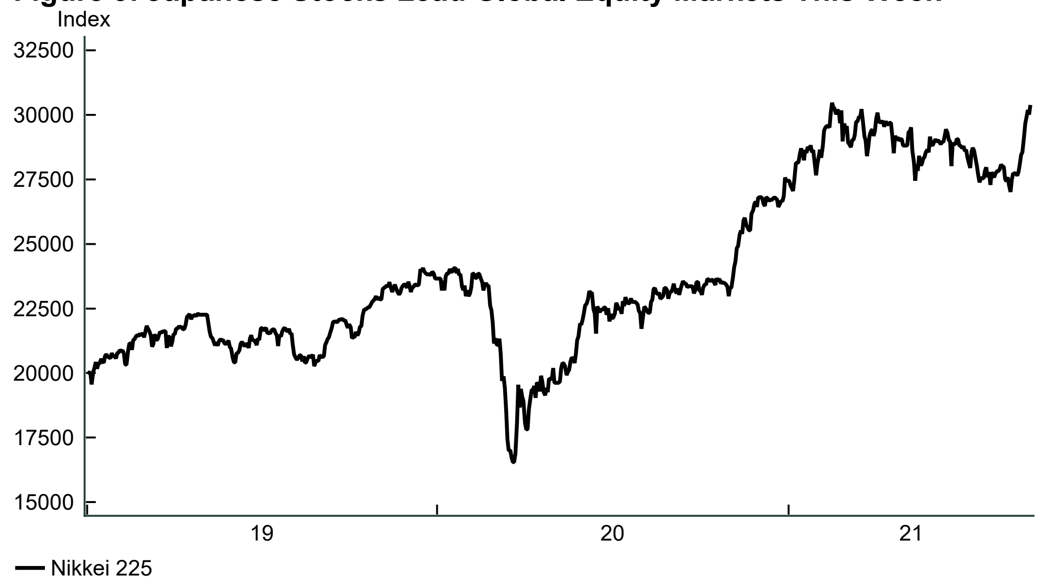
In what was a close call, the **Reserve Bank of Australia** chose to start tapering its asset purchase program, having already exhausted the commitment to buy additional A$100 billion worth of treasury. The program was decreased to A$4 billion from A$5 billion per week. The cash rate was left unchanged at 0.10%. The next period of review was pushed back from November to “until at least mid February 2022”. The argument against the initiation was a worsening economic scenario, with Victoria this week reporting its biggest single-day rise in Covid cases in 2021, the majority in Melbourne, even as most other regions in the state exited lockdown. Melbourne and Sydney are likely to be brought out of extended lockdowns in coming weeks, despite infections continuing to rise in both of the cities.

The RBA expects the lockdowns to result in a “material decline” in third quarter GDP and slower subsequent growth rebound, but remained optimistic on the medium term outlook. The lockdowns are viewed as “delaying, not derailing” the recovery, with a bounce back in the December quarter and growth returning to around its pre-Delta trajectory over H2 2022. The taper shows RBA’s confidence in the recovery once restrictions are lifted, but the deferment of the next review period affords sufficient time to assess the economic scenario. We expect the RBA’s QE program to taper in quarterly increments from February 2022 and complete by 2022.

The Market This Week

Japanese stocks were the uncontested leader among developed markets this week, as investors take an upbeat view of both vaccine progress and political changes.

Figure 3: Japanese Stocks Lead Global Equity Markets This Week



Sources: Macrobond, SSGA Economics

Equities: Japanese equities rally as foreign inflows increased.

Bonds: Yields widen incrementally.

Currencies: Aussie Dollar sharply lower this week on growth concerns.

Commodities: Gold ended the week lower as the US dollar strengthened.

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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®	4458.58	-1.7%	18.7%	1.34	2	43	92.582	0.6%	2.9%
Canada	TSE 300	20633.06	-0.9%	18.4%	1.24	5	56	1.2692	1.3%	-0.3%
UK	FTSE®	7029.2	-1.5%	8.8%	0.76	4	56	1.3839	-0.2%	1.2%
Germany	DAX	15609.81	-1.1%	13.8%	-0.33	3	24			
France	CAC-40	6663.77	-0.4%	20.0%	0.00	2	34	1.1814	-0.6%	-3.3%
Italy	FTSE® MIB	25686.47	-1.5%	15.5%	0.70	-1	16			
Japan	Nikkei 225	30381.84	4.3%	10.7%	0.05	1	3	109.94	0.2%	6.5%
Australia	ASX 200	7406.627	-1.5%	12.4%	1.22	0	25	0.7356	-1.4%	-4.4%

Commodity Markets						
Commodity	**Unit**	**Source**	**Last Price**	**%Ch Week**	**%Ch YTD**	**%ChYr Ago**
Oil (Brent)	US $/Barrel	Bloomberg	72.79	0.7%	42.3%	86.4%
Gold	US $/troy oz	Bloomberg	1787.58	-2.2%	-5.8%	-8.1%

Source: Bloomberg®

Week in Review (September 6–September 10)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, September 6					
GE	Factory Orders (Jul, m/m)	-0.7%	3.4%	4.6%(↑)	Best two-month showing since mid-2020!
Tuesday, September 7					
EC	GDP (Q2, final, q/q)	2.0%(p)	2.2%	-0.3%	Very good!
GE	Industrial Production (Jul, m/m)	0.8%	1.0%	-1.0%(↑)	Good!
GE	ZEW Investor Expectations (Sep)	30.3	26.5	40.4	Bears watching, but not exceedingly troubling.
JN	Labor Cash Earnings (Jul, y/y)	0.4%	1.0%	0.1%(↑)	Earnings higher.
JN	Leading Index (Jul, prelim)	103.5	104.1	104.6(↑)	Assessment: “Improving”.
AU	RBA Monetary Policy Decision	0.10%	0.10%	0.10%	A dovish taper.
Wednesday, September 8					
US	Fed Beige Book				Slight downshift in activity, elevated inflation.
US	JOLTS Job Openings (Jul, thous)	10049	10934	10185	Yet another record!
US	Consumer Credit (Jul, $ bil.)	28.6	17.0	37.9(↑)	Moderation following recent sharp gains.
CA	BoC Monetary Policy Decision	0.25%	0.25%	0.25%	BoC will reinvest proceeds once QE gets over.
CA	Ivey PMI (Aug)	na	66.0	56.4	Strong rebound in employment sub-index.
IT	Retail Sales (Jul, m/m)	-0.2%	-0.4%	0.7%	Ebb and flow.
JN	GDP (Q2, final, q/q)	0.3%(p)	0.5%	-0.9%	Upward revision in consumption and capex.
Thursday, September 9					
US	Initial Jobless claims (Sep 4, thous)	335	310	345(↑)	Pandemic low.
US	Continuing claims (Aug 28, thous)	2740	2783	2805(↑)	Steady improvement.
EC	ECB Monetary Policy Decision	0.00%	0.00%	0.00%	Slower pace of PEPP purchases.
Friday, September 10					
US	PPI Final Demand (Aug, y/y)	8.2%	8.3%	7.8%	Record high.
CA	Unemployment Rate (Aug)	7.3%	7.1%	7.5%	Good report.
CA	Capacity Utilization Rate (Q2)	81.3%	82.0%	81.7%	Inching higher.
UK	Industrial Production (Jul, m/m)	0.4%	1.2%	-0.7%	Very good!
FR	Industrial Production (Jul, m/m)	0.4%	0.3%	0.6%	Good.
IT	Industrial Production (Jul, m/m)	-0.1%	0.8%	1.1%	Good!

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

Week Preview (September 13–September 17)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, September 13				
US	Budget Statement (Aug, $ bil.)	na	-302.1	
FR	Bank of France Ind. Sentiment (Aug)	105	105	
JN	PPI (Aug, y/y)	5.7%	5.6%	Persistently high.
Tuesday, September 14				
US	NFIB Small Business Optimism (Aug)	99.0	99.7	Small business sentiment has been a weak spot this year.
US	CPI (Aug, y/y)	5.3%	5.4%	Still extremely elevated.
CA	Manufacturing Sales (Jul, m/m)	-1.0%	2.1%	
UK	ILO Unemployment Rate (Jul)	4.6%	4.7%	Slow improvement.
UK	Average Weekly Earnings (Jul, 3m y/y)	8.2%	8.8%	
JN	Industrial Production (Jul, final, m/m)	-1.5%(p)	6.5%	
AU	House Price Index (Q2, q/q)	6.1%	5.4%	Prices still elevated, but hotspots cooling.
AU	NAB Business Confidence (Aug)	na	-8	Weak.
Wednesday, September 15				
US	Empire Manufacturing (Sep)	18.0	18.3	
US	Industrial Production (Aug, m/m)	0.3%	0.9%	
CA	CPI (Aug, y/y)	3.9%	3.7%	Energy prices to keep headline high.
CA	Existing Home Sales (Aug, m/m)	na	-3.5%	
UK	CPI (Aug, y/y)	2.9%	2.0%	Sharp acceleration.
EC	Industrial Production (Jul, m/m)	0.5%	-0.3%	
JN	Core Machine Orders (Jul, m/m)	2.8%	-1.5%	
JN	Tertiary Industry Index (Jul, m/m)	0.0%	2.3%	Pain to persist.
Thursday, September 16				
US	Initial Jobless claims (Sep 11, thous)	na	310	
US	Continuing claims (Sep 4, thous)	na	2783	
US	Retail Sales Advance (Aug, m/m)	-0.8%	-1.1%	Drag from motor vehicles amid low inventories.
US	Philadelphia Fed Business Outlook (Sep)	19.0	19.4	
US	Business Inventories (Jul, m/m)	0.5%	0.8%	
CA	Housing Starts (Aug, thous)	na	272.2	
JN	Trade Balance Adjusted (Aug, ¥ bil.)	120.8	52.7	
AU	Unemployment Rate (Aug)	4.9%	4.6%	Lockdowns to push up unemployment rate.
Friday, September 17				
US	U. of Mich Cons Sentiment (Sep, prelim)	72.0	70.3	
UK	Retail Sales (Aug, m/m)	0.8%	-2.5%	
EC	CPI (Aug, final, y/y)	3.0%(p)	2.2%	
FR	Wages (Q2, final, q/q)	0.3%(p)	0.6%	

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

Economic Indicators

Central Bank Policy Targets

Region	Target	Year/Year % Change in Target				
		Mar	Apr	May	Jun	Jul
US	Target: PCE price index 2.0% y/y	2.5	3.6	4.0	4.0	4.2
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	2.2	3.4	3.6	3.1	3.7
UK	Target: CPI 2.0% y/y	0.7	1.5	2.1	2.5	2.0
Eurozone	Target: CPI below but close to 2.0% y/y	1.3	1.6	2.0	1.9	2.2
Japan	Target: CPI 2.0% y/y	-0.4	-1.1	-0.8	-0.5	-0.3
Australia	Target Range: CPI 2.0%-3.0% y/y	1.1	3.8	3.8	3.8	

Source: Macrobond

Key Interest Rates

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-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	-0.03	-0.01	-0.02	-0.04	-0.02	-0.03	-0.05	-0.04	-0.04
Australia (OCR)	0.25	0.11	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				
	Apr	May	Jun	Jul	Aug		Apr	May	Jun	Jul	Aug
US	4.2	5.0	5.4	5.4			6.5	6.6	7.3	7.8	8.3
Canada	3.4	3.6	3.1	3.7			14.7	17.2	17.2	15.4	
UK	1.5	2.1	2.5	2.0							
Eurozone	1.6	2.0	1.9	2.2			7.6	9.6	10.2	12.1	
Germany	2.0	2.5	2.3	3.8	3.9		5.2	7.2	8.5	10.4	
France	1.2	1.4	1.5	1.2	1.9		6.1	6.7	7.2	8.0	
Italy	1.1	1.3	1.3	1.9	2.1		6.8	8.1	9.1	10.4	
Japan	-1.1	-0.8	-0.5	-0.3			3.9	5.1	5.0	5.6	
Australia	3.8	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	-19.5	16.9	1.3	-1.6	4.8	-21.4	-8.5	-7.3	-6.1	22.2
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	16.0	-1.8	0.2	2.7	-18.2	-5.2	-6.5	-0.7	17.3
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				
	Mar	Apr	May	Jun	Jul	Mar	Apr	May	Jun	Jul
US	2.8	0.0	0.8	0.2	0.9	1.7	17.8	16.5	9.9	6.6
Canada	1.1	-0.8	-0.5	1.9		2.7	17.7	12.3	9.2	
UK	1.5	-0.8	0.6	-0.7	1.2	3.1	27.5	20.7	8.4	3.8
Germany	2.1	-0.3	-0.8	-1.0	1.0	4.8	27.7	16.6	5.4	5.7
France	1.0	0.0	-0.3	0.6	0.3	14.3	44.0	20.5	7.3	4.0
Italy	0.3	1.8	-1.6	1.1	0.8	38.2	78.3	21.4	13.8	6.9
Japan	1.7	2.9	-6.5	6.5	-1.5	1.0	15.9	21.1	23.0	13.3

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
US	6.9	6.7	6.7	6.3	6.2	6.0	6.1	5.8	5.9	5.4	5.2
Canada	9.0	8.6	8.8	9.4	8.2	7.5	8.1	8.2	7.8	7.5	7.1
UK	5.1	5.2	5.1	5.0	4.9	4.8	4.8	4.7			
Eurozone	8.4	8.1	8.1	8.2	8.1	8.1	8.2	8.0	7.8	7.6	
Germany	6.2	6.2	6.1	6.0	6.0	6.0	6.0	5.9	5.8	5.6	5.5
France	8.3	8.0	7.8	7.9	8.1	8.1	8.3	8.3	8.0	7.9	
Italy	10.1	9.6	9.8	10.2	10.1	10.0	10.2	9.9	9.4	9.3	
Japan	3.1	3.0	3.0	2.9	2.9	2.6	2.8	3.0	2.9	2.8	
Australia	6.9	6.8	6.6	6.4	5.9	5.7	5.5	5.1	4.9	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	-3.6	
Canada	-2.8	-3.0	-1.7	-2.0	-1.6	-3.0	-1.6	-1.8	-0.9	0.3	0.6
UK	-4.7	-6.3	-3.2	-3.2	0.3	-3.5	-3.0	-2.6	-4.8	-2.4	
Eurozone	2.5	3.4	1.5	2.9	2.5	2.1	1.1	2.5	3.2	3.8	2.1
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	0.3	-0.4	-0.6	-0.4	-1.3	-3.6	-2.0	-0.9	-1.1	-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

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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: 09/30/2022