STATE STREET GLOBAL ADVISORS

September 9, 2022
Commentary

Weekly Economic Perspectives

Contents

Contact

Simona Mocuta
Chief Economist
simona_mocuta@ssga.com
+1-617-664-1133

Krishna Bhimavarapu
Economist
VenkataVamseaKrishna_Bhimavarapu@ssga.com
+91-806-741-5000

Amy Le
Macro-Investment Strategist
amy_le@ssga.com
+44-203-395-6590

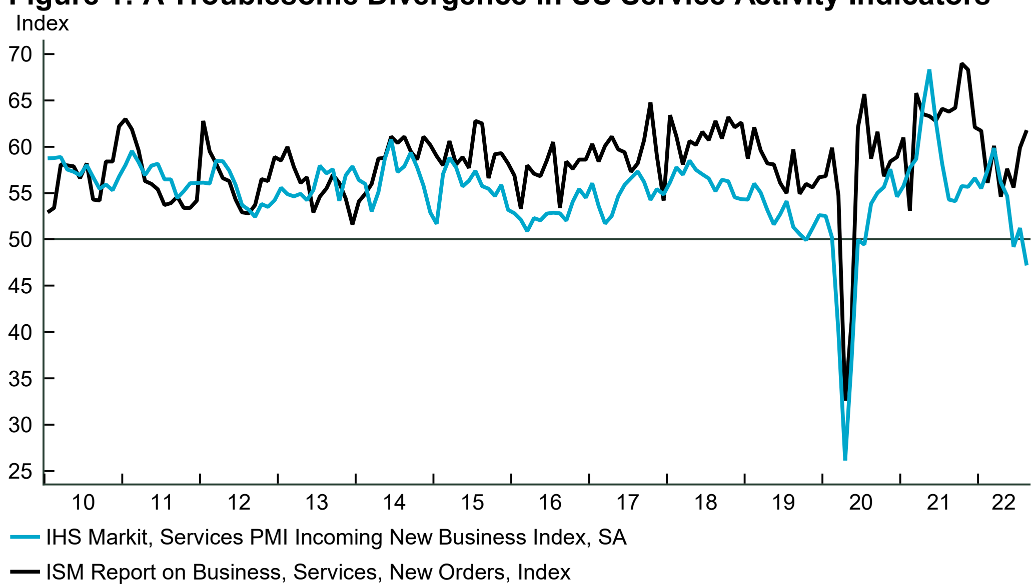
The Economy

Growth outlook dims as monetary tightening sprint continues.

US

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. We just don't know if we can trust it since a similar survey from IHS Markit (now part of S&P Global) has been sending far less upbeat signals. For now, we can only watch the evolution of the two series, but we suspect it is more likely than not that any future convergence implies the ISM index moving lower towards the Markit PMI. For now, however, the ISM services index continues to surprise to the upside. It rose incrementally to 56.9 in August, with new orders, new export orders, and employment all stronger. The business activity measure (the old headline) rose to 60.9, the highest reading so far this year. Employment, which had dipped below 50 in the prior two months (and recorded sub-50 readings four times this year) rebounded to 50.2, indicating modest improvement. Inventories declined at a slower rate but, unlike last month, they are no longer seen as too high. Price pressures remain acute, with the corresponding measure easing only incrementally and only to an extremely high level of 71.5. On the bright side, this was the lowest reading since January 2021.

Figure 1: A Troublesome Divergence In US Service Activity Indicators



Sources: Macrobond, SSGA Economics, ISM, IHS Markit

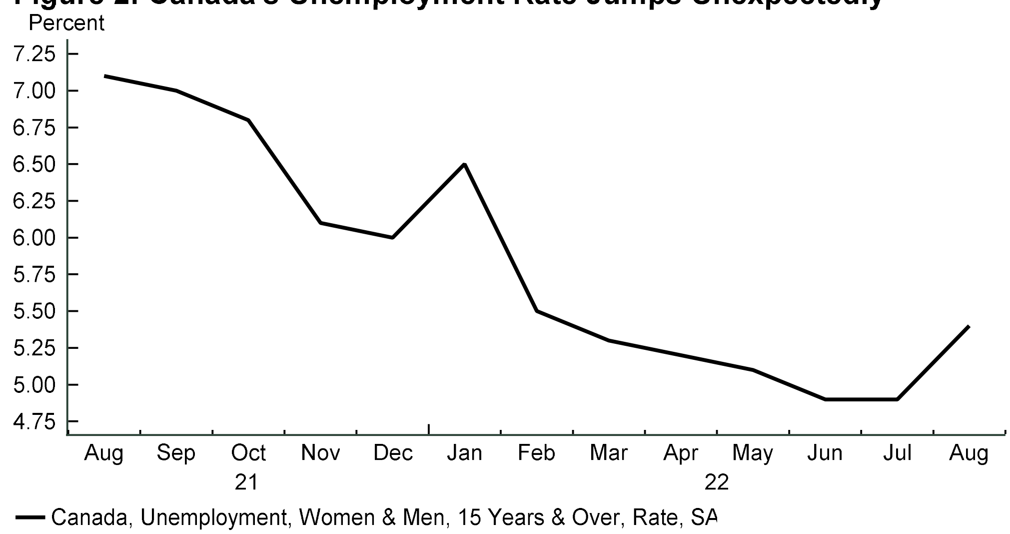
This year has been punctuated by several spectacularly strong increases in **consumer credit**, but the pace of growth seems to now be moderating. Overall consumer credit increased by $22.8 billion in July, nearly half of June's pace. The advance was fairly evenly split between revolving and non-revolving credit. Initial **unemployment claims** had moved noticeably higher in the few months through July but have now retreated for four straight weeks. They dipped 6,000 to 222,000 in the week ending September 3, the lowest level since late May. It is far too soon to conclude that the uptrend has been broken, however. A resumption higher is not only possible but, we believe, likely. Continuing claims rose to the highest since April.

Canada

As widely expected, the **Bank of Canada** hiked interest rates by 75 basis points to 3.25% this week. Quantitative tightening will continue to complement the increases in rates. Lower gasoline prices allowed headline inflation to ease in July but price pressures remain acute and broad-based, with core inflation measures up between 5.0%-5.5% y/y. Given the inflation outlook and the assessment that the economy is operating with excess demand and tight labor market, the Governing Council judged that the policy interest rate will need to increase further to bring inflation back to 2% target. The Bank also expected the economy to slow further in second half of the year, as global demand softens and monetary tightening lowers domestic demand.

The impact of that tightening is already being felt as employment unexpectedly declined for the third consecutive month. Employment declined by 40,000 in August, led by the declines in age groups 15-24 and 55-64. The **unemployment rate** rose for the first time in seven months, up to 5.4% from a record low of 4.9%. Overall, the economy has shed 114, 000 jobs in the last three months, mainly in full-time positions. Despite the contraction, full-time employment was still 3.9% higher than a year ago while part-time work changed very modestly. Total hours worked were flat in August following a 0.5% decline in July. Wages gains accelerated: average hourly wages rose 5.4% y/y, compared with 5.2% in previous two months. Given that the BoC will decide the interest rate increases based on inflation data, we expect that the latest rise in unemployment rate will not affect any rate hike decision in October.

Figure 2: Canada's Unemployment Rate Jumps Unexpectedly



Sources:SSGA Economics, StatCan

UK

Services sector growth softened to 18-month low as rising cost of living continued to dampen demand. The final read of **services PMI** came in at 50.9, weaker than its flash estimate of 52.5 and down from 52.6 in the previous month. New business rose modestly, at the slowest pace during the last 18 months. Employment growth slowed to the lowest since March 2021 as demand for services weakened. In addition, despite inflation fell to an eight-month low, operating cost increased sharply, leading to output price inflation continuing to rise at elevated rates.

Eurozone

After a large first step towards policy normalization in July, the **ECB** took an even larger second one this week, lifting all three policy rates by 75 basis points. As such, the main refinancing operations, the marginal lending facility, and the deposit facility rates now stand at 1.25%, 1.50% and 0.75%, respectively. The aggressive move was warranted by persistently high inflation and worries around de-anchoring inflation expectations. The Governing Council “expects to raise interest rates further”, although the pace will depend on incoming data. Unlike in the US, the goal appears to bring interest rates to neutral, not necessarily into restrictive territory. Asked specifically about the need to move into restrictive territory, President Lagarde said during the press conference that “we will cross that bridge when we cross that bridge. For the moment, we are actively busy and engaged in normalizing our monetary policy.” Not a no, not a yes, rather a maybe. As to APP and PEPP, principal reinvestments will continue for an extended period in both, the latter “until at least the end of 2024”.

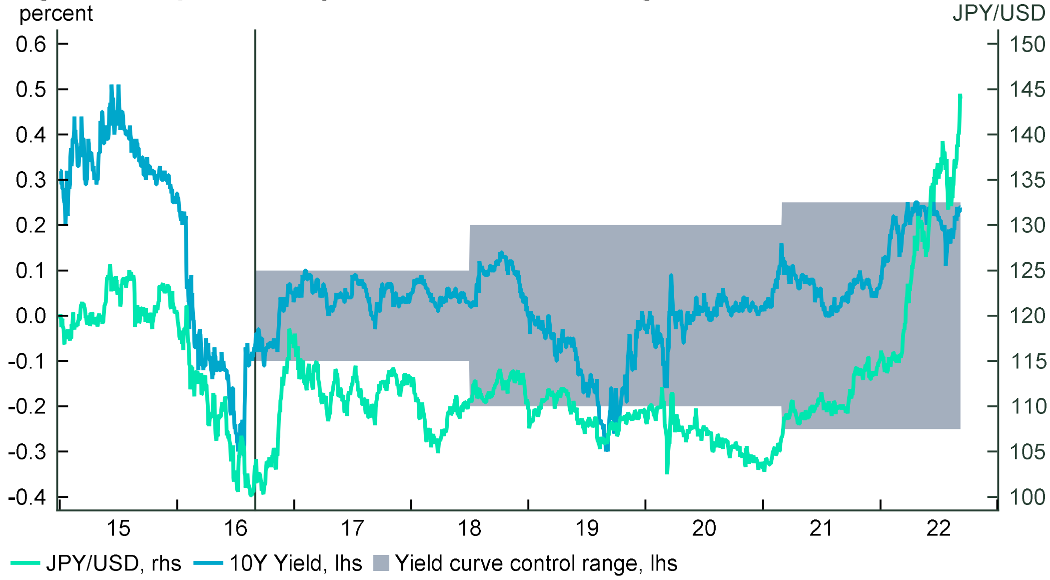
There were updated forecasts. One notable detail was the upgrade to 2022 real GDP growth from 2.8% to 3.1%. We had long highlighted the resiliency of the eurozone economy through the first half of the year, and the upgrade does not surprise us. After all, with the upwardly revised Q2 GDP data in hand, the region grew 4.8% y/y during the first half. 2023 is, evidently, another story. Growth was revised down from 2.1% to 0.9%. We’d argue that’s still a little optimistic and will take a slightly more cautious stance when we release updated forecasts later this month, but we agree with the idea that the baseline scenario is one of modest but positive growth. An outright contraction is possible but we—as the ECB—continue to see that as a downside scenario as opposed to the baseline. Inflation, unsurprisingly, was revised sharply higher across the board (headline and core) for both this year and next. Both remain above 2.0% through 2024, with headline reaching 8.1% in 2022 and 5.5% in 2023 and core (ex food and energy) touching 3.9% this year and 3.4% in 2023.

Japan

The **yen** weakened substantially over the week as the policy divergence between the Bank of Japan (BoJ) with its global peers grew further. The yen touched 144.99 against the USD at one point, an almost 23% depreciation since the start of the year.

This prompted serious verbal interventions started as a tri-party meeting between the finance ministry, BoJ and FSA. Vice Finance Minister Masato Kanda warned intervention was possible in order to arrest the yen’s decline, a rare move last used in 1998 jointly with the US. He said ‘the government is ready to take necessary response’ in the strongest message yet from authorities. Furthermore, BoJ Governor Haruhiko Kuroda met Prime Minister Fumio Kishida underscoring the heightened concerns from officials; subsequently, the yen strengthened to 142.82. While a direct intervention seem a possibility now, the chances of the BoJ adjusting its Yield Curve Control (YCC) policy are still low but we’d consider that a reasonable step. Hideo Hayakawa, a former BoJ chief economist, echoed the view. He was quoted by Bloomberg saying that “The BoJ’s peg for long-term rates is causing the yen to weaken so much; they should make it more flexible to reduce volatility in foreign exchange rates”.

Figure 3: Japanese 10y Yield Tests YCC Range Amid Yen Weakness



Sources: SSGA Economics, Macrobond

Separately, **Q2 GDP** was revised higher to 0.9% q/q (consensus 0.7%) or 3.5% q/q seasonally adjusted annualized rate. The main driver was capex which was revised higher to 8.3% from 5.8%. We had a sense of this last week when the MoF corporate survey showed an 8.6% q/q saar increment. Furthermore, net exports have contributed 0.1 ppts as opposed to no contribution preliminarily while the drag from inventories was reduced. We continue to expect a slowdown in H2, primarily on account of slowing external demand.

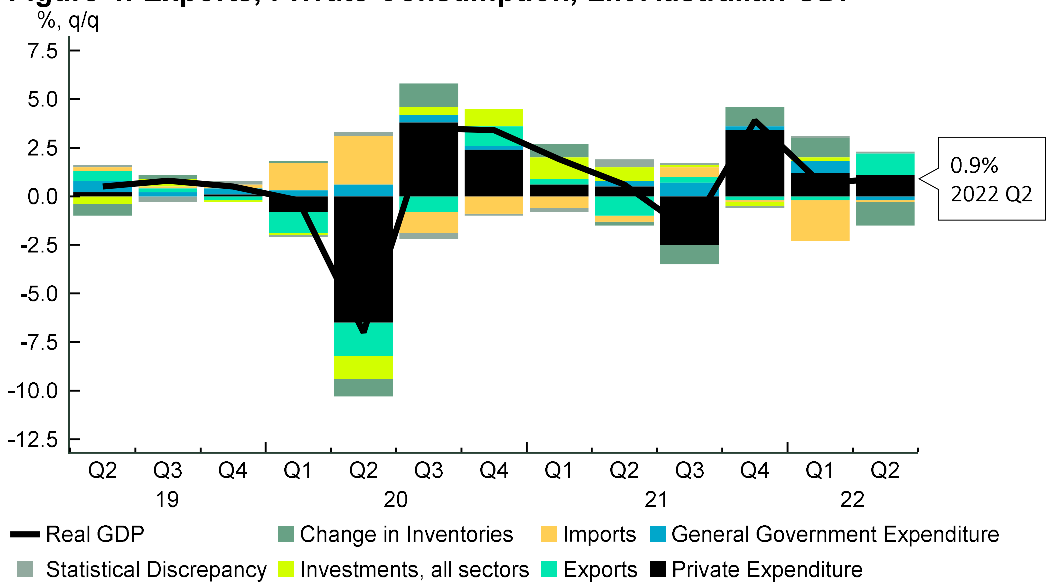
These concerns are acutely reflected in the **trade balance** and **current account balance** for July. The trade deficit widened for a fourth month while the current account balance turned negative for the first time since 2014.

Australia

The RBA hiked its **cash target rate** by 50 bps in line with expectations but the key event was **Governor Lowe's speech** on September 8th which was mellowed down and rightly so in our view as we discussed last week. He said, "all else equal, the case for a slower pace of increase in interest rates becomes stronger as the level of the cash rate rises." We continue to expect a terminal cash rate target of 3.0%.

Separately, Australia's **GDP** expanded at a solid pace of 0.9% q/q in Q2 from Q1 which translates to a 3.6% growth annually. This was lower than our expectation as we expected a smaller drag from inventories and government expenditure. Nonetheless, household consumption and exports grew at a solid pace of 2.15% and 5.5% in line with our expectations. A key caveat is that household savings to income ratio fell to 8.7% for a third straight quarter as spending was higher than income; this is still above the pre-pandemic trend but an indication of households tapping savings to tackle higher prices pressures.

Figure 4: Exports, Private Consumption, Lift Australian GDP



Sources: SSGA Economics, ABS

Furthermore, headwinds to the strong growth story are evolving with weakening external demand, from China particularly. The t**rade surplus** plummeted in July coming in at A$8.7 bn, reflecting sharp correction in commodity prices. **Exports** dropped 9.9% from June as metal ores and minerals fell. This indicates that Australia is coming off the peak in trade balance but it is a very high peak nonetheless. Global energy shortages should keep the LNG and coal exports in order but the slowdown in China could impact iron ore exports.

Week in Review (September 05– September 09)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, September 05					
UK	Services PMI (Aug, final)	52.5	50.9	52.6	Weakening.
EC	Services PMI (Aug, final)	50.2	49.8	51.2	Slowing.
GE	Services PMI (Aug, final)	48.2	47.7	49.7	Slowing.
JN	Labor Cash Earnings (Jul, y/y)	1.9%	1.8%	2.2%	Will be steady.
AU	Melbourne Institute Inflation (Aug, y/y)	na	4.9%	5.4%	Encouraging.
Tuesday, September 06					
US	ISM Services Index (Aug)	55.3	56.9	56.7	Employment and prices most important.
GE	Factory Orders (Jul, m/m)	-0.7%	-1.1%	-0.3% (↑)	Down 13.6% y/y.
AU	GDP (Q2, q/q, sa)	0.9%	0.9%	0.7% (↓)	Solidly driven by exports and consumption.
AU	RBA Cash Rate Target	2.35%	2.35%	1.85%	As expected and future hikes may be smaller.
Wednesday, September 07					
US	Trade Balance (Jul, $bn)	-70.2	-70.6	-80.9 (↓)	Welcome improvement.
CA	Bank of Canada Rate Decision	3.25%	3.25%	2.50%	Hints of slowing the pace soon.
EC	GDP (Q2, q/q, sa, final)	0.6%	0.8%	0.7%	But in rear-view mirror now.
GE	Industrial Production (Jul, m/m sa)	-0.6%	-0.3%	0.8% (↑)	Weak nonetheless.
IT	Retail Sales (Jul, m/m)	0.2%	1.3%	-1.1%	Welcome but how much can resilience last?
JN	GDP (Q2, q/q sa, final)	0.7%	0.9%	0.1%	In line with expectations.
JN	Leading Index CI	100.2	99.6	100.3 (↓)	Dropped as expected.
Thursday, September 08					
US	Initial Jobless Claims (3 Sep, thous)	235	222	228 (↓)	But uptrend unlikely to be broken.
US	Continuing Claims (27 Aug, thous)	1,473	1,438	1,437	Highest since early April.
US	Consumer Credit (Jul, $bn)	32.0	23.8	40.1	Moderating.
EC	ECB Main Refinancing Rate	1.25%	1.25%	0.50%	A big hike, more in store.
Friday, September 09					
CA	Unemployment Rate (Aug)	5.0%	5.4%	4.9%	Rose for the first seven months.
FR	Industrial Production (Jul, m/m)	-0.5%	-1.6%	1.4%	Weak.

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

Week In Preview (September 12– September 16)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, September 12				
UK	Industrial Production (Jul, m/m)	0.1%	-0.9%	Could be weak.
IT	Industrial Production (Jul, m/m)	0.0%	-2.1%	
JN	PPI (Aug, y/y)	8.9%	8.6%	
AU	Westpac Consumer Conf Index (Sep)		81.2	Could trend low.
AU	NAB Business Confidence (Aug)		7.0	Could trend low.
Tuesday, September 13				
US	NFIB Small Business Optimism (Aug)	90.5	89.9	
US	CPI (Aug, y/y)	8.0%	8.5%	
US	Monthly Budget Statement (Aug, $bn)		211.1	
UK	Average Weekly Earnings (Jul, y/y)	5.3%	5.1%	Continue to increase.
UK	ILO Unemployment Rate (Jul, 3m)	3.8%	3.8%	Could increase.
GE	CPI (Aug, y/y, final)	7.9%	7.5%	
GE	ZEW Survey Expectations (Sep)	-60.0	-55.3	
JN	Core Machine Orders (Jul, m/m)	-0.5%	0.9%	Can show a fall.
Wednesday, September 14				
US	PPI Final Demand (Aug, y/y)	8.8%	9.8%	
CA	Manufacturing Sales (Jul, m/m)	na	-0.8%	Weakening.
UK	CPI (Aug, y/y)	10.3%	10.1%	Escalating.
EC	Industrial Production (Jul, m/m sa)	-0.6%	0.7%	
JN	Industrial Production (Jul, m/m, final)	na	1.0%	
AU	Unemployment Rate (Aug)	3.4%	3.4%	
Thursday, September 15				
US	Initial Jobless Claims (10 Sep, thous)	na	222	
US	Continuing Claims (3 Sep, thous)	na	1473	
US	Empire Manufacturing (Sep)	-15.5	-31.3	
US	Retail Sales Advance (Aug, m/m)	0.0%	0.0%	
US	Philly Fed Business Outlook (Sep)	2.0	6.2	
US	Import Price Index (Aug, y/y)	na	8.8%	
US	Industrial Production (Aug, m/m)	0.2%	0.6%	
US	Business Inventories (Jul)	0.6%	1.4%	
CA	Existing Home Sales (Aug, m/m)	na	-5.3%	Weakening.
FR	CPI (Aug, y/y, final)	5.8%	5.8%	
JN	Tertiary Industry Index (Jul, m/m)	-0.1%	-0.2%	Can come in elevated.
Friday, September 16				
US	U.of Mich Sentiment (Sep, prelim)	59.3	58.2	
CA	Housing Starts (Aug, thous)	na	275.3	Might be softer.
UK	Retail Sales Inc Auto Fuel (Aug, m/m)	-0.1%	0.3%	Weak.
EC	CPI (Aug, m/m, final)	9.1%	8.9%	

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	6.6	6.3	6.3	6.8	6.3
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	6.7	6.8	7.7	8.1	7.6
UK	Target: CPI 2.0% y/y	7.0	9.0	9.1	9.4	10.1
Eurozone	Target: CPI below but close to 2.0% y/y	7.4	7.4	8.1	8.6	8.9
Japan	Target: CPI 2.0% y/y	1.2	2.5	2.5	2.4	2.6
Australia	Target Range: CPI 2.0%-3.0% y/y	5.1	6.1	6.1	6.1	

Source: Macrobond

Key Interest Rates

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
US (top of target range)	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.75	2.50	2.50
Canada (Overnight Rate)	0.25	0.25	0.25	0.25	0.25	0.50	1.00	1.00	1.50	2.50	2.50
UK (Bank Rate)	0.10	0.10	0.25	0.25	0.50	0.75	0.75	1.00	1.25	1.25	1.75
Eurozone (Refi)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
Japan (OCR)	-0.03	-0.05	-0.02	-0.02	-0.01	-0.02	-0.02	-0.03	-0.04	-0.01	-0.04
Australia (OCR)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.33	0.73	1.28	1.81

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				
	Apr	May	Jun	Jul	Aug	Mar	Apr	May	Jun	Jul
US	8.3	8.6	9.1	8.5		11.7	11.2	11.1	11.3	9.8
Canada	6.8	7.7	8.1	7.6		18.1	17.0	15.5	14.3	11.9
UK	9.0	9.1	9.4	10.1		12.0	14.7	15.6	16.4	17.1
Eurozone	7.4	8.1	8.6	8.9		36.9	37.2	36.2	36.0	37.9
Germany	7.4	7.9	7.6	7.5	7.9	30.9	33.5	33.6	32.7	37.2
France	4.8	5.2	5.8	6.1	5.8	24.8	25.2	25.0	25.2	25.9
Italy	6.0	6.8	8.0	7.9	8.4	36.9	35.3	34.6	34.1	36.9
Japan	2.5	2.5	2.4	2.6		9.3	10.0	9.3	9.4	8.6
Australia	6.1	6.1	6.1			4.9	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	1.6	0.6	1.7	-0.4	-0.1	12.2	4.9	5.5	3.5	1.7
Canada	-0.8	1.3	1.6	0.8	0.8	11.7	3.8	3.2	2.9	4.6
UK	5.6	0.9	1.3	0.8	-0.1	24.5	6.9	6.6	8.7	2.9
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	2.6	2.7	0.7	0.1	1.1	17.5	4.0	6.4	6.3	4.7
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				
	Mar	Apr	May	Jun	Jul	Mar	Apr	May	Jun	Jul
US	0.7	0.7	-0.1	0.0	0.6	4.8	5.3	4.4	4.0	3.9
Canada	1.2	1.4	-0.7	0.3		4.0	7.1	6.4	4.4	
UK	0.3	-0.1	1.3	-0.9		1.0	1.6	1.9	2.3	
Germany	-4.2	1.3	-0.1	0.8	-0.3	-4.5	-2.5	-1.7	0.0	-1.1
France	-0.5	-0.3	0.2	1.2	-1.6	-0.2	-0.7	-0.3	1.0	-1.2
Italy	0.1	1.3	-1.1	-2.1		3.1	3.4	3.4	-1.0	
Japan	0.3	-1.5	-7.5	9.2	1.0	-0.8	-3.4	-4.7	-2.8	-1.0

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
US	4.6	4.2	3.9	4.0	3.8	3.6	3.6	3.6	3.6	3.5	3.7
Canada	6.8	6.1	6.0	6.5	5.5	5.3	5.2	5.1	4.9	4.9	5.4
UK	4.1	4.0	4.0	3.8	3.7	3.8	3.8	3.8			
Eurozone	7.3	7.1	7.0	6.9	6.8	6.8	6.7	6.7	6.7	6.6	
Germany	5.3	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.3	5.4	5.5
France	7.5	7.4	7.4	7.3	7.3	7.4	7.5	7.6	7.6	7.5	
Italy	9.2	9.0	8.8	8.7	8.5	8.3	8.2	8.0	8.0	7.9	
Japan	2.7	2.8	2.7	2.8	2.7	2.6	2.5	2.6	2.6	2.6	
Australia	5.2	4.6	4.2	4.2	4.0	3.9	3.9	3.9	3.5	3.4	

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	-3.9	-3.7	-4.8	
Canada	-1.6	-3.2	-1.1	-2.0	-0.8	0.1	-0.1	0.2	0.0	0.4	0.4
UK	0.5	-2.2	-1.4	-1.4	-4.8	-2.2	-2.0	-4.9	-1.2	-8.3	
Eurozone	1.5	0.6	1.2	2.5	3.4	3.9	3.3	2.5	0.9	0.8	-0.2
Germany	7.4	6.7	5.2	7.3	8.2	8.8	7.8	7.0	6.4	5.0	3.3
France	0.5	-1.3	-3.7	-2.0	-0.5	0.6	0.7	0.4	-0.4	-0.3	-1.3
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 fourth-largest asset manager* with US $4.14 trillion† under our care.

* 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.

ssga.com

Important Risk Discussion

Investing involves risk including the risk of loss of principal.

The whole or any part of this work may not be reproduced, copied, or transmitted or any of its contents.

This material is for informational purposes only, not to be construed as investment advice, or a recommendation or offer to buy or sell any security and should not be construed as such. The views expressed in this material are the views of the SSGA Economics Team, through the period ending September 9 2022, and are subject to change without notice based on market and other conditions. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Past performance is not a guarantee of future results. SSGA may have or may seek investment management or other business relationships with companies discussed in this material or affiliates of those companies, such as their officers, directors and pension plans.

Intellectual Property Information

BLOOMBERG®, a trademark and service mark of Bloomberg Finance L.P. and its affiliates, and BARCLAYS®, a trademark and service mark of Barclays Bank Plc.

Standard & Poor's S&P 500 Index® is a registered trademark of Standard & Poor's Financial Services LLC. FTSE 100® is a trademark jointly owned by the London Stock Exchange Plc and The Financial Times Limited, and is used by FTSE International Limited under license. "All-World", "All-Share" and "All-Small" are trademarks of FTSE International Limited.

2537623.157.1.GBL.RTL

Exp. Date: 09/30/2023