Weekly Economic Perspectives

Weekly Highlights

- **Economies:** Consumption boosts US second-quarter growth. The ECB holds fire for now, but promises more accommodation. Japan's manufacturing activity contracts again. (pages 2 – 5)
- **Markets:** Risk-on mood continues, with equities rising on monetary easing promises and decent US data. Bonds only listen to the easing promises, with yields narrowing accordingly. The dollar strengthens despite imminent Fed easing as ECB and Brexit weigh on euro and the pound. Oil inches slightly higher, gold retreats marginally. (page 6)

Upcoming Highlights

- **Spotlight:** We expect the Fed to deliver a 25 basis point rate cut, but the BoE should stay pat. Solid employment gains are expected in the US. Q2 GDP growth will slow in the eurozone. (page 8)

Tables

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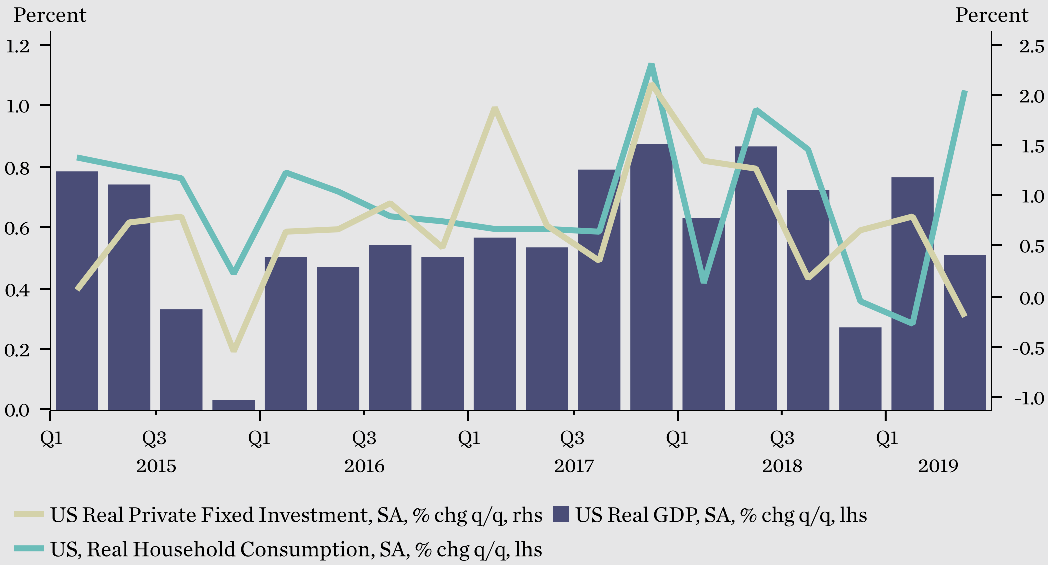
Figure 1: Consumption Boosts US GDP Growth In Q2



Sources: SSGA Economics, U.S. Bureau of Economic Analysis (BEA)

STATE STREET GLOBAL ADVISORS

Week in Review

G7

Global manufacturing activity continues to languish. Preliminary readings on **purchasing managers' indexes (PMIs) for manufacturing** pointed to a standstill in the United States, worsening malaise in Europe, and persistent weakness in Japan in July. The US manufacturing PMI (ISM index The overall eurozone index lost 1.2 points—the most since March—to 46.4, the lowest least since December 2012. The German index collapsed 1.9 points to 43.1, the weakest level since July 2012 and, prior to that, June of 2009. The across-the-board weakness was quite striking, especially the 5.0-point plunge in new export orders. Likely in response to this, expectations of future activity also worsened sharply in an ominous sign for future employment. Whereas the last couple of monthly readings had hinted as some very incipient signs of healing in German manufacturing, the July preliminary update pointed to the exact opposite. Having improved modestly in each of the prior three months, the French index was equally disappointing. It also lost 1.9 points, landing squarely on the neutral 50.0 level, with output, new orders, new export orders, and employment all in slight outright contraction. The Japanese index edged up 0.3 point, which seems good only by the dismal standards of the European experience, but remains in contraction at 49.6.

US

As the last major data release before the Fed's meeting next week, the advance estimate on second quarter **GDP** was eagerly anticipated. In the event, it did not provide any major surprises and we do not believe it changes the picture either for full-year growth or for the Fed next week. The economy expanded at a 2.1% seasonally adjusted annualized rate (saar), a bit better than the expected 1.8%. Private consumption posted a remarkable rebound, up 4.3% saar, compared with the meager 1.1% in Q1 (Figure 1, page 1). But this was hardly a shock given the clear resurgence retail sales in recent months. By contrast, business fixed investment disappointed somewhat on weakness in residential and structures. Still, weakness was not universal as business equipment investment picked up slightly and investment in intellectual property continues to growth at a solid pace. Government spending quickened and exports slid sharply after an unusually strong first quarter. The inventory build-up slowed as expected. All in all, private consumption added 2.9 percentage points (ppts) to second quarter growth (ssar terms) and government added 0.9. But fixed investment detracted 0.1, inventories detracted 0.9, and net exports detracted 0.7. Benchmark revisions to the prior five years did not yield notable changes, but we noted a further upward revision to household incomes and, by default, the savings rate. If anything, this to us indicates further resilience among households to weather any temporary growth slowdown. GDP grew 2.3% y/y in the second quarter, and grew 2.5% y/y during the first half. Today's data remains consistent with our full-year 2.3% forecast.

Durable goods orders have fizzled materially since the start of the year, but they haven't collapsed. Additionally, some of the recent weakness is due partly to fallout from the 737 MAX grounding and should eventually reverse. In any case, following two sizable declines, including a downwardly revised 2.3% retreat in May, orders rose 2.0% in June. Capital goods orders, which collapsed 6.5% in May, recovered 1.4% but were still constrained by a second consecutive double-digit fall in defense orders. Excluding defense, durable goods orders increased 3.1%; capital goods orders excluding defense gained 4.8%. Core orders (non-defense capital goods excluding aircraft)—which a leading indicator for business equipment investment (BEI) in the GDP accounts—increased 1.9%, the most since February 2018. Core orders are still up 0.7% y/y, but overall orders are down 4.5% and capital goods orders are down 11.3%. Nondefense aircraft orders are still down 52% y/y! Overall shipments increased 1.4% while core shipments rose 0.6%. Core backlogs—a leading indicator of industrial production—fell 0.1%. Overall and core inventories increased 0.3% each. The inventory to sales ratio eased two ticks to 1.65 months but remains elevated.

Existing home sales came in weaker than expected in June, but there were also some encouraging details. Admittedly, sales declined 1.7%, but this was partly offset by an upward revision to May data, now showing a 2.9% increase. And, the buyer profile was encouraging. First time home buyers accounted for 35% of sales, up from 32% in May and 31% a year earlier, suggesting that lower mortgage rates are, in fact, encouraging purchases among this group of buyers. By contrast, the share of purchases by investors declined from 13% in May to 10% in June, having been as high as 18% as recently as

March. At 5.27 million (annualized) sales were almost exactly in line with the average that has prevailed over the past six months but 2.2% below year-earlier sales level. The number of homes available for sale increased a modest 1.0%, which, in conjunction with weaker sales, lifted the inventory ratio up a tick to 4.4 months' worth of sales, the most since September. And yet, properties are moving fast, staying on the market an average of just 27 days. The median price of an existing home increased 4.3% y/y to $285,700.

We do believe that lower mortgage rates are inducing a revival in **new single family home sales**, but it is true that the revival has been pretty subdued so far. Admittedly, sales rose 7.0% to 646,000 (seasonally adjusted annualized) in June, but this was primarily a reflection of a downward revision to May data, rather than a sign of inherent strength. Still, sales activity is improving: whereas new home sales fell by 11.3% y/y on average from October to December of last year, they rose 2.4% y/y on average during the first half of 2019. June sales alone were up 4.5% y/y. New home sales were little changed in June in the South and the Northeast, fell in the Midwest and jumped in the West. The number of homes available for sale was little changed but better sales caused the market to tighten. Inventory is now equivalent to 6.3 months' worth of sales, only marginally higher than the 2018 average. The median sales price of a new home was unchanged y/y, having oscillated quite wildly over the past nine months.

After a solid 0.4% April gain, the **FHFA purchase-only price index** for existing single family homes rose just 0.1% in May. Prices were 5.0% higher than a year earlier, moderating slightly from April's 5.3% rate but still quite a robust reading. Admittedly, it remains considerably below the recent 7.6% peak in February 2018, but by and large this metric has held up better than other measures of home price inflation. Prices increased in six of the nine regions in May while retreating in the Mountain (-0.3%), West South Central (-0.5%), and East South Central (-1.1%) regions.

Unemployment claims continue to hover at very low levels historically. Initial unemployment claims—a measure of job shedding—declined by 10,000 to a three month low 206,000 during the week ending July 19. Continuing claims—a measure of unemployment—declined by 13,000 to 1,676,000 in the week ended July 12.

Eurozone

The **ECB** took no interest rate action at its meeting this week but promised more—and possibly more diverse—accommodation is coming soon. Indeed, forward guidance was tweaked to indicate an expectation that "key ECB interest rates to remain at their present or lower [our emphasis] levels at least through the first half of 2020" and, as previously stated "for as long as necessary to ensure the continued sustained convergence of inflation to its aim over the medium term." The persistent inflation shortfall has also led the Governing Council to believe that more aggressive policy accommodation is needed. To be sure, the ECB and President Draghi have always emphasized that the region's recovery is highly dependent on continued monetary stimulus, but the latest statement notes that "highly accommodative stance of monetary policy for a prolonged period of time" is needed. This seems to open the door for not only rate cuts buts also a resumption of QE. The details are still being investigated by the "relevant committees", but with all the usual suspects being specifically mentioned in the statement itself—policy rates, a tiered system for reserve remuneration, and new net asset purchases—the direction of travel seems pretty clear. We expect a first doze of stimulus to be delivered before President Draghi leaves office, while subsequent steps may await the leadership of Mme Lagarde.

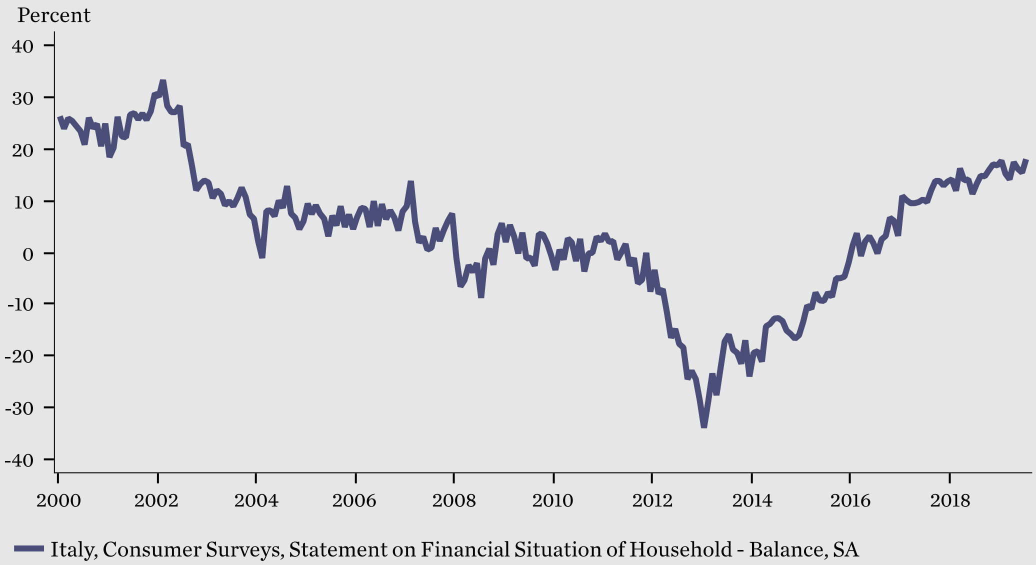
Service activity is holding up a lot better than manufacturing, and it is critical that it does so for the sake of regional growth. Still, one can't help wonder how long this can be sustained given softness in manufacturing, geopolitical tensions, and the myriad risks to the outlook. The *eurozone* **purchasing managers' index (PMI) for services** lost 0.3 point to 53.3 in July, which nonetheless left it at the second best level so far this year, on a par with the March reading. However, the details were on the soft side as incoming new business eased 1.0 point to 52.3 and employment eased 0.7 point to 53.5. The German index lost 0.4 point, but that was a bit better than expected and still left it at a solid 55.4 level.

The closely watched *German* **IFO business climate indicator** has been trying very hard to put in a bottom in recent months but the reality of slower growth and geopolitical risks kept getting in the way and is now pushing it lower once again. The headline index dived 1.8 points to 95.7 in July, the fourth consecutive decline and the largest since April 2013. Weakness was evenly distributed between the current assessment and the expectations metric: the former is now the weakest since April 2016 while the latter is the weakest since July of 2009! There remain major differences among sectors, however. Whereas manufacturing sentiment has been hit hard by ongoing trade tensions and slower global growth, conditions in the construction sector are still hovering near multi-year highs and even improved incrementally during the month.

French **consumer confidence** is improving. It had taken a nosedive late last year amid widespread violent protests but has since fully recovered. In fact, the INSEE consumer confidence index rose another point to 102 in July, reaching the highest level since January of 2018.

Italian **consumer confidence** eroded notably since late 2018 but perked up in July. The Istat index jumped 3.6 points to 103.4, the biggest monthly gain since September 2017 and the highest level since January. We are encouraged by the improvement, but if course we need to see this sustained in order to call a definitive bottom. Interesting to note that assessments of family finances hit the highest level since 2002—the healing is Italy's labor market, however slow, matters greatly!

Figure 2: Italian Consumers More Positive About Family Finances



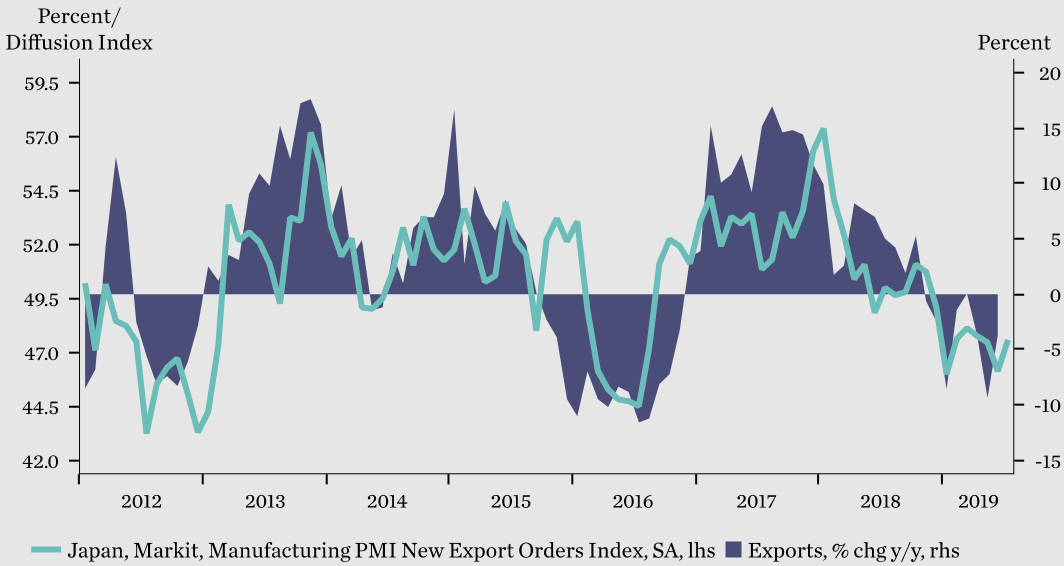
Sources: Italian National Institute of Statistics (Istat)

Indeed, the unemployment rate, while still higher than most elsewhere in the eurozone (at 9.9% as of May) is now the lowest since 2012. In addition to the income boost through expansion of employment, family finances are also benefitting from modest wage growth. Admittedly, **hourly wage inflation** slowed sharply from 1.6% y/y in May to 0.7% y/y in June, but that largely reflected base effects as a large increase in public sector wages in June of last year has now fallen out of the calculation.

Japan

The preliminary print for the July **purchasing managers' index for manufacturing** confirmed a third straight month of contraction and the fifth so far this year (Figure 3, page 6). Admittedly, PMI edged up 0.3 points from the previous month to 49.6, but the details were rather bleak. Factory output declined for the seventh consecutive month, while backlog of works fell to the lowest since start of 2013. Falling exports are the main reason behind the downturn, with trade tensions weighing heavily on sentiment. Rising frictions between Japan and South Korea have further exacerbated the headwinds.

Figure 3. Exports Have Been A Drag On Japanese Manufacturing



Sources: Japanese Ministry of Finance, Netherlands Bureau for Economic Policy Analysis (CPB), IHS Markit

Producer prices for services (PPIS), which purport to measure the cost of running a business, has been hovering close to the 1.0% mark for more than a year now, but has been trending lower since the start of this year. Producer price inflation fell 0.1% in June, lowering the annual rate by two-tenths to 0.7% y/y. Transportation—one of the largest components—fell 0.3%, due to a sharp downtick in international air freight. The usually volatile advertising services increased 1.1%, while prices for leasing and rental services fell 0.3%.

Financial Markets Review

Despite near universal expectations of an interest rate cut from the Federal Reserve next week, the dollar index is hovering close to its highs for the year and near the highest level since May 2017. This may seem surprising at first, but as the saying goes, it takes two to tango...The dollar strength is less surprising viewed in the context of US growth (still best among major developed markets) and the similarly dovish tone of other central banks.

Figure 4: Dollar Resilient Despite Impending Fed Easing

Sources: Bloomberg

Equities: Equities gain on monetary easing promises and decent data.

Bonds: Bond yields only listen to the easing promises and narrow accordingly.

Currencies: The dollar strengthens despite imminent Fed easing as ECB and Brexit weigh on euro and the pound.

Commodities: Oil inches slightly higher, gold retreats marginally.

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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®	3025.36	1.6%	20.7%	2.08	2	-61	98.007	0.9%	1.9%
Canada	TSE 300	16553.13	0.4%	15.6%	1.46	-4	-50	1.3172	0.9%	-3.4%
UK	FTSE®	7549.06	0.5%	12.2%	0.69	-5	-59	1.2384	-0.9%	-2.9%
Germany	DAX	12419.9	1.3%	17.6%	-0.38	-5	-62			
France	CAC-40	5610.05	1.0%	18.6%	-0.12	-5	-83	1.1125	-0.9%	-3.0%
Italy	FTSE® MIB	21837.74	0.9%	19.2%	1.57	-4	-118			
Japan	Nikkei 225	21658.15	0.9%	8.2%	-0.15	-2	-15	108.7	0.9%	-0.9%
Australia	ASX 200	6793.391	1.4%	20.3%	1.23	-12	-109	0.6909	-1.9%	-2.0%

Commodity Markets

Commodity	Unit	Source	Last Price	%Ch Week	%Ch YTD	%Ch Yr Ago
Oil (Brent)	US $/Barrel	Bloomberg	63.13	1.3%	18.7%	-14.7%
Gold	US $/troy oz	Bloomberg	1418.74	-0.5%	10.6%	16.0%

Source: Bloomberg®

Week in Review: Data Releases and Major Events (July 22 – July 26)

Country	Release (Date, format)	Consensus	Actual	Last	Comments
Monday, July 22					
Tuesday, July 23					
US	FHFA House Price Index (May, m/m)	0.3%	**0.1%**	0.4%	Up 5.0% y/y.
US	Existing Home Sales (Jun, m/m)	-0.2%	**-1.7%**	2.5%	Houses are still selling very fast.
Wednesday, July 24					
US	New Home Sales (Jun, thous)	660	**646**	604(↓r)	Affordability is a challenge.
EC	PMI Manufacturing (Jul, prelim)	47.7	**46.4**	47.6	Disappointing!
EC	PMI Services (Jul, prelim)	53.3	**53.3**	53.6	Luckily, holding up so far.
GE	PMI Manufacturing (Jul, prelim)	45.2	**43.1**	45.0	Worrisome and with worrisome details!
GE	PMI Services (Jul, prelim)	55.3	**55.4**	55.8	Luckily, holding up so far.
FR	PMI Manufacturing (Jul, prelim)	51.7	**50.0**	51.9	Big pullback…
FR	Business Confidence (Jul)	106	**105**	106	Has recovered post-protests but now stalling.
JN	PMI Manufacturing (Jul, prelim)	na	**49.6**	49.3	Falling exports a major drag on sentiment.
JN	Leading Index (May, final)	95.2(p)	**94.9**	95.9	Lowest since December 2012.
Thursday, July 25					
US	Initial Jobless Claims (Jul 20, thous)	219	**206**	216	Three month low.
US	Durable Goods Orders (Jun, prelim, m/m)	0.7%	**2.0%**	-2.3%(↓r)	Down, but not really out.
US	Kansas City Fed Manuf. Activity (Jul)	3	**-1**	0	Disappointing.
EC	ECB Monetary Policy Decision	0.00%	**0.00%**	0.00%	But easing is coming soon.
GE	IFO Business Climate (Jul)	97.1	**95.7**	97.5(↑r)	Biggest decline in six years.
JN	PPI Services (Jun, y/y)	0.8%	**0.7%**	0.9%(↑r)	Third straight monthly decline.
Friday, July 26					
US	GDP (Q2, first, q/q, saar)	1.8%	**2.1%**	3.1%	Consumption rebounds, investment slows.
FR	Consumer Confidence (Jul)	101	**102**	101	Best since January 2018.
IT	Consumer Confidence (Jul)	109.8	**113.4**	109.8(↑r)	Nice bounce!
IT	Hourly Wages (Jun, y/y)	na	**0.7%**	1.4%	Base effect s skew comparison.

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

Week in Preview: Releases and Major Events (July 29–August 2)

Country	Release (Date, format)	Consensus	Last	Comments
Monday, July 29				
JN	Retail Sales (Jun, m/m)	-0.3%	0.4%(↑r)	
Tuesday, July 30				
US	Personal Income (Jun, m/m)	0.4%	0.5%	Incomes are healthy, supporting consumption.
US	Personal Spending (Jun, m/m)	0.3%	0.4%	
US	S&P CoreLogic 20-City Index (May, m/m)	0.2%	0.0%	
US	Pending Home Sales (Jun, m/m)	0.4%	1.1%	
US	Consumer Confidence (Jul)	125	121.5	Would make sense to see a pick-up.
GE	GfK Consumer Confidence (Aug)	9.7	9.8	
FR	GDP (Q2, prelim, q/q)	0.3%	0.3%	
JN	BoJ Monetary Policy Decision	-0.10%	-0.10%	
JN	Unemployment Rate (Jun)	2.4%	2.4%	Tight; but wage pressures non-existent.
JN	Industrial Production (Jun, prelim, m/m)	-1.8%	2.0%	Outlook is pretty bleak.
Wednesday, July 31				
US	FOMC Monetary Policy Decision	2.25%	2.50%	Forward guidance will be important.
US	Employment Cost Index (Q2, q/q)	0.7%	0.7%	
CA	GDP (May, m/m)	na	0.3%	Partials suggest a slight loss of momentum in May.
UK	GfK Consumer Confidence (Jul)	-13	-13	
EC	GDP (Q2, prelim, q/q)	0.2%	0.4%	Evident deceleration…question is only how severe.
GE	Unemployment Rate (Jul)	5.0%	5.0%	
GE	Retail Sales (Jun, m/m)	0.5%	-1.7%(↓r)	Not enough to compensate for big downward revision.
FR	CPI (Jul, prelim, y/y)	1.2%	1.2%	
IT	Unemployment Rate (Jun, prelim)	na	9.9%	
IT	GDP (Q2, prelim, q/q)	-0.1%	0.1%	
AU	CPI (Q2, q/q)	0.5%	0.0%	Rise in petrol prices to push headline higher.
AU	Private Sector Credit (Jun, m/m)	0.3%	0.2%	Anemic.
Thursday, August 1				
US	Initial Jobless Claims (Jul 27, thous)	na	206	
US	ISM Manufacturing (Jul)	52.0	51.7	Bit of litmus test here re: health of industrial sector.
UK	BoE Monetary Policy Decision	0.75%	0.75%	Constrained by Brexit and on hold, but not easing.
UK	PMI Manufacturing (Jul)	47.8	48.0	No high expectations, given dismal eurozone readings.
EC	PMI Manufacturing (Jul, final)	46.4(p)	47.6	
GE	PMI Manufacturing (Jul, final)	43.1(p)	45	
FR	PMI Manufacturing (Jul, final)	50.0(p)	51.9	
IT	PMI Manufacturing (Jul)	48.1	48.4	
JN	PMI Manufacturing (Jul, final)	49.6(p)	49.3	
Friday, August 2				
US	Total Vehicle Sales (Jul, thous)	16.9	17.3	
US	Change in Nonfarm Payrolls (Jul, thous)	160	224	Critical indicator for health of economy…can it hold?
US	Unemployment Rate (Jul)	3.7%	3.7%	
US	Factory Orders (Jun, m/m)	0.6%	-0.7%	
US	U of M Consumer Sentiment (Jul, final)	98.4(p)	98.2	
IT	Industrial Production (Jun, m/m)	na	0.9%	
AU	Retail Sales (Jun, m/m)	0.3%	0.1%	Still weak, expected to pick up gradually.

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

Economic Indicators

Central Bank Policy Targets

		Year/Year % Change in Target				
		Feb	Mar	Apr	May	Jun
US	Target: PCE price index 2.0% y/y	1.3	1.5	1.6	1.5	
Canada	Target: CPI 2.0% y/y, 1.0%-3.0% control range	1.5	1.9	2.0	2.4	2.0
UK	Target: CPI 2.0% y/y	1.9	1.9	2.1	2.0	2.0
Eurozone	Target: CPI below but close to 2.0% y/y	1.5	1.4	1.7	1.2	1.3
Japan	Target: CPI 2.0% y/y	0.2	0.5	0.9	0.7	0.7
Australia	Target Range: CPI 2.0%-3.0% y/y	1.3	1.3			

Source: Macrobond

Key Interest Rates

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
US (top of target range)	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Canada (Overnight Rate)	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
UK (Bank Rate)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
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)	-0.06	-0.06	-0.07	-0.06	-0.06	-0.06	-0.05	-0.06	-0.07	-0.06	-0.08
Australia (OCR)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.28

Source: Macrobond

General Government Structural Balance as a % of Potential GDP

									Forecast	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
US	-9.3	-7.9	-6.1	-4.0	-3.4	-3.2	-3.9	-4.0	-4.7	-5.2
Canada	-3.8	-3.1	-1.9	-0.9	0.3	0.9	0.8	0.1	-0.2	-0.4
UK	-7.2	-5.9	-5.9	-3.9	-4.6	-3.9	-2.8	-1.9	-1.4	-1.2
Eurozone	-4.8	-3.9	-2.2	-1.3	-1.0	-0.9	-0.8	-0.7	-0.7	-0.9
Germany	-2.4	-1.4	-0.1	0.2	0.9	0.8	1.0	0.9	1.3	0.7
France	-6.2	-5.2	-4.5	-3.5	-3.3	-3.0	-2.8	-2.6	-2.5	-2.5
Italy	-3.7	-4.1	-1.5	-0.6	-1.1	-0.7	-1.4	-1.6	-1.7	-2.1
Japan	-8.0	-8.0	-7.6	-7.5	-5.5	-4.3	-4.1	-3.4	-3.1	-2.8
Australia	-4.9	-4.2	-3.3	-2.6	-2.5	-2.4	-2.2	-1.2	-1.0	-1.2

Source: International Monetary Fund, World Economic Outlook

Headline Consumer and Producer Price Inflation

	CPI Year/Year % Change					PPI Year/Year % Change				
	Feb	Mar	Apr	May	Jun	Feb	Mar	Apr	May	Jun
US	1.5	1.9	2.0	1.8	1.6	1.9	2.2	2.2	1.8	1.7
Canada	1.5	1.9	2.0	2.4	2.0	1.2	1.5	1.7	0.6	
UK	1.9	1.9	2.1	2.0	2.0	2.4	2.2	2.1	1.9	1.6
Eurozone	1.5	1.4	1.7	1.2	1.3	3.0	2.9	2.6	1.6	
Germany	1.5	1.3	2.0	1.4	1.6	2.6	2.4	2.5	1.9	1.2
France	1.3	1.1	1.3	0.9	1.2	1.8	1.7	1.9	1.0	0.0
Italy	1.0	1.0	1.1	0.8	0.7	3.1	2.9	2.1	1.5	
Japan	0.2	0.5	0.9	0.7	0.7	0.9	1.3	1.2	0.6	-0.1
Australia	1.3	1.3				1.9	1.9			

Source: Macrobond

Economic Indicators

Real GDP Growth (Q/Q Seasonally Adjusted)

	Quarter/Quarter % Change					Year/Year % Change				
	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19
US	0.9	0.7	0.3	0.8	0.5	3.2	3.1	2.5	2.7	2.3
Canada	0.6	0.5	0.1	0.1		1.8	2.0	1.6	1.3	
UK	0.4	0.7	0.2	0.5		1.4	1.6	1.4	1.8	
Eurozone	0.4	0.2	0.2	0.4		2.2	1.7	1.2	1.2	
Germany	0.5	-0.2	0.0	0.4		2.0	1.2	0.6	0.7	
France	0.2	0.3	0.4	0.3		1.9	1.5	1.2	1.2	
Italy	0.0	-0.1	-0.1	0.1		1.0	0.5	0.0	-0.1	
Japan	0.6	-0.6	0.5	0.6		1.4	0.1	0.3	0.9	
Australia	0.9	0.3	0.2	0.4		3.1	2.8	2.4	1.8	

Source: Macrobond

Industrial Production Index (M/M Seasonally Adjusted)

	Month/Month % Change					Year/Year % Change				
	Feb	Mar	Apr	May	Jun	Feb	Mar	Apr	May	Jun
US	-0.5	0.1	-0.5	0.4	0.0	2.8	2.3	0.9	2.1	1.3
Canada	-0.9	1.9	1.0			-0.7	0.2	1.8		
UK	0.3	1.4	-2.9	1.4		-0.2	1.4	-1.2	0.9	
Germany	0.4	0.4	-2.0	0.3		0.1	-0.8	-2.3	-3.7	
France	0.3	-1.3	0.5	2.1		0.7	-0.8	1.1	4.0	
Italy	0.8	-1.0	-0.8	0.9		0.7	-1.7	-1.4	-0.8	
Japan	0.7	-0.6	0.6	2.0		-1.2	-2.8	-1.6	0.1	

Source: Macrobond

Unemployment Rate (Seasonally Adjusted)

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
US	3.8	3.7	3.8	3.7	3.9	4.0	3.8	3.8	3.6	3.6	3.7
Canada	6.0	5.8	5.7	5.6	5.6	5.8	5.8	5.8	5.7	5.4	5.5
UK	4.1	4.1	4.0	4.0	3.9	3.9	3.8	3.8	3.8		
Eurozone	8.0	8.0	8.0	7.9	7.9	7.8	7.8	7.6	7.6	7.5	
Germany	5.1	5.1	5.1	5.0	5.0	5.0	5.0	4.9	4.9	5.0	5.0
France	9.0	9.0	9.0	8.9	8.9	8.8	8.7	8.7	8.6	8.6	
Italy	10.1	10.4	10.7	10.5	10.4	10.4	10.5	10.1	10.1	9.9	
Japan	2.4	2.4	2.4	2.5	2.4	2.5	2.3	2.5	2.4	2.4	
Australia	5.3	5.0	5.0	5.1	5.0	5.1	4.9	5.1	5.2	5.2	5.2

Source: Macrobond

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

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19
US	-2.3	-2.2	-2.2	-2.5	-2.0	-2.3	-2.3	-2.1	-2.4	-2.8	-2.5
Canada	-3.3	-1.9	-2.5	-2.6	-3.1	-3.0	-3.0	-2.8	-1.8	-3.0	-3.1
UK	-6.3	-4.0	-3.0	-4.1	-3.1	-3.0	-3.4	-3.3	-4.3	-4.4	-5.6
Eurozone	3.1	2.8	3.0	2.5	3.9	3.5	3.3	3.0	2.6	2.8	3.1
Germany	8.1	7.9	8.2	6.8	8.5	8.5	8.3	7.5	6.4	7.3	7.7
France	-1.2	-1.3	-0.8	-0.5	-0.7	-0.4	-0.6	-1.4	-0.4	-0.2	-0.9
Japan	3.8	4.1	4.3	3.7	4.6	4.2	3.6	4.0	3.4	3.1	3.4
Australia	-3.3	-1.4	-1.6	-2.4	-2.8	-3.4	-2.2	-2.5	-2.1	-1.3	-0.6

Source: Macrobond

Important Risk Discussion

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