

# U.S. Economic Outlook for July 12, 2024

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

	2023				2024				2025				2022	2023	2024	2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Production</b>	<b>q/q % chng : a.r.</b>															
Real GDP (chain-weighted)	2.2	2.1	4.9	3.4	1.4	<b>1.6</b>	<b>1.2</b>	<b>1.5</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	1.9	2.5	<b>2.2</b>	<b>1.8</b>
Final Sales	4.6	2.1	3.6	3.9	1.8	<b>0.6</b>	<b>1.4</b>	<b>1.6</b>	<b>2.1</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	1.3	2.9	<b>2.1</b>	<b>1.8</b>
Final Domestic Demand	3.8	2.0	3.5	3.6	2.4	<b>1.9</b>	<b>1.4</b>	<b>1.6</b>	<b>2.1</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	1.7	2.3	<b>2.5</b>	<b>1.9</b>
Consumer Spending	3.8	0.8	3.1	3.3	1.5	<b>1.8</b>	<b>1.5</b>	<b>1.7</b>	<b>2.1</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	2.5	2.2	<b>2.0</b>	<b>1.9</b>
Durables	14.0	-0.3	6.7	3.2	-4.5	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>2.2</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	-0.3	4.2	<b>0.8</b>	<b>2.0</b>
Nondurables	0.5	0.9	3.9	2.9	-1.1	<b>1.0</b>	<b>1.5</b>	<b>1.6</b>	<b>2.0</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	0.6	0.8	<b>1.3</b>	<b>1.8</b>
Services	3.1	1.0	2.2	3.4	3.3	<b>2.1</b>	<b>1.5</b>	<b>1.7</b>	<b>2.1</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>	3.7	2.3	<b>2.5</b>	<b>1.9</b>
Government Spending	4.8	3.3	5.8	4.6	1.8	<b>0.5</b>	<b>0.1</b>	<b>0.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.1</b>	-0.9	4.1	<b>2.3</b>	<b>1.0</b>
Business Investment	5.7	7.4	1.4	3.7	4.4	<b>5.8</b>	<b>2.5</b>	<b>2.4</b>	<b>2.6</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	5.2	4.5	<b>4.0</b>	<b>2.7</b>
Non-residential Construction	30.3	16.1	11.2	10.9	3.4	<b>-2.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	-2.1	13.2	<b>5.0</b>	<b>1.6</b>
Equipment	-4.1	7.7	-4.4	-1.1	1.6	<b>10.0</b>	<b>2.0</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	5.2	-0.3	<b>2.3</b>	<b>2.3</b>
Intellectual Property	3.8	2.7	1.8	4.3	7.7	<b>6.0</b>	<b>3.4</b>	<b>3.5</b>	<b>3.6</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	9.1	4.5	<b>4.9</b>	<b>3.5</b>
Residential Construction	-5.3	-2.2	6.7	2.8	16.0	<b>-5.0</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>	-9.0	-10.6	<b>4.5</b>	<b>2.0</b>
Exports	6.8	-9.3	5.4	5.1	1.6	<b>-2.5</b>	<b>1.5</b>	<b>1.8</b>	<b>2.1</b>	<b>2.3</b>	<b>2.3</b>	<b>2.1</b>	7.0	2.6	<b>1.2</b>	<b>1.7</b>
Imports	1.3	-7.6	4.2	2.2	6.1	<b>7.0</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	8.6	-1.7	<b>3.6</b>	<b>2.4</b>
Inventory Change	<b>2017\$ blns : a.r.</b>															
Contrib. to GDP Growth	<b>ppts : a.r.</b>															
Net Exports	<b>2017\$ blns : a.r.</b>															
Contrib. to GDP Growth	<b>ppts : a.r.</b>															
Nominal GDP	<b>\$ blns : a.r.</b>															
Growth	<b>q/q % chng : a.r.</b>															
Real GDP	<b>y/y % chng</b>															
<b>Inflation</b>	<b>q/q % chng : a.r.</b>															
GDP Price Index	3.9	1.7	3.3	1.6	3.1	<b>2.4</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	7.1	3.6	<b>2.4</b>	<b>2.1</b>
Core PCE Deflator	5.0	3.7	2.0	2.0	3.7	<b>2.6</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	5.2	4.1	<b>2.7</b>	<b>2.2</b>
CPI All Items	3.8	3.0	3.4	2.7	3.8	2.8	<b>2.4</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	8.0	4.1	<b>3.1</b>	<b>2.3</b>
Ex. Food and Energy	4.9	4.7	3.0	3.4	4.2	3.2	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.1</b>	6.2	4.8	<b>3.4</b>	<b>2.4</b>
Food Prices	5.1	1.6	2.4	2.8	2.6	1.1	<b>2.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>2.0</b>	<b>2.3</b>	10.0	5.8	<b>2.1</b>	<b>1.6</b>
Energy Prices	-8.8	-11.6	10.7	-4.4	1.2	2.3	<b>-0.2</b>	<b>2.5</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	25.0	-4.9	<b>0.5</b>	<b>1.9</b>
Services	6.6	4.0	4.5	5.1	6.6	4.3	<b>3.0</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.1</b>	6.2	6.0	<b>4.8</b>	<b>2.6</b>
CPI All Items	<b>y/y % chng</b>															
Ex. Food and Energy	<b>y/y % chng</b>															
Core PCE Deflator	<b>y/y % chng</b>															
<b>Financial</b>	<b>% : quarterly avg.</b>															
Fed Funds Rate	4.63	5.04	5.38	5.38	5.38	5.38	<b>5.29</b>	<b>5.04</b>	<b>4.79</b>	<b>4.54</b>	<b>4.38</b>	<b>4.21</b>	1.90	5.10	<b>5.27</b>	<b>4.48</b>
90-Day T-Bill	4.78	5.27	5.53	5.52	5.45	5.47	<b>5.40</b>	<b>5.15</b>	<b>4.90</b>	<b>4.60</b>	<b>4.40</b>	<b>4.20</b>	2.08	5.28	<b>5.35</b>	<b>4.50</b>
1-Year T-Bill	4.77	4.95	5.39	5.22	4.90	5.14	<b>4.90</b>	<b>4.65</b>	<b>4.45</b>	<b>4.25</b>	<b>4.15</b>	<b>4.00</b>	2.79	5.08	<b>4.90</b>	<b>4.20</b>
10-Year Bond Yield	3.65	3.59	4.15	4.44	4.16	4.44	<b>4.20</b>	<b>4.15</b>	<b>4.10</b>	<b>4.10</b>	<b>4.10</b>	<b>4.10</b>	2.95	3.96	<b>4.25</b>	<b>4.10</b>
10-Year BBB Corporate Spread	<b>ppts</b>															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-921	-930	-883	-887	-951	<b>-1,053</b>	<b>-1,053</b>	<b>-1,063</b>	<b>-1,079</b>	<b>-1,089</b>	<b>-1,099</b>	<b>-1,113</b>	-1,012	-905	<b>-1,030</b>	<b>-1,095</b>
Share of GDP	-3.4	-3.4	-3.2	-3.2	-3.4	<b>-3.7</b>	<b>-3.7</b>	<b>-3.7</b>	<b>-3.7</b>	<b>-3.7</b>	<b>-3.7</b>	<b>-3.7</b>	-3.9	-3.3	<b>-3.6</b>	<b>-3.7</b>
Merchandise Balance	-1,067	-1,096	-1,031	-1,058	-1,111	<b>-1,216</b>	<b>-1,226</b>	<b>-1,239</b>	<b>-1,251</b>	<b>-1,265</b>	<b>-1,278</b>	<b>-1,292</b>	-1,180	-1,063	<b>-1,198</b>	<b>-1,271</b>
Non-Merchandise Balance	146	166	149	171	160	<b>163</b>	<b>174</b>	<b>176</b>	<b>172</b>	<b>176</b>	<b>179</b>	<b>179</b>	168	158	<b>168</b>	<b>176</b>
Yen	<b>¥/US\$ : qtr. avg.</b>															
Euro	<b>US\$/€ : qtr. avg.</b>															
Pound	<b>US\$/£ : qtr. avg.</b>															
Trade-Wt. Dollar (broad)	<b>Jan. '97 = 100</b>															
WTI Spot	<b>US\$/bbl : qtr. avg.</b>															
Henry Hub Spot	<b>US\$/mmbtu : qtr. avg.</b>															
<b>Incomes</b>	<b>y/y % chng</b>															
Pre-Tax Profits w/IVA,CCA	4.6	-2.7	-0.6	5.1	6.4	<b>7.2</b>	<b>4.5</b>	<b>1.3</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>	<b>4.0</b>	9.8	1.5	<b>4.8</b>	<b>3.9</b>
Personal Income	5.8	5.6	4.8	4.4	4.4	<b>4.6</b>	<b>4.6</b>	<b>4.9</b>	<b>4.2</b>	<b>4.2</b>	<b>4.3</b>	<b>4.4</b>	2.0	5.1	<b>4.6</b>	<b>4.3</b>
Real Disposable Income	3.7	4.9	4.1	3.8	1.5	<b>1.2</b>	<b>1.6</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.4</b>	-6.0	4.1	<b>1.5</b>	<b>2.2</b>
Savings Rate	<b>% : quarterly avg.</b>															
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	<b>percent</b>															
Housing Starts	<b>mlns : a.r.</b>															
Existing Home Sales	<b>mlns : a.r.</b>															
Home Prices (Case-Shiller)	<b>y/y % chng</b>															
Motor Vehicle Sales	<b>mlns : a.r.</b>															
Civilian Employment Growth	<b>q/q % chng : a.r.</b>															
Industrial Production	<b>q/q % chng : a.r.</b>															
CBO Budget Deficit	<b>% of GDP</b>															

Bolded values represent forecasts



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