

# U.S. Economic Outlook for May 9, 2025

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

	2024				2025				2026				2023	2024	2025	2026
	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)	1.6	3.0	3.1	2.4	-0.3	<b>0.2</b>	<b>0.6</b>	<b>1.1</b>	<b>1.6</b>	<b>1.6</b>	<b>1.8</b>	<b>1.9</b>	2.9	2.8	<b>1.1</b>	<b>1.3</b>
Final Sales	2.1	1.9	3.3	3.3	-2.5	<b>1.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.6</b>	<b>1.6</b>	<b>1.8</b>	<b>1.9</b>	3.3	2.7	<b>1.0</b>	<b>1.5</b>
Final Domestic Demand	2.7	2.8	3.7	3.0	2.3	<b>0.2</b>	<b>0.7</b>	<b>1.3</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.8</b>	2.7	3.0	<b>1.9</b>	<b>1.4</b>
Consumer Spending	1.9	2.8	3.7	4.0	1.8	<b>1.3</b>	<b>1.0</b>	<b>1.3</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>	2.5	2.8	<b>2.3</b>	<b>1.5</b>
Durables	-1.8	5.5	7.6	12.4	-3.4	<b>0.0</b>	<b>0.5</b>	<b>1.0</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>	<b>2.0</b>	3.9	3.3	<b>2.7</b>	<b>1.2</b>
Nondurables	-0.8	1.7	4.6	3.1	2.7	<b>0.5</b>	<b>0.5</b>	<b>1.0</b>	<b>1.3</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	0.8	1.9	<b>2.1</b>	<b>1.2</b>
Services	3.4	2.7	2.8	3.0	2.4	<b>1.8</b>	<b>1.3</b>	<b>1.4</b>	<b>1.9</b>	<b>1.8</b>	<b>2.0</b>	<b>1.9</b>	2.9	2.9	<b>2.3</b>	<b>1.7</b>
Government Spending	1.8	3.1	5.1	3.1	-1.4	<b>-0.9</b>	<b>0.3</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>1.6</b>	3.9	3.4	<b>0.9</b>	<b>0.8</b>
Business Investment	4.5	3.9	4.0	-3.0	9.8	<b>-3.8</b>	<b>-0.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	6.0	3.6	<b>1.8</b>	<b>1.1</b>
Non-residential Construction	6.3	0.2	-5.0	2.9	0.4	<b>0.2</b>	<b>0.5</b>	<b>1.0</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	10.8	3.5	<b>0.2</b>	<b>1.1</b>
Equipment	0.3	9.8	10.8	-8.7	22.5	<b>-12.0</b>	<b>-5.0</b>	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	3.5	3.4	<b>2.3</b>	<b>0.0</b>
Intellectual Property	7.5	0.7	3.1	-0.5	4.1	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	5.8	3.9	<b>2.3</b>	<b>2.1</b>
Residential Construction	13.7	-2.8	-4.3	5.5	1.3	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	-8.3	4.2	<b>0.9</b>	<b>1.3</b>
Exports	1.9	1.0	9.6	-0.2	1.8	<b>-6.0</b>	<b>-2.0</b>	<b>-1.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	2.8	3.3	<b>0.1</b>	<b>1.0</b>
Imports	6.1	7.6	10.7	-1.9	41.3	<b>-15.0</b>	<b>-2.5</b>	<b>1.0</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	-1.2	5.3	<b>6.9</b>	<b>0.3</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	3.0	2.5	1.9	2.3	3.7	<b>3.4</b>	<b>3.8</b>	<b>3.4</b>	<b>2.6</b>	<b>2.4</b>	<b>2.5</b>	<b>2.4</b>	3.6	2.4	<b>3.1</b>	<b>2.9</b>
Core PCE Deflator	3.7	2.8	2.2	2.6	3.5	<b>4.0</b>	<b>4.7</b>	<b>3.6</b>	<b>2.8</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	4.1	2.8	<b>3.4</b>	<b>3.1</b>
CPI All Items	3.7	2.8	1.4	3.0	3.8	<b>2.4</b>	<b>4.4</b>	<b>4.0</b>	<b>2.8</b>	<b>2.5</b>	<b>2.6</b>	<b>2.6</b>	4.1	3.0	<b>3.1</b>	<b>3.1</b>
Ex. Food and Energy	4.2	3.1	2.4	3.4	3.5	<b>3.7</b>	<b>4.9</b>	<b>3.9</b>	<b>2.9</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>	4.8	3.4	<b>3.5</b>	<b>3.2</b>
Food Prices	2.4	1.5	2.3	3.2	3.7	<b>4.7</b>	<b>4.9</b>	<b>3.7</b>	<b>2.8</b>	<b>1.5</b>	<b>2.3</b>	<b>2.4</b>	5.8	2.3	<b>3.6</b>	<b>3.0</b>
Energy Prices	0.5	1.2	-11.0	-1.3	8.4	<b>-15.8</b>	<b>-2.1</b>	<b>6.2</b>	<b>2.1</b>	<b>4.1</b>	<b>4.1</b>	<b>3.8</b>	-4.9	-1.3	<b>-2.7</b>	<b>1.8</b>
Services	6.4	4.3	3.4	4.0	4.3	<b>4.2</b>	<b>4.9</b>	<b>3.9</b>	<b>2.9</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>	6.0	4.9	<b>4.2</b>	<b>3.3</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	5.38	5.38	5.21	4.63	4.38	<b>4.38</b>	<b>4.04</b>	<b>3.79</b>	<b>3.38</b>	<b>3.04</b>	<b>2.88</b>	<b>2.88</b>	5.10	5.15	<b>4.15</b>	<b>3.04</b>
90-Day T-Bill	5.45	5.47	5.22	4.58	4.34	<b>4.30</b>	<b>4.10</b>	<b>3.75</b>	<b>3.40</b>	<b>3.10</b>	<b>2.80</b>	<b>2.80</b>	5.28	5.18	<b>4.15</b>	<b>3.05</b>
1-Year T-Bill	4.90	5.14	4.45	4.26	4.15	<b>3.95</b>	<b>3.75</b>	<b>3.50</b>	<b>3.25</b>	<b>3.05</b>	<b>2.90</b>	<b>2.95</b>	5.08	4.69	<b>3.85</b>	<b>3.05</b>
10-Year Bond Yield	4.16	4.44	3.95	4.28	4.45	<b>4.25</b>	<b>4.10</b>	<b>3.95</b>	<b>3.85</b>	<b>3.75</b>	<b>3.80</b>	<b>3.85</b>	3.96	4.21	<b>4.20</b>	<b>3.80</b>
10-Year BBB Corporate Spread	<b>ppts</b>															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-971	-1,107	-1,241	-1,216	<b>-1,458</b>	<b>-1,267</b>	<b>-1,277</b>	<b>-1,298</b>	<b>-1,312</b>	<b>-1,324</b>	<b>-1,329</b>	<b>-1,335</b>	-905	-1,134	<b>-1,325</b>	<b>-1,325</b>
Share of GDP	-3.4	-3.8	-4.2	-4.1	<b>-4.9</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.1</b>	-3.3	-3.9	<b>-4.4</b>	<b>-4.2</b>
Merchandise Balance	-1,114	-1,195	-1,238	-1,304	<b>-1,560</b>	<b>-1,400</b>	<b>-1,416</b>	<b>-1,437</b>	<b>-1,449</b>	<b>-1,460</b>	<b>-1,472</b>	<b>-1,484</b>	-1,063	-1,213	<b>-1,453</b>	<b>-1,466</b>
Non-Merchandise Balance	143	88	-3	89	<b>102</b>	<b>133</b>	<b>139</b>	<b>139</b>	<b>137</b>	<b>136</b>	<b>144</b>	<b>149</b>	158	79	<b>128</b>	<b>141</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	8.2	10.8	6.0	6.9	<b>9.7</b>	<b>6.8</b>	<b>8.4</b>	<b>4.0</b>	<b>4.2</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	6.9	7.9	<b>7.2</b>	<b>4.3</b>
Personal Income	5.9	5.5	5.0	5.0	4.3	<b>4.4</b>	<b>4.9</b>	<b>4.7</b>	<b>4.1</b>	<b>4.0</b>	<b>4.0</b>	<b>4.1</b>	5.9	5.4	<b>4.6</b>	<b>4.1</b>
Real Disposable Income	3.4	2.8	2.5	2.2	1.5	<b>1.6</b>	<b>1.5</b>	<b>1.0</b>	<b>0.7</b>	<b>0.8</b>	<b>1.2</b>	<b>1.6</b>	5.1	2.7	<b>1.4</b>	<b>1.1</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>															
Payroll 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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