

Canadian Economic Outlook for May 23, 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				
Production	q/q % chng : a.r.																
Real GDP (chain-weighted)		1.8	2.8	2.2	2.6	1.5	-1.0	-1.0	1.0	2.1	1.7	1.8	2.1	1.5	1.5	1.0	1.2
Final Sales		3.4	0.7	3.5	6.2	1.7	-2.6	-2.3	1.0	1.7	1.7	1.6	2.1	2.7	2.0	1.3	0.8
Final Domestic Demand		3.2	2.1	3.3	5.6	1.4	1.2	-1.1	1.3	1.7	1.7	1.6	2.1	1.1	2.0	2.1	1.2
Consumer Spending		3.6	1.0	4.2	5.6	1.9	1.2	-0.4	1.9	1.7	1.9	1.7	2.6	1.8	2.4	2.4	1.5
Durables		-0.8	-7.6	12.6	14.2	1.0	-1.5	-5.0	2.5	1.8	1.4	1.3	2.5	2.8	3.7	3.0	0.7
Nondurables		0.2	2.9	1.1	0.5	1.5	1.0	0.0	1.3	1.5	1.5	1.3	2.3	-0.5	0.5	1.1	1.2
Services		5.8	1.9	3.6	5.8	2.3	2.0	0.5	2.1	1.8	2.3	2.0	2.8	2.7	3.0	2.8	1.9
Government Spending		6.7	4.4	5.2	2.2	2.6	3.4	2.4	3.0	2.4	2.0	1.6	1.6	2.6	3.8	3.1	2.4
Business Investment		1.3	13.0	-10.5	8.0	-3.2	-3.9	-11.8	-5.6	-1.1	0.3	1.3	1.6	1.0	-1.9	-2.6	-2.8
Non-residential Construction		3.0	7.5	1.3	2.7	-1.5	-1.5	-5.0	-2.0	0.0	1.0	2.0	2.0	3.2	-1.8	-0.3	-0.6
Machinery and Equipment		-1.4	22.7	-27.4	17.9	-6.0	-8.0	-16.0	-8.0	-3.0	-1.0	0.0	1.0	-2.7	-2.1	-5.3	-5.1
Residential Construction		-7.5	-8.3	6.4	16.7	-1.0	-1.0	-2.5	1.0	2.0	2.0	1.0	1.0	-8.5	-1.1	2.5	0.9
Exports		1.3	-6.9	-0.8	7.4	7.7	-13.0	-1.9	1.2	2.0	2.0	2.0	2.0	5.0	0.6	-0.1	0.3
Imports		0.4	-3.1	-1.2	5.4	6.8	-1.8	1.0	2.0	2.0	2.0	2.0	2.0	0.3	0.6	2.2	1.6
Inventory Change	2017\$ blns : a.r.	14.4	26.7	18.1	-1.5	-2.3	7.1	14.9	15.2	17.7	17.8	19.1	19.2	25.5	14.4	8.7	18.4
Contrib. to GDP Growth	ppts : a.r.	-1.8	2.0	-1.3	-3.2	-0.2	1.5	1.3	0.0	0.4	0.0	0.2	0.0	-1.2	-0.5	-0.3	0.4
Net Exports	2017\$ blns : a.r.	-51.8	-58.6	-57.6	-54.9	-54.3	-76.5	-82.1	-83.9	-84.3	-84.8	-85.2	-85.6	-55.3	-55.7	-74.2	-85.0
Contrib. to GDP Growth	ppts : a.r.	0.3	-1.2	0.1	0.6	0.3	-3.8	-1.2	-0.2	0.0	0.0	0.0	0.0	1.5	0.0	-0.8	-0.4
Nominal GDP	\$ blns : a.r.	3,002	3,054	3,086	3,135	3,161	3,165	3,179	3,205	3,239	3,270	3,302	3,338	2,934	3,069	3,178	3,287
Growth	q/q % chng : a.r.	0.8	7.0	4.3	6.4	3.4	0.5	1.7	3.4	4.2	4.0	4.0	4.4	2.9	4.6	3.5	3.4
Real GDP	y/y % chng	0.7	1.2	1.9	2.4	2.3	1.3	0.5	0.1	0.3	0.9	1.7	1.9				
Inflation	q/q % chng : a.r.																
GDP Price Index		-1.3	4.2	2.2	3.5	2.0	1.6	2.7	2.4	2.1	2.2	2.2	2.3	1.4	3.0	2.5	2.2
CPI All Items		1.7	2.2	1.9	1.8	3.2	0.6	2.0	1.4	2.2	2.2	2.3	2.5	3.9	2.4	2.0	2.0
Ex. Food and Energy		2.0	2.5	2.0	2.1	3.2	2.6	1.9	1.2	2.3	2.2	2.4	2.5	4.0	2.6	2.4	2.1
Food Prices		2.9	1.9	3.3	0.4	-1.0	11.2	3.0	2.1	2.2	2.1	1.8	2.1	7.7	2.7	2.9	2.7
Energy Prices		0.8	2.0	-11.5	4.6	18.0	-34.5	1.8	1.7	1.3	2.3	2.6	2.4	-4.1	-0.5	-3.8	-1.0
Services		2.3	6.5	4.1	1.3	1.0	5.6	2.7	2.0	2.1	2.2	2.4	2.5	4.6	4.1	2.9	2.4
CPI All Items	y/y % chng	2.8	2.7	2.0	1.9	2.3	1.9	1.9	1.8	1.6	2.0	2.0	2.3				
CPIX8	y/y % chng	2.1	1.8	1.6	1.7	2.3	2.3	2.5	2.5	2.3	2.2	2.0	1.9	3.6	1.8	2.4	2.1
Core CPIs (Trim/Median avg.)	y/y % chng : avg.	3.3	3.0	2.7	2.7	2.8	2.4	2.4	2.3	2.3	2.3	2.0	1.9	3.9	2.9	2.5	2.1
Financial	% : quarterly avg.																
Overnight Rate		5.00	4.92	4.42	3.58	2.92	2.67	2.42	2.17	2.00	2.00	2.00	2.00	4.77	4.48	2.54	2.00
3-Month T-Bill		4.94	4.81	4.27	3.46	2.85	2.55	2.35	2.10	1.95	1.95	1.95	1.95	4.74	4.37	2.45	1.95
10-Year Bond Yield		3.43	3.58	3.14	3.21	3.12	3.15	3.05	2.90	2.80	2.70	2.80	2.90	3.36	3.34	3.05	2.80
10-Year BBB Corporate Spread	ppts	1.86	1.78	1.77	1.57	1.59	2.00	2.30	2.20	2.10	2.00	2.00	2.00	2.14	1.75	2.02	2.03
90-Day Canada/U.S. Spread	bps	-52	-65	-95	-112	-149	-183	-184	-171	-149	-119	-88	-88	-53	-81	-172	-111
10-Year Canada/U.S. Spread	bps	-73	-87	-80	-107	-134	-122	-119	-114	-109	-105	-102	-96	-60	-87	-122	-103
Foreign Trade	\$ blns : a.r.																
Current Account Balance		-8.9	-19.0	-14.5	-20.0	-12.1	-41.1	-46.7	-48.1	-44.8	-43.6	-42.5	-41.1	-18.4	-15.6	-37.0	-43.0
Share of GDP		-0.3	-0.6	-0.5	-0.6	-0.4	-1.3	-1.5	-1.5	-1.4	-1.3	-1.3	-1.2	-0.6	-0.5	-1.2	-1.3
Merchandise Balance		1.2	-13.8	-13.1	-1.8	3.7	-25.5	-31.4	-33.5	-33.0	-32.8	-32.3	-31.6	-0.6	-6.9	-21.7	-32.4
Non-Merchandise Balance		-10.1	-5.3	-1.4	-18.2	-15.9	-15.6	-15.3	-14.6	-11.8	-10.8	-10.2	-9.6	-17.8	-8.7	-15.3	-10.6
US\$	US\$/C\$: qtr. avg.	74.2	73.1	73.3	71.5	69.7	71.4	71.0	71.3	71.8	72.3	72.8	73.3	74.1	73.0	70.9	72.6
	C\$/US\$: qtr. avg.	1.349	1.368	1.364	1.399	1.435	1.400	1.408	1.403	1.393	1.383	1.373	1.363	1.349	1.370	1.412	1.378
Yen	¥/C\$: qtr. avg.	110.2	113.9	109.2	109.0	106.2	103.6	102.5	101.6	101.7	102.0	102.4	102.8	104.1	110.6	104.1	102.2
Euro	C\$/€ : qtr. avg.	1.46	1.47	1.50	1.49	1.51	1.57	1.60	1.61	1.61	1.61	1.61	1.61	1.46	1.48	1.57	1.61
Corp. Profits Before Tax	y/y % chng	-26.8	-10.7	-24.9	7.4	18.9	-12.0	-0.1	-22.8	-21.0	10.0	15.6	13.6	-41.3	-14.6	-5.0	2.5
Corp. Profits After Tax	y/y % chng	-2.6	2.2	-3.1	7.8	13.1	-16.9	-15.7	-21.9	-21.0	10.0	15.6	13.6	-15.3	1.1	-10.7	2.5
Personal Income	y/y % chng	7.4	7.8	7.7	7.1	7.2	4.5	2.8	2.8	2.4	3.3	3.8	4.0	7.7	7.5	4.3	3.4
Real Disposable Income	y/y % chng	3.6	4.6	5.4	5.3	5.5	3.0	0.7	0.6	0.1	1.1	1.6	1.8	1.6	4.7	2.4	1.1
Savings Rate	% : quarterly avg.	4.5	6.3	7.3	6.1	6.8	5.9	5.9	5.7	5.9	5.8	5.7	5.5	3.7	6.1	6.1	5.7
Other Indicators	quarterly avg.																
Unemployment Rate	percent	5.9	6.3	6.5	6.7	6.6	7.1	7.6	7.7	7.7	7.5	7.4	7.2	5.4	6.4	7.3	7.5
Housing Starts	000s : a.r.	244	250	238	248	223	240	228	228	225	225	225	225	242	245	230	225
Existing Home Sales	y/y % chng	13.9	-3.7	0.5	20.8	-5.5	-5.5	-4.3	-12.2	0.8	4.8	2.3	2.2	-11.2	7.3	-7.0	2.5
MLS Home Price Index	y/y % chng	1.0	-3.8	-4.1	-1.0	-2.5	-4.8	-4.3	-3.6	-0.5	3.3	3.7	3.8	-6.1	-2.0	-3.5	2.0
Motor Vehicle Sales	mlns : a.r.	1.93	1.87	1.89	2.01	1.95	1.91	1.66	1.68	1.84	1.91	1.91	1.93	1.75	1.93	1.80	1.90
Employment Growth	q/q % chng : a.r.	1.7	2.1	0.8	1.9	2.7	-1.0	-0.8	0.5	0.8	1.8	1.9	1.7	3.0	1.9	1.0	0.8
Industrial Production	q/q % chng : a.r.	-3.6	3.6	-2.5	0.7	3.8	-3.4	1.2	1.2	1.7	2.0	2.1	1.9	-0.1	-0.2	0.5	1.3
Federal Budget Balance	% of FY GDP													-2.1	-1.6	-1.3	-0.9

Bolded values represent forecasts

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