

# U.S. Economic Outlook for Sep. 23, 2022

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

	2021				2022				2023				2020	2021	2022	2023
	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)	6.3	6.7	2.3	6.9	-1.6	-0.6	<b>0.6</b>	<b>0.5</b>	<b>-1.0</b>	<b>-0.5</b>	<b>0.7</b>	<b>1.2</b>	-3.4	5.7	<b>1.5</b>	<b>0.0</b>
Final Sales	9.1	8.1	0.1	1.5	-1.2	1.3	<b>0.7</b>	<b>0.6</b>	<b>-0.9</b>	<b>-0.5</b>	<b>0.8</b>	<b>1.2</b>	-2.9	5.3	<b>0.8</b>	<b>0.1</b>
Final Domestic Demand	10.4	8.0	1.3	1.7	2.0	-0.2	<b>1.0</b>	<b>1.0</b>	<b>-0.6</b>	<b>-0.4</b>	<b>0.9</b>	<b>1.3</b>	-2.5	6.5	<b>1.6</b>	<b>0.3</b>
Consumer Spending	11.4	12.0	2.0	2.5	1.8	1.5	<b>1.7</b>	<b>0.9</b>	<b>-0.4</b>	<b>-0.5</b>	<b>1.0</b>	<b>1.2</b>	-3.8	7.9	<b>2.4</b>	<b>0.5</b>
Durables	50.0	11.6	-24.6	2.5	5.9	-0.1	<b>3.0</b>	<b>-1.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>0.7</b>	<b>1.0</b>	7.7	18.1	<b>-0.7</b>	<b>-0.6</b>
Nondurables	15.9	13.9	2.0	0.4	-3.7	-3.7	<b>-4.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>-0.4</b>	<b>0.9</b>	<b>1.1</b>	3.1	9.1	<b>-1.0</b>	<b>-0.7</b>
Services	3.9	11.5	8.2	3.3	3.0	3.6	<b>3.5</b>	<b>1.3</b>	<b>0.2</b>	<b>-0.2</b>	<b>1.1</b>	<b>1.3</b>	-7.5	5.8	<b>4.2</b>	<b>1.1</b>
Government Spending	4.2	-2.0	0.9	-2.6	-2.9	-1.8	<b>-0.8</b>	<b>1.0</b>	<b>0.0</b>	<b>0.5</b>	<b>1.0</b>	<b>1.5</b>	2.5	0.5	<b>-1.6</b>	<b>0.3</b>
Business Investment	12.9	9.2	1.7	2.9	10.0	0.0	<b>3.8</b>	<b>3.1</b>	<b>-0.8</b>	<b>-0.3</b>	<b>0.5</b>	<b>1.5</b>	-5.3	7.4	<b>4.4</b>	<b>0.9</b>
Non-residential Construction	5.4	-3.0	-4.1	-8.3	-0.9	-13.2	<b>-5.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-1.0</b>	<b>1.0</b>	-12.5	-8.0	<b>-5.8</b>	<b>-2.8</b>
Equipment	14.1	12.1	-2.3	2.8	14.1	-2.7	<b>2.0</b>	<b>2.0</b>	<b>-2.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>1.4</b>	-8.3	13.1	<b>4.2</b>	<b>-0.2</b>
Intellectual Property	15.6	12.5	9.1	8.9	11.2	10.0	<b>9.0</b>	<b>6.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.7</b>	2.8	10.1	<b>9.7</b>	<b>3.5</b>
Residential Construction	13.3	-11.7	-7.7	2.2	0.4	-16.2	<b>-16.0</b>	<b>-7.0</b>	<b>-6.0</b>	<b>-4.0</b>	<b>-1.0</b>	<b>1.0</b>	6.8	9.2	<b>-6.9</b>	<b>-6.9</b>
Exports	-2.9	7.6	-5.3	22.4	-4.8	17.6	<b>-5.8</b>	<b>-2.0</b>	<b>-2.0</b>	<b>0.5</b>	<b>1.1</b>	<b>1.6</b>	-13.6	4.5	<b>4.6</b>	<b>-0.3</b>
Imports	9.3	7.1	4.7	17.9	18.9	2.8	<b>-1.9</b>	<b>1.0</b>	<b>0.0</b>	<b>0.5</b>	<b>1.2</b>	<b>1.7</b>	-8.9	14.0	<b>9.1</b>	<b>0.5</b>
Inventory Change	2012\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Net Exports	2012\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Nominal GDP	\$ blns : a.r.															
Growth	q/q % chng : a.r.															
Real GDP	y/y % chng															
<b>Inflation</b>	<b>q/q % chng : a.r.</b>															
GDP Price Index	4.3	6.1	6.0	7.1	8.2	8.9	<b>4.0</b>	<b>3.5</b>	<b>3.9</b>	<b>2.8</b>	<b>2.9</b>	<b>2.6</b>	1.3	4.2	<b>6.9</b>	<b>3.7</b>
Core PCE Deflator	2.7	6.1	4.7	5.0	5.2	4.4	<b>4.6</b>	<b>5.4</b>	<b>4.3</b>	<b>3.5</b>	<b>3.4</b>	<b>2.9</b>	1.4	3.3	<b>4.9</b>	<b>4.2</b>
CPI All Items	4.1	8.2	6.7	7.9	9.2	10.5	<b>5.3</b>	<b>4.6</b>	<b>5.2</b>	<b>3.6</b>	<b>3.4</b>	<b>3.0</b>	1.2	4.7	<b>8.0</b>	<b>4.8</b>
Ex. Food and Energy	1.4	7.8	5.3	5.6	6.5	6.6	<b>6.3</b>	<b>5.6</b>	<b>4.5</b>	<b>3.7</b>	<b>3.6</b>	<b>3.1</b>	1.7	3.6	<b>6.2</b>	<b>4.7</b>
Food Prices	2.4	4.3	7.7	9.4	10.3	12.6	<b>12.7</b>	<b>11.5</b>	<b>7.3</b>	<b>4.2</b>	<b>3.3</b>	<b>2.7</b>	3.4	3.9	<b>10.3</b>	<b>7.6</b>
Energy Prices	49.4	21.9	21.4	32.2	38.9	50.8	<b>-15.5</b>	<b>-18.0</b>	<b>9.8</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	-8.4	20.8	<b>23.8</b>	<b>-0.2</b>
Services	2.1	5.0	3.6	4.6	6.0	8.9	<b>7.3</b>	<b>5.6</b>	<b>4.5</b>	<b>3.7</b>	<b>3.6</b>	<b>3.1</b>	2.1	2.8	<b>6.1</b>	<b>4.9</b>
CPI All Items	y/y % chng															
Ex. Food and Energy	y/y % chng															
Core PCE Deflator	y/y % chng															
<b>Financial</b>	<b>% : quarterly avg.</b>															
Fed Funds Rate	0.13	0.13	0.13	0.13	0.21	0.96	<b>2.63</b>	<b>3.79</b>	<b>4.54</b>	<b>4.63</b>	<b>4.63</b>	<b>4.63</b>	0.38	0.13	<b>1.90</b>	<b>4.60</b>
90-Day T-Bill	0.05	0.02	0.05	0.05	0.30	1.10	<b>2.75</b>	<b>3.85</b>	<b>4.50</b>	<b>4.55</b>	<b>4.55</b>	<b>4.55</b>	0.37	0.05	<b>2.00</b>	<b>4.55</b>
1-Year T-Bill	0.08	0.06	0.08	0.20	0.96	2.20	<b>3.40</b>	<b>4.10</b>	<b>4.45</b>	<b>4.35</b>	<b>4.25</b>	<b>4.10</b>	0.38	0.10	<b>2.65</b>	<b>4.30</b>
10-Year Bond Yield	1.32	1.59	1.33	1.54	1.94	2.93	<b>3.10</b>	<b>3.85</b>	<b>3.95</b>	<b>4.35</b>	<b>3.75</b>	<b>3.70</b>	0.89	1.44	<b>2.95</b>	<b>3.80</b>
10-Year BBB Corporate Spread	ppts															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-755	-826	-905	-899	-1,130	-1,004	<b>-1,016</b>	<b>-1,050</b>	<b>-1,065</b>	<b>-1,070</b>	<b>-1,078</b>	<b>-1,088</b>	-620	-846	<b>-1,050</b>	<b>-1,075</b>
Share of GDP	-3.4	-3.6	-3.9	-3.7	-4.6	-4.0	<b>-4.0</b>	<b>-4.1</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.1</b>	-3.0	-3.7	<b>-4.2</b>	<b>-4.2</b>
Merchandise Balance	-1,061	-1,070	-1,090	-1,140	-1,367	-1,242	<b>-1,234</b>	<b>-1,264</b>	<b>-1,281</b>	<b>-1,289</b>	<b>-1,299</b>	<b>-1,312</b>	-914	-1,090	<b>-1,277</b>	<b>-1,295</b>
Non-Merchandise Balance	306	244	185	241	237	238	<b>217</b>	<b>214</b>	<b>216</b>	<b>218</b>	<b>221</b>	<b>224</b>	294	244	<b>226</b>	<b>220</b>
Yen	¥/US\$ : qtr. avg.															
Euro	US\$/€ : qtr. avg.															
Pound	US\$/£ : qtr. avg.															
Trade-Wt, Dollar (broad)	Jan. '97 = 100															
WTI Spot	US\$/bbl : qtr. avg.															
Henry Hub Spot	US\$/mmbtu : qtr. avg.															
<b>Incomes</b>	<b>y/y % chng</b>															
Pre-Tax Profits w/IVA,CCA	17.6	45.1	19.7	21.0	12.6	8.1	<b>1.5</b>	<b>0.0</b>	<b>1.6</b>	<b>-4.2</b>	<b>-0.8</b>	<b>0.6</b>	-5.2	25.0	<b>5.3</b>	<b>-0.8</b>
Personal Income	16.1	1.6	5.3	7.5	-2.8	4.5	<b>5.0</b>	<b>5.1</b>	<b>4.7</b>	<b>3.7</b>	<b>3.4</b>	<b>3.2</b>	6.5	7.5	<b>2.9</b>	<b>3.8</b>
Real Disposable Income	15.1	-4.3	-0.9	0.1	-12.0	-4.3	<b>-3.0</b>	<b>-1.9</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-0.4</b>	6.2	2.3	<b>-5.5</b>	<b>-0.4</b>
Savings Rate	% : quarterly avg.															
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	percent															
Housing Starts	mlns : a.r.															
Existing Home Sales	mlns : a.r.															
Home Prices (Case-Shiller)	y/y % chng															
Motor Vehicle Sales	mlns : a.r.															
Civilian Employment Growth	q/q % chng : a.r.															
Industrial Production	q/q % chng : a.r.															
CBO Budget Deficit	% of GDP															

Bolded values represent forecasts

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