

# U.S. Economic Outlook for July 10, 2026

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

	2025				2026				2027				2024	2025	2026	2027
	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)	-0.6	3.8	4.4	0.5	2.1	<b>2.1</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	2.8	2.1	<b>2.1</b>	<b>1.9</b>
Final Sales	-3.2	7.5	4.5	0.3	1.9	<b>1.6</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	2.8	2.2	<b>2.2</b>	<b>1.9</b>
Final Domestic Demand	1.4	2.4	2.8	0.6	2.2	<b>2.6</b>	<b>1.9</b>	<b>2.0</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	3.1	2.4	<b>2.0</b>	<b>1.9</b>
Consumer Spending	0.6	2.5	3.5	1.9	0.5	<b>2.1</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	2.9	2.6	<b>1.8</b>	<b>2.0</b>
Durables	-3.4	2.3	1.6	0.1	0.5	<b>1.7</b>	<b>1.8</b>	<b>2.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	3.9	3.6	<b>1.2</b>	<b>2.0</b>
Nondurables	2.2	2.2	3.9	0.4	0.6	<b>2.0</b>	<b>1.0</b>	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.3</b>	2.3	3.0	<b>1.4</b>	<b>1.8</b>
Services	0.8	2.6	3.6	2.7	0.5	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	3.0	2.3	<b>2.0</b>	<b>2.0</b>
Government Spending	-1.0	-0.1	2.2	-5.6	4.4	<b>0.7</b>	<b>0.6</b>	<b>0.9</b>	<b>0.5</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>	3.8	1.1	<b>0.5</b>	<b>0.5</b>
Business Investment	9.5	7.3	3.2	2.4	10.6	<b>6.7</b>	<b>3.9</b>	<b>3.1</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	2.9	4.1	<b>5.9</b>	<b>3.0</b>
Non-residential Construction	-3.1	-7.5	-5.0	-6.5	-4.7	<b>-3.5</b>	<b>1.4</b>	<b>1.4</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	1.1	-5.3	<b>-3.9</b>	<b>1.5</b>
Equipment	21.4	8.5	5.3	4.3	15.8	<b>12.0</b>	<b>6.0</b>	<b>4.0</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	3.5	8.3	<b>9.1</b>	<b>3.8</b>
Intellectual Property	6.5	15.0	5.6	5.4	13.8	<b>6.0</b>	<b>3.0</b>	<b>3.0</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	3.5	5.6	<b>7.7</b>	<b>2.7</b>
Residential Construction	-1.0	-5.1	-7.1	-1.7	-7.8	<b>3.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	3.2	-2.2	<b>-2.6</b>	<b>1.8</b>
Exports	0.2	-1.8	9.6	-3.2	10.9	<b>7.3</b>	<b>3.5</b>	<b>3.5</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	3.6	1.6	<b>5.1</b>	<b>3.6</b>
Imports	38.0	-29.3	-4.4	-1.0	11.8	<b>13.0</b>	<b>3.4</b>	<b>3.3</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	5.8	2.7	<b>2.8</b>	<b>3.4</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	3.6	2.1	3.8	3.7	3.6	<b>5.2</b>	<b>2.5</b>	<b>2.2</b>	<b>2.2</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	2.5	2.8	<b>3.6</b>	<b>2.3</b>
Core PCE Deflator	3.3	2.6	2.9	2.7	4.4	<b>3.6</b>	<b>2.9</b>	<b>2.4</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	2.9	2.8	<b>3.3</b>	<b>2.4</b>
CPI All Items	3.7	1.7	3.1	2.5	3.6	<b>6.6</b>	<b>1.9</b>	<b>1.7</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	3.0	2.7	<b>3.4</b>	<b>2.3</b>
Ex. Food and Energy	3.4	2.2	3.2	2.0	2.8	<b>3.3</b>	<b>3.0</b>	<b>2.7</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	3.4	2.9	<b>2.8</b>	<b>2.5</b>
Food Prices	3.4	2.6	3.1	2.3	3.6	<b>3.4</b>	<b>1.8</b>	<b>1.2</b>	<b>1.2</b>	<b>1.9</b>	<b>2.2</b>	<b>2.2</b>	2.3	2.9	<b>2.8</b>	<b>1.7</b>
Energy Prices	8.6	-6.5	1.5	10.3	12.6	<b>60.5</b>	<b>-10.5</b>	<b>-7.6</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	-1.3	0.1	<b>12.4</b>	<b>1.3</b>
Services	4.1	3.3	3.4	2.3	3.6	<b>4.4</b>	<b>3.1</b>	<b>2.7</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	4.9	3.7	<b>3.3</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	4.38	4.38	4.29	3.79	3.63	3.63	<b>3.63</b>	<b>3.63</b>	<b>3.63</b>	<b>3.63</b>	<b>3.54</b>	<b>3.29</b>	5.15	4.21	<b>3.63</b>	<b>3.52</b>
90-Day T-Bill	4.34	4.37	4.26	3.86	3.69	3.73	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>3.45</b>	5.18	4.21	<b>3.80</b>	<b>3.75</b>
1-Year T-Bill	4.15	4.03	3.88	3.60	3.55	3.80	<b>4.05</b>	<b>4.00</b>	<b>3.90</b>	<b>3.80</b>	<b>3.70</b>	<b>3.45</b>	4.69	3.92	<b>3.85</b>	<b>3.70</b>
10-Year Bond Yield	4.45	4.36	4.26	4.10	4.20	4.42	<b>4.55</b>	<b>4.50</b>	<b>4.40</b>	<b>4.35</b>	<b>4.25</b>	<b>4.25</b>	4.21	4.29	<b>4.40</b>	<b>4.30</b>
10-Year BBB Corporate Spread	<b>ppts</b>															
Foreign Trade	<b>\$ blns : a.r.</b>															
Current Account Balance	-1,753	-1,020	-1,051	-884	-907	<b>-1,143</b>	<b>-1,142</b>	<b>-1,127</b>	<b>-1,132</b>	<b>-1,136</b>	<b>-1,140</b>	<b>-1,152</b>	-1,199	-1,177	<b>-1,080</b>	<b>-1,140</b>
Share of GDP	-5.8	-3.3	-3.4	-2.8	-2.8	<b>-3.5</b>	<b>-3.5</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.3</b>	<b>-3.3</b>	-4.1	-3.8	<b>-3.3</b>	<b>-3.4</b>
Merchandise Balance	-1,826	-1,060	-1,115	-1,038	-1,003	<b>-1,234</b>	<b>-1,225</b>	<b>-1,214</b>	<b>-1,224</b>	<b>-1,234</b>	<b>-1,244</b>	<b>-1,254</b>	-1,213	-1,260	<b>-1,169</b>	<b>-1,239</b>
Non-Merchandise Balance	73	40	63	153	96	<b>91</b>	<b>83</b>	<b>87</b>	<b>93</b>	<b>99</b>	<b>104</b>	<b>102</b>	14	83	<b>89</b>	<b>99</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	6.4	3.6	9.3	9.6	12.8	<b>13.0</b>	<b>9.4</b>	<b>4.2</b>	<b>3.6</b>	<b>4.2</b>	<b>4.0</b>	<b>3.9</b>	5.1	7.3	<b>9.7</b>	<b>3.9</b>
Personal Income	5.1	4.8	5.0	4.4	3.6	<b>3.6</b>	<b>3.5</b>	<b>3.9</b>	<b>4.0</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	5.6	4.8	<b>3.6</b>	<b>4.1</b>
Real Disposable Income	2.0	1.8	1.8	1.0	0.7	<b>0.0</b>	<b>0.1</b>	<b>1.0</b>	<b>1.2</b>	<b>2.1</b>	<b>2.2</b>	<b>2.1</b>	2.9	1.7	<b>0.4</b>	<b>1.9</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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