

U.S. Economic Outlook for Sep. 5, 2025

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

	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	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)	1.6	3.0	3.1	2.4	-0.5	3.3	1.4	1.0	1.6	1.6	1.8	1.7	2.9	2.8	1.7	1.6
Final Sales	2.1	1.9	3.3	3.3	-3.1	6.8	0.3	1.3	1.6	1.6	1.6	1.7	3.3	2.7	1.7	1.7
Final Domestic Demand	2.7	2.8	3.7	3.0	1.5	1.6	0.5	1.4	1.7	1.6	1.7	1.7	2.7	3.0	2.0	1.4
Consumer Spending	1.9	2.8	3.7	4.0	0.5	1.6	1.5	1.1	1.4	1.6	1.9	1.9	2.5	2.8	2.0	1.5
Durables	-1.8	5.5	7.6	12.4	-3.7	2.6	2.0	0.3	0.5	1.0	1.6	2.0	3.9	3.3	3.3	1.1
Nondurables	-0.8	1.7	4.6	3.1	2.1	2.3	1.8	0.6	1.1	1.5	1.8	1.8	0.8	1.9	2.5	1.4
Services	3.4	2.7	2.8	3.0	0.6	1.2	1.3	1.4	1.7	1.8	2.0	1.9	2.9	2.9	1.7	1.6
Government Spending	1.8	3.1	5.1	3.1	-0.6	-0.2	0.1	2.4	2.7	1.1	0.4	0.8	3.9	3.4	1.4	1.4
Business Investment	4.5	3.9	4.0	-3.0	10.3	5.7	-1.6	1.4	1.7	1.9	1.9	1.9	6.0	3.6	3.6	1.5
Non-residential Construction	6.3	0.2	-5.0	2.9	-2.4	-8.9	-5.0	0.5	1.4	1.4	1.4	1.4	10.8	3.5	-3.0	-0.3
Equipment	0.3	9.8	10.8	-8.7	23.7	7.4	-4.0	1.0	2.0	2.0	2.0	2.0	3.5	3.4	6.6	1.4
Intellectual Property	7.5	0.7	3.1	-0.5	6.0	12.8	2.0	2.0	1.5	2.0	2.0	2.0	5.8	3.9	4.5	2.5
Residential Construction	13.7	-2.8	-4.3	5.5	-1.3	-4.7	-8.0	0.5	1.0	1.5	1.5	1.5	-8.3	4.2	-1.9	-0.4
Exports	1.9	1.0	9.6	-0.2	0.4	-1.3	1.0	0.0	2.5	2.5	2.5	2.5	2.8	3.3	1.2	1.6
Imports	6.1	7.6	10.7	-1.9	38.0	-29.8	2.0	1.0	2.3	2.3	2.3	2.3	-1.2	5.3	3.2	-0.4
Inventory Change	2017\$ blns : a.r.	17.7	71.7	57.9	8.9	160.5	-32.9	30.0	15.0	10.0	10.0	20.0	33.1	38.9	43.1	15.0
Contrib. to GDP Growth	ppts : a.r.	-0.5	1.1	-0.2	-0.8	2.6	-3.3	1.1	-0.3	-0.1	0.0	0.2	-0.4	0.0	0.0	-0.1
Net Exports	2017\$ blns : a.r.	-977.0	-1,035.7	-1,069.2	-1,052.7	-1,359.0	-1,029.0	-1,040.7	-1,049.5	-1,054.2	-1,058.9	-1,063.6	-932.8	-1,033.6	-1,119.5	-1,061.2
Contrib. to GDP Growth	ppts : a.r.	-0.6	-0.9	-0.4	0.3	-4.6	5.0	-0.2	-0.1	-0.1	-0.1	-0.1	0.5	-0.4	-0.4	0.2
Nominal GDP	\$ blns : a.r.	28,624	29,017	29,375	29,724	29,962	30,354	30,711	31,060	31,366	31,674	31,995	27,721	29,185	30,522	31,836
Growth	q/q % chng : a.r.	4.7	5.6	5.0	4.8	3.2	5.3	4.8	4.6	4.0	4.0	4.1	6.6	5.3	4.6	4.3
Real GDP	y/y % chng	2.9	3.0	2.7	2.5	2.0	2.1	1.7	1.3	1.8	1.4	1.5				
Inflation	q/q % chng : a.r.															
GDP Price Index		3.0	2.5	1.9	2.3	3.8	2.0	3.3	3.6	2.4	2.4	2.3	3.6	2.4	2.8	2.7
Core PCE Deflator		3.7	2.8	2.2	2.6	3.5	2.5	3.9	3.7	2.7	2.5	2.4	4.1	2.8	3.0	2.9
CPI All Items		3.7	2.8	1.4	3.0	3.8	1.6	3.2	4.0	2.3	2.4	2.4	4.1	3.0	2.8	2.7
Ex. Food and Energy		4.2	3.1	2.4	3.4	3.5	2.1	4.0	3.9	2.8	2.6	2.5	4.8	3.4	3.1	3.0
Food Prices		2.4	1.5	2.3	3.2	3.7	2.3	3.1	3.7	2.8	1.5	2.3	5.8	2.3	3.0	2.6
Energy Prices		0.5	1.2	-11.0	-1.3	8.4	-4.8	-6.5	6.1	-4.8	2.5	0.8	-4.9	-1.3	-1.0	-0.8
Services		6.4	4.3	3.4	4.0	4.3	3.2	4.3	3.9	2.8	2.6	2.5	6.0	4.9	3.9	3.1
CPI All Items	y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	2.9	3.2	2.8	3.0	2.8				
Ex. Food and Energy	y/y % chng	3.8	3.4	3.3	3.3	3.1	2.8	3.2	3.4	3.2	3.3	3.0				
Core PCE Deflator	y/y % chng	3.0	2.7	2.7	2.8	2.8	2.7	3.1	3.4	3.2	3.2	2.8				
Financial	% : quarterly avg.															
Fed Funds Rate		5.38	5.38	5.21	4.63	4.38	4.38	4.29	4.04	3.79	3.54	3.29	5.10	5.15	4.27	3.42
90-Day T-Bill		5.45	5.47	5.22	4.58	4.34	4.37	4.30	4.00	3.75	3.50	3.25	5.28	5.18	4.25	3.40
1-Year T-Bill		4.90	5.14	4.45	4.26	4.15	4.03	3.95	3.70	3.55	3.35	3.15	5.08	4.69	3.95	3.25
10-Year Bond Yield		4.16	4.44	3.95	4.28	4.45	4.36	4.30	4.20	4.15	4.10	4.05	3.96	4.21	4.35	4.05
10-Year BBB Corporate Spread	ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.07	1.22	1.38	1.54	1.70	1.57	1.15	1.16	1.62
Foreign Trade	\$ blns : a.r.															
Current Account Balance		-1,043	-1,145	-1,305	-1,248	-1,801	-1,102	-1,126	-1,132	-1,140	-1,146	-1,153	-928	-1,185	-1,290	-1,150
Share of GDP		-3.6	-3.9	-4.4	-4.2	-6.0	-3.6	-3.7	-3.6	-3.6	-3.6	-3.6	-3.3	-4.1	-4.2	-3.6
Merchandise Balance		-1,113	-1,197	-1,237	-1,316	-1,864	-1,179	-1,204	-1,214	-1,225	-1,237	-1,250	-1,057	-1,215	-1,365	-1,244
Non-Merchandise Balance		69	51	-68	68	63	77	79	82	86	91	97	129	30	75	94
Yen	¥/US\$: qtr. avg.	149	156	149	152	152	144	147	144	143	142	142	140	151	147	142
Euro	US\$/€ : qtr. avg.	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.18	1.18	1.19	1.19	1.08	1.08	1.13	1.19
Pound	US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.36	1.36	1.37	1.37	1.24	1.28	1.33	1.37
Trade-Wt. Dollar (broad)	Jan. '97 = 100	121.0	122.9	122.9	126.1	127.9	122.7	120.7	119.7	119.1	118.7	118.3	120.5	123.2	122.7	118.5
WTI Spot	US\$/bbl : qtr. avg.	77.3	81.0	75.8	70.3	71.4	63.7	65.8	67.0	63.0	64.0	66.0	77.6	76.1	67.0	65.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.	2.1	2.1	2.1	2.4	4.1	3.2	3.2	3.5	3.8	3.3	3.3	2.5	2.2	3.5	3.5
Incomes	y/y % chng															
Pre-Tax Profits w/IVA,CCA		8.2	10.8	6.0	6.9	6.3	4.3	6.0	1.7	5.1	4.3	4.2	6.9	7.9	4.5	4.4
Personal Income		5.9	5.5	5.0	5.2	4.5	4.9	5.3	5.0	4.3	4.0	4.1	5.9	5.4	4.9	4.1
Real Disposable Income		3.4	2.8	2.5	2.3	1.5	2.0	2.2	1.6	1.4	1.2	1.4	5.1	2.7	1.8	1.5
Savings Rate	% : quarterly avg.	5.4	4.9	4.1	3.8	4.3	4.6	4.5	4.3	4.4	4.4	4.4	4.7	4.5	4.4	4.4
Other Indicators	quarterly avg.															
Unemployment Rate	percent	3.8	4.0	4.2	4.2	4.1	4.2	4.3	4.5	4.6	4.6	4.6	3.6	4.0	4.3	4.6
Housing Starts	mlns : a.r.	1.42	1.34	1.34	1.39	1.40	1.35	1.39	1.38	1.40	1.41	1.41	1.42	1.37	1.38	1.41
Existing Home Sales	mlns : a.r.	4.14	4.02	3.94	4.16	4.13	3.99	4.10	4.53	4.82	4.85	4.87	4.10	4.07	4.19	4.86
Home Prices (Case-Shiller)	y/y % chng	7.3	6.8	5.2	4.4	4.5	2.8	1.4	0.5	-0.1	1.1	1.9	1.8	5.9	2.3	1.3
Motor Vehicle Sales	mlns : a.r.	15.6	15.9	15.8	16.7	16.5	16.2	16.1	14.9	15.1	15.3	15.5	15.6	16.0	15.9	15.4
Payroll Employment Growth	q/q % chng : a.r.	1.5	1.3	0.9	1.3	1.3	0.7	0.2	0.2	0.4	0.5	0.6	2.2	1.3	0.9	0.4
Industrial Production	q/q % chng : a.r.	-1.8	2.4	-0.6	-1.2	4.2	1.5	1.0	1.4	1.6	1.7	1.8	0.2	-0.3	1.4	1.5
CBO Budget Deficit	% of GDP												-6.2	-6.4	-6.7	-6.7

Bolded values represent forecasts

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