

# Canadian Economic Outlook for Feb. 27, 2026

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

	2024				2025				2026				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)	2.9	3.3	3.3	2.8	2.1	-0.9	2.4	-0.6	<b>1.6</b>	<b>1.8</b>	<b>1.9</b>	<b>2.1</b>	2.0	1.7	<b>1.3</b>	<b>2.2</b>
Final Sales	2.8	2.1	3.9	7.0	-0.2	-4.7	4.3	3.4	<b>0.5</b>	<b>0.8</b>	<b>1.1</b>	<b>1.8</b>	2.3	1.7	<b>1.4</b>	<b>2.0</b>
Final Domestic Demand	2.7	3.0	3.1	4.2	-0.1	3.8	-0.5	2.4	<b>1.2</b>	<b>1.4</b>	<b>1.7</b>	<b>1.9</b>	2.2	2.1	<b>1.5</b>	<b>2.1</b>
Consumer Spending	2.0	1.5	4.7	2.6	1.2	4.7	-0.8	1.7	<b>1.5</b>	<b>1.4</b>	<b>1.7</b>	<b>2.3</b>	2.2	2.3	<b>1.5</b>	<b>2.1</b>
Durables	-2.3	-4.6	8.6	8.7	-5.1	7.1	-3.7	-2.8	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>	<b>2.0</b>	2.9	1.6	<b>0.3</b>	<b>1.9</b>
Nondurables	-1.8	2.5	3.0	2.5	4.8	0.4	-1.9	-0.5	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>	<b>2.1</b>	0.4	2.0	<b>0.6</b>	<b>2.0</b>
Services	4.5	2.0	4.6	0.4	0.1	6.2	-0.3	3.6	<b>1.5</b>	<b>1.5</b>	<b>2.1</b>	<b>2.5</b>	2.8	2.1	<b>2.1</b>	<b>2.3</b>
Government Spending	6.9	4.7	4.7	3.2	1.0	5.2	0.0	5.7	<b>2.6</b>	<b>3.0</b>	<b>1.6</b>	<b>1.6</b>	4.2	3.0	<b>2.9</b>	<b>2.3</b>
Business Investment	2.2	14.9	-13.6	10.1	-0.6	-2.4	-5.3	2.0	<b>-1.1</b>	<b>-0.4</b>	<b>1.6</b>	<b>1.6</b>	-1.4	-0.3	<b>-0.5</b>	<b>2.0</b>
Non-residential Construction	2.2	9.5	-2.1	3.1	-2.5	9.3	-0.9	-3.2	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	-1.7	1.6	<b>0.2</b>	<b>2.0</b>
Machinery and Equipment	2.1	24.2	-29.9	23.2	2.7	-19.4	-12.8	12.3	<b>-3.0</b>	<b>-1.0</b>	<b>1.0</b>	<b>1.0</b>	-1.0	-3.5	<b>-1.7</b>	<b>1.9</b>
Residential Construction	-5.3	-4.3	7.6	14.9	-11.1	2.0	5.0	-4.4	<b>-3.0</b>	<b>-1.0</b>	<b>1.0</b>	<b>1.0</b>	-0.2	1.0	<b>-0.9</b>	<b>1.2</b>
Exports	-2.2	-1.0	-0.6	9.3	4.0	-23.6	3.8	6.1	<b>2.1</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	0.9	-1.7	<b>1.3</b>	<b>2.1</b>
Imports	-2.3	2.1	-2.3	0.4	4.0	0.4	-11.0	1.0	<b>4.5</b>	<b>4.3</b>	<b>4.0</b>	<b>2.8</b>	0.7	-0.4	<b>1.3</b>	<b>2.5</b>
Inventory Change	2017\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Net Exports	2017\$ 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	0.0	3.6	2.6	2.9	3.8	-0.6	3.8	2.8	<b>4.2</b>	<b>0.9</b>	<b>2.3</b>	<b>2.3</b>	2.7	2.6	<b>2.6</b>	<b>1.9</b>
CPI All Items	1.4	2.7	1.6	1.9	2.9	0.8	2.3	3.0	<b>2.5</b>	<b>2.7</b>	<b>2.3</b>	<b>2.2</b>	2.4	2.1	<b>2.5</b>	<b>2.2</b>
Ex. Food and Energy	1.8	2.3	2.4	2.2	3.0	2.8	1.8	2.3	<b>2.1</b>	<b>2.4</b>	<b>2.3</b>	<b>2.4</b>	2.6	2.5	<b>2.2</b>	<b>2.2</b>
Food Prices	2.1	2.1	4.1	0.3	-1.3	10.9	4.3	4.5	<b>3.3</b>	<b>4.1</b>	<b>2.9</b>	<b>2.1</b>	2.7	3.2	<b>4.1</b>	<b>2.3</b>
Energy Prices	-5.0	11.6	-13.4	3.9	10.3	-36.9	2.6	6.0	<b>1.1</b>	<b>3.5</b>	<b>1.8</b>	<b>0.3</b>	-0.5	-5.6	<b>-0.4</b>	<b>1.5</b>
Services	2.3	6.5	4.1	1.3	1.0	6.9	2.4	2.3	<b>-0.2</b>	<b>2.6</b>	<b>2.4</b>	<b>2.5</b>	4.1	3.1	<b>2.1</b>	<b>2.2</b>
CPI All Items	y/y % chng															
CPIX8	y/y % chng															
Core CPIs (Trim/Median avg.)	y/y % chng : avg.															
<b>Financial</b>	<b>% : quarterly avg.</b>															
Overnight Rate	5.00	4.92	4.42	3.58	2.92	2.75	2.67	2.25	<b>2.25</b>	<b>2.25</b>	<b>2.25</b>	<b>2.25</b>	4.48	2.65	<b>2.25</b>	<b>2.27</b>
3-Month T-Bill	4.94	4.81	4.27	3.46	2.85	2.63	2.60	2.23	<b>2.20</b>	<b>2.15</b>	<b>2.15</b>	<b>2.15</b>	4.37	2.58	<b>2.15</b>	<b>2.20</b>
10-Year Bond Yield	3.43	3.58	3.14	3.21	3.12	3.21	3.38	3.23	<b>3.35</b>	<b>3.30</b>	<b>3.25</b>	<b>3.25</b>	3.34	3.23	<b>3.30</b>	<b>3.40</b>
10-Year BBB Corporate Spread	ppts															
90-Day Canada/U.S. Spread	bps															
10-Year Canada/U.S. Spread	bps															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-23.4	-14.8	-18.5	-3.2	-13.6	-84.1	-21.1	-2.8	<b>-3.3</b>	<b>-18.7</b>	<b>-21.4</b>	<b>-20.6</b>	-15.0	-30.4	<b>-16.0</b>	<b>-25.0</b>
Share of GDP	-0.8	-0.5	-0.6	-0.1	-0.4	-2.6	-0.6	-0.1	<b>-0.1</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	-0.5	-0.9	<b>-0.5</b>	<b>-0.7</b>
Merchandise Balance	-4.6	-12.3	-13.9	2.1	3.8	-72.0	-38.0	-18.2	<b>-17.3</b>	<b>-32.5</b>	<b>-34.9</b>	<b>-34.3</b>	-7.2	-31.1	<b>-29.8</b>	<b>-37.8</b>
Non-Merchandise Balance	-18.8	-2.5	-4.6	-5.3	-17.4	-12.1	16.9	15.3	<b>14.0</b>	<b>13.8</b>	<b>13.5</b>	<b>13.7</b>	-7.8	0.7	<b>13.8</b>	<b>12.8</b>
US\$	US\$/C\$: qtr. avg.															
	C\$/US\$: qtr. avg.															
Yen	¥/C\$: qtr. avg.															
Euro	C\$/€ : qtr. avg.															
Corp. Profits Before Tax	y/y % chng															
Corp. Profits After Tax	y/y % chng															
Personal Income	y/y % chng															
Real Disposable Income	y/y % chng															
Savings Rate	% : quarterly avg.															
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	percent															
Housing Starts	000s : a.r.															
Existing Home Sales	y/y % chng															
MLS Home Price Index	y/y % chng															
Motor Vehicle Sales	mlns : a.r.															
Employment Growth	q/q % chng : a.r.															
Industrial Production	q/q % chng : a.r.															
Federal Budget Balance	% of FY GDP															

Bolded values represent forecasts

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