

# U.S. Economic Outlook for Oct. 23, 2020

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

	2019				2020				2021				2018	2019	2020	2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
<b>Production</b>	<i>q/q % chng : a.r.</i>																
Real GDP (chain-weighted)	2.9	1.5	2.6	2.4	-5.0	-31.4	30.0	1.5	4.9	4.6	4.2	3.2	3.0	2.2	-4.0	4.0	
Final Sales	2.7	2.5	2.7	3.2	-3.6	-28.1	22.6	0.8	4.5	4.5	4.1	3.3	2.8	2.2	-3.3	3.3	
Final Domestic Demand	2.1	3.2	2.6	1.6	-4.6	-27.1	24.8	1.2	4.7	4.4	4.1	3.3	3.0	2.3	-3.3	3.7	
Consumer Spending	1.8	3.7	2.7	1.6	-6.9	-33.2	37.9	1.7	5.2	4.8	4.7	3.7	2.7	2.4	-4.2	4.8	
Durables	1.0	12.7	6.3	3.1	-12.5	-1.7	70.0	3.0	6.0	5.0	4.3	3.1	6.8	4.8	5.6	10.5	
Nondurables	3.3	5.3	3.1	-0.7	7.1	-15.0	29.0	3.0	5.0	4.0	4.0	3.0	2.7	3.1	2.7	5.5	
Services	1.5	1.9	2.0	2.0	-9.8	-41.8	34.0	0.8	5.0	5.0	5.0	4.0	2.1	1.8	-7.8	3.4	
Government Spending	2.5	5.0	2.1	2.4	1.3	2.5	-6.4	-1.6	2.2	3.1	2.6	2.4	1.8	2.3	0.9	0.6	
Business Investment	4.2	0.0	1.9	-0.3	-6.7	-27.2	9.9	1.8	5.3	4.2	3.4	2.4	6.9	2.9	-6.0	2.1	
Non-residential Construction	8.2	1.6	3.6	-5.3	-3.7	-33.6	-10.0	-3.3	4.0	3.0	3.0	2.0	3.6	-0.6	-9.9	-2.6	
Equipment	2.0	-3.8	-1.7	-1.7	-15.2	-35.9	32.0	3.0	6.0	4.0	3.0	2.0	8.0	2.1	-9.1	3.9	
Intellectual Property	4.5	4.1	5.3	4.6	2.4	-11.4	-2.0	3.0	5.0	5.0	4.0	3.0	7.8	6.4	0.0	2.4	
Residential Construction	-1.7	-2.1	4.6	5.8	19.0	-35.6	38.0	4.0	5.0	5.0	4.0	3.0	-0.6	-1.7	2.0	4.9	
Exports	1.8	-4.5	0.8	3.4	-9.5	-64.4	65.6	3.0	5.0	3.0	2.5	2.2	3.0	-0.1	-13.5	2.2	
Imports	-2.1	1.7	0.5	-7.5	-15.0	-54.1	70.9	5.0	5.9	2.9	3.0	2.5	4.1	1.1	-11.9	5.1	
Inventory Change	2012\$ blns : a.r.	101.7	49.4	44.0	-1.1	-80.9	-287.0	-30.0	0.0	15.0	19.0	20.0	20.0	51.5	45.3	-98.7	18.5
Contrib. to GDP Growth	ppts : a.r.	0.2	-1.0	-0.1	-0.8	-1.3	-3.5	6.1	0.7	0.3	0.1	0.0	0.0	0.2	0.0	-0.8	0.6
Net Exports	2012\$ blns : a.r.	-907.4	-951.4	-950.2	-861.5	-788.0	-775.1	-903.7	-925.7	-943.9	-950.1	-960.0	-967.8	-877.7	-917.6	-848.1	-955.4
Contrib. to GDP Growth	ppts : a.r.	0.5	-0.8	0.0	1.5	1.1	0.6	-2.9	-0.5	-0.4	-0.1	-0.2	-0.2	-0.3	-0.2	0.4	-0.6
Nominal GDP	\$ blns : a.r.	21,115	21,330	21,540	21,747	21,561	19,520	21,002	21,169	21,511	21,832	22,169	22,453	20,612	21,433	20,813	21,991
Growth	q/q % chng : a.r.	4.0	4.1	4.0	3.9	-3.4	-32.8	34.0	3.2	6.6	6.1	6.3	5.2	5.5	4.0	-2.9	5.7
Real GDP	y/y % chng	2.3	2.0	2.1	2.3	0.3	-9.0	-3.5	-3.7	-1.3	9.7	3.8	4.2				
<b>Inflation</b>	<i>q/q % chng : a.r.</i>																
GDP Price Index	1.2	2.5	1.5	1.4	1.4	-1.8	2.9	1.8	1.7	1.4	2.1	1.9	2.4	1.8	1.1	1.6	
Core PCE Deflator	1.2	2.2	1.9	1.3	1.6	-0.8	4.1	1.8	1.6	1.2	2.2	1.9	2.0	1.7	1.5	1.8	
CPI All Items	0.9	3.0	1.8	2.4	1.2	-3.5	5.2	2.2	1.9	1.6	2.4	2.2	2.4	1.8	1.2	2.0	
Ex. Food and Energy	2.2	2.2	2.8	2.0	2.0	-1.6	4.4	2.2	1.9	1.4	2.5	2.2	2.1	2.2	1.7	2.0	
Food Prices	3.4	1.6	1.0	1.9	2.9	10.5	1.1	0.9	1.7	2.0	2.0	2.0	1.4	1.9	3.4	2.1	
Energy Prices	-15.4	15.4	-6.7	7.5	-10.2	-45.0	27.4	5.0	2.4	2.4	2.4	2.4	7.4	-2.1	-8.6	1.6	
Services	2.7	2.6	2.9	3.1	2.8	-1.0	3.3	1.7	2.0	2.0	2.0	2.0	2.8	2.7	2.1	1.9	
CPI All Items	y/y % chng	1.6	1.8	1.8	2.0	2.1	0.4	1.3	1.2	1.4	2.7	2.0	2.0				
Ex. Food and Energy	y/y % chng	2.1	2.1	2.3	2.3	2.2	1.3	1.7	1.7	1.7	2.5	2.0	2.0				
Core PCE Deflator	y/y % chng	1.7	1.7	1.8	1.6	1.8	1.0	1.6	1.7	1.7	2.2	1.7	1.7				
Fed Funds Rate	% : qtr. avg.	2.38	2.38	2.13	1.63	1.13	0.13	0.13	0.13	0.13	0.13	0.13	1.83	2.13	0.38	0.13	
90-Day T-Bill	% : qtr. avg.	2.44	2.35	2.02	1.61	1.13	0.14	0.11	0.10	0.10	0.10	0.10	1.97	2.10	0.35	0.10	
3-Month Libor	% : qtr. avg.	2.70	2.51	2.20	1.94	1.53	0.66	0.25	0.20	0.20	0.20	0.20	2.30	2.34	0.65	0.20	
10-Year Bond Yield	% : qtr. avg.	2.65	2.33	1.79	1.79	1.38	0.69	0.65	0.80	0.90	0.90	0.95	1.00	2.91	2.14	0.90	0.95
10-Yr BBB Corp Spread	ppts : qtr. avg.	1.94	1.82	1.79	1.67	2.16	2.78	1.93	2.04	2.04	2.04	2.05	2.05	1.59	1.80	2.23	2.04
<b>Foreign Trade</b>	<i>\$ blns : a.r.</i>																
Current Account Balance	-506	-511	-486	-417	-446	-682	-736	-737	-754	-760	-771	-776	-450	-480	-650	-765	
Share of GDP	-2.4	-2.4	-2.3	-1.9	-2.1	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-2.2	-2.2	-3.1	-3.5	
Merchandise Balance	-865	-898	-885	-810	-767	-877	-878	-902	-923	-934	-948	-959	-880	-864	-856	-941	
Non-Merchandise Balance	358	388	398	393	321	195	142	165	169	174	177	184	431	384	206	176	
Yen	¥/US\$: qtr. avg.	110	110	107	109	109	108	106	105	105	106	106	107	110	109	107	106
Euro	US\$/€ : qtr. avg.	1.14	1.12	1.11	1.11	1.10	1.10	1.17	1.18	1.19	1.20	1.21	1.22	1.18	1.12	1.14	1.20
Pound	US\$/£ : qtr. avg.	1.30	1.29	1.23	1.29	1.28	1.24	1.29	1.30	1.30	1.31	1.32	1.33	1.34	1.28	1.28	1.31
Trade-Wt. Dollar (broad)	Jan '97=100	114.5	115.4	116.5	116.4	117.8	122.2	117.7	115.1	113.9	113.2	112.4	111.7	112.0	115.7	118.2	112.8
WTI Spot	US\$/bbl : qtr. avg.	54.9	59.8	56.4	56.9	45.8	27.8	40.9	39.5	42.5	42.5	45.0	50.0	64.8	57.0	38.5	45.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.	2.9	2.6	2.4	2.4	1.9	1.7	2.0	2.2	2.5	2.5	2.4	2.7	3.2	2.6	1.9	2.5
<b>Incomes</b>	<i>y/y % chng</i>																
Pre-Tax Profits with IVA and CCA	-1.1	1.7	-0.5	1.3	-6.7	-19.3	-15.3	-16.9	-4.1	8.5	5.8	6.1	6.1	0.3	-14.6	3.9	
Personal Income	4.7	4.1	3.5	3.5	3.2	10.4	5.3	2.0	1.7	-4.6	0.3	3.7	5.3	3.9	5.2	0.2	
Real Disposable Income	3.2	2.1	1.8	1.6	1.4	11.8	5.7	2.3	2.0	-6.7	-1.4	1.9	3.6	2.2	5.3	-1.2	
Savings Rate	% : quarterly avg.	8.4	7.3	7.2	7.3	9.6	25.7	15.9	13.2	12.4	12.0	11.4	11.0	7.8	7.5	16.3	11.7
<b>Other Indicators</b>	<i>quarterly avg. (mns are a.r.)</i>																
Unemployment Rate	percent	3.9	3.6	3.6	3.5	3.8	13.0	8.8	7.7	7.3	6.9	6.4	6.0	3.9	3.7	8.3	6.7
Housing Starts	mns	1.20	1.26	1.29	1.43	1.48	1.08	1.43	1.41	1.34	1.34	1.34	1.35	1.25	1.30	1.35	1.34
Existing Home Sales	mns	5.20	5.29	5.41	5.42	5.48	4.31	6.13	5.83	5.50	5.51	5.52	5.53	5.33	5.33	5.44	5.52
Home Prices (Case-Shiller)	y/y % chng	2.9	2.3	2.1	2.5	3.5	3.6	3.8	2.5	1.4	1.1	1.1	2.0	5.7	2.4	3.4	1.4
Motor Vehicle Sales	mns	17.0	17.1	17.1	17.1	15.2	11.4	15.4	15.9	15.1	15.1	15.4	15.6	17.3	17.1	14.4	15.3
Civilian Employment	q/q % chng : a.r.	0.3	0.4	2.4	2.0	-2.2	-42.1	27.2	8.5	5.0	4.2	3.3	2.5	1.6	1.1	-6.3	3.6
Industrial Production	q/q % chng : a.r.	-1.9	-2.3	1.1	0.4	-6.8	-42.9	39.8	1.7	4.5	4.1	3.2	2.4	3.9	0.9	-7.5	3.3
CBO Budget Deficit	% of GDP													-3.9	-4.6	-14.9	-13.8

Shaded values represent forecasts

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