

# U.S. Economic Outlook for July 16, 2021

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

	2020				2021				2022				2019	2020	2021	2022
	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)	-5.0	-31.4	33.4	4.3	6.4	<b>9.5</b>	<b>8.3</b>	<b>4.9</b>	<b>3.3</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	2.2	-3.5	<b>6.8</b>	<b>4.3</b>
Final Sales	-3.6	-28.1	25.9	2.9	9.2	<b>8.0</b>	<b>7.9</b>	<b>4.5</b>	<b>3.3</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	2.2	-2.9	<b>6.4</b>	<b>4.1</b>
Final Domestic Demand	-4.6	-27.1	29.8	4.4	10.5	<b>8.4</b>	<b>8.3</b>	<b>4.7</b>	<b>3.5</b>	<b>3.1</b>	<b>2.7</b>	<b>2.4</b>	2.3	-2.7	<b>7.6</b>	<b>4.4</b>
Consumer Spending	-6.9	-33.2	41.0	2.3	11.4	<b>10.2</b>	<b>8.0</b>	<b>4.5</b>	<b>4.2</b>	<b>3.7</b>	<b>2.9</b>	<b>2.6</b>	2.4	-3.9	<b>8.2</b>	<b>4.7</b>
Durables	-12.5	-1.7	82.7	-1.1	49.2	<b>20.0</b>	<b>7.0</b>	<b>4.0</b>	<b>4.0</b>	<b>3.0</b>	<b>2.8</b>	<b>2.5</b>	4.8	6.3	<b>24.0</b>	<b>4.8</b>
Nondurables	7.1	-15.0	31.1	-1.6	15.2	<b>7.0</b>	<b>6.0</b>	<b>3.5</b>	<b>4.0</b>	<b>3.0</b>	<b>2.7</b>	<b>2.6</b>	3.1	2.6	<b>8.1</b>	<b>3.9</b>
Services	-9.8	-41.8	38.0	4.3	4.2	<b>8.6</b>	<b>8.8</b>	<b>5.0</b>	<b>4.2</b>	<b>4.0</b>	<b>3.0</b>	<b>2.5</b>	1.8	-7.3	<b>5.4</b>	<b>4.9</b>
Government Spending	1.3	2.5	-4.8	-0.8	5.7	<b>2.4</b>	<b>7.4</b>	<b>3.8</b>	<b>-0.9</b>	<b>1.0</b>	<b>1.7</b>	<b>1.9</b>	2.3	1.1	<b>2.4</b>	<b>2.0</b>
Business Investment	-6.7	-27.2	22.9	13.1	11.7	<b>8.1</b>	<b>10.9</b>	<b>6.2</b>	<b>5.5</b>	<b>3.2</b>	<b>2.5</b>	<b>2.4</b>	2.9	-4.0	<b>9.2</b>	<b>5.4</b>
Non-residential Construction	-3.7	-33.6	-17.4	-6.2	-2.0	<b>-4.0</b>	<b>16.0</b>	<b>9.0</b>	<b>8.0</b>	<b>4.0</b>	<b>3.0</b>	<b>2.0</b>	-0.6	-11.0	<b>-5.1</b>	<b>6.5</b>
Equipment	-15.2	-35.9	68.2	25.4	15.0	<b>14.0</b>	<b>12.0</b>	<b>6.0</b>	<b>5.0</b>	<b>3.0</b>	<b>2.0</b>	<b>2.0</b>	2.1	-5.0	<b>16.8</b>	<b>5.6</b>
Intellectual Property	2.4	-11.4	8.4	10.5	15.3	<b>6.0</b>	<b>7.0</b>	<b>5.0</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	6.4	1.7	<b>8.2</b>	<b>4.5</b>
Residential Construction	19.0	-35.6	63.0	36.6	13.1	<b>6.0</b>	<b>8.0</b>	<b>6.0</b>	<b>5.0</b>	<b>3.0</b>	<b>2.8</b>	<b>2.7</b>	-1.7	6.1	<b>15.6</b>	<b>4.8</b>
Exports	-9.5	-64.4	59.6	22.3	-2.1	<b>18.0</b>	<b>7.9</b>	<b>6.6</b>	<b>5.1</b>	<b>3.0</b>	<b>2.0</b>	<b>1.9</b>	-0.1	-12.9	<b>6.9</b>	<b>5.5</b>
Imports	-15.0	-54.1	93.1	29.8	9.5	<b>17.1</b>	<b>9.9</b>	<b>7.0</b>	<b>6.0</b>	<b>4.0</b>	<b>2.5</b>	<b>2.5</b>	1.1	-9.3	<b>15.9</b>	<b>6.2</b>
Inventory Change	<b>2012\$ blns : a.r.</b>															
Contrib. to GDP Growth	<b>ppts : a.r.</b>															
Net Exports	<b>2012\$ 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	1.4	-1.8	3.5	2.0	4.3	<b>4.7</b>	<b>5.1</b>	<b>3.2</b>	<b>2.6</b>	<b>2.3</b>	<b>2.1</b>	<b>2.1</b>	1.8	1.2	<b>3.5</b>	<b>3.0</b>
Core PCE Deflator	1.6	-0.8	3.4	1.3	2.5	<b>6.5</b>	<b>6.4</b>	<b>3.3</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	1.7	1.4	<b>3.5</b>	<b>3.3</b>
CPI All Items	1.0	-3.1	4.7	2.4	3.7	<b>8.4</b>	<b>7.6</b>	<b>4.1</b>	<b>3.2</b>	<b>2.7</b>	<b>2.5</b>	<b>2.5</b>	1.8	1.2	<b>4.5</b>	<b>4.0</b>
Ex. Food and Energy	2.0	-1.1	4.0	1.8	1.2	<b>8.1</b>	<b>7.4</b>	<b>3.5</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	2.2	1.7	<b>3.7</b>	<b>3.8</b>
Food Prices	2.8	9.8	1.6	1.6	1.8	<b>4.3</b>	<b>8.0</b>	<b>6.6</b>	<b>5.2</b>	<b>3.3</b>	<b>1.8</b>	<b>1.7</b>	1.9	3.4	<b>3.7</b>	<b>4.7</b>
Energy Prices	-12.0	-43.7	23.6	13.4	46.6	<b>21.3</b>	<b>9.6</b>	<b>5.8</b>	<b>3.9</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	-2.1	-8.3	<b>17.4</b>	<b>5.2</b>
Services	2.6	-0.4	3.0	1.7	1.8	<b>5.6</b>	<b>5.7</b>	<b>3.4</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	2.7	2.1	<b>3.0</b>	<b>3.3</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	1.13	0.13	0.13	0.13	0.13	0.13	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>	2.13	0.38	<b>0.13</b>	<b>0.13</b>
90-Day T-Bill	1.13	0.14	0.11	0.09	0.05	0.02	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	2.10	0.37	<b>0.05</b>	<b>0.05</b>
3-Month Libor	1.53	0.66	0.25	0.22	0.20	0.16	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>	2.34	0.67	<b>0.15</b>	<b>0.15</b>
10-Year Bond Yield	1.38	0.69	0.65	0.86	1.32	1.59	<b>1.45</b>	<b>1.65</b>	<b>1.80</b>	<b>1.85</b>	<b>1.90</b>	<b>2.00</b>	2.14	0.89	<b>1.50</b>	<b>1.90</b>
10-Year BBB Corporate Spread	<b>ppts</b>															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-459	-615	-689	-700	-783	<b>-859</b>	<b>-897</b>	<b>-920</b>	<b>-939</b>	<b>-959</b>	<b>-972</b>	<b>-989</b>	-472	-616	<b>-865</b>	<b>-965</b>
Share of GDP	-2.1	-3.2	-3.3	-3.3	-3.5	<b>-3.8</b>	<b>-3.8</b>	<b>-3.8</b>	<b>-3.8</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	-2.2	-2.9	<b>-3.7</b>	<b>-3.9</b>
Merchandise Balance	-801	-893	-981	-1013	-1074	<b>-1125</b>	<b>-1166</b>	<b>-1192</b>	<b>-1220</b>	<b>-1242</b>	<b>-1258</b>	<b>-1275</b>	-862	-922	<b>-1139</b>	<b>-1249</b>
Non-Merchandise Balance	342	278	292	312	291	<b>266</b>	<b>269</b>	<b>271</b>	<b>281</b>	<b>284</b>	<b>287</b>	<b>286</b>	389	306	<b>274</b>	<b>284</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	-6.7	-19.3	3.5	-0.7	15.5	<b>31.9</b>	<b>7.0</b>	<b>10.6</b>	<b>9.6</b>	<b>8.3</b>	<b>6.1</b>	<b>5.2</b>	0.3	-5.8	<b>15.4</b>	<b>7.2</b>
Personal Income	3.2	10.7	6.8	4.7	16.6	<b>2.5</b>	<b>4.5</b>	<b>5.9</b>	<b>-4.9</b>	<b>1.2</b>	<b>3.2</b>	<b>4.0</b>	3.9	6.3	<b>7.2</b>	<b>0.8</b>
Real Disposable Income	1.4	12.2	6.4	3.9	16.4	<b>-1.6</b>	<b>0.2</b>	<b>1.2</b>	<b>-10.1</b>	<b>-3.3</b>	<b>0.0</b>	<b>1.5</b>	2.2	6.0	<b>3.8</b>	<b>-3.2</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>															
Civilian 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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