

# U.S. Economic Outlook for Sept. 11, 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	-31.7	25.0	2.5	5.8	5.7	4.1	3.2	3.0	2.2	-4.5	4.0	
Final Sales	2.7	2.5	2.7	3.2	-3.6	-28.5	17.9	1.9	5.4	5.6	4.1	3.2	2.8	2.2	-3.8	3.4	
Final Domestic Demand	2.1	3.2	2.6	1.7	-4.6	-27.7	20.4	2.2	5.6	5.5	4.1	3.2	3.0	2.3	-3.9	3.8	
Consumer Spending	1.8	3.7	2.7	1.6	-6.9	-34.1	29.0	2.3	5.9	6.4	4.7	3.6	2.7	2.4	-5.2	4.4	
Durables	1.0	12.7	6.3	3.1	-12.5	-1.3	55.0	2.0	7.0	6.0	4.0	3.0	6.8	4.8	4.3	9.5	
Nondurables	3.3	5.3	3.1	-0.7	7.1	-14.9	23.0	2.0	6.0	5.0	4.0	3.0	2.7	3.1	2.0	5.1	
Services	1.5	1.9	2.0	2.0	-9.8	-43.1	25.0	2.4	5.5	6.9	5.0	4.0	2.1	1.8	-8.9	3.1	
Government Spending	2.5	5.0	2.1	2.4	1.3	2.8	-1.2	1.2	3.1	3.1	2.6	2.4	1.8	2.3	1.8	2.1	
Business Investment	4.2	0.0	1.9	-0.3	-6.7	-26.0	10.6	3.0	6.6	4.2	3.4	2.4	6.9	2.9	-5.6	2.9	
Non-residential Construction	8.2	1.6	3.6	-5.3	-3.7	-33.4	8.0	3.0	7.0	3.0	3.0	2.0	3.6	-0.6	-7.5	1.7	
Equipment	2.0	-3.8	-1.7	-1.7	-15.2	-35.9	19.0	3.0	7.0	4.0	3.0	2.0	8.0	2.1	-10.2	2.8	
Intellectual Property	4.5	4.1	5.3	4.6	2.4	-7.7	3.0	3.0	6.0	5.0	4.0	3.0	7.8	6.4	1.4	3.5	
Residential Construction	-1.7	-2.1	4.6	5.8	19.0	-37.9	30.0	4.0	7.0	5.0	4.0	3.0	-0.6	-1.7	0.5	4.3	
Exports	1.8	-4.5	0.8	3.4	-9.5	-63.2	52.4	3.0	5.0	3.0	2.5	2.2	3.0	-0.1	-13.9	1.4	
Imports	-2.1	1.7	0.5	-7.5	-15.0	-54.0	62.5	5.0	5.9	2.9	3.0	2.5	4.1	1.1	-12.5	4.5	
Inventory Change	2012\$ blns : a.r.	101.7	49.4	44.0	-1.1	-80.9	-286.4	-30.0	0.0	15.0	19.0	20.0	20.0	51.5	45.3	-98.6	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	-760.9	-894.1	-915.8	-933.8	-939.9	-949.7	-957.4	-877.7	-917.6	-839.7	-945.2
Contrib. to GDP Growth	ppts : a.r.	0.5	-0.8	0.0	1.5	1.1	0.9	-3.0	-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	19,487	20,758	20,987	21,369	21,731	22,060	22,339	20,612	21,433	20,698	21,875
Growth	q/q % chng : a.r.	4.0	4.1	4.0	3.9	-3.4	-33.3	28.8	4.5	7.5	6.9	6.2	5.1	5.5	4.0	-3.4	5.7
Real GDP	y/y % chng	2.3	2.0	2.1	2.3	0.3	-9.1	-4.5	-4.5	-1.9	9.4	4.5	4.7				
<b>Inflation</b>	<i>q/q % chng : a.r.</i>																
GDP Price Index	1.2	2.5	1.5	1.4	1.4	-2.0	2.8	1.9	1.6	1.2	2.0	1.9	2.4	1.8	1.0	1.6	
Core PCE Deflator	1.2	2.2	1.9	1.3	1.6	-1.0	3.6	1.7	1.6	0.7	2.1	1.8	2.0	1.7	1.4	1.6	
CPI All Items	0.9	3.0	1.8	2.4	1.2	-3.5	5.1	2.2	1.9	1.2	2.3	2.1	2.4	1.8	1.2	1.9	
Ex. Food and Energy	2.2	2.2	2.8	2.0	2.0	-1.6	4.3	2.0	1.8	1.0	2.4	2.0	2.1	2.2	1.7	1.9	
Food Prices	3.4	1.6	1.0	1.9	2.9	10.5	1.3	1.9	2.0	2.0	2.0	2.0	1.4	1.9	3.5	2.4	
Energy Prices	-15.4	15.4	-6.7	7.5	-10.2	-45.0	26.7	4.7	2.8	2.4	2.4	2.4	7.4	-2.1	-8.7	1.6	
Services	2.7	2.6	2.9	3.1	2.8	-1.0	3.4	2.0	2.0	2.0	2.0	2.0	2.8	2.7	2.1	2.0	
CPI All Items	y/y % chng	1.6	1.8	1.8	2.0	2.1	0.4	1.2	1.2	1.4	2.6	1.9	1.9				
Ex. Food and Energy	y/y % chng	2.1	2.1	2.3	2.3	2.2	1.3	1.7	1.7	1.6	2.3	1.8	1.8				
Core PCE Deflator	y/y % chng	1.7	1.7	1.8	1.6	1.8	1.0	1.4	1.5	1.5	1.9	1.5	1.6				
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	0.10	0.10	0.10	0.10	0.10	1.97	2.10	0.40	0.10	
3-Month Libor	% : qtr. avg.	2.70	2.51	2.20	1.94	1.53	0.66	0.25	0.25	0.25	0.25	0.25	2.30	2.34	0.70	0.25	
10-Year Bond Yield	% : qtr. avg.	2.65	2.33	1.79	1.79	1.38	0.69	0.65	0.75	0.85	0.95	1.10	1.20	2.91	2.14	0.85	1.00
10-Yr BBB Corp Spread	ppts : qtr. avg.	1.94	1.82	1.79	1.67	2.16	2.78	1.99	2.04	2.04	2.04	2.05	2.05	1.59	1.80	2.24	2.04
<b>Foreign Trade</b>	<i>\$ blns : a.r.</i>																
Current Account Balance	-506	-511	-486	-417	-417	-640	-698	-683	-707	-722	-732	-741	-450	-480	-610	-725	
Share of GDP	-2.4	-2.4	-2.3	-1.9	-1.9	-3.3	-3.4	-3.3	-3.3	-3.3	-3.3	-3.3	-2.2	-2.2	-2.9	-3.3	
Merchandise Balance	-865	-898	-885	-810	-769	-794	-884	-908	-929	-940	-954	-966	-880	-864	-839	-947	
Non-Merchandise Balance	358	388	398	393	353	154	186	225	222	219	222	225	431	384	229	222	
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	1.20	1.20	1.21	1.22	1.18	1.12	1.14	1.21	
Pound	US\$/£ : qtr. avg.	1.30	1.29	1.23	1.29	1.28	1.24	1.29	1.29	1.30	1.31	1.32	1.34	1.28	1.27	1.31	
Trade-Wt. Dollar (broad)	Jan '97=100	114.5	115.4	116.5	116.4	117.8	122.2	117.8	116.3	115.7	115.4	115.1	114.8	112.0	115.7	118.5	115.3
WTI Spot	US\$/bbl : qtr. avg.	54.9	59.8	56.4	56.9	45.8	27.8	39.8	38.5	42.5	42.5	45.0	50.0	64.8	57.0	38.0	45.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.	2.9	2.6	2.4	2.4	1.9	1.7	1.9	2.1	2.3	2.1	2.2	2.4	3.2	2.6	1.9	2.2
<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	-20.1	-17.0	-18.3	-5.5	8.2	6.5	6.4	6.1	0.3	-15.6	3.7	
Personal Income	4.7	4.1	3.5	3.5	3.2	10.4	5.3	4.9	4.7	-1.8	3.2	3.7	5.3	3.9	6.0	2.4	
Real Disposable Income	3.2	2.1	1.8	1.6	1.4	11.9	5.9	5.4	5.1	-3.9	1.5	2.0	3.6	2.2	6.1	1.1	
Savings Rate	% : quarterly avg.	8.4	7.3	7.2	7.3	9.6	26.0	17.6	17.1	16.3	15.6	15.1	14.7	7.8	7.5	17.7	15.4
<b>Other Indicators</b>	<i>quarterly avg. (mins are a.r.)</i>																
Unemployment Rate	percent	3.9	3.6	3.6	3.5	3.8	13.0	9.0	8.2	7.6	7.0	6.4	6.0	3.9	3.7	8.5	6.8
Housing Starts	mlns	1.20	1.26	1.29	1.43	1.48	1.06	1.43	1.33	1.30	1.31	1.31	1.32	1.25	1.30	1.33	1.31
Existing Home Sales	mlns	5.20	5.29	5.41	5.42	5.48	4.31	5.60	5.40	5.43	5.44	5.45	5.46	5.33	5.33	5.20	5.44
Home Prices (Case-Shiller)	y/y % chng	2.9	2.3	2.1	2.5	3.5	3.6	2.9	2.1	1.6	1.3	2.3	2.7	5.7	2.4	3.0	2.0
Motor Vehicle Sales	mlns	17.0	17.1	17.1	17.1	15.2	11.4	15.1	15.6	15.0	14.9	15.4	15.6	17.3	17.1	14.3	15.2
Civilian Employment	q/q % chng : a.r.	0.3	0.4	2.4	2.0	-2.2	-42.1	27.9	9.8	5.3	4.5	3.5	2.6	1.6	1.1	-6.1	4.1
Industrial Production	q/q % chng : a.r.	-1.9	-2.3	1.1	0.4	-6.7	-43.2	36.6	7.0	4.9	4.5	3.7	2.8	3.9	0.9	-7.5	4.2
CBO Budget Deficit	% of GDP													-3.9	-4.6	-16.0	-8.6

Shaded values represent forecasts

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