

U.S. Economic Outlook for Feb. 6, 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									
Production		q/q % chng : a.r.																
Real GDP (chain-weighted)		0.8	3.6	3.3	1.9	-0.6	3.8	4.4	2.8	2.3	2.0	2.1	2.0	2.8	2.3	2.6	1.9	
Final Sales		1.7	2.4	3.5	2.8	-3.2	7.5	4.5	2.6	2.2	1.8	2.0	2.0	2.8	2.4	2.8	1.9	
Final Domestic Demand		2.0	3.4	3.8	2.8	1.4	2.4	2.8	1.9	2.6	2.0	2.0	2.0	3.1	2.5	2.3	1.9	
Consumer Spending		1.7	3.9	4.0	3.9	0.6	2.5	3.5	3.1	2.0	1.9	2.1	2.1	2.9	2.7	2.4	2.0	
Durables		-0.9	7.8	8.6	13.0	-3.4	2.3	1.6	2.0	2.0	2.0	2.5	2.5	3.9	3.7	2.1	2.2	
Nondurables		-1.6	4.3	4.8	3.8	2.2	2.2	3.9	4.0	1.8	1.8	2.0	2.0	2.3	3.3	2.5	2.1	
Services		3.2	3.2	3.0	2.5	0.8	2.6	3.6	3.0	2.0	1.9	2.0	2.0	3.0	2.4	2.4	2.0	
Government Spending		2.3	3.3	5.4	3.3	-1.0	-0.1	2.2	-3.3	5.5	1.9	0.8	0.8	3.8	1.3	1.5	0.4	
Business Investment		1.5	2.5	3.5	-3.7	9.5	7.3	3.2	3.5	2.8	3.0	3.2	3.2	2.9	4.2	3.3	2.6	
Non-residential Construction		-5.0	-3.9	-2.2	-8.1	-3.1	-7.5	-5.0	-7.0	1.4	1.4	1.4	1.4	1.1	-5.3	-1.6	1.8	
Equipment		0.5	8.9	8.2	-4.3	21.4	8.5	5.3	9.0	3.0	3.5	4.0	4.0	3.5	8.6	5.0	3.0	
Intellectual Property		6.7	0.7	2.6	-0.6	6.5	15.0	5.6	3.0	3.0	3.0	3.0	3.0	3.5	5.5	4.0	2.6	
Residential Construction		8.2	-2.0	-4.8	4.3	-1.0	-5.1	-7.1	-5.0	1.0	1.5	1.5	1.5	3.2	-2.4	-1.4	1.7	
Exports		4.6	0.7	8.9	-0.9	0.2	-1.8	9.6	2.0	2.5	3.5	3.5	3.5	3.6	1.9	3.4	3.4	
Imports		6.9	8.4	10.1	-0.2	38.0	-29.3	-4.4	-2.8	5.3	5.0	3.4	3.3	5.8	2.6	-0.5	3.0	
Inventory Change		2017\$ blns : a.r.	12.4	75.1	69.4	17.1	172.0	-18.3	-23.9	-10.0	2.0	8.0	10.0	43.6	25.3	2.5	20.0	
Contrib. to GDP Growth		ppts : a.r.	-0.8	1.2	-0.1	-0.9	2.6	-3.4	-0.1	0.1	0.2	0.1	0.0	0.0	-0.1	-0.1	0.1	
Net Exports		2017\$ blns : a.r.	-964.1	-1,032.2	-1,064.9	-1,069.0	-1,380.7	-1,058.0	-955.5	-916.1	-946.5	-967.9	-975.3	-981.8	-1,032.6	-1,077.6	-967.9	-985.4
Contrib. to GDP Growth		ppts : a.r.	-0.4	-1.0	-0.4	-0.1	-4.7	4.8	1.6	0.7	-0.5	-0.4	-0.1	-0.1	-0.5	-0.2	0.5	-0.1
Nominal GDP		\$ blns : a.r.	28,708	29,147	29,512	29,825	30,042	30,486	31,098	31,899	32,234	32,576	32,915	29,298	30,787	32,406	33,724	
Growth		q/q % chng : a.r.	4.0	6.3	5.1	4.3	2.9	6.0	8.3	5.6	4.9	4.3	4.3	4.2	5.3	5.1	5.3	4.1
Real GDP		y/y % chng	2.9	3.1	2.8	2.4	2.0	2.1	2.3	2.6	3.3	2.8	2.3	2.1				
Inflation		q/q % chng : a.r.																
GDP Price Index		3.1	2.6	1.8	2.4	3.6	2.1	3.8	2.7	2.5	2.3	2.2	2.2	2.5	2.8	2.6	2.1	
Core PCE Deflator		4.0	2.9	2.4	2.7	3.3	2.6	2.9	2.4	2.7	2.5	2.4	1.8	2.9	2.8	2.5	2.0	
CPI All Items		3.7	2.8	1.4	3.0	3.8	1.6	3.1	2.5	2.6	2.2	2.3	1.9	3.0	2.7	2.4	2.1	
Ex. Food and Energy		4.2	3.1	2.4	3.4	3.5	2.1	3.3	1.9	2.7	2.6	2.5	2.0	3.4	2.9	2.5	2.2	
Food Prices		2.4	1.5	2.3	3.2	3.7	2.3	3.0	2.4	2.8	1.2	1.2	1.2	2.3	2.9	2.1	1.7	
Energy Prices		0.5	1.2	-11.0	-1.3	8.4	-4.8	0.8	9.3	1.6	0.2	2.3	2.2	-1.3	0.1	2.3	2.5	
Services		6.4	4.3	3.4	4.0	4.3	3.2	3.5	2.2	3.0	2.6	2.5	2.0	4.9	3.7	2.7	2.2	
CPI All Items		y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	2.9	2.5	2.6	2.4	2.3					
Ex. Food and Energy		y/y % chng	3.8	3.4	3.3	3.3	3.1	2.8	3.1	2.5	2.6	2.4	2.4					
Core PCE Deflator		y/y % chng	3.1	2.8	2.8	3.0	2.8	2.7	2.9	2.6	2.6	2.5	2.3					
Financial		% : quarterly avg.																
Fed Funds Rate		5.38	5.38	5.21	4.63	4.38	4.38	4.29	3.79	3.63	3.54	3.29	3.04	5.15	4.21	3.38	2.90	
90-Day T-Bill		5.45	5.47	5.22	4.58	4.34	4.37	4.26	3.86	3.70	3.65	3.35	3.05	5.18	4.21	3.45	2.85	
1-Year T-Bill		4.90	5.14	4.45	4.26	4.15	4.03	3.88	3.60	3.50	3.40	3.20	3.00	4.69	3.92	3.30	2.95	
10-Year Bond Yield		4.16	4.44	3.95	4.28	4.45	4.36	4.26	4.10	4.25	4.20	4.10	4.05	4.21	4.29	4.15	4.10	
10-Year BBB Corporate Spread		ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.05	1.02	1.26	1.52	1.79	1.15	1.11	1.40	1.88	
Foreign Trade		\$ blns : a.r.																
Current Account Balance		-1,043	-1,145	-1,305	-1,248	-1,759	-997	-906	-900	-945	-969	-978	-987	-1,185	-1,140	-970	-995	
Share of GDP		-3.6	-3.9	-4.4	-4.2	-5.9	-3.3	-2.9	-2.9	-3.0	-3.0	-3.0	-3.0	-4.0	-3.7	-3.0	-3.0	
Merchandise Balance		-1,113	-1,197	-1,237	-1,316	-1,863	-1,082	-1,069	-1,056	-1,090	-1,117	-1,131	-1,145	-1,215	-1,268	-1,120	-1,168	
Non-Merchandise Balance		69	51	-68	68	104	85	164	156	145	147	152	158	30	127	151	172	
Yen		¥/US\$: qtr. avg.	149	156	149	152	152	144	148	156	155	154	152	151	150	154	148	
Euro		US\$/€ : qtr. avg.	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.18	1.18	1.19	1.20	1.08	1.13	1.19	1.21	
Pound		US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.36	1.37	1.36	1.36	1.28	1.32	1.36	1.37	
Trade-Wt. Dollar (broad)		Jan. '97 = 100	120.7	122.6	122.6	125.8	127.7	122.4	120.2	119.0	118.3	117.8	117.2	122.9	122.8	118.1	115.9	
WTI Spot		US\$/bbl : qtr. avg.	77.3	81.1	75.9	70.3	71.4	63.9	65.0	58.7	59.0	61.0	62.0	76.1	64.8	60.2	65.0	
Henry Hub Spot		US\$/mmbtu : qtr. avg.	2.2	2.1	2.1	2.5	4.2	3.2	3.0	5.0	3.8	3.5	4.0	2.2	3.5	4.1	3.5	
Incomes		y/y % chng																
Pre-Tax Profits w/IVA,CCA		4.6	7.4	2.9	5.5	6.4	3.6	9.3	4.8	7.3	8.3	4.8	4.4	5.1	6.0	6.2	4.1	
Personal Income		5.9	5.7	5.4	5.4	5.1	4.8	4.7	4.5	3.9	3.9	4.1	4.1	5.6	4.8	4.0	4.1	
Real Disposable Income		3.5	3.0	2.8	2.4	2.0	1.8	1.5	1.3	1.1	1.2	1.7	1.9	2.9	1.7	1.5	2.1	
Savings Rate		% : quarterly avg.	6.2	5.8	5.1	4.7	5.2	5.0	4.2	3.6	3.7	3.6	3.7	5.4	4.5	3.7	3.8	
Other Indicators		quarterly avg.																
Unemployment Rate		percent	3.8	4.0	4.2	4.1	4.1	4.2	4.3	4.6	4.6	4.6	4.6	4.0	4.3	4.6	4.3	
Housing Starts		mlns : a.r.	1.42	1.34	1.34	1.39	1.40	1.35	1.34	1.39	1.40	1.40	1.41	1.37	1.35	1.40	1.42	
Existing Home Sales		mlns : a.r.	4.14	4.02	3.94	4.16	4.13	3.99	4.02	4.21	4.23	4.26	4.29	4.07	4.08	4.25	4.37	
Home Prices (Case-Shiller)		y/y % chng	7.3	6.8	5.2	4.4	4.5	2.8	1.6	0.8	1.8	2.6	2.3	5.9	2.5	1.9	2.4	
Motor Vehicle Sales		mlns : a.r.	15.7	16.0	15.9	16.6	16.5	16.2	16.7	15.4	16.1	16.2	16.4	16.0	16.3	16.0	16.6	
Payroll Employment Growth		q/q % chng : a.r.	1.5	1.3	0.9	1.3	1.3	0.7	0.2	0.5	0.6	0.7	0.9	1.3	0.9	0.4	1.0	
Industrial Production		q/q % chng : a.r.	-2.6	2.7	-2.3	-1.5	4.2	1.8	2.2	3.2	2.3	1.8	1.8	-0.7	1.3	2.1	1.8	
CBO Budget Deficit		% of GDP												-6.2	-5.9	-5.7	-5.8	

Bolded values represent forecasts

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