

# U.S. Economic Outlook for May 8, 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)	0.8	3.6	3.3	1.9	-0.6	3.8	4.4	0.5	2.0	<b>1.7</b>	<b>1.8</b>	<b>2.0</b>	2.8	2.1	<b>2.0</b>	<b>1.9</b>
Final Sales	1.7	2.4	3.5	2.8	-3.2	7.5	4.5	0.3	1.6	<b>1.4</b>	<b>1.8</b>	<b>2.0</b>	2.8	2.2	<b>2.1</b>	<b>1.8</b>
Final Domestic Demand	2.0	3.4	3.8	2.8	1.4	2.4	2.8	0.6	2.8	<b>1.7</b>	<b>1.8</b>	<b>2.0</b>	3.1	2.4	<b>2.0</b>	<b>1.8</b>
Consumer Spending	1.7	3.9	4.0	3.9	0.6	2.5	3.5	1.9	1.6	<b>1.6</b>	<b>1.8</b>	<b>2.1</b>	2.9	2.6	<b>2.0</b>	<b>2.0</b>
Durables	-0.9	7.8	8.6	13.0	-3.4	2.3	1.6	0.1	0.0	<b>0.3</b>	<b>0.9</b>	<b>2.5</b>	3.9	3.6	<b>0.7</b>	<b>1.8</b>
Nondurables	-1.6	4.3	4.8	3.8	2.2	2.2	3.9	0.4	-0.2	<b>1.5</b>	<b>1.5</b>	<b>2.0</b>	2.3	3.0	<b>1.2</b>	<b>2.0</b>
Services	3.2	3.2	3.0	2.5	0.8	2.6	3.6	2.7	2.4	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	3.0	2.3	<b>2.4</b>	<b>2.0</b>
Government Spending	2.3	3.3	5.4	3.3	-1.0	-0.1	2.2	-5.6	4.4	<b>0.7</b>	<b>0.9</b>	<b>0.8</b>	3.8	1.1	<b>0.5</b>	<b>0.5</b>
Business Investment	1.5	2.5	3.5	-3.7	9.5	7.3	3.2	2.4	10.4	<b>3.3</b>	<b>3.1</b>	<b>3.1</b>	2.9	4.1	<b>5.1</b>	<b>2.7</b>
Non-residential Construction	-5.0	-3.9	-2.2	-8.1	-3.1	-7.5	-5.0	-6.5	-6.7	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	1.1	-5.3	<b>-3.6</b>	<b>1.8</b>
Equipment	0.5	8.9	8.2	-4.3	21.4	8.5	5.3	4.3	17.2	<b>4.5</b>	<b>4.0</b>	<b>4.0</b>	3.5	8.3	<b>7.7</b>	<b>3.1</b>
Intellectual Property	6.7	0.7	2.6	-0.6	6.5	15.0	5.6	5.4	13.0	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	3.5	5.6	<b>6.9</b>	<b>2.5</b>
Residential Construction	8.2	-2.0	-4.8	4.3	-1.0	-5.1	-7.1	-1.7	-8.0	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	3.2	-2.2	<b>-3.1</b>	<b>1.7</b>
Exports	4.6	0.7	8.9	-0.9	0.2	-1.8	9.6	-3.2	12.9	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	3.6	1.6	<b>4.9</b>	<b>3.4</b>
Imports	6.9	8.4	10.1	-0.2	38.0	-29.3	-4.4	-1.0	21.4	<b>5.0</b>	<b>3.4</b>	<b>3.3</b>	5.8	2.7	<b>3.5</b>	<b>3.0</b>
Inventory Change	<b>2017\$ blns : a.r.</b>															
Contrib. to GDP Growth	<b>ppts : a.r.</b>															
Net Exports	<b>2017\$ 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	3.1	2.6	1.8	2.4	3.6	2.1	3.8	3.7	3.6	<b>5.3</b>	<b>2.4</b>	<b>2.4</b>	2.5	2.8	<b>3.6</b>	<b>2.4</b>
Core PCE Deflator	4.0	2.9	2.4	2.7	3.3	2.6	2.9	2.7	4.3	<b>3.4</b>	<b>2.8</b>	<b>2.2</b>	2.9	2.8	<b>3.2</b>	<b>2.3</b>
CPI All Items	3.7	2.7	1.3	3.2	3.7	1.7	3.1	2.5	3.6	<b>6.7</b>	<b>2.0</b>	<b>1.8</b>	3.0	2.7	<b>3.5</b>	<b>2.3</b>
Ex. Food and Energy	4.2	3.2	2.2	3.5	3.4	2.2	3.2	2.0	2.8	<b>3.3</b>	<b>3.1</b>	<b>2.5</b>	3.4	2.9	<b>2.8</b>	<b>2.5</b>
Food Prices	2.1	1.7	2.4	3.1	3.4	2.6	3.1	2.3	3.6	<b>2.4</b>	<b>1.3</b>	<b>1.2</b>	2.3	2.9	<b>2.6</b>	<b>1.8</b>
Energy Prices	1.1	-0.9	-10.6	-0.3	8.6	-6.5	1.5	10.3	12.6	<b>67.3</b>	<b>-8.3</b>	<b>-5.2</b>	-1.3	0.1	<b>13.8</b>	<b>1.6</b>
Services	6.3	4.3	3.3	4.2	4.1	3.3	3.4	2.3	3.6	<b>3.5</b>	<b>3.1</b>	<b>2.5</b>	4.9	3.7	<b>3.1</b>	<b>2.5</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	5.38	5.38	5.21	4.63	4.38	4.38	4.29	3.79	3.63	<b>3.63</b>	<b>3.54</b>	<b>3.29</b>	5.15	4.21	<b>3.52</b>	<b>3.13</b>
90-Day T-Bill	5.45	5.47	5.22	4.58	4.34	4.37	4.26	3.86	3.69	<b>3.70</b>	<b>3.65</b>	<b>3.30</b>	5.18	4.21	<b>3.60</b>	<b>3.05</b>
1-Year T-Bill	4.90	5.14	4.45	4.26	4.15	4.03	3.88	3.60	3.55	<b>3.65</b>	<b>3.55</b>	<b>3.30</b>	4.69	3.92	<b>3.50</b>	<b>3.15</b>
10-Year Bond Yield	4.16	4.44	3.95	4.28	4.45	4.36	4.26	4.10	4.20	<b>4.25</b>	<b>4.15</b>	<b>4.05</b>	4.21	4.29	<b>4.15</b>	<b>4.10</b>
10-Year BBB Corporate Spread	<b>ppts</b>															
Foreign Trade	<b>\$ blns : a.r.</b>															
Current Account Balance	-1,043	-1,145	-1,305	-1,248	-1,753	-991	-957	-763	<b>-1,008</b>	<b>-1,057</b>	<b>-1,043</b>	<b>-1,032</b>	-1,185	-1,116	<b>-1,035</b>	<b>-1,040</b>
Share of GDP	-3.6	-3.9	-4.4	-4.2	-5.8	-3.3	-3.1	-2.4	<b>-3.2</b>	<b>-3.3</b>	<b>-3.2</b>	<b>-3.1</b>	-4.0	-3.6	<b>-3.2</b>	<b>-3.1</b>
Merchandise Balance	-1,113	-1,197	-1,237	-1,316	-1,858	-1,076	-1,064	-966	<b>-1,213</b>	<b>-1,260</b>	<b>-1,251</b>	<b>-1,240</b>	-1,215	-1,241	<b>-1,241</b>	<b>-1,266</b>
Non-Merchandise Balance	69	51	-68	68	104	85	107	203	<b>205</b>	<b>203</b>	<b>208</b>	<b>208</b>	30	125	<b>206</b>	<b>226</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	4.6	7.4	2.9	5.5	6.4	3.6	9.3	9.6	<b>10.0</b>	<b>10.1</b>	<b>6.5</b>	<b>1.6</b>	5.1	7.3	<b>6.9</b>	<b>3.9</b>
Personal Income	5.9	5.7	5.4	5.4	5.1	4.8	5.0	4.6	4.0	<b>3.9</b>	<b>3.8</b>	<b>4.0</b>	5.6	4.9	<b>3.9</b>	<b>4.1</b>
Real Disposable Income	3.5	3.0	2.8	2.4	2.0	1.8	1.8	1.3	1.1	<b>0.2</b>	<b>0.5</b>	<b>1.1</b>	2.9	1.7	<b>0.7</b>	<b>2.0</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>															
Payroll 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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