

U.S. Economic Outlook for Jan. 27, 2023

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

	2021				2022				2023				2021	2022	2023	2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Production	q/q % chng : a.r.															
Real GDP (chain-weighted)	6.3	7.0	2.7	7.0	-1.6	-0.6	3.2	2.9	-1.0	-1.0	0.0	0.5	5.9	2.1	0.5	1.3
Final Sales	9.2	7.9	0.7	1.9	-1.8	1.3	4.5	1.4	0.2	-1.0	0.0	0.5	5.7	1.4	0.8	1.4
Final Domestic Demand	9.9	8.2	1.7	2.0	1.3	0.2	1.5	0.8	0.2	-0.8	0.1	0.6	6.7	1.7	0.3	1.4
Consumer Spending	10.8	12.1	3.0	3.1	1.3	2.0	2.3	2.1	0.1	-0.7	0.1	0.6	8.3	2.8	0.8	1.5
Durables	44.7	10.6	-22.0	5.1	7.6	-2.8	-0.8	0.5	-2.0	-3.0	0.0	0.5	18.5	-0.3	-1.2	1.2
Nondurables	14.9	12.2	1.7	0.7	-4.4	-2.5	-0.1	1.5	-2.0	-3.0	0.0	0.8	8.8	-0.4	-0.9	1.3
Services	4.0	12.3	9.2	3.5	2.1	4.6	3.7	2.6	1.5	0.8	0.2	0.5	6.3	4.5	1.8	1.5
Government Spending	6.5	-3.0	-0.2	-1.0	-2.3	-1.6	3.7	3.7	1.8	-0.5	0.5	0.0	0.6	-0.6	1.5	1.1
Business Investment	8.9	9.9	0.6	1.1	7.9	0.1	6.2	0.7	0.1	-1.0	-0.2	1.5	6.4	3.6	0.8	1.5
Non-residential Construction	1.9	-2.5	-6.7	-12.7	-4.3	-12.7	-3.6	0.4	-2.0	-4.0	-3.0	1.0	-6.4	-7.4	-2.8	0.7
Equipment	6.1	14.0	-2.2	1.6	11.4	-2.0	10.6	-3.7	-2.0	-4.0	-1.0	1.4	10.3	4.3	-0.9	1.1
Intellectual Property	15.6	12.6	7.4	8.1	10.8	8.9	6.8	5.3	3.0	3.0	1.5	1.7	9.7	8.8	4.0	2.0
Residential Construction	11.6	-4.9	-5.8	-1.1	-3.1	-17.8	-27.1	-26.7	-6.0	-4.0	-1.0	1.0	10.7	-10.7	-12.8	0.9
Exports	0.4	4.9	-1.1	23.5	-4.6	13.8	14.6	-1.3	-3.0	-3.0	1.0	1.6	6.1	7.2	1.1	1.4
Imports	7.6	7.9	6.6	18.6	18.4	2.2	-7.3	-4.6	-2.0	-1.0	1.2	1.7	14.1	8.1	-2.1	1.5
Inventory Change	2012\$ blns : a.r.				214.5	110.2	38.7	129.9	65.0	65.0	65.0	65.0	-19.9	117.3	65.0	61.5
Contrib. to GDP Growth	ppts : a.r.				0.1	-1.9	-1.2	1.5	-1.3	0.0	0.0	0.0	0.2	0.7	-0.3	0.0
Net Exports	2012\$ blns : a.r.				-1,164.5	-1,203.9	-1,267.5	-1,297.6	-1,488.7	-1,430.5	-1,268.8	-1,232.4	-1,233.4	-1,355.1	-1,244.2	-1,267.7
Contrib. to GDP Growth	ppts : a.r.				-1.0	-0.6	-1.1	-0.2	-3.1	1.2	2.9	0.6	-1.3	-0.6	0.6	-0.1
Nominal GDP	\$ blns : a.r.				22,314	23,047	23,550	24,349	24,741	25,249	25,724	26,133	26,221	26,357	26,530	26,715
Growth	q/q % chng : a.r.				11.7	13.8	9.0	14.3	6.6	8.5	7.7	6.5	1.4	2.1	2.7	2.8
Real GDP	y/y % chng				1.2	12.5	5.0	5.7	3.7	1.8	1.9	1.0	1.1	1.0	0.2	-0.4
Inflation	q/q % chng : a.r.															
GDP Price Index	5.2	6.3	6.2	6.8	8.3	9.0	4.4	3.5	2.4	3.2	2.6	2.3	4.5	7.0	3.4	2.2
Core PCE Deflator	3.2	6.1	4.9	4.8	5.6	4.7	4.7	3.9	3.6	3.6	3.0	2.7	3.5	5.0	3.7	2.6
CPI All Items	4.1	8.2	6.7	7.9	9.2	10.5	5.7	3.1	3.0	4.0	3.1	2.6	4.7	8.0	4.0	2.5
Ex. Food and Energy	1.4	7.8	5.3	5.6	6.5	6.6	6.4	4.4	3.8	3.8	3.2	2.8	3.6	6.1	4.3	2.8
Food Prices	2.4	4.3	7.7	9.4	10.3	12.6	12.4	7.5	5.4	4.2	3.0	2.8	3.9	10.0	6.3	2.8
Energy Prices	49.4	21.9	21.4	32.2	38.9	50.8	-10.4	-14.6	-8.1	5.9	2.1	-1.4	20.8	25.0	-2.7	-1.5
Services	2.1	5.0	3.6	4.6	6.0	8.9	7.8	6.6	6.2	5.3	4.1	3.4	2.8	6.2	6.0	3.1
CPI All Items	y/y % chng				1.9	4.8	5.3	6.7	8.0	8.6	8.3	7.1	5.5	3.9	3.3	3.2
Ex. Food and Energy	y/y % chng				1.4	3.7	4.1	5.0	6.3	6.0	6.3	6.0	5.3	4.6	3.8	3.4
Core PCE Deflator	y/y % chng				1.7	3.5	3.9	4.7	5.3	5.0	4.9	4.7	4.2	3.9	3.5	3.2
Financial	% : quarterly avg.															
Fed Funds Rate	0.13	0.13	0.13	0.13	0.21	0.96	2.63	3.79	4.63	4.88	4.88	4.88	0.13	1.90	4.81	4.17
90-Day T-Bill	0.05	0.02	0.05	0.05	0.30	1.10	2.75	4.18	4.75	4.80	4.80	4.80	0.05	2.08	4.80	4.10
1-Year T-Bill	0.08	0.06	0.08	0.20	0.96	2.20	3.40	4.61	4.75	4.75	4.65	4.55	0.10	2.79	4.70	3.95
10-Year Bond Yield	1.32	1.59	1.33	1.54	1.94	2.93	3.10	3.83	3.70	3.75	3.65	3.55	1.44	2.95	3.65	3.35
10-Year BBB Corporate Spread	ppts				1.30	1.20	1.13	1.16	1.37	1.68	1.90	1.85	1.82	2.29	2.42	2.39
Foreign Trade	\$ blns : a.r.															
Current Account Balance	-755	-826	-905	-899	-1,130	-955	-868	-867	-830	-846	-853	-852	-846	-955	-845	-860
Share of GDP	-3.4	-3.6	-3.8	-3.7	-4.6	-3.8	-3.4	-3.3	-3.2	-3.2	-3.2	-3.2	-3.6	-3.8	-3.2	-3.1
Merchandise Balance	-1,061	-1,070	-1,090	-1,140	-1,367	-1,244	-1,085	-1,113	-1,118	-1,131	-1,141	-1,152	-1,090	-1,202	-1,136	-1,180
Non-Merchandise Balance	306	244	185	241	237	289	216	246	289	286	289	300	244	247	291	320
Yen	¥/US\$: qtr. avg.				106	109	110	114	116	130	138	141	130	129	129	128
Euro	US\$/€ : qtr. avg.				1.21	1.21	1.18	1.14	1.12	1.06	1.01	1.02	1.08	1.09	1.10	1.11
Pound	US\$/£ : qtr. avg.				1.38	1.40	1.38	1.35	1.34	1.26	1.18	1.17	1.23	1.24	1.25	1.27
Trade-Wt. Dollar (broad)	Jan. '97 = 100				112.3	111.8	113.3	115.0	115.5	119.1	123.7	125.0	120.2	119.4	118.5	117.7
WTI Spot	US\$/bbl : qtr. avg.				57.8	66.1	70.6	77.4	94.4	108.6	92.6	82.8	85.0	92.5	92.5	90.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.				3.6	2.9	4.4	4.8	4.7	7.5	8.0	5.5	4.5	5.3	5.0	5.3
Incomes	y/y % chng															
Pre-Tax Profits w/IVA,CCA	16.1	39.2	15.3	22.3	10.9	7.7	5.5	4.5	3.4	-1.2	-0.9	-0.4	22.6	7.1	0.2	2.8
Personal Income	16.1	2.1	4.9	6.9	-3.5	3.2	4.1	4.8	5.1	4.8	4.3	3.7	7.4	2.1	4.5	4.4
Real Disposable Income	14.5	-4.4	-1.5	-0.4	-12.8	-5.6	-4.3	-2.3	0.8	1.3	1.1	0.6	1.9	-6.4	0.9	2.0
Savings Rate	% : quarterly avg.				20.4	10.8	9.1	7.3	4.3	3.2	2.7	2.9	3.1	3.2	3.2	3.4
Other Indicators	quarterly avg.															
Unemployment Rate	percent				6.2	5.9	5.1	4.2	3.8	3.6	3.5	3.6	3.7	4.3	4.8	5.0
Housing Starts	mlns : a.r.				1.58	1.59	1.57	1.68	1.72	1.65	1.45	1.40	1.36	1.33	1.34	1.37
Existing Home Sales	mlns : a.r.				6.29	5.95	6.07	6.20	6.06	5.37	4.77	4.18	3.98	3.94	3.98	4.07
Home Prices (Case-Shiller)	y/y % chng				12.3	17.2	19.6	18.4	20.2	20.1	13.1	5.8	-4.0	-12.4	-12.8	-9.7
Motor Vehicle Sales	mlns : a.r.				16.9	16.8	13.4	13.2	14.3	13.4	13.5	14.4	13.6	13.6	14.5	15.0
Civilian Employment Growth	q/q % chng : a.r.				1.0	3.2	5.0	5.5	6.2	1.1	1.3	0.5	1.5	-1.0	-0.7	0.3
Industrial Production	q/q % chng : a.r.				3.1	6.5	3.5	4.8	4.7	5.0	1.8	-1.7	-3.5	-1.9	0.3	1.5
CBO Budget Deficit	% of GDP															
													-12.4	-5.5	-4.5	-4.7

Bolded values represent forecasts

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