Canadian Economic Outlook for Oct. 31, 2025

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

		2024				2025				2026				2023	2024	2025	2026
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Production	**q/q % chng : a.r.**																
Real GDP (chain-weighted)		2.1	2.5	2.4	2.1	2.0	-1.6	**0.5**	**1.5**	**1.9**	**1.8**	**1.8**	**2.1**	1.5	1.6	**1.2**	**1.4**
Final Sales		3.3	1.2	3.4	6.6	-0.4	-4.5	**1.3**	**1.5**	**1.5**	**1.7**	**1.8**	**2.1**	2.7	2.0	**1.0**	**1.2**
Final Domestic Demand		3.2	2.9	3.2	5.2	-0.9	3.5	**0.1**	**1.7**	**1.5**	**1.6**	**1.7**	**2.0**	1.1	2.1	**2.1**	**1.6**
Consumer Spending		3.2	1.7	4.4	4.9	0.5	4.5	**0.7**	**2.1**	**1.5**	**1.8**	**1.8**	**2.4**	1.8	2.4	**2.7**	**1.8**
Durables		-1.8	-7.2	13.1	17.2	-5.9	10.4	**-1.0**	**2.5**	**1.5**	**1.4**	**1.3**	**2.5**	2.8	3.8	**4.5**	**1.9**
Nondurables		-0.1	2.7	2.0	1.1	4.2	1.7	**0.5**	**1.8**	**1.5**	**1.5**	**1.3**	**2.3**	-0.5	0.6	**2.2**	**1.5**
Services		5.5	3.2	3.6	3.4	-0.8	4.3	**1.3**	**2.2**	**1.5**	**2.1**	**2.2**	**2.5**	2.7	3.0	**2.2**	**2.0**
Government Spending		7.1	5.8	5.3	3.1	-1.2	5.7	**2.4**	**2.4**	**2.4**	**2.0**	**1.6**	**1.6**	2.6	4.2	**2.8**	**2.4**
Business Investment		-0.6	15.0	-11.9	4.7	1.1	-10.1	**-7.3**	**-1.6**	**-1.0**	**0.3**	**1.7**	**1.7**	1.0	-2.4	**-2.6**	**-1.8**
Non-residential Construction		1.6	9.6	-0.8	1.4	-3.9	6.3	**-3.0**	**-1.0**	**0.0**	**1.0**	**2.0**	**2.0**	3.2	-2.1	**0.4**	**0.4**
Machinery and Equipment		-4.1	24.3	-27.7	10.5	10.1	-32.6	**-10.0**	**-2.0**	**-3.0**	**-1.0**	**1.0**	**1.0**	-2.7	-2.9	**-6.9**	**-4.9**
Residential Construction		-4.5	-9.4	5.4	16.8	-12.2	6.3	**0.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	-8.5	-0.6	**0.9**	**1.2**
Exports		-0.7	-4.8	-0.6	7.1	5.8	-26.8	**3.8**	**2.2**	**2.4**	**2.4**	**2.4**	**2.4**	5.0	0.6	**-2.8**	**0.4**
Imports		-1.1	0.0	-1.0	2.5	3.6	-5.1	**1.2**	**2.8**	**2.4**	**2.0**	**2.0**	**2.0**	0.3	0.7	**0.5**	**1.7**
Inventory Change	2017$ blns : a.r.	17.8	25.3	20.0	-6.0	7.9	26.9	**21.3**	**21.4**	**24.3**	**24.7**	**25.1**	**25.2**	25.5	14.3	**19.4**	**24.8**
Contrib. to GDP Growth	ppts : a.r.	-1.2	1.2	-0.8	-4.4	2.1	3.3	**-0.8**	**0.0**	**0.5**	**0.0**	**0.0**	**0.0**	-1.2	-0.5	**0.2**	**0.2**
Net Exports	2017$ blns : a.r.	-52.5	-61.6	-60.8	-53.0	-49.4	-95.5	**-91.3**	**-93.0**	**-93.6**	**-93.4**	**-93.2**	**-93.0**	-55.3	-57.0	**-82.3**	**-93.3**
Contrib. to GDP Growth	ppts : a.r.	0.1	-1.6	0.1	1.5	0.7	-7.2	**1.2**	**-0.1**	**-0.1**	**0.1**	**0.1**	**0.1**	1.5	-0.1	**-1.1**	**-0.4**
Nominal GDP	$ blns : a.r.	3,005	3,055	3,093	3,137	3,175	3,163	**3,176**	**3,206**	**3,239**	**3,272**	**3,306**	**3,343**	2,934	3,072	**3,180**	**3,290**
Growth	q/q % chng : a.r.	1.1	6.9	5.0	5.8	5.0	-1.6	**1.7**	**3.9**	**4.2**	**4.2**	**4.2**	**4.5**	2.9	4.7	**3.5**	**3.5**
Real GDP	y/y % chng	0.8	1.2	1.9	2.3	2.3	1.2	**0.7**	**0.6**	**0.6**	**1.4**	**1.8**	**1.9**				
Inflation	**q/q % chng : a.r.**																
GDP Price Index		-1.0	4.2	2.6	3.5	2.8	0.0	1.2	**2.4**	**2.2**	**2.3**	**2.3**	**2.4**	1.4	3.1	**2.3**	**2.0**
CPI All Items		1.7	2.2	1.9	1.8	3.1	0.6	2.4	**2.5**	**2.0**	**1.8**	**2.1**	**2.2**	3.9	2.4	**2.0**	**2.0**
Ex. Food and Energy		2.0	2.5	2.0	2.1	3.3	2.9	1.7	**1.7**	**2.2**	**2.1**	**2.3**	**2.4**	4.0	2.6	**2.5**	**2.1**
Food Prices		2.9	1.9	3.3	0.4	-1.0	10.9	4.6	**3.4**	**2.2**	**2.1**	**1.8**	**2.1**	7.7	2.7	**3.1**	**3.1**
Energy Prices		-4.6	8.7	-12.2	4.8	11.0	-38.9	4.2	**11.1**	**-0.8**	**-2.1**	**0.5**	**-0.1**	-4.2	-0.5	**-5.4**	**-1.2**
Services		2.3	6.5	4.1	1.3	1.0	6.9	2.4	**1.2**	**2.1**	**2.2**	**2.4**	**2.5**	4.6	4.1	**3.0**	**2.3**
CPI All Items	y/y % chng	2.8	2.7	2.0	1.9	2.3	1.8	2.0	**2.1**	**1.9**	**2.2**	**2.1**	**2.0**				
CPIX8	y/y % chng	2.1	1.8	1.6	1.7	2.3	2.6	2.7	**2.7**	**2.5**	**2.1**	**2.0**	**1.9**	3.6	1.8	**2.6**	**2.1**
Core CPIs (Trim/Median avg.)	y/y % chng : avg.	3.2	2.9	2.5	2.6	2.8	3.1	3.1	**2.8**	**2.4**	**2.3**	**2.1**	**1.9**	4.0	2.8	**2.9**	**2.2**
Financial	**% : quarterly avg.**																
Overnight Rate		5.00	4.92	4.42	3.58	2.92	2.75	2.67	**2.25**	**2.00**	**2.00**	**2.00**	**2.00**	4.77	4.48	**2.65**	**2.00**
3-Month T-Bill		4.94	4.81	4.27	3.46	2.85	2.63	2.60	**2.25**	**1.95**	**1.95**	**1.95**	**1.95**	4.74	4.37	**2.60**	**1.95**
10-Year Bond Yield		3.43	3.58	3.14	3.21	3.12	3.21	3.38	**3.10**	**3.10**	**3.10**	**3.10**	**3.10**	3.36	3.34	**3.20**	**3.10**
10-Year BBB Corporate Spread	ppts	1.86	1.78	1.77	1.57	1.59	1.62	1.40	**1.55**	**1.70**	**1.80**	**1.90**	**2.00**	2.14	1.75	**1.54**	**1.85**
90-Day Canada/U.S. Spread	bps	-52	-65	-95	-112	-149	-173	-166	**-152**	**-151**	**-130**	**-107**	**-87**	-53	-81	**-160**	**-119**
10-Year Canada/U.S. Spread	bps	-73	-87	-80	-107	-134	-115	-88	**-92**	**-92**	**-92**	**-92**	**-92**	-60	-87	**-107**	**-92**
Foreign Trade	**$ blns : a.r.**																
Current Account Balance		-9.2	-21.3	-11.5	-14.2	-5.3	-84.6	**-73.6**	**-72.5**	**-69.6**	**-66.5**	**-63.6**	**-60.5**	-18.4	-14.1	**-59.0**	**-65.0**
Share of GDP		-0.3	-0.7	-0.4	-0.5	-0.2	-2.7	**-2.3**	**-2.3**	**-2.1**	**-2.0**	**-1.9**	**-1.8**	-0.6	-0.5	**-1.9**	**-2.0**
Merchandise Balance		-1.4	-11.2	-13.1	-1.3	-2.0	-78.4	**-67.9**	**-68.3**	**-67.2**	**-65.0**	**-62.8**	**-60.5**	-0.6	-6.8	**-54.1**	**-63.9**
Non-Merchandise Balance		-7.8	-10.1	1.6	-12.9	-3.3	-6.3	**-5.7**	**-4.3**	**-2.4**	**-1.5**	**-0.8**	**0.0**	-17.8	-7.3	**-4.9**	**-1.2**
US$	US¢/C$: qtr. avg.	74.2	73.1	73.3	71.5	69.7	72.3	72.6	**72.1**	**73.1**	**73.7**	**74.2**	**74.8**	74.1	73.0	**71.7**	**74.0**
	C$/US$: qtr. avg.	1.349	1.368	1.364	1.399	1.435	1.384	1.377	**1.387**	**1.368**	**1.357**	**1.347**	**1.336**	1.349	1.370	**1.396**	**1.352**
Yen	¥/C$: qtr. avg.	110.2	113.9	109.2	109.0	106.2	104.4	107.1	**107.4**	**107.0**	**107.1**	**107.2**	**107.2**	104.1	110.6	**105.9**	**107.1**
Euro	C$/€ : qtr. avg.	1.46	1.47	1.50	1.49	1.51	1.57	1.61	**1.63**	**1.62**	**1.61**	**1.61**	**1.60**	1.46	1.48	**1.58**	**1.61**
Corp. Profits Before Tax	y/y % chng	-26.2	-9.1	-24.3	3.1	2.1	-5.1	**8.9**	**-11.9**	**-0.2**	**9.6**	**14.8**	**12.9**	-41.3	-14.9	**-2.1**	**9.1**
Corp. Profits After Tax	y/y % chng	-1.6	1.7	-2.2	7.4	-0.8	-3.0	**-2.8**	**-9.1**	**3.3**	**9.6**	**14.8**	**12.9**	-15.3	1.3	**-4.0**	**10.1**
Personal Income	y/y % chng	7.5	7.8	7.8	7.2	6.2	3.6	**1.8**	**2.0**	**2.4**	**3.5**	**4.0**	**4.1**	7.7	7.6	**3.3**	**3.5**
Real Disposable Income	y/y % chng	3.6	4.4	5.4	4.8	4.3	2.7	**0.3**	**0.7**	**1.0**	**1.2**	**1.7**	**1.9**	1.6	4.6	**2.0**	**1.5**
Savings Rate	% : quarterly avg.	4.7	6.2	7.2	6.0	6.0	5.0	**4.7**	**4.5**	**4.8**	**4.7**	**4.7**	**4.6**	3.7	6.0	**5.0**	**4.7**
Other Indicators	**quarterly avg.**																
Unemployment Rate	percent	5.9	6.3	6.5	6.7	6.6	6.9	7.0	**7.2**	**7.2**	**7.1**	**6.9**	**6.7**	5.4	6.4	**7.0**	**7.0**
Housing Starts	000s : a.r.	244	250	238	248	223	282	272	**262**	**248**	**243**	**238**	**232**	242	245	**260**	**240**
Existing Home Sales	y/y % chng	14.9	-3.5	0.5	21.9	-4.1	-1.5	4.4	**-6.4**	**5.8**	**7.3**	**1.1**	**2.1**	-11.1	7.9	**-2.0**	**4.0**
MLS Home Price Index	y/y % chng	1.0	-3.9	-4.1	-1.0	-2.4	-3.6	-3.5	**-3.5**	**-0.7**	**1.9**	**3.2**	**3.9**	-6.1	-2.0	**-3.0**	**1.5**
Motor Vehicle Sales	mlns : a.r.	1.94	1.87	1.89	2.00	1.96	2.01	**1.97**	**1.91**	**1.94**	**2.00**	**2.02**	**2.03**	1.75	1.92	**1.96**	**2.00**
Employment Growth	q/q % chng : a.r.	1.7	2.1	0.8	1.9	2.7	0.4	-0.1	**0.6**	**1.1**	**1.8**	**1.9**	**1.7**	3.0	1.9	**1.4**	**1.1**
Industrial Production	q/q % chng : a.r.	-3.9	4.4	-0.4	-0.7	5.0	-7.1	**1.0**	**1.7**	**2.2**	**2.8**	**2.9**	**2.0**	-0.1	0.1	**0.2**	**1.5**
Federal Budget Balance	% of FY GDP													-2.1	**-1.6**	**-2.2**	**-1.9**

Bolded values represent forecasts

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