

# International Economic Outlook for Jan. 23, 2026

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

	Global GDP Growth	2024				2025				2026				2024 2025 2026 2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	3.3	3.3	3.2	3.2
<b>Japan</b>																	
Real GDP	saar : %	-2.1	1.0	2.7	1.4	1.5	2.1	-2.3	0.5	0.8	1.0	1.0	1.0	-0.2	1.2	0.5	0.9
	y/y % chng	-1.2	-1.2	0.8	0.7	1.6	1.9	0.7	0.4	0.3	0.0	0.8	0.9				
CPI All Items	y/y % chng	2.5	2.7	2.8	2.9	3.8	3.4	2.9	2.7	2.5	2.6	2.9	2.6	2.7	3.2	2.7	2.2
Unemployment Rate	%	2.6	2.6	2.5	2.5	2.5	2.5	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.4
3-Month Interest Rate	%	0.1	0.3	0.4	0.5	0.8	0.8	0.8	0.9	1.1	1.3	1.5	1.5	0.3	0.8	1.3	1.5
10-Year Government Bond	%	0.7	0.9	0.9	1.0	1.4	1.4	1.6	1.8	2.0	2.1	2.2	2.3	0.9	1.5	2.2	2.4
<b>United Kingdom</b>																	
Real GDP	saar : %	3.3	2.4	0.9	1.1	2.7	0.9	0.4	0.5	0.5	1.0	1.0	1.0	1.1	1.4	0.7	1.0
	y/y % chng	0.3	0.8	1.3	1.9	1.8	1.4	1.3	1.1	0.6	0.6	0.7	0.9				
CPI All Items	y/y % chng	3.5	2.1	2.1	2.5	2.8	3.5	3.8	3.4	3.0	2.6	2.1	2.2	2.5	3.4	2.5	2.0
Unemployment Rate	%	4.3	4.3	4.2	4.4	4.5	4.7	5.0	5.1	5.1	5.0	4.9	4.9	4.3	4.8	5.0	4.8
3-Month Interest Rate	%	5.2	5.2	4.9	4.7	4.5	4.2	4.0	3.8	3.7	3.7	3.7	3.7	5.0	4.1	3.7	3.7
10-Year Government Bond	%	4.0	4.2	4.0	4.3	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.5	4.1	4.6	4.5	4.7
<b>Euro Area</b>																	
Real GDP	saar : %	1.1	0.9	1.8	1.6	2.3	0.6	1.1	0.8	1.5	1.4	1.5	1.4	0.8	1.4	1.2	1.5
	y/y % chng	0.5	0.5	1.0	1.3	1.6	1.5	1.4	1.2	1.0	1.2	1.3	1.4				
CPI All Items	y/y % chng	2.6	2.5	2.2	2.2	2.3	2.0	2.1	2.1	2.0	2.0	2.2	2.2	2.4	2.1	2.1	2.0
Unemployment Rate	%	6.6	6.4	6.3	6.2	6.3	6.4	6.4	6.3	6.3	6.2	6.2	6.2	6.4	6.4	6.2	6.1
3-Month Interest Rate	%	3.9	3.8	3.6	3.0	2.6	2.1	2.0	2.0	2.0	2.0	2.0	2.0	3.6	2.2	2.0	2.0
10-Year Government Bond	%	2.3	2.5	2.3	2.3	2.6	2.5	2.7	2.7	2.8	2.7	2.6	2.5	2.3	2.6	2.7	2.6
<b>Germany</b>																	
Real GDP	saar : %	-0.4	-1.0	0.1	0.7	1.2	-0.8	0.0	0.2	1.8	1.0	1.0	1.2	-0.5	0.2	0.8	1.9
	y/y % chng	-0.5	-0.6	-0.6	-0.2	0.2	0.3	0.3	0.1	0.3	0.7	1.0	1.2				
CPI All Items	y/y % chng	2.7	2.6	2.2	2.5	2.6	2.1	2.1	2.3	2.1	1.6	1.5	1.8	2.5	2.3	1.8	2.0
Unemployment Rate	%	5.9	5.9	6.0	6.1	6.2	6.3	6.3	6.3	6.2	6.0	6.0	6.0	6.0	6.3	6.1	6.0
<b>France</b>																	
Real GDP	saar : %	0.5	0.8	1.5	-0.2	0.4	1.3	2.2	0.1	0.4	0.8	1.0	1.0	1.1	0.8	0.8	1.1
	y/y % chng	1.7	1.0	1.1	0.6	0.6	0.7	0.9	1.0	1.0	0.9	0.6	0.8				
CPI All Items	y/y % chng	3.0	2.5	2.1	1.7	1.2	0.8	0.9	0.8	0.9	1.0	0.8	1.2	2.3	0.9	1.0	1.9
Unemployment Rate	%	7.5	7.4	7.4	7.3	7.5	7.6	7.7	7.7	7.6	7.5	7.5	7.5	7.4	7.6	7.5	7.5
<b>Italy</b>																	
Real GDP	saar : %	0.3	0.9	0.1	0.7	1.3	-0.3	0.5	0.6	1.0	1.0	1.0	1.0	0.5	0.6	0.8	1.0
	y/y % chng	0.3	0.6	0.6	0.5	0.8	0.5	0.6	0.5	0.4	0.8	0.9	1.0				
CPI All Items	y/y % chng	1.0	1.0	1.1	1.3	1.9	1.8	1.7	1.3	1.1	1.0	0.9	1.9	1.1	1.7	1.2	1.6
Unemployment Rate	%	7.1	6.7	6.3	6.2	6.3	6.3	6.1	6.2	6.2	6.3	6.3	6.2	6.6	6.2	6.3	6.2
<b>China</b>																	
Real GDP	y/y % chng	5.3	4.7	4.6	5.4	5.4	5.2	4.8	4.5	4.4	4.5	4.7	4.8	5.0	5.0	4.6	4.5
CPI All Items	y/y % chng	0.0	0.3	0.5	0.2	-0.1	0.0	-0.2	0.6	0.5	1.0	1.1	1.2	0.2	0.1	1.0	1.5
Current Account Balance	% of GDP													2.3	3.3	2.8	2.4
<b>Exchange Rates</b>																	
Yen	¥/US\$	149	156	149	152	152	144	148	154	157	155	154	152	151	150	155	148
Euro	US\$/€	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.16	1.17	1.18	1.19	1.20	1.08	1.13	1.19	1.21
Pound	US\$/£	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.33	1.34	1.35	1.35	1.36	1.28	1.32	1.35	1.37
Pound/Euro	£/€	0.86	0.85	0.84	0.83	0.84	0.85	0.87	0.88	0.87	0.88	0.88	0.88	0.85	0.86	0.88	0.88
Yen/Euro	¥/€	161	168	164	163	160	164	172	179	184	183	183	183	164	169	183	179
Yuan	CNY/US\$	7.19	7.24	7.16	7.19	7.27	7.23	7.16	7.09	6.99	6.99	6.99	6.99	7.20	7.19	6.99	6.97

*Bolded values represent forecasts*

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