

U.S. Economic Outlook for Oct. 31, 2025

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

	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	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)	0.8	3.6	3.3	1.9	-0.6	3.8	2.8	1.0	1.6	1.6	1.8	1.7	2.9	2.8	1.9	1.8
Final Sales	1.7	2.4	3.5	2.8	-3.2	7.5	3.1	0.4	1.4	1.6	1.8	1.7	3.4	2.8	2.1	1.9
Final Domestic Demand	2.0	3.4	3.8	2.8	1.4	2.4	2.1	0.5	1.5	1.6	1.8	1.7	2.9	3.1	2.3	1.5
Consumer Spending	1.7	3.9	4.0	3.9	0.6	2.5	3.1	1.4	1.4	1.6	1.9	1.9	2.6	2.9	2.5	1.8
Durables	-0.9	7.8	8.6	13.0	-3.4	2.3	2.8	1.0	0.5	1.0	1.6	2.0	3.8	3.9	3.8	1.3
Nondurables	-1.6	4.3	4.8	3.8	2.2	2.2	3.2	1.0	1.1	1.5	1.8	1.8	0.6	2.3	3.0	1.6
Services	3.2	3.2	3.0	2.5	0.8	2.6	3.0	1.6	1.7	1.8	2.0	1.9	3.0	3.0	2.2	2.0
Government Spending	2.3	3.3	5.4	3.3	-1.0	-0.1	0.3	-1.9	1.5	1.1	1.2	0.8	3.5	3.8	1.1	0.4
Business Investment	1.5	2.5	3.5	-3.7	9.5	7.3	1.8	-0.6	1.7	1.9	1.9	1.9	7.3	2.9	3.7	1.7
Non-residential Construction	-5.0	-3.9	-2.2	-8.1	-3.1	-7.5	-7.5	0.5	1.4	1.4	1.4	1.4	16.7	1.1	-5.2	-0.5
Equipment	0.5	8.9	8.2	-4.3	21.4	8.5	6.0	-4.0	2.0	2.0	2.0	2.0	2.9	3.5	7.8	1.7
Intellectual Property	6.7	0.7	2.6	-0.6	6.5	15.0	2.0	2.0	1.5	2.0	2.0	2.0	6.2	3.5	5.0	2.6
Residential Construction	8.2	-2.0	-4.8	4.3	-1.0	-5.1	-7.0	-3.5	1.0	1.5	1.5	1.5	-7.8	3.2	-2.3	-1.1
Exports	4.6	0.7	8.9	-0.9	0.2	-1.8	-0.1	-0.1	2.5	2.5	2.5	2.5	2.8	3.6	0.6	1.4
Imports	6.9	8.4	10.1	-0.2	38.0	-29.3	-5.8	0.8	2.3	2.3	2.3	2.3	-0.9	5.8	2.6	-1.4
Inventory Change	2017\$ blns : a.r.	12.4	75.1	69.4	17.1	172.0	-18.3	-35.0	0.0	10.0	10.0	10.0	47.3	43.6	28.3	10.0
Contrib. to GDP Growth	ppts : a.r.	-0.8	1.2	-0.1	-0.9	2.6	-3.4	-0.3	0.6	0.2	0.0	0.0	-0.5	0.0	-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	-1,003.5	-1,011.5	-1,016.0	-1,020.4	-1,024.9	-925.2	-1,032.6	-1,113.5	-1,022.7
Contrib. to GDP Growth	ppts : a.r.	-0.4	-1.0	-0.4	-0.1	-4.7	4.8	0.9	-0.1	-0.1	-0.1	-0.1	0.4	-0.5	-0.3	0.4
Nominal GDP	\$ blns : a.r.	28,708	29,147	29,512	29,825	30,042	30,486	30,939	31,234	31,556	31,860	32,181	27,812	29,298	30,675	32,024
Growth	q/q % chng : a.r.	4.0	6.3	5.1	4.3	2.9	6.0	6.1	3.9	4.2	3.9	4.1	6.7	5.3	4.7	4.4
Real GDP	y/y % chng	2.9	3.1	2.8	2.4	2.0	2.1	2.0	1.7	2.3	1.7	1.5				
Inflation	q/q % chng : a.r.															
GDP Price Index		3.1	2.6	1.8	2.4	3.6	2.1	3.1	2.9	2.5	2.3	2.3	3.7	2.5	2.7	2.5
Core PCE Deflator		4.0	2.9	2.4	2.7	3.3	2.6	2.9	2.9	2.8	2.5	2.4	4.2	2.9	2.8	2.7
CPI All Items		3.7	2.8	1.4	3.0	3.8	1.6	3.1	3.5	2.5	2.3	2.3	4.1	3.0	2.8	2.6
Ex. Food and Energy		4.2	3.1	2.4	3.4	3.5	2.1	3.3	3.2	2.8	2.6	2.5	4.8	3.4	3.0	2.8
Food Prices		2.4	1.5	2.3	3.2	3.7	2.3	3.0	4.1	1.5	1.2	1.2	5.8	2.3	3.0	2.1
Energy Prices		0.5	1.2	-11.0	-1.3	8.4	-4.8	0.8	5.7	1.4	1.7	2.0	-4.9	-1.3	-0.1	1.9
Services		6.4	4.3	3.4	4.0	4.3	3.2	3.5	3.1	2.8	2.6	2.5	6.0	4.9	3.8	2.9
CPI All Items	y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	2.9	3.0	2.7	2.9	2.7				
Ex. Food and Energy	y/y % chng	3.8	3.4	3.3	3.3	3.1	2.8	3.1	3.0	2.8	3.0	2.8				
Core PCE Deflator	y/y % chng	3.1	2.8	2.8	3.0	2.8	2.7	2.9	2.9	2.8	2.8	2.6				
Financial	% : quarterly avg.															
Fed Funds Rate		5.38	5.38	5.21	4.63	4.38	4.38	4.29	3.79	3.54	3.29	3.04	5.10	5.15	4.21	3.19
90-Day T-Bill		5.45	5.47	5.22	4.58	4.34	4.37	4.26	3.75	3.45	3.25	3.00	5.28	5.18	4.20	3.15
1-Year T-Bill		4.90	5.14	4.45	4.26	4.15	4.03	3.88	3.50	3.30	3.15	3.00	5.08	4.69	3.90	3.05
10-Year Bond Yield		4.16	4.44	3.95	4.28	4.45	4.36	4.26	4.05	4.00	4.00	4.00	3.96	4.21	4.30	4.00
10-Year BBB Corporate Spread	ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.05	1.10	1.28	1.47	1.65	1.57	1.15	1.12	1.56
Foreign Trade	\$ blns : a.r.															
Current Account Balance		-1,043	-1,145	-1,305	-1,248	-1,759	-1,005	-1,086	-1,088	-1,096	-1,102	-1,108	-928	-1,185	-1,235	-1,105
Share of GDP		-3.6	-3.9	-4.4	-4.2	-5.9	-3.3	-3.5	-3.5	-3.5	-3.5	-3.4	-3.3	-4.0	-4.0	-3.5
Merchandise Balance		-1,113	-1,197	-1,237	-1,316	-1,863	-1,080	-1,164	-1,173	-1,184	-1,196	-1,208	-1,057	-1,215	-1,320	-1,202
Non-Merchandise Balance		69	51	-68	68	104	75	78	85	88	94	100	129	30	85	97
Yen	¥/US\$: qtr. avg.	149	156	149	152	152	144	148	149	146	145	144	140	151	148	145
Euro	US\$/€ : qtr. avg.	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.17	1.18	1.19	1.19	1.08	1.08	1.13	1.19
Pound	US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.35	1.36	1.37	1.37	1.24	1.28	1.32	1.37
Trade-Wt. Dollar (broad)	Jan. '97 = 100	121.0	122.9	122.9	126.1	127.9	122.7	120.7	120.5	119.6	119.1	118.6	120.5	123.2	122.9	118.9
WTI Spot	US\$/bbl : qtr. avg.	77.3	81.0	75.8	70.3	71.4	63.7	64.9	61.9	63.0	64.0	66.0	77.6	76.1	65.5	65.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.	2.1	2.1	2.1	2.4	4.1	3.2	3.0	3.6	3.8	3.3	3.3	2.5	2.2	3.5	3.5
Incomes	y/y % chng															
Pre-Tax Profits w/IVA,CCA		4.6	7.4	2.9	5.5	6.4	3.6	6.2	1.4	3.7	4.5	4.0	7.6	5.1	4.3	4.1
Personal Income		5.9	5.7	5.4	5.4	5.1	5.1	5.2	5.0	4.4	4.0	4.1	6.5	5.6	5.1	4.2
Real Disposable Income		3.5	3.0	2.8	2.4	2.0	2.2	2.1	1.8	1.7	1.4	1.6	5.7	2.9	2.0	1.7
Savings Rate	% : quarterly avg.	6.2	5.8	5.1	4.7	5.2	5.3	4.9	4.8	4.8	4.9	4.9	5.6	5.4	5.0	4.9
Other Indicators	quarterly avg.															
Unemployment Rate	percent	3.8	4.0	4.2	4.2	4.1	4.2	4.3	4.5	4.6	4.6	4.6	3.6	4.0	4.3	4.6
Housing Starts	mlns : a.r.	1.42	1.34	1.34	1.39	1.40	1.35	1.35	1.35	1.40	1.41	1.41	1.42	1.37	1.36	1.41
Existing Home Sales	mlns : a.r.	4.14	4.02	3.94	4.16	4.13	3.99	4.02	4.20	4.60	4.81	4.84	4.10	4.07	4.09	4.78
Home Prices (Case-Shiller)	y/y % chng	7.3	6.8	5.2	4.4	4.5	2.8	1.6	0.7	0.1	1.2	2.0	1.8	5.9	2.4	1.4
Motor Vehicle Sales	mlns : a.r.	15.7	16.0	15.9	16.6	16.5	16.2	16.7	15.8	15.8	16.0	16.2	15.6	16.0	16.3	16.1
Payroll Employment Growth	q/q % chng : a.r.	1.5	1.3	0.9	1.3	1.3	0.7	0.2	0.2	0.4	0.5	0.6	2.2	1.3	0.9	0.4
Industrial Production	q/q % chng : a.r.	-1.8	2.4	-0.6	-1.2	4.1	1.6	0.4	1.4	1.6	1.7	1.8	0.2	-0.3	1.3	1.5
CBO Budget Deficit	% of GDP												-6.2	-6.3	-5.9	-6.1

Bolded values represent forecasts

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