

International Economic Outlook for July 31, 2026

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

		2025				2026				2027				2024	2025	2026	2027
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Global GDP Growth	y/y % chng													3.4	3.4	2.9	3.3
Japan																	
Real GDP	saar : %	2.0	1.1	-2.3	0.7	1.8	0.7	0.8	1.0	0.7	0.9	0.9	0.9	-0.2	1.1	0.7	0.8
	y/y % chng	1.5	1.8	0.5	0.4	0.3	0.2	1.0	1.1	0.8	0.8	0.9	0.8				
CPI All Items	y/y % chng	3.8	3.4	2.9	2.7	1.4	1.5	1.9	1.6	2.5	2.3	2.1	2.0	2.7	3.2	1.6	2.2
Unemployment Rate	%	2.5	2.5	2.5	2.6	2.7	2.5	2.5	2.5	2.4	2.4	2.3	2.3	2.5	2.5	2.5	2.4
3-Month Interest Rate	%	0.8	0.8	0.8	0.9	1.2	1.3	1.5	1.6	1.7	1.9	2.0	2.1	0.3	0.8	1.4	1.9
10-Year Government Bond	%	1.4	1.4	1.6	1.8	2.2	2.6	2.7	2.6	2.6	2.6	2.5	2.5	0.9	1.5	2.5	2.5
United Kingdom																	
Real GDP	saar : %	2.3	0.6	0.3	0.2	2.5	1.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.3	1.2	1.0
	y/y % chng	1.8	1.3	1.2	0.9	0.9	1.1	1.2	1.4	1.0	0.9	1.0	1.0				
CPI All Items	y/y % chng	2.8	3.5	3.8	3.4	3.1	2.8	2.7	2.8	2.6	2.5	2.1	2.0	2.5	3.4	2.8	2.3
Unemployment Rate	%	4.6	4.7	5.0	5.2	4.9	4.9	5.0	5.0	4.9	4.9	4.9	4.9	4.3	4.9	5.0	4.9
3-Month Interest Rate	%	4.5	4.2	4.0	3.8	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	5.0	4.1	3.8	3.8
10-Year Government Bond	%	4.6	4.6	4.6	4.5	4.5	4.9	4.9	5.1	5.1	4.9	4.8	4.6	4.1	4.6	4.9	4.9
Euro Area																	
Real GDP	saar : %	2.3	0.0	1.3	0.8	0.0	1.8	1.1	1.2	1.2	1.3	1.3	1.3	1.0	1.3	0.8	1.3
	y/y % chng	1.6	1.4	1.2	1.1	0.5	1.0	0.9	1.0	1.3	1.2	1.2	1.3				
CPI All Items	y/y % chng	2.3	2.0	2.1	2.1	2.0	3.0	3.0	3.1	3.3	1.7	1.8	2.0	2.4	2.1	2.8	2.2
Unemployment Rate	%	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.2	6.2	6.1	6.0	6.4	6.3	6.3	6.1
3-Month Interest Rate	%	2.6	2.1	2.0	2.0	2.0	2.2	2.4	2.6	2.6	2.6	2.6	2.6	3.6	2.2	2.3	2.6
10-Year Government Bond	%	2.6	2.5	2.7	2.7	2.9	3.0	3.1	3.4	3.4	3.2	3.1	2.9	2.3	2.6	3.1	3.2
Germany																	
Real GDP	saar : %	0.5	-0.1	-0.1	1.1	1.7	0.9	0.7	1.0	1.1	1.2	1.2	1.3	0.0	0.3	0.9	1.1
	y/y % chng	0.3	0.4	0.3	0.3	0.6	0.9	1.1	1.1	0.9	1.0	1.1	1.2				
CPI All Items	y/y % chng	2.6	2.1	2.1	2.3	2.3	2.6	2.8	3.1	3.2	2.4	2.2	2.1	2.5	2.3	2.7	2.5
Unemployment Rate	%	6.2	6.3	6.3	6.3	6.3	6.3	6.3	6.2	6.2	6.1	6.1	6.1	6.0	6.3	6.3	6.1
France																	
Real GDP	saar : %	0.7	1.0	1.8	1.1	-0.6	0.7	0.7	0.9	1.0	1.0	1.2	1.2	1.4	0.9	0.6	1.0
	y/y % chng	0.8	0.8	0.8	1.1	0.8	0.7	0.5	0.4	0.8	0.9	1.0	1.1				
CPI All Items	y/y % chng	1.2	0.8	0.9	0.8	1.2	2.4	2.5	2.8	2.7	1.8	1.9	1.9	2.3	0.9	2.2	2.1
Unemployment Rate	%	7.5	7.6	7.8	8.0	8.1	8.2	8.2	8.0	7.5	7.5	7.5	7.5	7.5	7.7	8.1	7.5
Italy																	
Real GDP	saar : %	1.3	-0.1	0.8	1.3	1.3	0.8	0.8	1.0	1.0	1.0	1.0	1.0	0.6	0.7	1.0	1.0
	y/y % chng	0.7	0.5	0.7	0.8	0.8	1.0	1.0	1.0	0.9	0.9	1.0	1.0				
CPI All Items	y/y % chng	1.8	1.8	1.6	1.3	1.4	3.0	2.9	3.0	2.7	1.2	1.4	1.7	1.1	1.6	2.6	1.7
Unemployment Rate	%	6.3	6.2	6.0	5.7	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.6	6.0	5.5	5.5
China																	
Real GDP	y/y % chng	5.4	5.2	4.8	4.5	5.0	4.3	4.4	4.4	4.3	4.5	4.6	4.6	5.0	4.9	4.5	4.5
CPI All Items	y/y % chng	-0.1	0.0	-0.2	0.6	0.8	1.1	1.2	1.2	1.3	1.4	1.5	1.6	0.2	0.1	1.1	1.5
Current Account Balance	% of GDP													2.5	3.8	3.2	3.0
Exchange Rates																	
Yen	¥/US\$	152	144	148	154	157	159	161	157	155	154	153	152	151	150	159	154
Euro	US\$/€	1.05	1.13	1.17	1.16	1.17	1.16	1.14	1.15	1.16	1.16	1.17	1.18	1.08	1.13	1.16	1.17
Pound	US\$/£	1.26	1.34	1.35	1.33	1.35	1.34	1.34	1.34	1.34	1.35	1.35	1.36	1.28	1.32	1.34	1.35
Pound/Euro	£/€	0.84	0.85	0.87	0.88	0.87	0.87	0.85	0.86	0.86	0.86	0.86	0.87	0.85	0.86	0.86	0.86
Yen/Euro	¥/€	160	164	172	179	184	185	184	180	179	179	179	179	164	169	183	179
Yuan	CNY/US\$	7.27	7.23	7.16	7.09	6.92	6.80	6.77	6.76	6.75	6.74	6.73	6.72	7.20	7.19	6.81	6.73

Bolded values represent forecasts

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