

# International Economic Outlook for Jan. 15, 2021

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

		2020				2021				2022							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	2021	2022
<b>Global GDP Growth</b>	y/y % chng													2.8	-4.0	5.5	4.5
<b>Japan</b>																	
Real GDP	saar : %	-2.1	-29.2	22.9	<b>5.0</b>	<b>5.4</b>	<b>3.5</b>	<b>1.3</b>	<b>1.0</b>	<b>1.8</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	0.3	-5.2	3.5	2.0
	y/y % chng	-2.1	-10.3	-5.7	<b>-2.7</b>	<b>-0.9</b>	<b>8.9</b>	<b>3.8</b>	<b>2.8</b>	<b>1.9</b>	<b>1.6</b>	<b>1.9</b>	<b>2.3</b>				
CPI All Items	y/y % chng	0.5	0.1	0.2	<b>-1.0</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-0.7</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	0.5	-0.1	-0.5	0.5
Unemployment Rate	%	2.4	2.8	3.0	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>3.5</b>	<b>3.5</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	2.4	2.8	3.8	3.0
3-Month Interest Rate	%	-0.1	0.0	-0.1	-0.1	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	-0.1	-0.1	-0.1	-0.1
10-Year Government Bond	%	0.0	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	-0.1	0.0	0.0	-0.1
<b>United Kingdom</b>																	
Real GDP	saar : %	-11.5	-56.4	81.1	<b>-0.5</b>	<b>0.0</b>	<b>10.0</b>	<b>7.0</b>	<b>6.0</b>	<b>5.0</b>	<b>3.5</b>	<b>2.5</b>	<b>2.5</b>	1.4	-10.1	5.0	5.0
	y/y % chng	-2.4	-20.8	-8.6	<b>-8.7</b>	<b>-5.9</b>	<b>18.7</b>	<b>4.0</b>	<b>5.7</b>	<b>7.0</b>	<b>5.4</b>	<b>4.2</b>	<b>3.4</b>				
CPI All Items	y/y % chng	1.7	0.6	0.6	<b>0.5</b>	<b>0.4</b>	<b>2.1</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>	<b>0.7</b>	<b>1.9</b>	<b>1.9</b>	1.8	0.9	1.2	1.5
Unemployment Rate	%	4.0	4.2	4.7	<b>5.0</b>	<b>5.0</b>	<b>7.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	3.8	4.5	6.0	6.0
3-Month Interest Rate	%	0.7	0.4	0.1	0.0	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	0.8	0.3	0.0	0.0
10-Year Government Bond	%	0.5	0.3	0.2	0.3	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	0.9	0.3	0.5	0.9
<b>Euro Area</b>																	
Real GDP	saar : %	-14.1	-39.2	60.0	<b>-3.2</b>	<b>5.1</b>	<b>7.7</b>	<b>3.7</b>	<b>3.3</b>	<b>2.7</b>	<b>3.5</b>	<b>3.5</b>	<b>3.3</b>	1.3	-6.8	5.5	3.5
	y/y % chng	-3.2	-14.7	-4.3	<b>-5.2</b>	<b>-0.3</b>	<b>15.1</b>	<b>3.2</b>	<b>4.9</b>	<b>4.3</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>				
CPI All Items	y/y % chng	1.1	0.2	0.0	-0.3	<b>0.5</b>	<b>0.1</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>	<b>1.2</b>	<b>0.9</b>	<b>0.7</b>	1.2	0.3	0.7	1.0
Unemployment Rate	%	7.3	7.6	8.6	<b>8.4</b>	<b>8.7</b>	<b>8.5</b>	<b>8.0</b>	<b>7.5</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	7.6	8.0	8.2	7.0
3-Month Interest Rate	%	-0.4	-0.3	-0.5	-0.5	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	-0.4	-0.4	-0.6	-0.6
10-Year Government Bond	%	-0.4	-0.4	-0.5	-0.6	<b>-0.5</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	-0.2	-0.5	-0.3	0.0
<b>Germany</b>																	
Real GDP	saar : %	-7.4	-33.8	38.5	<b>-1.5</b>	<b>2.5</b>	<b>11.0</b>	<b>4.0</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	0.6	-5.4	4.5	3.5
	y/y % chng	-2.1	-11.2	-4.0	<b>-4.4</b>	<b>-1.9</b>	<b>11.6</b>	<b>3.9</b>	<b>5.1</b>	<b>4.9</b>	<b>3.0</b>	<b>3.0</b>	<b>3.2</b>				
CPI All Items	y/y % chng	1.6	0.7	-0.2	-0.6	<b>0.2</b>	<b>-0.1</b>	<b>0.8</b>	<b>2.2</b>	<b>1.8</b>	<b>1.5</b>	<b>1.0</b>	<b>0.6</b>	1.4	0.4	0.8	1.2
Unemployment Rate	%	5.0	6.2	6.3	6.1	<b>6.3</b>	<b>6.0</b>	<b>5.8</b>	<b>5.5</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	5.0	5.9	5.9	5.0
<b>France</b>																	
Real GDP	saar : %	-21.6	-44.8	98.3	<b>-3.5</b>	<b>4.5</b>	<b>7.5</b>	<b>2.0</b>	<b>2.5</b>	<b>2.5</b>	<b>5.0</b>	<b>4.5</b>	<b>3.5</b>	1.5	-8.3	7.0	3.5
	y/y % chng	-5.7	-18.9	-3.9	<b>-4.6</b>	<b>2.5</b>	<b>21.1</b>	<b>2.5</b>	<b>4.1</b>	<b>3.6</b>	<b>3.0</b>	<b>3.6</b>	<b>3.9</b>				
CPI All Items	y/y % chng	1.3	0.3	0.4	0.1	<b>0.2</b>	<b>1.0</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	1.3	0.5	0.8	1.0
Unemployment Rate	%	7.7	7.1	9.1	<b>8.8</b>	<b>9.2</b>	<b>9.0</b>	<b>8.9</b>	<b>8.9</b>	<b>8.5</b>	<b>8.0</b>	<b>8.0</b>	<b>7.5</b>	8.5	8.2	9.0	8.0
<b>Italy</b>																	
Real GDP	saar : %	-20.2	-42.7	80.4	<b>3.0</b>	<b>6.0</b>	<b>3.5</b>	<b>2.3</b>	<b>2.0</b>	<b>3.0</b>	<b>2.5</b>	<b>2.0</b>	<b>2.0</b>	0.3	-8.2	7.0	2.5
	y/y % chng	-5.6	-18.0	-5.0	<b>-4.0</b>	<b>3.1</b>	<b>19.5</b>	<b>3.7</b>	<b>3.4</b>	<b>2.7</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>				
CPI All Items	y/y % chng	0.2	-0.2	-0.2	-0.4	<b>-0.1</b>	<b>1.0</b>	<b>0.7</b>	<b>0.9</b>	<b>0.8</b>	<b>1.0</b>	<b>0.7</b>	<b>0.7</b>	0.6	-0.1	0.5	0.8
Unemployment Rate	%	9.2	8.5	9.7	<b>9.1</b>	<b>9.5</b>	<b>9.5</b>	<b>9.0</b>	<b>9.0</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	9.9	9.1	9.3	8.5
<b>China</b>																	
Real GDP	y/y % chng	-6.8	3.2	4.9	<b>6.6</b>	<b>10.0</b>	<b>9.0</b>	<b>7.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	6.1	2.0	8.0	6.0
CPI All Items	y/y % chng	5.0	2.7	2.3	0.1	<b>1.5</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	2.9	2.5	2.4	3.0
Current Account Balance	% of GDP													1.0	1.3	1.1	0.7
<b>Exchange Rates</b>																	
Yen	¥/US\$	109	108	106	104	<b>104</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>104</b>	<b>104</b>	109	107	103	104
Euro	US\$/€	1.10	1.10	1.17	1.19	<b>1.22</b>	<b>1.23</b>	<b>1.23</b>	<b>1.24</b>	<b>1.24</b>	<b>1.24</b>	<b>1.25</b>	<b>1.25</b>	1.12	1.14	1.23	1.25
Pound	US\$/£	1.28	1.24	1.29	1.32	<b>1.36</b>	<b>1.37</b>	<b>1.39</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>	<b>1.41</b>	<b>1.41</b>	1.28	1.28	1.38	1.41
Pound/Euro	£/€	0.86	0.89	0.90	0.90	<b>0.90</b>	<b>0.89</b>	<b>0.89</b>	<b>0.89</b>	<b>0.89</b>	<b>0.89</b>	<b>0.89</b>	<b>0.89</b>	0.88	0.89	0.89	0.89
Yen/Euro	¥/€	120	118	124	125	<b>127</b>	<b>127</b>	<b>127</b>	<b>128</b>	<b>128</b>	<b>129</b>	<b>129</b>	<b>130</b>	122	122	127	129
Yuan	CNY/US\$	6.98	7.08	6.91	6.62	<b>6.45</b>	<b>6.43</b>	<b>6.42</b>	<b>6.40</b>	<b>6.38</b>	<b>6.36</b>	<b>6.33</b>	<b>6.31</b>	6.91	6.90	6.43	6.35

Bolded values represent forecasts

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