

# U.S. Economic Outlook for Nov. 24, 2023

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

	2023				2024				2025				2022	2023	2024	2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Production</b>	<b>q/q % chng : a.r.</b>															
Real GDP (chain-weighted)	2.2	2.1	4.9	<b>0.9</b>	<b>0.2</b>	<b>0.8</b>	<b>1.3</b>	<b>1.5</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	1.9	2.4	1.3	1.7
Final Sales	4.6	2.1	3.5	<b>1.7</b>	<b>0.2</b>	<b>0.8</b>	<b>1.3</b>	<b>1.5</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	1.3	2.8	1.4	1.7
Final Domestic Demand	3.8	2.0	3.5	<b>1.8</b>	<b>0.3</b>	<b>0.9</b>	<b>1.3</b>	<b>1.6</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	1.7	2.2	1.4	1.7
Consumer Spending	3.8	0.8	4.0	<b>1.9</b>	<b>0.5</b>	<b>1.1</b>	<b>1.3</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	2.5	2.2	1.5	1.8
Durables	14.0	-0.3	7.6	<b>0.0</b>	<b>-1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.9</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	-0.3	4.1	1.1	1.8
Nondurables	0.5	0.9	3.3	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.7</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	0.6	0.6	1.1	1.7
Services	3.1	1.0	3.6	<b>2.6</b>	<b>1.0</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>	3.7	2.5	1.7	1.8
Government Spending	4.8	3.3	4.6	<b>1.8</b>	<b>0.5</b>	<b>0.4</b>	<b>0.9</b>	<b>1.2</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	-0.9	3.7	1.5	0.9
Business Investment	5.7	7.4	-0.1	<b>2.0</b>	<b>0.0</b>	<b>0.6</b>	<b>1.5</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	5.2	4.2	1.3	2.1
Non-residential Construction	30.3	16.1	1.6	<b>3.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	-2.1	11.4	1.4	1.7
Equipment	-4.1	7.7	-3.8	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	5.2	-0.1	0.4	1.6
Intellectual Property	3.8	2.7	2.6	<b>2.5</b>	<b>1.0</b>	<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>	9.1	4.5	1.9	2.8
Residential Construction	-5.3	-2.2	3.9	<b>-3.0</b>	<b>-3.0</b>	<b>-2.0</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>	-9.0	-11.2	-0.9	2.2
Exports	6.8	-9.3	6.2	<b>6.5</b>	<b>-1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.8</b>	<b>2.1</b>	<b>2.3</b>	<b>2.3</b>	<b>2.1</b>	7.0	2.8	1.6	2.0
Imports	1.3	-7.6	5.7	<b>5.3</b>	<b>0.0</b>	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	8.6	-1.3	1.7	2.0
Inventory Change	2017\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Net Exports	2017\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Nominal GDP	\$ blns : a.r.															
Growth	q/q % chng : a.r.															
Real GDP	y/y % chng															
<b>Inflation</b>	<b>q/q % chng : a.r.</b>															
GDP Price Index	3.9	1.7	3.5	<b>2.2</b>	<b>2.7</b>	<b>2.2</b>	<b>2.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	7.1	3.7	2.4	2.0
Core PCE Deflator	5.0	3.7	2.4	<b>2.7</b>	<b>2.8</b>	<b>2.4</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	5.2	4.2	2.6	2.2
CPI All Items	3.8	2.7	3.6	<b>2.8</b>	<b>3.2</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	8.0	4.1	2.8	2.3
Ex. Food and Energy	5.0	4.7	2.8	<b>3.3</b>	<b>3.1</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	6.1	4.8	3.0	2.3
Food Prices	5.1	1.3	2.5	<b>3.0</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	10.0	5.7	2.3	2.2
Energy Prices	-8.3	-15.6	14.8	<b>-3.4</b>	<b>6.6</b>	<b>1.1</b>	<b>2.1</b>	<b>-0.2</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>	24.9	-4.8	2.1	1.6
Services	6.8	3.6	4.3	<b>4.7</b>	<b>3.1</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	6.2	6.0	3.3	2.3
CPI All Items	y/y % chng															
Ex. Food and Energy	y/y % chng															
Core PCE Deflator	y/y % chng															
<b>Financial</b>	<b>% : quarterly avg.</b>															
Fed Funds Rate	4.63	5.04	5.38	<b>5.38</b>	<b>5.38</b>	<b>5.38</b>	<b>5.29</b>	<b>5.04</b>	<b>4.79</b>	<b>4.54</b>	<b>4.04</b>	<b>3.63</b>	1.90	5.10	5.27	4.25
90-Day T-Bill	4.78	5.27	5.53	<b>5.55</b>	<b>5.55</b>	<b>5.55</b>	<b>5.50</b>	<b>5.25</b>	<b>4.95</b>	<b>4.65</b>	<b>4.25</b>	<b>3.70</b>	2.08	5.30	5.45	4.40
1-Year T-Bill	4.77	4.95	5.39	<b>5.30</b>	<b>5.15</b>	<b>5.00</b>	<b>4.85</b>	<b>4.60</b>	<b>4.40</b>	<b>4.20</b>	<b>3.90</b>	<b>3.55</b>	2.79	5.10	4.90	4.00
10-Year Bond Yield	3.65	3.59	4.15	<b>4.60</b>	<b>4.40</b>	<b>4.30</b>	<b>4.20</b>	<b>4.15</b>	<b>4.10</b>	<b>4.05</b>	<b>4.00</b>	<b>3.95</b>	2.95	4.00	4.25	4.00
10-Year BBB Corporate Spread	ppts															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-858	-848	<b>-780</b>	<b>-796</b>	<b>-815</b>	<b>-819</b>	<b>-829</b>	<b>-838</b>	<b>-848</b>	<b>-856</b>	<b>-864</b>	<b>-873</b>	-972	-820	-825	-860
Share of GDP	-3.2	-3.1	<b>-2.8</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	-3.8	-3.0	-2.9	-2.9
Merchandise Balance	-1,053	-1,101	<b>-1,083</b>	<b>-1,096</b>	<b>-1,107</b>	<b>-1,115</b>	<b>-1,125</b>	<b>-1,137</b>	<b>-1,148</b>	<b>-1,160</b>	<b>-1,173</b>	<b>-1,186</b>	-1,183	-1,083	-1,121	-1,167
Non-Merchandise Balance	195	252	<b>303</b>	<b>301</b>	<b>293</b>	<b>296</b>	<b>296</b>	<b>299</b>	<b>300</b>	<b>304</b>	<b>309</b>	<b>313</b>	211	263	296	306
Yen	¥/US\$ : qtr. avg.															
Euro	US\$/€ : qtr. avg.															
Pound	US\$/£ : qtr. avg.															
Trade-Wt. Dollar (broad)	Jan. '97 = 100															
WTI Spot	US\$/bbl : qtr. avg.															
Henry Hub Spot	US\$/mmbtu : qtr. avg.															
<b>Incomes</b>	<b>y/y % chng</b>															
Pre-Tax Profits w/IVA,CCA	4.6	-2.7	<b>-2.9</b>	<b>-0.8</b>	<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	<b>3.0</b>	<b>3.5</b>	<b>3.7</b>	<b>3.9</b>	<b>4.0</b>	9.8	-0.6	2.7	3.8
Personal Income	5.8	5.6	4.8	<b>4.6</b>	<b>3.7</b>	<b>3.7</b>	<b>3.9</b>	<b>4.1</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	<b>4.6</b>	2.0	5.2	3.9	4.5
Real Disposable Income	3.7	5.0	3.8	<b>3.6</b>	<b>1.0</b>	<b>0.6</b>	<b>1.4</b>	<b>1.7</b>	<b>2.2</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	-6.0	4.0	1.2	2.4
Savings Rate	% : quarterly avg.															
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	percent															
Housing Starts	mlns : a.r.															
Existing Home Sales	mlns : a.r.															
Home Prices (Case-Shiller)	y/y % chng															
Motor Vehicle Sales	mlns : a.r.															
Civilian Employment Growth	q/q % chng : a.r.															
Industrial Production	q/q % chng : a.r.															
CBO Budget Deficit	% of GDP															

Bolded values represent forecasts



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