

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				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023	2024	2025	
Production	q/q % chng : a.r.																
Real GDP (chain-weighted)	2.2	2.1	4.9	0.9	0.2	0.8	1.3	1.5	1.7	1.9	2.0	2.0	1.9	2.4	1.3	1.7	
Final Sales	4.6	2.1	3.5	1.7	0.2	0.8	1.3	1.5	1.7	1.9	2.0	2.0	1.3	2.8	1.4	1.7	
Final Domestic Demand	3.8	2.0	3.5	1.8	0.3	0.9	1.3	1.6	1.7	1.9	2.0	2.0	1.7	2.2	1.4	1.7	
Consumer Spending	3.8	0.8	4.0	1.9	0.5	1.1	1.3	1.5	1.8	2.0	2.2	2.2	2.5	2.2	1.5	1.8	
Durables	14.0	-0.3	7.6	0.0	-1.0	1.0	1.0	1.5	1.9	2.3	2.5	2.5	-0.3	4.1	1.1	1.8	
Nondurables	0.5	0.9	3.3	1.0	0.0	1.0	1.0	1.5	1.7	2.0	2.2	2.2	0.6	0.6	1.1	1.7	
Services	3.1	1.0	3.6	2.6	1.0	1.2	1.4	1.5	1.8	2.0	2.1	2.1	3.7	2.5	1.7	1.8	
Government Spending	4.8	3.3	4.6	1.8	0.5	0.4	0.9	1.2	0.8	1.0	1.0	1.1	-0.9	3.7	1.5	0.9	
Business Investment	5.7	7.4	-0.1	2.0	0.0	0.6	1.5	2.1	2.3	2.4	2.4	2.4	5.2	4.2	1.3	2.1	
Non-residential Construction	30.3	16.1	1.6	3.0	-2.0	0.0	1.5	1.5	1.8	2.0	2.0	2.0	-2.1	11.4	1.4	1.7	
Equipment	-4.1	7.7	-3.8	1.0	0.0	0.0	1.0	1.5	1.8	2.0	2.0	2.0	5.2	-0.1	0.4	1.6	
Intellectual Property	3.8	2.7	2.6	2.5	1.0	1.5	2.0	3.0	3.0	3.0	3.0	3.0	9.1	4.5	1.9	2.8	
Residential Construction	-5.3	-2.2	3.9	-3.0	-3.0	-2.0	2.4	2.5	2.5	2.5	2.3	2.2	-9.0	-11.2	-0.9	2.2	
Exports	6.8	-9.3	6.2	6.5	-1.0	1.0	1.5	1.8	2.1	2.3	2.3	2.1	7.0	2.8	1.6	2.0	
Imports	1.3	-7.6	5.7	5.3	0.0	1.0	1.5	2.0	2.0	2.3	2.3	2.2	8.6	-1.3	1.7	2.0	
Inventory Change	2017\$ blns : a.r.	27.2	14.9	80.6	40.0	36.0	34.0	35.0	35.0	36.0	36.0	37.0	37.0	127.0	40.8	35.0	36.5
Contrib. to GDP Growth	ppts : a.r.	-2.2	0.0	1.3	-0.7	-0.1	0.0	0.5	-0.4	0.0	0.0						
Net Exports	2017\$ blns : a.r.	-935.1	-928.2	-937.7	-942.7	-949.1	-951.4	-955.0	-961.0	-965.1	-970.6	-976.2	-982.1	-1,051.0	-935.9	-954.1	-973.5
Contrib. to GDP Growth	ppts : a.r.	0.6	0.0	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	0.5	-0.1	-0.1
Nominal GDP	\$ blns : a.r.	26,814	27,063	27,624	27,837	28,034	28,240	28,483	28,734	29,005	29,291	29,582	29,872	25,744	27,334	28,373	29,437
Growth	q/q % chng : a.r.	6.3	3.8	8.5	3.1	2.9	3.0	3.5	3.6	3.8	4.0	4.0	4.0	9.1	6.2	3.8	3.8
Real GDP	y/y % chng	1.7	2.4	2.9	2.5	2.0	1.7	0.8	0.9	1.3	1.6	1.8	1.9				
Inflation	q/q % chng : a.r.																
GDP Price Index		3.9	1.7	3.5	2.2	2.7	2.2	2.2	2.0	2.1	2.0	1.9	7.1	3.7	2.4	2.0	
Core PCE Deflator		5.0	3.7	2.4	2.7	2.8	2.4	2.3	2.2	2.1	2.1	2.0	5.2	4.2	2.6	2.2	
CPI All Items		3.8	2.7	3.6	2.8	3.2	2.4	2.4	2.2	2.3	2.3	2.2	8.0	4.1	2.8	2.3	
Ex. Food and Energy		5.0	4.7	2.8	3.3	3.1	2.6	2.5	2.4	2.3	2.3	2.1	6.1	4.8	3.0	2.3	
Food Prices		5.1	1.3	2.5	3.0	2.3	2.2	2.2	2.2	2.2	2.2	2.2	10.0	5.7	2.3	2.2	
Energy Prices		-8.3	-15.6	14.8	-3.4	6.6	1.1	2.1	-0.2	2.1	2.1	2.1	24.9	-4.8	2.1	1.6	
Services		6.8	3.6	4.3	4.7	3.1	2.6	2.5	2.4	2.3	2.2	2.1	6.2	6.0	3.3	2.3	
CPI All Items	y/y % chng	5.8	4.1	3.6	3.2	3.1	3.0	2.7	2.6	2.3	2.3	2.2					
Ex. Food and Energy	y/y % chng	5.6	5.2	4.4	4.0	3.5	3.0	2.9	2.6	2.5	2.4	2.3	2.2				
Core PCE Deflator	y/y % chng	4.8	4.6	3.9	3.4	2.9	2.6	2.4	2.4	2.3	2.2	2.1	2.0				
Financial	% : quarterly avg.																
Fed Funds Rate		4.63	5.04	5.38	5.38	5.38	5.38	5.29	5.04	4.79	4.54	4.04	3.63	1.90	5.10	5.27	4.25
90-Day T-Bill		4.78	5.27	5.53	5.55	5.55	5.55	5.50	5.25	4.95	4.65	4.25	3.70	2.08	5.30	5.45	4.40
1-Year T-Bill		4.77	4.95	5.39	5.30	5.15	5.00	4.85	4.60	4.40	4.20	3.90	3.55	2.79	5.10	4.90	4.00
10-Year Bond Yield		3.65	3.59	4.15	4.60	4.40	4.30	4.20	4.15	4.10	4.05	4.00	3.95	2.95	4.00	4.25	4.00
10-Year BBB Corporate Spread	ppts	1.66	1.71	1.50	1.55	1.88	2.01	2.01	2.01	2.01	2.01	2.01	1.70	1.61	1.98	2.01	
Foreign Trade	\$ blns : a.r.																
Current Account Balance		-858	-848	-780	-796	-815	-819	-829	-838	-848	-856	-864	-873	-972	-820	-825	-860
Share of GDP		-3.2	-3.1	-2.8	-2.9	-3.8	-3.0	-2.9	-2.9								
Merchandise Balance		-1,053	-1,101	-1,083	-1,096	-1,107	-1,115	-1,125	-1,137	-1,148	-1,160	-1,173	-1,186	-1,183	-1,083	-1,121	-1,167
Non-Merchandise Balance		195	252	303	301	293	296	296	299	300	304	309	313	211	263	296	306
Yen	¥/US\$: qtr. avg.	132	137	145	150	148	146	143	141	139	138	137	135	131	141	145	137
Euro	US\$/€ : qtr. avg.	1.07	1.09	1.09	1.08	1.10	1.11	1.11	1.12	1.12	1.13	1.13	1.14	1.05	1.08	1.11	1.13
Pound	US\$/£ : qtr. avg.	1.22	1.25	1.27	1.24	1.26	1.26	1.27	1.27	1.28	1.28	1.29	1.30	1.24	1.24	1.27	1.29
Trade-Wt. Dollar (broad)	Jan. '97 = 100	120.3	119.7	120.4	122.5	120.6	119.9	119.3	118.6	117.9	117.2	116.6	115.9	120.7	120.7	119.6	116.9
WTI Spot	US\$/bbl : qtr. avg.	76.1	73.8	82.3	83.8	85.0	82.5	82.5	80.0	77.5	75.0	75.0	72.5	94.6	79.0	82.5	75.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.	2.7	2.2	2.6	3.6	3.5	3.3	2.8	3.4	3.3	3.3	3.3	3.3	6.4	2.7	3.3	3.3
Incomes	y/y % chng																
Pre-Tax Profits w/IVAs/CCA		4.6	-2.7	-2.9	-0.8	2.3	2.8	2.7	3.0	3.5	3.7	3.9	4.0	9.8	-0.6	2.7	3.8
Personal Income		5.8	5.6	4.8	4.6	3.7	3.7	3.9	4.1	4.4	4.5	4.6	4.6	2.0	5.2	3.9	4.5
Real Disposable Income		3.7	5.0	3.8	3.6	1.0	0.6	1.4	1.7	2.2	2.4	2.5	2.5	-6.0	4.0	1.2	2.4
Savings Rate	% : quarterly avg.	4.8	5.2	3.8</td													

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