

# U.S. Economic Outlook for Sept. 22, 2023

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

	2022				2023				2024				2021	2022	2023	2024
	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)	-1.6	-0.6	3.2	2.6	2.0	2.1	<b>3.2</b>	<b>0.9</b>	<b>0.0</b>	<b>0.9</b>	<b>1.4</b>	<b>1.8</b>	5.9	2.1	<b>2.2</b>	<b>1.1</b>
Final Sales	-1.8	1.3	4.5	1.1	4.2	2.2	<b>2.8</b>	<b>0.8</b>	<b>-0.1</b>	<b>0.9</b>	<b>1.4</b>	<b>1.8</b>	5.7	1.3	<b>2.7</b>	<b>1.1</b>
Final Domestic Demand	1.3	0.2	1.5	0.7	3.5	2.3	<b>2.9</b>	<b>1.3</b>	<b>0.1</b>	<b>0.9</b>	<b>1.4</b>	<b>1.8</b>	6.7	1.7	<b>2.1</b>	<b>1.2</b>
Consumer Spending	1.3	2.0	2.3	1.0	4.2	1.7	<b>3.3</b>	<b>1.3</b>	<b>0.0</b>	<b>0.7</b>	<b>1.3</b>	<b>1.7</b>	8.3	2.7	<b>2.4</b>	<b>1.1</b>
Durables	7.6	-2.8	-0.8	-1.3	16.3	-0.3	<b>5.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.5</b>	18.5	-0.4	<b>4.0</b>	<b>0.7</b>
Nondurables	-4.4	-2.5	-0.1	0.6	0.5	1.2	<b>3.0</b>	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.3</b>	<b>1.8</b>	8.8	-0.5	<b>0.7</b>	<b>1.1</b>
Services	2.1	4.6	3.7	1.6	3.2	2.2	<b>3.0</b>	<b>1.5</b>	<b>0.2</b>	<b>0.7</b>	<b>1.4</b>	<b>1.7</b>	6.3	4.5	<b>2.7</b>	<b>1.2</b>
Government Spending	-2.3	-1.6	3.7	3.8	5.0	3.3	<b>1.5</b>	<b>0.6</b>	<b>0.5</b>	<b>1.2</b>	<b>0.9</b>	<b>1.2</b>	0.6	-0.6	<b>3.2</b>	<b>1.0</b>
Business Investment	7.9	0.1	6.2	4.0	0.6	6.1	<b>2.6</b>	<b>2.3</b>	<b>0.1</b>	<b>1.4</b>	<b>1.9</b>	<b>2.9</b>	6.4	3.9	<b>3.3</b>	<b>1.9</b>
Non-residential Construction	-4.3	-12.7	-3.6	15.8	15.8	11.2	<b>3.0</b>	<b>4.0</b>	<b>-2.0</b>	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>	-6.4	-6.6	<b>8.0</b>	<b>1.8</b>
Equipment	11.4	-2.0	10.6	-3.5	-8.9	7.7	<b>2.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>1.0</b>	<b>2.0</b>	10.3	4.3	<b>-0.2</b>	<b>0.9</b>
Intellectual Property	10.8	8.9	6.8	6.2	3.1	2.2	<b>3.0</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>4.0</b>	9.7	8.8	<b>4.3</b>	<b>2.8</b>
Residential Construction	-3.1	-17.8	-27.1	-25.1	-4.0	-3.6	<b>2.0</b>	<b>-2.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.4</b>	<b>2.5</b>	10.7	-10.6	<b>-11.7</b>	<b>0.5</b>
Exports	-4.6	13.8	14.6	-3.7	7.8	-10.6	<b>2.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.8</b>	6.1	7.1	<b>1.9</b>	<b>0.0</b>
Imports	18.4	2.2	-7.3	-5.5	2.0	-7.0	<b>4.0</b>	<b>3.5</b>	<b>0.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.8</b>	14.1	8.1	<b>-2.0</b>	<b>1.2</b>
Inventory Change	2012\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Net Exports	2012\$ 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	8.3	9.0	4.4	3.9	4.1	2.0	<b>2.5</b>	<b>3.4</b>	<b>2.6</b>	<b>2.2</b>	<b>2.2</b>	<b>1.9</b>	4.5	7.0	<b>3.7</b>	<b>2.5</b>
Core PCE Deflator	5.6	4.7	4.7	4.4	4.9	3.7	<b>2.8</b>	<b>2.8</b>	<b>2.6</b>	<b>2.5</b>	<b>2.3</b>	<b>2.1</b>	3.5	5.0	<b>4.1</b>	<b>2.6</b>
CPI All Items	9.2	9.7	5.5	4.2	3.8	2.7	<b>3.5</b>	<b>4.0</b>	<b>3.0</b>	<b>2.4</b>	<b>2.4</b>	<b>2.1</b>	4.7	8.0	<b>4.2</b>	<b>3.0</b>
Ex. Food and Energy	6.7	6.0	6.2	5.1	5.0	4.7	<b>2.7</b>	<b>3.3</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>	<b>2.3</b>	3.6	6.1	<b>4.8</b>	<b>2.9</b>
Food Prices	10.3	11.9	12.3	8.3	5.1	1.3	<b>2.4</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	3.9	10.0	<b>5.7</b>	<b>2.2</b>
Energy Prices	35.9	46.6	-9.7	-10.6	-8.3	-15.6	<b>15.4</b>	<b>15.3</b>	<b>6.0</b>	<b>-0.1</b>	<b>2.1</b>	<b>-0.2</b>	20.8	24.9	<b>-3.6</b>	<b>5.2</b>
Services	6.1	8.5	7.7	7.0	6.8	3.6	<b>3.9</b>	<b>3.6</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>	<b>2.3</b>	2.8	6.2	<b>5.9</b>	<b>3.0</b>
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	0.21	0.96	2.63	3.79	4.63	5.04	<b>5.38</b>	<b>5.38</b>	<b>5.38</b>	<b>5.38</b>	<b>5.29</b>	<b>5.04</b>	0.13	1.90	<b>5.10</b>	<b>5.27</b>
90-Day T-Bill	0.30	1.10	2.75	4.18	4.78	5.27	<b>5.55</b>	<b>5.55</b>	<b>5.55</b>	<b>5.55</b>	<b>5.55</b>	<b>5.25</b>	0.05	2.08	<b>5.30</b>	<b>5.50</b>
1-Year T-Bill	0.96	2.20	3.40	4.61	4.77	4.95	<b>5.40</b>	<b>5.30</b>	<b>5.15</b>	<b>5.00</b>	<b>4.80</b>	<b>4.60</b>	0.10	2.79	<b>5.10</b>	<b>4.90</b>
10-Year Bond Yield	1.94	2.93	3.10	3.83	3.65	3.59	<b>4.10</b>	<b>4.20</b>	<b>4.05</b>	<b>3.85</b>	<b>3.70</b>	<b>3.60</b>	1.44	2.95	<b>3.90</b>	<b>3.80</b>
10-Year BBB Corporate Spread	ppts															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	-1,136	-995	-891	-865	-858	-848	<b>-893</b>	<b>-922</b>	<b>-933</b>	<b>-935</b>	<b>-942</b>	<b>-950</b>	-831	-972	<b>-880</b>	<b>-940</b>
Share of GDP	-4.6	-3.9	-3.5	-3.3	-3.2	-3.2	<b>-3.3</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.3</b>	-3.6	-3.8	<b>-3.3</b>	<b>-3.4</b>
Merchandise Balance	-1,331	-1,236	-1,069	-1,097	-1,053	-1,101	<b>-1,149</b>	<b>-1,177</b>	<b>-1,188</b>	<b>-1,197</b>	<b>-1,208</b>	<b>-1,219</b>	-1,084	-1,183	<b>-1,120</b>	<b>-1,203</b>
Non-Merchandise Balance	196	240	178	232	195	252	<b>256</b>	<b>255</b>	<b>255</b>	<b>262</b>	<b>266</b>	<b>269</b>	252	211	<b>240</b>	<b>263</b>
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	10.9	7.7	5.5	2.6	-1.8	-6.5	<b>-6.2</b>	<b>-3.5</b>	<b>1.1</b>	<b>2.2</b>	<b>2.9</b>	<b>3.0</b>	22.6	6.5	<b>-4.5</b>	<b>2.3</b>
Personal Income	-3.5	3.2	4.6	5.1	5.6	5.4	<b>4.6</b>	<b>4.2</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>	<b>4.1</b>	7.4	2.3	<b>5.0</b>	<b>3.9</b>
Real Disposable Income	-12.8	-5.6	-3.8	-1.9	2.9	4.4	<b>3.6</b>	<b>2.9</b>	<b>1.0</b>	<b>0.6</b>	<b>1.1</b>	<b>1.8</b>	1.9	-6.2	<b>3.5</b>	<b>1.1</b>
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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