

# U.S. Economic Outlook for Mar. 24, 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	2.7	<b>0.5</b>	<b>-1.0</b>	<b>-1.0</b>	<b>0.8</b>	<b>1.7</b>	<b>2.2</b>	<b>2.5</b>	<b>2.5</b>	5.9	2.1	<b>0.7</b>	<b>1.3</b>
Final Sales	-1.8	1.3	4.5	1.2	<b>1.9</b>	<b>-1.0</b>	<b>-1.0</b>	<b>0.8</b>	<b>1.8</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	5.7	1.3	<b>1.1</b>	<b>1.3</b>
Final Domestic Demand	1.3	0.2	1.5	0.7	<b>2.1</b>	<b>-0.8</b>	<b>-0.9</b>	<b>0.8</b>	<b>1.8</b>	<b>2.2</b>	<b>2.5</b>	<b>2.5</b>	6.7	1.7	<b>0.6</b>	<b>1.3</b>
Consumer Spending	1.3	2.0	2.3	1.4	<b>2.9</b>	<b>-0.7</b>	<b>-1.3</b>	<b>0.9</b>	<b>1.8</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	8.3	2.8	<b>1.1</b>	<b>1.3</b>
Durables	7.6	-2.8	-0.8	-1.8	<b>4.0</b>	<b>-3.0</b>	<b>-3.0</b>	<b>1.0</b>	<b>1.8</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	18.5	-0.5	<b>-0.5</b>	<b>1.0</b>
Nondurables	-4.4	-2.5	-0.1	0.2	<b>2.0</b>	<b>-3.0</b>	<b>-3.0</b>	<b>1.0</b>	<b>1.7</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>	8.8	-0.5	<b>-0.5</b>	<b>1.0</b>
Services	2.1	4.6	3.7	2.4	<b>2.9</b>	<b>0.8</b>	<b>-0.2</b>	<b>0.8</b>	<b>1.8</b>	<b>2.4</b>	<b>2.5</b>	<b>2.5</b>	6.3	4.5	<b>2.1</b>	<b>1.5</b>
Government Spending	-2.3	-1.6	3.7	3.6	<b>1.8</b>	<b>-0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	0.6	-0.6	<b>1.4</b>	<b>1.1</b>
Business Investment	7.9	0.1	6.2	3.3	<b>0.1</b>	<b>-1.0</b>	<b>-0.2</b>	<b>1.5</b>	<b>1.7</b>	<b>1.8</b>	<b>2.7</b>	<b>2.7</b>	6.4	3.8	<b>1.3</b>	<b>1.5</b>
Non-residential Construction	-4.3	-12.7	-3.6	8.5	<b>-2.0</b>	<b>-4.0</b>	<b>-3.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.8</b>	<b>2.5</b>	<b>2.5</b>	-6.4	-6.9	<b>-1.4</b>	<b>0.7</b>
Equipment	11.4	-2.0	10.6	-3.2	<b>-2.0</b>	<b>-4.0</b>	<b>-1.0</b>	<b>1.4</b>	<b>1.6</b>	<b>1.8</b>	<b>2.5</b>	<b>2.5</b>	10.3	4.3	<b>-0.8</b>	<b>1.1</b>
Intellectual Property	10.8	8.9	6.8	7.4	<b>3.0</b>	<b>3.0</b>	<b>1.5</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>3.0</b>	<b>3.0</b>	9.7	8.9	<b>4.3</b>	<b>2.0</b>
Residential Construction	-3.1	-17.8	-27.1	-25.9	<b>-6.0</b>	<b>-4.0</b>	<b>-1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.6</b>	<b>2.5</b>	<b>2.5</b>	10.7	-10.7	<b>-12.6</b>	<b>0.9</b>
Exports	-4.6	13.8	14.6	-1.6	<b>-2.0</b>	<b>-3.0</b>	<b>-2.0</b>	<b>1.6</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	6.1	7.2	<b>0.9</b>	<b>1.0</b>
Imports	18.4	2.2	-7.3	-4.2	<b>0.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	14.1	8.2	<b>-1.8</b>	<b>1.2</b>
Inventory Change	<b>2012\$ blns : a.r.</b>															
Contrib. to GDP Growth	<b>ppts : a.r.</b>															
Net Exports	<b>2012\$ blns : a.r.</b>															
Contrib. to GDP Growth	<b>ppts : a.r.</b>															
Nominal GDP	<b>\$ blns : a.r.</b>															
Growth	<b>q/q % chng : a.r.</b>															
Real GDP	<b>y/y % chng</b>															
<b>Inflation</b>	<b>q/q % chng : a.r.</b>															
GDP Price Index	8.3	9.0	4.4	3.9	<b>3.5</b>	<b>3.2</b>	<b>3.0</b>	<b>2.4</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>	<b>1.9</b>	4.5	7.0	<b>3.8</b>	<b>2.2</b>
Core PCE Deflator	5.6	4.7	4.7	4.4	<b>5.3</b>	<b>4.0</b>	<b>3.0</b>	<b>2.7</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.2</b>	3.5	5.0	<b>4.3</b>	<b>2.7</b>
CPI All Items	9.2	9.7	5.5	4.2	<b>4.3</b>	<b>4.1</b>	<b>3.5</b>	<b>2.8</b>	<b>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>2.2</b>	4.7	8.0	<b>4.5</b>	<b>2.5</b>
Ex. Food and Energy	6.7	6.0	6.2	5.1	<b>4.9</b>	<b>4.2</b>	<b>3.2</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.4</b>	3.6	6.1	<b>4.7</b>	<b>2.9</b>
Food Prices	10.3	11.9	12.3	8.3	<b>5.7</b>	<b>3.8</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.4</b>	3.9	10.0	<b>6.4</b>	<b>2.8</b>
Energy Prices	35.9	46.6	-9.7	-10.6	<b>-2.9</b>	<b>3.4</b>	<b>8.8</b>	<b>2.9</b>	<b>-7.2</b>	<b>-4.0</b>	<b>-5.5</b>	<b>-1.2</b>	20.8	24.9	<b>0.1</b>	<b>-1.6</b>
Services	6.1	8.5	7.7	7.0	<b>7.1</b>	<b>5.5</b>	<b>4.1</b>	<b>3.4</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.4</b>	2.8	6.2	<b>6.3</b>	<b>3.1</b>
CPI All Items	<b>y/y % chng</b>															
Ex. Food and Energy	<b>y/y % chng</b>															
Core PCE Deflator	<b>y/y % chng</b>															
<b>Financial</b>	<b>% : quarterly avg.</b>															
Fed Funds Rate	0.21	0.96	2.63	3.79	<b>4.63</b>	<b>5.04</b>	<b>5.13</b>	<b>5.13</b>	<b>4.79</b>	<b>4.54</b>	<b>4.29</b>	<b>4.04</b>	0.13	1.90	<b>4.98</b>	<b>4.42</b>
90-Day T-Bill	0.30	1.10	2.75	4.18	<b>4.80</b>	<b>5.00</b>	<b>5.05</b>	<b>5.05</b>	<b>4.75</b>	<b>4.50</b>	<b>4.25</b>	<b>4.00</b>	0.05	2.08	<b>5.00</b>	<b>4.35</b>
1-Year T-Bill	0.96	2.20	3.40	4.61	<b>4.75</b>	<b>4.70</b>	<b>4.65</b>	<b>4.55</b>	<b>4.30</b>	<b>4.10</b>	<b>3.95</b>	<b>3.75</b>	0.10	2.79	<b>4.65</b>	<b>4.00</b>
10-Year Bond Yield	1.94	2.93	3.10	3.83	<b>3.65</b>	<b>3.90</b>	<b>3.80</b>	<b>3.55</b>	<b>3.45</b>	<b>3.40</b>	<b>3.35</b>	<b>3.30</b>	1.44	2.95	<b>3.75</b>	<b>3.40</b>
10-Year BBB Corporate Spread	<b>ppts</b>															
Foreign Trade	<b>\$ blns : a.r.</b>															
Current Account Balance	-1,123	-949	-876	-827	<b>-875</b>	<b>-899</b>	<b>-900</b>	<b>-906</b>	<b>-915</b>	<b>-921</b>	<b>-928</b>	<b>-936</b>	-846	-944	<b>-895</b>	<b>-925</b>
Share of GDP	-4.5	-3.8	-3.4	-3.2	<b>-3.3</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.4</b>	<b>-3.3</b>	<b>-3.3</b>	-3.6	-3.7	<b>-3.4</b>	<b>-3.4</b>
Merchandise Balance	-1,360	-1,237	-1,077	-1,089	<b>-1,133</b>	<b>-1,147</b>	<b>-1,155</b>	<b>-1,164</b>	<b>-1,175</b>	<b>-1,186</b>	<b>-1,197</b>	<b>-1,209</b>	-1,090	-1,191	<b>-1,150</b>	<b>-1,192</b>
Non-Merchandise Balance	237	288	201	262	<b>258</b>	<b>247</b>	<b>255</b>	<b>258</b>	<b>260</b>	<b>266</b>	<b>269</b>	<b>273</b>	244	247	<b>255</b>	<b>267</b>
Yen	<b>¥/US\$ : qtr. avg.</b>															
Euro	<b>US\$/€ : qtr. avg.</b>															
Pound	<b>US\$/£ : qtr. avg.</b>															
Trade-Wt. Dollar (broad)	<b>Jan. '97 = 100</b>															
WTI Spot	<b>US\$/bbl : qtr. avg.</b>															
Henry Hub Spot	<b>US\$/mmbtu : qtr. avg.</b>															
<b>Incomes</b>	<b>y/y % chng</b>															
Pre-Tax Profits w/IVA,CCA	10.9	7.7	5.5	<b>4.6</b>	<b>4.1</b>	<b>-0.5</b>	<b>-0.4</b>	<b>0.2</b>	<b>1.3</b>	<b>2.4</b>	<b>3.4</b>	<b>4.0</b>	22.6	<b>7.1</b>	<b>0.8</b>	<b>2.8</b>
Personal Income	-3.5	3.2	4.6	5.6	<b>6.2</b>	<b>5.8</b>	<b>4.8</b>	<b>3.9</b>	<b>3.6</b>	<b>3.8</b>	<b>4.1</b>	<b>4.3</b>	7.4	2.4	<b>5.1</b>	<b>4.0</b>
Real Disposable Income	-12.8	-5.6	-3.8	-1.4	<b>3.1</b>	<b>3.6</b>	<b>2.8</b>	<b>1.8</b>	<b>0.7</b>	<b>1.3</b>	<b>2.0</b>	<b>2.3</b>	1.9	-6.1	<b>2.8</b>	<b>1.6</b>
Savings Rate	<b>% : quarterly avg.</b>															
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	<b>percent</b>															
Housing Starts	<b>mlns : a.r.</b>															
Existing Home Sales	<b>mlns : a.r.</b>															
Home Prices (Case-Shiller)	<b>y/y % chng</b>															
Motor Vehicle Sales	<b>mlns : a.r.</b>															
Civilian Employment Growth	<b>q/q % chng : a.r.</b>															
Industrial Production	<b>q/q % chng : a.r.</b>															
CBO Budget Deficit	<b>% of GDP</b>															

Bolded values represent forecasts

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