U.S. Economic Outlook for Mar. 24, 2023

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

Production of a % of ome 1 a of a % of a			2022 Q1	Q2	03	04	2023 Q1	02	Q3	Q4	2024 Q1	02	03	04	2021	2022	2023	2024
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90-Day T-Bill 0.30 1.10 2.75 4.18 4.80 5.00 5.05 4.55 4.50 4.25 4.00 0.05 2.08 5.00 4.33 1-Year T-Bill 0.96 2.20 3.40 4.61 4.75 4.50 4.55 4.30 4.10 3.95 3.35 3.30 1.44 2.95 3.75 3.44 10-Year BBB Corporate Spread pts 1.37 1.68 1.90 1.83 1.67 2.01 2.32 2.40 1.67 2.01 2.32 2.40 1.44 2.95 3.75 3.44 10-Year BBB Corporate Spread pts -1.123 -949 8.76 8.27 -875 8.99 900 906 -915 -921 -928 936 -3.3 -3.4		% : quarterly avg.																
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Foreign Trade \$ blns : a.r.																		3.40
Current Account Balance -1,123 949 -876 -827 -875 -899 900 906 -915 -921 -928 -936 -846 -944 -895 -922 Share of GOP -4.5 -3.8 -3.4 -3.2 -3.3 -3.4 -3.4 -3.4 -3.4 -3.4 -3.4 -3.3 -3.6 -3.7 -3.6 -3.7 -3.4 -3.1 -3.6	10-Year BBB Corporate Spread		1.37	1.68	1.90	1.85	1.67	2.01	2.32	2.40	1.67	2.01	2.32	2.40	1.20	1.70	2.10	2.30
Share of GDP -4.5 -3.8 -3.4 -3.2 -3.3 -3.4 -3.4 -3.4 -3.4 -3.4 -3.4 -3.4 -3.3 -3.3 -3.6 -3.7 -3.4 -3.4 Merchandise Balance -1,360 -1,237 -1,077 -1,089 -1,113 -1,115 -1,166 -1,175 -1,186 -1,175 -1,186 -1,179 -1,209 -1,190 -1,190 -1,116 -1,120 -1,175 -1,186 -1,175 -1,186 -1,179 -1,209 -1,209 -1,209 -2,129 242 2255 260 266 269 227 224 225 260 266 269 227 124 142	Foreign Trade	\$ blns : a.r.																
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Non-Merchandise Balance 237 288 201 262 258 247 255 258 260 266 269 273 244 247 255 260 Yen Y(0) Y(1, avg. 116 130 138 141 133 133 132 130 129 128 127 125 110 131 132 122 Euro US\$/£: qtr. avg. 1.12 1.06 1.01 1.02 1.07 1.08 1.09 1.10 1.11 1.11 1.12 1.13 1.13 1.05 1.08 1.12 1.23 1.24 1.26 1.26 1.27 1.28 1.24 1.24 1.24 1.22 1.23 1.24 1.26 1.26 1.26 1.27 1.28 1.24 1.24 1.24 1.24 1.24 1.26 1.26 1.26 1.27 1.28 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.25 1.26 1.26 1.27	Share of GDP		-4.5	-3.8	-3.4	-3.2	-3.3	-3.4	-3.4	-3.4	-3.4	-3.4	-3.3	-3.3	-3.6	-3.7	-3.4	-3.4
Yen \forall /US\$: qtr. avg.116130138141133133132130129128127125110131132127EuroUS\$/£ : qtr. avg.1.121.061.011.021.071.081.091.101.111.111.121.131.181.051.081.17PoundUS\$/E : qtr. avg.1.341.261.181.171.211.211.231.241.261.261.271.281.381.241.221.271.281.381.241.201.271.281.381.241.201.271.281.381.241.201.261.271.281.381.241.221.271.211.311.311.321.271.281.381.241.201.251.281.381.241.201.251.281.381.241.201.271.281.381.241.221.271.281.381.241.221.271.281.381.241.221.271.281.381.241.221.271.281.381.241.201.281.381.241.201.281.381.241.261.271.281.381.241.221.271.281.381.241.221.271.281.381.241.261.271.281.381.341.371.261.271.381.341.371.40<	Merchandise Balance		-1,360	-1,237	-1 <i>,</i> 077	-1,089	-1,133	-1,147	-1,155	-1,164	-1,175	-1,186	-1,197	-1,209	-1,090	-1,191	-1,150	-1,192
EuroUŠ\$/ \pounds : qtr. avg.1.121.061.011.021.071.081.091.101.111.111.121.131.181.051.081.17PoundUŠ\$/ \pounds : qtr. avg.1.341.261.181.171.211.211.221.241.261.261.271.281.381.241.221.221.27Trade-Wt. Dollar (broad)jan. '97 = 100115.5118.9123.5124.8120.5120.8120.0119.2118.5117.9117.3116.8113.11.07120.1117.4WTI SpotUŠ\$//bl: qtr. avg.94.4108.692.682.878.283.588.390.085.082.577.575.068.094.685.084.0Henry Hub SpotUŠ\$//bl: qtr. avg.4.77.58.05.53.03.53.54.04.04.04.022.67.10.82.4Pre-Tax Profits W/IVA,CCA10.97.77.55.46.11.13.13.63.84.14.37.42.45.14.0Personal Income-3.53.24.65.66.25.84.83.93.63.84.14.37.42.45.14.0Savings Rate $\%$: quarterly avg.4.33.23.23.94.94.95.25.25.35.25.25.25.43.64.24.24.2 <td< td=""><td>Non-Merchandise Balance</td><td></td><td>237</td><td>288</td><td>201</td><td>262</td><td>258</td><td>247</td><td>255</td><td>258</td><td>260</td><td>266</td><td>269</td><td>273</td><td>244</td><td>247</td><td>255</td><td>267</td></td<>	Non-Merchandise Balance		237	288	201	262	258	247	255	258	260	266	269	273	244	247	255	267
Pound US\$/£ : qtr. avg. 1.34 1.26 1.18 1.17 1.21 1.23 1.24 1.26 1.27 1.28 1.38 1.24 1.22 1.27 Trade-Wt. Dollar (broad) jan. '97 = 100 115.5 118.9 123.5 124.8 120.5 120.8 120.0 119.2 118.5 117.9 117.3 116.8 113.1 120.7 120.1 117.4 WTI Spot US\$/bbl : qtr. avg. 94.4 108.6 92.6 82.8 78.2 83.5 88.3 90.0 85.0 82.5 77.5 75.0 68.0 94.6 85.0 80.0 Incomes y/y % chng	Yen	¥/US\$: gtr. avg.	116	130	138	141	133	133	132	130	129	128	127	125	110	131	132	127
Irade-Wt. Dollar (broad) Jan. '97 = 100 115.5 118.9 123.5 124.8 120.5 120.8 120.0 118.5 117.9 117.3 116.8 113.1 120.7 120.1 117.4 WTI Spot US\$/bbl : qtr. avg. 94.4 108.6 92.6 82.8 78.2 83.5 88.3 90.0 85.0 82.5 77.5 75.0 68.0 94.6 85.0 80.4 Henry Hub Spot US\$/mmbtu : qtr. avg. 4.7 7.5 8.0 5.5 3.0 3.5 4.0 4.0 4.0 4.0 4.0 2.26 77.5 75.0 68.0 94.6 85.0 80.4 Incomes y/y % chng rerax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 6.1 -0.5 -0.4 0.2 1.3 2.4 4.0 2.2 7.1 0.8 2.2 Pre-Tax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 6.1 3.1 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Personal Income -12.8 -5.	Euro	US\$/€: gtr. avg.	1.12	1.06	1.01	1.02	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.13	1.18	1.05	1.08	1.12
Irade-Wt. Dollar (broad) Jan. '97 = 100 115.5 118.9 123.5 124.8 120.5 120.8 120.0 118.5 117.9 117.3 116.8 113.1 120.7 120.1 117.4 WTI Spot US\$/bbl : qtr. avg. 94.4 108.6 92.6 82.8 78.2 83.5 88.3 90.0 85.0 82.5 77.5 75.0 68.0 94.6 85.0 80.4 Henry Hub Spot US\$/mmbtu : qtr. avg. 4.7 7.5 8.0 5.5 3.0 3.5 4.0 4.0 4.0 4.0 4.0 2.26 77.5 75.0 68.0 94.6 85.0 80.4 Incomes y/y % chng rerax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 6.1 -0.5 -0.4 0.2 1.3 2.4 4.0 2.2 7.1 0.8 2.2 Pre-Tax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 6.1 3.1 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Personal Income -12.8 -5.	Pound	US\$/£ : gtr. avg.	1.34	1.26	1.18	1.17	1.21	1.21	1.23	1.24	1.26	1.26	1.27	1.28	1.38	1.24	1.22	1.27
WTI Spot US\$/bbl : qtr. avg. 94.4 108.6 92.6 82.8 78.2 83.5 88.3 90.0 85.0 82.5 77.5 75.0 68.0 94.6 85.0 80.0 Henry Hub Spot US\$/mmbtu : qtr. avg. 4.7 7.5 8.0 5.5 3.0 3.5 3.5 4.0 4.0 4.0 4.0 4.0 3.9 6.4 3.5 4.0 Incomes y/y % chng Pre-Tax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 4.1 -0.5 -0.4 0.2 1.3 2.4 3.4 4.0 22.6 7.1 0.8 2.4 Personal Income -3.5 3.2 4.6 5.6 6.2 5.8 4.8 3.9 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Real Disposable Income -12.8 -5.6 -3.8 -1.4 3.1 3.6 2.8 1.8 0.7 1.3 2.0 2.3 1.9 6.1 2.8 1.4 Mosing Starts mIns: a.r. 1.72 1.65	Trade-Wt. Dollar (broad)	Jan. '97 = 100	115.5	118.9	123.5	124.8	120.5	120.8	120.0	119.2	118.5	117.9	117.3	116.8	113.1	120.7	120.1	117.6
Henry Hub Spot US\$/mmbtu : qtr. avg. 4.7 7.5 8.0 5.5 3.0 3.5 3.0 4.0 4.0 4.0 4.0 4.0 3.9 6.4 3.5 4.0 Incomes y/y % chng Pre-Tax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 4.1 -0.5 -0.4 0.2 1.3 2.4 3.4 4.0 2.26 7.1 0.8 2.3 Personal Income -3.5 3.2 4.6 5.6 6.2 5.8 4.8 3.9 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Real Disposable Income -12.8 -5.6 -3.8 -1.4 3.1 3.6 2.8 1.8 0.7 1.3 2.0 2.3 1.9 6.1 2.8 1.4 Savings Rate % : quarterly avg. 4.3 3.2 3.2 3.9 4.9 5.2 5.2 5.3 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.0 5.3 <td><u>`</u></td> <td>US\$/bbl : otr. avg.</td> <td>94.4</td> <td>108.6</td> <td>92.6</td> <td>82.8</td> <td>78.2</td> <td>83.5</td> <td>88.3</td> <td>90.0</td> <td>85.0</td> <td>82.5</td> <td>77.5</td> <td>75.0</td> <td>68.0</td> <td>94.6</td> <td>85.0</td> <td>80.0</td>	<u>`</u>	US\$/bbl : otr. avg.	94.4	108.6	92.6	82.8	78.2	83.5	88.3	90.0	85.0	82.5	77.5	75.0	68.0	94.6	85.0	80.0
Incomes y/y % chng Pre-Tax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 4.1 -0.5 -0.4 0.2 1.3 2.4 3.4 4.0 22.6 7.1 0.8 2.4 Personal Income -3.5 3.2 4.6 5.6 6.2 5.8 4.8 3.9 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Real Disposable Income -12.8 -5.6 -3.8 -1.4 3.1 3.6 2.8 1.8 0.7 1.3 2.0 2.3 1.9 -6.1 2.8 1.4 Savings Rate % : quarterly avg. 4.3 3.2 3.2 3.9 4.9 5.2 <																		4.0
Pre-Tax Profits w/IVA,CCA 10.9 7.7 5.5 4.6 4.1 -0.5 -0.4 0.2 1.3 2.4 3.4 4.0 22.6 7.1 0.8 2.4 Personal Income -3.5 3.2 4.6 5.6 6.2 5.8 4.8 3.9 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Real Disposable Income -12.8 -5.6 -3.8 -1.4 3.1 3.6 2.8 1.8 0.7 1.3 2.0 2.3 1.9 -6.1 2.8 1.4 Savings Rate % : quarterly avg. 4.3 3.2 3.2 3.9 4.9 4.9 5.2 5.2 5.2 5.2 1.0 3.6 4.4 4.3 Mother Indicators quarterly avg. 4.3 3.6 3.5 3.6 3.5 4.0 4.6 4.8 4.7 4.6 4.5 5.4 3.6 4.2 4.20 Housing Starts mlns : a.r. 5.98 5.37 4.78 4.20 4.26 4.09 4.11 4.19				115	0.0	515	5.0	515	515						517	011	515	
Personal Income -3.5 3.2 4.6 5.6 6.2 5.8 4.8 3.9 3.6 3.8 4.1 4.3 7.4 2.4 5.1 4.0 Real Disposable Income -12.8 -5.6 -3.8 -1.4 3.1 3.6 2.8 1.8 0.7 1.3 2.0 2.3 1.9 -6.1 2.8 1.4 Savings Rate % : quarterly avg. 4.3 3.2 3.2 3.9 4.9 4.9 5.2 5.2 5.3 5.2 5.2 5.2 1.0 3.7 5.0 5.7 Other Indicators quarterly avg. 4.3 3.6 3.5 3.6 3.5 4.0 4.6 4.8 4.7 4.6 4.5 5.4 3.6 4.2 4.7 Housing Starts mIns : a.r. 5.98 5.37 4.78 4.20 4.26 4.09 4.11 4.19 4.35 4.6 4.8 4.7 4.6 4.5 5.4 3.6 4.2 4.7 Housing Starts mIns : a.r. 5.98 5.37 4.78 <t< td=""><td></td><td>111 to ching</td><td>10.9</td><td>77</td><td>5.5</td><td>46</td><td>41</td><td>-05</td><td>-0.4</td><td>0.2</td><td>13</td><td>74</td><td>34</td><td>40</td><td>22.6</td><td>71</td><td>0.8</td><td>2.8</td></t<>		111 to ching	10.9	77	5.5	46	41	-05	-0.4	0.2	13	74	34	40	22.6	71	0.8	2.8
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Savings Rate % : quarterly avg. 4.3 3.2 3.2 3.9 4.9 4.9 5.2 5.3 5.3																		
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Housing Startsmlns: a.r.1.721.651.451.401.381.341.371.401.411.411.421.611.551.371.47Existing Home Salesmlns: a.r.5.985.374.784.204.264.094.114.194.354.594.835.046.135.084.164.70Home Prices (Case-Shiller)y/y % chng20.220.113.16.7-2.3-10.8-12.0-9.86.1-1.31.82.216.914.8-8.8-0.5Motor Vehicle Salesmlns: a.r.14.313.514.515.314.315.015.315.816.016.116.215.113.915.015.0Civilian Employment Growthq/q % chng: a.r.6.21.11.30.53.90.1-0.80.31.11.11.21.31.33.23.71.20.7Industrial Productionq/q % chng: a.r.4.75.01.3-3.5-3.2-1.3-1.71.21.92.22.22.14.93.7-1.41.1			20	24	2.5	24	2.5	4.0		4.0	4.0	47		4 -		2.4	42	47
Existing Home Sales mlns: a.r. 5.98 5.37 4.78 4.20 4.26 4.09 4.11 4.19 4.35 4.59 4.83 5.04 6.13 5.08 4.16 4.70 Home Prices (Case-Shiller) y/y % chng 20.2 20.1 13.1 6.7 -2.3 -10.8 -12.0 -9.8 -6.1 -1.3 1.8 2.2 16.9 14.8 -8.8 -0.9 Motor Vehicle Sales mlns: a.r. 14.3 13.4 13.5 14.5 15.3 14.3 15.0 15.3 15.8 16.0 16.1 16.2 15.1 13.9 15.0 16.0 Civilian Employment Growth q/q % chng: a.r. 6.2 1.1 1.3 0.5 3.9 0.1 -0.8 0.3 1.1 1.2 1.3 3.2 3.7 1.2 0.7 Industrial Production q/q % chng: a.r. 4.7 5.0 1.3 -3.5 -3.2 -1.3 -1.7 1.2 1.9 2.2 2.1 4.9 3.7 -1.4 1.7 <td></td>																		
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LBD Budget Dehicit % of GDP -12.4 -5.2 -4.5 -4.5			4.7	5.0	1.3	-3.5	-3.2	-1.3	-1.7	1.2	1.9	2.2	2.2	2.1				
	CBO Budget Deficit	% of GDP													-12.4	-5.2	-4.5	-4.7

Bolded values represent forecasts



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