

# Canadian Economic Outlook for July 25, 2025

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

	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	2026	2023	2024	2025	2026
	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)	2.1	2.5	2.4	2.1	2.2	-0.8	-0.3	1.0	2.1	1.7	1.8	2.1	1.5	1.6	1.3	1.3
Final Sales	3.3	1.2	3.4	6.6	0.6	-3.5	0.1	1.0	1.5	1.7	1.8	2.1	2.7	2.0	1.2	1.0
Final Domestic Demand	3.2	2.9	3.2	5.2	-0.1	1.2	-0.2	1.5	1.5	1.6	1.7	2.0	1.1	2.1	1.8	1.3
Consumer Spending	3.2	1.7	4.4	4.9	1.2	1.5	0.3	2.1	1.5	1.8	1.8	2.4	1.8	2.4	2.3	1.6
Durables	-1.8	-7.2	13.1	17.2	-5.6	-1.0	-2.5	2.5	1.5	1.4	1.3	2.5	2.8	3.8	2.3	1.0
Nondurables	-0.1	2.7	2.0	1.1	4.0	1.5	0.5	1.8	1.5	1.5	1.3	2.3	-0.5	0.6	2.1	1.4
Services	5.5	3.2	3.6	3.4	0.4	2.0	1.0	2.2	1.5	2.1	2.2	2.5	2.7	3.0	2.0	1.9
Government Spending	7.1	5.8	5.3	3.1	-0.8	3.4	2.4	2.4	2.4	2.0	1.6	1.6	2.6	4.2	2.5	2.2
Business Investment	-0.6	15.0	-11.9	4.7	4.0	-4.8	-7.3	-3.2	-1.1	0.2	1.6	1.6	1.0	-2.4	-0.9	-1.8
Non-residential Construction	1.6	9.6	-0.8	1.4	-6.1	-1.5	-3.0	-2.0	0.0	1.0	2.0	2.0	3.2	-2.1	-1.6	-0.3
Machinery and Equipment	-4.1	24.3	-27.7	10.5	22.9	-10.0	-10.0	-4.0	-3.0	-1.0	1.0	1.0	-2.7	-2.9	0.8	-3.5
Residential Construction	-4.5	-9.4	5.4	16.8	-10.9	-1.0	-2.5	0.5	1.0	1.0	1.0	1.0	-8.5	-0.6	-0.4	0.3
Exports	-0.7	-4.8	-0.6	7.1	6.7	-22.3	2.4	1.6	2.4	2.4	2.4	2.4	5.0	0.6	-1.8	0.5
Imports	-1.1	0.0	-1.0	2.5	4.4	-8.1	2.0	2.8	2.4	2.0	2.0	2.0	0.3	0.7	0.2	1.6
Inventory Change	2017\$ blns : a.r.	17.8	25.3	20.0	-6.0	2.7	20.1	17.6	21.9	22.0	22.1	22.2	25.5	14.3	14.5	22.0
Contrib. to GDP Growth	ppts : a.r.	-1.2	1.2	-0.8	-4.4	1.4	2.7	-0.4	0.7	0.0	0.0	0.0	-1.2	-0.5	0.0	0.3
Net Exports	2017\$ blns : a.r.	-52.5	-61.6	-60.8	-53.0	-49.5	-78.9	-78.5	-81.8	-81.5	-81.2	-80.9	-55.3	-57.0	-72.0	-81.3
Contrib. to GDP Growth	ppts : a.r.	0.1	-1.6	0.1	1.5	0.7	-4.7	0.3	0.0	0.1	0.1	0.1	1.5	-0.1	-0.6	-0.4
Nominal GDP	\$ blns : a.r.	3,005	3,055	3,093	3,137	3,174	3,156	3,175	3,237	3,269	3,303	3,340	2,934	3,072	3,177	3,287
Growth	q/q % chng : a.r.	1.1	6.9	5.0	5.8	4.9	-2.3	2.4	4.3	4.1	4.2	4.5	2.9	4.7	3.4	3.5
Real GDP	y/y % chng	0.8	1.2	1.9	2.3	2.3	1.5	0.8	0.5	1.2	1.7	2.0				
<b>Inflation</b>	<b>q/q % chng : a.r.</b>															
GDP Price Index		-1.0	4.2	2.6	3.5	2.5	-1.4	2.7	2.1	2.3	2.4	2.4	1.4	3.1	2.1	2.1
CPI All Items		1.7	2.2	1.9	1.8	3.1	0.6	2.1	2.2	2.2	2.3	2.4	3.9	2.4	2.0	2.0
Ex. Food and Energy		2.0	2.5	2.0	2.1	3.3	3.0	2.6	2.3	2.2	2.4	2.5	4.0	2.6	2.6	2.2
Food Prices		2.9	1.9	3.3	0.4	-1.0	10.6	2.1	2.2	2.1	1.8	2.1	7.7	2.7	2.7	2.6
Energy Prices		-1.0	3.6	-11.1	4.5	15.7	-42.1	-3.8	1.3	2.3	2.6	2.4	-4.1	-0.5	-7.0	-2.5
Services		2.3	6.5	4.1	1.3	1.0	6.9	2.4	2.1	2.2	2.4	2.5	4.6	4.1	3.1	2.5
CPI All Items	y/y % chng	2.8	2.7	2.0	1.9	2.3	1.8	1.9	1.6	2.0	2.1	2.3				
CPIX8	y/y % chng	2.1	1.8	1.6	1.7	2.3	2.6	2.8	2.6	2.3	2.0	1.9	3.6	1.8	2.6	2.2
Core CPIs (Trim/Median avg.)	y/y % chng : avg.	3.3	2.9	2.5	2.6	2.8	3.1	3.0	2.5	2.3	2.0	2.0	4.0	2.8	2.9	2.2
<b>Financial</b>	<b>% : quarterly avg.</b>															
Overnight Rate		5.00	4.92	4.42	3.58	2.92	2.75	2.67	2.17	2.00	2.00	2.00	4.77	4.48	2.69	2.04
3-Month T-Bill		4.94	4.81	4.27	3.46	2.85	2.63	2.60	2.10	1.95	1.95	1.95	4.74	4.37	2.60	2.00
10-Year Bond Yield		3.43	3.58	3.14	3.21	3.12	3.21	3.45	3.35	3.30	3.25	3.20	3.36	3.34	3.30	3.25
10-Year BBB Corporate Spread	ppts	1.86	1.78	1.77	1.57	1.59	1.62	1.70	1.90	2.00	2.00	2.00	2.14	1.75	1.68	1.98
90-Day Canada/U.S. Spread	bps	-52	-65	-95	-112	-149	-173	-177	-174	-164	-137	-108	-53	-81	-168	-146
10-Year Canada/U.S. Spread	bps	-73	-87	-80	-107	-134	-115	-93	-87	-84	-81	-80	-60	-87	-108	-83
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance		-9.2	-21.3	-11.5	-14.2	-8.5	-67.5	-62.0	-59.7	-56.6	-53.5	-50.2	-18.4	-14.1	-50.0	-55.0
Share of GDP		-0.3	-0.7	-0.4	-0.5	-0.3	-2.1	-2.0	-1.8	-1.7	-1.6	-1.5	-0.6	-0.5	-1.6	-1.7
Merchandise Balance		-1.4	-11.2	-13.1	-1.3	-1.9	-60.8	-56.7	-57.1	-54.8	-52.4	-50.0	-0.6	-6.8	-44.4	-53.6
Non-Merchandise Balance		-7.8	-10.1	1.6	-12.9	-6.6	-6.8	-5.2	-2.6	-1.8	-1.0	-0.3	-17.8	-7.3	-5.5	-1.4
US\$	US\$/C\$ : qtr. avg.	74.2	73.1	73.3	71.5	69.7	72.3	73.5	74.3	74.5	74.8	75.0	74.1	73.0	72.3	74.7
	C\$/US\$ : qtr. avg.	1.349	1.368	1.364	1.399	1.435	1.384	1.361	1.347	1.342	1.336	1.332	1.349	1.370	1.383	1.339
Yen	¥/C\$ : qtr. avg.	110.2	113.9	109.2	109.0	106.2	104.4	107.3	105.2	105.2	105.3	105.2	104.1	110.6	106.0	105.2
Euro	C\$/€ : qtr. avg.	1.46	1.47	1.50	1.49	1.51	1.57	1.60	1.61	1.61	1.61	1.61	1.46	1.48	1.57	1.61
Corp. Profits Before Tax	y/y % chng	-26.2	-9.1	-24.3	3.1	4.8	-17.0	-4.8	-14.4	10.6	16.3	14.1	-41.3	-14.9	-10.5	5.5
Corp. Profits After Tax	y/y % chng	-1.6	1.7	-2.2	7.4	1.3	-18.4	-18.3	-14.4	10.6	16.3	14.1	-15.3	1.3	-14.9	5.5
Personal Income	y/y % chng	7.5	7.8	7.8	7.2	6.2	3.1	1.5	2.0	3.6	3.9	4.1	7.7	7.6	3.0	3.4
Real Disposable Income	y/y % chng	3.6	4.4	5.4	4.8	4.2	1.3	-1.0	-0.2	1.3	1.7	1.9	1.6	4.6	0.9	1.2
Savings Rate	% : quarterly avg.	4.7	6.2	7.2	6.0	5.7	4.1	4.1	4.1	4.0	4.0	3.9	3.7	6.0	4.4	4.0
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	percent	5.9	6.3	6.5	6.7	6.6	6.9	7.2	7.4	7.2	7.1	6.9	5.4	6.4	7.1	7.2
Housing Starts	000s : a.r.	244	250	238	248	223	283	248	240	232	225	225	242	245	250	230
Existing Home Sales	y/y % chng	14.5	-3.6	0.3	21.0	-5.5	-2.7	-0.4	4.1	5.6	2.3	2.2	-11.2	7.5	-4.5	3.5
MLS Home Price Index	y/y % chng	1.0	-3.9	-4.2	-1.0	-2.4	-3.6	-3.5	-0.7	1.8	3.2	3.9	-6.1	-2.0	-3.0	1.5
Motor Vehicle Sales	mlns : a.r.	1.94	1.86	1.89	2.00	1.96	2.02	1.81	1.89	1.95	1.97	1.98	1.75	1.93	1.90	1.95
Employment Growth	q/q % chng : a.r.	1.7	2.1	0.8	1.9	2.7	0.4	0.4	0.8	1.8	1.9	1.7	3.0	1.9	1.4	1.0
Industrial Production	q/q % chng : a.r.	-3.3	3.9	-0.4	-0.7	5.4	-4.3	-0.9	2.4	3.0	2.9	2.0	-0.1	0.1	0.5	1.5
Federal Budget Balance	% of FY GDP												-2.1	-1.6	-1.3	-0.9

Bolded values represent forecasts

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