

U.S. Economic Outlook for Sep. 19, 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				
Production	q/q % chng : a.r.															
Real GDP (chain-weighted)	1.6	3.0	3.1	2.4	-0.5	3.3	2.4	1.0	1.6	1.6	1.8	1.7	2.9	2.8	1.9	1.7
Final Sales	2.1	1.9	3.3	3.3	-3.1	6.8	1.3	0.7	1.6	1.6	1.8	1.7	3.3	2.7	1.8	1.7
Final Domestic Demand	2.7	2.8	3.7	3.0	1.5	1.6	1.4	0.8	1.6	1.6	1.8	1.7	2.7	3.0	2.1	1.4
Consumer Spending	1.9	2.8	3.7	4.0	0.5	1.6	2.3	1.4	1.4	1.6	1.9	1.9	2.5	2.8	2.2	1.7
Durables	-1.8	5.5	7.6	12.4	-3.7	2.6	2.3	1.0	0.5	1.0	1.6	2.0	3.9	3.3	3.4	1.3
Nondurables	-0.8	1.7	4.6	3.1	2.1	2.3	2.4	1.0	1.1	1.5	1.8	1.8	0.8	1.9	2.6	1.5
Services	3.4	2.7	2.8	3.0	0.6	1.2	2.2	1.6	1.7	1.8	2.0	1.9	2.9	2.9	1.8	1.8
Government Spending	1.8	3.1	5.1	3.1	-0.6	-0.2	0.1	0.2	2.2	1.1	1.2	0.8	3.9	3.4	1.2	1.0
Business Investment	4.5	3.9	4.0	-3.0	10.3	5.7	1.1	-0.6	1.7	1.9	1.9	1.9	6.0	3.6	3.8	1.5
Non-residential Construction	6.3	0.2	-5.0	2.9	-2.4	-8.9	-7.5	0.5	1.4	1.4	1.4	1.4	10.8	3.5	-3.3	-0.6
Equipment	0.3	9.8	10.8	-8.7	23.7	7.4	4.0	-4.0	2.0	2.0	2.0	2.0	3.5	3.4	7.3	1.4
Intellectual Property	7.5	0.7	3.1	-0.5	6.0	12.8	2.0	2.0	1.5	2.0	2.0	2.0	5.8	3.9	4.5	2.5
Residential Construction	13.7	-2.8	-4.3	5.5	-1.3	-4.7	-8.0	-3.5	1.0	1.5	1.5	1.5	-8.3	4.2	-2.2	-1.2
Exports	1.9	1.0	9.6	-0.2	0.4	-1.3	1.0	0.0	2.5	2.5	2.5	2.5	2.8	3.3	1.2	1.6
Imports	6.1	7.6	10.7	-1.9	38.0	-29.8	2.0	1.0	2.3	2.3	2.3	2.3	-1.2	5.3	3.2	-0.4
Inventory Change	2017\$ blns : a.r.	17.7	71.7	57.9	8.9	160.5	-32.9	30.0	50.0	50.0	50.0	50.0	33.1	38.9	51.9	50.0
Contrib. to GDP Growth	ppts : a.r.	-0.5	1.1	-0.2	-0.8	2.6	-3.3	1.1	0.3	0.0	0.0	0.0	-0.4	0.0	0.1	0.0
Net Exports	2017\$ blns : a.r.	-977.0	-1,035.7	-1,069.2	-1,052.7	-1,359.0	-1,029.0	-1,040.7	-1,049.5	-1,054.2	-1,058.9	-1,063.6	-932.8	-1,033.6	-1,119.5	-1,061.2
Contrib. to GDP Growth	ppts : a.r.	-0.6	-0.9	-0.4	0.3	-4.6	5.0	-0.2	-0.1	-0.1	-0.1	-0.1	0.5	-0.4	-0.4	0.2
Nominal GDP	\$ blns : a.r.	28,624	29,017	29,375	29,724	29,962	30,354	30,784	31,118	31,435	31,736	32,055	27,721	29,185	30,554	31,899
Growth	q/q % chng : a.r.	4.7	5.6	5.0	4.8	3.2	5.3	5.8	4.4	4.1	3.9	4.1	6.6	5.3	4.7	4.4
Real GDP	y/y % chng	2.9	3.0	2.7	2.5	2.0	2.1	1.9	1.5	2.1	1.6	1.5				
Inflation	q/q % chng : a.r.															
GDP Price Index	3.0	2.5	1.9	2.3	3.8	2.0	3.3	3.4	2.5	2.3	2.3	2.2	3.6	2.4	2.8	2.7
Core PCE Deflator	3.7	2.8	2.2	2.6	3.5	2.5	3.5	3.7	2.8	2.5	2.4	2.4	4.1	2.8	3.0	2.9
CPI All Items	3.7	2.8	1.4	3.0	3.8	1.6	3.3	3.9	2.5	2.3	2.3	2.3	4.1	3.0	2.8	2.7
Ex. Food and Energy	4.2	3.1	2.4	3.4	3.5	2.1	3.6	3.9	2.8	2.6	2.5	2.5	4.8	3.4	3.1	3.0
Food Prices	2.4	1.5	2.3	3.2	3.7	2.3	3.2	3.7	1.8	1.2	1.2	1.2	5.8	2.3	3.0	2.1
Energy Prices	0.5	1.2	-11.0	-1.3	8.4	-4.8	-0.8	4.8	0.1	1.2	2.0	1.6	-4.9	-1.3	-0.3	1.1
Services	6.4	4.3	3.4	4.0	4.3	3.2	3.8	3.9	2.8	2.6	2.5	2.5	6.0	4.9	3.8	3.1
CPI All Items	y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	2.9	2.8	3.0	2.8	2.3				
Ex. Food and Energy	y/y % chng	3.8	3.4	3.3	3.3	3.1	2.8	3.1	3.1	3.2	3.0	2.6				
Core PCE Deflator	y/y % chng	3.0	2.7	2.7	2.8	2.8	2.7	3.0	3.1	3.1	2.8	2.5				
Financial	% : quarterly avg.															
Fed Funds Rate	5.38	5.38	5.21	4.63	4.38	4.38	4.29	3.79	3.54	3.29	3.04	2.88	5.10	5.15	4.21	3.19
90-Day T-Bill	5.45	5.47	5.22	4.58	4.34	4.37	4.25	3.65	3.40	3.20	3.00	2.80	5.28	5.18	4.15	3.10
1-Year T-Bill	4.90	5.14	4.45	4.26	4.15	4.03	3.85	3.45	3.30	3.15	2.95	2.90	5.08	4.69	3.90	3.05
10-Year Bond Yield	4.16	4.44	3.95	4.28	4.45	4.36	4.25	4.05	4.05	4.05	4.00	4.00	3.96	4.21	4.30	4.00
10-Year BBB Corporate Spread	ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.04	1.32	1.49	1.66	1.83	1.57	1.15	1.13	1.57
Foreign Trade	\$ blns : a.r.															
Current Account Balance	-1,043	-1,145	-1,305	-1,248	-1,801	-1,025	-1,058	-1,075	-1,075	-1,089	-1,095	-1,103	-928	-1,185	-1,240	-1,090
Share of GDP	-3.6	-3.9	-4.4	-4.2	-6.0	-3.4	-3.4	-3.5	-3.4	-3.4	-3.4	-3.4	-3.3	-4.1	-4.1	-3.4
Merchandise Balance	-1,113	-1,197	-1,237	-1,316	-1,864	-1,179	-1,204	-1,214	-1,225	-1,237	-1,250	-1,262	-1,057	-1,215	-1,365	-1,244
Non-Merchandise Balance	69	51	-68	68	63	154	147	138	150	149	155	159	129	30	125	153
Yen	¥/US\$: qtr. avg.	149	156	149	152	152	144	147	143	142	142	141	140	151	147	142
Euro	US\$/€ : qtr. avg.	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.18	1.19	1.19	1.20	1.08	1.08	1.13	1.19
Pound	US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.36	1.36	1.37	1.38	1.24	1.28	1.33	1.37
Trade-Wt. Dollar (broad)	Jan. '97 = 100	121.0	122.9	122.9	126.1	127.9	122.7	120.6	118.9	118.6	118.2	117.8	120.5	123.2	122.7	118.4
WTI Spot	US\$/bbl : qtr. avg.	77.3	81.0	75.8	70.3	71.4	63.7	65.8	63.0	64.0	66.0	67.0	77.6	76.1	67.0	65.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.	2.1	2.1	2.1	2.4	4.1	3.2	3.2	3.8	3.3	3.3	3.8	2.5	2.2	3.5	3.5
Incomes	y/y % chng															
Pre-Tax Profits w/IVA,CCA	8.2	10.8	6.0	6.9	6.3	4.3	6.2	1.9	5.3	4.6	4.1	4.0	6.9	7.9	4.6	4.5
Personal Income	5.9	5.5	5.0	5.2	4.5	4.9	5.3	5.0	4.3	4.0	4.1	4.1	5.9	5.4	4.9	4.1
Real Disposable Income	3.4	2.8	2.5	2.3	1.5	2.0	2.1	1.6	1.4	1.1	1.5	1.9	5.1	2.7	1.8	1.5
Savings Rate	% : quarterly avg.	5.4	4.9	4.1	3.8	4.3	4.6	4.3	4.1	4.1	4.1	4.2	4.7	4.5	4.3	4.1
Other Indicators	quarterly avg.															
Unemployment Rate	percent	3.8	4.0	4.2	4.2	4.1	4.2	4.3	4.6	4.6	4.6	4.6	3.6	4.0	4.3	4.6
Housing Starts	mlns : a.r.	1.42	1.34	1.34	1.39	1.40	1.35	1.35	1.40	1.41	1.41	1.42	1.42	1.37	1.36	1.41
Existing Home Sales	mlns : a.r.	4.14	4.02	3.94	4.16	4.13	3.99	4.10	4.82	4.85	4.87	4.90	4.10	4.07	4.19	4.86
Home Prices (Case-Shiller)	y/y % chng	7.3	6.8	5.2	4.4	4.5	2.8	1.4	-0.1	1.1	1.9	2.2	1.8	5.9	2.3	1.3
Motor Vehicle Sales	mlns : a.r.	15.6	15.9	15.8	16.7	16.5	16.2	16.1	15.1	15.3	15.5	15.7	15.6	16.0	15.9	15.4
Payroll Employment Growth	q/q % chng : a.r.	1.5	1.3	0.9	1.3	1.3	0.7	0.2	0.4	0.5	0.6	0.7	2.2	1.3	0.9	0.4
Industrial Production	q/q % chng : a.r.	-1.8	2.4	-0.6	-1.2	4.1	1.6	0.4	1.6	1.7	1.8	1.8	0.2	-0.3	1.3	1.5
CBO Budget Deficit	% of GDP												-6.2	-6.4	-6.7	-6.7

Bolded values represent forecasts

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