

U.S. Economic Outlook for July 11, 2025

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

2024					2025				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	1.6	1.5	1.2	1.6	1.6	1.8	1.7	2.9	2.8	1.5	1.5	
Final Sales		2.1	1.9	3.3	3.3	-3.1	5.5	1.0	1.1	1.2	1.4	1.6	1.7	3.3	2.7	1.6	1.5	
Final Domestic Demand		2.7	2.8	3.7	3.0	1.5	1.4	0.7	1.2	1.2	1.4	1.6	1.7	2.7	3.0	2.0	1.3	
Consumer Spending		1.9	2.8	3.7	4.0	0.5	1.6	1.2	1.2	1.4	1.6	1.9	1.9	2.5	2.8	2.0	1.5	
Durables		-1.8	5.5	7.6	12.4	-3.7	1.0	0.5	0.6	0.5	1.0	1.6	2.0	3.9	3.3	2.8	0.9	
Nondurables		-0.8	1.7	4.6	3.1	2.1	1.5	0.5	1.0	1.1	1.5	1.8	1.8	0.8	1.9	2.2	1.2	
Services		3.4	2.7	2.8	3.0	0.6	1.7	1.5	1.4	1.7	1.8	2.0	1.9	2.9	2.9	1.8	1.7	
Government Spending		1.8	3.1	5.1	3.1	-0.6	2.4	0.5	0.5	-0.3	0.0	0.0	0.5	3.9	3.4	1.8	0.3	
Business Investment		4.5	3.9	4.0	-3.0	10.3	0.7	-1.0	1.7	1.7	1.9	1.9	1.9	6.0	3.6	2.8	1.4	
Non-residential Construction		6.3	0.2	-5.0	2.9	-2.4	-3.0	-1.0	1.0	1.4	1.4	1.4	1.4	10.8	3.5	-1.3	0.7	
Equipment		0.3	9.8	10.8	-8.7	23.7	1.0	-5.0	1.0	2.0	2.0	2.0	2.0	3.5	3.4	5.2	0.9	
Intellectual Property		7.5	0.7	3.1	-0.5	6.0	2.1	2.7	2.7	1.5	2.0	2.0	2.0	5.8	3.9	2.7	2.1	
Residential Construction		13.7	-2.8	-4.3	5.5	-1.3	-4.0	-1.0	1.0	1.5	1.5	1.5	1.5	-8.3	4.2	-0.9	0.7	
Exports		1.9	1.0	9.6	-0.2	0.4	-2.6	-1.0	0.0	3.0	3.0	3.0	3.0	2.8	3.3	0.7	1.6	
Imports		6.1	7.6	10.7	-1.9	38.0	-25.0	-2.5	1.0	2.3	2.3	2.3	2.3	-1.2	5.3	3.9	-0.6	
Inventory Change		2017\$ blns : a.r.	17.7	71.7	57.9	8.9	160.5	-60.0	-30.0	-20.0	0.0	10.0	20.0	20.0	33.1	38.9	12.9	12.5
Contrib. to GDP Growth		ppts : a.r.	-0.5	1.1	-0.2	-0.8	2.6	-3.7	0.5	0.2	0.3	0.2	0.2	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	-1,098.4	-1,081.5	-1,090.7	-1,092.4	-1,094.2	-1,095.8	-1,097.5	-932.8	-1,033.6	-1,157.4	-1,095.0
Contrib. to GDP Growth		ppts : a.r.	-0.6	-0.9	-0.4	0.3	-4.6	4.5	0.3	-0.2	0.0	0.0	0.0	0.0	0.5	-0.4	-0.5	0.3
Nominal GDP		\$ blns : a.r.	28,624	29,017	29,375	29,724	29,962	30,300	30,691	31,022	31,314	31,621	31,950	32,275	27,721	29,185	30,494	31,790
Growth		q/q % chng : a.r.	4.7	5.6	5.0	4.8	3.2	4.6	5.3	4.4	3.8	4.0	4.2	4.1	6.6	5.3	4.5	4.3
Real GDP		y/y % chng	2.9	3.0	2.7	2.5	2.0	1.6	1.3	1.0	1.5	1.5	1.5	1.7				
Inflation		q/q % chng : a.r.																
GDP Price Index		3.0	2.5	1.9	2.3	3.8	2.9	3.7	3.1	2.2	2.3	2.4	2.4	3.6	2.4	3.0	2.7	
Core PCE Deflator		3.7	2.8	2.2	2.6	3.5	2.3	4.1	3.6	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	1.8	4.5	3.6	2.4	2.4	2.5	2.5	4.1	3.0	3.0	2.9	
Ex. Food and Energy		4.2	3.1	2.4	3.4	3.5	2.2	4.4	3.9	2.9	2.6	2.5	2.5	4.8	3.4	3.2	3.1	
Food Prices		2.4	1.5	2.3	3.2	3.7	2.4	4.7	3.7	2.8	1.5	2.3	2.4	5.8	2.3	3.2	2.9	
Energy Prices		0.5	1.2	-11.0	-1.3	8.4	-4.1	5.0	0.7	-3.8	2.5	2.9	2.6	-4.9	-1.3	0.2	0.5	
Services		6.4	4.3	3.4	4.0	4.3	3.3	4.5	3.9	2.9	2.6	2.5	2.5	6.0	4.9	3.9	3.2	
CPI All Items		y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	3.3	3.4	3.1	3.2	2.7	2.5				
Ex. Food and Energy		y/y % chng	3.8	3.4	3.3	3.3	3.1	2.9	3.4	3.5	3.3	3.4	3.0	2.6				
Core PCE Deflator		y/y % chng	3.0	2.7	2.7	2.8	2.8	2.7	3.1	3.4	3.2	3.2	2.8	2.5				
Financial		% : quarterly avg.																
Fed Funds Rate		5.38	5.38	5.21	4.63	4.38	4.38	4.29	4.04	3.79	3.54	3.29	3.04	5.10	5.15	4.27	3.42	
90-Day T-Bill		5.45	5.47	5.22	4.58	4.34	4.37	4.40	4.10	3.85	3.60	3.30	3.00	5.28	5.18	4.30	3.45	
1-Year T-Bill		4.90	5.14	4.45	4.26	4.15	4.03	4.00	3.80	3.60	3.40	3.20	3.00	5.08	4.69	4.00	3.30	
10-Year Bond Yield		4.16	4.44	3.95	4.28	4.45	4.36	4.30	4.25	4.20	4.10	4.05	4.00	3.96	4.21	4.35	4.10	
10-Year BBB Corporate Spread		ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.27	1.81	1.99	1.99	1.99	1.57	1.15	1.36	1.99	
Foreign Trade		\$ blns : a.r.																
Current Account Balance		-1,043	-1,145	-1,305	-1,248	-1,801	-1,137	-1,135	-1,147	-1,152	-1,155	-1,164	-1,168	-928	-1,185	-1,305	-1,160	
Share of GDP		-3.6	-3.9	-4.4	-4.2	-6.0	-3.8	-3.7	-3.7	-3.7	-3.7	-3.6	-3.6	-3.3	-4.1	-4.3	-3.6	
Merchandise Balance		-1,113	-1,197	-1,237	-1,316	-1,864	-1,261	-1,270	-1,285	-1,295	-1,305	-1,315	-1,326	-1,057	-1,215	-1,420	-1,310	
Non-Merchandise Balance		69	51	-68	68	63	123	135	138	143	150	151	157	129	30	115	150	
Yen		¥/US\$: qtr. avg.	149	156	149	152	152	144	144	142	141	141	140	140	151	146	141	
Euro		US\$/€ : qtr. avg.	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.19	1.19	1.20	1.20	1.08	1.08	1.14	1.20	
Pound		US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.36	1.37	1.37	1.38	1.38	1.24	1.28	1.33	1.38	
Trade-Wt. Dollar (broad)		Jan. '97 = 100	121.0	122.9	122.9	126.1	127.9	122.7	120.0	119.1	118.6	118.2	117.7	120.5	123.2	122.4	118.0	
WTI Spot		US\$/bbl : qtr. avg.	77.3	81.0	75.8	70.3	71.4	63.7	67.8	65.0	62.0	63.0	66.0	69.0	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	3.8	3.9	3.8	3.3	3.3	3.8	2.5	2.2	3.7	3.5
Incomes		y/y % chng																
Pre-Tax Profits w/IVA,CCA		8.2	10.8	6.0	6.9	6.3	3.8	5.5	1.2	4.5	4.4	4.1	4.0	6.9	7.9	4.1	4.3	
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	2.1	1.9	1.4	1.3	1.0	1.5	1.8	5.1	2.7	1.7	1.4	
Savings Rate		% : quarterly avg.	5.4	4.9	4.1	3.8	4.3	4.7	4.3	4.2	4.2	4.3	4.2	4.2	4.7	4.5	4.4	4.2
Other Indicators		quarterly avg.																
Unemployment Rate		percent	3.8	4.0	4.2	4.2	4.1	4.2	4.3	4.5	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	1.32	1.35	1.38	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	4.09	4.25	4.53	4.82	4.85	4.87	4.90	4.10	4.07	4.25	4.86
Home Prices (Case-Shiller)		y/y % chng	7.3	6.8	5.2	4.4	4.5	3.0	2.1	1.3	0.6	1.5	2.0	2.2	1.8	5.9	2.7	1.6
Motor Vehicle Sales		mlns : a.r.	15.6	15.9	15.8	16.7	16.5	16.2	15.0	14.8	15.1	15.3	15.5	15.7	15.6	16.0	15.6	15.4
Payroll Employment Growth		q/q % chng : a.r.	1.5	1.3	0.9	1.3	1.3	1.1	0.7	0.5	0.8	1.1	1.1	1.2	2.2	1.3	1.1	0.8
Industrial Production		q/q % chng : a.r.	-1.8	2.4	-0.6	-1.2	4.6	0.4	0.1	1.4	1.6	1.7	1.8	1.8	0.2	-0.3	1.2	1.4
CBO Budget Deficit		% of GDP													-6.2	-6.4	-6.7	-6.7

Bolded values represent forecasts

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