

Canadian Economic Outlook for Nov. 21, 2025

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

2024					2025				2026				2024				2025				2026				2027							
Q1					Q2				Q3				Q4				Q1				Q2				Q3				Q4			
Production					q/q % chng : a.r.																											
Real GDP (chain-weighted)					2.1	2.5	2.4	2.1	2.0	-1.6	0.5	1.5	1.9	1.8	1.8	2.1	1.6	1.2	1.4	2.2												
Final Sales					3.3	1.2	3.4	6.6	-0.4	-4.5	1.3	1.5	1.5	1.7	1.8	2.1	2.0	1.0	1.2	2.2												
Final Domestic Demand					3.2	2.9	3.2	5.2	-0.9	3.5	0.1	1.7	1.5	1.6	1.7	2.0	2.1	2.1	1.6	2.1												
Consumer Spending					3.2	1.7	4.4	4.9	0.5	4.5	0.7	2.1	1.5	1.8	1.8	2.4	2.4	2.7	1.8	2.2												
Durables					-1.8	-7.2	13.1	17.2	-5.9	10.4	-1.0	2.5	1.5	1.4	1.3	2.5	3.8	4.5	1.9	2.0												
Nondurables					-0.1	2.7	2.0	1.1	4.2	1.7	0.5	1.8	1.5	1.5	1.3	2.3	0.6	2.2	1.5	2.0												
Services					5.5	3.2	3.6	3.4	-0.8	4.3	1.3	2.2	1.5	2.1	2.2	2.5	3.0	2.2	2.0	2.3												
Government Spending					7.1	5.8	5.3	3.1	-1.2	5.7	2.4	2.4	2.4	2.0	1.6	1.6	4.2	2.8	2.4	2.2												
Business Investment					-0.6	15.0	-11.9	4.7	1.1	-10.1	-7.3	-1.6	-1.0	0.3	1.7	1.7	-2.4	-2.6	-1.8	2.0												
Non-residential Construction					1.6	9.6	-0.8	1.4	-3.9	6.3	-3.0	-1.0	0.0	1.0	2.0	2.0	-2.1	0.4	0.4	2.1												
Machinery and Equipment					-4.1	24.3	-27.7	10.5	10.1	-32.6	-10.0	-2.0	-3.0	-1.0	1.0	1.0	-2.9	-6.9	-4.9	1.9												
Residential Construction					-4.5	-9.4	5.4	16.8	-12.2	6.3	0.0	1.0	1.0	1.0	1.0	1.0	-0.6	0.9	1.2	1.3												
Exports					-0.7	-4.8	-0.6	7.1	5.8	-26.8	3.8	2.2	2.4	2.4	2.4	2.4	0.6	-2.8	0.4	2.1												
Imports					-1.1	0.0	-1.0	2.5	3.6	-5.1	1.2	2.8	2.4	2.0	2.0	2.0	0.7	0.5	1.7	2.0												
Inventory Change					2017\$ blns : a.r.	17.8	25.3	20.0	-6.0	7.9	26.9	21.3	21.4	24.3	24.7	25.1	25.2	14.3	19.4	24.8	25.6											
Contrib. to GDP Growth					ppts : a.r.	-1.2	1.2	-0.8	-4.4	2.1	3.3	-0.8	0.0	0.5	0.0	0.0	0.0	-0.5	0.2	0.2	0.0											
Net Exports					2017\$ blns : a.r.	-52.5	-61.6	-60.8	-53.0	-49.4	-95.5	-91.3	-93.0	-93.6	-93.4	-93.2	-93.0	-57.0	-82.3	-93.3	-94.1											
Contrib. to GDP Growth					ppts : a.r.	0.1	-1.6	0.1	1.4	0.7	-8.1	1.2	-0.1	-0.1	0.1	0.1	0.1	-0.1	-1.1	-0.4	0.0											
Nominal GDP					\$ blns : a.r.	3,005	3,055	3,093	3,137	3,175	3,163	3,176	3,209	3,245	3,280	3,315	3,352	3,072	3,181	3,298	3,438											
Growth					q/q % chng : a.r.	1.1	6.9	5.0	5.8	5.0	-1.6	1.7	4.3	4.5	4.4	4.3	4.6	4.7	3.5	3.7	4.3											
Real GDP					y/y % chng	0.8	1.2	1.9	2.3	2.3	1.2	0.7	0.6	0.6	1.4	1.8	1.9															
Inflation					q/q % chng : a.r.																											
GDP Price Index					-1.0	4.2	2.6	3.5	2.8	0.0	1.2	2.8	2.5	2.6	2.4	2.4	3.1	2.3	2.2	2.1												
CPI All Items					1.7	2.2	1.9	1.8	3.1	0.6	2.4	2.5	2.7	2.8	2.6	2.2	2.4	2.1	2.5	2.2												
Ex. Food and Energy					2.0	2.5	2.0	2.1	3.3	2.9	1.8	2.5	2.4	2.5	2.3	2.4	2.6	2.5	2.4	2.2												
Food Prices					2.9	1.9	3.3	0.4	-1.0	10.9	4.5	2.7	5.3	6.4	4.8	2.1	2.7	3.1	5.0	2.6												
Energy Prices					-4.7	8.0	-12.5	6.2	10.5	-39.3	3.9	4.9	0.1	-1.8	0.5	-0.1	-0.5	-5.8	-2.1	0.9												
Services					2.3	6.5	4.1	1.3	1.0	6.9	2.4	3.0	1.5	2.2	2.4	2.5	4.1	3.2	2.5	2.2												
CPI All Items					y/y % chng	2.8	2.7	2.0	1.9	2.3	1.8	2.0	2.1	2.0	2.6	2.7	2.6															
CPIX8					y/y % chng	2.1	1.8	1.6	1.7	2.3	2.6	2.7	3.0	2.6	2.3	2.1	1.8	1.8	2.6	2.2	2.0											
Core CPIs (Trim/Median avg.)					y/y % chng : avg.	3.3	3.0	2.6	2.6	2.8	3.0	3.1	3.0	2.6	2.4	2.3	1.8	2.8	2.9	2.3	2.0											
Financial					% : quarterly avg.																											
Overnight Rate					5.00	4.92	4.42	3.58	2.92	2.75	2.67	2.25	2.00	2.00	2.00	2.00	4.48	2.65	2.00	2.35												
3-Month T-Bill					4.94	4.81	4.27	3.46	2.85	2.63	2.60	2.25	2.00	1.95	1.95	1.95	4.37	2.60	1.95	2.25												
10-Year Bond Yield					3.43	3.58	3.14	3.21	3.12	3.21	3.38	3.15	3.15	3.10	3.10	3.10	3.34	3.20	3.10	3.30												
10-Year BBB Corporate Spread					ppts	1.86	1.78	1.77	1.57	1.59	1.62	1.40	1.55	1.70	1.80	1.90	2.00	1.75	1.54	1.85	2.00											
90-Day Canada/U.S. Spread					bps	-52	-65	-95	-112	-149	-173	-166	-165	-161	-140	-112	-88	-81	-163	-125	-68											
10-Year Canada/U.S. Spread					bps	-73	-87	-80	-107	-134	-115	-88	-94	-93	-91	-90	-90	-87	-108	-91	-80											
Foreign Trade					\$ blns : a.r.																											
Current Account Balance					-9.2	-21.3	-11.5	-14.2	-5.3	-84.6	-73.5	-72.5	-69.6	-66.5	-63.5	-60.4	-14.1	-59.0	-65.0	-64.0												
Share of GDP					-0.3	-0.7	-0.4	-0.5	-0.2	-2.7	-2.3	-2.3	-2.1	-2.0	-1.9	-1.8	-0.5	-1.9	-2.0	-1.9												
Merchandise Balance					-1.4	-11.2	-13.1	-1.3	-2.0	-78.4	-67.9	-68.3	-67.2	-65.0	-62.8	-60.5	-6.8	-54.1	-63.9	-64.5												
Non-Merchandise Balance					-7.8	-10.1	1.6	-12.9	-3.3	-6.3	-5.6	-4.2	-2.4	-1.5	-0.8	0.1	-7.3	-4.8	-1.1	0.5												
US\$					US\$/C\$: qtr. avg.	74.2	73.1	73.3	71.5	69.7	72.3	72.6	71.4	72.0	72.9	73.8	74.7	73.0	71.5	73.3	76.0											
					C\$/US\$: qtr. avg.	1.349	1.368	1.364	1.399	1.435	1.384	1.377	1.400	1.389	1.372	1.355	1.339	1.370	1.399	1.364	1.315											
Yen					¥/C\$: qtr. avg.	110.2	113.9	109.2	109.0	106.2	104.4	107.1	108.4	106.8	107.4	108.0	108.6	110.6	106.5	107.7	109.4											
Euro					C\$/€ : qtr. avg.	1.46	1.47	1.50	1.49	1.51	1.57	1.61	1.63	1.64	1.63	1.62	1.60	1.48	1.58	1.62	1.59											
Corp. Profits Before Tax					y/y % chng	-26.2	-9.1	-24.3	3.1	2.1	-5.1	8.9	-11.8	0.0	9.8	15.1	13.1	-14.9	-2.1	9.4	8.4											
Corp. Profits After Tax					y/y % chng	-1.6	1.7	-2.2	7.4	-0.8	-3.0	-2.8	-9.0	3.5	9.8	15.1	13.1	1.3	-4.0	10.3	8.4											
Personal Income					y/y % chng	7.5	7.8	7.8	7.2	6.2	3.6	1.8	2.0	2.6	3.7	4.2	4.3	7.6	3.4	3.7	3.9											
Real Disposable Income					y/y % chng	3.6	4.4	5.4	4.8	4.3	2.7	0.3	0.7	0.9	1.1	1.7	1.8	4.6	2.0	1.4	1.7											
Savings Rate					% : quarterly avg.	4.7	6.2	7.2	6.0	6.0	5.0	4.7	4.5	4.7	4.6	4.6	4.5	6.0	5.0	4.6	4.2											
Other Indicators					quarterly avg.																											
Unemployment Rate					percent	5.9	6.3	6.5	6.7	6.6	6.9	7.0	7.0	7.2	7.1	7.0	6.8	6.4	6.9	7.0	6.6											
Housing Starts					000s : a.r.	244	250	238	248	223	282	272	261	248	243	238	232	245	260	240	230											
Existing Home Sales					y/y % chng	14.8	-3.3	1.0	21.1	-4.2	-1.5	4.2	-4.8	6.4	7.5	1.1	1.4	7.9	-1.7	4.0	2.0											
MLS Home Price Index					y/y % chng	1.0	-3.9	-4.1	-1.0	-2.4	-3.6	-3.5	-3.1	-0.5	2.0	3.2	3.7	-2.0	-2.9	1.5	3.5											
Motor Vehicle Sales					mlns : a.r.	1.94	1.87	1.90	2.00	1.95	2.01	1.95	1.93	1.95	2.01	2.02	2.03	1.93	1.96	2.00	2.10											
Employment Growth					q/q % chng : a.r.	1.7	2.1	0.8	1.9	2.7	0.4	-0.1	1.7	0.4	1.5	1.9	1.7	1.9	1.4	1.1	1.6											
Industrial Production					q/q % chng : a.r.	-3.9	4.4	-0.4	-0.7	5.0	-7.1	1.0	1.7	2.2	2.8	2.9	2.0	0.1	0.2	1.5	1.8											
Federal Budget Balance					% of FY GDP												-1.2	-2.4	-2.0	-1.9												

Bolded values represent forecasts

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