

U.S. 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					Q1 Q2 Q3 Q4								
Production		q/q % chng : a.r.																
Real GDP (chain-weighted)		0.8	3.6	3.3	1.9	-0.6	3.8	2.8	0.3	2.1	1.6	1.8	1.7	2.8	1.9	1.8	1.9	
Final Sales		1.7	2.4	3.5	2.8	-3.2	7.5	3.1	-0.1	1.8	1.6	1.8	1.7	2.8	2.0	1.9	1.9	
Final Domestic Demand		2.0	3.4	3.8	2.8	1.4	2.4	2.1	0.0	1.8	1.6	1.8	1.7	3.1	2.3	1.5	1.9	
Consumer Spending		1.7	3.9	4.0	3.9	0.6	2.5	3.1	1.0	1.7	1.6	1.9	1.9	2.9	2.5	1.8	2.0	
Durables		-0.9	7.8	8.6	13.0	-3.4	2.3	2.8	0.0	1.0	1.0	1.6	2.0	3.9	3.7	1.3	2.1	
Nondurables		-1.6	4.3	4.8	3.8	2.2	2.2	3.2	1.0	1.4	1.5	1.8	1.8	2.3	3.0	1.7	2.2	
Services		3.2	3.2	3.0	2.5	0.8	2.6	3.0	1.2	2.0	1.8	2.0	1.9	3.0	2.2	2.0	2.0	
Government Spending		2.3	3.3	5.4	3.3	-1.0	-0.1	0.3	-2.8	2.3	0.9	1.1	0.8	3.8	1.1	0.4	1.2	
Business Investment		1.5	2.5	3.5	-3.7	9.5	7.3	1.8	-0.6	1.7	1.9	1.9	1.9	2.9	3.7	1.7	2.2	
Non-residential Construction		-5.0	-3.9	-2.2	-8.1	-3.1	-7.5	-7.5	0.5	1.4	1.4	1.4	1.4	1.1	-5.1	-0.5	1.9	
Equipment		0.5	8.9	8.2	-4.3	21.4	8.5	6.0	-4.0	2.0	2.0	2.0	2.0	3.5	7.8	1.7	2.1	
Intellectual Property		6.7	0.7	2.6	-0.6	6.5	15.0	2.0	2.0	1.5	2.0	2.0	2.0	3.5	5.0	2.6	2.3	
Residential Construction		8.2	-2.0	-4.8	4.3	-1.0	-5.1	-7.0	-3.5	1.0	1.5	1.5	1.5	3.2	-2.3	-1.1	1.7	
Exports		4.6	0.7	8.9	-0.9	0.2	-1.8	-0.1	0.0	2.5	2.5	2.5	2.5	3.6	0.6	1.4	2.1	
Imports		6.9	8.4	10.1	-0.2	38.0	-29.3	-5.8	1.0	2.3	2.3	2.3	2.3	5.8	2.7	-1.4	2.0	
Inventory Change		2017\$ blns : a.r.	12.4	75.1	69.4	17.1	172.0	-18.3	-35.0	-10.0	10.0	10.0	10.0	43.6	25.8	10.0	10.0	
Contrib. to GDP Growth		ppts : a.r.	-0.8	1.2	-0.1	-0.9	2.6	-3.4	-0.3	0.4	0.3	0.0	0.0	0.0	-0.1	-0.1	0.0	
Net Exports		2017\$ blns : a.r.	-964.1	-1,032.2	-1,064.9	-1,069.0	-1,380.7	-1,058.0	-1,003.6	-1,012.6	-1,017.1	-1,021.5	-1,026.0	-1,030.5	-1,032.6	-1,113.7	-1,023.8	-1,042.0
Contrib. to GDP Growth		ppts : a.r.	-0.4	-1.0	-0.4	-0.1	-4.7	4.8	0.9	-0.2	-0.1	-0.1	-0.1	-0.5	-0.3	0.4	-0.1	
Nominal GDP		\$ blns : a.r.	28,708	29,147	29,512	29,825	30,042	30,486	30,939	31,184	31,544	31,846	32,163	32,479	29,298	30,663	32,008	33,301
Growth		q/q % chng : a.r.	4.0	6.3	5.1	4.3	2.9	6.0	6.1	3.2	4.7	3.9	4.0	4.0	5.3	4.7	4.4	4.0
Real GDP		y/y % chng	2.9	3.1	2.8	2.4	2.0	2.1	2.0	1.6	2.3	1.7	1.4	2.3				
Inflation		q/q % chng : a.r.																
GDP Price Index		3.1	2.6	1.8	2.4	3.6	2.1	3.1	2.9	2.5	2.3	2.2	2.2	2.5	2.7	2.5	2.1	
Core PCE Deflator		4.0	2.9	2.4	2.7	3.3	2.6	2.9	2.9	2.8	2.5	2.4	2.4	2.9	2.8	2.7	2.2	
CPI All Items		3.7	2.8	1.4	3.0	3.8	1.6	3.1	3.5	2.5	2.3	2.3	2.3	3.0	2.8	2.6	2.2	
Ex. Food and Energy		4.2	3.1	2.4	3.4	3.5	2.1	3.3	3.2	2.8	2.6	2.5	2.5	3.4	3.0	2.8	2.4	
Food Prices		2.4	1.5	2.3	3.2	3.7	2.3	3.0	4.1	1.5	1.2	1.2	1.2	2.3	3.0	2.1	1.7	
Energy Prices		0.5	1.2	-11.0	-1.3	8.4	-4.8	0.8	5.7	1.5	1.7	2.0	2.0	-1.3	-0.1	1.9	2.0	
Services		6.4	4.3	3.4	4.0	4.3	3.2	3.5	3.1	2.8	2.6	2.5	2.5	4.9	3.8	2.9	2.4	
CPI All Items		y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	2.9	3.0	2.7	2.9	2.7	2.4				
Ex. Food and Energy		y/y % chng	3.8	3.4	3.3	3.3	3.1	2.8	3.1	3.0	2.8	3.0	2.8	2.6				
Core PCE Deflator		y/y % chng	3.1	2.8	2.8	3.0	2.8	2.7	2.9	2.9	2.8	2.8	2.6	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	5.15	4.21	3.19	3.02	
90-Day T-Bill		5.45	5.47	5.22	4.58	4.34	4.37	4.26	3.90	3.65	3.35	3.05	2.80	5.18	4.20	3.20	2.95	
1-Year T-Bill		4.90	5.14	4.45	4.26	4.15	4.03	3.88	3.60	3.45	3.20	3.00	2.90	4.69	3.90	3.15	3.05	
10-Year Bond Yield		4.16	4.44	3.95	4.28	4.45	4.36	4.26	4.10	4.05	4.05	4.00	4.00	4.21	4.30	4.05	4.10	
10-Year BBB Corporate Spread		ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.05	1.10	1.29	1.47	1.65	1.82	1.15	1.12	1.56	1.88
Foreign Trade		\$ blns : a.r.																
Current Account Balance		-1,043	-1,145	-1,305	-1,248	-1,759	-1,005	-1,086	-1,088	-1,096	-1,102	-1,108	-1,116	-1,185	-1,235	-1,105	-1,125	
Share of GDP		-3.6	-3.9	-4.4	-4.2	-5.9	-3.3	-3.5	-3.5	-3.5	-3.5	-3.4	-3.4	-4.0	-4.0	-3.5	-3.4	
Merchandise Balance		-1,113	-1,197	-1,237	-1,316	-1,863	-1,080	-1,164	-1,173	-1,184	-1,196	-1,208	-1,219	-1,215	-1,320	-1,202	-1,249	
Non-Merchandise Balance		69	51	-68	68	104	75	78	85	88	94	100	104	30	85	97	123	
Yen		¥/US\$: qtr. avg.	149	156	149	152	152	144	148	148	147	146	145	151	149	147	144	
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	1.13	1.19	1.21	
Pound		US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.32	1.31	1.31	1.32	1.28	1.31	1.32	1.35	
Trade-Wt. Dollar (broad)		Jan. '97 = 100	121.0	122.9	122.9	126.1	127.9	122.7	120.7	121.1	120.3	119.7	119.2	123.2	123.1	119.4	117.4	
WTI Spot		US\$/bbl : qtr. avg.	77.3	81.0	75.8	70.3	71.4	63.7	64.9	61.9	63.0	64.0	66.0	76.1	65.5	65.0	70.0	
Henry Hub Spot		US\$/mmbtu : qtr. avg.	2.1	2.1	2.1	2.4	4.1	3.2	3.0	3.6	3.8	3.3	3.3	2.2	3.5	3.5	3.3	
Incomes		y/y % chng																
Pre-Tax Profits w/IVA,CCA		4.6	7.4	2.9	5.5	6.4	3.6	6.2	1.2	3.6	4.5	4.0	4.2	5.1	4.3	4.1	4.0	
Personal Income		5.9	5.7	5.4	5.4	5.1	5.1	5.2	5.0	4.4	4.0	4.1	4.1	5.6	5.1	4.2	4.1	
Real Disposable Income		3.5	3.0	2.8	2.4	2.0	2.2	2.1	1.8	1.7	1.4	1.6	1.9	2.9	2.0	1.6	2.0	
Savings Rate		% : quarterly avg.	6.2	5.8	5.1	4.7	5.2	5.3	4.9	4.8	4.8	4.9	4.9	4.9	5.4	5.0	4.9	4.9
Other Indicators		quarterly avg.																
Unemployment Rate		percent	3.8	4.0	4.2	4.2	4.1	4.2	4.3	4.6	4.7	4.7	4.7	4.7	4.0	4.3	4.7	4.4
Housing Starts		mlns : a.r.	1.42	1.34	1.34	1.39	1.40	1.35	1.35	1.35	1.40	1.41	1.41	1.42	1.37	1.36	1.41	1.43
Existing Home Sales		mlns : a.r.	4.14	4.02	3.94	4.16	4.13	3.99	4.02	4.20	4.60	4.81	4.84	4.86	4.07	4.08	4.78	4.93
Home Prices (Case-Shiller)		y/y % chng	7.3	6.8	5.2	4.4	4.5	2.8	1.6	0.7	0.1	1.2	2.0	5.9	2.4	1.4	2.4	
Motor Vehicle Sales		mlns : a.r.	15.7	16.0	15.9	16.6	16.5	16.2	16.7	15.6	15.8	16.0	16.2	16.0	16.3	16.1	16.6	
Payroll Employment Growth		q/q % chng : a.r.	1.5	1.3	0.9	1.3	1.3	0.7	0.3	0.3	0.4	0.5	0.6	1.3	0.9	0.5	0.9	
Industrial Production		q/q % chng : a.r.	-1.8	2.4	-0.6	-1.2	4.1	1.6	0.4	1.4	1.6	1.7	1.8	-0.3	1.3	1.5	1.8	
CBO Budget Deficit		% of GDP												-6.2	-5.9	-5.7	-5.8	

Bolded values represent forecasts

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