# U.S. Economic Outlook for Mar. 20, 2020

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

A Publication of Bino Capital markets Economi				2019				2020				2021				
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 2018 2019 2020 20 Production															2021	
				2.4	2.0	40.0	7.0	<b>.</b>	2.5	2.0	1.0	4 7	2.0	2.2	0.5	2 -
Real GDP (chain-weighted)	3.1	2.0	2.1	2.1	-2.0	-10.0	7.0	5.0	2.5	2.0	1.8	1.7	2.9	2.3	-0.5	2.5
Final Sales	2.6	3.0	2.1	3.1	-1.6	-9.8	6.5	4.8	2.4	1.9	1.8	1.7	2.8	2.2	-0.2	2.3
Final Domestic Demand	1.8	3.6	2.2	1.5	-1.2	-9.3	6.7	5.0	2.7	2.0	1.8	1.7	3.0	2.3	-0.2	2.5
Consumer Spending	1.1	4.6	3.2	1.7	-2.3	-11.3	6.9	5.2	3.0	2.2	1.9	1.8	3.0	2.6	-0.7	2.6
Durables	0.3	13.0	8.1	2.6	-4.0	-18.0	8.0	5.0	2.5	2.0	2.0	1.7	6.3	4.8	-1.3	2.0
Nondurables	2.2	6.5	3.9	-0.3	1.0	-8.0	6.0	4.0	3.0	2.5	2.0	1.7	3.0	3.2	0.5	2.5
Services	1.0	2.8	2.2	2.2	-3.0	-11.0	7.0	5.7	3.1	2.1	1.9	1.8	2.5	2.1	-0.9	2.7
Government Spending	2.9	4.8	1.7	2.6	3.8	6.2	4.9	2.8	1.4	1.1	0.9	0.9	1.7	2.3	3.9	2.2
Business Investment	4.4	-1.0	-2.3	-2.3	-3.3	-15.8	8.0	6.3	2.8	2.5	2.2	2.1	6.4	2.1	-3.4	2.6
Non-residential Construction	4.0	-11.1	-9.9	-8.1	-6.0	-25.0	9.0	7.0	3.0	3.0	2.0	2.0	4.1	-4.3	-8.7	2.2
Equipment	-0.1	0.8	-3.8	-4.4	<del>-</del> 6.0	-20.0	10.0	7.0	3.0	2.3	2.1	1.7	6.8	1.3	-5.2	2.6
Intellectual Property	10.8	3.6	4.7	4.0	2.0	-5.0	5.0	5.0	2.5	2.5	2.5	2.5	7.4	7.6	2.0	2.8
Residential Construction	-1.0	-3.0	4.6	6.2	6.0	-15.0	7.0	6.0	3.0	2.0	2.0	2.0	-1.5	-1.5	1.1	2.4
Exports	4.1	<del>-</del> 5.7	1.0	2.0	-4.0	-12.9	4.3	4.0	2.5	2.0	1.8	1.9	3.0	0.0	-2.7	1.7
Imports	-1.5	0.0	1.8	-8.6	-1.0	-9.0	6.2	5.0	4.0	2.5	2.0	1.9	4.4	1.0	-2.4	2.9
Inventory Change 2012\$ blns : a.r.	116.0	69.4	69.4	13.0	-7.0	-14.0	8.0	16.0	21.0	25.0	26.0	26.0	46.2	64.2	0.8	24.5
Contrib. to GDP Growth ppts : a.r.	0.5	-0.9	0.0	-1.0	-0.4	-0.1	0.5	0.2	0.1	0.1	0.0	0.0	0.1	0.1	-0.3	0.1
Net Exports 2012\$ blns : a.r.		<del>-</del> 980.7	-990.1	<del>-</del> 899.6	-916.7	<del>-</del> 922.2		<del>-</del> 964.3	<del>-</del> 982.8	<del>-</del> 991.9		1002.6	-920.0	<del>-</del> 953.6	-937.5	-993.8
Contrib. to GDP Growth ppts : a.r.	0.7	-0.7	-0.1	1.5	-0.4	-0.1	-0.5	-0.4	-0.4	-0.2	-0.1	-0.1	-0.4	-0.2	0.1	-0.3
Nominal GDP \$ blns : a.r.				,									20,580			
Growth q/q % chng : a.r.	3.9	4.7	3.8	3.5	-0.3	-10.5	9.5	6.9	4.4	3.8	3.6	3.5	5.4	4.1	0.8	4.2
Real GDP y/y % chng	2.7	2.3	2.1	2.3	1.0	-2.1	-0.9	-0.2	0.9	4.1	2.8	2.0				
Inflation		chng : a											_			
GDP Price Index	1.1	2.4	1.8	1.3	1.7	-0.5	2.3	1.8	1.8	1.7	1.7	1.8	2.4	1.8	1.3	1.7
Core PCE Deflator	1.1	1.9	2.1	1.2	1.8	0.7	0.9	1.3	1.6	1.7	1.7	1.7	2.0	1.6	1.4	1.4
CPI All Items	0.9	3.0	1.8	2.4	1.2	<del>-</del> 3.3	2.4	2.0	1.9	2.0	2.0	2.0	2.4	1.8	0.9	1.7
Ex. Food and Energy	2.2	2.2	2.8	2.0	2.3	1.0	1.1	1.6	1.9	1.9	1.9	2.0	2.1	2.2	1.9	1.7
Food Prices	3.4	1.6	1.0	1.9	2.6	2.3	2.0	2.0	2.0	2.0	2.0	2.0	1.4	1.9	2.0	2.0
Energy Prices	-15.4	15.4	-6.7	7.5	-11.6	-46.9	16.7	7.0	1.9	1.8	1.9	1.9	7.4	<del>-</del> 2.1	-10.5	0.2
Services	2.7	2.6	2.9	3.1	3.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.8	2.7	2.6	2.0
CPI All Items y/y % chng	1.6	1.8	1.8	2.0	2.1	0.5	0.6	0.5	0.7	2.1	2.0	2.0				
Ex. Food and Energy y/y % chng	2.1	2.1	2.3	2.3	2.3	2.0	1.6	1.5	1.4	1.6	1.8	1.9				
Core PCE Deflator y/y % chnq	1.6	1.6	1.7	1.6	1.7	1.5	1.1	1.2	1.1	1.4	1.6	1.7				
Fed Funds Rate % : qtr. avq.	2.38	2.38	2.13	1.63	1.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.83	2.13	0.38	0.13
90-Day T-Bill % : qtr. avg.	2.44	2.35	2.02	1.61	1.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	1.97	2.10	0.45	0.20
3-Month Libor % : qtr. avq.	2.70	2.51	2.20	1.94	1.50	0.75	0.60	0.45	0.45	0.45	0.45	0.45	2.30	2.34	0.85	0.45
10-Year Bond Yield % : qtr. avg.	2.65	2.33	1.79	1.79	1.40	0.70	0.75	0.85	0.95	1.10	1.25	1.40	2.91	2.14	0.90	1.15
10-Yr BBB Corp Spread ppts : qtr. avq.	1.94	1.82	1.79	1.67	2.00	2.80	2.50	2.40	2.35	2.35	2.35	2.35	1.59	1.81	2.43	2.35
Foreign Trade	\$ blns	а.г.														
Current Account Balance	-548	-505	-502	-439	-441	-395	-396	-409	-420	-423	-428	-431	-491	-498	-410	-425
Share of GDP	<del>-</del> 2.6	-2.4	<del>-</del> 2.3	-2.0	-2.0	-1.9	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	<del>-</del> 2.4	<del>-</del> 2.3	-1.9	-1.9
Merchandise Balance	-872	-898	-884	-811	-814	-763	-768	<del>-</del> 787	-804	-815	-824	-832	-887	-866	-783	-819
Non-Merchandise Balance	325	393	382	372	373	368	372	378	384	392	396	401	396	368	373	393
Yen ¥/USS : gtr. avg.	110	110	107	109	109	102	102	106	108	110	112	114	110	109	105	111
Euro US\$/€ : qtr. avq.	1.14	1.12	1.11	1.11	1.10	1.08	1.08	1.10	1.10	1.11	1.11	1.12	1.18	1.12	1.09	1.11
Pound $US\$/£ : qtr. avg.$	1.30	1.29	1.23	1.29	1.27	1.17	1.17	1.19	1.22	1.24	1.27	1.29	1.34	1.28	1.20	1.25
Trade-Wt. Dollar (broad) Jan '97=100	114.5	115.4	116.5	116.4	118.0	123.7	122.4	119.7	118.1	117.4	116.6	115.8	112.0	115.7	120.9	117.0
WTI Spot US\$/bbl : qtr. avq.	54.9	59.8	56.4	56.9	45.0	27.5	32.5	35.0	42.5	45.0	45.0	47.5	64.8	57.0	35.0	45.0
Henry Hub Spot US\$/mmbtu : qtr. avq.	2.9	2.6	2.4	2.4	1.9	2.0	2.2	2.4	2.3	2.1	2.2	2.4	3.2	2.6	2.1	2.2
Incomes	y/y %		2.7	2.7	1.2	2.0	2.2	2.7	2.3	2.1	۲.۲	2.7	3.2	2.0	2.1	2.2
Pre-Tax Profits with IVA and CCA	-2.2	1.3	-1.2	0.5	1.1	-10.3	-8.4	<del>-</del> 7.4	-3.3	6.0	4.9	3.8	3.4	-0.4	<del>-</del> 6.3	2.7
Personal Income	4.6	4.7	4.2	4.1	3.0	1.4	2.0	2.3	2.9	4.5	4.2	4.1	5.6	4.4	2.2	3.9
Real Disposable Income	3.3	3.0	2.7	2.4	1.6	1.6	1.8	2.1	2.4	2.6	2.5	2.3	4.0	2.9	1.8	2.5
Savings Rate %: quarterly avq.	8.5	7.8	7.7	7.7	8.4	11.3	10.5	10.0	9.9	9.9	10.0	10.1	7.7	7.9	10.1	10.0
		rly avg.			0.4	11.3	10.5	10.0	7.9	7.9	10.0	10.1	7.7	1.3	10.1	10.0
Unemployment Rate percent	3.9	3.6	3.6	3.5	3.7	5.0	4.8	4.5	4.4	4.3	4.3	4.3	3.9	3.7	4.5	4.3
Housing Starts mlns	1.21	1.26	1.28	1.44	1.53	1.29	1.33	1.35	1.35	1.36	1.36	1.37	1.25	1.30	1.38	1.36
Existing Home Sales mlns	5.20	5.29	5.41	5.42	5.46	4.83	4.89	5.04	5.10	5.11	5.12	5.13	5.33	5.33	5.06	5.12
Home Prices (Case-Shiller) y/y % chnq	2.9	2.3	2.1	2.5	2.2	-0.3	-0.3	-0.8	-0.1	2.3	2.7	2.7	5.7	2.4	0.2	1.9
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	16.9	17.1	17.1	16.9	16.5	14.8	16.1	16.6	16.4	16.3	16.2	16.3	17.3	17.0	16.0	16.3
Civilian Employment q/q % chng : a.r.	0.3	0.4	2.4	2.0	-0.2	-4.4 10.4	1.7	2.1	1.3	1.2	1.0	1.0	1.6	1.1	0.1	1.1
Industrial Production q/q % chng : a.r.	-1.9	<del>-</del> 2.3	1.1	0.2	-4.4	-19.4	11.1	6.2	3.0	2.3	1.7	1.7	3.9	0.9	-3.4	2.6
CBO Budget Deficit % of GDP													-3.9	-4.6	-4.9	-4.3
Shaded values represent forecasts																



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