

U.S. Economic Outlook for Mar. 20, 2026

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	4.4	0.7	2.3	1.7	1.8	2.0	2.8	2.1	2.2	1.9		
Final Sales					1.7	2.4	3.5	2.8	-3.2	7.5	4.5	0.4	2.4	1.5	1.7	2.0	2.8	2.2	2.3	1.8		
Final Domestic Demand					2.0	3.4	3.8	2.8	1.4	2.4	2.8	0.6	2.8	1.8	1.8	2.0	3.1	2.4	2.0	1.8		
Consumer Spending					1.7	3.9	4.0	3.9	0.6	2.5	3.5	2.0	2.0	1.6	1.8	2.1	2.9	2.6	2.1	2.0		
Durables					-0.9	7.8	8.6	13.0	-3.4	2.3	1.6	0.0	-1.0	0.0	0.9	2.5	3.9	3.6	0.3	1.8		
Nondurables					-1.6	4.3	4.8	3.8	2.2	2.2	3.9	0.6	2.3	1.5	1.5	2.0	2.3	3.0	1.9	2.0		
Services					3.2	3.2	3.0	2.5	0.8	2.6	3.6	2.7	2.4	1.9	2.0	2.0	3.0	2.3	2.5	2.0		
Government Spending					2.3	3.3	5.4	3.3	-1.0	-0.1	2.2	-5.8	5.9	1.9	0.6	0.8	3.8	1.1	1.1	0.4		
Business Investment					1.5	2.5	3.5	-3.7	9.5	7.3	3.2	2.2	3.6	3.0	3.1	3.2	2.9	4.1	3.3	2.6		
Non-residential Construction					-5.0	-3.9	-2.2	-8.1	-3.1	-7.5	-5.0	-7.1	1.4	1.4	1.4	1.4	1.1	-5.3	-1.6	1.8		
Equipment					0.5	8.9	8.2	-4.3	21.4	8.5	5.3	3.9	3.0	3.5	4.0	4.0	3.5	8.3	4.1	3.0		
Intellectual Property					6.7	0.7	2.6	-0.6	6.5	15.0	5.6	5.7	5.0	3.0	3.0	3.0	3.5	5.7	5.0	2.6		
Residential Construction					8.2	-2.0	-4.8	4.3	-1.0	-5.1	-7.1	-0.5	1.0	1.5	1.5	1.5	3.2	-2.1	-0.6	1.7		
Exports					4.6	0.7	8.9	-0.9	0.2	-1.8	9.6	-3.3	2.5	3.5	3.5	3.5	3.6	1.6	2.3	3.4		
Imports					6.9	8.4	10.1	-0.2	38.0	-29.3	-4.4	-1.1	5.3	5.0	3.4	3.3	5.8	2.7	-0.2	3.0		
Inventory Change					2017\$ blns : a.r.	12.4	75.1	69.4	17.1	172.0	-18.3	-23.9	-7.5	-10.0	2.0	8.0	10.0	43.6	25.1	2.5	20.0	
Contrib. to GDP Growth					ppts : a.r.	-0.8	1.2	-0.1	-0.9	2.6	-3.4	-0.1	0.3	0.0	0.2	0.1	0.0	0.0	-0.1	-0.1	0.1	
Net Exports					2017\$ blns : a.r.	-964.1	-1,032.2	-1,064.9	-1,069.0	-1,380.7	-1,058.0	-955.5	-968.2	-998.7	-1,020.7	-1,028.5	-1,035.4	-1,032.6	-1,090.6	-1,020.8	-1,040.0	
Contrib. to GDP Growth					ppts : a.r.	-0.4	-1.0	-0.4	-0.1	-4.7	4.8	1.6	-0.2	-0.5	-0.4	-0.1	-0.1	-0.5	-0.2	0.3	-0.1	
Nominal GDP					\$ blns : a.r.	28,708	29,147	29,512	29,825	30,042	30,486	31,098	31,443	31,934	32,360	32,662	33,001	29,298	30,767	32,489	33,812	
Growth					q/q % chng : a.r.	4.0	6.3	5.1	4.3	2.9	6.0	8.3	4.5	6.4	5.4	3.8	4.2	5.3	5.0	5.6	4.1	
Real GDP					y/y % chng	2.9	3.1	2.8	2.4	2.0	2.1	2.3	2.0	2.8	2.3	1.6	2.0					
Inflation		q/q % chng : a.r.																				
GDP Price Index					3.1	2.6	1.8	2.4	3.6	2.1	3.8	3.8	3.9	3.6	1.9	2.2	2.5	2.8	3.3	2.1		
Core PCE Deflator					4.0	2.9	2.4	2.7	3.3	2.6	2.9	2.7	3.6	3.2	2.3	1.9	2.9	2.8	2.9	2.1		
CPI All Items					3.7	2.7	1.3	3.2	3.7	1.7	3.1	2.5	3.8	4.5	1.5	1.4	3.0	2.7	3.0	2.1		
Ex. Food and Energy					4.2	3.2	2.2	3.5	3.4	2.2	3.2	2.0	3.0	3.5	2.6	2.1	3.4	2.9	2.8	2.3		
Food Prices					2.1	1.7	2.4	3.1	3.4	2.6	3.1	2.3	4.2	3.5	1.3	1.2	2.3	2.9	2.9	1.9		
Energy Prices					1.1	-0.9	-10.6	-0.3	8.6	-6.5	1.5	10.3	12.7	18.2	-11.5	-6.0	-1.3	0.1	6.0	0.0		
Services					6.3	4.3	3.3	4.2	4.1	3.3	3.4	2.3	3.7	3.5	2.6	2.1	4.9	3.7	3.1	2.3		
CPI All Items					y/y % chng	3.2	3.2	2.7	2.7	2.7	2.5	2.9	2.7	2.8	3.5	3.1	2.8					
Ex. Food and Energy					y/y % chng	3.8	3.4	3.3	3.3	3.1	2.8	3.1	2.7	2.6	2.9	2.8	2.8					
Core PCE Deflator					y/y % chng	3.1	2.8	2.8	3.0	2.8	2.7	2.9	2.9	3.0	3.1	3.0	2.8					
Financial		% : quarterly avg.																				
Fed Funds Rate					5.38	5.38	5.21	4.63	4.38	4.38	4.29	3.79	3.63	3.63	3.54	3.29	5.15	4.21	3.52	3.13		
90-Day T-Bill					5.45	5.47	5.22	4.58	4.34	4.37	4.26	3.86	3.70	3.70	3.65	3.30	5.18	4.21	3.60	3.05		
1-Year T-Bill					4.90	5.14	4.45	4.26	4.15	4.03	3.88	3.60	3.55	3.60	3.50	3.25	4.69	3.92	3.45	3.15		
10-Year Bond Yield					4.16	4.44	3.95	4.28	4.45	4.36	4.26	4.10	4.20	4.15	4.10	4.00	4.21	4.29	4.10	4.10		
10-Year BBB Corporate Spread					ppts	1.21	1.13	1.20	1.04	1.08	1.26	1.05	1.06	1.05	1.28	1.53	1.79	1.15	1.11	1.41	1.87	
Foreign Trade		\$ blns : a.r.																				
Current Account Balance					-1,043	-1,145	-1,305	-1,248	-1,759	-997	-906	-940	-1,037	-1,081	-1,067	-1,055	-1,185	-1,150	-1,060	-1,070		
Share of GDP					-3.6	-3.9	-4.4	-4.2	-5.9	-3.3	-2.9	-3.0	-3.2	-3.3	-3.3	-3.2	-4.0	-3.7	-3.3	-3.2		
Merchandise Balance					-1,113	-1,197	-1,237	-1,316	-1,863	-1,082	-1,069	-1,096	-1,152	-1,197	-1,188	-1,178	-1,215	-1,278	-1,179	-1,202		
Non-Merchandise Balance					69	51	-68	68	104	85	164	156	115	116	121	123	30	127	119	132		
Yen					¥/US\$: qtr. avg.	149	156	149	152	152	144	148	154	157	158	157	155	151	150	157	150	
Euro					US\$/€ : qtr. avg.	1.09	1.08	1.10	1.07	1.05	1.13	1.17	1.16	1.17	1.16	1.17	1.18	1.08	1.13	1.17	1.20	
Pound					US\$/£ : qtr. avg.	1.27	1.26	1.30	1.28	1.26	1.34	1.35	1.33	1.35	1.34	1.35	1.36	1.28	1.32	1.35	1.37	
Trade-Wt. Dollar (broad)					Jan. '97 = 100	120.7	122.6	122.6	125.8	127.7	122.4	120.2	120.8	119.0	119.2	118.4	117.6	122.9	122.8	118.6	115.7	
WTI Spot					US\$/bbl : qtr. avg.	77.3	81.1	75.9	70.3	71.4	63.9	65.0	59.1	72.7	84.6	74.5	68.1	76.1	64.8	75.0	68.0	
Henry Hub Spot					US\$/mmbtu : qtr. avg.	2.2	2.1	2.1	2.5	4.2	3.2	3.0	3.8	4.8	3.5	3.5	4.0	2.2	3.5	3.9	3.5	
Incomes		y/y % chng																				
Pre-Tax Profits w/IVA,CCA					4.6	7.4	2.9	5.5	6.4	3.6	9.3	4.5	7.5	8.7	5.0	5.0	5.1	5.9	6.5	4.1		
Personal Income					5.9	5.7	5.4	5.4	5.1	4.8	5.0	4.7	4.4	4.4	4.3	4.4	5.6	4.9	4.4	4.1		
Real Disposable Income					3.5	3.0	2.8	2.4	2.0	1.8	1.8	1.3	1.6	1.1	1.6	2.2	2.9	1.7	1.6	2.2		
Savings Rate					% : quarterly avg.	6.2	5.8	5.1	4.7	5.2	5.0	4.4	4.0	4.3	4.0	4.2	4.4	5.4	4.6	4.2	4.4	
Other Indicators		quarterly avg.																				
Unemployment Rate					percent	3.8	4.0	4.2	4.1	4.1	4.2	4.3	4.5	4.4	4.6	4.5	4.5	4.0	4.3	4.5	4.3	
Housing Starts					mlns : a.r.	1.42	1.34	1.34	1.39	1.40	1.35	1.35	1.33	1.42	1.40	1.40	1.41	1.37	1.36	1.41	1.42	
Existing Home Sales					mlns : a.r.	4.14	4.02	3.94	4.16	4.09	4.01	4.05	4.16	4.09	4.19	4.22	4.24	4.07	4.08	4.18	4.33	
Home Prices (Case-Shiller)					y/y % chng	7.3	6.8	5.2	4.4	4.5	2.8	1.6	1.4	1.2	2.2	3.0	2.5	5.9	2.5	2.2	2.4	
Motor Vehicle Sales					mlns : a.r.	15.7	16.0	15.9	16.6	16.5	16.2	16.7	15.9	15.5	16.1	16.2	16.4	16.0	16.3	16.0	16.6	
Payroll Employment Growth					q/q % chng : a.r.	1.4	0.9	0.5	0.8	0.5	0.4	0.1	-0.2	0.2	0.1	0.3	0.3	1.2	0.5	0.1	0.3	
Industrial Production					q/q % chng : a.r.	-2.6	2.7	-2.3	-1.5	4.2	1.8	2.1	-1.2	4.6	2.2	1.8	1.8	-0.7	1.2	2.0	1.8	
CBO Budget Deficit					% of GDP												-6.3	-5.8	-5.9	-5.7		

Bolded values represent forecasts

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