

# International Economic Outlook for May 22, 2026

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

		2025				2026				2027				2024	2025	2026	2027
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Global GDP Growth</b>	y/y % chng													3.4	3.4	<b>2.9</b>	<b>3.2</b>
<b>Japan</b>																	
Real GDP	saar : %	1.8	1.4	-2.5	0.8	2.1	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>0.7</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	-0.2	1.1	<b>0.7</b>	<b>0.8</b>
	y/y % chng	1.5	1.8	0.5	0.4	0.4	<b>0.2</b>	<b>1.0</b>	<b>1.1</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>	2.7	3.2	<b>1.9</b>	<b>2.3</b>
CPI All Items	y/y % chng	3.8	3.4	2.9	2.7	1.4	<b>2.0</b>	<b>2.3</b>	<b>2.0</b>	<b>2.9</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	2.7	3.2	<b>1.9</b>	<b>2.3</b>
Unemployment Rate	%	2.5	2.5	2.5	2.6	2.7	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	2.5	2.5	<b>2.5</b>	<b>2.4</b>
3-Month Interest Rate	%	0.8	0.8	0.8	0.9	1.2	<b>1.3</b>	<b>1.6</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	0.3	0.8	<b>1.5</b>	<b>1.9</b>
10-Year Government Bond	%	1.4	1.4	1.6	1.8	2.2	<b>2.5</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	0.9	1.5	<b>2.5</b>	<b>2.5</b>
<b>United Kingdom</b>																	
Real GDP	saar : %	2.3	0.6	0.7	0.6	2.5	<b>0.2</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	1.0	1.4	<b>1.0</b>	<b>0.9</b>
	y/y % chng	1.8	1.4	1.3	1.0	1.1	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	2.5	3.4	<b>3.1</b>	<b>2.4</b>
CPI All Items	y/y % chng	2.8	3.5	3.8	3.4	3.1	<b>3.1</b>	<b>3.0</b>	<b>3.1</b>	<b>2.9</b>	<b>2.5</b>	<b>2.1</b>	<b>2.0</b>	2.5	3.4	<b>3.1</b>	<b>2.4</b>
Unemployment Rate	%	4.5	4.7	5.0	5.2	5.0	<b>5.1</b>	<b>5.1</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	4.3	4.8	<b>5.0</b>	<b>4.9</b>
3-Month Interest Rate	%	4.5	4.2	4.0	3.8	3.7	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	5.0	4.1	<b>3.8</b>	<b>3.8</b>
10-Year Government Bond	%	4.6	4.6	4.6	4.5	4.5	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.8</b>	<b>4.7</b>	<b>4.6</b>	<b>4.5</b>	4.1	4.6	<b>4.8</b>	<b>4.6</b>
<b>Euro Area</b>																	
Real GDP	saar : %	2.4	0.6	1.2	0.8	0.6	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	0.9	1.5	<b>0.8</b>	<b>1.1</b>
	y/y % chng	1.6	1.6	1.4	1.3	0.8	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	2.4	2.1	<b>2.5</b>	<b>2.2</b>
CPI All Items	y/y % chng	2.3	2.0	2.1	2.1	2.0	<b>2.6</b>	<b>2.7</b>	<b>2.8</b>	<b>3.0</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	2.4	2.1	<b>2.5</b>	<b>2.2</b>
Unemployment Rate	%	6.3	6.3	6.3	6.3	6.2	<b>6.3</b>	<b>6.3</b>	<b>6.3</b>	<b>6.2</b>	<b>6.2</b>	<b>6.1</b>	<b>6.0</b>	6.3	6.3	<b>6.3</b>	<b>6.1</b>
3-Month Interest Rate	%	2.6	2.1	2.0	2.0	2.0	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	3.6	2.2	<b>2.3</b>	<b>2.4</b>
10-Year Government Bond	%	2.6	2.5	2.7	2.7	2.9	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.9</b>	<b>2.8</b>	2.3	2.6	<b>3.0</b>	<b>2.9</b>
<b>Germany</b>																	
Real GDP	saar : %	1.5	-0.8	-0.2	1.0	1.4	<b>0.6</b>	<b>0.7</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	-0.5	0.3	<b>0.7</b>	<b>1.0</b>
	y/y % chng	0.3	0.4	0.3	0.4	0.3	<b>0.7</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	2.5	2.3	<b>2.8</b>	<b>2.4</b>
CPI All Items	y/y % chng	2.6	2.1	2.1	2.3	2.3	<b>2.8</b>	<b>2.8</b>	<b>3.1</b>	<b>3.2</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	2.5	2.3	<b>2.8</b>	<b>2.4</b>
Unemployment Rate	%	6.2	6.3	6.3	6.3	6.3	<b>6.4</b>	<b>6.3</b>	<b>6.2</b>	<b>6.2</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>	6.0	6.3	<b>6.3</b>	<b>6.1</b>
<b>France</b>																	
Real GDP	saar : %	0.7	1.4	2.2	0.8	0.0	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	1.1	0.9	<b>0.8</b>	<b>1.0</b>
	y/y % chng	0.6	0.8	1.0	1.3	1.1	<b>0.9</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	2.3	0.9	<b>2.1</b>	<b>2.1</b>
CPI All Items	y/y % chng	1.2	0.8	0.9	0.8	1.2	<b>2.3</b>	<b>2.3</b>	<b>2.7</b>	<b>2.6</b>	<b>1.9</b>	<b>1.9</b>	<b>2.0</b>	2.3	0.9	<b>2.1</b>	<b>2.1</b>
Unemployment Rate	%	7.5	7.6	7.7	7.9	7.7	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	7.4	7.7	<b>7.6</b>	<b>7.5</b>
<b>Italy</b>																	
Real GDP	saar : %	1.2	0.1	0.9	1.3	0.7	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	0.6	0.7	<b>0.8</b>	<b>0.9</b>
	y/y % chng	0.6	0.4	0.7	0.9	0.7	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	1.1	1.6	<b>2.2</b>	<b>1.8</b>
CPI All Items	y/y % chng	1.8	1.8	1.6	1.3	1.4	<b>2.3</b>	<b>2.3</b>	<b>2.7</b>	<b>2.4</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	1.1	1.6	<b>2.2</b>	<b>1.8</b>
Unemployment Rate	%	6.4	6.3	6.0	5.7	5.3	<b>5.5</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.7</b>	<b>5.7</b>	6.6	6.1	<b>5.5</b>	<b>5.7</b>
<b>China</b>																	
Real GDP	y/y % chng	5.4	5.2	4.8	4.5	5.0	<b>4.5</b>	<b>4.7</b>	<b>4.5</b>	<b>4.4</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	5.0	5.0	<b>4.7</b>	<b>4.5</b>
CPI All Items	y/y % chng	-0.1	0.0	-0.2	0.6	0.8	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	0.2	0.1	<b>1.0</b>	<b>1.5</b>
Current Account Balance	% of GDP													2.5	3.8	<b>3.0</b>	<b>2.5</b>
<b>Exchange Rates</b>																	
Yen	¥/US\$	152	144	148	154	157	<b>158</b>	<b>157</b>	<b>155</b>	<b>153</b>	<b>151</b>	<b>148</b>	<b>146</b>	151	150	<b>157</b>	<b>150</b>
Euro	US\$/€	1.05	1.13	1.17	1.16	1.17	<b>1.17</b>	<b>1.17</b>	<b>1.18</b>	<b>1.19</b>	<b>1.20</b>	<b>1.21</b>	<b>1.22</b>	1.08	1.13	<b>1.17</b>	<b>1.20</b>
Pound	US\$/£	1.26	1.34	1.35	1.33	1.35	<b>1.34</b>	<b>1.34</b>	<b>1.35</b>	<b>1.36</b>	<b>1.36</b>	<b>1.37</b>	<b>1.38</b>	1.28	1.32	<b>1.35</b>	<b>1.37</b>
Pound/Euro	£/€	0.84	0.85	0.87	0.88	0.87	<b>0.87</b>	<b>0.87</b>	<b>0.87</b>	<b>0.88</b>	<b>0.88</b>	<b>0.88</b>	<b>0.88</b>	0.85	0.86	<b>0.87</b>	<b>0.88</b>
Yen/Euro	¥/€	160	164	172	179	184	<b>185</b>	<b>184</b>	<b>183</b>	<b>182</b>	<b>180</b>	<b>179</b>	<b>177</b>	164	169	<b>184</b>	<b>180</b>
Yuan	CNY/US\$	7.27	7.23	7.16	7.09	6.92	<b>6.81</b>	<b>6.79</b>	<b>6.78</b>	<b>6.78</b>	<b>6.77</b>	<b>6.76</b>	<b>6.75</b>	7.20	7.19	<b>6.83</b>	<b>6.76</b>

Bolded values represent forecasts

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