

# United States Economic Outlook

BMO Capital Markets Economics

November 20, 2009

	2009				2010				2011				2008	2009	2010	2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>PRODUCTION</b>																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	-6.4	-0.7	3.5	3.0	2.3	2.5	2.7	2.9	3.2	3.5	3.6	3.7	0.4	-2.4	2.5	3.2
Final Sales	-4.1	0.7	2.6	1.6	0.5	1.6	2.2	2.6	3.2	3.5	3.6	3.6	0.8	-1.6	1.5	3.0
Final Domestic Demand	-6.4	-0.9	3.0	1.4	0.4	1.5	2.2	2.5	3.1	3.4	3.5	3.5	-0.4	-2.6	1.4	2.9
Consumer Spending	0.6	-0.9	3.4	2.0	1.0	1.6	2.3	2.4	2.9	3.4	3.8	3.7	-0.2	-0.5	1.7	2.9
durables	3.9	-5.6	22.4	-3.0	0.5	1.0	2.0	2.0	2.5	3.5	4.0	5.0	-4.5	-3.9	2.3	2.8
nondurables	1.9	-1.9	2.0	4.5	1.1	1.8	2.0	2.3	3.0	4.0	5.0	5.0	-0.8	-0.9	2.0	3.2
services	-0.3	0.2	1.2	2.5	1.0	1.6	2.4	2.5	3.0	3.2	3.3	3.0	0.7	0.2	1.6	2.8
Government Spending	-2.6	6.7	2.3	0.3	-1.3	1.0	1.0	1.2	2.7	2.4	1.9	2.2	3.1	1.9	0.8	1.9
Business Investment	-39.2	-9.6	-2.5	-1.3	-0.9	1.5	3.4	4.7	4.2	4.7	4.7	4.7	1.6	-17.7	-0.4	4.2
non-residential construction	-43.6	-17.3	-9.0	-10.0	-8.5	-2.0	2.2	4.0	3.5	4.0	3.7	4.0	10.3	-18.3	-6.3	3.2
equipment & software	-36.4	-4.9	1.1	2.0	2.5	3.0	4.0	5.0	4.5	5.0	5.2	5.0	-2.6	-17.5	2.2	4.7
Residential Construction	-38.2	-23.2	23.3	2.0	3.0	4.0	5.0	5.0	4.8	5.0	5.2	5.5	-22.9	-20.2	3.8	4.9
Exports	-29.9	-4.1	14.7	4.7	3.0	3.0	3.5	4.7	4.0	3.9	3.7	3.7	5.4	-10.9	4.4	3.9
Imports	-36.4	-14.7	16.3	2.5	2.0	2.1	3.0	3.0	3.2	3.2	3.2	3.0	-3.2	-15.0	2.8	3.1
	(billions of 2005 dollars : a.r.)															
Inventory Change	-113.9	-160.2	-130.8	-89.0	-29.0	1.0	16.0	25.0	28.0	30.0	29.0	30.0	-25.7	-124.0	3.3	29.3
Net Exports	-386.5	-330.3	-348.2	-342.5	-340.6	-339.0	-339.8	-336.1	-335.6	-335.9	-336.5	-336.4	-494.3	-351.9	-338.9	-336.1
Contribution to GDP Growth	2.6	1.8	-0.6	0.2	0.1	0.0	-0.0	0.1	0.0	-0.0	-0.0	0.0	1.2	1.1	0.1	0.0
	(billions of dollars : a.r.)															
Nominal GDP	14,178	14,151	14,302	14,451	14,566	14,708	14,863	15,035	15,231	15,440	15,653	15,873	14,441	14,270	14,793	15,549
(% chng : a.r.)	-4.6	-0.8	4.3	4.2	3.2	4.0	4.3	4.7	5.3	5.6	5.7	5.7	2.6	-1.2	3.7	5.1
<b>INFLATION</b>																
	(quarter/quarter % change : a.r.)															
GDP Price Index	1.9	-0.0	0.8	1.3	0.9	1.4	1.5	1.7	2.0	2.0	2.0	2.0	2.1	1.3	1.1	1.9
Core PCE Deflator	1.1	2.0	1.4	1.3	0.9	1.7	0.9	1.5	1.1	1.4	1.2	1.1	2.4	1.5	1.3	1.2
CPI All Items	-2.4	1.3	3.6	2.7	1.4	1.9	2.0	1.5	1.5	2.0	1.8	1.7	3.8	-0.4	2.1	1.8
Excl. Food & Energy	1.5	2.4	1.5	1.7	0.9	1.7	1.3	0.7	0.7	1.5	1.3	1.2	2.3	1.7	1.4	1.1
Food Prices	0.1	-1.8	-1.1	0.5	1.2	1.2	1.2	1.2	2.0	2.3	1.3	1.2	5.5	1.8	0.6	1.6
Energy Prices	-34.3	-3.0	35.9	16.6	5.3	4.5	8.7	9.2	7.0	6.2	6.2	6.2	13.5	-18.5	10.7	7.1
Services	1.0	0.2	0.9	1.5	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.5	1.4	1.2	1.2
	(year/year % change)															
CPI All Items	-0.2	-0.9	-1.6	1.3	2.3	2.4	2.0	1.7	1.7	1.8	1.7	1.8				
Excl. Food & Energy	1.7	1.8	1.5	1.8	1.6	1.5	1.4	1.2	1.1	1.1	1.1	1.2				
<b>FINANCIAL</b>																
	(average for the quarter)															
Fed Funds Rate	0.13	0.13	0.13	0.13	0.13	0.13	0.25	0.75	1.33	1.83	2.25	2.75	1.86	0.13	0.31	2.04
90 Day T-Bill	0.21	0.17	0.16	0.07	0.07	0.08	0.21	0.72	1.30	1.80	2.22	2.72	1.39	0.15	0.27	2.01
3-Month Libor	1.25	0.87	0.42	0.28	0.29	0.30	0.43	0.93	1.52	2.02	2.43	2.93	2.92	0.70	0.49	2.22
10 Year Bond Yield	2.74	3.31	3.52	3.46	3.58	3.71	3.83	3.96	4.17	4.42	4.67	4.92	3.67	3.26	3.77	4.54
<b>FOREIGN TRADE</b>																
	(billions of dollars : a.r.)															
Current Account Balance	-418	-395	-472	-436	-431	-426	-423	-418	-415	-416	-414	-415	-706	-430	-425	-415
Merchandise Balance	-496	-462	-534	-535	-539	-538	-538	-534	-538	-542	-547	-551	-840	-507	-537	-544
Non-Merchandise Balance	78	67	62	99	107	111	115	116	123	126	132	135	134	77	112	129
	(average for the quarter)															
Exchange Rate (¥/US\$)	94	97	94	91	93	95	97	99	102	104	107	109	103	94	96	105
Exchange Rate (US\$/€)	1.30	1.36	1.43	1.49	1.51	1.52	1.53	1.55	1.53	1.51	1.48	1.46	1.47	1.40	1.53	1.50
Exchange Rate (US\$/£)	1.44	1.55	1.64	1.64	1.67	1.70	1.72	1.74	1.76	1.77	1.78	1.80	1.85	1.57	1.71	1.78
<b>COMMODITY PRICES</b>																
	(average for the quarter)															
WTI spot (US\$/bbl)	43.0	59.5	68.2	77.3	77.0	74.0	72.7	76.3	83.7	84.3	85.0	87.0	99.6	62.0	75.0	85.0
Henry Hub spot (US\$/mmBtu)	4.6	3.7	3.2	4.3	5.3	5.0	4.8	5.8	6.3	5.8	5.7	6.3	8.9	3.9	5.2	6.0
	(year/year % change)															
Pre-tax Profits with IVA and CCA	-19.0	-12.6	-9.9	19.2	17.8	15.9	10.7	10.1	7.2	6.5	5.7	5.6	-11.8	-7.0	13.5	6.2
Personal Income	-1.6	-2.6	-2.7	-1.4	1.9	2.8	4.1	4.4	4.7	4.9	5.2	5.4	2.9	-2.1	3.3	5.1
Real Disposable Income	1.0	-0.4	1.0	0.6	1.4	1.4	3.2	3.7	3.5	3.4	3.3	3.3	0.5	0.5	2.4	3.4
	(average for the quarter)															
Savings Rate (%)	3.7	4.9	3.4	3.3	3.9	4.4	4.7	5.0	5.0	5.0	4.9	4.9	2.7	3.8	4.5	5.0
<b>OTHER INDICATORS</b>																
	(average or end for the quarter : a.r.)															
Unemployment Rate (%)	8.1	9.2	9.6	10.3	10.4	10.3	10.2	10.0	9.7	9.3	8.8	8.4	5.8	9.3	10.2	9.0
Housing Starts (millions)	0.53	0.54	0.59	0.55	0.63	0.72	0.78	0.82	0.86	0.92	0.96	0.99	0.90	0.55	0.74	0.93
Motor Vehicle Sales (millions)	9.5	9.6	11.5	10.8	11.3	12.7	13.5	13.8	14.2	14.8	15.3	15.7	13.2	10.4	12.8	15.0
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	-6.7	-2.8	-3.0	-3.6	0.6	1.4	1.4	1.6	2.4	2.7	2.8	2.7	-0.5	-3.7	-0.6	2.2
Industrial Production	-19.0	-10.3	5.6	4.3	2.7	2.8	3.0	3.2	3.4	3.6	3.5	3.4	-2.2	-9.9	2.6	3.3

Note: Outlined areas represent forecast periods

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