

United States Economic Outlook

BMO Capital Markets Economics

February 5, 2010

	2009				2010				2011				2008	2009	2010	2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PRODUCTION																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	-6.4	-0.7	2.2	5.7	3.0	2.2	2.3	2.7	3.4	3.5	3.6	3.7	0.4	-2.4	2.9	3.1
Final Sales	-4.1	0.7	1.5	2.2	2.1	1.8	2.2	2.4	3.1	3.5	3.6	3.6	0.8	-1.7	2.0	2.9
Final Domestic Demand	-6.4	-0.9	2.3	1.7	1.8	1.7	2.1	2.4	3.0	3.4	3.5	3.5	-0.4	-2.7	1.7	2.9
Consumer Spending	0.6	-0.9	2.8	2.0	1.9	2.0	2.3	2.4	2.9	3.4	3.8	3.7	-0.2	-0.6	1.9	2.9
durables	3.9	-5.6	20.4	-0.9	2.5	1.7	2.0	2.0	2.5	3.5	4.0	5.0	-4.5	-4.0	3.1	2.8
nondurables	1.9	-1.9	1.5	4.3	2.5	2.0	2.0	2.3	3.0	4.0	5.0	5.0	-0.8	-1.0	2.3	3.2
services	-0.3	0.2	0.8	1.7	2.0	2.0	2.4	2.5	3.0	3.2	3.3	3.0	0.7	0.1	1.8	2.8
Government Spending	-2.6	6.7	2.7	-0.2	3.0	0.7	0.5	0.8	2.3	2.4	1.9	2.2	3.1	1.9	1.7	1.7
Business Investment	-39.2	-9.6	-5.9	2.9	-1.3	1.6	3.5	4.7	4.2	4.7	4.8	4.7	1.6	-17.9	-0.2	4.3
non-residential construction	-43.6	-17.3	-18.4	-15.4	-10.0	-2.0	2.2	4.0	3.5	4.0	3.7	4.0	10.3	-19.7	-9.1	3.2
equipment & software	-36.4	-4.9	1.5	13.3	5.0	3.0	4.0	5.0	4.5	5.0	5.2	5.0	-2.6	-16.9	4.9	4.6
Residential Construction	-38.2	-23.2	18.9	5.7	1.0	4.0	5.0	5.0	4.8	5.0	5.2	5.5	-22.9	-20.4	3.5	5.0
Exports	-29.9	-4.1	17.8	18.1	8.0	4.5	4.7	5.2	4.0	3.9	3.7	3.7	5.4	-9.9	8.9	4.3
Imports	-36.4	-14.7	21.3	10.5	4.6	3.3	3.8	4.2	3.2	3.2	3.2	3.0	-3.2	-14.2	5.9	3.5
	(billions of 2005 dollars : a.r.)															
Inventory Change	-113.9	-160.2	-139.2	-33.5	-4.0	6.0	11.0	18.0	28.0	30.0	29.0	30.0	-25.7	-112.1	7.8	29.3
Net Exports	-386.5	-330.3	-357.4	-341.1	-332.4	-330.6	-330.2	-330.0	-329.1	-329.1	-329.5	-329.2	-494.3	-353.8	-330.8	-329.2
Contribution to GDP Growth	2.6	1.8	-0.8	0.5	0.3	0.1	0.0	0.0	0.0	-0.0	-0.0	0.0	1.2	1.1	0.2	0.0
	(billions of dollars : a.r.)															
Nominal GDP	14,178	14,151	14,242	14,463	14,627	14,752	14,890	15,049	15,251	15,460	15,675	15,895	14,441	14,259	14,830	15,570
(% chng : a.r.)	-4.6	-0.8	2.6	6.4	4.6	3.5	3.8	4.3	5.5	5.6	5.7	5.7	2.6	-1.3	4.0	5.0
INFLATION																
	(quarter/quarter % change : a.r.)															
GDP Price Index	1.9	-0.0	0.4	0.6	1.5	1.3	1.4	1.6	2.0	2.0	2.0	2.0	2.1	1.2	1.1	1.8
Core PCE Deflator	1.1	2.0	1.2	1.4	0.9	1.8	0.9	1.1	1.1	1.8	1.2	1.1	2.4	1.5	1.3	1.2
CPI All Items	-2.4	1.3	3.6	3.4	1.9	2.0	1.8	2.0	1.9	2.2	1.8	1.8	3.8	-0.3	2.4	1.9
Excl. Food & Energy	1.5	2.4	1.5	1.5	1.1	1.9	1.0	1.2	1.2	1.9	1.3	1.2	2.3	1.7	1.5	1.4
Food Prices	0.1	-1.8	-1.1	0.5	1.4	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	27.9	9.6	4.5	8.7	9.2	7.0	4.8	5.9	7.0	13.5	-18.0	13.7	6.9
Services	1.0	0.2	0.9	1.4	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.5	1.4	1.1	1.2
	(year/year % change)															
CPI All Items	-0.2	-0.9	-1.6	1.5	2.6	2.8	2.3	1.9	1.9	2.0	2.0	1.9	1.9	2.0	2.0	1.9
Excl. Food & Energy	1.7	1.8	1.5	1.7	1.6	1.5	1.4	1.3	1.3	1.3	1.4	1.4	1.3	1.3	1.4	1.4
FINANCIAL																
	(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	0.06	0.07	0.08	0.21	0.71	1.29	1.79	2.21	2.71	1.39	0.15	0.27	2.00
3-Month Libor	1.25	0.87	0.42	0.27	0.25	0.25	0.37	0.87	1.46	1.96	2.37	2.87	2.92	0.70	0.44	2.17
10 Year Bond Yield	2.74	3.31	3.52	3.46	3.68	3.77	3.90	4.05	4.27	4.52	4.77	5.02	3.67	3.26	3.85	4.64
FOREIGN TRADE																
	(billions of dollars : a.r.)															
Current Account Balance	-418	-392	-432	-480	-468	-467	-471	-474	-475	-477	-476	-473	-706	-430	-470	-475
Merchandise Balance	-496	-462	-529	-589	-595	-602	-611	-622	-626	-631	-637	-642	-840	-519	-608	-634
Non-Merchandise Balance	78	70	96	110	127	135	141	148	151	154	161	169	134	89	138	159
	(average for the quarter)															
Exchange Rate (¥/US\$)	94	97	94	90	91	92	96	99	102	104	107	109	103	94	94	105
Exchange Rate (US\$/€)	1.30	1.36	1.43	1.48	1.41	1.43	1.46	1.49	1.49	1.48	1.47	1.45	1.47	1.39	1.45	1.47
Exchange Rate (US\$/£)	1.44	1.55	1.64	1.63	1.62	1.66	1.70	1.74	1.77	1.79	1.82	1.84	1.85	1.57	1.68	1.80
COMMODITY PRICES																
	(average for the quarter)															
WTI spot (US\$/bbl)	43.0	59.5	68.2	76.1	79.1	77.0	76.0	79.0	83.7	84.3	85.0	87.0	99.6	61.7	77.8	85.0
Henry Hub spot (US\$/mmBtu)	4.6	3.7	3.2	4.4	6.4	5.4	4.5	5.5	6.3	5.8	5.7	6.3	8.9	4.0	5.4	6.0
	(year/year % change)															
Pre-tax Profits with IVA and CCA	-19.0	-12.6	-6.6	24.1	22.9	20.8	11.1	9.9	6.8	6.3	5.7	5.6	-11.8	-5.1	15.8	6.1
Personal Income	-1.6	-2.0	-1.6	-0.2	3.0	3.3	4.1	4.3	4.7	4.9	5.2	5.4	2.9	-1.4	3.7	5.1
Real Disposable Income	1.0	0.2	2.1	1.8	2.2	1.6	2.8	3.1	3.4	3.3	3.3	3.3	0.5	1.3	2.4	3.3
	(average for the quarter)															
Savings Rate (%)	3.7	5.4	4.5	4.6	4.7	5.1	5.3	5.6	5.6	5.5	5.5	5.4	2.7	4.6	5.2	5.5
OTHER INDICATORS																
	(average or end for the quarter : a.r.)															
Unemployment Rate (%)	8.2	9.3	9.7	10.0	9.8	10.0	9.8	9.6	9.3	8.8	8.4	7.9	5.8	9.3	9.8	8.6
Housing Starts (millions)	0.53	0.54	0.59	0.55	0.60	0.64	0.69	0.76	0.80	0.87	0.95	0.99	0.90	0.55	0.67	0.90
Motor Vehicle Sales (millions)	9.5	9.6	11.5	10.9	11.2	12.4	13.5	13.8	14.2	14.8	15.3	15.7	13.2	10.4	12.7	15.0
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	-6.3	-3.1	-3.2	-3.4	0.3	0.8	1.4	1.6	2.4	2.7	2.8	2.7	-0.5	-3.8	-0.7	2.2
Industrial Production	-19.0	-10.4	6.9	7.0	4.6	2.8	3.0	3.2	3.4	3.6	3.5	3.4	-2.2	-9.7	3.7	3.3

Note: Outlined areas represent forecast periods

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