

# United States Economic Outlook

BMO Capital Markets Economics

March 12, 2010

	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	2.2	5.9	3.2	2.2	2.3	2.7	3.4	3.5	3.6	3.7	0.4	-2.4	3.0	3.1
Final Sales	-4.1	0.7	1.5	1.9	2.7	1.8	2.2	2.4	3.1	3.5	3.6	3.6	0.8	-1.7	2.1	3.0
Final Domestic Demand	-6.4	-0.9	2.3	1.6	2.6	1.7	2.1	2.4	3.0	3.4	3.5	3.6	-0.4	-2.7	1.9	2.9
Consumer Spending	0.6	-0.9	2.8	1.7	3.2	2.0	2.3	2.4	2.9	3.4	3.8	3.7	-0.2	-0.6	2.2	2.9
durables	3.9	-5.6	20.4	0.2	2.5	1.7	2.0	2.0	2.5	3.5	4.0	5.0	-4.5	-3.9	3.4	2.8
nondurables	1.9	-1.9	1.5	4.1	5.9	2.0	2.0	2.3	3.0	4.0	5.0	5.0	-0.8	-1.0	3.1	3.2
services	-0.3	0.2	0.8	1.2	2.9	2.0	2.4	2.5	3.0	3.2	3.3	3.0	0.7	0.1	1.9	2.8
Government Spending	-2.6	6.7	2.7	-1.2	3.8	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	6.5	-3.9	1.6	3.5	4.7	4.2	4.7	4.8	4.7	1.6	-17.7	-0.2	4.3
non-residential construction	-43.6	-17.3	-18.4	-13.9	-10.0	-2.0	2.2	4.0	3.5	4.0	3.7	4.0	10.3	-19.6	-8.8	3.2
equipment & software	-36.4	-4.9	1.5	18.2	1.0	3.0	4.0	5.0	4.5	5.0	5.2	5.0	-2.6	-16.7	4.7	4.7
Residential Construction	-38.2	-23.2	18.9	5.0	1.0	4.0	5.0	5.0	4.8	5.0	5.2	5.5	-22.9	-20.4	3.3	5.0
Exports	-29.9	-4.1	17.8	22.4	8.0	4.5	4.7	5.2	4.0	3.9	3.7	3.7	5.4	-9.6	9.6	4.3
Imports	-36.4	-14.7	21.3	15.3	6.3	3.3	3.8	4.2	3.2	3.2	3.2	3.0	-3.2	-13.9	7.1	3.5
	(billions of 2005 dollars : a.r.)															
Inventory Change	-113.9	-160.2	-139.2	-16.9	-4.0	6.0	11.0	18.0	28.0	30.0	29.0	30.0	-25.7	-108.0	7.8	29.3
Net Exports	-386.5	-330.3	-357.4	-347.2	-346.0	-344.2	-344.0	-343.8	-343.0	-343.1	-343.7	-343.3	-494.3	-355.4	-344.5	-343.3
Contribution to GDP Growth	2.6	1.8	-0.8	0.3	0.0	0.1	0.0	0.0	0.0	-0.0	-0.0	0.0	1.2	1.0	0.1	0.0
	(billions of dollars : a.r.)															
Nominal GDP	14 178	14 151	14 242	14 462	14 628	14 753	14 891	15 050	15 252	15 461	15 676	15 896	14 441	14 258	14 830	15 571
(% chng : a.r.)	-4.6	-0.8	2.6	6.3	4.7	3.5	3.8	4.3	5.5	5.6	5.7	5.7	2.6	-1.3	4.0	5.0
<b>INFLATION</b>																
	(quarter/quarter % change : a.r.)															
GDP Price Index	1.9	-0.0	0.4	0.4	1.5	1.3	1.4	1.6	2.0	2.0	2.0	2.0	2.1	1.2	1.0	1.8
Core PCE Deflator	1.1	2.0	1.2	1.6	1.0	1.9	0.9	1.1	0.4	1.8	1.5	1.1	2.4	1.5	1.3	1.1
CPI All Items	-2.2	1.9	3.7	2.6	2.1	2.1	1.8	2.0	1.4	2.2	2.0	1.8	3.8	-0.3	2.3	1.8
Excl. Food & Energy	1.6	2.3	1.5	1.5	0.4	2.0	1.0	1.2	0.5	1.9	1.6	1.2	2.3	1.7	1.3	1.2
Food Prices	0.1	-1.5	-1.3	0.4	1.9	1.2	1.2	1.2	2.0	2.3	1.3	1.2	5.5	1.8	0.7	1.6
Energy Prices	-33.6	3.4	37.4	16.7	18.7	4.5	8.7	9.2	7.0	4.8	5.9	7.0	13.7	-18.1	14.6	6.9
Services	1.1	0.2	0.9	1.3	-0.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.5	1.4	0.8	1.2
	(year/year % change)															
CPI All Items	-0.2	-1.0	-1.6	1.5	2.6	2.6	2.2	2.0	1.8	1.8	1.9	1.8				
Excl. Food & Energy	1.7	1.8	1.5	1.7	1.5	1.4	1.3	1.2	1.2	1.2	1.3	1.3				
<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	0.06	0.10	0.13	0.26	0.76	1.34	1.84	2.26	2.76	1.39	0.15	0.31	2.05
3-Month Libor	1.25	0.87	0.42	0.27	0.25	0.25	0.38	0.88	1.46	1.96	2.38	2.88	2.92	0.70	0.44	2.17
10 Year Bond Yield	2.74	3.31	3.52	3.46	3.68	3.67	3.77	3.93	4.17	4.42	4.67	4.92	3.67	3.26	3.76	4.54
<b>FOREIGN TRADE</b>																
	(billions of dollars : a.r.)															
Current Account Balance	-418	-392	-432	-478	-485	-489	-490	-496	-493	-496	-494	-496	-706	-430	-490	-495
Merchandise Balance	-496	-462	-529	-598	-612	-620	-629	-641	-645	-650	-656	-661	-840	-521	-626	-653
Non-Merchandise Balance	78	70	96	120	127	131	139	145	152	155	162	165	134	91	136	158
	(average for the quarter)															
Exchange Rate (¥/US\$)	94	97	94	90	90	92	96	99	102	104	107	109	103	94	94	105
Exchange Rate (US\$/€)	1.30	1.36	1.43	1.48	1.38	1.39	1.41	1.44	1.44	1.43	1.42	1.40	1.47	1.39	1.41	1.42
Exchange Rate (US\$/£)	1.44	1.55	1.64	1.63	1.57	1.55	1.58	1.60	1.62	1.64	1.67	1.69	1.85	1.57	1.57	1.65
<b>COMMODITY PRICES</b>																
	(average for the quarter)															
WTI spot (US\$/bbl)	43.0	59.5	68.2	76.1	77.9	77.0	77.2	80.0	83.7	84.3	85.0	87.0	99.6	61.7	78.0	85.0
Henry Hub spot (US\$/mmBtu)	4.6	3.7	3.2	4.4	5.6	5.3	4.6	5.5	6.1	5.5	5.4	6.0	8.9	4.0	5.2	5.8
	(year/year % change)															
Pre-tax Profits with IVA and CCA	-19.0	-12.6	-6.6	24.1	23.0	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	-2.3	-1.0	2.2	2.5	4.0	4.3	4.7	4.9	5.2	5.4	2.9	-1.7	3.3	5.1
Real Disposable Income	1.0	0.2	1.5	1.1	1.6	1.3	3.4	4.1	4.3	3.9	3.5	3.3	0.5	0.9	2.6	3.8
	(average for the quarter)															
Savings Rate (%)	3.7	5.4	3.9	4.1	3.8	4.5	5.1	5.6	5.6	5.6	5.5	5.5	2.7	4.3	4.8	5.5
<b>OTHER INDICATORS</b>																
	(average or end for the quarter : a.r.)															
Unemployment Rate (%)	8.2	9.3	9.7	10.0	9.7	9.7	9.6	9.5	9.2	8.9	8.4	8.0	5.8	9.3	9.6	8.6
Housing Starts (millions)	0.53	0.54	0.59	0.56	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	10.5	11.0	11.7	12.5	13.0	13.2	13.4	13.6	13.2	10.4	11.4	13.3
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	-6.3	-3.1	-3.2	-3.4	1.2	1.6	1.1	1.3	1.9	2.2	2.8	2.7	-0.5	-3.8	-0.4	1.9
Industrial Production	-19.0	-10.4	6.4	6.6	8.0	3.0	3.0	3.2	3.4	3.6	3.5	3.4	-2.2	-9.7	4.4	3.4

Note: Outlined areas represent forecast periods

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