

United States Economic Outlook

BMO Capital Markets Economics

February 3, 2012

	2011				2012				2013				2010	2011	2012	2013
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PRODUCTION																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	0.4	1.3	1.8	2.8	2.5	2.2	2.7	2.9	2.3	2.6	3.1	3.3	3.0	1.7	2.4	2.7
Final Sales	0.0	1.6	3.2	0.8	2.4	2.2	2.7	2.7	2.0	2.7	3.2	3.5	1.4	1.9	2.2	2.6
Final Domestic Demand	0.4	1.3	2.7	0.9	2.4	2.0	2.6	2.6	1.8	2.5	3.0	3.3	1.8	1.8	2.0	2.4
Consumer Spending	2.1	0.7	1.7	2.0	2.6	2.2	2.7	2.8	2.0	2.6	3.1	3.4	2.0	2.2	2.2	2.6
durables	11.8	-5.3	5.7	14.8	6.0	2.0	3.5	3.5	2.0	3.2	3.5	4.0	7.2	8.1	5.6	3.0
nondurables	1.6	0.2	-0.6	1.6	2.6	3.2	3.5	3.5	2.0	2.5	3.0	3.4	2.9	1.7	2.2	2.8
services	0.8	1.9	1.9	0.2	1.8	1.9	2.3	2.4	2.0	2.5	3.0	3.2	0.9	1.4	1.6	2.4
Government Spending	-5.9	-0.9	-0.1	-4.6	-0.5	-1.1	-1.0	-1.4	-3.4	-2.3	-1.8	-1.3	0.7	-2.1	-1.5	-2.0
Business Investment	2.1	10.3	15.7	1.7	4.8	5.3	6.1	6.3	7.1	7.7	8.3	8.3	4.4	8.6	6.2	7.0
non-residential construction	-14.4	22.6	14.4	-7.2	11.0	6.0	6.0	7.0	7.0	8.0	9.0	9.0	-15.8	4.1	6.6	7.4
equipment & software	8.7	6.3	16.2	5.2	3.0	5.0	6.0	6.0	7.0	7.5	8.0	8.0	14.6	10.3	6.1	6.8
Residential Construction	-2.5	4.2	1.2	10.9	4.0	7.0	8.0	8.0	9.0	9.0	10.0	11.0	-4.3	-1.4	6.2	8.8
Exports	7.9	3.6	4.7	4.6	5.6	5.0	4.9	4.9	5.1	5.6	5.7	6.0	11.3	6.8	4.9	5.2
Imports	8.3	1.4	1.2	4.4	4.6	3.7	3.8	3.8	3.0	3.7	3.9	4.3	12.5	5.0	3.6	3.6
	(billions of 2005 dollars : a.r.)															
Inventory Change	49.1	39.1	-2.0	56.0	65.0	68.0	68.0	76.0	86.0	84.0	81.0	74.0	59.4	38.1	69.3	81.3
Net Exports	-424.3	-416.4	-402.7	-405.9	-406.5	-404.3	-403.3	-402.2	-395.5	-390.3	-385.4	-381.6	-421.8	-412.3	-404.1	-388.2
Contribution to GDP Growth	-0.3	0.2	0.4	-0.1	-0.0	0.1	0.0	0.0	0.2	0.2	0.1	0.1	-0.5	0.1	0.1	0.1
	(billions of dollars : a.r.)															
Nominal GDP	14,868	15,013	15,176	15,294	15,452	15,632	15,815	15,989	16,162	16,352	16,558	16,756	14,527	15,088	15,722	16,457
(% chng : a.r.)	3.1	4.0	4.4	3.2	4.2	4.7	4.8	4.5	4.4	4.8	5.1	4.9	4.2	3.9	4.2	4.7
INFLATION																
	(quarter/quarter % change : a.r.)															
GDP Price Index	2.5	2.5	2.6	0.4	1.7	2.4	2.1	1.5	2.0	2.1	2.0	1.5	1.2	2.1	1.8	1.9
Core PCE Deflator	1.6	2.3	2.1	1.1	1.9	2.4	2.2	1.1	1.5	2.0	2.0	1.4	1.4	1.4	1.9	1.7
CPI All Items	5.2	4.1	3.1	0.9	1.9	2.9	2.3	1.7	2.3	2.4	2.1	1.5	1.6	3.1	2.2	2.2
Excl. Food & Energy	1.7	2.5	2.7	1.7	2.0	2.5	2.3	1.2	1.6	2.2	2.2	1.5	1.0	1.7	2.2	1.8
Food Prices	5.2	5.9	4.8	2.8	3.6	3.9	2.3	2.6	4.2	2.6	1.3	1.2	0.8	3.7	3.6	2.8
Energy Prices	38.3	14.5	3.4	-7.1	-1.7	4.5	2.4	4.1	4.9	4.1	3.2	2.4	9.6	15.2	0.8	3.9
Services	1.9	2.1	2.2	2.2	2.4	2.3	1.3	1.3	2.2	1.3	1.2	1.2	0.8	1.7	2.1	1.6
	(year/year % change)															
CPI All Items	2.2	3.3	3.8	3.3	2.5	2.2	2.0	2.2	2.3	2.2	2.1	2.1	2.2	3.3	3.8	3.3
Excl. Food & Energy	1.1	1.5	1.9	2.2	2.2	2.2	2.1	2.0	1.9	1.8	1.8	1.8	1.1	1.5	1.9	2.2
FINANCIAL																
	(average for the quarter)															
Fed Funds Rate	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
90 Day T-Bill	0.13	0.05	0.03	0.01	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.14	0.05	0.03	0.03
3-Month Libor	0.31	0.26	0.30	0.47	0.58	0.61	0.56	0.48	0.39	0.31	0.28	0.28	0.34	0.34	0.56	0.32
10 Year Bond Yield	3.46	3.21	2.43	2.05	1.93	1.82	1.95	2.18	2.39	2.61	2.82	3.03	3.21	2.79	1.97	2.71
FOREIGN TRADE																
	(billions of dollars : a.r.)															
Current Account Balance	-478	-499	-441	-461	-461	-464	-468	-468	-461	-456	-451	-452	-471	-470	-465	-455
(% of GDP)	-3.2	-3.3	-2.9	-3.0	-3.0	-3.0	-3.0	-2.9	-2.9	-2.8	-2.7	-2.7	-3.2	-3.1	-3.0	-2.8
Merchandise Balance	-729	-762	-727	-776	-780	-785	-792	-798	-798	-801	-805	-810	-646	-749	-789	-804
Non-Merchandise Balance	251	263	286	316	319	321	324	331	338	345	354	358	175	279	324	348
	(average for the quarter)															
Exchange Rate (€/US\$)	82	82	78	77	77	77	78	80	81	83	85	89	88	80	78	84
Exchange Rate (US\$/€)	1.37	1.44	1.41	1.35	1.28	1.25	1.28	1.33	1.36	1.37	1.38	1.40	1.33	1.39	1.29	1.38
Exchange Rate (US\$/£)	1.60	1.63	1.61	1.57	1.55	1.53	1.55	1.59	1.61	1.62	1.63	1.65	1.55	1.60	1.55	1.63
Broad TWD	97.8	95.3	95.9	99.6	100.1	101.8	100.5	98.5	97.3	96.5	95.8	95.2	101.9	97.2	100.2	96.2
COMMODITY PRICES																
	(average for the quarter)															
WTI spot (US\$/bbl)	94.0	102.6	89.7	94.1	97.7	92.0	93.3	97.0	98.7	98.0	96.3	99.0	79.4	95.1	95.0	98.0
Henry Hub spot (US\$/mmBtu)	4.2	4.4	4.1	3.3	2.7	2.7	2.8	3.4	3.9	3.8	3.9	4.5	4.4	4.0	2.9	4.0
	(year/year % change)															
Pre-tax Profits with IVA and CCA	8.8	8.5	7.5	7.1	7.5	5.5	5.0	5.2	4.9	4.8	4.8	4.8	32.2	8.0	5.8	4.8
Personal Income	5.8	5.1	4.2	3.9	2.9	3.4	4.4	5.1	5.0	4.9	5.0	5.0	3.7	4.7	4.0	5.0
Real Disposable Income	2.6	1.1	0.1	-0.1	0.3	1.0	2.1	2.8	1.5	1.5	1.7	1.7	1.8	0.9	1.5	1.6
	(average for the quarter)															
Savings Rate (%)	5.0	4.8	3.9	3.7	3.8	3.8	3.8	3.9	2.9	2.9	2.9	3.0	5.3	4.4	3.8	2.9
OTHER INDICATORS																
	(average for the quarter)															
Unemployment Rate (%)	9.0	9.1	9.1	8.7	8.4	8.3	8.2	8.0	7.9	7.8	7.6	7.4	9.6	8.9	8.2	7.7
Housing Starts (mlns, a.r.)	0.58	0.57	0.62	0.66	0.67	0.70	0.71	0.71	0.72	0.73	0.74	0.75	0.58	0.61	0.70	0.74
Existing Home Sales (mlns, a.r.)	4.41	4.18	4.17	4.42	4.59	4.64	4.70	4.85	4.94	5.02	5.06	5.10	4.19	4.29	4.69	5.03
Home Prices (y/y % ch, Case-Shiller)	-3.5	-4.3	-3.8	-3.6	-3.2	-3.0	-2.1	-0.2	0.8	1.5	2.0	2.6	1.3	-3.8	-2.1	1.7
Motor Vehicle Sales (mlns, a.r.)	13.0	12.2	12.5	13.5	14.0	14.1	14.3	14.7	14.5	14.7	14.8	15.0	11.6	12.8	14.3	14.8
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	1.4	0.2	0.5	2.3	2.3	1.0	1.8	1.9	1.5	1.8	2.0	2.0	-0.6	0.6	1.6	1.7
Industrial Production	4.8	0.7	6.3	3.1	2.5	3.1	3.2	3.4	3.6	3.7	3.7	3.8	5.3	4.1	3.2	3.5
CBO Budget Deficit (% of GDP)													-8.9	-8.7	-7.0	-3.7

Note: Outlined areas represent forecast periods

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