

United States Economic Outlook

BMO Capital Markets Economics

November 12, 2010

	2010				2011				2012				2009	2010	2011	2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PRODUCTION																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	3.7	1.7	2.0	2.0	2.2	2.5	2.6	2.9	3.3	3.4	3.5	3.3	-2.6	2.7	2.2	3.1
Final Sales	1.1	0.9	0.6	3.0	2.9	2.9	2.9	3.1	3.3	3.4	3.4	3.3	-2.1	1.1	2.5	3.2
Final Domestic Demand	1.3	4.3	2.5	2.9	2.7	2.6	2.7	3.0	3.2	3.3	3.4	3.2	-3.1	1.8	2.8	3.1
Consumer Spending	1.9	2.2	2.6	2.2	2.4	2.6	2.7	2.9	3.2	3.3	3.3	3.1	-1.2	1.7	2.5	3.1
durables	8.8	6.8	6.1	2.7	2.1	2.7	2.6	3.7	4.0	4.0	4.0	3.5	-3.7	6.3	3.3	3.7
nondurables	4.2	1.9	1.3	2.0	2.9	3.0	3.2	3.7	4.0	4.0	4.0	3.0	-1.2	2.4	2.6	3.7
services	0.1	1.6	2.4	2.2	2.3	2.4	2.5	2.5	2.7	3.0	3.0	3.0	-0.8	0.7	2.3	2.7
Government Spending	-1.6	3.9	3.3	3.7	1.7	1.6	1.5	2.2	1.9	2.0	2.0	2.3	1.6	1.3	2.4	1.9
Business Investment	7.8	17.2	9.8	6.2	6.7	4.6	4.9	4.8	5.0	5.2	5.0	5.0	-17.1	5.6	6.8	4.9
non-residential construction	-17.8	-0.5	3.8	-2.0	2.0	3.0	3.7	4.0	4.0	4.5	5.0	5.0	-20.4	-13.4	1.8	4.2
equipment & software	20.5	24.8	12.0	8.0	8.0	5.0	5.2	5.0	5.2	5.3	5.0	4.9	-15.3	14.8	8.3	5.1
Residential Construction	-12.3	25.6	-29.1	2.0	4.0	5.0	5.2	5.5	6.0	6.0	7.0	7.0	-22.9	-3.4	0.3	5.9
Exports	11.4	9.1	5.0	5.3	4.4	5.1	4.4	3.7	4.1	4.2	4.4	4.4	-9.5	11.3	5.0	4.2
Imports	11.2	33.5	17.4	4.5	3.2	3.3	3.2	3.2	3.3	3.4	3.7	3.5	-13.8	14.0	6.7	3.3
	(billions of 2005 dollars : a.r.)															
Inventory Change	44.1	68.8	115.5	84.0	61.0	51.0	41.0	34.0	34.0	34.0	36.0	36.0	-113.5	78.2	46.8	35.0
Net Exports	-338.4	-449.0	-514.9	-517.2	-516.2	-512.7	-511.5	-513.2	-513.5	-514.4	-516.1	-516.8	-363.1	-454.9	-513.4	-515.2
Contribution to GDP Growth	-0.3	-3.5	-2.0	-0.1	0.0	0.1	0.0	-0.1	-0.0	-0.0	-0.0	-0.0	1.1	-0.7	-0.4	-0.0
	(billions of dollars : a.r.)															
Nominal GDP	14,446	14,579	14,730	14,856	14,983	15,129	15,279	15,445	15,629	15,827	16,032	16,238	14,119	14,653	15,209	15,931
(% chng : a.r.)	4.8	3.7	4.2	3.5	3.4	4.0	4.0	4.4	4.9	5.2	5.3	5.2	-1.7	3.8	3.8	4.8
INFLATION																
	(quarter/quarter % change : a.r.)															
GDP Price Index	1.0	1.9	2.3	1.4	1.3	1.4	1.4	1.5	1.5	1.7	1.8	1.9	0.9	1.0	1.5	1.6
Core PCE Deflator	1.2	1.0	0.8	1.1	0.2	1.0	1.1	0.9	0.6	1.4	1.5	1.1	1.5	1.4	0.8	1.0
CPI All Items	1.5	-0.7	1.5	1.8	1.1	1.4	1.3	1.5	1.4	1.7	1.8	1.6	-0.3	1.6	1.3	1.5
Excl. Food & Energy	-0.0	0.9	1.2	0.7	0.3	1.1	1.2	1.0	0.7	1.5	1.6	1.2	1.7	1.0	0.8	1.1
Food Prices	2.0	1.4	0.5	3.5	2.8	2.3	1.3	1.2	2.0	2.4	2.0	1.2	1.8	0.9	2.2	1.8
Energy Prices	15.6	-16.7	5.2	9.6	4.5	2.8	2.4	5.9	6.2	2.7	3.2	4.9	-18.1	8.7	3.5	4.3
Services	-0.1	1.4	1.0	1.0	1.2	1.2	1.2	1.2	1.9	1.3	1.2	1.3	1.4	0.8	1.2	1.4
	(year/year % change)															
CPI All Items	2.4	1.8	1.2	1.0	0.9	1.4	1.4	1.3	1.4	1.5	1.6	1.6	1.4	1.5	1.6	1.6
Excl. Food & Energy	1.3	1.0	0.9	0.7	0.8	0.8	0.8	0.9	1.0	1.1	1.2	1.3	1.0	1.1	1.2	1.3
FINANCIAL																
	(average for the quarter)															
Fed Funds Rate	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.58	1.08	1.50	2.00	0.13	0.13	0.13	1.29
90 Day T-Bill	0.11	0.15	0.15	0.13	0.13	0.13	0.13	0.13	0.59	1.09	1.51	2.01	0.15	0.14	0.13	1.30
3-Month Libor	0.26	0.43	0.39	0.29	0.28	0.28	0.28	0.28	0.74	1.24	1.66	2.16	0.70	0.34	0.28	1.45
10 Year Bond Yield	3.72	3.49	2.79	2.51	2.32	2.38	2.75	3.13	3.42	3.67	3.92	4.17	3.26	3.13	2.64	3.79
FOREIGN TRADE																
	(billions of dollars : a.r.)															
Current Account Balance	-437	-493	-525	-526	-532	-529	-527	-532	-537	-539	-542	-544	-378	-495	-530	-540
Merchandise Balance	-605	-678	-718	-730	-734	-735	-739	-746	-752	-760	-768	-776	-507	-683	-738	-764
Non-Merchandise Balance	169	185	193	205	203	206	212	214	215	221	226	232	129	188	209	224
	(average for the quarter)															
Exchange Rate (¥/US\$)	91	92	86	81	81	82	83	85	87	89	92	94	94	87	83	90
Exchange Rate (US\$/€)	1.38	1.27	1.29	1.39	1.41	1.42	1.43	1.45	1.44	1.43	1.42	1.40	1.39	1.34	1.43	1.42
Exchange Rate (US\$/£)	1.56	1.49	1.55	1.59	1.60	1.60	1.62	1.64	1.66	1.67	1.68	1.70	1.57	1.55	1.61	1.68
COMMODITY PRICES																
	(average for the quarter)															
WTI spot (US\$/bbl)	78.6	77.9	76.2	81.9	82.7	82.0	82.3	85.0	85.7	83.3	84.0	87.0	61.7	78.6	83.0	85.0
Henry Hub spot (US\$/mmBtu)	5.1	4.3	4.3	4.4	5.7	5.3	5.4	6.0	6.4	6.0	5.6	6.1	4.0	4.5	5.6	6.0
	(year/year % change)															
Pre-tax Profits with IVA and CCA	37.6	37.0	26.8	17.4	7.2	5.1	4.1	4.0	4.3	4.6	4.9	5.1	-0.4	29.0	5.1	4.8
Personal Income	2.1	2.2	3.1	3.2	3.1	3.1	3.6	4.1	4.4	4.7	4.9	4.9	-1.7	2.6	3.5	4.7
Real Disposable Income	0.7	0.3	1.6	1.9	1.9	1.4	1.9	2.3	2.7	2.9	3.1	3.1	0.6	1.1	1.9	2.9
	(average for the quarter)															
Savings Rate (%)	5.5	5.9	5.5	5.3	5.1	5.1	5.0	5.0	5.0	5.0	4.9	4.9	5.9	5.6	5.0	4.9
OTHER INDICATORS																
	(average or end for the quarter : a.r.)															
Unemployment Rate (%)	9.7	9.7	9.6	9.7	9.7	9.6	9.5	9.3	9.1	8.9	8.7	8.6	9.3	9.7	9.5	8.9
Housing Starts (millions)	0.62	0.60	0.59	0.57	0.60	0.67	0.71	0.74	0.79	0.84	0.88	0.91	0.55	0.59	0.68	0.85
Motor Vehicle Sales (millions)	11.0	11.4	11.6	12.1	12.3	12.8	13.3	13.6	13.8	14.4	14.6	14.8	10.4	11.5	13.0	14.4
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	1.4	2.0	-0.4	-0.2	0.9	1.0	1.2	1.8	1.8	1.9	1.9	1.7	-3.8	-0.6	0.7	1.7
Industrial Production	7.1	7.0	4.8	1.7	2.4	2.7	2.9	3.2	3.5	3.6	3.5	3.2	-9.3	5.4	3.0	3.3

Note: Outlined areas represent forecast periods

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