

# United States Economic Outlook

BMO Capital Markets Economics

March 13, 2009

	2008				2009				2010				2007	2008	2009	2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>PRODUCTION</b>																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	0.9	2.8	-0.5	-6.2	-4.2	-3.0	-0.9	1.7	2.6	2.7	2.8	2.9	2.0	1.1	-2.7	1.7
Final Sales	0.9	4.4	-1.3	-6.4	-3.2	-3.1	-1.0	0.9	2.0	2.3	2.1	2.7	2.4	1.4	-2.6	1.2
Final Domestic Demand	0.1	1.3	-2.2	-5.7	-2.3	-3.4	-1.6	0.2	1.7	2.2	2.1	2.5	1.8	-0.0	-2.7	0.9
Consumer Spending	0.9	1.2	-3.8	-4.3	0.2	-3.8	-2.9	-1.2	0.9	1.6	1.5	2.4	2.8	0.2	-2.3	0.0
durables	-4.3	-2.8	-14.8	-22.1	-12.0	-9.0	-6.0	-2.0	0.0	1.0	1.0	2.0	4.8	-4.3	-12.0	-1.3
nondurables	-0.4	3.9	-7.1	-9.2	2.0	-7.0	-6.0	-2.4	1.2	1.9	1.7	2.3	2.5	-0.6	-4.2	-0.7
services	2.4	0.7	-0.1	1.4	1.0	-1.0	-0.6	-0.5	1.0	1.6	1.6	2.5	2.6	1.5	0.3	0.7
Government Spending	1.9	3.9	5.8	1.6	2.7	8.9	10.9	10.0	5.8	4.6	3.1	1.8	2.1	2.9	5.6	6.5
Business Investment	2.4	2.5	-1.7	-21.0	-18.0	-17.3	-12.2	-7.2	-1.1	1.8	3.5	4.7	4.9	1.7	-14.0	-3.5
non-residential construction	8.7	18.4	9.6	-5.9	-16.0	-25.0	-22.0	-17.0	-8.5	-2.0	2.2	4.0	12.7	11.5	-12.0	-10.2
equipment & software	-0.5	-5.0	-7.5	-28.8	-19.0	-11.0	-9.0	-4.0	1.3	3.0	4.0	5.0	1.7	-3.0	-15.3	-1.0
Residential Construction	-25.0	-13.3	-16.1	-22.2	-34.0	-13.0	-7.0	0.0	2.0	3.0	3.6	4.0	-17.9	-20.8	-19.6	-0.0
Exports	5.1	12.3	3.0	-23.6	-19.1	-4.2	-0.7	2.3	2.7	3.0	3.5	4.7	8.4	6.2	-9.6	2.0
Imports	-0.8	-7.3	-3.5	-16.0	-10.3	-6.3	-4.5	-2.7	0.3	2.1	3.0	3.0	2.2	-3.4	-8.5	-0.5
	(billions of 2000 dollars : a.r.)															
Inventory Change	-10.2	-50.6	-29.6	-19.9	-51.0	-50.0	-47.0	-25.0	-9.0	1.0	21.0	25.0	-2.7	-29.3	-43.3	9.5
Net Exports	-462.0	-381.3	-353.0	-372.8	-399.0	-385.0	-367.3	-347.8	-340.2	-338.9	-339.8	-336.7	-546.5	-392.3	-374.8	-338.9
Contribution to GDP Growth	0.8	2.8	1.0	-0.7	-0.9	0.5	0.6	0.7	0.3	0.0	-0.0	0.1	0.6	1.3	0.1	0.3
	(billions of dollars : a.r.)															
Nominal GDP	14,151	14,295	14,413	14,200	13,986	13,922	13,916	14,005	14,136	14,286	14,447	14,616	13,808	14,265	13,957	14,371
(% chng : a.r.)	3.5	4.1	3.4	-5.8	-5.9	-1.8	-0.2	2.6	3.8	4.3	4.6	4.8	4.8	3.3	-2.2	3.0
<b>INFLATION</b>																
	(quarter/quarter % change : a.r.)															
GDP Price Index	2.6	1.1	3.9	0.5	-2.0	1.2	0.7	0.9	1.2	1.6	1.7	1.9	2.7	2.2	0.5	1.2
Core PCE Deflator	2.3	2.2	2.4	0.8	0.7	0.9	1.4	0.1	0.2	0.7	0.7	0.3	2.2	2.2	1.1	0.5
CPI All Items	4.5	4.5	6.2	-8.3	-2.6	1.5	1.8	0.9	1.1	1.9	2.6	1.6	2.9	3.8	-0.7	1.6
Excl. Food & Energy	2.5	2.0	2.8	0.6	1.1	0.9	1.5	0.2	0.3	0.8	1.6	0.4	2.3	2.3	1.2	0.7
Food Prices	4.9	6.6	8.5	4.3	1.4	2.4	2.4	2.0	1.2	1.2	1.2	1.2	4.0	5.5	3.5	1.6
Energy Prices	20.3	21.1	29.3	-62.3	-35.1	4.8	3.7	4.9	8.0	11.7	13.4	11.8	5.7	13.5	-20.9	8.3
Services	3.4	4.4	4.4	0.7	1.1	0.5	1.2	1.2	1.2	1.2	1.2	1.2	3.3	3.5	1.5	1.2
	(year/year % change)															
CPI All Items	4.2	4.3	5.2	1.5	-0.2	-1.0	-2.0	0.4	1.3	1.4	1.6	1.8				
Excl. Food & Energy	2.4	2.3	2.5	2.0	1.6	1.4	1.0	0.9	0.7	0.7	0.7	0.8				
<b>FINANCIAL</b>																
	(average for the quarter)															
Fed Funds Rate	2.75	2.00	2.00	0.71	0.13	0.13	0.13	0.13	0.13	0.33	0.75	1.25	5.00	1.86	0.13	0.61
90 Day T-Bill	2.09	1.66	1.52	0.30	0.22	0.22	0.20	0.20	0.20	0.41	0.83	1.33	4.47	1.39	0.21	0.69
3-Month Libor	3.34	2.75	2.88	2.73	1.23	1.15	1.06	0.97	0.88	0.91	1.33	1.83	5.30	2.92	1.11	1.24
10 Year Bond Yield	3.66	3.88	3.86	3.25	2.76	2.63	2.50	2.67	2.88	3.06	3.25	3.44	4.63	3.67	2.64	3.16
<b>FOREIGN TRADE</b>																
	(billions of dollars : a.r.)															
Current Account Balance	-703	-724	-696	-538	-557	-532	-507	-485	-482	-477	-474	-469	-731	-665	-520	-475
Merchandise Balance	-844	-865	-859	-711	-719	-698	-679	-665	-663	-663	-664	-662	-819	-820	-691	-663
Non-Merchandise Balance	142	142	162	172	162	166	172	180	182	186	191	193	88	154	170	188
	(average for the quarter)															
Exchange Rate (¥/US\$)	105	105	108	96	93	95	97	99	102	104	107	109	118	103	96	105
Exchange Rate (US\$/€)	1.50	1.56	1.50	1.32	1.29	1.25	1.27	1.33	1.37	1.39	1.42	1.44	1.37	1.47	1.29	1.40
Exchange Rate (US\$/£)	1.98	1.97	1.89	1.57	1.43	1.36	1.36	1.41	1.44	1.47	1.51	1.54	2.00	1.85	1.39	1.49
<b>COMMODITY PRICES</b>																
	(average for the quarter)															
WTI spot (US\$/bbl)	97.95	124.0	118.0	58.4	41.3	44.0	45.7	49.0	54.0	61.0	68.3	76.7	72.36	99.6	45.0	65.0
Henry Hub spot (US\$/mmBtu)	8.66	11.4	9.0	6.4	4.7	3.6	4.1	5.7	6.9	6.5	6.4	7.2	6.98	8.9	4.5	6.8
	(year/year % change)															
Pre-tax Profits with IVA and CCA	-1.5	-8.3	-9.2	-10.9	-13.0	-11.8	-11.7	-7.2	-3.0	0.5	2.7	4.4	-1.6	-7.5	-11.0	1.1
Personal Income	4.2	5.0	3.8	2.3	1.2	-0.7	-1.1	-0.6	0.2	1.1	2.2	3.0	6.1	3.8	-0.3	1.6
Real Disposable Income	0.6	3.3	0.3	1.0	2.1	-0.4	2.1	1.2	0.5	0.8	1.2	1.7	2.8	1.3	1.2	1.1
	(average for the quarter)															
Savings Rate (%)	0.2	2.5	1.3	3.2	4.1	5.1	5.9	6.2	6.2	6.2	6.3	6.3	0.6	1.8	5.3	6.2
<b>OTHER INDICATORS</b>																
	(average or end for the quarter : a.r.)															
Unemployment Rate (%)	4.9	5.4	6.0	6.9	8.0	8.6	9.0	9.4	9.5	9.6	9.6	9.6	4.6	5.8	8.8	9.6
Housing Starts (millions)	1.05	1.03	0.88	0.66	0.46	0.43	0.44	0.47	0.49	0.51	0.54	0.58	1.34	0.90	0.45	0.53
Motor Vehicle Sales (millions)	15.2	14.1	12.9	10.3	9.2	9.4	10.3	11.9	13.0	13.3	13.5	13.8	16.1	13.1	10.2	13.4
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	-0.4	-0.4	-1.9	-3.4	-6.4	-3.2	-1.2	-0.1	0.6	0.8	1.1	1.2	1.1	-0.5	-3.3	0.1
Industrial Production	0.4	-3.4	-8.9	-12.1	-16.7	-5.2	-1.2	1.4	2.3	2.7	2.8	2.9	1.7	-1.8	-9.0	1.4

Note: Outlined areas represent forecast periods

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