

Canada and United States forecast details

December 2025

ECONOMIC FORECAST DETAIL – CANADA

Real growth in the economy (Quarter-over-quarter annualized % change unless otherwise indicated)

	2025				2026				2027				2025F	2026F	2027F
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real gross domestic product	2.2	-1.8	2.6	0.5	1.3	1.7	1.8	1.5	1.3	1.3	1.5	1.7	1.7	1.3	1.5
Household consumption	0.8	4.2	-0.4	1.0	1.2	1.5	1.5	1.7	1.5	1.5	1.6	1.6	2.2	1.3	1.6
Durables	-4.9	4.2	-4.6	0.0	1.0	1.2	1.5	2.0	2.3	2.6	2.9	3.2	1.2	0.4	2.3
Semidurables	13.2	3.9	2.9	1.0	1.0	1.5	0.6	1.0	1.1	1.2	1.0	1.1	7.4	1.5	1.0
Nondurables	3.2	0.3	-1.9	1.6	1.3	1.8	0.6	1.0	0.8	0.8	0.7	0.7	1.7	0.9	-1.5
Services	-0.1	5.8	0.7	1.0	1.3	1.5	2.0	2.0	1.7	1.7	1.7	1.6	2.0	1.6	0.8
Government Spending	0.5	4.8	-1.7	2.0	4.0	4.0	3.0	3.0	2.5	2.1	0.5	0.5	2.3	2.8	2.3
Government fixed investment	-4.8	6.2	12.2	3.0	5.0	6.0	5.0	6.0	1.5	1.0	1.2	1.0	3.6	5.8	2.9
Business Fixed Investment	-5.0	-0.3	0.2	0.7	2.4	2.6	3.3	3.4	3.4	3.7	3.7	3.8	0.5	1.8	3.5
Residential	-11.6	4.4	6.7	-3.0	4.0	4.0	4.0	4.2	4.2	4.3	4.3	4.4	1.6	3.0	4.2
Nonresidential	-1.0	-3.8	-4.5	3.4	1.2	1.0	2.5	2.5	2.1	2.6	2.2	2.2	-0.5	0.7	2.3
Structures	-3.3	6.6	-1.0	3.0	1.8	1.6	1.7	1.7	1.7	1.6	1.6	1.6	1.3	1.9	1.6
M&E	3.0	-19.1	-10.5	4.0	0.0	-0.2	4.0	4.0	3.0	4.2	3.3	3.3	-3.5	-1.3	3.4
Intellectual property	1.9	-1.7	-2.4	3.0	1.5	4.0	4.1	4.2	5.5	6.3	7.1	8.0	0.9	2.0	5.5
Final domestic demand	-0.6	3.5	-0.1	1.2	2.2	2.4	2.3	2.5	2.1	2.1	1.7	1.7	1.9	1.9	2.1
Exports	2.8	-25.1	0.7	1.5	0.6	1.2	1.8	2.0	2.4	2.6	3.6	4.2	-2.9	-0.8	2.5
Imports	2.9	-0.4	-8.6	4.6	3.0	3.5	2.8	2.7	2.4	4.9	4.0	4.2	-0.3	1.6	3.4
Inventories (change in \$b)	5.3	27.6	23.7	25.0	24.0	23.7	22.5	18.0	13.1	13.2	12.3	12.0	20.4	22.1	12.7
Labour market indicators															
Unemployment rate (%)	6.6	6.9	7.0	6.7	6.7	6.6	6.4	6.3	6.2	6.0	5.9	5.8	6.8	6.5	6.0
Policy rate and government bond yields															
Overnight rate	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.25	2.25	2.25	3.25
Two-year	2.46	2.59	2.47	2.70	2.80	2.90	3.00	3.10	3.25	3.45	3.55	3.65	2.70	3.10	3.65
10-year	2.97	3.28	3.18	3.45	3.50	3.55	3.60	3.65	3.70	3.75	3.75	3.80	3.45	3.65	3.8
Inflation															
Headline CPI (y/y%)	2.3	1.8	2.0	2.2	2.2	2.4	2.2	2.0	1.9	2.0	2.0	2.1	2.1	2.2	2.0
CPI ex-food & energy (y/y%)	2.5	2.6	2.5	2.6	2.6	2.4	2.4	2.2	2.1	2.1	2.1	2.1	2.5	2.4	2.1
Other															
Housing starts (000s)	223	282	272	251	245	232	221	216	208	200	198	198	257	229	201
Motor vehicle sales (mill,saar)	1.99	2.01	1.99	1.99	1.99	2.00	2.00	2.01	2.02	2.04	2.05	2.07	1.99	2.00	2.05
Productivity	0.5	0.1	0.9	-0.4	-0.1	0.9	0.4	1.1	1.2	1.2	1.2	1.0	0.27	0.55	1.15
Pre-tax corporate profits	11.7	3.8	6.6	1.0	-0.4	4.2	1.7	3.9	6.5	9.5	11.4	13.3	5.65	2.33	10.21

ECONOMIC FORECAST DETAIL — UNITED STATES

Real growth in the economy (Quarter-over-quarter annualized % change unless otherwise indicated)

	2025				2026				2027				2025F	2026F	2027F
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real gross domestic product	-0.6	3.8	2.5	0.5	1.7	1.5	1.7	1.8	1.8	1.9	1.9	1.8	1.9	1.7	1.8
Consumer Expenditures	0.6	2.5	2.7	0.8	0.8	1.1	1.4	1.5	1.6	1.6	1.6	1.7	2.5	1.3	1.5
Durables	-3.4	2.3	1.3	0.0	0.5	0.7	1.1	1.5	1.9	1.8	1.5	1.5	3.5	0.8	1.6
Non-Durables	2.2	2.2	4.0	0.5	0.5	1.0	1.6	1.6	1.2	1.3	1.0	1.0	3.1	1.3	1.3
Services	0.8	2.6	2.5	1.0	1.0	1.2	1.4	1.5	1.6	1.7	1.8	1.9	2.1	1.4	1.6
Government spending	-1.0	-0.1	0.0	0.0	1.0	1.7	1.0	1.6	1.4	1.1	1.0	1.0	1.2	0.8	1.3
Residential Investment	-1.0	-5.1	-3.8	3.5	3.8	4.1	4.0	3.9	3.8	3.7	3.6	3.5	-1.4	2.3	3.8
Non-Residential Investment	9.5	7.3	4.2	0.6	1.7	2.7	4.0	3.9	2.9	3.0	3.0	3.0	4.1	2.7	3.3
Non-Res. Structures	-3.1	-7.5	-4.0	-3.8	-2.1	-2.0	-1.8	-1.5	-1.2	-0.9	-0.6	-0.3	-5.0	-2.9	-1.2
Non-Res. Equipment	21.3	8.5	10.0	0.5	0.8	3.0	5.7	5.5	3.0	3.1	3.1	3.0	8.7	3.6	3.8
Intellectual Property	6.5	15.0	3.0	3.0	4.5	4.9	5.3	5.2	5.1	4.9	4.8	4.7	5.2	4.9	5.0
Final Domestic Demand	1.4	2.4	2.2	0.7	1.1	1.5	1.8	2.0	1.9	1.9	1.9	1.4	2.3	1.5	1.9
Exports	0.2	-1.8	5.0	-3.0	3.0	1.8	2.3	1.8	2.0	1.0	0.3	1.9	1.1	1.4	1.6
Imports	38.0	-29.3	-3.0	2.0	3.0	3.5	3.5	2.8	2.1	1.4	0.7	0.0	3.1	-0.3	2.0
Inventories (change in \$b)	172.0	-18.3	-60.0	-40.0	-3.0	8.0	16.0	17.0	10.0	9.0	11.0	18.0	13.4	9.5	12.0
Labour market indicators															
Unemployment rate (%)	4.1	4.2	4.3	4.5	4.6	4.6	4.5	4.4	4.4	4.4	4.4	4.4	4.3	4.5	4.4
Policy rate and government bond yields															
Fed Funds Rate (% eop, top of range)	4.50	4.50	4.25	3.75	3.50	3.50	3.50	3.50	3.25	3.00	3.00	3.00	3.75	3.50	3.00
Two-year	3.89	3.72	3.60	3.55	3.75	3.85	3.90	3.75	3.60	3.55	3.60	3.65	3.55	3.75	3.65
10-year	4.23	4.24	4.16	4.10	4.25	4.35	4.40	4.35	4.25	4.20	4.25	4.30	4.10	4.35	4.30
Inflation															
Headline CPI (y/y%)	2.7	2.4	2.9	3.0	2.8	2.9	2.7	2.4	2.3	2.3	2.3	2.2	2.8	2.7	2.3
CPI ex-food & energy (y/y%)	3.1	2.8	3.1	3.1	3.1	3.3	3.1	3.0	2.8	2.7	2.6	2.4	3.0	3.1	2.6
Other															
Housing starts (000s)	1401.0	1354.0	1445.7	1458.1	1459.1	1460.1	1461.1	1462.1	1463.1	1464.1	1465.1	1466.1	1414.7	1460.6	1464.6
Motor vehicle sales (mill, saar)	16.4	16.2	16.4	16.4	16.5	16.6	16.8	17.1	17.4	17.7	17.9	18.2	16.4	16.8	17.8
Productivity	1.2	1.5	1.5	1.0	1.9	1.2	1.0	1.3	1.2	1.3	1.2	1.1	1.3	1.4	1.2
Pre-tax corporate profits	6.4	3.6	5.9	0.6	2.5	3.0	2.3	2.5	2.0	1.6	1.1	0.6	4.0	2.6	1.3