



Canadian, U.S. and Financial market forecast tables

March 2025

Economic forecast detail — Canada

Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	2024				Forecast 2025				Forecast 2026				Forecast		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025F	2026F
Household Consumption	3.6	1.0	4.2	5.6	2.8	1.0	1.0	1.0	1.1	1.1	1.5	1.7	2.4	2.7	1.1
Durables	-0.8	-7.6	12.6	14.2	3.0	0.2	0.0	0.0	0.9	1.1	1.5	2.0	3.7	4.3	0.8
Semi-Durables	7.2	3.8	4.1	7.1	2.0	0.2	0.0	0.0	0.3	0.4	0.6	1.0	1.4	2.6	0.3
Non-durables	0.2	2.9	1.1	0.5	0.2	0.3	0.0	0.0	0.3	0.4	0.6	1.0	0.5	0.5	0.3
Services	5.8	1.9	3.6	5.8	4.0	1.5	1.8	1.7	1.5	1.5	2.0	2.0	3.0	3.3	1.7
NPISH consumption	3.4	1.6	3.6	1.8	2.8	1.0	1.0	1.0	1.1	1.1	1.5	1.7	2.4	2.0	1.1
Government G&S spending	5.5	3.9	5.4	1.4	0.0	1.5	2.0	2.0	1.8	1.9	2.0	2.0	3.2	1.8	1.9
Government fixed investment	13.7	6.7	4.3	6.7	0.0	1.0	2.0	2.1	2.0	2.0	2.0	2.0	7.2	2.7	2.0
Residential investment	-7.5	-8.3	6.4	16.7	-6.0	-3.0	4.2	4.0	4.0	4.0	4.0	4.2	-1.1	1.8	3.6
Non-residential investment	1.3	13.0	-10.5	8.0	-5.0	-10.0	-3.8	-2.6	-1.9	-1.0	1.1	1.4	-1.9	-3.0	-2.1
Non-residential structures	3.0	7.5	1.3	2.7	-2.0	-5.0	2.0	2.0	1.8	1.6	1.7	1.7	-1.8	0.0	1.4
Machinery & equipment	-1.4	22.7	-27.4	17.9	-10.0	-18.0	-13.0	-10.0	-8.0	-5.2	0.0	1.0	-2.1	-8.0	-7.7
Intellectual property	-0.8	2.1	6.5	2.3	2.8	3.2	3.6	3.0	3.0	4.0	4.1	4.2	-0.1	3.3	3.5
Final domestic demand	3.2	2.1	3.3	5.6	0.7	-0.1	1.2	1.2	1.3	1.4	1.9	2.0	2.0	1.9	1.3
Exports	1.3	-6.9	-0.8	7.4	2.0	-2.0	-2.0	-2.0	-1.8	-0.5	0.2	0.6	0.6	0.5	-1.2
Imports	0.4	-3.1	-1.2	5.4	1.2	-2.0	-2.0	-2.0	-1.5	-0.4	0.3	0.9	0.6	0.2	-1.1
Inventories (change in \$b)	14.4	26.7	18.1	-1.5	-0.5	5.3	2.5	1.4	1.7	1.6	1.8	2.9	14.4	2.2	2.0
Real gross domestic product	1.8	2.8	2.2	2.6	1.1	0.8	0.7	1.0	1.2	1.4	1.9	2.1	1.5	1.5	1.3

Other indicators

Year-over-year % change unless otherwise indicated

Business and labour															
Productivity	-0.5	-0.3	0.0	0.0	0.0	0.1	0.3	0.0	0.7	0.7	0.9	1.0	-0.2	0.1	0.8
Pre-tax corporate profits	-8.4	1.2	-5.9	-3.2	9.6	6.9	9.0	1.9	1.1	1.0	1.6	2.6	-4.2	6.7	1.6
Unemployment rate (%)*	5.9	6.3	6.6	6.7	6.7	6.9	7.0	6.9	6.7	6.6	6.4	6.3	6.4	6.9	6.5
Inflation															
Headline CPI	2.8	2.7	2.0	1.9	2.4	2.5	2.4	2.1	2.0	1.8	1.8	1.8	2.4	2.3	1.8
CPI ex. food and energy	2.9	2.8	2.5	2.1	2.4	2.4	2.4	2.2	2.1	1.9	1.8	1.8	2.6	2.3	1.9
External trade															
Current account balance (\$b)*	-8.9	-19.0	-14.5	-20.0	-15.9	-15.0	-13.8	-10.3	-11.2	-11.3	-9.9	-4.8	-15.6	-13.7	-9.3
% of GDP*	-0.3	-0.6	-0.5	-0.6	-0.5	-0.5	-0.4	-0.3	-0.3	-0.3	-0.3	-0.1	-0.5	-0.4	-0.3
Housing starts (000s)*	244	250	238	248	249	234	233	236	237	237	234	234	245	238	235
Motor vehicle sales (mill., saar)*	1.92	1.85	1.90	2.01	2.03	2.03	2.03	2.03	2.03	2.04	2.05	2.06	1.91	2.03	2.05

*Period average

Source: Statistics Canada, RBC Economics

Economic forecast detail — United States

Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	Forecast												Forecast		
	2024				2025				2026						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025F	2026F
Consumer spending	1.9	2.8	3.7	4.2	0.8	1.5	1.7	2.0	1.7	1.5	1.1	0.9	2.8	2.2	1.6
Durables	-1.7	5.4	7.6	12.1	-2.0	-1.0	0.5	1.4	1.3	1.2	1.1	1.0	3.3	2.9	1.0
Non-durables	-0.8	1.7	4.6	3.0	0.0	1.5	1.5	1.7	1.6	1.7	1.6	1.3	1.9	1.8	1.6
Services	3.4	2.7	2.8	3.3	1.5	1.9	1.9	2.2	1.8	1.5	1.0	0.8	3.0	2.2	1.7
Government spending	1.8	3.0	5.1	2.9	1.2	1.3	1.1	1.2	1.5	1.7	1.6	1.6	3.4	2.1	1.4
Residential investment	13.7	-2.8	-4.3	5.4	-1.1	3.1	3.1	3.1	3.8	4.1	4.0	3.9	4.2	1.1	3.6
Non-residential investment	4.5	3.9	4.0	-3.2	2.4	2.8	2.1	3.0	4.2	4.7	5.3	4.0	3.6	1.7	3.8
Non-residential structures	6.2	0.2	-5.0	1.1	-1.0	2.0	2.1	2.0	3.6	4.0	4.4	4.5	3.4	0.1	3.3
Equipment & software	0.3	9.9	10.8	-9.0	5.0	1.0	1.2	1.0	4.2	5.0	5.7	5.5	3.3	1.7	3.4
Intellectual property	7.5	0.7	3.1	0.0	2.0	4.8	3.0	3.0	4.5	4.9	5.3	5.2	3.9	2.4	4.3
Final domestic demand	2.7	2.8	3.7	3.0	1.1	1.7	1.7	2.1	2.1	2.1	1.9	1.7	3.0	2.1	2.0
Exports	1.9	1.0	9.6	-0.5	-1.0	-0.5	0.3	0.3	1.0	1.0	1.0	0.8	3.2	0.8	0.7
Imports	6.1	7.6	10.7	-1.2	14.0	-3.0	1.1	1.5	2.0	1.5	2.0	2.2	5.4	4.5	1.4
Inventories (change in \$b)	17.7	71.7	57.9	10.2	47.0	16.0	27.0	13.0	15.0	12.0	13.0	14.0	39.4	25.8	13.5
Real gross domestic product	1.6	3.0	3.1	2.3	0.0	1.5	1.9	1.8	2.0	2.0	1.8	1.6	2.8	1.6	1.9

Other indicators

Year-over-year % change unless otherwise indicated

Business and labour															
Productivity	3.3	3.0	2.5	2.1	1.3	1.0	0.7	0.5	1.3	1.4	1.3	1.3	2.7	0.9	1.3
Pre-tax corporate profits	8.2	10.8	6.0	2.6	4.5	1.4	2.3	1.6	2.3	2.6	2.7	2.6	6.8	2.4	2.6
Unemployment rate (%)*	3.8	4.0	4.2	4.1	4.1	4.2	4.3	4.3	4.3	4.3	4.4	4.4	4.0	4.2	4.4
Inflation															
Headline CPI	3.2	3.2	2.6	2.7	2.8	2.6	2.7	2.4	2.0	2.1	2.2	2.2	2.9	2.6	2.1
CPI ex. food and energy	3.8	3.4	3.2	3.3	3.1	2.9	2.9	2.7	2.4	2.4	2.4	2.4	3.4	2.9	2.4
External trade															
Current account balance (\$b)*	-963.9	-1100.1	-1243.8	-1233.4	-1376.5	-1389.2	-1397.6	-1411.6	-1423.1	-1430.0	-1443.5	-1463.3	-1135.3	-1393.7	-1440.0
% of GDP*	-3.4	-3.8	-4.2	-4.2	-4.6	-4.6	-4.6	-4.6	-4.6	-4.6	-4.6	-4.6	-3.9	-4.6	-4.6
Housing starts (000s)*	1407	1340	1332	1388	1421	1433	1446	1458	1459	1460	1461	1462	1367	1440	1461
Motor vehicle sales (millions, saar)*	15.5	15.6	15.6	16.5	16.2	16.0	16.1	16.3	16.5	16.7	16.9	17.1	15.7	16.2	16.8

*Period average

Source: Bureau of Economic Analysis, RBC Economics

Financial market forecast detail

Interest rates—North America

% , end of period

	Forecast												Forecast		
	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	2024	2025F	2026f
Canada															
Overnight	5.00	4.75	4.25	3.25	2.75	2.50	2.25	2.25	2.25	2.25	2.25	2.50	3.25	2.25	2.50
Three-month	4.99	4.64	3.94	3.16	2.55	2.35	2.25	2.25	2.25	2.25	2.35	2.55	3.16	2.25	2.55
Two-year	4.22	3.99	2.92	2.93	2.55	2.50	2.40	2.35	2.40	2.45	2.55	2.80	2.93	2.35	2.80
Five-year	3.58	3.51	2.74	2.96	2.75	2.65	2.80	2.90	2.95	3.00	3.10	3.25	2.96	2.90	3.25
10-year	3.52	3.50	2.95	3.23	3.00	2.90	3.00	3.05	3.10	3.15	3.25	3.40	3.23	3.05	3.40
30-year	3.41	3.39	3.13	3.33	3.25	3.15	3.25	3.35	3.40	3.40	3.50	3.60	3.33	3.35	3.60
Yield curve (10s-2s)	-70	-49	3	30	45	40	60	70	70	70	70	60	30	70	60
United States															
Fed funds*	5.38	5.38	4.88	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38	4.38
Three-month	5.45	5.48	4.73	4.37	4.26	4.21	4.23	4.28	4.28	4.31	4.31	4.31	4.37	4.28	4.31
Two-year	4.66	4.71	3.66	4.25	3.90	3.70	3.90	4.15	4.25	4.30	4.30	4.30	4.25	4.15	4.30
Five-year	4.28	4.33	3.58	4.38	3.95	3.65	3.80	4.00	4.10	4.15	4.20	4.25	4.38	4.00	4.25
10-year	4.27	4.36	3.81	4.58	4.20	3.90	4.05	4.20	4.25	4.30	4.35	4.40	4.58	4.20	4.40
30-year	4.41	4.51	4.14	4.78	4.55	4.30	4.40	4.50	4.55	4.60	4.65	4.70	4.78	4.50	4.70
Yield curve (10s-2s)	-39	-35	15	33	30	20	15	5	0	0	5	10	33	5	10
Yield spreads															
Three-month T-bills	-0.46	-0.84	-0.80	-1.21	-1.71	-1.86	-1.98	-2.03	-2.03	-2.06	-1.96	-1.76	-1.21	-2.03	-1.76
Two-year	-0.44	-0.72	-0.74	-1.32	-1.35	-1.20	-1.50	-1.80	-1.85	-1.85	-1.75	-1.50	-1.32	-1.80	-1.50
Five-year	-0.70	-0.82	-0.85	-1.42	-1.20	-1.00	-1.00	-1.10	-1.15	-1.15	-1.10	-1.00	-1.42	-1.10	-1.00
10-year	-0.75	-0.86	-0.87	-1.35	-1.20	-1.00	-1.05	-1.15	-1.15	-1.15	-1.10	-1.00	-1.35	-1.15	-1.00
30-year	-0.99	-1.12	-1.02	-1.45	-1.30	-1.15	-1.15	-1.15	-1.15	-1.20	-1.15	-1.10	-1.45	-1.15	-1.10

Note: Interest Rates are end of period rates. * Midpoint of 25 basis point range

Interest rates—International

% , end of period

	Forecast												Forecast		
	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	2024	2025F	2026F
United Kingdom															
Bank Rate	5.25	5.25	5.00	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	4.75	3.75	3.75
Two-year	4.17	4.23	3.97	4.38	4.50	4.25	4.30	4.40	4.60	4.65	4.70	4.75	4.38	4.40	4.75
Five-year	3.84	4.03	3.85	4.35	4.60	4.40	4.50	4.60	4.65	4.70	4.75	4.80	4.35	4.60	4.80
10-year	3.95	4.17	4.00	4.57	5.00	4.75	4.80	4.90	4.80	4.85	4.90	5.00	4.57	4.90	5.00
30-year	4.49	4.67	4.54	5.11	5.50	5.35	5.40	5.55	5.05	5.10	5.10	5.10	5.11	5.55	5.10
Euro Area															
Deposit rate	4.00	3.75	3.50	3.00	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	3.00	2.25	2.25
Two-year	2.83	2.82	2.09	2.09	2.20	2.25	2.30	2.40	2.40	2.45	2.50	2.55	2.09	2.40	2.55
Five-year	2.32	2.48	1.97	2.15	2.55	2.75	2.85	2.95	2.95	2.95	2.95	2.95	2.15	2.95	2.95
10-year	2.29	2.50	2.14	2.36	2.90	3.05	3.15	3.25	3.30	3.30	3.30	3.30	2.36	3.25	3.30
30-year	2.46	2.69	2.46	2.60	3.20	3.40	3.55	3.70	3.80	3.80	3.80	3.80	2.60	3.70	3.80
Australia															
Cash target rate	4.35	4.35	4.35	4.35	3.85	3.60	3.60	3.60	3.60	3.60	3.60	3.60	4.35	3.60	3.60
Two-year	3.76	4.17	3.64	3.87	3.75	3.60	3.75	3.85	3.95	4.00	4.10	4.10	3.87	3.85	4.10
10-year	3.97	4.31	3.97	4.37	4.35	4.10	4.20	4.30	4.35	4.35	4.40	4.45	4.37	4.30	4.45
New Zealand															
Cash target rate	5.50	5.50	5.25	4.25	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.50	4.25	3.25	3.50
Two-year	4.78	4.95	3.56	3.36	3.30	3.25	3.50	3.75	3.50	3.60	3.75	4.00	3.36	3.75	4.00
10-year	4.35	4.48	3.87	3.91	4.10	4.30	4.70	4.75	4.20	4.25	4.30	4.50	3.91	4.75	4.50

Outlook

Growth outlook

% change, quarter-over-quarter in real GDP

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	2024	2025	2026
Canada*	1.8	2.8	2.2	2.6	1.1	0.8	0.7	1.0	1.2	1.4	1.9	2.1	1.5	1.5	1.3
United States*	1.6	3.0	3.1	2.3	0.0	1.5	1.9	1.8	2.0	2.0	1.8	1.6	2.8	1.6	1.9
United Kingdom	0.8	0.4	0.0	0.1	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.9	1.2	1.7
Euro area	0.3	0.2	0.4	0.2	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.8	1.4	1.9
Australia	0.2	0.2	0.3	0.6	0.7	0.6	0.7	0.7	0.7	0.6	0.5	0.5	1.0	2.3	2.6

*annualized

Inflation outlook

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	2024	2025	2026
Canada	2.8	2.7	2.0	1.9	2.4	2.5	2.4	2.1	2.0	1.8	1.8	1.8	2.4	2.3	1.8
United States	3.2	3.2	2.6	2.7	2.8	2.6	2.7	2.4	2.0	2.1	2.2	2.2	2.9	2.6	2.1
United Kingdom	3.5	2.1	2.1	2.5	2.6	2.4	2.5	2.3	2.3	2.3	2.3	2.3	2.5	2.6	2.6
Euro area	2.6	2.5	2.2	2.2	2.4	2.6	2.7	2.6	2.2	2.2	2.2	2.1	2.4	2.6	2.2
Australia	3.6	3.8	2.8	2.4	2.2	1.9	2.4	2.9	2.9	2.8	2.8	2.8	3.2	2.4	2.9

Sources: StatCan, BLS, ONS, EuroStat, ABS, RBC Economics, RBC Capital Markets

Exchange rates

End of period

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26
USD/CAD	1.35	1.37	1.35	1.44	1.43	1.45	1.42	1.40	1.38	1.37	1.36	1.35
EUR/USD	1.08	1.07	1.11	1.04	1.11	1.05	1.07	1.09	1.10	1.12	1.14	1.15
GBP/USD	1.26	1.26	1.34	1.25	1.32	1.28	1.27	1.28	1.28	1.29	1.30	1.28
USD/JPY	151	161	143	157	144	149	146	140	135	130	125	120
AUD/USD	0.65	0.67	0.69	0.62	0.63	0.64	0.64	0.63	0.62	0.62	0.64	0.65

Note: Exchange rates are expressed in units per USD, with the exception of the euro, GBP and AUD which are expressed in USD per local currency unit.

Source: Reuters, RBC Economics forecasts

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