

UNITED KINGDOM - ECONOMIC SURVEY - DECEMBER 2017



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ECONOMIC FORECASTS (CALENDAR YEAR BASIS)

DEADLINE

December 4

	2016	2017	2018	2019
*(average % change on previous CALENDAR year)				
Gross Domestic Product, Chained 2012 Prices*	1.8	1.5	1.3	0.7
Household Final Consumption Expenditure, Chained 2012 prices*	2.9	1.6	0.5	
Gross Fixed Capital Formation, Chained 2012 prices*	1.3	2.6	2.5	
Private Non-Financial Corps Trading Profits (excluding North Sea)*	7.8	4.0	0.0	
Manufacturing Production, 2013=100*	0.9	2.0	0.5	
Retail Price Index, "underlying (ex-MIPs)" or RPI-X, January 13, 1987=100*	1.9	3.5	3.6	
Consumer Prices Index (Previously HICP), 2015 = 100*	0.7	2.5	3.0	3.5
Manufacturing Output Prices, 2010=100*	0.4	3.2	3.5	
Average Weekly Earnings, Whole Economy, Total Pay*	2.4	2.2	3.2	
Unemployment Rate (Labour Force Survey measure)	4.9	4.5	4.6	
Current Account, £bn	-115.5	-70	-50	
Please Note *Change* to Variable, previously PSNCR:				
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	45.7	50	60	

INTEREST RATE FORECASTS

	Latest	End Mar '18	End Dec '18
3 month Interbank Interest Rate, %	0.5	0.5	0.6
Yield on Benchmark 10 Year Gilts (1.25%, July 2027), %	1.3	1.7	2.1

EXCHANGE RATES AND OIL PRICES

	Latest	End Jan '18	End Mar '18	End Dec '18	End Dec '19
Japanese Yen/US Dollar	111.3	113.0	116.0	118.0	120.0
US Dollars/Euro	1.189	1.200	1.220	1.240	1.250
US Dollars/UK Pound	1.330	1.280	1.300	1.330	1.350
Canadian Dollars/US Dollar	1.280	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	63.5	na	55.0	60.0	na

MONETARY POLICY EVALUATION

What probability do you attach to a Bank of England repo rate change at or before the December 14, 2017 meeting?

And what, if any, CHANGES in rates do you expect?

Where do you estimate the Official Bank rate (currently 0.50%) will be at the end of the next 4 quarters?

SPECIAL QUESTION - Quarterly Forecasts

In addition to the forecasts above, please give quarterly forecasts for the variables listed below for the period given (showing the % change over the SAME QUARTER of the PREVIOUS YEAR).

	1Q,'17	2Q,'17	3Q,'17	4Q,'17	1Q,'18	2Q,'18	3Q,'18	4Q,'18	1Q,'19	2Q,'19
Real GDP*	1.8	1.5	1.5	1.4	1.4	1.3	1.3	1.1	0.9	0.9
Household Consumption*	2.3	1.6	1.6	0.8	0.7	0.5	0.4	0.2	0.2	0.3
Manufacturing Production*	2.8	1.0	2.7	1.5	0.7	0.6	0.4	0.3	0.3	0.3
Underlying Retail Prices* (1)	3.3	3.8	4.0	2.7	3.5	3.6	3.7	3.6	3.5	3.4
Consumer Prices (CPI)*	2.2	2.8	2.8	2.4	3.2	3.1	3.0	2.8	2.7	2.6
3 mth Interbank, %, end qtr	0.3	0.3	0.3	0.5	0.7	1.0	1.1	1.2	1.2	1.2

(1) excludes MIPs i.e. RPI-X

Please comment on your forecasts by adding a message into the body of your e-mail

Annual vs. Quarterly Forecasts Reconciliation

Annual Forecast (Average of 4 Quarters)

	2017	2018
Real GDP*	1.5 (1.5)	1.3 (1.3)
Household Consumption*	1.6 (1.6)	0.5 (0.5)
Manufacturing Production*	2.0 (2.0)	0.5 (0.5)
Underlying Retail Prices* (1)	3.5 (3.5)	3.6 (3.6)
Consumer Prices (CPI)*	2.5 (2.5)	3.0 (3.0)