

UNITED KINGDOM - ECONOMIC SURVEY - MARCH 2018

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ECONOMIC FORECASTS (CALENDAR YEAR BASIS)

DEADLINE

March 12

**(average % change on previous CALENDAR year)*

	2017	2018	2019
Gross Domestic Product, Chained 2012 Prices*	1.7	1.0	0.7
Household Final Consumption Expenditure, Chained 2012 prices*	1.8	0.2	0.4
Gross Fixed Capital Formation, Chained 2012 prices*	3.9	1.5	1.3
Private Non-Financial Corps Trading Profits (excluding North Sea)*	4.0	0.0	-5.0
Manufacturing Production, 2013=100*	2.8	0.5	-0.3
Retail Price Index, "underlying (ex-MIPs)" or RPI-X, January 13, 1987=100*	3.8	3.6	4.0
Consumer Prices Index (Previously HICP), 2015 = 100*	2.7	3.0	3.5
Manufacturing Output Prices, 2010=100*	3.4	3.6	3.7
Average Weekly Earnings, Whole Economy, Total Pay*	2.3	3.2	3.5
Unemployment Rate (Labour Force Survey measure)	4.4	4.6	4.8
Current Account, £bn	-70	-50	-35.0
	FY17/18	FY18/19	FY19/20
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	50	60	60

INTEREST RATE FORECASTS

	Latest	End Jun '18	End Mar '19
3 month Interbank Interest Rate, %	0.6	0.75	1.0
Yield on Benchmark 10 Year Gilts (1.25%, July 2027), %	1.5	1.7	2.1

EXCHANGE RATES AND OIL PRICES

	Latest	End Apr '18	End Jun '18	End Mar '19	End Mar '20
Japanese Yen/US Dollar	105.8	113.0	115.0	115.0	115.0
US Dollars/Euro	1.233	1.200	1.220	1.240	1.250
US Dollars/UK Pound	1.385	1.350	1.320	1.300	1.300
Canadian Dollars/US Dollar	1.297	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	68.0	na	65.0	60.0	na

MONETARY POLICY EVALUATION

What probability do you attach to a Bank of England repo rate change at or before the **March 22, 2018** meeting?

INCREASE	10.0	+	NO CHANGE	90.0	+	DECREASE		=	Total	100%
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And what, if any, CHANGES in rates do you expect?

INCREASE	0.25	%	OR		%	DECREASE		%
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Where do you estimate the Official Bank rate (currently 0.50%) will be at the end of the next 4 quarters?

	Mar 31, 2018	June 30, 2018	Sep 30, 2018	Dec 31, 2018
Official Bank rate:	0.5	0.8	0.8	1.0
	%	%	%	%

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).

(all definitions as above)

	3Q,'17	4Q,'17	1Q,'18	2Q,'18	3Q,'18	4Q,'18	1Q,'19	2Q,'19	3Q,'19	4Q,'19
Real GDP*	1.8	1.4	1.2	1.1	1.0	0.8	0.8	0.7	0.7	0.7
Household Consumption*	1.3	1.4	0.7	0.5	0.4	0.2	0.3	0.4	0.4	0.4
Manufacturing Production*	3.6	3.4	0.7	0.6	0.4	0.3	-0.1	-0.1	-0.3	-0.5
Underlying Retail Prices* (1)	4.0	4.1	3.5	3.6	3.7	3.6	3.6	3.9	4.0	4.3
Consumer Prices (CPI)*	2.8	3.1	3.1	3.1	3.0	2.9	3.2	3.3	3.5	3.8
3 mth Interbank, %, end qtr	0.3	0.5	0.7	1.0	1.1	1.2	1.2	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 Reconciliati

Annual Forecast (Average of 4 Quarters)

	2018	2019
Real GDP*	1.0 (1.0)	0.7 (0.7)
Household Consumption*	0.2 (0.5)	0.4 (0.4)
Manufacturing Production*	0.5 (0.5)	-0.3 (-0.3)
Underlying Retail Prices* (1)	3.6 (3.6)	4.0 (4.0)
Consumer Prices (CPI)*	3.0 (3.0)	3.5 (3.5)