

UNITED KINGDOM - ECONOMIC SURVEY - JUNE 2018

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ECONOMIC FORECASTS (CALENDAR YEAR BASIS) **DEADLINE**
June 11

*(average % change on previous CALENDAR year)

	2017	2018	2019
Gross Domestic Product, Chained 2012 Prices*	1.8	1.1	0.7
Household Final Consumption Expenditure, Chained 2012 prices*	1.7	0.3	0.3
Gross Fixed Capital Formation, Chained 2012 prices*	4.0	2.5	0.7
Private Non-Financial Corps Trading Profits (excluding North Sea)*	2.6	5.0	2.0
Manufacturing Production, 2013=100*	2.5	2.0	1.0
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	2.7	3.2
Average Weekly Earnings, Whole Economy, Total Pay*	2.4	3.2	3.5
Unemployment Rate (Labour Force Survey measure)	4.4	4.1	4.3
Current Account, £bn	-82.9	-50	-35.0
	FY17/18	FY18/19	FY19/20
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	42.6	60	60

INTEREST RATE FORECASTS

	Latest	End Sep '18	End Jun '19
3 month Interbank Interest Rate, %	0.6	0.75	1.0
Yield on Benchmark 10 Year Gilts (4.250%, Dec. 2027), %	1.3	1.7	2.1

EXCHANGE RATES AND OIL PRICES

	Latest	End Jul '18	End Sep '18	End Jun '19	End Jun '20
Japanese Yen/US Dollar	109.6	113.0	115.0	115.0	115.0
US Dollars/Euro	1.170	1.200	1.220	1.240	1.250
US Dollars/UK Pound	1.333	1.350	1.320	1.300	1.300
Canadian Dollars/US Dollar	1.293	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	74.5	na	75.0	65.0	na

MONETARY POLICY EVALUATION

What probability do you attach to a Bank of England repo rate change at or before the June 21, 2018 meeting?

INCREASE	NO CHANGE	DECREASE	Total
20.0	80.0		100%

And what, if any, CHANGES in rates do you expect? INCREASE 0.25% OR DECREASE %

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

Official Bank rate:	June 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019
	0.50 %	0.75 %	0.75 %	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	1.1	0.9	0.8	0.7	0.7	0.7
Household Consumption*	1.3	1.2	1.1	0.2	0.1	0.0	0.3	0.3	0.3	0.4
Manufacturing Production*	3.1	2.8	2.5	2.1	1.7	1.5	0.8	0.9	1.0	1.1
Underlying Retail Prices* (1)	4.0	4.1	3.7	3.6	3.7	3.6	3.6	3.9	4.0	4.3
Consumer Prices (CPI)*	2.8	3.1	2.6	3.1	3.1	3.0	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 Reconciliation

Annual Forecast (Average of 4 Quarters)

	2018	2019
Real GDP*	1.1 (1.1)	0.7 (0.7)
Household Consumption*	0.3 (0.3)	0.3 (0.3)
Manufacturing Production*	2.0 (2.0)	1.0 (1.0)
Underlying Retail Prices* (1)	3.6 (3.6)	4.0 (4.0)
Consumer Prices (CPI)*	3.0 (3.0)	3.5 (3.5)