

UNITED KINGDOM - ECONOMIC SURVEY - NOVEMBER 2018



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ECONOMIC FORECASTS (CALENDAR YEAR BASIS)

DEADLINE

November 12

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

	2017	2018	2019	2020
Gross Domestic Product, Chained 2012 Prices*	1.7	1.2	0.7	0.5
Household Final Consumption Expenditure, Chained 2012 prices*	1.9	1.4	-0.1	
Gross Fixed Capital Formation, Chained 2012 prices*	3.3	0.2	0.9	
Private Non-Financial Corps Trading Profits (excluding North Sea)*	3.1	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	2020
Consumer Prices Index (Previously HICP), 2015 = 100*	2.7	2.5	3.2	4.0
Manufacturing Output Prices, 2010=100*	3.4	3.0	3.5	
Average Weekly Earnings, Whole Economy, Total Pay*	2.4	2.7	3.2	
Unemployment Rate (Labour Force Survey measure)	4.4	4.1	4.3	
Current Account, £bn	-76.5	-65	-70.0	
	FY17/18	FY18/19	FY19/20	
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	39.9	30.0	38.0	

INTEREST RATE FORECASTS

	Latest	End Feb '19	End Nov '19
3 month Interbank Interest Rate, %	0.8	0.80	1.0
Yield on Benchmark 10 Year Gilts (1.625%, Oct. 2028), %	1.5	1.9	2.1

EXCHANGE RATES AND OIL PRICES

	Latest	End Dec '18	End Feb '19	End Nov '19	End Nov '20
Japanese Yen/US Dollar	113.2	113.0	113.0	110.0	108.0
US Dollars/Euro	1.140	1.180	1.210	1.240	1.250
US Dollars/UK Pound	1.302	1.270	1.210	1.270	1.320
Canadian Dollars/US Dollar	1.309	1.250	1.230	1.210	1.200
Oil Price, BRENT - US \$/bbl	77.6	na	75.0	70.0	na

MONETARY POLICY EVALUATION

What probability do you attach to a Bank of England repo rate change at the MPC meeting of **December 20, 2018 ?**

INCREASE + NO CHANGE + DECREASE = Total

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

Where do you estimate the Official Bank rate (currently 0.75%) will be at the end of the next 4 quarters?

Official Bank rate: Dec 31, 2018 % Mar 31, 2019 % Jun 30, 2019 % Sep 30, 2019 %

SPECIAL QUESTION (Answers Confidential) - Corporate Profits

Please provide your additional estimates for corporate profitability (using the definition given below and measured as the percentage change on the previous year) for the calendar year period until 2023. Please indicate the major factors which are likely to affect profits over this period.

	2020	2021	2022	2023
Private Non-Financial Corporate Trading Profits (excl. North Sea), average % change on previous year (definition as above)	-3.0	-8.0	-2.0	5.0

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