

UNITED KINGDOM - ECONOMIC SURVEY - MAY 2022

RETURN TO: CONSENSUS ECONOMICS INC.

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ECONOMIC FORECASTS (CALENDAR YEAR BASIS) DEADLINE
May 9

* (average % change on previous CALENDAR year)

	2021	2022	2023
Gross Domestic Product , Chained 2016 Prices*	7.5	2.3	-0.6
Household Final Consumption Expenditure , Chained 2016 prices*	6.2	3.8	0.6
Gross Fixed Capital Formation , Chained 2016 prices*	5.9	1.5	1.8
Private Non-Financial Corps Trading Profits (excluding North Sea)*	7.4	-3.5	-7.0
Manufacturing Production , 2013=100*	6.7	3.5	0.0
Retail Price Index , "underlying (ex-MIPs)" or RPI-X , January 13, 1987=100*	4.2	9.0	6.5
Consumer Prices Index (CPI), 2015 = 100*	2.6	8.4	6.5
Manufacturing Output Prices , 2015=100*	5.2	6.7	5.0
Average Weekly Earnings , Whole Economy, Total Pay*	5.9	6.5	6.8
Unemployment Rate (Labour Force Survey measure)	4.5	4.2	4.7
Current Account , £bn	-60	-55	-50
Public Sector Net Borrowing - excl. Financial Interventions (PSNB ex) (fiscal years (April-March), £bn)	FY21/22 151.8	FY22/23 140.0	FY23/24 130.0

INTEREST RATE FORECASTS

	Latest	End Aug '22	End May '23
3 month Term SONIA Reference Rate (TSRR) , %	1.1	1.5	1.5
Yield on Benchmark 10 Year Gilts (4.25%, June 2032), %	2.0	2.3	2.6

EXCHANGE RATES AND OIL PRICES

	Latest	End Jun '22	End Aug '22	End May '23	End May '24
Japanese Yen/US Dollar	130.2	130.0	127.0	125.0	125.0
US Dollars/Euro	1.052	1.030	1.050	1.070	1.100
US Dollars/UK Pound	1.252	1.200	1.200	1.220	1.250
Canadian Dollars/US Dollar	1.289	1.280	1.260	1.250	1.250
Oil Price, BRENT - US \$/bbl	108.4	na	110.0	95.0	na

MONETARY POLICY EVALUATION

What probability do you attach to a Bank of England repo rate change at the MPC meeting of June 16, 2022?

INCREASE	NO CHANGE	DECREASE	Total
95.0	5.0		100%

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

0.25	%	OR	%
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Where do you estimate the Official Bank rate will be at the end of the next 4 quarters?

	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
Official Bank rate:	1.3 %	1.5 %	1.5 %	1.5 %

YEAR-ON-YEAR headline INFLATION

Consumer Prices, % change over previous year (y-o-y) (definition as above)

Apr '22	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb '23	Mar	Apr	May	Jun	Jul
8.2	8.5	8.8	9.3	9.1	9.2	9.5	9.8	10.1	9.9	9.4	8.7	8.2	7.5	7.0	6.5

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 2027. Please indicate the major factors which are likely to affect profits over this period.

	2024	2025	2026	2027
Private Non-Financial Corporate Trading Profits (excl. North Sea), average % change on previous year (definition as above)	-2.0	3.0	5.0	6.0

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