

Other forecasters' expectations

February 2016

Every three months, the Bank asks a sample of external forecasters for their latest economic projections. The key findings of the Bank's latest Survey of External Forecasters, conducted during January, are summarised on page 42 of the February 2016 *Inflation Report*. The tables in this document contain the average of external forecasters' central expectations, and distributions, for CPI inflation, GDP growth, the LFS unemployment rate, Bank Rate and the stock of purchased assets. They also contain the average of external forecasters' expectations for the sterling exchange rate.

This document contains five tables:

- Table 1 shows the averages of other forecasters' central projections;
- Table 2 shows other forecasters' probability distributions for CPI inflation, GDP growth and the LFS unemployment rate;
- Table 3 shows the averages of other forecasters' expectations for Bank Rate, the stock of purchased assets and the sterling exchange rate;
- Table 4 shows the averages of other forecasters' expectations for how the change in stock of purchased assets will be achieved; and
- Table 5 shows other forecasters' probability distributions for Bank Rate and the stock of purchased assets.

Table 1 Averages of other forecasters' central projections^(a)

	2017 Q1	2018 Q1	2019 Q1
CPI inflation ^(b)	1.6	2.0	2.0
GDP growth ^(c)	2.2	2.3	2.2
LFS unemployment rate	5.0	4.8	4.8

Source: Projections of outside forecasters as of 21 January 2016.

(a) For 2017 Q1, there were 24 forecasts for CPI inflation, 25 for GDP growth, and 23 for the unemployment rate. For 2018 Q1, there were 20 forecasts for CPI inflation and GDP growth, and 18 for the unemployment rate. For 2019 Q1, there were 19 forecasts for CPI inflation and GDP growth, and 17 for the unemployment rate.

(b) Twelve-month rate.

(c) Four-quarter percentage change.

Table 2 Other forecasters' probability distributions for CPI inflation, GDP growth and LFS unemployment rate^(a)

CPI inflation

Probability, per cent	Range:						
	<0%	0–1%	1–1.5%	1.5–2%	2–2.5%	2.5–3%	>3%
2017 Q1	5	17	26	26	14	7	5
2018 Q1	3	10	17	25	25	13	8
2019 Q1	3	7	13	24	29	14	10

GDP growth

Probability, per cent	Range:					
	<-1%	-1–0%	0–1%	1–2%	2–3%	>3%
2017 Q1	2	5	11	31	35	17
2018 Q1	2	6	11	28	34	19
2019 Q1	3	6	13	28	32	18

LFS unemployment rate

Probability, per cent	Range:									
	<4%	4–4.5%	4.5–5%	5–5.5%	5.5–6%	6–6.5%	6.5–7%	7–7.5%	7.5–8%	>8%
2017 Q1	4	14	28	29	14	6	3	2	1	0
2018 Q1	6	16	28	26	14	6	3	1	1	0
2019 Q1	8	17	25	23	15	7	3	2	1	0

Source: Projections of outside forecasters as of 21 January 2016.

(a) For 2017 Q1, 20 forecasters provided the Bank with their assessment of the likelihood of twelve-month CPI inflation and four-quarter GDP growth falling in the ranges shown above, and 19 forecasters provided their assessments of the likelihood of the unemployment rate falling in the ranges shown above. For 2018 Q1, 17 provided their assessment for CPI inflation and GDP growth and 16 provided their assessment for the unemployment rate. For 2019 Q1, 16 provided their assessment for CPI inflation and GDP growth and 15 provided their assessment for the unemployment rate. Rows may not sum to 100 due to rounding.

Table 3 Averages of other forecasters' expectations for Bank Rate, the stock of purchased assets and the sterling exchange rate^(a)

	2017 Q1	2018 Q1	2019 Q1
Bank Rate (per cent)	0.9	1.6	2.1
Stock of purchased assets (£ billions) ^(b)	375	372	360
Sterling ERI	90.7	90.0	89.5

Source: Projections of outside forecasters as of 21 January 2016.

(a) For 2017 Q1, there were 24 forecasts for Bank Rate, 16 for the stock of asset purchases and 11 for the sterling ERI. For 2018 Q1, there were 20 forecasts for Bank Rate, 13 for the stock of asset purchases and 10 for the sterling ERI. For 2019 Q1, there were 19 forecasts for Bank Rate, 12 for the stock of asset purchases and 10 for the sterling ERI.

(b) Original purchase value. Purchased via the creation of central bank reserves.

Table 4 Averages of other forecasters' expectations for how the change in stock of purchased assets will be achieved^(a)

	2017 Q1	2018 Q1	2019 Q1
Cumulative change in stock of purchased assets (£ billions) ^(b)	0	-1	-5
<i>of which, end of reinvestment</i>	0	-1	-5
<i>of which, asset sales</i>	0	0	0

Source: Projections of outside forecasters as of 21 January 2016.

(a) This table contains the results from those who either expected the stock of purchased assets to remain at £375 billion or who provided details of whether any change would be achieved through an end to reinvestment or through sales of assets. This group had slightly different averages for the total reduction in the stock of purchased assets compared to the sample as a whole; for 2018 Q1, the average reduction was the same, for 2018 Q1, the average for this group was around £2 billion lower, and for 2019 Q1, the average for this group was around £10 billion lower. For 2017 Q1, there were 16 forecasters in the sample, 2018 Q1 there were 12 forecasters in the sample, and for 2019 Q1, there were 11 forecasters in the sample.

(b) Original purchase value. Purchased via the creation of central bank reserves.

Table 5 Other forecasters' probability distributions for Bank Rate and the stock of purchased assets^(a)

Bank Rate

	Probability, per cent										Range:
	<0%	0–0.5%	0.5–1%	1–1.5%	1.5–2%	2–2.5%	2.5–3%	3–3.5%	3.5–4%	>4%	
2017 Q1	1	9	38	40	9	2	0	0	0	0	<0%
2018 Q1	1	5	17	24	24	19	7	1	1	0	0–0.5%
2019 Q1	1	4	9	16	19	24	17	5	3	2	0.5–1%

Stock of purchased assets

	Probability, per cent						Range (£ billions):
	<225	225–275	275–325	325–375	375–425	>425	
2017 Q1	0	0	2	23	70	4	<225
2018 Q1	1	1	4	24	66	5	225–275
2019 Q1	1	8	10	23	52	6	275–325

Source: Projections of outside forecasters as of 21 January 2016.

(a) For 2017 Q1, 19 forecasters provided the Bank with their assessment of the likelihood of Bank Rate falling in the ranges shown above. For 2018 Q1, 17 forecasters provided their assessment for Bank Rate. For 2019 Q1, 16 forecasters provided their assessment for Bank Rate. For 2017 Q1, 13 forecasters provided their assessment of the likelihood of the stock of purchased assets falling in the ranges shown above. For 2018 Q1, 12 forecasters provided their assessments. For 2019 Q1, 11 forecasters provided their assessments. Rows may not sum to 100 due to rounding.