

Other forecasters' expectations

August 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 July, are summarised on page 49 of the August 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 Q3	2018 Q3	2019 Q3
CPI inflation ^(b)	2.5	2.4	2.1
GDP growth ^(c)	0.5	1.6	1.9
LFS unemployment rate	5.7	6.0	6.0

Source: Projections of outside forecasters as of 29 July 2016.

(a) For 2017 Q3, there were 22 forecasts for CPI inflation and for GDP growth, and 20 for the unemployment rate. For 2018 Q3, there were 18 forecasts for CPI inflation and for GDP growth, and 17 for the unemployment rate. For 2019 Q3, there were 17 forecasts for CPI inflation and GDP growth, and 16 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 Q3	2	4	9	18	23	21	23
2018 Q3	1	5	12	18	24	21	18
2019 Q3	2	9	15	22	23	17	13

GDP growth

Probability, per cent	Range:					
	<-1%	-1–0%	0–1%	1–2%	2–3%	>3%
2017 Q3		11	19	30	26	4
2018 Q3		5	13	23	30	10
2019 Q3		5	10	19	28	15

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 Q3	1	4	9	23	26	17	10	5	3	1
2018 Q3	1	3	8	17	23	21	13	8	4	2
2019 Q3	2	4	9	17	22	21	13	8	4	2

Source: Projections of outside forecasters as of 29 July 2016.

(a) For 2017 Q3, 19 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 17 forecasters provided their assessments of the likelihood of the unemployment rate falling in the ranges shown above. For 2018 Q3, 17 provided their assessment for CPI inflation and GDP growth and 16 provided their assessment for the unemployment rate. For 2019 Q3, 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 Q3	2018 Q3	2019 Q3
Bank Rate (per cent)	0.2	0.3	0.5
Stock of purchased assets (£ billions) ^(b)	443	449	447
Sterling ERI	77.8	79.3	80.3

Source: Projections of outside forecasters as of 29 July 2016.

(a) For 2017 Q3, there were 22 forecasts for Bank Rate, 20 for the stock of purchased assets and 13 for the sterling ERI. For 2018 Q3, there were 19 forecasts for Bank Rate, 17 for the stock of purchased assets and 13 for the sterling ERI. For 2019 Q3, there were 18 forecasts for Bank Rate, 16 for the stock of purchased assets and 12 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

Due to limited responses, these data are not available.

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 Q3	10	62	19	3	3	3	1	0	0	0
2018 Q3	12	51	23	5	2	1	1	2	2	0
2019 Q3	9	41	26	12	4	3	2	1	1	0

Stock of purchased assets

Probability, per cent	Range (£ billions):					
	<225	225–275	275–325	325–375	375–425	>425
2017 Q3	0	0	0	2	51	46
2018 Q3	0	0	1	3	46	50
2019 Q3	0	0	0	5	47	48

Source: Projections of outside forecasters as of 29 July 2016.

(a) For 2017 Q3, 18 forecasters provided the Bank with their assessment of the likelihood of Bank Rate falling in the ranges shown above. For 2018 Q3, 16 forecasters provided their assessment for Bank Rate. For 2019 Q3, 15 forecasters provided their assessment for Bank Rate. For 2017 Q3, 15 forecasters provided their assessment of the likelihood of the stock of purchased assets falling in the ranges shown above. For 2018 Q3, 13 forecasters provided their assessments and for 2019 Q3, 12 forecasters provided their assessments. Rows may not sum to 100 due to rounding.