



BANK OF ENGLAND

Monetary Policy Summary and minutes of the Monetary Policy Committee meeting ending on 6 November 2019

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These are the minutes of the Monetary Policy Committee meeting ending on 6 November 2019.

They are available at <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2019/november-2019>.

The Bank of England Act 1998 gives the Bank of England operational responsibility for setting monetary policy to meet the Government's inflation target. Operational decisions are taken by the Bank's Monetary Policy Committee. The minutes of the Committee meeting ending on 18 December will be published on 19 December 2019.

Monetary Policy Summary, November 2019

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on 6 November 2019, the MPC voted by a majority of 7-2 to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The Committee's new projections for activity and inflation are set out in the accompanying November *Monetary Policy Report*. They are now based on the assumption of an orderly transition to a deep free trade agreement between the United Kingdom and the European Union.

Looking through Brexit-related volatility, underlying UK GDP growth has slowed materially this year and a small margin of excess supply has opened up. That slowdown reflects weaker global growth, driven by trade protectionism, and the domestic impact of Brexit-related uncertainties.

In October, the UK and EU agreed a Withdrawal Agreement and Political Declaration as well as a flexible extension of Article 50. As a consequence, the perceived likelihood of a no-deal Brexit has fallen markedly and the sterling exchange rate has appreciated. These agreements are expected to remove some of the uncertainty facing businesses and households, and the MPC projects that UK GDP growth will pick up during 2020. This will be further supported by easier UK fiscal policy and a modest recovery in global growth. Over the remainder of the forecast period, demand growth is expected to outstrip the subdued pace of supply growth, which is restrained to some extent by the adjustment to new trading arrangements with the EU.

Inflationary pressures are projected to lessen in the near term. CPI inflation remained at 1.7% in September and is expected to decline to around 1¼% by the spring, owing to the temporary effect of falls in regulated energy and water prices. While unit labour costs have been growing at rates above those consistent with meeting the inflation target and core services CPI inflation has begun to increase somewhat, employment growth has slowed and pay growth is likely to fall back in the near term. In the second half of the MPC's forecast period, however, as a significant margin of excess demand emerges, domestic inflationary pressures are expected to build. Conditioned on current market yields, CPI inflation is projected to rise to slightly above 2% towards the end of the forecast period.

Monetary policy could respond in either direction to changes in the economic outlook in order to ensure a sustainable return of inflation to the 2% target. The Committee will, among other factors, monitor closely the responses of companies and households to Brexit developments as well as the prospects for a recovery in global growth. If global growth fails to stabilise or if Brexit uncertainties remain entrenched, monetary policy may need to reinforce the expected recovery in UK GDP growth and inflation. Further ahead, provided these risks do not materialise and the economy recovers broadly in line with the MPC's latest projections, some modest tightening of policy, at a gradual pace and to a limited extent, may be needed to maintain inflation sustainably at the target.

The MPC judges at this meeting that the existing stance of monetary policy is appropriate.

Minutes of the Monetary Policy Committee meeting ending on 6 November 2019

1 Before turning to its immediate policy decision, and against the backdrop of its latest economic projections, the Committee discussed: monetary and financial conditions; the international economy; demand, output, money and credit; and supply, costs and prices.

Monetary and financial conditions

2 Since the Committee's previous meeting, advanced economy government bond yields and risky asset prices had generally ended the period a little higher, more than reversing initial falls. This had reflected the net impact of slightly easing global trade tensions and a significant fall in the perceived likelihood of a no-deal Brexit, set against signs of softer international growth.

3 Advanced economy government bond yields had fallen in late September and early October, largely reflecting negative economic data surprises, particularly in the United States, as well as some evidence of greater market sensitivity to those surprises. From mid-October onwards, however, there had been generally positive news on the prospects for an initial trade agreement between the United States and China, and this had pushed up on government bond yields in advanced economies. A similar pattern had been evident in both equity prices and corporate bond spreads.

4 In the United States, monetary policy had been loosened further, as the Federal Open Market Committee had cut the target range for the federal funds rate by 25 basis points on 30 October. Market pricing now implied that policy would be on hold in the near term. In the euro area, the ECB Governing Council had left policy unchanged at its October meeting, following the announcement of a package of easing measures in September.

5 An unexpected degree of reserves scarcity in US money markets had, immediately prior to the MPC's September meeting, prompted a spike in the Secured Overnight Financing Rate (SOFR). Since then, the Federal Reserve had introduced a series of regular overnight and short-term repo operations to ensure that SOFR remained consistent with the target range for the federal funds rate, and short-term interest rates had fallen back. There had been no spillovers to UK or euro-area money markets.

6 UK asset prices had been affected by global developments and Brexit news. There had been a further significant fall in the perceived likelihood that market participants attached to a no-deal Brexit, following progress in the negotiations between the United Kingdom and the European Union on the terms of a Withdrawal Agreement, culminating in the extension of the Article 50 process. The sterling exchange rate index had increased by around 3% since the previous MPC meeting, and sterling implied volatilities had fallen back somewhat, although they remained significantly higher than their euro and dollar counterparts. UK-focused equities had also ended the period somewhat higher and had outperformed international counterparts.

7 Since the MPC's September meeting, the UK instantaneous forward Overnight Index Swap curve had been little changed, and the market yield curve on which the November *Monetary Policy Report* forecast was

conditioned implied that Bank Rate would be below its current level over the forecast period. Market contacts did not expect any change in policy at this MPC meeting.

8 Financial market indicators of near-term UK inflation expectations had moved down somewhat since the September MPC meeting. Longer-term measures had fallen a little.

9 UK bank funding costs had eased a little, with wholesale unsecured funding spreads having fallen to their lowest level in 18 months. There were nevertheless some signs of a slight tightening in corporate credit conditions, according to reports from the Bank's Agents and banks' expectations in the latest Credit Conditions Survey. For households, there had been a further slight tightening in unsecured credit conditions, while mortgage rates had continued to decline slightly, following earlier falls in reference rates.

The international economy

10 Since the MPC's previous meeting, global activity had again been a touch weaker than expected, and forward-looking indicators had pointed to a continued contraction in global manufacturing output. World industrial production and advanced economy capital goods orders had both fallen in the three months to July, compared to the previous three months, by 0.1% and 0.9% respectively. World goods trade had fallen by 0.5% on the same basis in August, albeit with tentative signs of a stabilisation. The JP Morgan global manufacturing PMI had remained weak in October and, although the new export orders component had recovered a little, it had continued to indicate a contraction. The services PMIs for the United States and euro area had improved somewhat in October.

11 Weakness in global activity had partly reflected the earlier intensification of the US-China trade war. Tensions appeared recently to have eased somewhat, however. On 11 October, the US and Chinese governments had agreed the outline of the first phase of a trade deal, as part of which the United States had agreed to suspend the previously announced increase of existing tariffs on \$250 billion of US imports from China. Nevertheless, uncertainty over future trade policies remained high.

12 Against this backdrop, the Committee discussed the recent slowdown in investment across advanced economies. Since the end of 2017, annual G7 investment growth had slowed markedly, accounting for slightly more than half of the slowdown in GDP growth in these economies over that period. Although investment had been structurally weak in the decade following the global financial crisis, a significant element of the more recent slowdown appeared to have been driven by trade tensions, both via firms directly affected by tariffs and via more widespread uncertainty about future trade policies. In the United States, for example, around half of the slowdown in investment appeared to have been accounted for by the most export-oriented sectors. It was also notable that the US slowdown had occurred despite a sharp reduction in corporate taxes in 2018.

13 According to the preliminary flash estimate, euro-area GDP had grown by 0.2% in 2019 Q3, the same as in Q2 but a material slowdown from the rates of growth seen over the previous couple of years. The Q3 outturn had been in line with expectations at the time of the Committee's September meeting, but 0.1 percentage points lower than had been expected at the time of the August *Inflation Report*. The euro-area manufacturing and

services output PMIs had both increased in October, but had remained weak. Bank staff expected that euro-area GDP growth would remain subdued in Q4, at 0.2%.

14 The advance estimate of US GDP growth in 2019 Q3 had been 0.5%, the same as in Q2, though a touch weaker than expectations at the time of the Committee's previous meeting. Within this, business investment had fallen for a second consecutive quarter, by 0.8%, while household consumption growth had remained strong. The increase in non-farm payrolls in October had been somewhat higher than expected, although the unemployment rate had ticked up, to 3.6%. A range of forward-looking survey measures suggested that US GDP growth would slow slightly in Q4, to 0.4%.

15 In China, headline GDP had grown by 6.0% in the year to 2019 Q3, down from 6.2% in Q2, slowing in line with the August *Report* forecast. Key monthly activity indicators had remained relatively subdued in September, although there had been some signs of stabilisation, as both industrial production and retail sales growth had strengthened a little on the month. The official NBS and Caixin manufacturing PMIs for October had presented a mixed picture, although they were consistent overall with Bank staff's expectation that GDP growth would slow slightly further in Q4.

16 Overall GDP growth in major emerging markets in 2019 Q2 had been slightly weaker than expected, with particularly weak growth in India. Indicators of activity in Q3 had been soft, with a weighted average of manufacturing PMIs for seven major emerging market economies having weakened somewhat. Emerging market financial conditions had eased a little since the MPC's previous meeting.

17 Spot oil prices had fallen slightly since the September MPC meeting, to \$63 per barrel. Metals prices had increased slightly.

18 Consumer price inflation in major advanced economies had remained subdued. Euro-area annual HICP inflation had fallen slightly, to 0.7%, in October, reflecting lower energy prices, although core HICP inflation had picked up a little, to 1.1%. US annual headline and core PCE inflation had eased slightly, to 1.3% and 1.7% respectively, in September. Although much of the recent weakness in US inflation had been driven by temporary factors, wage growth appeared to have moderated, with the Employment Cost Index measure of wages and salaries having eased in 2019 Q3, to 2.9% on a year ago.

Demand, output, money and credit

19 UK GDP had increased by 0.3% in the three months to August, compared with 0.1% in the three months to May. Bank staff's estimate for GDP growth in 2019 Q3 as a whole had been revised up to 0.4%, from 0.2% at the time of the Committee's previous meeting. This was largely the result of an upward revision to estimates of service sector output for June and July. Growth in Q3 appeared to have been boosted slightly by a return to usual seasonal levels of car production, following Brexit-related shutdowns in the spring.

20 Looking through movements in volatile components of GDP, the Committee judged that underlying growth over the first three quarters of the year had been materially weaker than in 2017 and 2018. That weakness

appeared to have been due to both the global growth slowdown and Brexit uncertainties. The MPC expected continued subdued growth, of 0.2%, in 2019 Q4. Although business survey indicators, taken together, pointed to a contraction in GDP in Q4, the relationship between survey responses and growth appeared to have been weaker at times of uncertainty and some firms may have considered a no-deal Brexit as likely when they had responded to the latest available surveys. The most recent PMI surveys, some of the responses to which had post-dated the Brexit deal, had shown a small improvement in activity.

21 Indicators of investment intentions had fallen further, including the Bank's Agents' score, which had reached its lowest level since 2010. In the latest Decision Maker Panel, over 50% of firms had continued to report Brexit as one of the top three sources of uncertainty. That survey had spanned the period around the agreement of a revised Withdrawal Agreement and Political Declaration between the United Kingdom and the European Union. It would be important to monitor the responses of companies to the most recent Brexit developments.

22 Official external trade data had been especially volatile over the course of the year, in part due to the effects of Brexit-related stockbuilding on exports and imports. Surveys of export orders had been weak, however. This was in part likely to have reflected the softening in global trade. In addition, responses to a new question in the latest Brexit survey conducted by the Bank's Agents suggested that some firms had begun to re-orient their supply chains away from the United Kingdom, perhaps because of uncertainty about future trade barriers.

23 Consumption growth for 2019 H1 had been revised down to an average quarterly growth rate of 0.3% in the latest vintage of ONS data. Timelier indicators of household spending suggested that consumption had continued to grow at a similar pace in Q3. For example, official data on retail sales growth had been steady in recent months, even though surveys of the retail sector had remained relatively gloomy. Consumer confidence had remained broadly stable, although there had continued to be a wedge between households' relatively positive views on their own personal finances and their more negative views on the general economic outlook. House prices had firmed a little over the period and secondary market housing activity appeared to be stable.

24 The Committee discussed the recent *Blue Book* revisions to estimates of the household saving ratio. The level of the saving ratio since the start of 2017 had been revised up by 1.4 percentage points on average to reach just under 7% in 2019 Q2, primarily reflecting new HMRC data on self-employment income. This was consistent with the historical pattern of revisions to the saving ratio. In addition to the upward shift in the level, the latest data suggested that the saving ratio had drifted up over recent quarters, compared with a broadly flat picture previously. That was consistent with a modest increase in precautionary saving by households as a result of Brexit uncertainties. This pattern was also evident in the household financial balance, which suggested that households had become more cautious about their spending.

Supply, costs and prices

25 Twelve-month CPI inflation had remained at 1.7% in September and core CPI inflation, excluding energy, food, alcoholic beverages and tobacco, had risen from 1.5% to 1.7%. These outturns had been in line with the

August Inflation Report. Core services CPI inflation had picked up to 2.5% in September, a 20-month high, and the same measure excluding rents had risen to 2.9%.

26 CPI inflation was expected to remain at or slightly below its current level over the next six months, before falling to around 1¼% in 2020 Q2. Given the usual uncertainties around that forecast, that implied a probability of a little less than a half that headline inflation would fall below the 2% target by more than one percentage point at that point, requiring the Governor to write an open letter to the Chancellor.

27 Relative to the MPC's target, the weakness in inflation in 2020 Q2 was expected to be almost fully accounted for by a number of components that would push down on inflation only temporarily. Consumer energy price inflation was likely to fall significantly next April, as large increases in Ofgem's gas and electricity price caps in April 2019 dropped out of the twelve-month comparison and petrol price inflation was expected to remain negative following recent weakness in sterling oil prices. In addition, proposed cuts in Ofwat's water and sewerage price caps were also likely to push down somewhat on CPI inflation over the twelve months from April 2020.

28 The Committee discussed the implications of a weaker near-term path for CPI inflation. Although the MPC's inflation target applied at all times, there was little that monetary policy could do to affect inflation outcomes at shorter horizons. Moreover, almost all of the projected undershoot relative to the target next year was expected to be accounted for by identifiably temporary factors that were unlikely to have implications for medium-term inflationary pressures. Indicators of inflation expectations had remained well anchored and had not moved significantly since the MPC's previous meeting.

29 Official measures of annual pay growth had been close to 4% over recent months, stronger than the Committee had expected. In particular, growth in private sector average weekly earnings (AWE) excluding bonuses in the three months to August had been 0.5 percentage points higher than projected in the *August Report*. Three month on three month annualised growth in that pay measure had risen above 5%. Other indicators, such as settlements and pay surveys from REC and the Bank's Agents had continued to point to a somewhat weaker trend in earnings growth, however. Partly reflecting that, the MPC's projections assumed that AWE growth would fall back somewhat in the near term.

30 Higher pay growth had not been matched by stronger productivity growth and so unit labour costs had grown robustly. For example, a measure of unit wage costs derived from private sector regular AWE had risen by 4% in the year to 2019 Q2, above levels consistent with meeting the inflation target in the medium term, although growth was expected to edge down slightly over the second half of this year.

31 The outlook for pay growth would continue to depend on the tightness of the labour market. The LFS unemployment rate had remained in its recent 3.8% to 3.9% range over recent months, below the MPC's estimate of the equilibrium unemployment rate. The claimant count measure, adjusted for the effects of the phased introduction of Universal Credit, had continued to decline. Within the LFS series, however, there had been an increase in those who had been unemployed for up to six months, indicative of a possible rise in inflows to unemployment from employment. Employment growth had been particularly weak in the three months to August, at -0.2%, the lowest rate since 2015. That was broadly consistent with the weakness in

survey indicators of employment intentions, and the continuing sharp decline in the number of job vacancies. LFS employment growth was expected to fall further in next month's data but then pick up back into slightly positive territory by the end of this year.

The immediate policy decision

32 The MPC sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. In pursuing that objective, the main challenges the Committee faced had been to assess the economic implications of the United Kingdom withdrawing from the European Union against a backdrop, more recently, of weaker global growth, and to identify the appropriate policy response to that changing outlook. That outlook depended significantly on the nature and timing of EU withdrawal, in particular: the form of new trading arrangements between the European Union and the United Kingdom; whether the transition to them was abrupt or smooth; and how households, businesses and financial markets responded. The implications for the appropriate path of monetary policy would depend on the balance of the effects on demand, supply and the exchange rate.

33 Since the Committee's previous meeting, there had been significant developments in the Brexit process. A revised Withdrawal Agreement and Political Declaration on the framework for the future relationship between the United Kingdom and the European Union had been agreed, setting out a broad partnership with a free trade agreement at its core. The House of Commons had approved the second reading of the Bill which was intended to implement the agreement in UK law. Reflecting those developments, the MPC's projections were now conditioned on an orderly transition to a deep free trade agreement. The UK's membership of the European Union had been extended by up to a further three months to 31 January 2020.

34 In light of these developments, the Committee considered how the economic outlook had changed since its September meeting and against the backdrop of its new projections for activity and inflation set out in the November *Monetary Policy Report*.

35 Since the MPC's previous meeting, global activity had been a touch weaker than expected. Despite having been below consensus forecasts, the MPC's projections for 2019 global growth had been revised down in five out of their previous six quarterly forecasts. GDP growth in the euro area in 2019 Q3 had remained weak, while US Q3 growth had surprised slightly on the downside. Over a longer period, the world economy had slowed markedly and was now expanding at its slowest pace since 2009. That slowdown, which had been particularly evident in business investment growth, had been driven by trade protectionism and an associated rise in global uncertainty. In addition, there were now signs in some countries that weakness in investment was spilling over into labour markets. Consumer price inflation in major advanced economies had remained subdued.

36 In the Committee's central projection, global GDP growth was expected to remain slow over the coming quarters, as protectionism weighed on trade flows, business sentiment and investment. It was then projected to pick up gradually over the MPC's forecast period, partly accounted for by a recovery in growth in some

emerging economies and the loosening of monetary policy in most major economies. There was a risk that the global equilibrium interest rate had declined somewhat, however, due to higher levels of uncertainty.

37 UK asset prices had been affected by global developments and Brexit news. The perceived likelihood of a no-deal Brexit had fallen markedly and the sterling exchange rate had appreciated. Sterling implied volatilities had also fallen back. The market yield curve on which the forecast was conditioned implied that Bank Rate would be below its current level over the forecast period. Market contacts did not expect any change in policy at this MPC meeting.

38 Looking through Brexit-related data volatility, underlying UK GDP growth had slowed materially this year, compared with 2017 and 2018. That slowdown reflected weaker global growth and the domestic impact of Brexit-related uncertainties. Business investment had fallen in five out of six of the previous quarters and indicators of investment intentions had fallen further. Net trade had made a negative contribution to GDP growth during the first half of this year. Annual consumption growth in 2019 Q2 had been revised down to its lowest rate since 2012, and was growing at around half the pace of real incomes. Over a longer period, the revised estimates of the saving ratio suggested a modest increase in precautionary saving by households as a result of Brexit uncertainties.

39 The MPC judged that activity was likely to remain subdued in the near term, with GDP growth estimated to have been 0.4% in 2019 Q3 and projected to be 0.2% in the fourth quarter. In making that Q4 projection, the Committee had aimed up from the weaker signal suggested by business surveys of output, which had tended to underestimate activity of late. In addition, most available surveys had only covered periods prior to the most recent political developments, including the reduction in the perceived probability of a no-deal Brexit. The latest results from the Bank's Agents' Brexit survey continued to suggest that companies expected significantly higher economic activity under a deal than if there were to be no deal.

40 A small margin of excess supply was judged to have opened up and was projected to remain in the first part of the forecast period. That slack was currently assumed to lie mainly within companies, consistent with some survey measures of capacity utilisation. The unemployment rate had remained below its estimated equilibrium level and surveys suggested that the labour market remained tight. However, developments in other indicators, such as vacancies, the short-term component of unemployment and employment growth, suggested that the labour market could now be starting to loosen. The MPC's central projection incorporated only a modest increase in the unemployment rate in the near term to around 4%.

41 Recent Brexit developments were expected to remove some of the uncertainty facing businesses and households. Consistent with that, the MPC projected that UK GDP growth would pick up during 2020, supported additionally by easier fiscal policy and a modest recovery in global growth. Over the remainder of the forecast period, demand growth outstripped the subdued pace of supply growth, the latter of which was restrained to some extent by the adjustment to new trading arrangements with the European Union, as well as recent weak business investment and the continuation of the post-crisis trend. Excess demand emerged at the end of 2020 and built over the rest of the forecast period, reaching 1¼% of potential GDP in three years' time. The unemployment rate was projected to fall to 3½% by the end of the forecast period.

42 Reflecting the risks around the forecast for potential supply growth, and particularly the exact nature of the free trade agreement with the European Union and the transition to it, the MPC judged that the risks to UK GDP growth were skewed to the downside in the second and third years of the forecast period.

43 CPI inflation had remained at 1.7% in September and was expected to decline to around 1¼% by the spring, owing to the temporary effect of falls in regulated energy and water prices. There was little that monetary policy could do to affect inflation outcomes at shorter horizons. Indicators of inflation expectations had remained well anchored.

44 Annual pay growth had remained close to 4%, stronger than the Committee had expected, but was likely to fall back somewhat in the near term. Unit labour costs had been growing at rates above those consistent with meeting the inflation target in the medium term and core services CPI inflation had begun to increase somewhat. Over the past couple of years, a proxy of consumer service-sector profit margins appeared to have declined and was now broadly in line with its longer-run average, suggesting that there may be more limited scope for further compression in margins. That was one reason, alongside the usual lags between cost and price developments, why services CPI inflation was expected to pick up further. That said, in an environment of weaker demand, margins might continue to fall. Moreover, current cost pressures could be absorbed instead via weaker prospective wage growth or possibly a reduction in employment, for example.

45 As a significant margin of excess demand emerged in the second half of the MPC's forecast period, domestic inflationary pressures were expected to build. Conditioned on current market yields, CPI inflation was projected to rise to the 2% target after two years, and slightly above the target towards the end of the forecast period.

46 The Committee turned to its immediate policy decision.

47 Monetary policy could respond in either direction to changes in the economic outlook in order to ensure a sustainable return of inflation to the 2% target. The Committee would, among other factors, monitor closely the responses of companies and households to Brexit developments as well as the prospects for a recovery in global growth. If global growth failed to stabilise or if Brexit uncertainties remained entrenched, monetary policy might need to reinforce the expected recovery in UK GDP growth and inflation. Further ahead, provided these risks did not materialise and the economy recovered broadly in line with the MPC's latest projections, some modest tightening of policy, at a gradual pace and to a limited extent, might be needed to maintain inflation sustainably at the target.

48 For the majority of members of the Committee, the existing stance of monetary policy was appropriate at this meeting. Although the global outlook had deteriorated further, recent UK economic data had not, on the whole, surprised to the downside. The MPC's central projection assumed that UK GDP growth recovered during 2020, as uncertainties facing businesses and households reduced in response to recent Brexit developments. There were, so far, few data points available that allowed the economic impact of these developments to be assessed. There were some signs that the labour market was starting to loosen, but it remained tight and standard measures of domestically generated inflationary pressures had tended to firm. Unit labour costs had been growing at rates above those consistent with meeting the inflation target in the medium

term, and core services CPI inflation, excluding rents, had risen to rates consistent with meeting the target. Although the global equilibrium interest rate might have fallen somewhat, the recent reduction in domestic Brexit uncertainties and the easier stance of fiscal policy could push up on UK equilibrium interest rates.

49 Two members preferred a 25 basis point cut in Bank Rate at this meeting. The UK economy already had a modest but rising amount of spare capacity, and core inflation was subdued. The headline unemployment rate was likely to be a lagging indicator of labour market tightness; other indicators, including vacancies and short-term unemployment, suggested that the labour market was turning. There were downside risks to the MPC's projections from a weaker world outlook and from more persistent Brexit uncertainties affecting corporate and household spending. As a result, these members judged that some extra stimulus was needed now to ensure a sustained return of inflation to the target.

50 The Governor invited the Committee to vote on the propositions that:

Bank Rate should be maintained at 0.75%;

The Bank of England should maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion;

The Bank of England should maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

Regarding Bank Rate, seven members of the Committee (Mark Carney, Ben Broadbent, Jon Cunliffe, Dave Ramsden, Andrew Haldane, Silvana Tenreyro and Gertjan Vlieghe) voted in favour of the proposition. Two members (Jonathan Haskel and Michael Saunders) voted against the proposition, preferring to reduce Bank Rate by 25 basis points.

Regarding the stock of purchased assets, the Committee voted unanimously in favour of the second and third propositions.

51 The following members of the Committee were present:

Mark Carney, Chair
Ben Broadbent
Jon Cunliffe
Andrew Haldane
Jonathan Haskel
Dave Ramsden
Michael Saunders
Silvana Tenreyro
Gertjan Vlieghe

Clare Lombardelli was present as the Treasury representative.

As permitted under the Bank of England Act 1998, as amended by the Bank of England and Financial Services Act 2016, Dido Harding was present on 31 October and 4 November as an observer for the purpose of exercising oversight functions in her role as a member of the Bank's Court of Directors.