

Other forecasters' expectations

November 2015

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 October, are summarised on page 41 of the November 2015 *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)

	2016 Q4	2017 Q4	2018 Q4
CPI inflation ^(b)	1.6	2.0	2.1
GDP growth ^(c)	2.3	2.3	2.3
LFS unemployment rate	5.2	5.0	4.9

Source: Projections of outside forecasters as of 29 October 2015.

(a) For 2016 Q4, there were 28 forecasts for CPI inflation and GDP growth, and 27 for the unemployment rate. For 2017 Q4, there were 24 forecasts for CPI inflation and GDP growth, and 23 for the unemployment rate. For 2018 Q4, there were 21 forecasts for CPI inflation and GDP growth, and 20 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%
2016 Q4	5	16	26	27	14	7	4
2017 Q4	4	10	16	24	24	14	9
2018 Q4	3	8	14	23	26	15	11

GDP growth

Probability, per cent	Range:						
	<-1%	-1–0%	0–1%	1–2%	2–3%	>3%	
2016 Q4		2	4	10	25	38	21
2017 Q4		3	5	12	27	33	21
2018 Q4		3	5	12	27	32	21

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%
2016 Q4	3	9	23	32	19	8	3	2	1	0
2017 Q4	5	13	26	25	15	10	3	1	1	0
2018 Q4	9	15	23	22	13	12	4	2	1	1

Source: Projections of outside forecasters as of 29 October 2015.

(a) For 2016 Q4, 23 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 22 forecasters provided their assessments of the likelihood of the unemployment rate falling in the ranges shown above. For 2017 Q4, 20 provided their assessment for CPI inflation and GDP growth and 19 provided their assessment for the unemployment rate. For 2018 Q4, 18 provided their assessment for CPI inflation and GDP growth and 17 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)

	2016 Q4	2017 Q4	2018 Q4
Bank Rate (per cent)	1.1	1.7	2.3
Stock of purchased assets (£ billions) ^(b)	370	350	323
Sterling ERI	91.6	89.8	87.8

Source: Projections of outside forecasters as of 29 October 2015.

(a) For 2016 Q4, there were 27 forecasts for Bank Rate, 19 for the stock of purchased assets and 10 for the sterling ERI. For 2017 Q4, there were 25 forecasts for Bank Rate, 17 for the stock of purchased assets and 10 for the sterling ERI. For 2018 Q4, there were 21 forecasts for Bank Rate, 14 for the stock of purchased assets 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)

	2016 Q4	2017 Q4	2018 Q4
Cumulative change in stock of purchased assets (£ billions) ^(b)	-4	-17	-42
<i>of which, end of reinvestment</i>	-4	-14	-26
<i>of which, asset sales</i>	0	-3	-16

Source: Projections of outside forecasters as of 29 October 2015.

(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 2016 Q4, the average reduction was around the same, for 2017 Q4, the average for this group was around £8 billion lower, and for 2018 Q4, the average for this group was around £11 billion lower. For 2016 Q4, there were 18 forecasters in the sample. For 2017 Q4, there were 15 forecasters in the sample. For 2018 Q4, 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 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%
2016 Q4	1	10	43	33	11	2	0	0	0	0
2017 Q4	1	3	16	26	28	16	8	1	0	0
2018 Q4	1	2	6	11	19	28	21	7	3	2

Stock of purchased assets

Probability, per cent	Range (£ billions):					
	<225	225–275	275–325	325–375	375–425	>425
2016 Q4	0	0	2	37	58	2
2017 Q4	1	8	13	35	42	3
2018 Q4	2	15	19	30	32	3

Source: Projections of outside forecasters as of 29 October 2015.

(a) For 2016 Q4, 21 forecasters provided the Bank with their assessment of the likelihood of Bank Rate falling in the ranges shown above. For 2017 Q4, 20 forecasters provided their assessment. For 2018 Q4, 17 forecasters provided their assessment. For 2016 Q4, 15 forecasters provided their assessment of the likelihood of the stock of purchased assets falling in the ranges shown above. For 2017 Q4, 14 forecasters provided their assessment. For 2018 Q4, 13 forecasters provided their assessment. Rows may not sum to 100 due to rounding.