

**INTEREST RATE FORECASTS**

The data below shows forecasts published by Sector, UBS and Capital Economics (an independent forecasting consultancy). The forecast within this strategy statement has been drawn from these diverse sources and officers own views after discussion with Sector.

**1. Individual Forecasts**

## Sector View Interest Forecast

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%
3 M LIBID	0.70%	0.70%	0.70%	0.70%	0.75%	0.80%	0.90%	1.20%	1.40%	1.60%	2.10%	2.40%
6M LIBID	1.00%	1.00%	1.00%	1.00%	1.10%	1.20%	1.40%	1.60%	1.80%	2.00%	2.50%	2.70%
12M LIBID	1.50%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.20%	2.40%	2.60%	3.10%	3.20%

By the end of the March 2015 quarter bank rate is forecast to be 2.50% with LIBID rates at 2.60% 3 month, 2.90% 6 months and 3.30% 12 months.

## UBS Economic interest rate forecast (for quarter ends)

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	0.50%	0.50%	0.50%	0.50%				

## Capital Economics interest rate forecast

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%				