## TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2012/13

## INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions, including those of United Bank of Switzerland (UBS) and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions. The forecast within this treasury management strategy statement has been drawn from these diverse sources and officers' own views.

## 1. INDIVIDUAL FORECASTS

Capital Economics - Interest rate forecast (11.01.12)

|  | Mar <br> 2012 <br> (\%) | Jun <br> 2012 <br> (\%) | Sep <br> 2012 <br> (\%) | Dec <br> 2012 <br> $(\%)$ | Mar <br> 2013 <br> $(\%)$ | Jun <br> 2013 <br> $(\%)$ | Sep <br> 2013 <br> $(\%)$ | Dec <br> 2013 <br> $(\%)$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Bank <br> Rate <br> 5yr <br> PWLB <br> 10yr <br> PWLB <br> 25yr | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.75 | 1.00 |
| PWLB <br> 50yr <br> PWLB | 4.30 | 2.30 | 2.30 | 2.40 | 2.50 | 2.60 | 2.70 | 2.80 |

UBS (Union Bank of Switzerland)- Interest rate forecast (11.01.12)

|  | Mar <br> 2012 <br> (\%) | Jun <br> 2012 <br> (\%) | Sep <br> 2012 <br> (\%) | Dec <br> 2012 <br> (\%) | Mar <br> 2013 <br> (\%) | Jun <br> 2013 <br> (\%) | Sep <br> 2013 <br> (\%) | Dec <br> 2013 <br> (\%) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Bank <br> Rate <br> 10yr <br> PWLB <br> 25yr <br> PWLB <br> 50yr <br> PWLB | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |

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## 2. SURVEY OF ECONOMIC FORECASTS

HM Treasury December 2011 - The current quarter 42011 and 2012 forecasts are based on the December 2011 Report. Forecasts for 2011-2015 are based on 29 forecasts in the last quarterly forecasts - in November 2011.

| Bank Rate Forecasts | Actual | Quarter 4 2012 |
| :--- | :--- | :--- |
| Median | $0.50 \%$ | $0.50 \%$ |
| Highest | $0.50 \%$ | $1.50 \%$ |
| Lowest | $0.50 \%$ | $0.50 \%$ |


| Bank |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- |
| Rate Forecast | Average | $\mathbf{2 0 1 1}$ | Average | Average |
| $\mathbf{2 0 1 2}$ | $\mathbf{2 0 1 3}$ | Average |  |  |
| $\mathbf{2 0 1 4}$ |  |  |  |  |

