

# CONSENSUS FORECASTS®

## Surveys of International Economic Forecasts

% GDP € CPI FX C/A \$ % GDP € CPI FX

**Survey Date**  
**October 14, 2019**

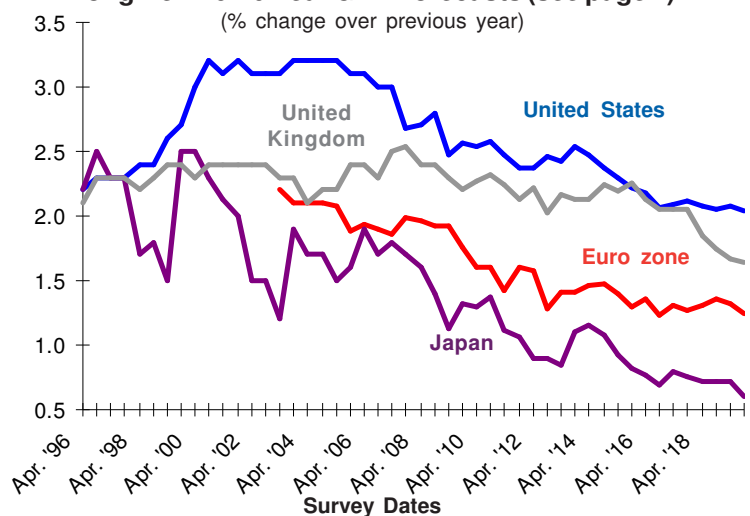
Every month, Consensus Economics surveys over 250 prominent financial and economic forecasters for their estimates of a range of variables including future growth, inflation, interest rates and exchange rates. More than 20 countries are covered and the reference data, together with analysis and polls on topical issues, is rushed to subscribers by express mail and e-mail.

### Survey Highlights

- ◆ Industrial production forecasts across the **Euro zone** have slumped again this month, particularly in manufacturing powerhouse **Germany**. A meaningful rebound in 2020 appears slim, particularly if the **US** and **China** continue to roil global supply chains with their bitter disagreement over trade.
- ◆ On October 17, the **UK** and Brussels agreed to a Brexit deal. UK politicians may yet oppose the deal, although EU officials claimed there would be no further extension past October 31.
- ◆ The deteriorating global economic backdrop – highlighted by the **IMF** this month – has kept **bond yields** at very low levels, and piled pressure on central bank policymakers to stick by ultra-accommodative measures.

This month's special survey is our regular compilation of **Long-Term Forecasts** (pages 3, 28, and 29). Our **Significant Changes** section (page 2) contrasts long-term aggregate forecasts for 2025-2029 with previous aggregates going back to April 1996, highlighting trends in long-term GDP and inflation expectations.

**United States, Japan, United Kingdom and Euro zone – Long-Term 6-10 Year GDP Forecasts (see page 2)**

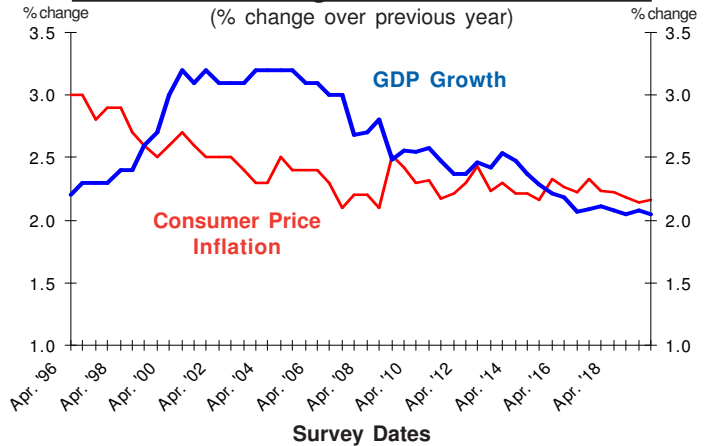


Our next issue of **Consensus Forecasts** will be available at the end of the day on **Thursday November 14** and will include **Corporate Profits and Real Interest Rates**.

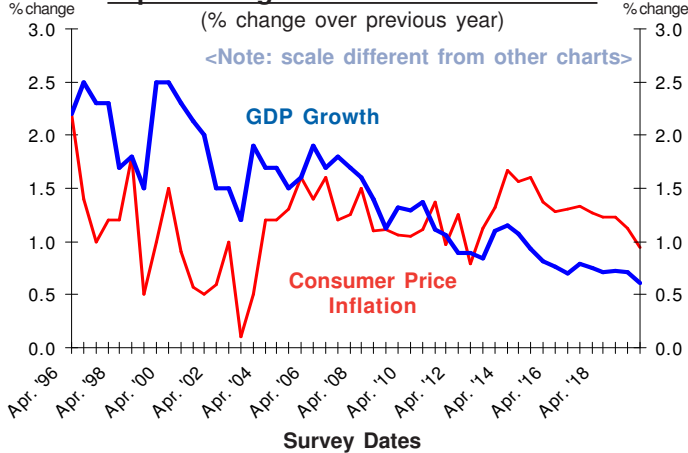
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This month, we chart **Significant Changes in Long-Term Forecast Trends for GDP and Inflation for the US, Japan, Germany, France, the UK, Italy and Canada**. Long-term projections for the 6-10 year period average (in this case 2025-2029) are contrasted with those long-term forecasts surveyed all the way back to April 1996. It is this rolling 6-10 year trendline average which we show in the charts below. The 6-10-year trend averages may be viewed as a measure of potential growth and inflation expectations. This construct has two problems, however. One is that the 6-10 year horizon is a moving horizon shifting forward one year, each year. The other is that the number of panellists responding to our long-term surveys is smaller and therefore less representative than the numbers responding to our one and two-year surveys on pages 4-24.

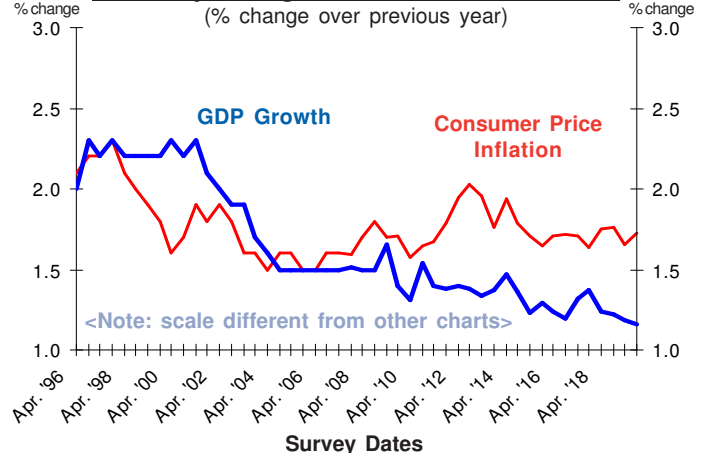
**United States – Long-Term 6-10 Year Forecasts**



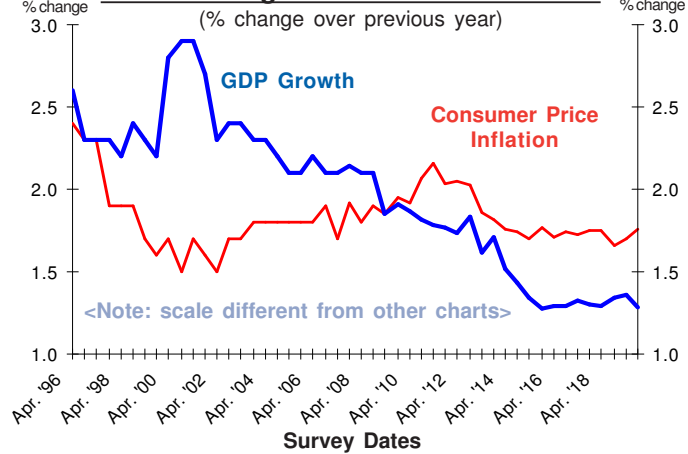
**Japan – Long-Term 6-10 Year Forecasts**



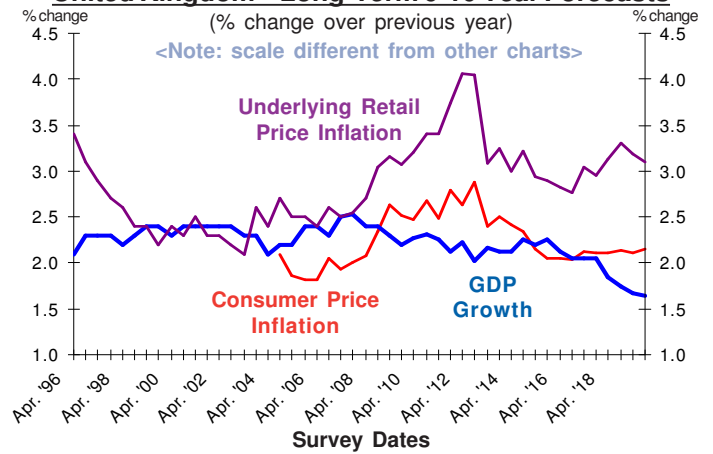
**Germany – Long-Term 6-10 Year Forecasts**



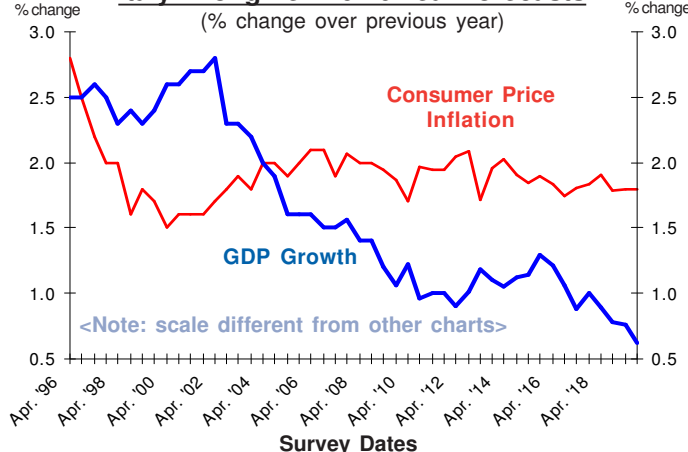
**France – Long-Term 6-10 Year Forecasts**



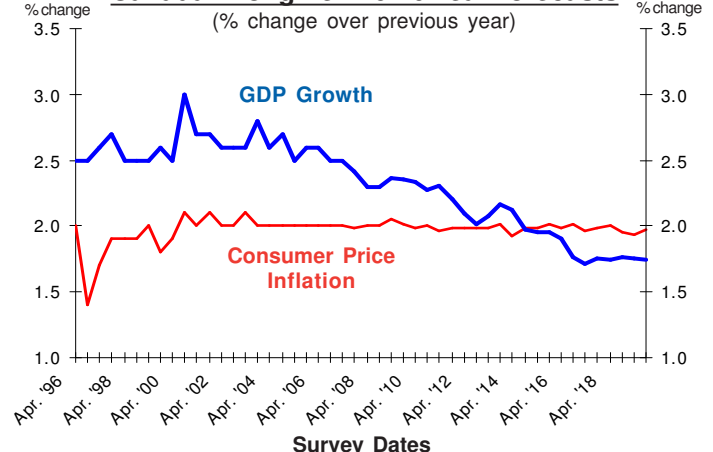
**United Kingdom – Long-Term 6-10 Year Forecasts**



**Italy – Long-Term 6-10 Year Forecasts**



**Canada – Long-Term 6-10 Year Forecasts**



In addition to their regular forecasts, country panellists were asked to provide longer-term forecasts covering the period until 2029 for growth in real GDP, consumer spending, investment and industrial production, along with consumer price inflation, current account balances and long-term bond yields. All definitions correspond to those used in the individual country pages.

United States											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	2.9	1.6	2.4	2.9	2.3	1.8	1.8	1.9	2.0	2.0	2.0
Personal Consumption*	3.7	2.7	2.6	3.0	2.5	2.2	1.9	2.1	2.2	2.2	2.1
Business Investment*	1.8	0.7	4.4	6.4	2.7	1.7	2.8	3.1	3.0	3.2	3.2
Industrial Production*	-1.0	-2.0	2.3	3.9	0.9	0.8	1.6	1.8	1.8	2.1	2.1
Consumer Prices*	0.1	1.3	2.1	2.4	1.8	2.1	2.1	2.2	2.2	2.2	2.2
Current Account Balance (USbn)	-408	-428	-440	-491	-529	-556	-579	-625	-635	-661	-733
10 Year Treasury Bond Yield, % <sup>2</sup>	2.2	2.5	2.8	2.7	1.8 <sup>3</sup>	2.0 <sup>4</sup>	2.4	2.7	2.9	3.0	3.3

<sup>1</sup>Signifies average for period <sup>2</sup>End period <sup>3</sup>End January 2020 <sup>4</sup>End October 2020

The 2008 global financial crisis provoked a fiscal/monetary policy response by **G-7 and Western European** decision-makers which led to extended periods of public austerity and short-term interest rates at negligible (in some cases, negative) levels. The former has in recent times prompted voter backlash as well as a policymaking rethink regarding public spending in light of protests and post-industrialisation. The latter may be indicative of an increasingly entrenched liquidity trap, similar to the one **Japan** has experienced since the 1990s. 11 years on, **G-7 central banks** appear unable to move beyond ultra-stimulative monetary easing. Moreover, with interest rates still so low, the tools at their disposal to support activity have been depleted. Productivity and population growth have dropped in the region, deepening the slide in **6-10 year GDP growth forecasts** (viewed as a measure of potential growth – see charts, page 2). Despite the 2017-2018 upswings in **G-7** activity on the back of highly stimulative monetary policy by the **European Central Bank** and **US** tax breaks, sentiment has recently turned pessimis-

tic again. This comes amid slumping factory output, businesses putting investment plans on ice and an antagonistic trade war between **US** and **China**. The **G-7 and Western Europe** rely on both the **US** and **China** for trade, not just in terms of demand but also via interlinked supply chains. And while export-oriented manufacturing has been a primary casualty of trade tension (see the drop in our panels' near-term production forecasts this month), services are also impacted by the interconnectedness of trading links. These near-term worries have clearly weighed on the longer-term outlook for **Germany**, for example, in part because of the prevailing uncertainty. However, the drop in **longer-term GDP expectations** has been ongoing for over a decade, reflecting entrenched secular stagnation. Poor regional demographics (i.e., low birthrates, shrinking workforces and a growing group of retirees) are a notable factor, especially in **Japan** and **Italy**. Automation and immigration could be solutions to this issue, but voter realities are more complex, hence the rise in unilateralism and protectionism in parts of the **G-7**.

Tables continue on pages 28-29

Japan											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	1.3	0.6	1.9	0.8	1.0	0.2	0.7	0.7	0.8	0.7	0.6
Private Consumption*	-0.2	-0.1	1.1	0.4	0.7	0.0	0.7	0.7	0.7	0.5	0.5
Business Investment*	3.3	-1.5	3.9	3.9	1.7	0.6	0.9	0.6	1.8	1.6	1.3
Industrial Production*	-1.1	0.2	2.9	1.0	-1.6	0.4	0.7	0.7	1.3	0.7	0.4
Consumer Prices*	0.8	-0.1	0.5	1.0	0.6	0.7	0.7	0.9	0.9	1.0	0.9
Current Account Balance (¥tn)	16.6	21.0	22.9	19.4	19.1	19.3	19.5	20.5	21.5	20.6	20.4
10 Year Treasury Bond Yield, % <sup>2</sup>	0.3	0.0	0.1	0.0	-0.2 <sup>3</sup>	-0.1 <sup>4</sup>	0.1	0.3	0.5	0.7	1.0

Germany											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	1.7	2.2	2.5	1.5	0.5	0.8	1.1	1.3	1.2	1.2	1.2
Private Consumption*	1.9	2.3	1.3	1.3	1.4	1.2	1.3	1.3	1.2	1.1	1.0
Machinery & Eqpt Investment*	4.4	3.0	4.0	4.4	1.6	1.0	1.4	1.8	2.1	2.0	1.2
Industrial Production*	0.9	1.8	3.3	0.9	-3.0	0.6	1.6	1.9	1.8	1.2	1.2
Consumer Prices*	0.3	0.5	1.5	1.8	1.4	1.5	1.5	1.7	1.7	1.8	1.7
Current Account Balance (Euro bn)	260	265	262	245	240	234	219	213	206	200	199
10 Year Treasury Bond Yield, % <sup>2</sup>	0.6	0.1	0.4	0.2	-0.5 <sup>3</sup>	-0.4 <sup>4</sup>	-0.1	0.3	0.5	1.0	1.5

<sup>1</sup>Signifies average for period <sup>2</sup>End period <sup>3</sup>End January 2020 <sup>4</sup>End October 2020

	Average % Change on Previous Calendar Year										Annual Total									
	Gross Domestic Product		Personal Consumption		Business Investment		Pre - Tax Corporate Profits		Industrial Production		Consumer Prices		Core PCE Prices (ex. food & energy)		Producer Prices		Employment Costs		Auto & Light Truck Sales (inc. imports, mn units)	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
First Trust Advisors	2.4	2.3	2.6	2.7	3.2	2.5	na	na	1.2	1.5	1.8	2.3	1.7	2.2	0.5	0.9	na	na	17.1	16.9
Citigroup	2.3	2.0	2.7	2.5	2.7	3.4	na	na	1.0	1.0	1.8	2.0	1.6	2.1	na	na	na	na	na	na
RDQ Economics	2.3	2.2	2.6	2.5	2.8	2.3	1.0	5.0	1.1	1.6	1.8	2.3	1.7	2.2	na	na	na	na	17.2	17.0
PNC Financial Services	2.3	1.7	2.5	1.8	2.1	2.0	1.4	2.2	1.0	1.0	1.7	1.9	1.7	2.1	0.8	1.5	na	na	16.9	16.9
Ford Motor Company	2.3	1.9	2.7	2.4	3.0	2.8	na	na	0.6	0.9	1.8	2.0	1.7	2.3	0.9	1.9	na	na	na	na
Standard & Poor's	2.3	1.7	2.6	2.2	2.9	2.8	-0.3	-2.8	0.8	0.7	1.9	2.2	1.6	1.9	0.9	1.4	2.7	2.8	16.9	16.4
Inforum - Univ of Maryland	2.3	1.9	2.6	2.3	2.9	1.8	0.8	2.8	0.9	0.9	1.8	2.1	1.7	2.0	0.8	1.8	2.8	3.0	16.8	16.4
Moody's Analytics	2.3	1.7	2.6	1.7	3.2	2.8	0.8	4.8	1.1	1.0	1.8	2.0	1.7	2.2	0.9	2.0	2.8	3.0	16.9	16.6
BMO Capital Markets	2.3	1.8	2.5	2.3	2.7	1.5	0.1	4.4	1.1	1.7	1.8	2.1	1.7	2.1	na	na	na	na	16.8	16.0
Fannie Mae	2.3	1.9	2.6	2.4	2.5	0.9	na	na	0.9	1.2	1.8	2.2	1.7	2.1	na	na	na	na	16.9	16.7
Nat Assn of Home Builders	2.3	1.9	na	na	3.1	2.4	na	na	1.2	1.1	2.0	2.1	1.9	2.3	1.0	1.8	na	na	16.8	16.4
Royal Bank of Canada	2.3	1.7	2.5	2.1	2.5	0.2	-0.3	1.2	na	na	1.7	2.0	na	na	na	na	na	na	17.0	17.2
Swiss Re	2.3	1.6	2.7	2.3	3.0	1.9	-0.4	4.2	1.1	0.8	1.8	2.3	1.8	2.1	1.0	1.2	na	na	17.2	16.5
Goldman Sachs	2.3	2.1	2.6	2.6	2.4	2.1	na	na	0.6	0.3	1.8	2.0	1.7	2.1	na	na	na	na	na	na
Univ of Michigan - RSQE	2.3	1.7	2.7	2.4	2.6	1.0	-1.4	0.5	0.6	-0.1	1.7	1.9	1.6	1.9	0.8	2.7	na	na	17.0	16.9
FedEx Corporation	2.3	1.8	2.5	2.2	2.6	1.6	0.1	4.1	1.0	1.1	1.8	2.2	na	na	na	na	na	na	17.0	16.6
Bank of America - Merrill	2.3	1.5	2.6	2.0	2.5	0.2	2.8	3.0	1.0	1.2	1.8	2.2	1.7	2.2	na	na	3.2	3.4	16.9	16.1
BBVA	2.3	1.8	2.6	2.2	2.8	2.6	0.1	3.2	1.1	1.9	1.8	2.0	1.7	2.0	0.6	1.1	2.7	2.6	17.1	17.4
Eaton Corporation	2.3	1.3	2.5	1.7	2.8	0.4	na	na	0.7	0.0	1.9	2.1	na	na	1.0	1.8	na	na	16.8	16.3
Robert Fry Economics	2.3	1.9	2.6	2.3	2.4	1.9	0.0	4.3	1.0	1.4	1.8	1.9	1.7	1.7	0.6	1.0	2.8	3.0	16.9	16.7
Macroeconomic Advisers	2.3	2.0	2.6	2.7	2.3	1.9	-0.3	2.1	0.9	1.2	1.9	2.1	1.7	2.2	0.9	1.8	na	na	16.9	16.6
CIBC World Markets	2.2	1.7	2.5	2.2	2.2	-0.1	-1.3	1.6	na	na	1.8	2.0	na	na	na	na	na	na	na	na
JP Morgan	2.2	1.7	2.6	2.2	2.5	2.2	-0.3	1.9	0.3	1.3	1.8	2.1	1.7	2.1	na	na	2.9	3.3	17.0	16.9
Oxford Economics	2.2	1.6	2.5	2.1	2.4	0.7	-2.0	-2.7	0.6	-0.1	1.8	2.0	1.7	2.0	0.7	1.3	2.8	2.7	17.0	16.5
Econ Intelligence Unit	2.2	1.7	2.4	2.0	na	na	na	na	1.0	-0.1	2.0	1.4	na	na	1.9	1.2	na	na	na	na
Georgia State University	2.2	1.4	2.5	2.0	2.9	1.7	-3.6	0.8	0.5	-0.8	1.9	2.2	1.6	1.9	1.1	2.1	2.2	3.2	16.7	15.8
Wells Fargo	2.2	1.7	2.5	2.2	2.5	1.8	1.2	1.1	0.8	0.4	1.8	2.2	1.7	2.1	na	na	2.8	3.0	16.9	16.4
Dynamic Econ Strategy	2.1	2.0	2.2	2.1	2.5	1.8	0.7	1.2	1.1	1.0	1.8	2.1	1.7	2.0	1.3	1.8	2.7	3.0	16.8	16.6
<b>Consensus (Mean)</b>	<b>2.3</b>	<b>1.8</b>	<b>2.5</b>	<b>2.2</b>	<b>2.7</b>	<b>1.7</b>	<b>0.0</b>	<b>2.1</b>	<b>0.9</b>	<b>0.8</b>	<b>1.8</b>	<b>2.1</b>	<b>1.7</b>	<b>2.1</b>	<b>0.9</b>	<b>1.6</b>	<b>2.8</b>	<b>3.0</b>	<b>16.9</b>	<b>16.6</b>
Last Month's Mean	2.3	1.8	2.6	2.2	2.9	1.9	0.8	2.8	0.8	0.7	1.8	2.1	1.7	2.1	1.1	1.8	2.8	3.1	16.9	16.5
3 Months Ago	2.5	1.9	2.4	2.1	3.6	2.8	2.5	3.4	1.3	1.3	1.9	2.1	1.7	2.0	1.4	2.1	2.9	3.1	16.8	16.6
High	2.4	2.3	2.7	2.7	3.2	3.4	2.8	5.0	1.2	1.9	2.0	2.3	1.9	2.3	1.9	2.7	3.2	3.4	17.2	17.4
Low	2.1	1.3	2.2	1.7	2.1	-0.1	-3.6	-2.8	0.3	-0.8	1.7	1.4	1.6	1.7	0.5	0.9	2.2	2.6	16.7	15.8
Standard Deviation	0.1	0.2	0.1	0.3	0.3	0.9	1.4	2.2	0.2	0.6	0.1	0.2	0.1	0.1	0.3	0.5	0.2	0.2	0.1	0.4
<b>Comparison Forecasts</b>																				
CBO (Jan. '19)	2.7	1.9	3.1	2.3	3.9	2.7							2.0	2.2			3.4	3.6		
IMF (Oct. '19)	2.4	2.1	2.5	2.2							1.8	2.3								
OECD (Sep. '19)	2.4	2.0																		

**Government and Background Data**

**President** - Mr. Donald Trump (Republican). **Congress** - Democrats have a majority in the House of Representatives (lower house) while Republicans hold the Senate (upper house). **Next Elections** - November 2020 (presidential and congressional). **Nominal GDP** - US\$20,550bn (2018). **Population** - 327.1mn (mid-year, 2018).

**Quarterly Consensus Forecasts**

Historical Data and Forecasts (bold italics) From Survey of **September 9, 2019**

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	2.7	2.3	<b>2.0</b>	<b>2.2</b>	<b>1.9</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.8</b>
Personal Consumption	2.5	2.7	<b>2.5</b>	<b>2.7</b>	<b>2.9</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
Consumer Prices	1.6	1.8	<b>1.8</b>	<b>2.0</b>	<b>2.3</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>

*Percentage Change (year-on-year).*

**Historical Data**

	* % change on previous year			
	2015	2016	2017	2018
Gross Domestic Product*	2.9	1.6	2.4	2.9
Personal Consumption*	3.7	2.7	2.6	3.0
Business Investment*	1.8	0.7	4.4	6.4
Pre - Tax Corporate Profits*	-2.8	-2.4	-0.3	3.4
Industrial Production*	-1.0	-2.0	2.3	3.9
Consumer Prices*	0.1	1.3	2.1	2.4
Core PCE Prices*	1.2	1.6	1.6	2.0
Producer Prices*	-3.3	-1.0	3.2	3.1
Employment Costs*	2.1	2.2	2.5	2.8
Auto & Light Truck Sales (inc. imports), mn	17.4	17.5	17.1	17.2
Housing Starts, mn	1.11	1.18	1.21	1.25
Unemployment Rate, %	5.3	4.9	4.4	3.9
Current Account, US bn	-408	-428	-440	-491
Federal Budget Balance fiscal years, US bn	-438	-585	-666	-779
3 mth Treasury Bill, %, end yr	0.2	0.5	1.4	2.4
10 Yr Treasury Yield, %, end yr	2.2	2.5	2.8	2.7



Annual Total		Year Average		Annual Total		Fiscal Years (Oct-Sep)		Rates on Survey Date			
Housing Starts (mn units)		Unemployment Rate (%)		Current Account (US\$ bn)		Federal Budget Balance (US\$bn)		1.7%		1.8%	
2019 2020		2019 2020		2019 2020		FY 18-19 FY 19-20		3 month Treasury Bill Rate (%)		10 Year Treasury Bond Yield (%)	
End Jan'20	End Oct'20	End Jan'20	End Oct'20	End Jan'20	End Oct'20	End Jan'20	End Oct'20	End Jan'20	End Oct'20	End Jan'20	End Oct'20
1.25	1.29	3.7	3.4	-543	-571	-984	-984	1.6	1.6	2.0	2.4
na	na	3.7	3.5	-524	-573	-961	-1047	2.0	2.0	1.6	1.4
1.28	1.35	3.7	3.5	na	na	-1000	-1100	1.9	2.0	1.8	2.2
1.28	1.36	3.8	3.9	na	na	na	na	1.4	1.4	1.7	1.8
1.25	1.25	3.7	3.5	na	na	-1036	-1075	1.7	1.2	1.7	1.8
1.27	1.31	3.7	3.6	-505	-508	-956	-1094	1.7	1.7	2.1	2.3
1.26	1.28	3.7	3.7	na	na	na	na	1.6	1.7	1.8	1.9
1.26	1.31	3.7	3.7	-548	-637	-956	-1009	1.5	1.4	2.3	2.5
1.25	1.24	3.7	3.7	-530	-565	-1000	-1021	1.6	1.6	1.8	2.0
1.26	1.27	3.7	4.0	-535	-517	-1015	-1132	1.7	1.5	1.7	1.7
1.24	1.26	3.7	3.7	na	na	na	na	1.5	1.4	2.1	2.2
1.25	1.31	3.7	3.8	-521	-511	na	na	1.7	1.7	1.6	2.0
na	na	3.7	3.8	-571	-606	-917	-1050	1.6	1.4	1.4	1.4
1.28	1.38	3.7	3.3	-540	-607	-950	-1025	1.9	2.2	1.8	2.0
1.27	1.31	3.7	3.5	na	na	na	na	1.6	1.6	1.5	1.7
1.25	1.30	3.7	3.6	na	na	na	na	1.6	1.6	1.9	2.0
1.25	1.25	3.7	3.7	-556	-601	-960	-1000	na	na	na	na
1.29	1.34	3.7	3.6	-543	-589	-984	-1013	1.7	1.6	1.6	1.7
1.26	1.29	3.7	3.9	na	na	na	na	na	na	na	na
1.26	1.37	3.7	3.6	-530	-560	-965	-1030	1.6	1.6	2.1	2.8
1.26	1.27	3.7	3.5	-536	-548	na	na	na	na	na	na
1.24	1.22	3.7	3.9	-504	-501	na	na	1.8	1.8	1.8	2.1
1.27	1.34	3.6	3.3	-508	-531	-960	-1000	na	na	na	na
1.26	1.28	3.7	3.5	-535	-599	-952	-1051	1.4	1.4	1.5	1.6
na	na	4.0	4.6	-465	-522	-988	-1109	na	na	na	na
1.27	1.21	3.7	4.0	-515	-445	-1039	-1016	1.5	1.1	2.0	2.3
1.25	1.27	3.7	3.6	na	na	-950	-1050	1.6	1.5	1.7	2.0
1.26	1.27	3.6	3.7	-539	-575	-977	-1048	1.6	1.7	1.8	2.1
1.26	1.29	3.7	3.7	-529	-556	-976	-1045	1.6	1.6	1.8	2.0
1.25	1.28	3.7	3.7	-529	-562	-977	-1041				
1.26	1.29	3.7	3.7	-527	-558	-961	-1028				
1.29	1.38	4.0	4.6	-465	-445	-917	-984	2.0	2.2	2.3	2.8
1.24	1.21	3.6	3.3	-571	-637	-1039	-1132	1.4	1.1	1.4	1.4
0.01	0.05	0.1	0.3	23	47	31	41	0.2	0.2	0.2	0.3
		3.5	3.7			-897	-903				
		3.7	3.5	-540	-569						

**Investment and Production Data Reflect Slowdown Fears**

With bond yields low, investors piling into gold, and the stock market shaky, some observers wonder if these financial movements might be a harbinger of looming recession. So far, the hard data suggests a manageable slowdown for the US and not an outright contraction. Our panel's GDP forecast for this year remains relatively unchanged at 2.3% before easing to 1.8% in 2020. However, the ongoing trade war with China continues to raise uncertainty and downside risks over the outlook. September saw increases in tariffs on some Chinese goods which will likely trickle down to price rises for the US consumer. Elsewhere, the Conference Board's consumer confidence index dropped from 134.2 in August to 125.1 in September. The report noted weakening sentiment over jobs, and indeed, September's labor market release cited a very modest easing in payrolls, from 168,000 in the previous month to 136,000. This still represents a solid pace of job creation, however. A moderation in personal spending could be on the horizon, especially after it advanced at its fastest annualized pace (4.6%) in Q2 for four-and-a-half years. However, there may be more acute signs of weakness in investment and production indicators.

Business spending contracted by -1.0% (q-o-q annualized) in Q2, while core capital goods orders were weak in July and August (0.0% m-o-m and -0.4%, respectively). Elsewhere, industrial output fell -0.2% (m-o-m) while manufacturing declined -0.4%. Not surprisingly, the Fed cut its funds rate by 25 basis points on September 19. The FOMC appeared divided over that rate decision (in the face of acute pressure from the White House), but our panel predicts another rate cut on October 30 given the uncertain macro environment.

**US Fed Funds Rate (Mid-Point of Target Range)**  
**at Oct. 14, 2019: Mid-Point = 1.875%**

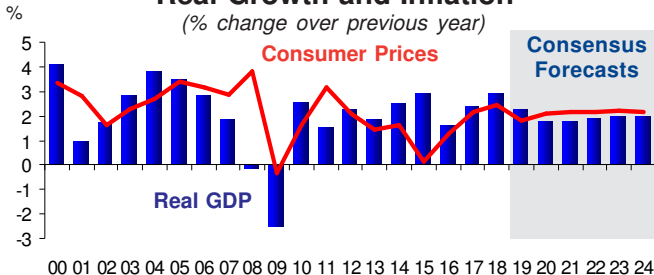
Average probabilities of a change in the Funds Rate on Oct. 30, 2019:  
**Increase = 1.3% No change = 29.6% Decrease = 69.2%**

	End Dec. 2019	End Mar. 2020	End Jun. 2020	End Sep. 2020
<b>Consensus Forecasts</b>				
<b>Mean Average:</b>	1.607 %	1.541 %	1.530 %	1.528 %
<b>Mode (most frequent forecast):</b>	1.625 %	1.625 %	1.625 %	1.625 %

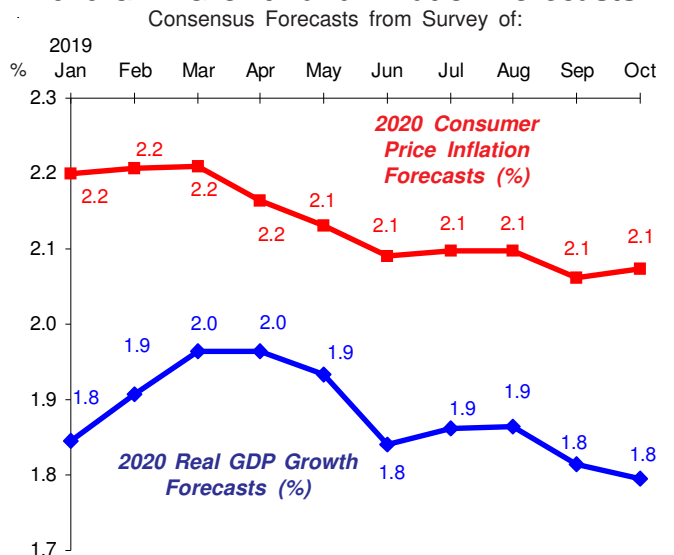
**Direction of Trade – 2018**

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Canada	18.0	China	21.2
Mexico	15.9	Mexico	13.6
China	7.2	Canada	12.5
Latin America	25.7	Asia (ex. Japan)	30.0
EU	19.2	EU	19.2
Asia (ex. Japan)	12.6	Latin America	18.4

**Real Growth and Inflation**



**2020 GDP Growth and Inflation Forecasts**



	Average % Change on Previous Calendar Year														Annual Total			
	Gross Domestic Product		Private Consumption		Business Investment		Industrial Production		Consumer Prices		Core-Core Consumer Prices (ex. food & energy)		Domestic Corporate Goods Prices		Total Cash Earnings (nominal)		New Car Registrations (mn)	
	国内総生産		民間消費		民間設備投資		鉱工業生産		消費者物価		食料(酒類を除く)及びエネルギーを除く総合		卸売物価		現金給与総額(名目)		新車登録台数(百万台)	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Euromonitor Intl	1.4	0.3	0.9	0.2	na	na	-0.7	2.3	0.6	1.1	na	na	na	na	na	na	na	na
Nippon Steel Rsch Inst Corp	1.2	0.6	0.8	0.7	2.1	1.6	-0.8	1.5	0.5	0.8	1.0	0.5	0.6	2.0	-0.4	1.8	2.9	2.7
Capital Economics	1.2	-0.2	0.8	0.0	1.8	1.0	na	na	0.5	0.4	na	na	na	na	na	na	na	na
ITOCHU Institute	1.0	0.3	0.7	0.6	1.7	-1.6	-1.8	1.4	0.8	1.3	0.4	0.4	0.3	1.8	-0.1	0.7	2.9	2.8
Citigroup Japan	1.0	0.1	0.8	-0.1	1.3	1.3	-1.6	0.3	0.5	0.6	na	na	na	na	na	na	na	na
Dai-ichi Life Research	1.0	0.0	0.7	0.0	1.8	0.8	-2.1	0.5	0.6	0.6	0.4	0.5	0.4	1.5	-0.6	0.8	na	na
Econ Intelligence Unit	1.0	0.4	0.7	-0.7	na	na	-2.2	1.0	1.0	1.4	na	na	0.3	1.1	na	na	na	na
Goldman Sachs	1.0	0.4	0.7	0.1	1.7	1.5	-1.1	0.3	0.6	0.4	0.4	0.3	0.3	1.0	na	na	na	na
Mitsubishi Research Institute	1.0	0.2	0.8	0.1	1.6	0.7	-1.4	-0.3	0.9	1.3	na	na	1.2	2.5	na	na	na	na
Toyota Motor Corporation	1.0	0.5	0.8	0.2	2.6	1.8	na	na	na	na	na	na	na	na	na	na	na	na
Daiwa Institute of Research	0.9	0.3	0.7	0.3	1.7	0.7	-1.7	0.6	0.5	0.4	0.3	0.1	1.0	2.8	na	na	na	na
IHS Markit	0.9	0.3	0.8	0.0	1.6	0.7	-1.7	0.0	0.7	0.9	0.5	0.9	0.3	1.2	na	na	na	na
JP Morgan - Japan	0.9	0.1	0.6	0.2	1.3	-0.1	-1.7	0.3	0.7	0.5	0.4	0.4	0.9	1.7	na	na	na	na
Moody's Analytics	0.9	0.1	0.9	0.4	1.2	-0.5	-1.5	1.6	0.7	1.1	na	na	na	na	na	na	na	na
Morgan Stanley	0.9	0.0	0.6	-0.5	1.7	2.0	na	na	0.4	0.1	na	na	na	na	na	na	na	na
MUFG Bank	0.9	0.3	0.6	0.1	1.5	0.6	-1.5	1.3	0.8	0.8	na	na	0.6	1.8	na	na	na	na
NLI Research Institute	0.9	0.3	0.6	-0.2	1.8	1.5	-1.7	0.3	0.5	0.6	0.4	0.5	0.5	1.7	-0.3	0.2	na	na
HSBC	0.9	-0.1	0.7	-0.8	na	na	-2.1	-2.3	0.7	0.9	0.8	1.1	na	na	0.4	1.3	na	na
Mizuho Research Institute	0.9	0.0	0.6	-0.5	1.6	0.8	-1.7	-0.2	0.6	0.8	0.5	0.6	0.4	2.2	0.4	0.6	na	na
Mitsubishi UFJ Research	0.9	0.2	0.6	0.1	1.6	0.0	-1.9	-0.3	0.6	0.6	0.4	0.3	0.4	0.9	-0.3	0.7	na	na
Japan Ctr for Econ Research	0.9	0.4	0.7	0.3	1.9	1.4	-1.4	0.8	0.7	1.1	0.6	1.1	0.1	0.6	0.4	0.7	na	na
Nomura Securities	0.9	0.0	0.6	0.1	1.4	0.8	-1.8	0.4	0.4	0.3	0.4	0.3	-0.1	-1.2	0.6	0.4	na	na
Oxford Economics	0.8	0.2	0.5	-0.2	1.5	1.2	-1.6	0.9	0.7	0.9	na	na	0.5	2.3	0.2	0.6	na	na
Barclays	0.8	0.3	0.7	-0.1	1.8	0.7	-1.5	0.6	na	na	0.5	0.8	na	na	na	na	na	na
Credit Suisse	0.8	0.4	0.5	0.3	1.4	-1.4	-0.3	0.4	0.5	0.1	0.2	0.2	na	na	na	na	na	na
Deutsche Securities	0.8	-0.2	0.5	0.1	1.4	-0.8	-1.9	-2.3	0.6	0.6	0.4	0.5	0.6	1.4	-0.4	0.4	na	na
<b>Consensus (Mean)</b>	<b>1.0</b>	<b>0.2</b>	<b>0.7</b>	<b>0.0</b>	<b>1.7</b>	<b>0.6</b>	<b>-1.6</b>	<b>0.4</b>	<b>0.6</b>	<b>0.7</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>1.5</b>	<b>0.0</b>	<b>0.7</b>	<b>2.9</b>	<b>2.8</b>
Last Month's Mean	1.0	0.2	0.7	0.0	2.3	0.8	-1.4	0.4	0.6	0.8	0.5	0.6	0.5	1.5	0.0	0.8	2.9	2.8
3 Months Ago	0.7	0.3	0.6	0.0	2.2	0.9	-0.6	0.4	0.6	0.8	0.5	0.6	0.9	1.9	0.1	0.9	2.9	2.8
High	1.4	0.6	0.9	0.7	2.6	2.0	-0.3	2.3	1.0	1.4	1.0	1.1	1.2	2.8	0.6	1.8	2.9	2.8
Low	0.8	-0.2	0.5	-0.8	1.2	-1.6	-2.2	-2.3	0.4	0.1	0.2	0.1	-0.1	-1.2	-0.6	0.2	2.9	2.7
Standard Deviation	0.1	0.2	0.1	0.3	0.3	1.0	0.5	1.1	0.2	0.4	0.2	0.3	0.3	0.9	0.4	0.4	0.0	0.1
Comparison Forecasts																		
IMF (Oct. '19)	0.9	0.5							1.0	1.3								
OECD (Sep. '19)	1.0	0.6																

**Government and Background Data**

Prime Minister - Mr. Shinzo Abe of the Liberal Democratic Party of Japan (LDP). Parliament - President Abe's LDP won 284 of the 465 seats of the Lower House of Parliament at the October 2017 elections and has formed a coalition with the minority party, Komeito Party. Next Elections - House of Representatives (by October 2021). Nominal GDP - ¥549.0tn (2018). Population - 127.2mn (mid-year, 2018). Yen/\$ Exchange Rate - 110.42 (average, 2018).

**Quarterly Consensus Forecasts**

Historical Data and Forecasts (bold italics) From Survey of September 9, 2019

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	1.0	0.8	<b>1.6</b>	<b>0.4</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.9</b>	<b>1.0</b>	<b>0.8</b>
Private Consumption	0.6	0.9	<b>1.6</b>	<b>-0.2</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.6</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>
Consumer Prices	0.3	0.8	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>

Percentage Change (year-on-year).

**Historical Data**

	* % change on previous year			
	2015	2016	2017	2018
Gross Domestic Product*	1.3	0.6	1.9	0.8
Private Consumption*	-0.2	-0.1	1.1	0.4
Business Investment*	3.3	-1.5	3.9	3.9
Industrial Production*	-1.1	0.2	2.9	1.0
Consumer Prices*	0.8	-0.1	0.5	1.0
Core-Core Consumer Prices*	1.0	0.4	-0.1	0.1
Domestic Corp. Goods Prices*	-2.3	-3.5	2.3	2.6
Total Cash Earnings (nominal)*	0.0	0.7	0.4	1.4
New Car Registrations, mn	2.7	2.8	2.9	2.9
Housing Starts, mn	0.91	0.97	0.96	0.94
Unemployment Rate, %	3.4	3.1	2.8	2.4
Current Account, ¥tn	16.6	21.0	22.9	19.4
General Govt Budget Balance, SNA basis, fiscal years <sup>1</sup> , ¥tn	-17.8	-18.2	-15.0	-14.3
3 mth TIBOR, % (end yr)	0.2	0.1	0.1	0.1
10 Yr Govt Bond, % (end yr)	0.3	0.0	0.1	0.0

e = consensus estimate based on latest survey

Annual Total		Year Average		Annual Total		Fiscal Years (Apr-Mar)		Rates on Survey Date			
Housing Starts (mn)		Unemployment Rate (%)		Current Account (¥tn)		General Government Budget Balance (¥tn)		0.1%		-0.2%	
新設住宅着工 (百万戸)		失業率		経常収支		一般政府財政収支 (SNA ベース、兆円)		3ヵ月物円建 TIBOR Rate (%)		10年物国債利回り (%)	
2019	2020	2019	2020	2019	2020	FY 19-20	FY 20-21	End Jan'20	End Oct'20	End Jan'20	End Oct'20
0.92	0.92	2.5	2.8	18.2	19.4	na	na	na	na	na	na
0.94	0.89	2.3	2.4	20.5	19.3	na	na	0.1	0.1	-0.3	-0.3
na	na	2.3	2.6	na	na	na	na	na	na	na	na
0.91	0.86	2.4	2.2	19.5	21.0	-11.7	-8.7	0.1	0.1	-0.1	0.0
na	na	2.4	2.4	18.0	20.1	-24.0	-21.9	-0.1	-0.1	-0.2	-0.1
0.90	0.87	2.3	2.4	20.0	20.0	na	na	0.0	0.0	-0.2	-0.2
na	na	2.4	2.2	17.7	18.4	na	na	na	na	na	na
na	na	2.4	2.3	19.5	16.9	na	na	0.1	0.1	-0.3	-0.2
0.90	0.82	2.4	2.4	18.2	16.9	na	na	na	na	-0.1	0.1
na	na	2.3	2.3	na	na	na	na	na	na	na	na
na	na	2.4	2.4	19.1	19.0	na	na	na	na	na	na
0.92	0.90	2.4	2.5	19.9	22.7	na	na	0.1	0.1	-0.2	-0.1
na	na	2.3	2.2	18.2	17.3	na	na	na	na	na	na
0.93	0.94	2.3	2.4	na	na	na	na	na	na	-0.1	-0.1
na	na	na	na	na	na	na	na	na	na	na	na
na	na	na	na	19.3	19.1	na	na	0.1	0.1	-0.2	0.0
0.91	0.89	2.4	2.5	19.3	17.1	-14.1	-13.7	0.1	0.1	-0.2	-0.1
na	na	2.4	2.5	19.4	16.4	-12.1	-10.7	0.0	0.0	0.0	0.0
0.90	0.84	2.4	2.5	20.3	21.8	na	na	0.0	0.1	-0.3	-0.2
0.91	0.87	2.5	2.5	20.9	24.4	na	na	0.1	0.1	-0.1	0.0
0.86	0.87	2.4	2.4	19.2	20.9	na	na	na	na	-0.1	0.0
na	na	2.4	2.2	18.7	19.0	na	na	na	na	na	na
0.92	0.90	2.3	2.4	18.5	17.7	-16.5	-17.6	-0.1	-0.1	-0.2	-0.2
na	na	2.4	2.4	17.2	17.5	na	na	na	na	na	na
na	na	2.4	2.4	18.2	17.1	-18.2	-18.2	na	na	na	na
na	na	2.4	2.6	19.4	23.0	-12.3	-12.5	0.0	0.1	-0.1	0.0
0.91	0.88	2.4	2.4	19.1	19.3	-15.5	-14.8	0.0	0.0	-0.2	-0.1
0.91	0.88	2.4	2.4	18.8	19.0	-16.7	-15.3				
0.92	0.88	2.4	2.4	18.9	19.4	-16.9	-15.5				
0.94	0.94	2.5	2.8	20.9	24.4	-11.7	-8.7	0.1	0.1	0.0	0.1
0.86	0.82	2.3	2.2	17.2	16.4	-24.0	-21.9	-0.1	-0.1	-0.3	-0.3
0.02	0.03	0.1	0.1	1.0	2.2	4.4	4.6	0.1	0.1	0.1	0.1
		2.4	2.4								

**Economy Worsening**

The government has downgraded its assessment of the Japanese economy to 'worsening' on the back of a spate of downbeat data releases over the past few weeks. Core machinery orders declined for the second straight month in August, by -2.4% (y-o-y), indicating a drop in capital spending, whilst industrial production was down by -1.2% (m-o-m), reversing July's 1.3% gain. Moreover, real wages decreased for an eighth straight month, by -0.6% (y-o-y), raising concerns about the resilience of consumer activity in the face of October's sales tax hike. Meanwhile, global trade tensions led to falls in both exports and imports of -8.2% (y-o-y) and -12.0% (y-o-y), respectively. Looking ahead, Tankan figures for September showed that confidence amongst large manufacturers slipped to a six-year low and that sentiment amongst large non-manufacturing firms also deteriorated. Taking these numbers into account, our panel's business investment forecast has deteriorated. Industrial production, meanwhile, is forecast to slip deeper into contraction.

Consumption data has been somewhat more upbeat, with household spending up by 1.0% (y-o-y) in August, a ninth consecutive increase, and retail trade advancing robustly by 2.0% (y-o-y). After relatively normal spending patterns in the lead-up to the long-awaited sales tax hike at the beginning of this month, supermarkets reported a 10-20% (y-o-y) dip in turnover during the first week of October. This comes in spite of the government's attempts to control the effects of the hike via its cash-back rewards scheme. The consensus is anticipating virtually no change in private consumption next year, but pressure is mounting on the Bank of Japan to further ease its monetary stance, especially given that core inflation edged down again to just 0.5% (y-o-y).

**Direction of Trade – 2018**

**Major Export Markets (% of Total)**

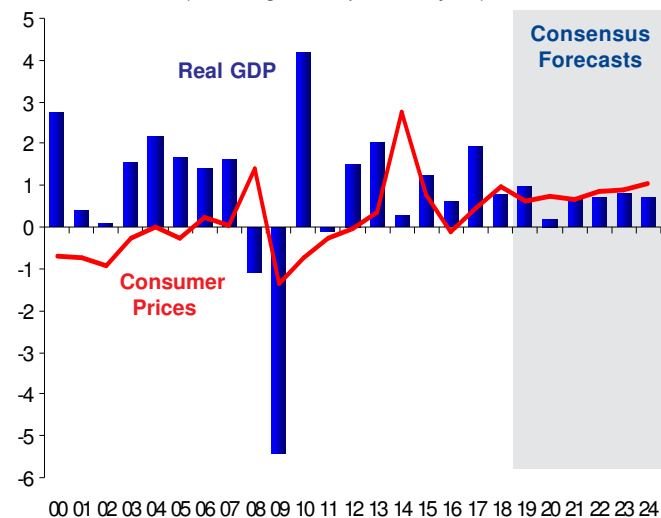
China	19.5
United States	19.1
South Korea	7.1
Asia (inc. the above)	34.1
EU	11.3
Latin America	4.1

**Major Import Suppliers (% of Total)**

China	22.4
United States	10.8
Australia	5.9
Asia (inc. the above)	40.3
Middle East	12.0
EU	11.3

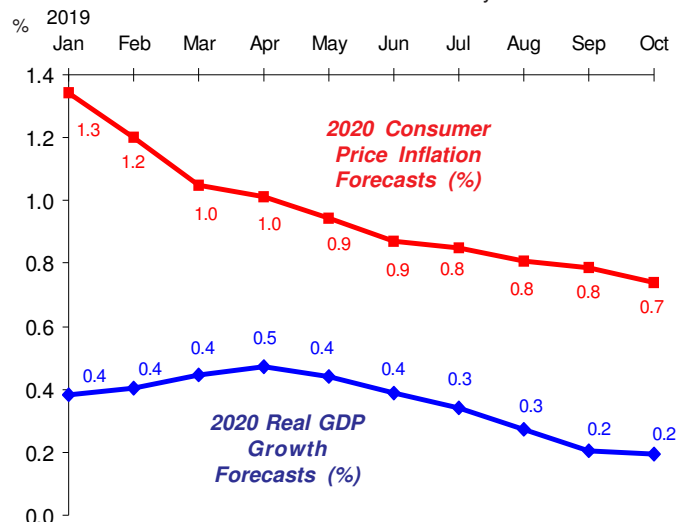
**Real Growth and Inflation**

(% change over previous year)



**2020 GDP Growth and Inflation Forecasts**

Consensus Forecasts from Survey of:



	Average % Change on Previous Calendar Year													
	Gross Domestic Product		Private Consumption		Machinery & Equipment Investment		Industrial Production		Consumer Prices		Producer Prices		Negotiated Wages and Salaries – Production Sector	
	Bruttoinlandsprodukt		Privater Verbrauch		Ausüstungs-investitionen		Produktion im Produzierenden Gewerbe		Preisindex für die Lebenshaltung		Index für Erzeugerpreise		Tariflohn- und -gehaltsniveau	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Allianz	0.6	0.9	1.4	1.2	2.5	1.6	na	na	1.4	1.4	na	na	2.7	2.5
Bank of America - Merrill	0.6	0.6	1.8	1.0	2.2	1.0	-3.8	0.3	1.4	1.3	na	na	na	na
Helaba Frankfurt	0.6	1.6	1.4	1.6	2.0	4.0	-2.0	2.0	1.5	1.6	1.2	1.3	3.2	2.6
HWM	0.6	1.4	1.4	1.3	2.7	3.5	-2.0	1.0	1.5	1.8	1.7	1.5	2.9	2.5
DZ Bank	0.6	1.0	1.4	1.2	2.6	3.0	-2.9	0.2	1.3	1.4	1.8	1.5	na	na
Oxford Economics	0.6	0.7	1.4	1.4	na	na	-3.1	0.2	1.4	1.4	2.2	2.3	2.8	3.0
UBS	0.5	0.6	1.5	1.2	na	na	-2.8	0.2	na	na	na	na	na	na
Moody's Analytics	0.5	0.9	1.3	0.2	na	na	-4.0	1.2	1.5	1.7	1.3	0.5	na	na
Bank Julius Baer	0.5	1.2	1.6	1.6	2.2	1.9	-2.6	3.9	1.5	1.7	1.6	1.8	3.0	3.5
Berliner Sparkasse	0.5	1.0	1.4	1.1	1.5	0.8	-3.3	-0.8	1.4	1.4	1.1	-0.3	3.0	2.5
Capital Economics	0.5	-0.2	1.4	0.8	na	na	na	na	1.3	1.3	na	na	na	na
German Econ Inst (IW)	0.5	0.8	1.5	1.1	2.1	0.0	-3.0	0.0	1.5	1.5	1.5	1.5	2.5	2.0
IFO - Munich Institute	0.5	1.1	1.4	1.4	0.7	0.5	na	na	1.4	1.5	na	na	na	na
MM Warburg	0.5	0.9	1.4	1.4	1.7	2.0	-3.0	0.3	1.4	1.4	1.3	1.1	2.6	2.0
Swiss Life Asset Mgrs	0.5	0.5	0.7	1.6	0.4	4.5	na	na	1.4	1.7	na	na	na	na
Morgan Stanley	0.5	0.7	2.2	1.1	1.7	1.4	na	na	1.4	1.8	na	na	na	na
FERI	0.5	1.2	1.5	1.4	1.7	1.5	-3.1	1.0	1.4	1.6	1.3	1.1	2.5	2.6
IWH Halle Institute	0.5	1.1	1.4	1.4	0.7	0.5	na	na	1.4	1.5	na	na	na	na
RW Essen	0.4	0.9	1.4	1.2	1.0	0.6	na	na	1.4	1.3	na	na	na	na
Citigroup	0.4	0.9	1.4	1.0	1.1	-4.2	-3.5	-0.6	1.3	1.2	na	na	na	na
Commerzbank	0.4	0.8	1.4	1.3	1.9	-0.5	-2.6	1.4	1.4	1.4	1.2	0.7	3.0	2.8
DekaBank	0.4	0.7	1.4	1.4	2.2	1.6	-0.9	0.0	1.3	1.4	na	na	3.3	2.6
HSBC Trinkaus	0.4	0.7	1.5	1.5	1.7	-0.3	-3.4	-0.5	1.5	1.6	1.3	1.1	2.6	2.4
IfW - Kiel Institute	0.4	1.0	1.3	1.2	0.4	-1.1	na	na	1.5	1.6	na	na	2.4	2.6
IHS Markit	0.4	0.3	1.4	1.1	1.0	-0.3	-4.0	-0.3	1.4	1.4	1.2	0.6	2.9	2.5
Deutsche Bank	0.3	0.7	1.3	0.8	1.9	0.5	-4.0	0.5	1.3	1.3	na	na	2.8	2.5
<b>Consensus (Mean)</b>	<b>0.5</b>	<b>0.8</b>	<b>1.4</b>	<b>1.2</b>	<b>1.6</b>	<b>1.0</b>	<b>-3.0</b>	<b>0.6</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>	<b>1.1</b>	<b>2.8</b>	<b>2.6</b>
Last Month's Mean	0.5	1.0	1.5	1.2	1.6	1.3	-2.4	0.9	1.4	1.5	1.6	1.4	2.8	2.6
3 Months Ago	0.7	1.4	1.6	1.4	2.0	2.0	-0.4	1.3	1.5	1.6	1.9	1.5	2.9	2.7
High	0.6	1.6	2.2	1.6	2.7	4.5	-0.9	3.9	1.5	1.8	2.2	2.3	3.3	3.5
Low	0.3	-0.2	0.7	0.2	0.4	-4.2	-4.0	-0.8	1.3	1.2	1.1	-0.3	2.4	2.0
Standard Deviation	0.1	0.4	0.2	0.3	0.7	1.9	0.8	1.1	0.1	0.2	0.3	0.6	0.3	0.4
<b>Comparison Forecasts</b>														
Bundesbank (Jun. '19)	0.6	1.6	1.6	1.3										
Government (Apr. '19)	0.5	1.5	1.2	1.6	2.0	3.0			1.5	1.8				
Eur Commission (Jul. '19)	0.5	1.4												

### Government and Background Data

Chancellor - Mrs. Angela Merkel (Christian Democratic Party or CDU).  
 Parliament - A coalition agreement between the CDU/CSU union and the Social Democrats (SPD) was finalised on March 4, 2018. The CDU/CSU has the most seats (246) in the 709-seat Bundestag (lower house). **Next Elections** - 2021 (Bundestag). **Nominal GDP** - Euro 3,386bn (2018). **Population** - 83.1mn (mid-year 2018). **\$/Euro Exchange Rate** - 1.181 (average, 2018).

### Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of  
**September 9, 2019**

	2019		2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	0.9	0.4	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
Private Consumption	1.5	1.4	<b>1.7</b>	<b>1.5</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>
Consumer Prices	1.4	1.7	<b>1.3</b>	<b>1.3</b>	<b>1.9</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>

Percentage Change (year-on-year).

### Historical Data

	2015	2016	2017	2018
* % change on previous year				
Gross Domestic Product*	1.7	2.2	2.5	1.5
Private Consumption*	1.9	2.3	1.3	1.3
Machinery & Eqpt Investment*	4.4	3.0	4.0	4.4
Industrial Production*	0.9	1.8	3.3	0.9
Consumer Prices*	0.3	0.5	1.5	1.8
Producer Prices*	-1.9	-1.6	2.7	2.6
Negotiated Wages & Salaries*	3.2	2.0	2.2	3.7
Unemployment Rate, %	6.4	6.1	5.7	5.2
Current Account, Euro bn	260	265	262	245
Budget Balance, net lending/borrowing, (ESA10, Maastricht), Euro bn	28.6	37.1	40.3	62.4
3 mth Euro, % (end yr)	-0.1	-0.3	-0.3	-0.3
10 Yr German Govt Bond, % (end yr)	0.6	0.1	0.4	0.2



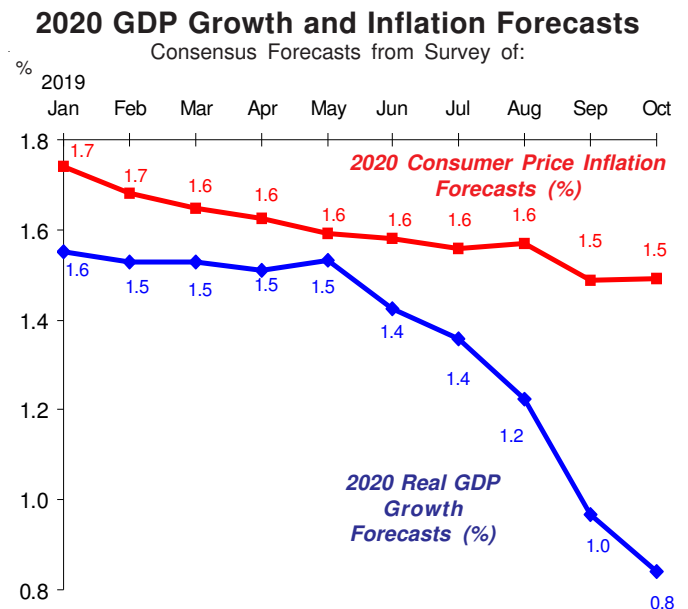
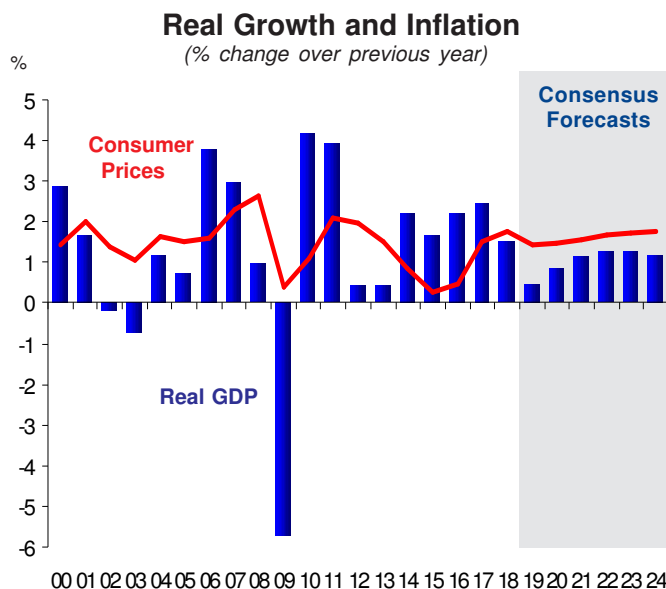
Year Average	Annual Total				Rates on Survey Date				
	Unemployment Rate (%)		Current Account (Euro bn)	General Govt Budget Bal (Maastricht) (Euro bn)	3 month Euro Rate (%)		10 Year German Govt Bond Yield (%)		
Arbeitslosenquote, % der Erwerbsspers. insgesamt	Leistungs-bilanz (€ bn)		Finanzierungs-saldo des Staates (Maastricht) (€ bn)		3 Monate Euro Rate (%)		Rendite von Bundesan-leihen, 10 Jahre (%)		
2019 2020	2019 2020	2019 2020	2019 2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20		
5.0	5.1	241	248	24.0	5.0	na	na	-0.6	-0.4
na	na	238	216	27.7	24.6	na	na	na	na
4.9	4.5	240	245	44.0	42.0	-0.6	-0.6	-0.6	-0.4
4.8	4.8	240	245	50.0	30.0	-0.4	-0.2	-0.4	0.0
5.0	5.0	250	230	26.7	17.1	-0.5	-0.5	-0.5	-0.5
5.0	5.0	254	225	52.1	20.5	-0.4	-0.4	-0.6	-0.3
na	na	249	233	na	na	-0.6	-0.6	-0.8	-0.5
5.0	5.0	229	204	47.1	28.3	-0.4	-0.4	-0.4	-0.1
5.0	5.0	na	na	na	na	na	na	-0.5	-0.2
5.0	5.0	249	253	34.0	28.0	na	na	na	na
5.0	5.0	na	na	41.0	24.0	na	na	na	na
5.0	5.0	na	na	na	na	-0.5	-0.5	-0.5	-0.2
5.0	5.1	229	221	52.1	22.9	na	na	0.0	0.0
5.0	5.1	248	243	30.0	5.0	-0.5	-0.6	-0.5	-0.5
5.0	5.2	na	na	na	na	-0.4	-0.4	-0.7	-0.5
4.7	4.7	246	248	27.6	11.8	na	na	na	na
5.0	5.1	247	251	30.6	11.1	-0.5	-0.5	-0.6	-0.5
5.0	5.1	245	229	52.1	22.9	-0.4	-0.4	-0.6	-0.6
5.0	5.0	244	242	52.0	40.0	-0.4	-0.4	-0.6	-0.6
5.0	5.5	240	228	28.3	0.2	na	na	-0.5	-0.3
5.0	5.2	250	250	28.0	11.0	-0.4	-0.5	-0.5	0.0
5.0	5.2	220	214	32.7	26.6	-0.4	-0.4	-0.6	-0.5
5.0	5.1	234	234	59.4	57.8	na	na	-0.8	-0.8
5.0	5.3	258	267	43.0	13.7	na	na	-0.5	-0.6
na	na	218	208	60.6	26.7	-0.6	-0.6	-0.6	-0.4
5.0	5.1	219	212	34.2	13.9	-0.5	na	-0.4	-0.3
<b>5.0</b>	<b>5.0</b>	<b>240</b>	<b>234</b>	<b>39.9</b>	<b>22.0</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.4</b>
5.0	5.0	243	241	36.0	20.6				
5.0	4.9	241	238	34.2	22.7				
5.0	5.5	258	267	60.6	57.8	-0.4	-0.2	0.0	0.0
4.7	4.5	218	204	24.0	0.2	-0.6	-0.6	-0.8	-0.8
0.1	0.2	11	17	11.7	13.4	0.1	0.1	0.2	0.2
4.9	4.8								

**Production Forecasts Continue To Plunge**

According to recent economic data, momentum across most sectors appears to have stalled further, leaving the economy on the brink of recession. GDP growth declined by -0.1% (q-o-q) in Q2, and a similar outcome seems the likely scenario in Q3. August's positive industrial production reading of +0.3% (m-o-m) was greeted with muted optimism, since risks linked to weakening global trade and Brexit have shown few signs of abating, leading most commentators to assume that this will be short-lived. Moreover, the sharp downward trajectory in factory orders persisted in August, caused mainly by a fall in domestic demand. On top of that, September's manufacturing PMI reported even greater contractions in new orders and output, as it plunged to its lowest level in more than a decade. These worsening developments could trigger more extensive job losses in the months ahead and increase the financial strain on households. Overall, the German labour market has stayed firm, although moderating job creation implies that this resilience may become increasingly difficult to sustain. The ECB's recent decision to restart bond-buying may have contributed to a recovery in the ZEW investor confidence measurement for September, but its headline figure is still languishing in negative territory.

German business lobbies, as well as EU officials, have reiterated calls for more fiscal stimulus to support the economy. Another budget surplus is estimated this year (for a fifth straight year), but observers claim that the government should ignore its existing fiscal rules and promote higher spending, especially in the current climate of negative interest rates. Germany's poor progress in digital infrastructure was largely culpable for its slide from 3rd to 7th place in this year's World Economic Forum Global Competitiveness report.

Direction of Trade – 2018			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	8.7	Netherlands	14.1
France	8.0	China	6.9
China	7.1	France	6.4
<u>EU</u>	<u>58.9</u>	<u>EU</u>	<u>66.4</u>
Eastern Europe	13.2	Eastern Europe	15.6
Asia (ex. Japan)	9.7	Asia (ex. Japan)	10.4



	Average % Change on Previous Calendar Year											
	Gross Domestic Product		Household Consumption		Business Investment		Manufacturing Production		Consumer Prices		Hourly Wage Rates	
	<i>Produit Intérieur Brut</i>		<i>Consommation des Ménages</i>		<i>Investissements des Entreprises</i>		<i>Production Manufacturière</i>		<i>Prix à la Consommation</i>		<i>Taux de Salaire Horaire</i>	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
BIPE - BDO Advisory	1.4	1.2	1.1	1.2	3.5	2.2	na	na	1.1	1.1	na	na
Oddo BHF	1.4	1.7	1.3	1.7	3.5	2.6	0.8	1.2	1.2	1.4	1.5	1.7
Societe Generale	1.4	0.8	1.2	1.0	3.2	1.4	na	na	1.3	1.3	1.9	2.0
Natixis	1.4	1.1	1.2	1.0	3.6	3.5	0.8	0.4	1.1	1.1	1.7	1.8
Citigroup	1.4	1.4	1.2	1.5	3.4	2.2	1.3	1.5	1.4	1.8	1.6	1.7
Moody's Analytics	1.3	1.5	1.2	1.4	na	na	0.7	-0.1	1.2	1.6	na	na
La Banque Postale	1.3	1.3	0.9	1.1	3.3	1.9	na	na	1.2	1.3	na	na
Oxford Economics	1.3	1.3	1.2	1.3	3.2	2.3	1.2	0.2	1.1	1.2	1.4	1.8
Barclays	1.3	1.1	1.2	1.6	na	na	na	na	1.4	1.3	na	na
Exane BNP	1.3	1.4	1.2	1.6	2.8	1.8	0.7	1.2	1.2	1.3	2.0	2.2
HSBC	1.3	1.0	1.3	1.5	3.2	1.5	1.0	0.6	1.2	1.5	1.8	1.6
Rexecode	1.3	1.2	1.3	1.9	3.3	1.4	na	na	1.1	1.3	1.8	2.1
Swiss Life Asset Mgrs	1.3	1.0	1.1	1.2	3.0	1.6	0.6	1.7	1.3	1.7	na	na
UniCredit	1.3	0.9	1.2	1.3	3.4	2.1	na	na	1.2	1.3	1.7	1.7
PAIR Conseil	1.3	1.4	1.4	1.7	3.3	2.3	1.0	1.2	1.1	1.2	2.2	2.1
OFCE	1.3	1.3	1.1	1.3	3.3	1.8	na	na	1.1	1.3	1.3	1.6
IHS Markit	1.3	0.9	1.1	1.1	3.2	1.4	0.8	0.2	1.3	1.3	na	na
UBS	1.2	1.0	1.1	0.9	2.6	1.7	1.4	1.2	1.3	1.4	na	na
BNP Paribas	1.2	1.0	1.2	1.4	3.0	0.8	na	na	1.0	0.8	1.8	2.0
Capital Economics	1.2	0.8	1.1	1.3	2.5	1.1	na	na	1.2	1.2	na	na
Econ Intelligence Unit	1.2	1.5	1.3	1.6	na	na	1.0	1.4	1.2	1.4	na	na
Euler Hermes	1.2	1.2	1.2	1.4	3.5	2.3	0.7	0.4	1.2	1.3	1.8	1.9
GAMA	1.2	1.0	1.0	0.8	3.2	2.2	na	na	1.2	1.4	1.7	1.7
Bank of America - Merrill	1.2	1.2	1.1	1.2	na	na	na	na	1.1	1.1	na	na
<b>Consensus (Mean)</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>3.2</b>	<b>1.9</b>	<b>0.9</b>	<b>0.9</b>	<b>1.2</b>	<b>1.3</b>	<b>1.7</b>	<b>1.9</b>
Last Month's Mean	1.3	1.2	1.2	1.3	3.2	2.0	1.2	1.2	1.2	1.3	1.9	1.9
3 Months Ago	1.3	1.3	1.4	1.5	3.0	2.2	1.2	1.2	1.2	1.4	1.8	1.9
High	1.4	1.7	1.4	1.9	3.6	3.5	1.4	1.7	1.4	1.8	2.2	2.2
Low	1.2	0.8	0.9	0.8	2.5	0.8	0.6	-0.1	1.0	0.8	1.3	1.6
Standard Deviation	0.1	0.2	0.1	0.3	0.3	0.6	0.2	0.6	0.1	0.2	0.2	0.2
Comparison Forecasts												
Government (Apr. '19)	1.4	1.4	1.6	1.3					1.3	1.3		
Eur Commission (Jul. '19)	1.3	1.4										
IMF (Oct. '19)	1.2	1.3	1.1	1.3					1.2	1.3		
OECD (Sep. '19)	1.3	1.2										

### Government and Background Data

**President** - Mr. Emmanuel Macron (En Marche!). **Prime Minister** - Mr. Edouard Philippe (En Marche!). **Parliament** - Mr. Macron's centrist *La République en Marche* (REM) party currently has 312 out of the 577 seats in the National Assembly. **Next Elections** - Presidential (two rounds): April/May 2022. **Nominal GDP** - Euro2,350bn (2018). **Population** - 65.0mn (mid-year, 2018). **\$/Euro Exchange Rate** - 1.181 (average, 2018).

### Quarterly Consensus Forecasts

*Historical Data and Forecasts (bold italics) From Survey of September 9, 2019*

	2019		2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	1.3	1.4	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
Household Consumption	0.9	1.3	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
Consumer Prices	1.2	1.1	<b>1.1</b>	<b>1.2</b>	<b>1.5</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4</b>	<b>1.4</b>

*Percentage Change (year-on-year).*

### Historical Data

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	1.0	1.0	2.4	1.7
<b>Household Consumption*</b>	1.4	1.6	1.6	0.9
<b>Business Investment*</b>	3.1	2.7	5.0	3.9
<b>Manufacturing Production*</b>	1.3	0.6	2.8	0.3
<b>Consumer Prices*</b>	0.1	0.2	1.0	1.9
<b>Hourly Wage Rates*</b>	1.2	1.2	1.2	1.5
<b>Unemployment Rate (ILO), %</b>	10.1	9.8	9.1	8.8
<b>Current Account, Euro bn</b>	-9.3	-12.4	-17.3	-15.5
<b>General Govt. Budget Balance (Maastricht definition), Euro bn</b>	-79.7	-79.1	-63.6	-59.5
<b>3 mth Euro, % (end yr)</b>	-0.1	-0.3	-0.3	-0.3
<b>10 Yr French Govt Bond, % (end yr)</b>	1.0	0.7	0.8	0.7

Year Average		Annual Total				Rates on Survey Date			
Unemployment Rate, ILO (%)	Current Account (Euro bn)	General Govt Budget Balance (Maastricht) (Euro bn)		3 month Euro Rate (%)		10 Year French Govt Bond Yield (%)			
		Taux de Chômage, BIT (%)	Solde Courant (€ md)	Balance Budgétaire (Maastricht) (€ md)	Taux d'intérêt 3 mois Euro (%)	Rendement des obligations d'Etat, 10 ans (%)			
2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20
8.2	8.1	-8.7	-8.0	-77.6	-54.4	na	na	na	na
8.2	7.8	-13.0	-14.0	-75.1	-57.4	-0.5	-0.5	-0.2	0.0
8.2	8.6	-28.1	-28.8	-77.5	-64.3	-0.5	-0.5	-0.3	-0.3
8.2	8.2	-19.5	-22.1	-77.3	-64.4	-0.4	-0.4	-0.3	-0.1
8.2	7.8	-14.3	-13.1	-78.2	-61.5	na	na	-0.3	0.0
8.3	8.2	-11.5	-7.4	-78.5	-61.5	na	na	na	na
na	na	-14.9	-11.7	-76.8	-60.7	-0.4	-0.4	-0.2	-0.1
8.2	8.1	-9.9	-10.4	-80.3	-59.9	-0.4	-0.4	-0.3	0.1
8.4	8.0	na	na	na	na	na	na	na	na
8.5	8.3	-15.0	-18.0	-75.0	-65.0	-0.5	-0.5	-0.1	0.2
8.2	7.9	-12.0	-15.3	-74.2	-54.0	na	na	-0.6	-0.6
8.2	7.9	-13.1	-17.6	-74.1	-61.5	-0.4	-0.4	-0.2	-0.1
8.2	8.0	na	na	na	na	-0.4	-0.4	-0.4	-0.3
8.5	8.4	-14.5	-14.6	-78.0	-56.0	na	na	na	na
8.3	8.2	-19.0	-22.5	-75.8	-59.5	-0.4	-0.4	-0.2	0.0
8.3	8.1	na	na	-74.8	-56.1	-0.4	-0.4	-0.4	-0.4
8.5	8.5	-11.0	-18.6	-73.8	-53.8	-0.6	-0.6	-0.2	-0.1
8.6	8.6	-24.7	-8.9	na	na	-0.6	-0.6	na	na
8.3	8.2	-25.0	-34.0	-75.5	-57.9	na	na	na	na
8.6	8.3	-12.0	-12.0	-77.0	-66.0	na	na	na	na
8.4	8.0	-21.7	-20.8	-80.1	-80.0	na	na	na	na
8.5	8.2	-16.1	-22.8	-77.9	-65.2	-0.5	-0.3	-0.6	-0.2
8.3	8.2	na	na	-76.0	-70.0	-0.4	-0.2	na	na
na	na	-21.9	-21.9	na	na	na	na	na	na
<b>8.3</b>	<b>8.2</b>	<b>-16.3</b>	<b>-17.1</b>	<b>-76.7</b>	<b>-61.5</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-0.1</b>
8.4	8.2	-14.9	-15.3	-76.4	-63.1				
8.5	8.3	-13.0	-13.6	-76.8	-63.2				
8.6	8.6	-8.7	-7.4	-73.8	-53.8	-0.4	-0.2	-0.1	0.2
8.2	7.8	-28.1	-34.0	-80.3	-80.0	-0.6	-0.6	-0.6	-0.6
0.1	0.2	5.5	7.0	1.9	6.2	0.1	0.1	0.1	0.2
8.6	8.4			-78.4	-60.6				

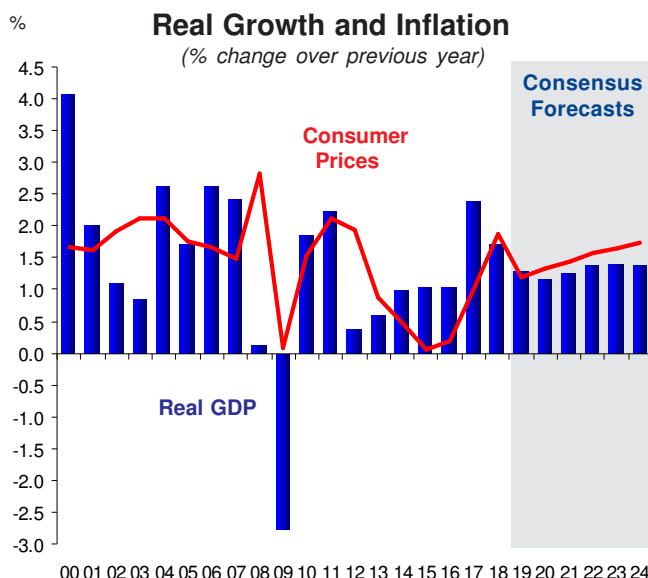
**GDP Growth Holds Up Despite Weakness in Industry**

Despite global sentiment worsening noticeably amid trade headwinds, the French outlook has remained comparatively resilient – this year’s GDP forecast of 1.3% is more than double that of Germany (0.5% this month). The Banque de France has maintained its forecast of 0.3% (q-o-q) for Q3 GDP growth (to be officially released at the end of October) while statistics office INSEE also expects 0.3% (q-o-q) growth through the rest of this year, resulting in an annual GDP forecast of 1.3%, in line with consensus expectations. Lower inflation and tax cuts have helped to support activity; indeed, the headline CPI fell by -0.3% (m-o-m) in September after a 0.5% rise in August, bringing the y-o-y rate down to +0.9%. Other data, mainly from August, point to a weaker showing at the end of the summer. Manufacturing production recorded its largest y-o-y drop (-1.6%) for the year so far, while on a m-o-m basis August’s -0.8% fall followed July’s +0.4% rise. Admittedly, August is usually a month of lower orders and holidays. However, observers also point to the three consecutive months of decline in investment goods output, while machinery & equipment production fell by -3.3% (m-o-m) in August. Both could suggest that business investment in Q3 as a whole was noticeably weaker than in H1 2019. Forecasts for production have faltered as a result, but those for investment remain largely unchanged. Elsewhere, September’s PMI for manufacturing stood at 50.1, down from 51.1 in August but still in growth territory, unlike German and Euro zone PMIs which were in contractionary territory.

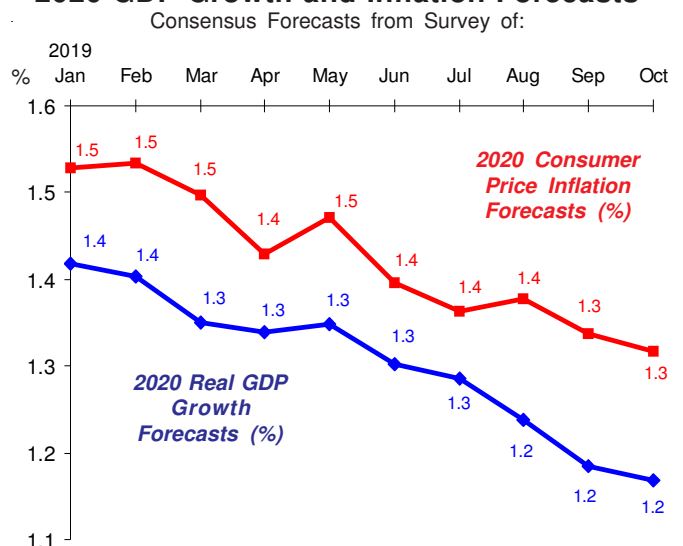
Elsewhere, goods’ consumption was stable in August after July’s +0.4% (m-o-m) gain, although the y-o-y rate fell by -0.4%. Durable goods spending recorded a 1.6% (m-o-m) increase, with car sales also surprisingly upbeat.

**Direction of Trade – 2018**

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Germany	14.5	Germany	18.4
USA	7.8	Belgium	10.3
Spain	7.8	Netherlands	8.2
EU	59.0	EU	69.1
Asia (ex. Japan)	7.5	Asia (ex. Japan)	8.1
Eastern Europe	6.9	Eastern Europe	7.3



**2020 GDP Growth and Inflation Forecasts**



Average % Change on Previous Calendar Year

	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Company Trading Profits		Manufacturing Production		Retail Prices (RPI-X, underlying rate)		Consumer Prices Index		Output Prices		Average Weekly Earnings		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
<b>Economic Forecasters</b>	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
Liverpool Macro Research	1.6	2.0	na	na	na	na	na	na	na	na	2.9	2.7	2.0	2.1	na	na	3.1	3.1	
Capital Economics	1.4	1.0	1.2	1.5	0.1	0.9	na	na	na	na	2.6	2.2	1.9	1.8	na	na	3.8	3.4	
Confed of British Industry	1.4	1.5	1.8	1.7	1.1	2.0	na	na	na	na	na	na	1.8	2.1	na	na	3.2	3.0	
Moody's Analytics	1.3	0.9	na	na	0.3	1.0	na	na	-0.2	0.7	2.6	2.2	1.9	1.9	1.7	1.5	3.7	3.1	
Heteronomics	1.3	0.4	1.2	0.8	-0.2	-4.4	na	na	na	na	2.6	2.8	1.9	2.7	1.8	2.6	3.6	2.6	
Bank of America - Merrill	1.3	0.7	1.1	1.2	0.2	-0.2	na	na	0.4	0.4	2.6	2.4	1.8	1.7	na	na	na	na	
Barclays	1.3	-0.1	1.2	0.6	0.4	-3.6	na	na	na	na	na	na	2.0	2.8	na	na	na	na	
Economic Perspectives	1.3	0.9	1.5	0.0	-0.1	-0.5	2.0	-4.0	0.2	0.7	2.8	3.5	2.1	3.1	2.2	2.8	3.7	4.0	
Goldman Sachs	1.3	1.3	1.5	0.5	-1.0	1.8	na	na	na	na	2.6	2.8	1.8	1.9	1.6	1.6	na	na	
ITEM Club	1.3	1.0	1.2	1.4	-0.3	-0.4	na	na	-0.5	0.5	2.7	2.8	1.9	2.0	1.8	1.9	3.7	3.4	
JP Morgan	1.3	0.8	1.2	1.1	na	na	na	na	na	na	na	na	1.8	2.0	na	na	na	na	
NatWest Markets	1.3	1.0	1.2	1.1	-0.3	-1.7	na	na	-0.2	0.4	2.6	2.4	1.8	1.7	1.8	1.7	3.6	3.0	
Schroders	1.3	0.9	1.2	1.6	-0.6	0.9	na	na	0.4	0.6	2.6	2.4	1.8	1.9	na	na	3.2	2.7	
Societe Generale	1.3	0.6	1.2	0.9	0.1	-1.1	3.5	-2.7	na	na	2.7	2.5	1.9	2.0	na	na	3.8	3.5	
TS Lombard	1.3	1.2	1.4	1.4	0.0	1.3	na	na	na	na	na	na	1.9	2.3	na	na	3.5	3.2	
UniCredit	1.3	0.8	1.4	1.3	0.5	0.3	1.5	1.0	-0.4	0.8	2.6	2.4	1.9	1.7	1.8	1.5	3.6	2.0	
Oxford Economics	1.3	1.1	1.2	1.1	0.3	0.7	3.1	4.3	-1.1	-2.1	2.7	3.0	1.9	2.0	2.0	1.7	3.6	3.2	
Deutsche Bank	1.2	1.3	1.9	1.5	0.3	1.4	na	na	na	na	na	na	1.9	1.9	na	na	3.5	3.3	
Allianz	1.2	0.8	1.8	1.6	na	na	na	na	na	na	na	na	1.9	1.8	na	na	3.6	2.8	
Beacon Econ Forecasting	1.2	1.8	1.2	2.0	0.4	2.0	na	na	-0.6	0.7	2.7	3.2	1.9	2.5	2.0	1.9	3.8	4.0	
Econ Intelligence Unit	1.2	1.1	na	na	0.3	1.4	na	na	na	na	na	na	1.9	2.1	na	na	3.7	2.5	
Kern Consulting	1.2	1.2	1.5	1.4	0.3	0.8	1.1	1.5	0.3	0.9	na	na	2.0	2.1	na	na	3.2	3.2	
KPMG	1.2	1.1	1.2	1.2	0.2	1.0	na	na	na	na	na	na	1.9	1.9	na	na	na	na	
Nomura	1.2	1.5	1.8	1.8	0.2	0.9	na	na	na	na	na	na	1.8	1.9	na	na	3.5	3.2	
Swiss Life Asset Mgrs	1.2	1.1	1.6	2.0	0.6	1.6	na	na	na	na	2.8	3.1	2.0	2.0	na	na	na	na	
Credit Suisse	1.2	1.3	1.8	1.8	0.2	0.7	na	na	na	na	na	na	1.9	2.1	na	na	na	na	
NIESR	1.2	1.1	1.3	1.1	0.5	1.9	na	na	na	na	2.5	3.5	2.0	2.1	na	na	3.2	3.5	
IHS Markit	1.2	0.5	1.6	0.7	-0.6	-2.6	na	na	na	na	na	na	1.9	2.1	na	na	na	na	
UBS	1.1	0.9	1.7	1.5	0.3	0.1	na	na	na	na	na	na	1.9	1.8	na	na	3.4	3.3	
Fitch Ratings	1.1	1.2	1.2	1.6	0.0	0.6	na	na	0.6	0.6	na	na	2.5	2.2	na	na	na	na	
HSBC	1.1	1.0	1.7	1.3	0.4	1.4	na	na	-0.2	-0.6	2.7	2.4	1.9	1.9	na	na	3.7	3.5	
Experian	1.1	1.2	1.7	1.4	0.5	1.5	na	na	1.0	0.1	2.6	2.9	1.9	2.0	na	na	3.6	3.4	
Citigroup	1.1	1.0	1.7	1.3	0.3	0.5	4.5	2.8	0.1	1.3	2.8	3.0	2.0	2.3	na	na	3.6	3.2	
<b>Consensus (Mean)</b>	<b>1.2</b>	<b>1.0</b>	<b>1.4</b>	<b>1.3</b>	<b>0.1</b>	<b>0.3</b>	<b>2.6</b>	<b>0.5</b>	<b>0.0</b>	<b>0.4</b>	<b>2.7</b>	<b>2.8</b>	<b>1.9</b>	<b>2.1</b>	<b>1.9</b>	<b>1.9</b>	<b>3.5</b>	<b>3.2</b>	
Last Month's Mean	1.2	1.1	1.7	1.3	0.3	0.7	0.9	1.1	0.5	0.6	2.6	2.8	2.0	2.1	1.9	2.0	3.3	3.1	
3 Months Ago	1.3	1.3	1.6	1.4	1.1	1.3	1.6	0.0	0.8	0.6	2.7	2.7	1.9	2.0	1.8	1.7	3.1	3.0	
High	1.6	2.0	1.9	2.0	1.1	2.0	4.5	4.3	1.0	1.3	2.9	3.5	2.5	3.1	2.2	2.8	3.8	4.0	
Low	1.1	-0.1	1.1	0.0	-1.0	-4.4	1.1	-4.0	-1.1	-2.1	2.5	2.2	1.8	1.7	1.6	1.5	3.1	2.0	
Standard Deviation	0.1	0.4	0.3	0.4	0.4	1.6	1.3	3.2	0.6	0.8	0.1	0.4	0.1	0.3	0.2	0.5	0.2	0.4	
<b>Comparison Forecasts</b>																			
Treasury - OBR (Mar. '19)	1.2	1.4	1.1	1.5	0.6	1.8							2.1	1.9					
Eur Commission (Jul. '19)	1.3	1.3											1.8	2.0					
IMF (Oct. '19)	1.2	1.4	1.6	1.4	-0.6	0.6													
OECD (Sep. '19)	1.0	0.9																	

Government and Background Data

Prime Minister - Mr. Boris Johnson (Conservative Party). Parliament - The Conservative party won 318 seats in the June 2017 general election but lost its absolute majority in the 650-seat House of Commons (lower house). Next Election - By 2022 (general election). Nominal GDP - £2,118bn (2018). Population - 67.1mn (mid-year, 2018). \$/£ Exchange Rate - 1.336 (average, 2018).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of September 9, 2019

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	1.8	1.2	<b>0.8</b>	<b>0.8</b>	<b>0.6</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>
Household Consumption	1.9	1.8	<b>1.5</b>	<b>1.6</b>	<b>1.3</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>
Consumer Prices	1.9	2.0	<b>1.9</b>	<b>1.9</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>2.3</b>

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2015	2016	2017	2018
Gross Domestic Product*	2.4	1.9	1.9	1.4
Household Consumption*	2.9	3.8	2.3	1.6
Gross Fixed Investment*	3.7	3.6	1.6	-0.1
Company Trading Profits*	3.9	6.7	2.9	1.0
Manufacturing Production*	0.0	0.3	2.6	0.9
Retail Prices (RPI-X, underlying rate)*	1.0	1.9	3.8	3.3
Consumer Price Index*	0.0	0.7	2.7	2.4
Output Prices*	-1.7	0.4	3.4	2.9
Average Weekly Earnings*	2.4	2.4	2.4	2.9
Unemployment Rate, % (LFS)	5.4	4.9	4.4	4.1
Current Account, £ bn	-94.0	-104.0	-72.3	-92.5
Public Sector Net Borrowing (excl. financial interventions)				
fiscal years, £ bn	81.2	56.2	56.5	41.4
3 mth Interbank, % (end yr)	0.6	0.4	0.5	0.9
10 Yr Gilt Yield, % (end yr)	1.9	1.2	1.2	1.3



Year Average	Annual Total		Fiscal Years (Apr-Mar)		Rates on Survey Date				
	Current Account (£ bn)		Public Sector Net Borrowing (£ bn)		0.8%		0.6%		
Unemployment Rate (%) (Labour Force Survey)					3 month Interbank Rate (%)		10 Year Gilt Yield (%)		
	2019	2020	FY 19-20	FY 20-21	End Jan'20	End Oct'20	End Jan'20	End Oct'20	
na	na	-48.8	-41.2	22.3	6.9	1.0	1.3	na	na
3.9	3.9	-120.0	-125.0	47.0	55.0	0.8	0.6	0.6	0.9
3.9	3.9	-81.6	-106.1	na	na	na	na	na	na
3.9	4.3	-93.9	-74.4	na	na	0.9	0.9	0.4	0.8
3.9	4.4	-102.1	-86.3	31.5	40.5	0.7	0.1	na	na
na	na	-105.1	-96.0	na	na	na	na	na	na
4.3	5.7	-107.2	-97.1	49.3	69.8	na	na	0.6	na
3.8	4.1	-65.0	-55.0	37.0	47.0	1.0	1.3	0.8	1.6
4.1	4.1	-119.3	-103.1	na	na	1.1	0.9	0.7	0.9
3.9	4.0	-105.1	-94.4	53.1	64.6	0.8	0.8	0.9	1.2
3.9	4.1	na	na	na	na	na	na	na	na
3.8	4.1	-94.0	-76.0	62.0	56.0	0.7	0.5	0.5	0.4
3.8	4.0	-98.0	-91.0	28.0	32.0	0.8	1.0	0.6	1.0
4.0	4.5	-113.1	-94.1	45.1	46.4	na	na	na	na
3.7	3.7	-96.0	-116.0	50.0	63.0	na	na	na	na
3.9	4.5	-77.0	-66.0	45.0	69.0	na	na	na	na
3.8	3.8	-100.9	-84.0	48.4	55.0	0.8	0.8	0.5	0.7
4.0	na	na	na	49.6	52.5	0.9	1.6	na	na
3.8	3.8	na	na	na	na	na	na	na	na
3.8	3.9	-102.1	-79.6	53.8	48.1	0.8	1.0	0.7	1.0
3.8	4.0	-87.3	-93.0	na	na	0.7	1.0	na	na
4.0	4.2	-85.0	-80.0	27.0	25.0	0.8	1.2	0.5	1.1
3.9	3.9	na	na	na	na	0.7	0.7	0.5	0.7
3.9	4.0	na	na	na	na	0.8	1.2	0.8	1.3
3.8	4.1	na	na	na	na	0.8	0.8	0.7	0.8
na	na	na	na	na	na	na	na	na	na
3.9	4.1	-105.3	-61.1	48.9	60.2	0.9	1.1	0.9	1.3
3.8	4.3	-82.0	-47.3	na	na	0.8	0.8	0.6	0.5
3.8	3.8	-96.0	-90.0	na	na	0.8	0.5	0.3	0.8
4.3	4.4	-79.6	-83.5	na	na	0.9	1.1	0.8	1.2
3.9	4.1	na	na	na	na	na	na	na	na
3.9	4.0	na	na	32.3	33.7	1.0	1.1	1.0	1.6
3.9	4.3	-76.5	-64.2	32.8	42.2	na	na	0.6	1.0
3.9	4.1	-93.4	-83.5	42.4	48.2	0.8	0.9	0.6	1.0
4.0	4.2	-92.8	-85.1	34.0	42.6				
3.9	4.1	-92.1	-86.3	30.1	28.3				
4.3	5.7	-48.8	-41.2	62.0	69.8	1.1	1.6	1.0	1.6
3.7	3.7	-120.0	-125.0	22.3	6.9	0.7	0.1	0.3	0.4
0.1	0.4	16.9	20.5	11.1	16.3	0.1	0.3	0.2	0.3
4.1	4.1	-110.2	-114.0	29.3	21.2				
3.8	3.8								

**Brexit Debate Continues**

Brexit has pounded confidence and activity in most sectors, but reports on October 17 suggested a deal has been reached between the UK and EU. Parliament could block the agreement, forcing Prime Minister Johnson to seek an extension (in line with an amendment passed by the House of Commons last month), although the EU has dismissed talk of a further delay. Official figures show a deepening impact on labour productivity, which slumped in Q2 to its worst performance in five years. Business investment has been held back by the unprecedented Brexit turbulence, with new projects postponed and resources allocated to contingency planning for a disorderly exit. Business lobbies claim that these preparations will be ramped up unless an agreement is confirmed. After a 0.4% (m-o-m) upturn in July, August's GDP slipped by -0.1% amid a drop in manufacturing output and flat services growth. The former may see a temporary improvement in September due to stockpiling ahead of the Brexit deadline, but thereafter, tepid demand is likely to extend its rut. Services activity fizzled out according to September's PMI, as the headline figure tumbled below 50 and included a sharp cut in employment. Most experts see the UK economy just evading back-to-back quarterly contractions in GDP growth, despite the poor data.

Strong earnings growth of 3.8% (y-o-y) in June-August has kept consumer confidence steady, along with inflation (1.7% in August and September) down at its lowest rate of increase since December 2016. Separate reports, though, suggest that non-food retail sales hit a bump in September, suggesting that households may be channelling spending on essential items. Meanwhile, the Bank of England admitted last month that the entrenched uncertainty could reduce domestic inflationary pressures, opening the door to lower rates.

**UK Official Bank Rate** – at Oct. 14, 2019 = **0.75%**

Average probabilities of a change in the Bank Rate on **Nov. 7, 2019**:  
**Increase = 2.1%** **No change = 87.8%** **Decrease = 10.1%**

Consensus Forecasts	End Dec. 2019	End Mar. 2020	End Jun. 2020	End Sep. 2020
<b>Mean Average:</b>	<b>0.75 %</b>	<b>0.72 %</b>	<b>0.73 %</b>	<b>0.75 %</b>
<b>Mode (most frequent forecast):</b>	<b>0.75 %</b>	<b>0.75 %</b>	<b>0.75 %</b>	<b>0.75 %</b>

**Direction of Trade – 2018**

**Major Export Markets (% of Total)**

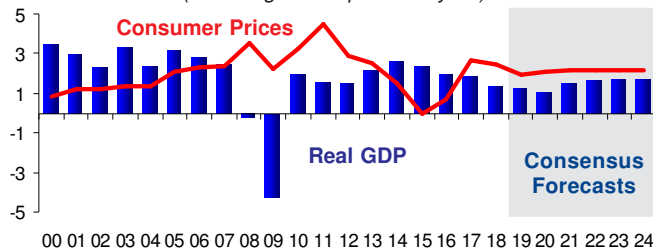
United States	13.3
Germany	9.8
Netherlands	7.1
EU	46.9
Asia (ex. Japan)	8.5
Eastern Europe	6.0

**Major Import Suppliers (% of Total)**

Germany	13.6
United States	9.7
China	9.3
EU	52.5
Asia (ex. Japan)	14.4
Eastern Europe	6.8

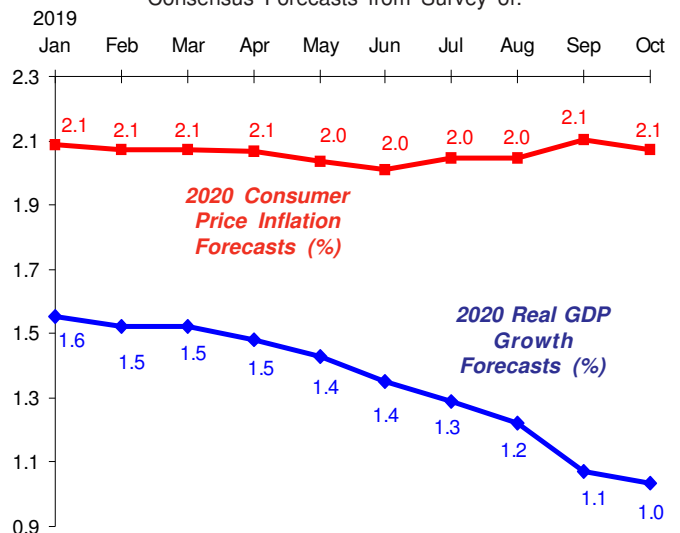
**Real Growth and Inflation**

(% change over previous year)



**2020 GDP Growth and Inflation Forecasts**

Consensus Forecasts from Survey of:



	Average % Change on Previous Calendar Year													
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Producer Prices		Contractual Hourly Earnings	
	<i>Prodotto Interno Lordo</i>		<i>Consumi delle Famiglie</i>		<i>Investimenti Fissi Lordi</i>		<i>Produzione Industriale</i>		<i>Prezzi al Consumo</i>		<i>Prezzi alla Produzione</i>		<i>Retribuzione Orarie Contrattuali</i>	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
ABI	0.2	0.8	0.7	0.9	0.0	1.3	-0.4	0.8	0.9	1.2	2.0	1.5	1.5	1.6
Allianz	0.2	0.4	0.4	0.5	2.7	1.4	na	na	0.7	1.1	na	na	na	na
Moody's Analytics	0.1	0.7	0.3	0.6	2.8	1.8	-0.5	0.7	0.7	1.1	0.6	0.1	na	na
Banca Nzle del Lavoro	0.1	0.4	0.4	0.2	2.5	1.9	-0.8	0.1	0.6	0.7	1.1	1.0	1.1	1.0
Capital Economics	0.1	0.0	0.3	0.2	2.6	-0.5	na	na	0.7	0.7	na	na	na	na
Econ Intelligence Unit	0.1	0.4	0.3	0.5	1.6	0.9	-0.6	0.8	0.8	1.1	2.2	2.1	na	na
Goldman Sachs	0.1	0.5	0.4	0.4	2.5	1.9	-0.2	1.0	na	na	na	na	na	na
HSBC	0.1	0.4	0.4	0.4	2.1	1.6	-0.6	0.3	0.8	1.0	na	na	1.3	0.8
ING Financial Markets	0.1	0.3	0.4	0.4	2.3	1.3	na	na	0.6	0.7	0.3	0.3	1.1	1.0
Prometeia	0.1	0.6	0.5	0.9	2.5	2.0	-0.9	0.8	0.6	0.7	na	na	na	na
REF Ricerche	0.1	0.4	0.4	0.2	2.5	-0.6	-0.8	0.0	0.6	0.9	na	na	1.4	1.5
Bank of America - Merrill	0.1	0.3	0.4	0.4	1.0	0.2	0.6	2.9	0.7	1.1	na	na	na	na
UBS	0.1	0.4	0.4	0.6	2.6	1.4	na	na	na	na	na	na	1.4	1.3
Citigroup	0.1	0.5	0.4	0.5	2.4	1.9	na	na	0.7	0.9	na	na	na	na
Intesa Sanpaolo	0.0	0.3	0.4	0.5	2.0	0.2	-0.8	0.4	0.7	1.1	0.1	0.0	1.1	0.8
Oxford Economics	0.0	0.2	0.3	0.3	1.2	-0.8	-0.5	0.4	0.6	0.9	0.7	0.7	na	na
Centro Europa Ricerche	0.0	0.9	0.4	0.9	0.6	2.5	na	na	0.8	1.3	na	na	na	na
Barclays	0.0	0.0	0.3	0.3	na	na	na	na	0.8	0.8	na	na	na	na
Confindustria	0.0	0.0	0.3	-0.2	1.9	1.1	na	na	0.7	1.8	na	na	na	na
LC Macro Advisors	0.0	0.3	0.3	0.3	-0.3	0.4	-0.7	0.4	0.7	1.0	0.8	1.2	na	na
Natixis	0.0	0.4	0.3	0.4	1.9	2.4	na	na	0.3	0.7	na	na	na	na
UniCredit	0.0	0.3	0.4	0.5	2.5	1.3	na	na	0.8	1.0	na	na	na	na
IHS Markit	-0.1	-0.2	0.3	-0.3	1.3	-1.3	-0.8	-0.4	0.7	0.6	1.7	1.9	na	na
<b>Consensus (Mean)</b>	<b>0.1</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>1.9</b>	<b>1.0</b>	<b>-0.5</b>	<b>0.6</b>	<b>0.7</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>	<b>1.3</b>	<b>1.1</b>
Last Month's Mean	0.0	0.4	0.4	0.4	0.9	0.9	-0.3	0.9	0.8	1.1	1.1	1.0	1.4	1.3
3 Months Ago	0.0	0.4	0.4	0.4	0.3	0.8	-0.3	1.0	0.9	1.2	1.6	1.1	1.4	1.3
High	0.2	0.9	0.7	0.9	2.8	2.5	0.6	2.9	0.9	1.8	2.2	2.1	1.5	1.6
Low	-0.1	-0.2	0.3	-0.3	-0.3	-1.3	-0.9	-0.4	0.3	0.6	0.1	0.0	1.1	0.8
Standard Deviation	0.1	0.3	0.1	0.3	0.9	1.1	0.4	0.8	0.1	0.3	0.7	0.8	0.2	0.3
<b>Comparison Forecasts</b>														
Banca d'Italia (Jul. '19)	0.1	0.9	0.4	0.9	1.3	0.8								
Government (Sep. '19)	0.1	0.6	0.4	0.7	2.1	2.2								
Eur Commission (Jul. '19)	0.1	0.7												
IMF (Oct. '19)	0.0	0.5	0.3	0.4	2.8	2.2			0.7	1.0				
OECD (Sep. '19)	0.0	0.4												

**Government and Background Data**

**Prime Minister** - Mr. Giuseppe Conte (Independent). **Parliament** - A new coalition was formed between the Five-Star Movement and the Democratic Party in September 2019. The Five-Star Movement won the most seats (227) in the 630-seat Chamber of Deputies at the March 4, 2018 election. **Next Elections** - 2020 (presidential); 2023 (parliamentary). **Nominal GDP** - Euro1,757bn (2018). **Population** - 60.6mn (mid-year, 2018). **\$/Euro Exchange Rate** - 1.181 (average, 2018).

**Quarterly Consensus Forecasts**

*Historical Data and Forecasts (bold italics) From Survey of September 9, 2019*

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	-0.1	-0.1	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>
Household Consumption	0.2	0.3	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>
Consumer Prices	1.0	0.8	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>

*Percentage Change (year-on-year).*

**Historical Data**

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	0.8	1.3	1.7	0.8
<b>Household Consumption*</b>	1.8	1.2	1.5	0.8
<b>Gross Fixed Investment*</b>	1.8	4.0	3.3	3.2
<b>Industrial Production*</b>	3.2	1.9	3.6	0.6
<b>Consumer Prices*</b>	0.1	-0.1	1.2	1.2
<b>Producer Prices*</b>	-2.7	-1.9	2.3	3.3
<b>Contractual Hourly Earnings*</b>	1.2	0.6	0.5	1.5
<b>Unemployment Rate,%</b>	11.9	11.7	11.3	10.6
<b>Current Account, Euro bn</b>	23.5	44.0	46.5	46.0
<b>General Govt. Budget Balance</b>				
(Maastricht definition), Euro bn	-43.1	-42.7	-41.3	-37.5
<b>3 mth Euro, % (end yr)</b>	-0.1	-0.3	-0.3	-0.3
<b>10 yr Italian Govt Bond, % (end yr)</b>	1.6	1.7	1.9	2.8

Year Average		Annual Total				Rates on Survey Date			
Unemployment Rate (%)	Tasso di Disoccupazione (%)	Current Account (Euro bn)		General Govt Budget Bal (Maastricht) (Euro bn)		-0.4%		1.0%	
		Partite Correnti (€ mld)	Indebitamento netto (Maastricht) (€ mld)	3 month Euro Rate (%)	10 Year Italian Govt Bond Yield (%)	Interessi Euro Trimestrali (%)	Buoni del Tesoro Decennali (%)	End Jan'20	End Oct'20
2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20
10.0	9.5	42.0	40.0	-38.7	-38.1	-0.4	-0.4	1.9	2.2
10.8	11.0	na	na	-37.0	-43.0	na	na	na	na
10.2	10.7	44.4	49.9	-44.0	-44.6	na	na	na	na
9.8	9.6	na	na	na	na	na	na	na	na
9.8	10.0	49.8	50.2	-39.0	-45.0	na	na	na	na
10.3	10.2	34.4	24.8	-42.5	-40.1	-0.4	-0.4	1.3	1.5
10.5	10.5	43.2	43.2	na	na	na	na	na	na
10.1	9.9	48.2	46.5	na	na	na	na	na	na
9.9	10.0	47.4	45.0	-39.0	-41.2	-0.4	-0.4	1.2	1.2
na	na	na	na	-35.9	-38.7	-0.4	-0.4	0.7	0.6
10.0	10.2	49.8	47.8	-44.5	-46.3	-0.4	0.0	0.7	0.6
9.9	9.8	46.3	46.3	-53.2	-52.2	na	na	na	na
10.1	9.9	49.6	43.0	na	na	-0.6	-0.6	na	na
10.0	9.6	44.8	42.8	-35.1	-38.7	na	na	1.0	1.1
9.9	9.9	47.3	48.3	-36.4	-41.4	-0.5	-0.6	0.6	0.8
10.0	10.0	47.5	48.4	-38.6	-44.3	-0.4	-0.4	0.9	1.8
10.2	10.1	45.5	46.4	-38.1	-32.8	-0.3	-0.1	0.9	1.2
10.0	10.0	na	na	na	na	na	na	na	na
9.8	9.7	51.3	53.9	-31.0	-28.0	na	na	na	na
10.6	10.6	43.7	42.7	-39.2	-42.8	-0.6	-0.5	0.5	0.9
10.1	10.1	na	na	na	na	na	na	na	na
10.3	10.6	40.0	36.0	-38.0	-35.0	na	na	na	na
10.2	10.7	na	na	-45.9	-52.7	-0.6	-0.6	1.5	1.6
10.1	10.1	45.6	44.4	-39.8	-41.5	-0.5	-0.4	1.0	1.2
10.3	10.3	44.6	42.9	-41.8	-46.3				
10.5	10.6	44.1	42.8	-43.3	-48.5				
10.8	11.0	51.3	53.9	-31.0	-28.0	-0.3	0.0	1.9	2.2
9.8	9.5	34.4	24.8	-53.2	-52.7	-0.6	-0.6	0.5	0.6
0.3	0.4	4.2	6.6	5.0	6.2	0.1	0.2	0.4	0.5
10.2	10.2								
10.1	10.0								
10.3	10.3			-35.8	-45.5				

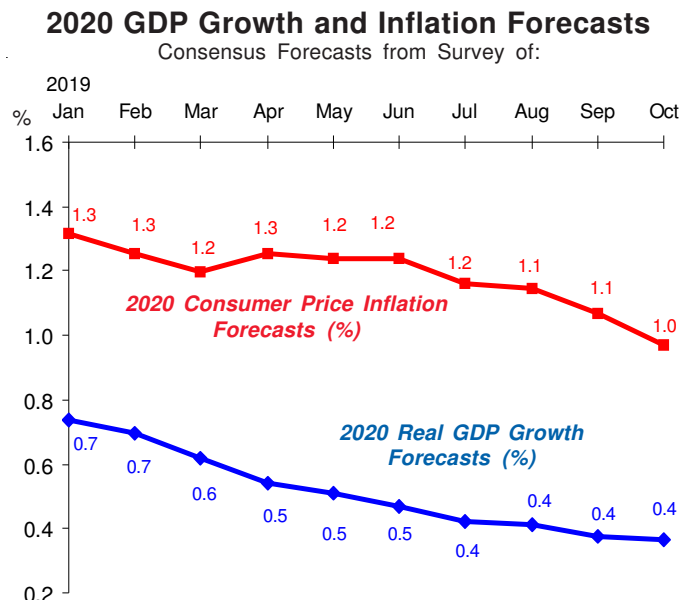
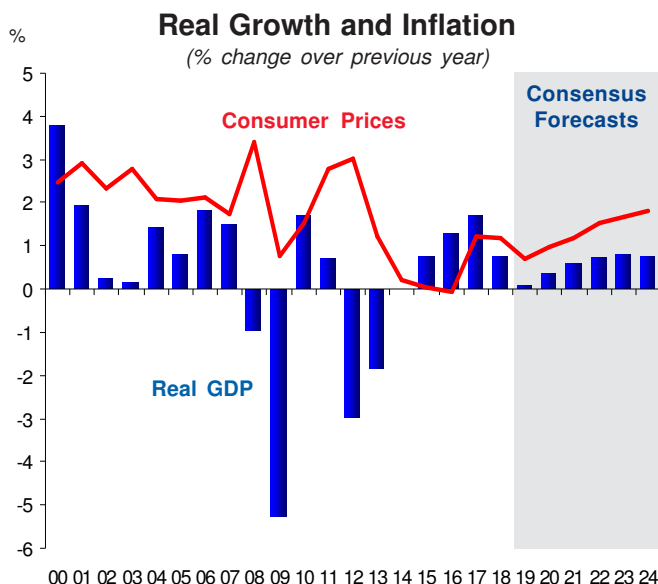
**GDP Activity Stagnating**

A minor upgrade to Q2 GDP from 0.0% (q-o-q) to +0.1% did lift our panel's expectations for growth a touch, but it also did little to ease fears over activity. According to the consensus, growth may just break above zero this year at +0.1%, equal to the government's latest forecast published in late September. It expects a modest improvement in 2020 to +0.6%, but this has been downgraded from April. Any rebound in activity looks set to be restricted by a volatile external backdrop and ongoing weakness in domestic demand. Households remain constrained by meagre job creation and prior years of austerity and low growth, which led many to run down savings and permanently rein in spending. An industrial slowdown extended into the summer, with output up just 0.3% (m-o-m) in August, following contractions in four of the previous five months. The y-o-y trend has been even more dismal, falling to -1.8% in August to mark the biggest fall in the year to date, while separately, the latest manufacturing PMI showed the sector stranded in negative territory. A pickup in the services reading, while modest, did indicate that businesses were a little more hopeful on the outlook over the next twelve months. Gross fixed investment has been a brighter spot, recovering from two consecutive q-o-q declines in the second half of 2018 amid a fall in Italy's longer-term debt refinancing costs and on hopes of a period of domestic political stability.

Alongside its new macroeconomic framework, the government draft budget projected a 2020 deficit of 2.2% of GDP, above a previous 2.1% estimate. A higher structural deficit remains at odds with EU rules, but the recently formed Five Star and Democratic Party coalition hopes that a more controlled and constructive dialogue with Brussels can help both sides to reach a compromise.

**Direction of Trade – 2018**

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Germany	12.6	Germany	16.6
France	10.5	France	8.6
United States	9.2	China	7.3
EU	56.0	EU	58.9
Eastern Europe	12.5	Eastern Europe	15.0
Asia (ex. Japan)	5.2	Asia (ex. Japan)	10.9



	Average % Change on Previous Calendar Year														Annual Total			
	Gross Domestic Product		Household Final Consumption Expenditure		Machinery & Equipment Investment		Net Operating Surplus: Corporations		Industrial Production		Consumer Prices		Industrial Product Prices		Average Hourly Earnings		Housing Starts (thousand units)	
	<i>Produit Intérieur Brut</i>		<i>Dépenses de Consommation Finale des Ménages</i>		<i>Investissement de Machines et Matériel</i>		<i>Excédent d'exploitation net: sociétés</i>		<i>Production Industrielle</i>		<i>Prix à la Consommation</i>		<i>Prix des Produits Industriels</i>		<i>Rémunération Horaire Moyenne</i>		<i>Construction de Logements mises en chantier, milliers</i>	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Citigroup	1.7	2.1	1.6	1.5	0.0	1.6	na	na	0.8	0.9	2.0	1.8	na	na	na	na	na	na
Conf Board of Canada	1.6	1.8	1.7	1.5	-0.3	1.8	na	na	na	na	1.9	2.0	0.1	1.7	na	na	215	212
Desjardins	1.6	1.5	1.6	1.5	-1.9	-4.8	-2.1	3.0	na	na	2.0	1.7	0.6	1.8	2.4	2.5	212	219
Econ Intelligence Unit	1.6	1.7	1.6	1.7	na	na	na	na	1.2	2.0	2.0	1.9	0.7	1.8	na	na	na	na
JP Morgan	1.6	1.6	1.6	1.6	-1.2	-1.1	na	na	na	na	1.9	2.0	na	na	na	na	na	na
Royal Bank of Canada	1.6	1.7	1.6	1.6	-0.4	-1.8	0.9	3.4	na	na	2.0	1.7	na	na	na	na	210	200
University of Toronto	1.6	2.0	1.8	1.9	-0.1	1.1	-0.4	3.4	na	na	2.0	2.2	na	na	na	na	213	196
National Bank of Canada	1.6	1.6	1.7	1.3	-0.2	-0.1	2.2	5.5	na	na	2.1	2.2	na	na	na	na	206	195
CIBC World Markets	1.6	1.4	1.6	1.5	0.0	0.0	1.7	4.6	na	na	2.0	2.0	na	na	na	na	208	196
Inst Fiscal Studies	1.6	1.7	1.8	2.0	0.1	2.6	1.6	6.6	0.8	2.4	2.0	2.1	na	na	2.4	2.3	207	198
Scotia Economics	1.6	1.8	1.7	1.8	-0.5	1.0	na	na	0.9	2.1	1.9	2.0	na	na	na	na	210	206
Moody's Analytics	1.5	1.5	na	na	0.6	1.9	2.7	7.4	0.0	1.3	2.1	1.8	-0.1	-0.5	2.4	3.0	209	192
BMO Capital Markets	1.5	1.7	1.6	1.4	-0.4	-0.8	1.0	3.0	-0.1	1.1	2.0	2.0	0.0	1.0	2.4	2.5	210	205
Capital Economics	1.5	1.3	1.8	1.6	0.3	-0.2	na	na	na	na	1.9	1.5	na	na	na	na	na	na
Economap	1.5	1.7	1.6	1.5	-0.3	-0.4	-2.0	4.5	0.0	1.5	2.0	2.0	-1.5	1.5	2.4	2.3	210	200
Informetrica	1.5	1.8	1.7	1.5	-1.0	2.5	-2.5	5.0	0.2	1.5	2.3	2.1	0.6	1.5	2.6	2.7	216	205
Toronto Dominion Bank	1.5	1.6	1.6	1.6	-0.1	1.0	1.7	3.7	na	na	2.0	2.0	na	na	na	na	215	204
Oxford Economics	1.4	1.1	1.7	1.7	na	na	2.6	2.5	0.4	1.3	2.1	2.1	0.3	0.2	na	na	205	197
IHS Markit	1.4	1.3	1.6	1.7	-0.8	-0.9	0.8	2.3	0.2	1.6	2.2	2.0	0.2	-0.1	na	na	212	188
<b>Consensus (Mean)</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>1.6</b>	<b>-0.4</b>	<b>0.2</b>	<b>0.6</b>	<b>4.2</b>	<b>0.4</b>	<b>1.6</b>	<b>2.0</b>	<b>1.9</b>	<b>0.1</b>	<b>1.0</b>	<b>2.4</b>	<b>2.6</b>	<b>211</b>	<b>201</b>
Last Month's Mean	1.5	1.7	1.7	1.7	0.0	0.4	-0.1	3.5	0.8	1.7	2.0	2.0	0.5	1.1	2.4	2.6	204	198
3 Months Ago	1.4	1.7	1.9	1.6	4.2	2.6	-2.0	4.8	0.9	1.6	1.9	2.0	0.8	1.3	2.4	2.4	199	193
High	1.7	2.1	1.8	2.0	0.6	2.6	2.7	7.4	1.2	2.4	2.3	2.2	0.7	1.8	2.6	3.0	216	219
Low	1.4	1.1	1.6	1.3	-1.9	-4.8	-2.5	2.3	-0.1	0.9	1.9	1.5	-1.5	-0.5	2.4	2.3	205	188
Standard Deviation	0.1	0.2	0.1	0.2	0.6	1.8	1.8	1.6	0.5	0.4	0.1	0.2	0.7	0.9	0.1	0.3	3	8
Comparison Forecasts																		
IMF (Oct. '19)	1.5	1.8	1.6	1.6							2.0	2.0						
OECD (Sep. '19)	1.5	1.6																

### Government and Background Data

**Prime Minister** - Mr. Justin Trudeau (Liberals). **Government** - The Liberals hold 184 out of 338 seats in parliament (170 seats are needed for a majority). **Next Election** - October 21, 2019 (general election). **Nominal GDP** - C\$2,219bn (2018). **Population** - 37.1mn (mid-year, 2018). **C\$/US\$ Exchange Rate** - 1.2958 (average, 2018).

### Quarterly Consensus Forecasts

*Historical Data and Forecasts (bold italics) From Survey of September 9, 2019*

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	1.4	1.6	<b>1.5</b>	<b>1.7</b>	<b>1.9</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.8</b>	<b>1.9</b>
Personal Expenditure	1.8	1.4	<b>1.7</b>	<b>1.7</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>
Consumer Prices	1.6	2.1	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

*Percentage Change (year-on-year).*

### Historical Data

	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	0.7	1.1	3.0	1.9
<b>Household Consumption Expenditure*</b>	2.2	2.1	3.6	2.1
<b>Machinery &amp; Eqpt. Invnt*</b>	-6.3	-6.6	4.7	6.1
<b>Net Operating Surplus: Corporations*</b>	-24.0	6.4	20.1	0.5
<b>Industrial Production*</b>	-0.5	-0.3	4.9	3.3
<b>Consumer Prices*</b>	1.1	1.4	1.6	2.3
<b>Industrial Product Prices*</b>	-0.8	-0.2	3.1	3.9
<b>Average Hourly Earnings*</b>	2.5	2.0	2.1	2.2
<b>Housing Starts, '000 units</b>	196	198	220	213
<b>Unemployment Rate, %</b>	6.9	7.0	6.3	5.8
<b>Current Account, C\$bn</b>	-70.5	-64.9	-60.1	-58.5
<b>Federal Govt Budget</b>				
<b>Balance, fiscal years, C\$bn</b>	-2.9	-19.0	-19.0	-14.0
<b>3 mth Trsy Bills, % (end yr)</b>	0.5	0.5	1.1	1.6
<b>10 Yr Govt Bond, % (end yr)</b>	1.5	2.0	2.1	2.0



Year Average	Annual Total	Fiscal Years (Apr-Mar)		Rates on Survey Date					
				1.7%		1.5%			
Unemployment Rate (%)	Current Account (C\$ bn)	Federal Govt Budget Balance (C\$ bn)		3 month Treasury Bill Rate (%)	10 Year Government Bond Yield (%)				
Taux de Chômage (%)	Balance Courante (C\$ md)	Balance Budgétaire (C\$ md)		Rendement sur les Bons du Trésor de 3 mois %		Rendement des Obligations d'État de 10 ans %			
2019 2020	2019 2020	FY 19-20	FY 20-21	End Jan'20	End Oct'20	End Jan'20	End Oct'20		
5.6	5.6	-46.4	-44.8	-19.8	-19.7	na	na	na	na
5.7	5.6	-44.0	-40.0	na	na	1.5	1.5	1.5	2.2
5.7	5.6	-36.0	-31.0	-17.0	-16.0	1.7	1.7	1.4	1.6
5.7	5.8	-54.1	-50.4	na	na	na	na	na	na
5.6	5.5	-56.0	-66.6	na	na	na	na	na	na
5.6	5.8	-34.7	-11.5	na	na	1.5	1.4	1.4	1.6
5.6	5.7	-40.1	-31.8	na	na	1.6	1.6	1.4	1.5
5.7	5.8	-36.5	-23.5	na	na	1.7	1.7	1.6	2.1
5.8	6.2	-32.8	-19.4	na	na	1.5	1.4	1.3	1.7
5.7	5.9	-52.5	-51.2	na	na	1.9	2.3	2.0	2.3
5.7	5.9	-35.9	-28.6	-19.8	-14.1	1.4	1.3	1.3	1.6
5.7	6.0	-48.3	-39.3	na	na	na	na	na	na
5.6	5.6	-44.5	-43.5	-20.0	-25.0	1.7	1.7	1.5	1.8
5.7	6.2	na	na	na	na	na	na	1.3	1.5
5.7	5.6	-45.0	-42.0	-17.0	-15.0	1.4	1.4	1.3	1.5
5.6	5.6	-50.0	-46.0	-18.0	-21.0	1.5	1.5	1.4	1.6
5.7	5.8	-38.1	-33.7	na	na	na	na	na	na
5.6	5.6	-47.6	-47.2	na	na	1.6	1.3	1.3	1.3
5.7	5.7	-39.8	-32.4	na	na	1.5	1.4	1.3	1.9
5.7	5.8	-43.5	-37.9	-18.6	-18.5	1.6	1.5	1.4	1.7
5.7	5.7	-46.2	-42.5	-18.8	-18.7				
5.7	5.8	-58.7	-55.4	-18.9	-19.1				
5.8	6.2	-32.8	-11.5	-17.0	-14.1	1.9	2.3	2.0	2.3
5.6	5.5	-56.0	-66.6	-20.0	-25.0	1.4	1.3	1.3	1.3
0.1	0.2	7.1	13.0	1.4	4.2	0.1	0.3	0.2	0.3
5.8	6.0								

**Shock in Energy Sector Offset by Underlying Demand**  
 2019 growth prospects have remained largely unchanged this month, ahead of a close race in the October 21 election. This comes despite flat GDP growth in July. Temporary shutdowns in the energy sector drove a -3.5% (m-o-m) slump in mining, quarrying, oil and gas extraction, which dragged growth lower. Some concerns over investment prospects in the oil sector have also lingered, as Alberta oil production limits have been extended to 2020. Although these have gradually eased since their introduction in January, the ongoing output limits could further weigh on the outlook for machinery & equipment investment which recorded a -9.3% (q-o-q) collapse in Q2. Strength in services, however, underpinned growth as the sector expanded 0.3% (m-o-m) for the second consecutive month, buoyed by strong wholesale trade growth and an increase in external demand. A reprieve in US-China trade talks this month could bolster the global trade picture which has weighed on the Canadian outlook this year due to Canada's close trading relationship with the US.

The Bank of Canada, as a result of trade uncertainty, could remain on the sidelines on October 30. Signals from the bank have suggested that adjustment in monetary policy would depend on external impacts on the economy, such as a cooling US economy. However, a strong Canadian jobs report in September, alongside a potential improvement in the trade climate, could push back the timing on an interest rate cut. Indeed, the unemployment rate fell 0.2%-points to 5.5% in September, which will help to bolster personal spending in the near-term, in turn staving off concerns of a more immediate decline in activity. A slip in inflation to 1.9% (y-o-y) in August could sway the bank's decision-making.

**Canada Overnight Lending Rate – Oct. 14, 2019 = 1.75%**

Average probabilities of a change in the Lending Rate on Oct. 30, 2019:

**Increase = 0.5% No change = 65.0% Decrease = 34.5%**

Consensus Forecasts	End Dec. 2019	End Mar. 2020	End Jun. 2020	End Sep. 2020
Mean Average:	1.67 %	1.57 %	1.59 %	1.59 %
Mode (most frequent forecast):	1.75 %	1.75 %	1.75 %	1.75 %

**Direction of Trade – 2018**

**Major Export Markets (% of Total)**

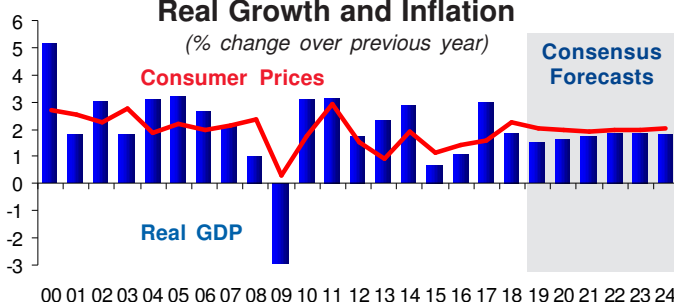
United States	75.5
China	4.7
United Kingdom	2.8
EU	7.4
Asia (ex. Japan)	6.6
Latin America	2.8

**Major Import Suppliers (% of Total)**

United States	51.3
China	12.7
Mexico	6.2
Asia (ex. Japan)	16.7
EU	12.3
Latin America	8.9

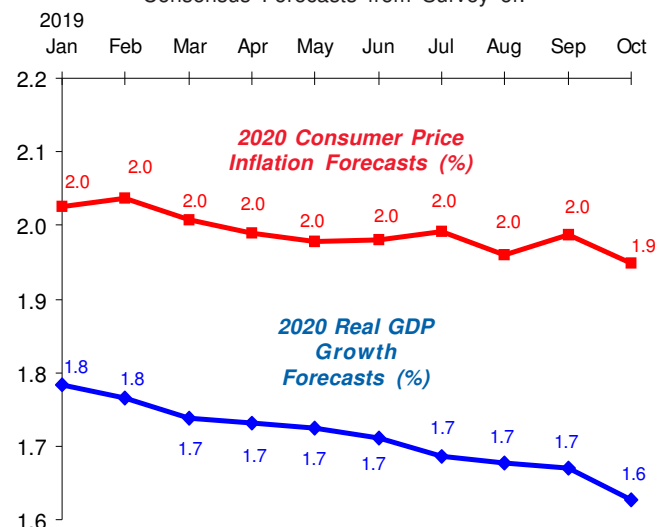
**Real Growth and Inflation**

(% change over previous year)



**2020 GDP Growth and Inflation Forecasts**

Consensus Forecasts from Survey of:



The EURO ZONE is: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.	Average % Change on Previous Calendar Year																	
	Gross Domestic Product		Private Consumption		Govt Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices (HICP)		Core HICP (ex. energy, food, alcohol & tobacco)		Industrial Producer Prices		Hourly Labour Costs – Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<b>Economic Forecasters</b>	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Societe Generale	1.2	0.9	1.4	1.3	1.3	1.1	2.7	1.1	na	na	1.2	1.0	1.0	1.3	na	na	na	na
Credit Agricole	1.2	1.1	1.2	1.2	1.3	1.0	2.8	1.8	na	na	1.2	1.1	1.1	1.2	na	na	na	na
Barclays	1.2	0.8	1.2	1.2	1.3	1.2	2.7	1.1	0.0	0.3	1.3	1.2	1.0	1.2	na	na	na	na
Econ Intelligence Unit	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.6	-0.7	1.0	1.2	1.4	na	na	1.6	1.5	na	na
IWH Halle Institute	1.2	1.2	1.1	1.2	1.3	1.4	2.5	2.0	-0.9	0.5	1.3	1.3	1.3	1.3	na	na	2.6	2.5
JP Morgan	1.2	1.2	1.2	1.4	1.3	1.3	2.6	1.5	na	na	1.2	1.3	1.0	1.3	na	na	na	na
UniCredit	1.2	0.9	1.2	1.0	1.4	1.6	2.6	1.1	na	na	1.3	1.2	1.1	1.2	na	na	na	na
Moody's Analytics	1.2	1.3	1.3	1.3	1.3	1.0	0.1	-0.1	-1.1	0.9	1.3	1.7	na	na	0.5	0.5	na	na
Morgan Stanley	1.1	0.8	1.1	0.8	1.4	1.4	2.7	1.8	na	na	1.2	1.2	na	na	na	na	na	na
Oxford Economics	1.1	1.1	1.2	1.3	1.3	1.3	1.7	0.0	-0.9	0.7	1.2	1.2	0.9	1.2	1.4	2.0	na	na
Bank Vontobel	1.1	1.3	1.2	1.3	1.4	1.7	2.5	1.2	na	na	1.2	1.4	na	na	na	na	na	na
Citigroup	1.1	1.1	1.2	1.1	1.3	1.0	0.0	-0.9	-1.5	-0.4	1.2	1.3	1.0	1.1	na	na	na	na
Deutsche Bank	1.1	0.8	1.1	0.9	1.3	1.4	2.4	0.8	-0.8	-0.1	1.2	1.2	1.0	1.2	na	na	na	na
Credit Suisse	1.1	1.0	1.2	1.1	1.3	1.3	0.7	-0.3	na	na	1.2	1.2	1.0	1.1	na	na	na	na
Allianz	1.1	1.0	1.2	1.1	1.4	1.6	2.6	1.1	na	na	1.2	1.3	1.0	1.2	na	na	na	na
Bank Julius Baer	1.1	1.1	1.3	1.2	1.3	1.5	2.5	1.4	-0.8	2.9	1.3	1.7	1.1	1.5	0.7	0.8	3.0	2.5
BNP Paribas	1.1	0.7	1.2	1.0	0.9	0.9	1.7	0.7	na	na	1.1	0.8	1.0	1.1	na	na	na	na
Capital Economics	1.1	0.5	1.2	0.8	1.3	1.2	2.6	0.5	na	na	1.1	1.1	1.0	1.0	na	na	na	na
Exane	1.1	1.2	1.3	1.4	1.4	1.4	2.8	2.0	na	na	1.2	1.2	1.1	1.2	na	na	na	na
Schroders	1.1	1.0	1.2	1.0	1.3	1.1	2.8	1.6	na	na	1.3	1.3	1.0	1.1	na	na	2.4	2.6
Swiss Life Asset Mgrs	1.1	0.9	1.4	1.4	na	na	2.3	1.4	-0.7	1.4	1.2	1.7	1.1	1.1	na	na	na	na
Bank of America - Merrill	1.1	1.0	1.3	1.1	1.2	1.2	2.3	1.5	-0.3	1.2	1.2	1.2	na	na	na	na	na	na
UBS	1.1	0.7	1.2	1.0	1.2	1.4	2.5	1.5	na	na	1.2	1.2	1.0	1.1	na	na	na	na
Intesa Sanpaolo	1.1	0.9	1.2	1.3	1.3	1.1	2.8	1.8	-1.3	0.5	1.2	1.2	1.0	1.2	0.6	0.8	2.3	2.4
IHS Markit	1.1	0.8	1.1	0.9	1.3	0.9	3.9	-0.1	-0.8	0.3	1.3	1.2	1.1	1.1	1.0	1.2	na	na
BBVA	1.1	0.8	1.2	1.2	1.4	1.5	2.5	1.1	na	na	1.2	1.1	na	na	na	na	na	na
Commerzbank	1.0	0.7	1.2	1.1	1.3	1.2	2.7	1.9	-1.3	0.3	1.2	1.2	1.0	1.2	na	na	2.5	2.3
ETLA	1.0	0.9	1.0	1.1	1.2	1.5	2.7	1.8	-0.4	0.5	1.2	1.2	na	na	na	na	na	na
FUNCAS	1.0	1.0	1.2	1.1	1.2	1.2	2.0	1.5	na	na	1.2	1.3	na	na	na	na	na	na
HSBC	1.0	0.7	1.2	1.1	1.3	1.2	2.5	1.4	-1.1	-0.1	1.2	1.2	1.1	1.1	na	na	2.2	2.1
Natixis	1.0	0.7	1.2	0.9	1.3	1.1	2.7	2.5	na	na	1.2	1.0	1.0	0.9	na	na	na	na
<b>Consensus (Mean)</b>	<b>1.1</b>	<b>0.9</b>	<b>1.2</b>	<b>1.1</b>	<b>1.3</b>	<b>1.3</b>	<b>2.3</b>	<b>1.2</b>	<b>-0.8</b>	<b>0.7</b>	<b>1.2</b>	<b>1.2</b>	<b>1.0</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>2.5</b>	<b>2.4</b>
Last Month's Mean	1.1	1.1	1.3	1.2	1.3	1.3	2.6	1.7	-0.2	1.2	1.3	1.3	1.1	1.2	1.2	1.3	2.4	2.5
3 Months Ago	1.1	1.2	1.3	1.3	1.2	1.3	3.1	1.9	0.1	1.2	1.3	1.4	1.1	1.3	1.8	1.6	2.5	2.5
High	1.2	1.3	1.4	1.4	1.4	1.7	3.9	2.5	0.0	2.9	1.3	1.7	1.3	1.5	1.6	2.0	3.0	2.6
Low	1.0	0.5	1.0	0.8	0.9	0.9	0.0	-0.9	-1.5	-0.4	1.1	0.8	0.9	0.9	0.5	0.5	2.2	2.1
Standard Deviation	0.1	0.2	0.1	0.2	0.1	0.2	0.8	0.8	0.4	0.8	0.1	0.2	0.1	0.1	0.4	0.6	0.3	0.2
<b>Comparison Forecasts</b>																		
Eur Commission (Jul. '19)	1.2	1.4									1.3	1.3						
ECB (Sep. '19)	1.1	1.2									1.2	1.0						
IMF (Oct. '19)	1.2	1.4	1.2	1.3	1.2	1.3	3.1	2.6			1.2	1.4						
OECD (Sep. '19)	1.1	1.0																

## European Monetary Union

**Euro zone** - The 19 European countries (listed at the top of this page) are united by a common currency (the euro), monetary policy and adherence to the Maastricht Treaty. **Monetary Policy** - is set by the European Central Bank's (ECB) governing board, headed by Mario Draghi. **Nominal GDP** - Euro 11,591bn (2018). **Population** - 341.2mn (mid-year, 2018). **\$/Euro** - 1.1808 (average, 2018).

### Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of **September 9, 2019**

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Gross Domestic Product	1.3	1.2	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>
Private Consumption	1.1	1.2	<b>1.4</b>	<b>1.4</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>
Consumer Prices	1.4	1.4	<b>1.0</b>	<b>1.2</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>

Percentage Change (year-on-year).

## Historical Data

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	2.0	1.9	2.7	1.9
<b>Private Consumption*</b>	1.8	1.9	1.8	1.4
<b>Government Consumption*</b>	1.3	1.8	1.5	1.1
<b>Gross Fixed Capital Formation*</b>	4.7	3.9	3.8	2.3
<b>Industrial Production*</b>	2.6	1.7	2.9	0.9
<b>Consumer Prices (HICP)*</b>	0.2	0.2	1.5	1.8
<b>HICP ex. food, energy, alco. &amp; tob.</b>	1.1	0.8	1.0	1.0
<b>Industrial Producer Prices*</b>	-1.6	-1.9	2.7	2.4
<b>Hourly Labour Costs – Total*</b>	1.9	1.3	1.8	2.2
<b>Unemployment Rate, (%)</b>	10.9	10.0	9.1	8.2
<b>Exports - Goods &amp; Services*</b>	6.4	3.0	5.7	3.5
<b>Imports - Goods &amp; Services*</b>	7.5	4.2	5.0	2.7
<b>Current Account, Euro bn</b>	282	335	363	335
<b>General Govt. Budget Balance</b>				
(Maastricht definition), Euro bn	-215	-168	-111	-60.5
<b>Money Supply, M3, end period*</b>	4.7	5.1	4.7	4.1

Year Average		Average % Change on Previous Calendar Year				Annual Total				Average % Change on Prev. Year			
Unemployment Rate (%)	Export of Goods & Services	Import of Goods & Services	Current Account (€ bn)	General Govt Budget Balance (Maastricht) (€ bn)	Money Supply, M3, end period	2019	2020	2019	2020	2019	2020	2019	2020
7.6	7.5	2.5	1.1	2.5	1.5	295	278	na	na	na	na	na	na
7.7	7.5	2.6	2.2	2.6	2.7	273	289	-112	-100	na	na	na	na
7.5	7.2	na	na	na	na	na	na	na	na	na	na	na	na
7.7	7.4	2.6	2.2	2.9	2.6	338	328	-134	-143	na	na	na	na
7.6	7.4	2.2	1.9	2.6	2.5	na	na	na	na	na	na	na	na
7.5	7.2	2.5	2.3	2.4	2.4	na	na	na	na	na	na	na	na
7.7	7.7	2.5	1.1	2.5	1.6	318	305	-103	-123	na	na	na	na
7.6	7.7	2.7	3.3	1.6	2.5	329	378	na	na	5.6	5.8	na	na
7.6	7.4	2.6	1.8	2.6	2.0	303	271	-129	-153	na	na	na	na
7.6	7.4	0.1	1.2	0.9	2.0	306	310	-79	-102	4.7	3.7	na	na
7.6	7.4	2.6	3.0	2.5	3.0	na	na	na	na	na	na	na	na
7.5	7.4	2.6	2.4	2.1	2.1	342	328	-123	-138	na	na	na	na
7.6	7.4	2.4	1.3	2.5	1.6	272	248	-104	-121	na	na	na	na
na	na	2.4	2.0	1.8	1.8	na	na	na	na	na	na	na	na
7.5	7.4	2.4	1.2	2.5	2.0	322	307	-120	-135	na	na	na	na
7.6	7.5	2.6	2.1	2.6	3.4	456	423	na	na	na	na	na	na
7.6	7.7	2.1	1.3	2.0	2.0	na	na	na	na	na	na	na	na
7.6	7.3	2.4	1.1	2.6	1.8	412	431	-103	-116	na	na	na	na
7.6	7.7	2.3	1.5	2.5	2.4	na	na	-120	-110	na	na	na	na
7.4	7.0	2.4	1.6	2.5	1.8	368	370	na	na	na	na	na	na
7.6	7.8	na	na	na	na	na	na	na	na	na	na	na	na
7.7	7.5	1.9	0.0	1.9	0.0	315	315	-95	-85	na	na	na	na
7.6	7.7	2.2	1.4	2.7	2.4	369	341	na	na	na	na	na	na
7.6	7.5	2.5	1.8	2.9	3.3	326	295	-75	-108	5.0	5.0	na	na
7.5	7.5	2.0	1.0	2.9	0.8	328	295	-84	-109	5.1	4.2	na	na
7.6	7.6	2.2	1.5	2.7	2.6	na	na	na	na	na	na	na	na
7.5	7.3	2.0	1.0	2.2	1.7	350	300	na	na	5.2	4.3	na	na
7.5	7.5	2.3	2.5	2.5	2.6	na	na	na	na	na	na	na	na
7.6	7.4	2.0	2.2	2.7	2.7	331	315	na	na	na	na	na	na
7.6	7.5	2.2	0.9	2.6	2.2	278	278	-96	-138	na	na	na	na
7.6	7.5	2.1	0.6	2.4	1.8	na	na	na	na	na	na	na	na
<b>7.6</b>	<b>7.5</b>	<b>2.3</b>	<b>1.6</b>	<b>2.4</b>	<b>2.1</b>	<b>332</b>	<b>320</b>	<b>-105</b>	<b>-120</b>	<b>5.1</b>	<b>4.6</b>		
7.6	7.5	2.3	1.9	2.7	2.5	342	332	-114	-118	4.7	4.6		
7.6	7.5	2.5	2.3	3.1	2.8	343	327	-120	-125	4.3	4.2		
7.7	7.8	2.7	3.3	2.9	3.4	456	431	-75	-85	5.6	5.8		
7.4	7.0	0.1	0.0	0.9	0.0	272	248	-134	-153	4.7	3.7		
0.1	0.2	0.5	0.7	0.4	0.7	45	48	18	19	0.4	0.8		
7.7	7.5												

**Deteriorating Industrial Picture**

Mario Draghi warned of a more extended slump in economic growth for the Euro area than had been expected even a few months' ago. Draghi's speech to EU parliamentarians on September 23 has been reinforced by recent data. Industry is weakening: September's PMI for manufacturing dropped further into negative territory, largely on the back of German weakness. Brexit and trade uncertainties, which are gathering pace, have not helped. Surprisingly, after disappointing outturns for German and French production in August, the Euro zone managed to buck the trend with a modest +0.4% (m-o-m) rise in industrial output. However, this follows a -0.4% fall in July and -1.5% decline in June. On a y-o-y basis, the contraction in Euro zone production deepened to -2.6%. In Germany, poor export demand for autos meant that the y-o-y decline in production stood at -4%. Our Euro production outlook has worsened noticeably this month. This also raises concerns over the diminishing impact of ECB QE in supporting non-financial business activity.

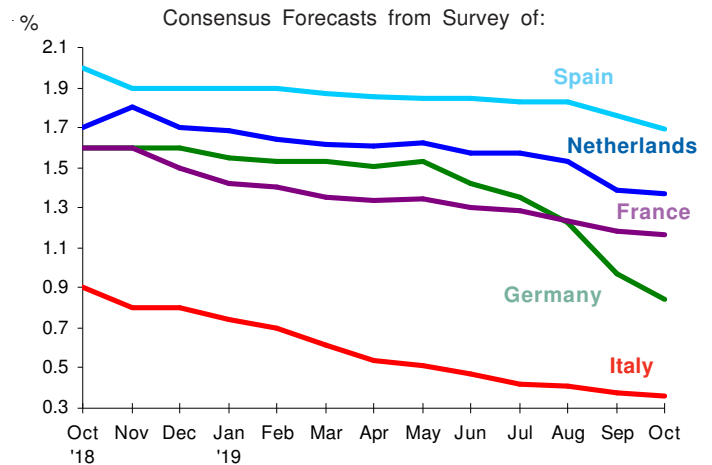
**Euro zone Main Refinancing Rate – Oct. 14, 2019 = 0.00%**

Average probabilities of a change in the rate on Oct. 24, 2019:

**Increase = 0.3% No change = 96.1% Decrease = 3.6%**

Consensus Forecasts	End Dec. 2019	End Mar. 2020	End Jun. 2020	End Sep. 2020
Mean Average:	0.00 %	-0.03 %	-0.03 %	-0.03 %
Mode (most frequent forecast):	0.00 %	0.00 %	0.00 %	0.00 %

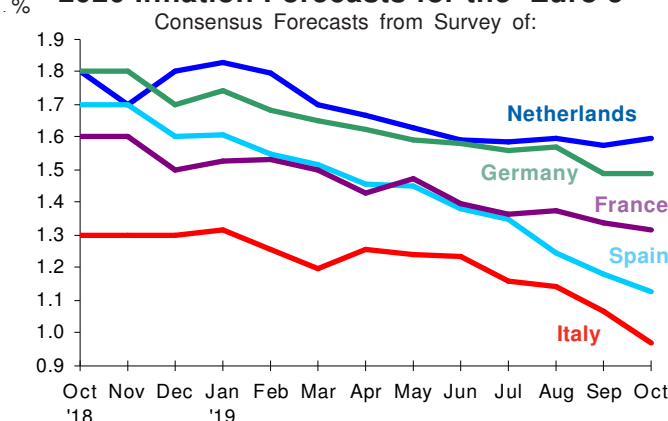
**2020 GDP Forecasts for the 'Euro 5'**



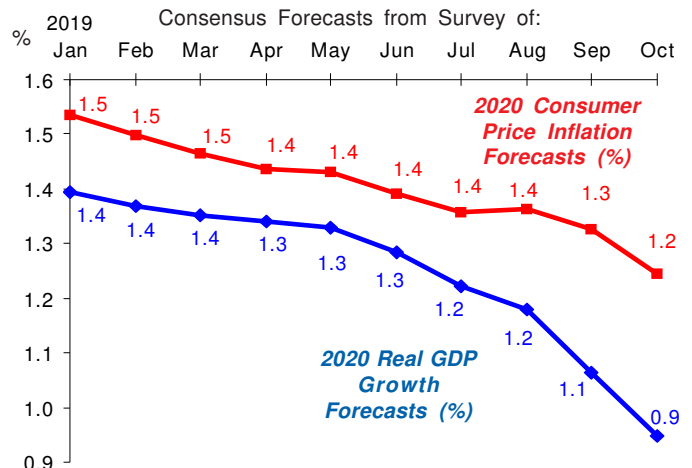
**Euro Zone Interest Rate Forecasts**

	Actual	Consensus	
	Oct. 14, '19	End Jan. '20	End Oct. '20
Euribor, 3-mth, %	-0.4	-0.5	-0.4
German 10-yr Govt Bond, %	-0.5	-0.5	-0.4

**2020 Inflation Forecasts for the 'Euro 5'**



**2020 Euro zone GDP Growth and Inflation Forecasts**



	Average % Change on Previous Calendar Year												Annual Total				Rates on Survey Date					
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Hourly Wages (Manufacturing)		Current Account (€ bn)		General Govt Bud Balance (Maastricht) (€ bn)		-0.4%		-0.3%			
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	3 month Euro Rate (%)	10 Year Dutch Govt Bond Yield (%)	End Jan'20	End Oct'20	End Jan'20	End Oct'20
<b>Economic Forecasters</b>																						
<b>Euromonitor Intl</b>	1.8	1.5	1.7	1.7	4.3	1.6	na	na	2.5	1.7	na	na	77.9	77.2	8.0	6.9	na	na	-0.2	-0.2		
<b>Capital Economics</b>	1.8	1.2	1.4	1.5	5.9	1.5	na	na	2.6	1.4	na	na	81.0	83.0	8.0	0.0	na	na	na	na		
<b>CPB</b>	1.8	1.5	1.5	1.9	5.9	2.5	na	na	2.6	1.5	na	na	77.9	72.6	10.0	2.5	-0.5	-0.5	0.0	0.0		
<b>FERI</b>	1.7	1.4	1.5	1.5	4.3	2.1	-0.3	1.0	2.8	1.9	1.9	1.9	78.7	81.8	8.2	6.2	-0.5	-0.5	-0.4	-0.1		
<b>Citigroup</b>	1.7	1.5	1.5	1.3	5.8	2.2	na	na	2.7	1.5	na	na	75.9	77.4	10.6	4.2	na	na	-0.4	-0.2		
<b>Econ Intelligence Unit</b>	1.7	1.6	1.1	1.4	4.2	2.5	na	na	2.6	1.8	na	na	77.2	80.1	5.0	1.9	-0.4	-0.4	-0.1	0.4		
<b>Rabobank Nederland</b>	1.7	1.4	1.6	1.9	5.8	2.1	na	na	2.6	1.5	na	na	na	na	na	na	-0.6	-0.7	-0.6	-0.8		
<b>Bank of America - Merrill</b>	1.7	1.3	1.5	1.6	6.0	2.6	-1.0	0.4	2.5	1.4	na	na	68.8	69.3	8.6	8.6	na	na	na	na		
<b>ING</b>	1.7	1.5	1.6	1.8	5.9	2.1	1.0	0.5	2.7	1.8	na	na	86.2	88.5	11.0	3.0	-0.4	-0.4	-0.3	-0.2		
<b>IHS Markit</b>	1.6	1.3	1.4	1.2	4.2	1.9	-0.5	0.6	2.6	1.3	na	na	61.2	62.1	13.3	8.7	-0.6	-0.6	-0.4	-0.3		
<b>ABN AMRO</b>	1.6	1.0	1.4	1.6	4.9	-0.2	na	na	2.5	1.6	2.6	2.7	79.0	74.3	11.0	0.3	-0.6	-0.6	-0.8	-0.8		
<b>Oxford Economics</b>	1.6	1.2	1.5	1.5	5.7	1.5	na	na	2.5	1.6	2.9	1.8	64.6	71.5	11.5	7.5	-0.4	-0.4	-0.4	-0.1		
<b>BNP Paribas</b>	1.5	1.1	1.4	1.3	3.0	1.0	-1.0	0.5	2.5	1.5	2.1	2.2	80.3	80.5	9.5	5.0	-0.6	-0.6	-0.7	-0.4		
<b>Moody's Analytics</b>	0.8	1.7	1.8	1.1	3.4	0.6	na	na	2.7	1.8	na	na	72.9	83.6	na	na	-0.4	-0.4	-0.3	0.0		
<b>Consensus (Mean)</b>	1.6	1.4	1.5	1.5	5.0	1.7	-0.3	0.6	2.6	1.6	2.4	2.2	75.5	77.1	9.6	4.6	-0.5	-0.5	-0.4	-0.2		
<b>Last Month's Mean</b>	1.7	1.4	1.3	1.4	4.6	1.7	0.3	1.1	2.5	1.6	2.4	2.1	77.4	78.0	9.3	6.1						
<b>3 Months Ago</b>	1.6	1.6	1.3	1.6	4.7	2.0	1.0	1.6	2.5	1.6	2.4	1.9	79.9	80.3	8.9	7.1						
<b>High</b>	1.8	1.7	1.8	1.9	6.0	2.6	1.0	1.0	2.8	1.9	2.9	2.7	86.2	88.5	13.3	8.7	-0.4	-0.4	0.0	0.4		
<b>Low</b>	0.8	1.0	1.1	1.1	3.0	-0.2	-1.0	0.4	2.5	1.3	1.9	1.8	61.2	62.1	5.0	0.0	-0.6	-0.7	-0.8	-0.8		
<b>Standard Deviation</b>	0.3	0.2	0.2	0.3	1.0	0.8	0.8	0.3	0.1	0.2	0.5	0.4	6.9	7.0	2.2	3.1	0.1	0.1	0.2	0.3		
<b>Comparison Forecasts</b>																						
<b>DNB (Jun. '19)</b>	1.6	1.5	1.3	2.2																		
<b>Eur Commission (Jul. '19)</b>	1.6	1.5																				
<b>IMF (Oct. '19)</b>	1.8	1.6													10.0	2.9						
<b>OECD (May '19)</b>	1.6	1.5	1.1	1.1	4.6	1.4							89.6	88.0	10.1	6.7						

◆ Last month, the Dutch government unveiled a more expansive budget for 2020, to shield the economy from looming Brexit risks and global trade uncertainty. Households will benefit from lower income taxes, although this will be partly funded by higher energy levies on businesses and delaying a cut in corporation tax until 2021 (from 2020). Most panellists still predict a budget surplus next year, keeping finances in healthy order.

◆ Revisions to national accounts data showed that GDP growth rose by +0.4% (q-o-q) in Q1 and Q2 (previously +0.5%), confirming that growth momentum is slowing.

**Historical Data**

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	2.0	2.2	2.9	2.6
<b>Private Consumption*</b>	2.0	1.1	2.1	2.3
<b>Gross Fixed Investment*</b>	29.0	-7.3	4.2	3.2
<b>Manufacturing Production*</b>	1.4	2.9	3.5	2.5
<b>Consumer Prices*</b>	0.6	0.3	1.4	1.7
<b>Hourly Wages (manufacturing)*</b>	1.5	1.5	1.9	2.2
<b>Current Account, transactions basis, Euro bn</b>	43.4	57.1	79.9	84.2
<b>General Govt. Budget Balance (Maastricht definition), Euro bn</b>	-14.0	0.1	9.0	11.3
<b>3 mth Euro, % (end yr)</b>	-0.1	-0.3	-0.3	-0.3
<b>10 Yr Dutch Govt Bond Yield, % (end yr)</b>	0.7	0.4	0.5	0.4

**Nominal GDP** - Euro 774.0bn (2018). **Popn** - 17.1mn (mid-year, 2018). **\$/Euro Exch. Rate** - 1.181 (average, 2018).

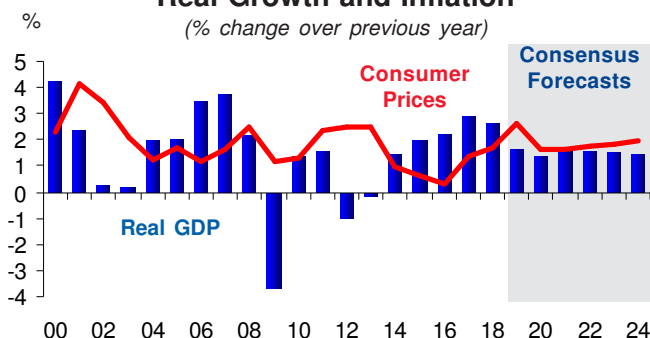
**Quarterly Consensus Forecasts**

*Historical Data and Forecasts (bold italics) From Survey of September 9, 2019*

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Gross Domestic Product</b>	1.9	1.8	1.5	1.3	1.3	1.2	1.4	1.6	1.6	1.7
<b>Consumer Prices</b>	2.5	2.7	2.6	2.2	1.8	1.7	1.5	1.6	1.7	1.7

*Percentage Change (year-on-year).*

**Real Growth and Inflation**





	Average % Change on Previous Calendar Year												Annual Total		Rates on Survey Date						
	Gross Domestic Product (Mainland)		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Wages & Salaries		Current Account (Nkr bn)		General Govt Budget Balance (Nkr bn)		1.8%		1.2%		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	3 month Interbank Rate (%)	10 Year Govt Bond Yield (%)	End Jan'20	End Oct'20	End Jan'20
<b>Economic Forecasters</b>	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20	
<b>Citigroup</b>	2.6	1.9	1.8	2.2	3.5	2.4	na	na	2.2	2.0	na	na	252	265	na	na	na	na	1.3	1.6	
<b>Capital Economics</b>	2.5	1.7	1.8	1.4	2.8	2.3	na	na	2.1	1.6	na	na	183	204	168	173	na	na	na	na	
<b>Nordea Markets</b>	2.5	2.3	2.4	1.5	6.8	3.6	na	na	2.3	2.0	3.4	3.6	256	227	217	197	na	na	na	na	
<b>Oxford Economics</b>	2.5	2.0	1.8	2.1	4.6	2.4	3.8	3.9	2.2	2.0	3.4	2.5	171	118	328	289	1.8	1.9	1.3	1.9	
<b>FERI</b>	2.5	2.0	1.8	2.0	4.1	2.6	3.1	1.4	2.2	1.8	4.1	3.7	197	210	259	259	1.8	1.8	1.4	1.5	
<b>Statistics Norway</b>	2.4	2.2	1.9	2.4	6.2	0.9	na	na	2.2	1.8	3.4	3.6	232	284	na	na	1.6	1.6	na	na	
<b>DNB</b>	2.3	1.7	2.0	2.0	6.2	1.5	na	na	2.4	1.9	3.3	3.3	na	na	na	na	1.9	1.9	0.9	1.1	
<b>UniCredit</b>	2.3	1.5	1.9	1.6	3.9	1.8	na	na	2.2	2.0	na	na	233	272	180	182	na	na	na	na	
<b>Goldman Sachs</b>	2.2	2.1	2.0	2.6	3.9	2.9	na	na	na	na	na	na	277	289	na	na	1.7	1.9	1.2	1.4	
<b>HSBC</b>	2.1	1.3	1.5	1.1	1.5	0.8	3.5	3.1	2.2	2.1	3.5	3.2	na	na	na	na	na	na	na	na	
<b>Consensus (Mean)</b>	2.4	1.9	1.9	1.9	4.3	2.1	3.5	2.8	2.2	1.9	3.5	3.3	225	234	230	220	1.8	1.8	1.2	1.5	
<b>Last Month's Mean</b>	2.3	1.8	1.9	1.9	3.9	2.1	2.6	2.4	2.3	1.8	3.4	3.3	254	261	237	223					
<b>3 Months Ago</b>	2.2	1.8	1.9	2.0	3.3	2.0	0.7	2.4	2.5	1.9	3.2	3.2	247	245	232	226					
<b>High</b>	2.6	2.3	2.4	2.6	6.8	3.6	3.8	3.9	2.4	2.1	4.1	3.7	277	289	328	289	1.9	1.9	1.4	1.9	
<b>Low</b>	2.1	1.3	1.5	1.1	1.5	0.8	3.1	1.4	2.1	1.6	3.3	2.5	171	118	168	173	1.6	1.6	0.9	1.1	
<b>Standard Deviation</b>	0.2	0.3	0.2	0.5	1.7	0.9	0.4	1.3	0.1	0.2	0.3	0.5	38	57	65	51	0.1	0.1	0.2	0.3	
<b>Comparison Forecasts</b>																					
<b>Bank of Norway (Sep. '19)</b>	2.7	1.9	1.8	2.3					2.2	2.0											
<b>OECD (May '19)</b>	2.0	1.9	1.6	1.9	2.7	2.3			2.5	2.1			291	309	286	297					

Despite a global economic slowdown prompting policy loosening elsewhere (including the ECB last month), the Norges Bank hiked rates on September 19 from 1.25% to 1.5%. Its hawkish approach follows a strong cycle of economic growth, supported by high investment in the oil sector and upbeat manufacturing activity. Policymakers have not ruled out another hike next year, although this is highly doubtful due to rising external headwinds.

GDP expanded 0.7% in June to August compared with the previous three months, putting the economy on course for a buoyant outturn in Q3.

**Historical Data**

* % change on previous year	2015	2016	2017	2018
<b>GDP (Mainland)*</b>	1.4	0.9	2.0	2.2
<b>Private Consumption*</b>	2.7	1.1	2.2	1.9
<b>Gross Fixed Investment*</b>	-4.0	3.9	2.6	2.8
<b>Manufacturing Production*</b>	-3.5	-4.8	0.5	1.6
<b>Consumer Prices*</b>	2.2	3.6	1.8	2.7
<b>Wages &amp; Salaries per Full-Time Employee (Total)*</b>	2.5	1.4	3.1	3.0
<b>Current Account, Nkr bn</b>	246	125	154	254
<b>General Govt. Bud Bal, Nkr bn</b>	187	126	165	287
<b>3 mth Interbank Rate, % (end year)</b>	1.1	1.2	0.8	1.3
<b>10 Yr Govt Bond Yield, % (end year)</b>	1.4	1.6	1.6	1.7

**Nominal GDP (total) - Nkr 3,536bn (2018). Population - 5.3mn (mid-yr, 2018). Nkr/\$ Exchange Rate - 8.130 (average, 2018).**

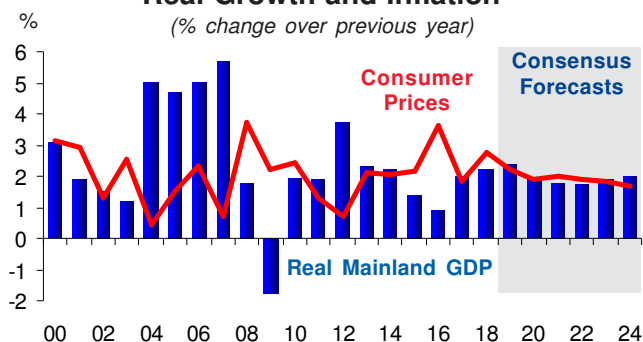
**Quarterly Consensus Forecasts**

Historical Data and Forecasts (bold italics) From Survey of **September 9, 2019**

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Gross Domestic Product (Mainland)</b>	2.4	2.5	<b>2.4</b>	<b>1.8</b>	<b>1.9</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Consumer Prices</b>	3.0	2.4	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>1.7</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.8</b>

Percentage Change (year-on-year).

**Real Growth and Inflation**



	Average % Change on Previous Calendar Year												Annual Total		Rates on Survey Date					
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Salary Cost per Hour		Current Account (€ bn)		General Govt Bud Balance (Maastricht) (€ bn)		-0.4% 0.2%			
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	3 month Euro Rate (%)	10 Year Spanish Govt Bond Yield (%)		
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20
<b>Euromonitor Intl</b>	2.3	1.8	1.8	1.8	3.6	2.9	0.8	-0.9	0.9	1.3	na	na	9.5	7.4	-26.7	-23.2	na	na	0.8	0.7
<b>Moody's Analytics</b>	2.2	2.2	na	na	2.3	2.1	1.1	2.1	0.8	1.8	na	na	14.2	10.5	-22.1	-9.3	-0.4	-0.4	0.4	0.5
<b>UBS</b>	2.2	1.8	1.6	1.5	2.7	2.7	na	na	na	na	na	na	-0.5	-1.9	na	na	-0.6	-0.6	na	na
<b>Goldman Sachs</b>	2.2	1.9	1.5	1.5	2.6	3.0	na	na	na	na	na	na	11.4	12.9	na	na	na	na	na	na
<b>HSBC</b>	2.2	1.8	1.5	1.5	3.1	3.3	1.4	1.2	0.9	1.5	1.9	1.9	7.9	1.1	-28.0	-26.3	na	na	na	na
<b>Inst. Klein-G. (UAM)</b>	2.2	1.8	1.7	1.6	3.8	3.4	0.8	1.2	0.8	1.1	na	na	7.5	8.1	-26.5	-22.6	-0.4	-0.4	0.4	0.8
<b>Bank of America - Merrill</b>	2.2	1.7	1.5	1.4	2.6	2.8	0.5	1.6	0.7	1.0	na	na	12.1	14.1	-31.1	-28.1	na	na	na	na
<b>Econ Intelligence Unit</b>	2.1	1.9	1.5	1.9	2.6	3.2	0.6	1.3	0.8	1.3	2.3	2.5	8.7	8.2	-28.9	-22.0	-0.4	-0.4	0.4	0.8
<b>UniCredit</b>	2.1	1.7	1.5	1.7	2.7	2.7	na	na	1.0	1.4	na	na	na	na	na	na	na	na	na	na
<b>Citigroup</b>	2.1	1.7	1.1	1.5	2.1	2.1	na	na	0.8	0.9	na	na	11.4	18.9	-27.8	-26.3	na	na	0.2	0.4
<b>CEPREDE</b>	2.0	1.9	0.9	0.9	2.6	3.0	0.5	1.2	0.7	1.0	2.1	1.9	1.7	7.2	-25.4	-21.8	-0.4	-0.3	0.8	1.1
<b>Barclays</b>	2.0	1.5	0.8	1.5	2.2	1.3	na	na	0.8	0.9	na	na	na	na	na	na	na	na	na	na
<b>Capital Economics</b>	2.0	1.2	0.8	1.1	2.4	1.8	na	na	0.8	1.0	na	na	12.0	10.0	-30.0	-25.0	na	na	na	na
<b>CEOE</b>	2.0	1.6	0.9	1.2	2.3	1.8	na	na	0.7	0.7	na	na	14.9	10.2	-28.6	-29.3	-0.4	-0.4	0.1	0.1
<b>Oxford Economics</b>	2.0	1.7	0.9	1.5	2.2	2.1	1.1	1.6	0.7	1.2	2.6	2.3	19.4	15.8	-28.8	-24.8	-0.4	-0.4	0.2	0.7
<b>IHS Markit</b>	2.0	1.5	1.0	1.2	2.5	2.4	1.3	0.9	0.8	0.9	na	na	7.2	-0.7	-32.1	-30.3	-0.6	-0.6	0.7	0.7
<b>Grupo Santander</b>	2.0	1.7	0.8	1.1	2.5	2.3	na	na	0.7	1.1	na	na	10.0	8.0	-28.0	-20.0	na	na	na	na
<b>La Caixa</b>	1.9	1.5	0.8	1.2	2.6	2.7	1.8	1.7	0.8	1.2	0.7	2.4	21.0	19.3	-28.7	-26.1	-0.4	-0.4	0.4	0.8
<b>BBVA</b>	1.9	1.6	0.8	1.3	2.3	3.0	na	na	0.7	1.1	na	na	20.3	17.7	-28.8	-24.6	-0.5	-0.5	0.0	0.1
<b>AFI</b>	1.9	1.7	0.7	1.4	2.3	2.5	na	na	0.7	0.8	na	na	19.9	15.4	-24.9	-23.1	-0.5	-0.5	0.3	0.6
<b>FUNCAS</b>	1.9	1.5	0.7	0.9	2.2	1.8	1.0	1.2	0.7	1.0	na	na	19.8	24.5	-30.1	-31.9	-0.4	-0.3	0.3	0.4
<b>Consensus (Mean)</b>	2.1	1.7	1.1	1.4	2.6	2.5	1.0	1.2	0.8	1.1	1.9	2.2	12.0	10.9	-28.0	-24.4	-0.4	-0.4	0.4	0.6
<b>Last Month's Mean</b>	2.2	1.8	1.7	1.6	3.3	3.0	0.9	1.1	0.9	1.2	1.7	2.0	7.8	7.2	-27.6	-23.2				
<b>3 Months Ago</b>	2.3	1.8	1.8	1.6	3.8	3.1	0.8	1.4	1.0	1.3	2.0	1.8	8.8	7.6	-27.3	-23.0				
<b>High</b>	2.3	2.2	1.8	1.9	3.8	3.4	1.8	2.1	1.0	1.8	2.6	2.5	21.0	24.5	-22.1	-9.3	-0.4	-0.3	0.8	1.1
<b>Low</b>	1.9	1.2	0.7	0.9	2.1	1.3	0.5	-0.9	0.7	0.7	0.7	1.9	-0.5	-1.9	-32.1	-31.9	-0.6	-0.6	0.0	0.1
<b>Standard Deviation</b>	0.1	0.2	0.4	0.3	0.4	0.6	0.4	0.8	0.1	0.3	0.7	0.3	6.2	6.9	2.4	5.0	0.1	0.1	0.3	0.3
<b>Comparison Forecasts</b>																				
<b>Banco de Espana (Sep. '19)</b>	2.0	1.7	1.0	1.3	2.3	3.4														
<b>Eur Commission (Jul. '19)</b>	2.3	1.9																		
<b>IMF (Oct. '19)</b>	2.2	1.8	1.5	1.5	2.9	2.7									-26.9	-23.9				
<b>OECD (May '19)</b>	2.2	1.9	1.7	1.6	3.8	3.9							10.2	8.8	-24.7	-17.4				

◆ GDP growth forecasts were downgraded by the Bank of Spain last month, highlighting the trickle-down effect of the slowdown across the Euro bloc. The Bank's 2019 Spanish GDP forecast was lowered by 0.4 percentage points to 2%, as it expects consumption and fixed investment to moderate at a quicker pace. By 2023, the consensus expects GDP to decline to 1.5% (see page 29).

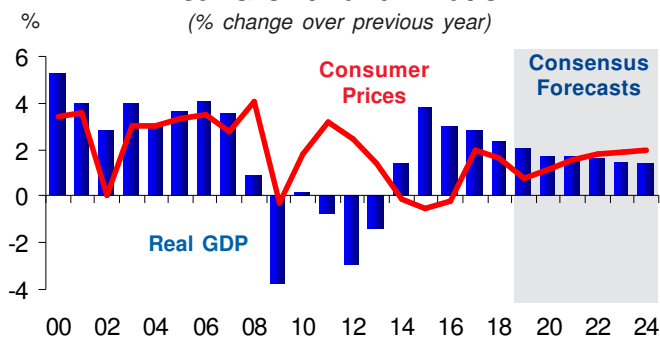
◆ ECB policy stimulus should be supportive of growth, although another general election on November 10 – the fourth in four years – is hindering domestic policy.

**Historical Data**

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	3.8	3.0	2.9	2.4
<b>Household Consumption*</b>	2.8	2.6	3.0	1.8
<b>Gross Fixed Investment*</b>	4.9	2.4	5.9	5.3
<b>Industrial Production*</b>	3.3	1.6	2.9	0.7
<b>Consumer Prices*</b>	-0.5	-0.2	2.0	1.7
<b>Salary Cost per Hour*</b>	1.1	0.1	0.1	1.2
<b>Current Account, Euro bn</b>	21.8	35.4	31.1	23.3
<b>General Govt. Budget Balance (Maastricht definition), Euro bn</b>	-57.0	-50.0	-35.9	-30.0
<b>3 mth Euro, % (end yr)</b>	-0.1	-0.3	-0.3	-0.3
<b>10 Yr Spanish Govt Bond Yield, % (end yr)</b>	1.7	1.3	1.5	1.4

**Nominal GDP** - Euro 1,208bn (2018). **Popn** - 46.7mn (mid-year, 2018). **\$/Euro Exch. Rate** - 1.181 (average, 2018).

**Real Growth and Inflation**



**Quarterly Consensus Forecasts**

*Historical Data and Forecasts (bold italics) From Survey of September 9, 2019*

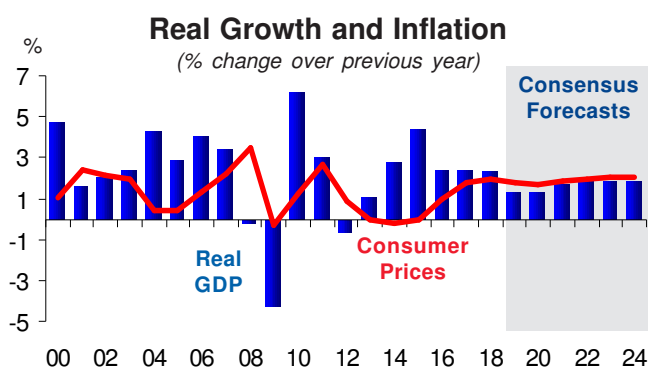
	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Gross Domestic Product</b>	2.4	2.3	<b>2.2</b>	<b>2.0</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>
<b>Consumer Prices</b>	1.1	0.9	<b>0.5</b>	<b>0.7</b>	<b>1.1</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>

*Percentage Change (year-on-year).*

	Average % Change on Previous Calendar Year												Annual Total		Rates on Survey Date					
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Mining & Manufacturing Production		Consumer Prices		Hourly Earnings (Mining & Manuf.)		Current Account (SEK bn)		General Govt Budget Balance (SEK bn)		-0.1%		-0.2%	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20
<b>Economic Forecasters</b>	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20
<b>Goldman Sachs</b>	2.0	1.9	0.8	2.1	0.6	2.6	na	na	1.9	2.1	3.2	3.0	198	204	na	na	-0.1	0.1	na	na
<b>Euromonitor Intl</b>	1.6	1.7	0.8	1.6	0.5	1.4	na	na	1.9	1.9	na	na	167	165	25.0	21.1	na	na	-0.1	-0.1
<b>Econ Intelligence Unit</b>	1.6	1.5	0.8	1.7	-0.3	2.1	1.9	2.0	1.8	1.6	na	na	219	193	31.6	22.8	0.1	0.1	-0.3	0.0
<b>Moody's Analytics</b>	1.4	1.9	na	na	-0.6	1.7	na	na	1.8	2.1	na	na	206	214	37.0	21.9	-0.2	0.3	-0.2	0.1
<b>UniCredit</b>	1.4	1.7	0.7	1.9	0.0	1.2	na	na	1.7	1.7	na	na	146	124	24.0	25.0	na	na	na	na
<b>Citigroup</b>	1.4	1.3	1.0	1.4	-0.2	1.1	na	na	1.7	1.8	na	na	184	185	12.4	10.7	-0.3	0.0	-0.3	0.0
<b>Oxford Economics</b>	1.3	1.3	0.8	1.7	-1.0	0.9	1.6	1.0	1.8	1.7	2.9	1.6	198	206	-2.2	11.7	-0.1	0.1	-0.2	0.5
<b>Nordea</b>	1.3	1.2	0.7	1.2	-1.4	-1.0	na	na	1.8	1.2	2.5	2.5	230	243	1.5	-22.9	-0.1	-0.4	-0.4	-0.3
<b>SE Banken</b>	1.3	1.3	0.7	1.3	0.0	-0.7	na	na	1.7	1.4	2.6	2.7	na	na	na	na	-0.1	-0.1	-0.4	-0.3
<b>Swedbank</b>	1.3	1.2	1.2	1.8	-0.7	-1.5	na	na	1.8	1.9	na	na	na	na	na	na	na	na	-0.6	na
<b>IHS Markit</b>	1.2	1.1	0.8	1.0	-0.5	1.1	na	na	1.7	1.6	na	na	181	157	2.4	-8.2	-0.1	-0.1	-0.4	-0.4
<b>HSBC</b>	1.2	1.3	0.6	1.3	-1.2	1.3	1.7	1.8	1.8	1.6	2.1	2.0	na	na	na	na	na	na	na	na
<b>National Institute - NIER</b>	1.2	1.1	0.9	1.7	-1.4	-0.8	1.6	1.0	1.8	1.5	2.8	2.7	231	252	20.0	-6.0	na	na	-0.1	0.2
<b>Svenska Handelsbanken</b>	1.1	1.0	0.9	1.8	-1.3	-0.2	na	na	1.8	1.6	na	na	na	na	na	na	-0.1	-0.1	-0.2	-0.1
<b>Capital Economics</b>	1.0	0.5	0.4	0.5	-1.4	-0.4	na	na	1.7	1.6	na	na	214	177	25.0	15.0	na	na	na	na
<b>Consensus (Mean)</b>	1.4	1.3	0.8	1.5	-0.6	0.6	1.7	1.4	1.8	1.7	2.7	2.4	198	193	17.7	9.1	-0.1	0.0	-0.3	0.0
<b>Last Month's Mean</b>	1.6	1.4	0.8	1.6	0.1	0.9	1.6	1.8	1.8	1.8	2.7	2.5	182	176	14.5	12.8				
<b>3 Months Ago</b>	1.6	1.5	1.0	1.7	0.6	1.6	1.9	2.1	1.8	1.8	2.6	2.4	177	173	26.6	25.1				
<b>High</b>	2.0	1.9	1.2	2.1	0.6	2.6	1.9	2.0	1.9	2.1	3.2	3.0	231	252	37.0	25.0	0.1	0.3	-0.1	0.5
<b>Low</b>	1.0	0.5	0.4	0.5	-1.4	-1.5	1.6	1.0	1.7	1.2	2.1	1.6	146	124	-2.2	-22.9	-0.3	-0.4	-0.6	-0.4
<b>Standard Deviation</b>	0.2	0.4	0.2	0.4	0.7	1.2	0.1	0.5	0.1	0.2	0.4	0.5	27	37	13.5	16.1	0.1	0.2	0.1	0.2
<b>Comparison Forecasts</b>																				
<b>Riksbank (Sep. '19)</b>	1.5	1.5	0.8	1.8	-1.1	1.0			1.8	1.9										
<b>Eur Commission (Jul. '19)</b>	1.7	1.5																		
<b>IMF (Oct. '19)</b>	0.9	1.5							1.7	1.5					21.1	16.8				
<b>OECD (May '19)</b>	1.6	1.6	1.8	2.1	-0.5	1.5			1.7	2.0			169	178	38.5	50.6				

◆ Updated national accounts data lifted Q2 GDP to +0.1% (q-o-q), equalling the pace set in Q1. The weak figures have ramped up concerns over the outlook nonetheless, compounded by an abject manufacturing PMI reading in September whereby activity suffered its biggest monthly slump in over a decade. The unemployment rate rose to 7.1% in August, almost a full percentage point higher than at end-2018, adding to concerns amongst households.

◆ Riksbank Deputy Governor Per Jansson added a high-profile voice to calls for expansionary fiscal policy to avert a wider GDP slowdown.



### Historical Data

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	4.4	2.4	2.4	2.3
<b>Household Consumption*</b>	3.5	2.0	2.1	1.6
<b>Gross Fixed Investment*</b>	5.8	4.1	5.6	4.6
<b>Min. &amp; Manufacturing Prodn*</b>	3.5	2.7	4.2	2.8
<b>Consumer Prices*</b>	0.0	1.0	1.8	2.0
<b>Average Hourly Earnings (Mining &amp; Manufacturing)*</b>	2.6	1.9	2.0	2.9
<b>Current Account, Skr bn</b>	174	166	129	83.3
<b>General Govt. Bud Bal, Skr bn</b>	-0.1	43.8	66.2	39.3
<b>3 mth Interbank Rate, % (end yr)</b>	-0.3	-0.6	-0.5	-0.1
<b>10 Yr Govt Bond Yield, % (end yr)</b>	0.9	0.6	0.8	0.5

**Nominal GDP -** Skr 4,790bn (2018). **Population -** 10.0mn (mid-year, 2018). **Skr/\$ Exchange Rate -** 8.689 (average, 2018).

### Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of **September 9, 2019**

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Gross Domestic Product</b>	2.0	1.4	<b>1.8</b>	<b>1.2</b>	<b>1.2</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>
<b>Consumer Prices</b>	1.9	2.0	<b>1.6</b>	<b>1.9</b>	<b>2.0</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>2.1</b>	<b>1.9</b>

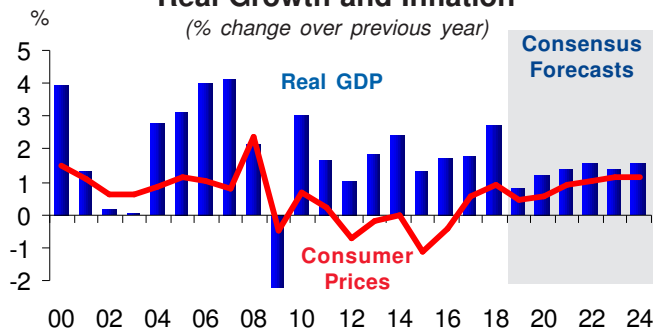
Percentage Change (year-on-year).

	Average % Change on Previous Calendar Year										Annual Total				Rates on Survey Date					
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Merchandise Exports (SwFr bn)		Current Account (SwFr bn)		General Govt Budget Balance (SwFr bn)		-0.9%		-0.7%	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	3 month Euro-Franc Rate (%)		10 Year Govt Bond Yield (%)	
Economic Forecasters	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	End Jan'20	End Oct'20	End Jan'20	End Oct'20
<b>Goldman Sachs</b>	1.3	1.6	1.1	1.3	1.9	1.6	na	na	0.5	1.1	na	na	79.4	79.6	na	na	-0.8	-0.8	na	na
<b>Credit Suisse</b>	1.1	1.4	1.0	1.3	0.6	1.1	na	na	0.5	0.5	na	na	na	na	na	na	-0.8	-0.8	na	na
<b>Bank Vontobel</b>	0.9	1.4	1.1	1.6	0.3	1.3	na	na	0.5	0.6	na	na	na	na	na	na	-0.8	-0.6	-0.8	-0.5
<b>HSBC</b>	0.9	1.1	1.1	1.1	0.3	0.9	3.3	1.4	0.7	0.9	na	na	66.4	67.6	2.8	1.4	-0.8	-0.8	-0.7	-0.6
<b>KOF Swiss Econ Inst</b>	0.9	1.9	1.1	1.3	0.5	1.9	na	na	0.4	0.3	243	248	74.6	76.9	7.3	6.8	-1.0	-1.0	-0.8	-0.8
<b>Econ Intelligence Unit</b>	0.8	1.2	1.1	1.3	0.4	1.1	1.5	1.2	0.5	0.8	226	228	65.0	67.4	3.5	2.9	-0.7	-0.8	-0.3	0.0
<b>Pictet &amp; Cie</b>	0.8	1.2	1.1	1.2	0.9	1.1	na	na	0.4	0.7	na	na	na	na	na	na	-0.8	-0.8	-0.6	0.0
<b>Wellershoff &amp; Partners</b>	0.8	0.8	0.9	0.9	0.6	1.0	na	na	0.5	0.6	239	245	na	na	na	na	na	na	na	na
<b>Zürcher Kantonalbank</b>	0.8	1.2	1.1	1.2	0.3	0.4	2.7	3.0	0.5	0.7	237	240	81.2	78.4	5.4	4.7	-0.9	-0.9	-0.8	-0.8
<b>Moody's Analytics</b>	0.8	1.6	1.0	0.8	0.2	0.8	5.1	3.1	0.5	0.5	na	na	89.2	91.5	7.6	8.7	na	na	-0.8	-0.8
<b>Oxford - BAK</b>	0.7	1.3	1.1	1.1	-0.1	0.3	5.5	1.6	0.4	0.3	267	268	76.5	77.5	7.5	6.0	-0.8	-0.8	-0.7	-0.5
<b>IHS Markit</b>	0.7	1.1	0.9	1.1	-0.2	0.6	3.2	0.3	0.4	0.3	232	238	68.3	55.7	4.7	1.9	-0.8	-0.8	-0.7	-0.6
<b>Luzerner Kantonalbank</b>	0.7	1.4	1.1	1.2	0.1	1.0	na	na	0.4	0.6	na	na	na	na	na	na	-0.8	-0.7	-1.0	-0.9
<b>Swiss Life Asset Mgrs</b>	0.7	1.2	1.0	0.9	0.2	1.0	5.3	1.1	0.5	0.5	na	na	na	na	na	na	-0.8	-0.8	-0.9	-0.7
<b>UBS</b>	0.7	0.9	1.1	1.3	0.0	0.3	na	na	0.4	0.5	na	na	na	na	na	na	-0.9	-1.0	-0.9	-0.8
<b>Citigroup</b>	0.7	0.7	1.1	1.3	0.1	1.2	na	na	0.4	0.5	na	na	74.6	62.7	na	na	-0.8	-0.8	-0.9	-0.7
<b>Bank Julius Baer</b>	0.7	0.7	1.0	0.7	0.1	0.6	1.7	1.0	0.5	0.9	238	248	na	na	-0.5	0.0	-0.8	-0.8	-0.5	-0.2
<b>Capital Economics</b>	0.5	0.5	0.9	0.6	-0.3	0.0	na	na	0.4	-0.3	na	na	66.0	63.0	2.0	2.0	na	na	na	na
<b>Consensus (Mean)</b>	<b>0.8</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>0.3</b>	<b>0.9</b>	<b>3.5</b>	<b>1.6</b>	<b>0.5</b>	<b>0.6</b>	<b>240</b>	<b>245</b>	<b>74.1</b>	<b>72.0</b>	<b>4.5</b>	<b>3.8</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>
<b>Last Month's Mean</b>	1.0	1.3	1.1	1.2	0.5	1.2	3.1	1.8	0.5	0.7	241	247	69.6	67.4	3.6	2.9				
<b>3 Months Ago</b>	1.3	1.5	1.2	1.3	1.0	1.5	3.1	2.0	0.6	0.7	241	247	67.2	66.6	3.9	3.4				
<b>High</b>	1.3	1.9	1.1	1.6	1.9	1.9	5.5	3.1	0.7	1.1	267	268	89.2	91.5	7.6	8.7	-0.7	-0.6	-0.3	0.0
<b>Low</b>	0.5	0.5	0.9	0.6	-0.3	0.0	1.5	0.3	0.4	-0.3	226	228	65.0	55.7	-0.5	0.0	-1.0	-1.0	-1.0	-0.9
<b>Standard Deviation</b>	0.2	0.4	0.1	0.3	0.5	0.5	1.6	1.0	0.1	0.3	13	12	7.8	10.6	2.8	2.9	0.1	0.1	0.2	0.3
<b>Comparison Forecasts</b>																				
<b>IMF (Oct. '19)</b>	0.8	1.3							0.6	0.6					7.2	2.7				
<b>OECD (May '19)</b>	1.0	1.5	1.2	1.5	0.7	2.2			0.5	0.7			66.8	67.3	10.0	7.9				
<b>SECO (Sep. '19)</b>	0.8	1.7	1.1	1.3	0.3	1.2			0.5	0.4										

Following the moderate rate of GDP expansion in Q1 and Q2, alongside persisting US-China trade risks and Brexit, the government trimmed its 2019 GDP forecast to 0.8% last month, equal to the latest consensus. Gross fixed investment has declined for three successive quarters in y-o-y terms, while currency strength is cooling exports.

The Swiss National Bank (SNB) held interest rates steady in September but admitted that the global outlook had recently deteriorated. While most observers do not expect a rate cut for now, the SNB has maintained the importance of the interest rate differential between Switzerland and the Euro zone.

**Real Growth and Inflation**



**Historical Data**

* % change on previous year	2015	2016	2017	2018
<b>Gross Domestic Product*</b>	1.3	1.7	1.8	2.8
<b>Private Consumption*</b>	1.7	1.4	1.2	1.0
<b>Gross Fixed Investment*</b>	2.3	2.5	3.4	1.1
<b>Industrial Production*</b>	-1.7	0.0	4.9	5.4
<b>Consumer Prices*</b>	-1.1	-0.4	0.5	0.9
<b>Merch Exports, SwFr bn</b>	203	210	221	233
<b>Current Account, SwFr bn</b>	73.6	62.6	43.6	72.4
<b>General Govt. Bud. Bal. SwFr bn</b>	1.4	2.7	5.6	6.2 e
<b>3 mth Euro-Franc Rate, % (end yr)</b>	-0.8	-0.8	-0.8	-0.8
<b>10 Yr Govt Bond Yield, % (end yr)</b>	0.0	-0.2	-0.1	-0.2

e = consensus estimate based on latest survey

Nominal GDP - SwFr 690bn (2018). Population - 8.5mn (mid-year, 2018). SwFr/\$ Exchange Rate - 0.978 (average, 2018).

**Quarterly Consensus Forecasts**

Historical Data and Forecasts (bold italics) From Survey of September 9, 2019

	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Gross Domestic Product</b>	0.8	0.3	<b>1.0</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.3</b>	<b>1.3</b>
<b>Consumer Prices</b>	0.6	0.7	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>	<b>0.6</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>

Percentage Change (year-on-year).



Forecasts for the countries in Western Europe, the Middle East and Africa shown on the next two pages were provided by the following leading economic forecasters, among others:

*Banco BPI*  
*Barclays*  
*Dun & Bradstreet*  
*Euromonitor*  
*Goldman Sachs*  
*Oxford Economics*

*Bank Leumi*  
*Capital Economics*  
*Economist Intelligence Unit*  
*Fitch Ratings*  
*IHS Markit*

*Bank of America Merrill*  
*Citigroup*  
*ETLA*  
*Forecaster ECOSA*  
*Moody's Analytics*  
*Universidade Catolica Portuguesa*

<b>AUSTRIA</b>	Population - 8.9mn (2018, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$455.9bn (2018)	2015	2016	2017	2018	2019	2020
Gross Domestic Product (% change on previous year)		1.0	2.1	2.5	2.4	1.6	1.4
Industrial Production (% change on previous year)		1.9	2.6	5.1	4.0	2.8	1.4
Consumer Prices (% change on previous year)		0.9	0.9	2.1	2.0	1.6	1.7
Current Account (US Dollar bn)		6.6	10.8	6.5	10.6	9.5	9.5

<b>BELGIUM</b>	Population - 11.5mn (2018, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$532.0bn (2018)	2015	2016	2017	2018	2019	2020
Gross Domestic Product (% change on previous year)		1.7	1.5	1.7	1.4	1.1	1.1
Industrial Production (% change on previous year)		-0.6	4.4	2.6	1.3	3.7	1.6
Consumer Prices (% change on previous year)		0.6	2.0	2.1	2.1	1.5	1.4
Current Account (US Dollar bn)		6.4	2.6	6.2	-5.4	-3.4	-2.1

<b>DENMARK</b>	Population - 5.8mn (2018, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$351.7bn (2018)	2015	2016	2017	2018	2019	2020
Gross Domestic Product (% change on previous year)		2.3	2.4	2.3	1.5	1.9	1.4
Manufacturing Production (% change on previous year)		1.3	5.3	2.8	4.0	5.0	2.0
Consumer Prices (% change on previous year)		0.5	0.3	1.1	0.8	0.8	1.2
Current Account (US Dollar bn)		25.0	24.7	26.2	20.3	23.4	23.1

<b>EGYPT</b>	Population - 98.4mn (2018, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$269.3bn (2018) <sup>1</sup>	2015	2016	2017	2018	2019	2020
Gross Domestic Product (% change on previous year) <sup>1</sup>		4.4	4.3	4.2	5.3	5.5	5.5
Consumer Prices (% change on previous year)		10.3	13.8	29.5	14.4	11.0	8.9
Current Account (US Dollar bn)		-17.2	-20.3	-7.9	-6.3	-7.8	-7.7

<sup>1</sup> year(s) ending June 30

<b>FINLAND</b>	Population - 5.5mn (2018, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$274.1bn (2018)	2015	2016	2017	2018	2019	2020
Gross Domestic Product (% change on previous year)		0.6	2.6	3.1	1.7	1.2	1.1
Industrial Production (% change on previous year)		-0.9	4.2	3.2	3.7	1.8	1.1
Consumer Prices (% change on previous year)		-0.2	0.3	0.7	1.1	1.1	1.3
Current Account (US Dollar bn)		-2.2	-4.9	-1.9	-3.8	-3.8	-2.8

<b>GREECE</b>	Population - 10.5mn (2018, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$218.1bn (2018)	2015	2016	2017	2018	2019	2020
Gross Domestic Product (% change on previous year)		-0.4	-0.2	1.5	1.9	1.7	2.0
Industrial Production (% change on previous year)		1.0	2.6	3.9	1.6	0.9	1.2
Consumer Prices (% change on previous year)		-1.7	-0.8	1.1	0.6	0.6	0.9
Current Account (US Dollar bn)		-1.6	-3.4	-3.8	-6.2	-4.5	-4.3

<b>IRELAND</b>	Population - 4.8mn (2018, mid-year)	<b>Historical Data</b>				<b>Consensus Forecasts</b>	
	Nominal GDP - US\$382.6bn (2018)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product ( <i>% change on previous year</i> )		25.2	3.7	8.1	8.2	4.4	2.6
Industrial Production ( <i>% change on previous year</i> )		-15.2	1.8	-2.3	-0.1	2.3	2.1
Consumer Prices ( <i>% change on previous year</i> )		-0.3	0.0	0.4	0.5	0.9	1.2
Current Account ( <i>US Dollar bn</i> )		12.8	-12.6	1.6	40.5	20.7	27.6

<b>ISRAEL</b>	Population - 8.4mn (2018, mid-year)	<b>Historical Data</b>				<b>Consensus Forecasts</b>	
	Nominal GDP - US\$369.8bn (2018)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product ( <i>% change on previous year</i> )		2.6	3.8	3.6	3.4	3.2	3.2
Industrial Production ( <i>% change on previous year</i> )		1.6	1.6	4.1	3.0	3.1	3.5
Consumer Prices ( <i>% change on previous year</i> )		-0.6	-0.5	0.2	0.8	0.9	1.2
Current Account ( <i>US Dollar bn</i> )		15.5	11.4	8.3	9.5	10.5	11.0

<b>NIGERIA</b>	Popn - 195.9mn (2018, mid-year)	<b>Historical Data</b>				<b>Consensus Forecasts</b>	
	Nominal GDP - US\$353.4bn (2018)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product ( <i>% change on previous year</i> )		2.8	-1.6	0.8	1.9	2.2	2.6
Consumer Prices ( <i>% change on previous year</i> )		9.0	15.7	16.5	12.1	11.3	11.0
Current Account ( <i>US Dollar bn</i> )		-15.4	2.7	10.4	5.3	2.5	2.8

<b>PORTUGAL</b>	Population - 10.3mn (2018, mid-year)	<b>Historical Data</b>				<b>Consensus Forecasts</b>	
	Nominal GDP - US\$238.1bn (2018)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product ( <i>% change on previous year</i> )		1.8	2.0	3.5	2.4	1.8	1.6
Industrial Production ( <i>% change on previous year</i> )		2.1	2.3	3.9	0.1	-1.8	1.3
Consumer Prices ( <i>% change on previous year</i> )		0.5	0.6	1.4	1.0	0.4	1.0
Current Account ( <i>US Dollar bn</i> )		0.2	1.2	1.0	-1.5	-2.3	-2.4

<b>SAUDI ARABIA</b>	Popn - 33.7mn (2018, mid-year)	<b>Historical Data</b>				<b>Consensus Forecasts</b>	
	Nominal GDP - US\$786.5bn (2018)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product ( <i>% change on previous year</i> )		4.1	1.7	-0.7	2.4	0.9	1.8
Consumer Prices ( <i>% change on previous year</i> )		1.3	2.0	-0.9	2.5	-1.1	1.5
Current Account ( <i>US Dollar bn</i> )		-56.7	-23.8	10.5	70.6	31.1	23.1

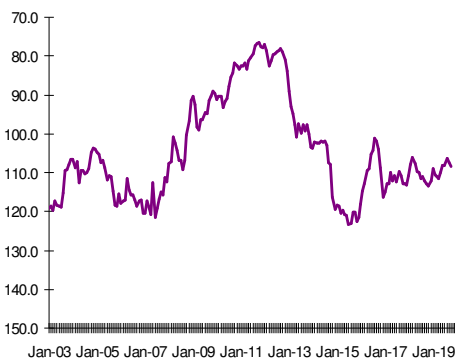
<b>SOUTH AFRICA</b>	Popn - 57.8mn (2018, mid-year)	<b>Historical Data</b>				<b>Consensus Forecasts</b>	
	Nominal GDP - US\$368.1bn (2018)	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Gross Domestic Product ( <i>% change on previous year</i> )		1.2	0.4	1.4	0.8	0.6	1.5
Manufacturing Production ( <i>% change on previous year</i> )		0.0	0.7	-0.4	1.2	0.0	1.3
Consumer Prices ( <i>% change on previous year</i> )		4.5	6.3	5.3	4.7	4.3	4.8
Current Account ( <i>US Dollar bn</i> )		-14.7	-8.5	-8.9	-13.1	-12.4	-13.3

Foreign Exchange Rates

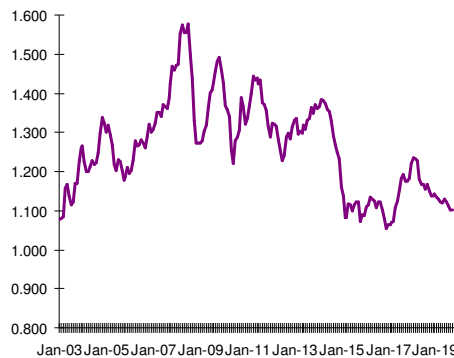
\*All US\$ rates are amounts of currency per dollar, except the UK pound and the euro which are reciprocals. A positive (+) sign for the % change implies an appreciation of the currency against the US Dollar and vice versa.

	Historical Data				Latest Spot Rate (Oct. 14)	Consensus Forecasts					
	Rates at end of:					Forecast End Jan. 2020	Percent Change	Forecast End Oct. 2020	Percent Change	Forecast End Oct. 2021	Percent Change
	2015	2016	2017	2018							
<b>Rates per US Dollar*</b>											
Canadian Dollar	1.384	1.343	1.259	1.364	1.323	1.320	0.2	1.308	1.1	1.286	2.8
Egyptian Pound	7.808	18.13	17.68	17.87	16.28	16.95	-3.9	17.55	-7.2	17.55	-7.3
European Euro	1.089	1.054	1.199	1.143	1.103	1.105	0.2	1.134	2.9	1.149	4.2
Israeli Shekel	3.902	3.845	3.467	3.748	3.511	3.540	-0.8	3.546	-1.0	3.498	0.3
Japanese Yen	120.5	116.8	112.9	110.8	108.4	106.4	1.9	104.9	3.3	105.3	3.0
Nigerian Naira	197.0	304.5	360.0	363.5	362.3	365.8	-1.0	371.6	-2.5	380.8	-4.9
Saudi Arabian Riyal	3.750	3.750	3.750	3.752	3.751	3.750	0.0	3.750	0.0	3.750	0.0
South African Rand	15.55	13.68	12.34	14.39	14.80	14.86	-0.4	14.74	0.4	14.15	4.6
United Kingdom Pound	1.482	1.230	1.351	1.270	1.258	1.225	-2.7	1.275	1.3	1.315	4.5
<b>Rates per Euro</b>											
Danish Krone	7.436	7.434	7.445	7.465	7.469	7.451	0.2	7.453	0.2	7.459	0.1
Norwegian Krone	9.591	9.086	9.846	9.950	10.04	9.946	1.0	9.736	3.2	9.440	6.4
Swedish Krona	9.189	9.552	9.844	10.25	10.82	10.75	0.7	10.62	2.0	10.23	5.9
Swiss Franc	1.080	1.071	1.170	1.127	1.099	1.089	0.9	1.110	-1.0	1.142	-3.8

Yen per US\$



US\$ per Euro<sup>1</sup>



US\$ per UK Pound



Brent, US\$ per barrel

Range 1990-2019 Spot Rate (Oct. 14)	US\$9.10 - US\$143.95 58.81	
Brent October Survey	Forecast for End Jan. 2020	End Oct. 2020
Mean Forecast	60.9	60.9
High	66.3	70.0
Low	52.0	50.0
Standard Deviation	2.8	3.7
No. of Forecasts	58	58

Oil Prices Shaken By Deepening Economic Weakness

Prices for Brent crude jumped following the Iranian drone attack on Saudi oil-processing facilities at Abqaiq on September 14. The spot price soared to US\$68.42 per barrel on September 16 before hovering around US\$65 the following week. However, since then, prices have fallen to US\$57.92 on October 2, and on October 14, the spot rate stood at US\$58.81, despite an explosion on an Iranian oil tanker. One reason for downward pressure on oil prices has been the global GDP outlook worsening amongst the world's major oil importers. The trade and currency wars between the US and China have had a particular impact on sentiment. As a result, the International Energy Agency (IEA) now expects Brent to drop to \$57 per barrel by Q2 2020, following a rise of global oil inventories in the first half of 2020.

continued from page 3

France											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	1.0	1.0	2.4	1.7	1.3	1.2	1.3	1.4	1.4	1.4	1.3
Household Consumption*	1.4	1.6	1.6	0.9	1.2	1.3	1.3	1.3	1.3	1.3	1.2
Business Investment*	3.1	2.7	5.0	3.9	3.2	1.9	1.7	1.7	1.6	1.7	1.6
Manufacturing Production*	1.3	0.6	2.8	0.3	0.9	0.9	1.1	1.2	1.3	1.1	1.0
Consumer Prices*	0.1	0.2	1.0	1.9	1.2	1.3	1.4	1.6	1.6	1.7	1.8
Current Account Balance (Euro bn)	-9.3	-12.4	-17.3	-15.5	-16.3	-17.1	-14.9	-14.6	-12.4	-11.8	-5.0
10 Year Treasury Bond Yield, % <sup>2</sup>	1.0	0.7	0.8	0.7	-0.3 <sup>3</sup>	-0.1 <sup>4</sup>	0.3	0.8	1.3	1.7	2.4

United Kingdom											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	2.4	1.9	1.9	1.4	1.2	1.0	1.5	1.7	1.7	1.7	1.6
Household Consumption*	2.9	3.8	2.3	1.6	1.4	1.3	1.5	1.6	1.6	1.7	1.6
Gross Fixed Investment*	3.7	3.6	1.6	-0.1	0.1	0.3	2.0	2.1	2.2	2.1	1.7
Manufacturing Production*	0.0	0.3	2.6	0.9	0.0	0.4	1.4	1.2	1.1	0.8	0.3
Retail Prices (underlying rate)*	1.0	1.9	3.8	3.3	2.7	2.8	3.0	3.2	3.2	3.2	3.1
Consumer Prices*	0.0	0.7	2.7	2.4	1.9	2.1	2.1	2.2	2.1	2.2	2.2
Current Account Balance (£ bn)	-94.0	-104.0	-72.3	-92.5	-93.4	-83.5	-74.1	-69.7	-68.8	-54.7	-55.9
10 Year Treasury Bond Yield, % <sup>2</sup>	1.9	1.2	1.2	1.3	0.6 <sup>3</sup>	1.0 <sup>4</sup>	1.5	1.9	2.1	2.4	2.8

Italy											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	0.8	1.3	1.7	0.8	0.1	0.4	0.6	0.7	0.8	0.8	0.6
Household Consumption*	1.8	1.2	1.5	0.8	0.4	0.4	0.5	0.7	0.7	0.8	0.6
Gross Fixed Investment*	1.8	4.0	3.3	3.2	1.9	1.0	1.4	1.6	1.6	1.4	1.0
Industrial Production*	3.2	1.9	3.6	0.6	-0.5	0.6	1.2	1.3	1.4	1.2	1.1
Consumer Prices*	0.1	-0.1	1.2	1.2	0.7	1.0	1.2	1.5	1.7	1.8	1.8
Current Account Balance (Euro bn)	23.5	44.0	46.5	46.0	45.6	44.4	40.0	35.4	34.8	38.8	41.1
10 Year Treasury Bond Yield, % <sup>2</sup>	1.6	1.7	1.9	2.8	1.0 <sup>3</sup>	1.2 <sup>4</sup>	1.8	2.3	2.8	3.4	3.7

Canada											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	0.7	1.1	3.0	1.9	1.5	1.6	1.8	1.8	1.8	1.8	1.7
Personal Expenditure*	2.2	2.1	3.6	2.1	1.7	1.6	1.8	1.8	1.9	1.9	1.9
Machinery & Eqpt Investment*	-6.3	-6.6	4.7	6.1	-0.4	0.2	2.8	3.0	2.4	2.4	2.1
Industrial Production*	-0.5	-0.3	4.9	3.3	0.4	1.6	1.7	1.8	1.9	1.8	1.8
Consumer Prices*	1.1	1.4	1.6	2.3	2.0	1.9	1.9	2.0	2.0	2.0	2.0
Current Account Balance (C\$ bn)	-70.5	-64.9	-60.1	-58.5	-43.5	-37.9	-36.7	-39.6	-36.5	-31.7	-30.9
10 Year Treasury Bond Yield, % <sup>2</sup>	1.5	2.0	2.1	2.0	1.4 <sup>3</sup>	1.7 <sup>4</sup>	2.2	2.7	2.9	3.1	3.1

Euro zone											
* % change over previous year	Historical				Consensus Forecasts						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	2.0	1.9	2.7	1.9	1.1	0.9	1.1	1.3	1.4	1.3	1.2
Private Consumption*	1.8	1.9	1.8	1.4	1.2	1.1	1.2	1.3	1.3	1.1	1.1
Gross Fixed Investment*	4.7	3.9	3.8	2.3	2.3	1.2	1.7	1.9	1.9	1.5	1.3
Industrial Production*	2.6	1.7	2.9	0.9	-0.8	0.7	1.2	1.5	1.6	1.1	1.1
Consumer Prices*	0.2	0.2	1.5	1.8	1.2	1.2	1.5	1.7	1.8	1.8	1.9
Current Account Balance (Euro bn)	282	335	363	335	332	320	321	309	315	311	334
3 month Euro Rate, % <sup>**</sup>	-0.1	-0.3	-0.3	-0.3	-0.5 <sup>3</sup>	-0.4 <sup>4</sup>	-0.4	-0.2	0.2	0.6	1.3

<sup>1</sup>Signifies average for period <sup>2</sup>End period <sup>3</sup>End January 2020 <sup>4</sup>End October 2020

\*\* Forecasts for the 3-month Euribor from 2021 onwards are an average of those made by our German, French, Italian, Netherlands, Spanish and Euro zone panels.



## The Netherlands

* % change over previous year	Historical					Consensus Forecasts					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	2.0	2.2	2.9	2.6	1.6	1.4	1.5	1.6	1.5	1.4	1.3
Private Consumption*	2.0	1.1	2.1	2.3	1.5	1.5	1.4	1.4	1.4	1.4	1.3
Gross Fixed Investment*	29.0	-7.3	4.2	3.2	5.0	1.7	1.9	1.9	1.6	1.4	1.4
Manufacturing Production*	1.4	2.9	3.5	2.5	-0.3	0.6	1.2	1.5	1.6	1.5	1.5
Consumer Prices*	0.6	0.3	1.4	1.7	2.6	1.6	1.6	1.7	1.8	1.9	1.9
Current Account Balance (Euro bn)	43.4	57.1	79.9	84.2	75.5	77.1	79.3	76.5	77.4	80.5	82.2
10 Year Treasury Bond Yield, % <sup>2</sup>	0.7	0.4	0.5	0.4	-0.4 <sup>3</sup>	-0.2 <sup>4</sup>	0.3	0.8	1.2	1.8	2.4

## Norway

* % change over previous year	Historical					Consensus Forecasts					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Dom Prod (Mainland)*	1.4	0.9	2.0	2.2	2.4	1.9	1.8	1.7	1.9	2.0	1.9
Private Consumption*	2.7	1.1	2.2	1.9	1.9	1.9	1.9	2.0	1.9	1.9	1.7
Gross Fixed Investment*	-4.0	3.9	2.6	2.8	4.3	2.1	1.2	1.3	1.9	2.3	2.1
Manufacturing Production*	-3.5	-4.8	0.5	1.6	3.5	2.8	1.5	1.5	1.1	1.0	0.5
Consumer Prices*	2.2	3.6	1.8	2.7	2.2	1.9	2.0	1.9	1.8	1.7	1.7
Current Account Balance (Nkr bn)	246	125	154	254	225	234	246	245	228	205	222
10 Year Treasury Bond Yield, % <sup>2</sup>	1.4	1.6	1.6	1.7	1.2 <sup>3</sup>	1.5 <sup>4</sup>	2.0	2.5	2.7	2.9	2.9

## Spain

* % change over previous year	Historical					Consensus Forecasts					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	3.8	3.0	2.9	2.4	2.1	1.7	1.7	1.6	1.5	1.4	1.3
Household Consumption*	2.8	2.6	3.0	1.8	1.1	1.4	1.5	1.5	1.4	1.3	1.2
Gross Fixed Investment*	4.9	2.4	5.9	5.3	2.6	2.5	2.6	2.5	2.5	2.3	2.1
Industrial Production*	3.3	1.6	2.9	0.7	1.0	1.2	1.9	1.8	2.0	1.5	1.4
Consumer Prices*	-0.5	-0.2	2.0	1.7	0.8	1.1	1.6	1.8	1.9	2.0	2.0
Current Account Balance (Euro bn)	21.8	35.4	31.1	23.3	12.0	10.9	12.0	12.2	11.4	8.7	4.1
10 Year Treasury Bond Yield, % <sup>2</sup>	1.7	1.3	1.5	1.4	0.4 <sup>3</sup>	0.6 <sup>#</sup>	1.1	1.5	1.8	2.2	2.9

## Sweden

* % change over previous year	Historical					Consensus Forecasts					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	4.4	2.4	2.4	2.3	1.4	1.3	1.7	1.9	1.8	1.8	1.8
Household Consumption*	3.5	2.0	2.1	1.6	0.8	1.5	1.6	2.0	2.0	2.2	2.1
Gross Fixed Investment*	5.8	4.1	5.6	4.6	-0.6	0.6	1.8	1.9	1.9	1.7	1.5
Mining & Manufacturing Production*	3.5	2.7	4.2	2.8	1.7	1.4	2.5	1.8	2.5	2.7	2.2
Consumer Prices*	0.0	1.0	1.8	2.0	1.8	1.7	1.8	2.0	2.0	2.0	2.0
Current Account (Skr bn)	174	166	129	83.3	198	193	213	230	239	250	274
10 Year Treasury Bond Yield, % <sup>2</sup>	0.9	0.6	0.8	0.5	-0.3 <sup>3</sup>	0.0 <sup>4</sup>	0.4	0.9	1.3	1.7	2.7

## Switzerland

* % change over previous year	Historical					Consensus Forecasts					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-29 <sup>1</sup>
Gross Domestic Product*	1.3	1.7	1.8	2.8	0.8	1.2	1.4	1.5	1.4	1.5	1.4
Private Consumption*	1.7	1.4	1.2	1.0	1.0	1.1	1.2	1.3	1.3	1.2	1.2
Gross Fixed Investment*	2.3	2.5	3.4	1.1	0.3	0.9	1.6	1.9	2.1	1.7	1.8
Industrial Production*	-1.7	0.0	4.9	5.4	3.5	1.6	1.6	2.3	2.4	2.3	1.9
Consumer Prices*	-1.1	-0.4	0.5	0.9	0.5	0.6	0.9	1.0	1.1	1.1	1.2
Current Account Balance (SwFr bn)	73.6	62.6	43.6	72.4	74.1	72.0	71.8	72.7	71.9	82.0	86.1
10 Year Treasury Bond Yield, % <sup>2</sup>	0.0	-0.2	-0.1	-0.2	-0.7 <sup>3</sup>	-0.6 <sup>4</sup>	-0.3	0.0	0.3	0.5	1.0

<sup>1</sup>Signifies average for period <sup>2</sup>End period <sup>3</sup>End January 2020 <sup>4</sup>End October 2020

The calendar below highlights some of the key global economic and political events due to take place in the forthcoming 2-3 months. At what seems to be an increasingly volatile period in the global economy, it may be perceived that such events currently merit an even greater degree of consideration when contemplating trends in financial markets and macroeconomic expectations.

<b>Date</b>	<b>Country/Region</b>	<b>Event</b>
17 October	China	Q3 2019 GDP Report
17-18 October	Euro zone	EU Summit
20 October	Switzerland	Federal Elections
21 October	Canada	Federal Election
24 October	Euro zone	European Central Bank policy meeting
27 October	Argentina	General Election
30 October	US	US Federal Reserve policy meeting
31 October	UK	UK deadline to leave the European Union
31 October	Japan	Bank of Japan policy meeting
1 November	Euro zone	Change of leadership at the European Central Bank (Christine Lagarde replacing Mario Draghi) and the European Commission (Ursula von der Leyen replacing Jean-Claude Juncker)
10 November	Spain	Snap General Election
13-14 November	BRICS	Summit in Brazil (BRICS countries include Brazil, China, India, Russia and South Africa)
16-17 November	APEC	APEC Economic Leaders' Meeting in Santiago, Chile
11 December	US	US Federal Reserve policy meeting
12 December	Euro zone	European Central Bank policy meeting
15 December	US/China	Additional tariffs to be imposed by the US on Chinese goods if a trade deal is not reached

- **GDP** - Gross Domestic Product
  - **na** - not available
  - **OECD** - Organisation for Economic Co-operation and Development
  - **BoE** - Bank of England
  - **y-o-y** - year-on-year
  - **q-o-q** - quarter-on-quarter
  - **IMF** - International Monetary Fund
  - **Emu** - European economic and monetary union
  - **ECB** - European Central Bank
  - **PMI** - Purchasing Managers Index
  - **m-o-m** - month-on-month
- Measures of GDP, Consumption, Business Investment and Industrial Production are expressed in real (i.e. inflation-adjusted) terms. These variables, and certain others as indicated, are expressed as percentage changes over the previous year.
- All individual country forecasters on pages 4-24 are listed in descending order of their 2019 real GDP estimates. Consensus forecasts are mean arithmetic averages of the listed individual estimates.

# CONSENSUS FORECASTS: WORLD ECONOMIC ACTIVITY

↑ Consensus Forecast **Increase** From Prior Month

↓ Consensus Forecast **Decrease** From Prior Month

October Survey	Real GDP			Consumer Prices			Current Account		
	% increase			% increase			Balance, US\$bn		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Belgium	1.4	1.1	1.1	2.1	1.5 ↓	1.4 ↓	-5.4	-3.4	-2.1
Canada	1.9	1.5	1.6 ↓	2.3	2.0	1.9 ↓	-45.2	-32.7	-28.9
France	1.7	1.3	1.2	1.9	1.2	1.3	-18.3	-18.2	-19.2
Germany	1.5	0.5	0.8 ↓	1.8	1.4	1.5	289.3	268.7	262.1
Italy	0.8	0.1 ↑	0.4	1.2	0.7 ↓	1.0 ↓	54.3	51.0	49.8
Japan	0.8	1.0	0.2	1.0	0.6	0.7 ↓	175.4	175.3	183.0
Netherlands	2.6	1.6 ↓	1.4	1.7	2.6 ↑	1.6	99.4	84.4	86.4
Norway	2.2	2.4 ↑	1.9 ↑	2.7	2.2 ↓	1.9 ↑	31.3	25.6	26.7
Spain	2.4	2.1 ↓	1.7 ↓	1.7	0.8 ↓	1.1 ↓	27.5	13.4	12.2
Sweden	2.3	1.4 ↓	1.3 ↓	2.0	1.8	1.7 ↓	9.6	20.8	20.2
Switzerland	2.8	0.8 ↓	1.2 ↓	0.9	0.5	0.6 ↓	74.1	74.6	73.3
United Kingdom	1.4	1.2	1.0 ↓	2.4	1.9 ↓	2.1	-123.5	-118.0	-104.6
United States	2.9	2.3	1.8	2.4	1.8	2.1	-491.0	-528.8	-556.1
<b>North America<sup>1</sup></b>	2.8	2.2	1.8	2.4	1.8	2.1	-536.2	-561.6	-585.0
<b>Western Europe<sup>2</sup></b>	1.8	1.1	1.1	1.8	1.4	1.4	497.4	442.0	455.5
<b>European Union<sup>2</sup></b>	1.9	1.3	1.2	1.8	1.5	1.6	382.1	328.3	337.9
<b>Euro zone<sup>2</sup></b>	1.9	1.1	0.9 ↓	1.8	1.2 ↓	1.2 ↓	395.6	370.7	358.9
<b>Asia Pacific<sup>3</sup></b>	4.7	4.2	4.1	2.0	2.0	2.1	347.9	448.9	388.5
<b>Eastern Europe<sup>4,7</sup></b>	3.3	2.0	2.5	6.1	6.0	5.3	67.4	56.9	34.6
<b>LatAm ex Venezuela<sup>5,7</sup></b>	1.4	0.8	1.7	9.5	10.0	8.4	-103.0	-85.1	-91.8
<b>Other Countries<sup>6</sup></b>	2.6	2.2	2.7	6.7	4.9	5.4	66.0	23.9	15.9
<b>Total<sup>7</sup></b>	3.2	2.5	2.5	2.9	2.7	2.7			

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Regional totals and the grand totals for GDP growth and inflation, are weighted averages calculated using **2015 GDP weights, converted at average 2015 exchange rates**. These weights and rates were last updated in September 2016. Due to annual updates in exchange rates and GDP weights in July-September of each year, there will be differences in the Regional and World Aggregates in those months. Therefore, some aggregates may not be comparable to the aggregates from previous months. Current account forecasts given in national currencies on pages 7-24 have been converted using consensus exchange rate forecasts for the purposes of comparison. <sup>1</sup>USA and Canada. <sup>2</sup>The Euro zone aggregate is taken from our panel's latest forecasts (pages 18-19). The Euro zone current account data and forecasts are based on extra-euro zone data, i.e., an aggregate of the Euro zone member states' transactions with nonresidents of the Euro zone. The European Union data includes the Euro zone countries listed on page 18 plus Denmark, Sweden and the United Kingdom, as well as the Czech Republic, Hungary, Poland, Romania, Bulgaria and Croatia (data taken from Eastern Europe Consensus Forecasts). Western Europe comprises the six Euro zone countries listed in the table above, plus Austria, Denmark, Finland, Greece, Ireland, Norway, Portugal, Sweden, Switzerland and the United Kingdom. <sup>3</sup>Survey results for Japan plus sixteen other countries taken from **Asia Pacific Consensus Forecasts**. <sup>4</sup>Twenty-seven countries, including twelve European Union countries taken from the latest issue of **Eastern Europe Consensus Forecasts**. <sup>5</sup>Seventeen countries taken from the latest issue of Latin American Consensus Forecasts (inflation figures are on a December/December basis). Venezuela is excluded beginning in April 2018. <sup>6</sup>Egypt, Israel, Nigeria, Saudi Arabia and South Africa. <sup>7</sup>The **Eastern Europe** and **Latin American** components of the **World Total** are taken from prior months surveys.

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