

Fig 12 ING global forecasts

	2017					2018F					2019F					2020F				
	FIRST QUA RTER	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
United States																				
GDP (% QoQ, ann)	1.2	3.1	3.2	2.9	2.3	2.0	4.0	3.3	2.3	2.9	1.5	2.2	2.0	1.9	2.2	1.7	1.8	1.8	1.7	1.8
CPI headline (% YoY)	2.6	1.9	2.0	2.1	2.1	2.3	2.7	2.9	2.6	2.6	2.3	2.4	2.4	2.3	2.3	2.3	2.2	2.1	1.9	2.1
Federal funds (% eop) ¹	0.75	1.00	1.00	1.25		1.50	1.75	2.00	2.25		2.50	2.50	2.75	2.75		3.00	3.25	3.25	3.00	
3-month interest rate (% eop)	1.15	1.30	1.33	1.56		2.30	2.35	2.62	2.84		3.04	2.99	3.27	3.30		3.55	3.72	3.54	3.46	
10-year interest rate (% eop)	2.40	2.30	2.30	2.40		3.00	3.00	3.00	3.20		3.30	3.20	3.20	3.20		3.20	3.10	3.00	2.90	
Fiscal balance (% of GDP)					-3.5					-4.0					-4.7					-5.0
Fiscal thrust (% of GDP)					0.0					1.4					0.8					0.4
Debt held by public (% of GDP)					76.1					77.3					79.8					83.0
Eurozone																				
GDP (% QoQ, ann)	2.7	3.0	2.9	2.8	2.4	1.5	1.5	1.7	1.6	2.0	1.7	1.6	1.6	1.7	1.7	1.7	1.6	1.2	0.9	1.6
CPI headline (% YoY)	1.5	1.3	1.5	1.4	1.4	1.3	1.7	2.0	1.6	1.7	1.4	1.6	1.6	1.7	1.6	1.7	1.7	1.7	1.7	1.7
Refi minimum bid rate (% eop)	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.25	0.25	0.25	0.50	0.50	0.50	0.50
3-month interest rate (% eop)	-0.33	-0.33	-0.33	-0.33		-0.33	-0.33	-0.33	-0.33		-0.25	-0.20	-0.10	0.10	0.10	0.15	0.30	0.40	0.50	0.50
10-year interest rate (% eop)	0.45	0.40	0.45	0.42		0.50	0.30	0.40	0.50		0.60	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.00	1.00
Fiscal balance (% of GDP)					-0.9					-0.9					-1.1					-1.0
Fiscal thrust (% of GDP)					0.2					0.2					0.3					0.1
Gross public debt/GDP (%)					89.2					87.7					86.1					85.1
Japan																				
GDP (% QoQ, ann)	1.9	2.3	1.6	1.3	1.7	-0.6	1.8	1.9	1.0	1.0	6.1	-7.8	1.2	1.4	0.7	1.1	1.1	1.1	1.1	0.6
CPI headline (% YoY)	0.2	0.4	0.6	0.6	0.5	1.3	0.7	1.0	0.6	0.9	0.6	2.2	2.2	2.3	1.8	2.3	1.0	1.0	1.0	1.0
Excess reserve rate (%)	-0.1	-0.1	-0.1	-0.1		-0.1	-0.1	-0.1	-0.1		-0.1	-0.1	-0.1	0.0		0.0	0.0	0.0	0.0	
3-month interest rate (% eop)	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.0	0.0	0.05	0.1		0.1	0.1	0.1	0.1	
10-year interest rate (% eop)	0.10	0.10	0.10	0.10		0.10	0.10	0.10	0.10		0.1	0.1	0.1	0.1		0.2	0.2	0.2	0.3	
Fiscal balance (% of GDP)					-4.8					-4.1					-3.6					-3.0
Gross public debt/GDP (%)					221.0					223.0					224.0					226.0
China																				
GDP (% YoY)	6.9	6.9	6.8	6.8	6.9	6.8	6.7	6.7	6.8	6.8	6.7	6.7	6.6	6.6	6.7	6.6	6.5	6.5	6.4	6.5
CPI headline (% YoY)	1.4	1.4	1.6	1.8	1.6	2.5	2.0	2.0	2.1	2.2	1.9	1.9	1.9	2.0	1.9	2.0	1.9	1.8	1.7	2.0
PBOC 7-day reverse repo rate (% eop)	2.45	2.45	2.45	2.50		2.55	2.55	2.55	2.55	2.55	2.55	2.60	2.65	2.70	2.70	2.70	2.70	2.70	2.75	2.75
10-year T-bond yield (% eop)	3.29	3.57	3.61	3.90		3.75	3.54	3.50	3.40	3.40	3.30	3.20	3.10	3.00	3.00	3.00	2.95	2.95	2.90	2.90
Fiscal balance (% of GDP)					-3.7					-3.5					-3.5					-3.5
Public debt, inc local govt (% GDP)					50.0					85.0					100					100
UK																				
GDP (% QoQ, ann)	1.3	1.0	1.9	1.6	1.5	0.9	1.9	1.5	1.8		1.5	1.4	2.3	1.7		2.1	1.7	1.7	1.7	
CPI headline (% YoY)	2.1	2.7	2.8	3.0	2.7	2.7	2.5	2.5	2.3	2.5	2.2	2.1	1.9	2.0	2.0	2.1	2.2	2.2	2.1	2.2
BoE official bank rate (% eop)	0.25	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.50	1.50	1.50
BoE Quantitative Easing (£bn)	445	445	445	445		445	445	445	445	445	445	445	445	445	445	445	445	445	445	445
3-month interest rate (% eop)	0.35	0.35	0.35	0.52		0.60	0.80	0.80	0.80	0.80	0.85	1.05	1.05	1.05	1.05	1.30	1.35	1.60	1.65	1.65
10-year interest rate (% eop)	1.15	1.10	1.35	1.20		1.45	1.48	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.0	2.1	2.2	2.2	2.2	2.2
Fiscal balance (% of GDP)					-2.5					-1.8					-1.7					-1.4
Fiscal thrust (% of GDP)					-0.5					-0.4					-0.4					-0.3
Gross public debt/GDP (%)					87.0					86.5					86.0					85.5
EUR/USD (eop)	1.08	1.12	1.20	1.20		1.25	1.17	1.17	1.23		1.25	1.30	1.33	1.35		1.36	1.37	1.38	1.40	
USD/JPY (eop)	112	115	110	113		107	110	110	110		108	105	102	100		98.0	95.0	93.0	90.0	
USD/CNY (eop)	6.89	6.78	6.65	6.51		6.28	6.67	6.80	7.00		7.00	6.80	6.60	6.50		6.5	6.4	6.4	6.3	
EUR/GBP (eop)	0.87	0.88	0.94	0.89		0.88	0.88	0.88	0.86		0.83	0.82	0.81	0.80		0.8	0.8	0.8	0.8	
Brent Crude (US\$/bbl, avg)	55	51	52	61	55	67	72	70	68	69	64	66	67	66	66	61.0	66.0	71.0	66.0	66.0

¹Lower level of 25bp range; 3-month interest rate forecast based on interbank rates

Source: ING forecasts