

**Survey Date
June 8, 2015**

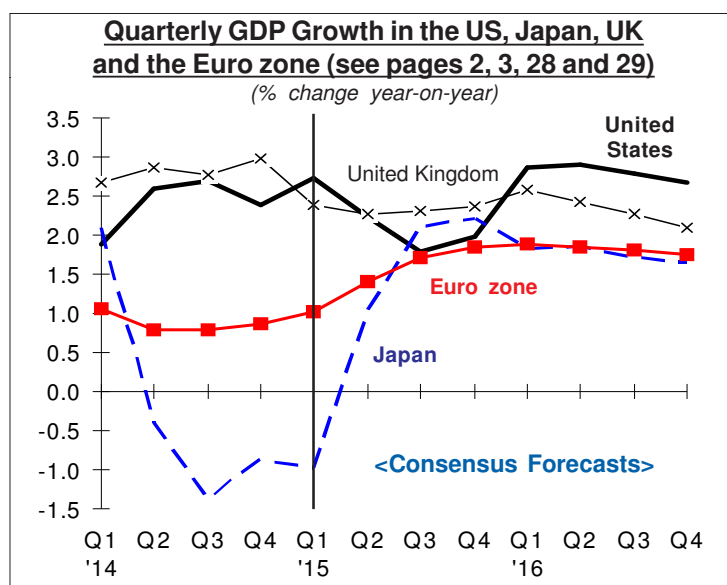
Every month, Consensus Economics surveys over 250 prominent financial and economic forecasters for their estimates of a range of variables including future growth, inflation, interest rates and exchange rates. More than 20 countries are covered and the reference data, together with analysis and polls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

Survey Highlights

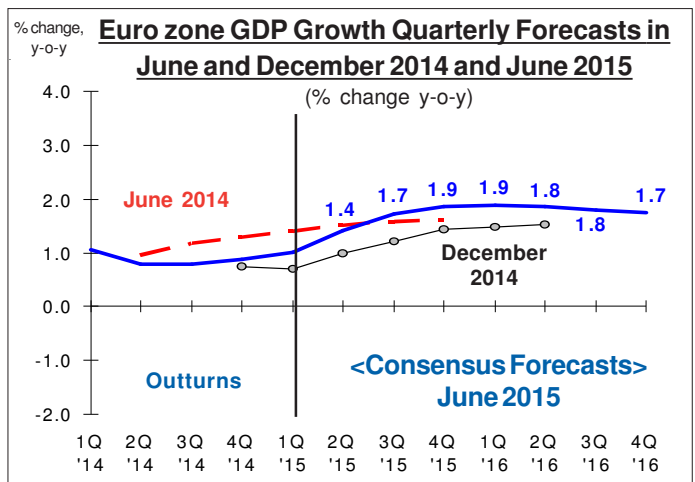
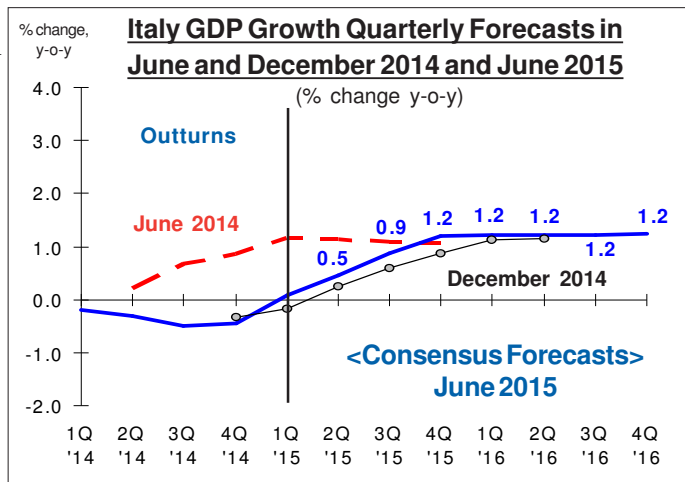
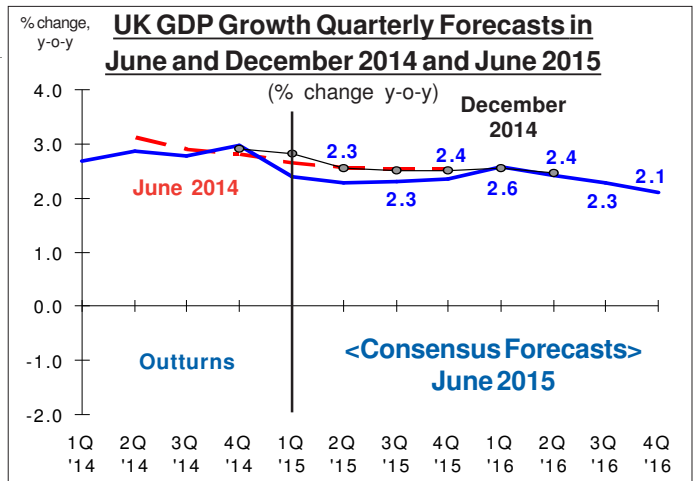
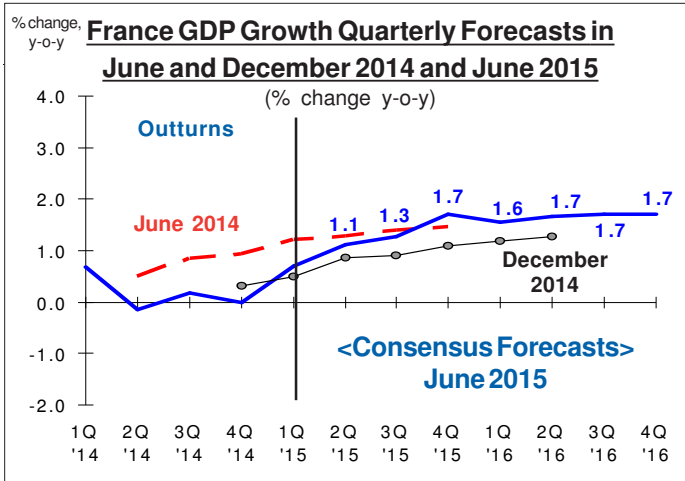
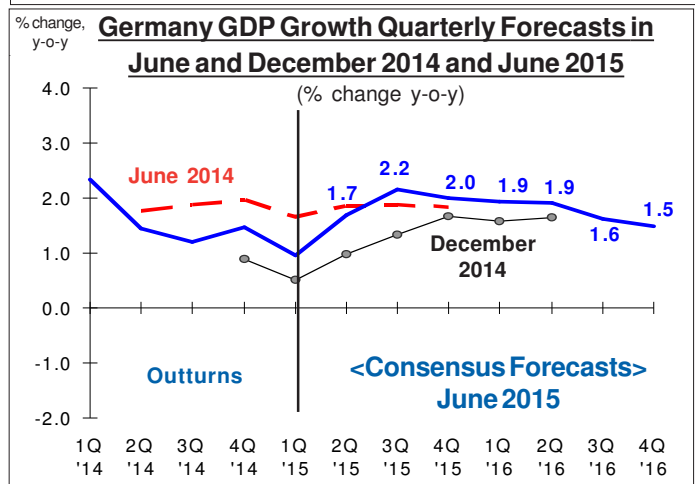
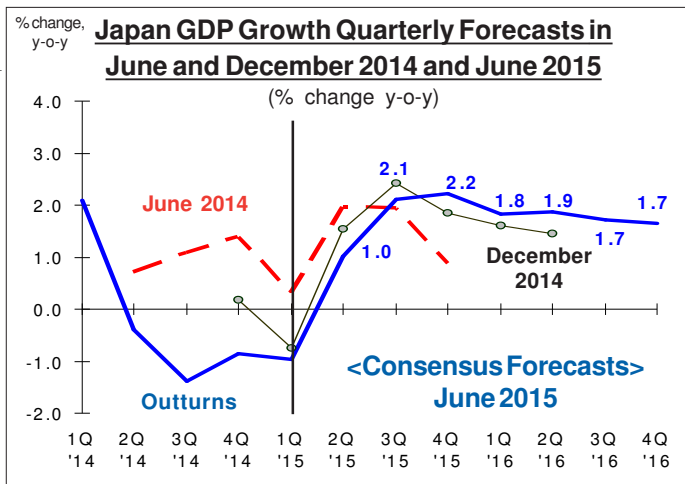
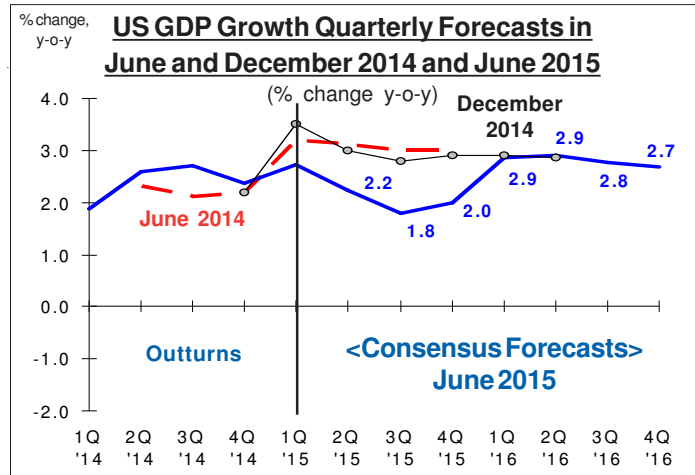
- ◆ The second estimate of **US** Q1 GDP growth showed a -0.7% (q-o-q annualized) decline. Harsh weather and a strong US dollar were partly to blame, weakening trade and manufacturing fundamentals. The 2015 GDP forecast has been cut again this month. A welcome pick-up in consumer spending led to a robust Q1 outturn in **France**, its biggest GDP expansion in almost two years. The **Swiss** economy contracted by -0.2 (q-o-q) in Q1 and may fall into recession as the buoyant franc undermines export competitiveness. Meanwhile, 2015 consumer price inflation has edged up slightly in many **Euro zone** economies.
- ◆ Our regular survey of **Quarterly Forecasts** (pages 3, 28 and 29) shows consensus forecasts for **GDP Growth, Consumption, Industrial Production, Inflation** and **3-month Interest Rates** until Q4 2016. Moreover, our **Significant Changes** section (page 2) contrasts the **latest quarterly GDP growth expectations** with those from June and December 2014.

Our next issue of **Consensus Forecasts** will be available at the end of the day on **July 16, 2015** and will include **Economic Policy Evaluation**.

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Changes in Quarterly Forecasts for GDP Growth among the G-6 and Euro zone contrasts June 2015 consensus projections in blue (pages 3, 28 and 29) with those from June and December 2014. The slowdown in the US economy is expected to continue through 2015 as the strength in the dollar hinders external competitiveness, which is contributing to softer manufacturing activity. German optimism has increased, supported by the robust labour market. Higher wages and low inflation are stimulating household consumption, which has become a key driver of growth. An uplift in French prospects follows the solid 0.6% (q-o-q) Q1 GDP outturn and a positive shift in expectations on the Euro area recovery, which has been boosted by the ECB's bond-buying program. The Japanese outlook has improved, while the UK chart illustrates a minor dip in sentiment.



In addition to their regular annual forecasts, country panellists were asked to provide individual quarterly estimates covering the period through to Q4 2016. Figures in normal type are official, published data with consensus forecasts – based on the averages of our panels' forecasts – shown in **bold italics**. Unless stated otherwise, all definitions correspond to those used on the individual country pages. As indicated, normal text numbers are percentage changes over the same quarter of the previous year; italics denote implied changes over the previous quarter (not annualised). Readers should note that the four quarterly consensus forecasts covering a year may not equate to the annual consensus forecast shown for the same variable on pages 4-24, since the groups of survey respondents may be different, or because of rounding.

United States												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr4
Gross Domestic Product*	1.9	2.6	2.7	2.4	2.7	2.2	1.8	2.0	2.9	2.9	2.8	2.7
% change, qtr/qtr	-0.5	1.1	1.2	0.5	-0.2	0.6	0.8	0.7	0.7	0.7	0.7	0.7
Personal Consumption*	2.2	2.4	2.7	2.9	3.0	3.0	3.0	2.7	2.9	3.0	2.8	2.7
% change, qtr/qtr	0.3	0.6	0.8	1.1	0.4	0.6	0.8	0.8	0.7	0.7	0.7	0.7
Industrial Production*	3.3	4.2	4.6	4.6	3.4	2.2	1.9	1.6	2.5	3.0	3.1	3.1
Consumer Prices*	1.4	2.1	1.8	1.2	-0.1	-0.2	0.0	0.7	2.0	2.0	2.1	2.2
3 month Treasury Bill Rate, %¹	0.1	0.0	0.0	0.0	0.0	0.1	0.2	0.5	0.7	1.0	1.3	1.7

¹ End period

The Q1 2015 national accounts painted a mixed picture of activity. While the **United States** recorded a q-o-q decline of -0.2%, **Japanese** GDP growth soared by 1.0%. **Germany** and the **United Kingdom** experienced relatively muted outturns while laggards **France** and **Italy** surprised on the upside. The divergence in growth cycles could reflect one positive aspect, which is that **G-7 and Western European economies** may be gradually moving out from the long shadow cast by the Great Recession. Longstanding problems remain, though. In **France** and **Italy**, joblessness is high and the challenges plaguing unreformed public sectors, not to mention labour and price markets, are still acute. In the **US**, another gruelling winter subtracted from GDP as it hit production and supply lines. Our panel predicts a shaky y-o-y trajectory in 2015 but 2016 should be stronger. Moreover,

with the job market having improved, the Fed is ready to start normalizing interest rate policy. In **Japan**, the second release of Q1 GDP saw a notable improvement on the preliminary report in q-o-q terms – even though its y-o-y rate remained in contractionary territory on the back of base year effects. This should fade from Q2 onwards although 2016 growth is expected to weaken again. In **Germany**, a Q1 moderation belies the resilience in consumer spending. The **UK** was hit by markedly weak trade fundamentals as well as softer services activity. Going forward, growth should pick up again, although the possibility of further fiscal consolidation could weigh on the outlook. One common denominator in many economies has been deflationary pressures. These are expected to linger over the next three quarters before recovering in 2016.

Tables continued on page 28 and 29

Japan												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr4
Gross Domestic Product*	2.1	-0.4	-1.4	-0.9	-1.0	1.0	2.1	2.2	1.8	1.9	1.7	1.7
% change, qtr/qtr	1.1	-1.7	-0.5	0.3	1.0	0.2	0.6	0.4	0.6	0.3	0.4	0.4
Private Consumption*	3.2	-2.9	-2.9	-2.4	-4.1	1.6	1.8	1.8	1.8	1.7	1.6	1.8
% change, qtr/qtr	2.1	-5.1	0.4	0.4	0.4	0.5	0.6	0.4	0.4	0.4	0.4	0.6
Industrial Production*	7.7	2.7	-0.3	-1.4	-2.2	1.2	3.4	3.3	2.3	3.1	3.0	3.3
Consumer Prices*	1.5	3.6	3.3	2.5	2.3	0.2	0.1	0.4	0.9	1.0	1.1	1.2
3 month Yen (TIBOR) rate, %¹	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

¹ End period

Germany												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr4
Gross Domestic Product*²	2.3	1.4	1.2	1.5	1.0	1.7	2.2	2.0	1.9	1.9	1.6	1.5
% change, qtr/qtr	0.8	-0.1	0.1	0.7	0.3	0.6	0.5	0.6	0.2	0.6	0.2	0.4
Private Consumption*²	1.4	0.6	0.7	2.2	2.0	2.4	2.1	1.8	1.5	1.4	1.3	1.1
% change, qtr/qtr	0.8	0.0	0.7	0.7	0.6	0.4	0.4	0.4	0.3	0.3	0.4	0.2
Industrial Production*	4.0	1.1	0.3	0.7	0.2	1.8	3.2	2.8	2.9	2.8	2.1	1.8
Consumer Prices*	1.1	0.9	0.8	0.5	0.1	0.5	0.5	1.1	1.8	1.6	1.7	1.7
3 month Euro Rate, %¹	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1

¹ End period ² Quarterly data (source: Bundesbank) are working-day adjusted. Annual figures on page 8 (source: FSO) are not adjusted.

	Average % Change on Previous Calendar Year												Annual Total							
	Gross Domestic Product		Personal Consumption		Business Investment		Pre - Tax Corporate Profits		Industrial Production		Consumer Prices		Producer Prices		Employment Costs		Auto & Light Truck Sales (inc. imports, mn units)		Housing Starts (mn units)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
PNC Financial Services	2.8	2.9	3.1	2.8	3.4	3.8	na	na	2.5	2.7	0.4	2.4	-2.7	2.1	na	na	16.9	17.2	1.01	1.08
Citigroup	2.5	2.9	3.1	3.2	3.2	5.7	na	na	3.1	4.0	0.1	2.0	na	na	na	na	na	na	na	na
Standard & Poor's	2.4	2.8	3.2	2.8	3.4	5.2	na	na	2.5	3.9	0.1	2.2	-3.6	1.9	na	na	16.8	17.0	1.13	1.37
Econ Intelligence Unit	2.4	2.5	2.7	2.2	4.2	7.3	na	na	2.4	3.1	0.2	2.2	na	na	na	na	na	na	na	na
Swiss Re	2.4	3.1	2.9	3.0	4.9	7.3	-1.4	5.4	2.7	3.0	0.0	2.0	-3.5	0.9	na	na	16.7	16.7	1.14	1.38
Univ of Michigan - RSQE	2.4	3.2	2.9	3.1	3.9	5.3	0.0	8.7	2.0	3.3	0.1	2.0	-3.1	2.5	na	na	16.8	17.1	1.11	1.34
Inforum - Univ of Maryland	2.3	2.8	2.8	2.7	4.0	5.1	2.5	4.8	2.7	3.0	0.1	2.3	-0.5	2.1	2.3	2.4	16.8	17.0	1.10	1.28
RDQ Economics	2.3	2.9	2.8	2.9	4.0	5.3	6.1	3.9	2.8	3.3	0.1	2.1	na	na	na	na	17.0	17.0	1.00	1.10
UBS	2.3	2.8	2.9	2.9	2.8	6.7	na	na	2.7	2.5	0.2	2.4	na	na	2.6	3.3	na	na	1.20	1.31
Northern Trust	2.3	2.8	3.0	2.8	3.3	4.0	na	na	na	na	0.1	2.1	na	na	na	na	16.8	17.1	1.03	1.30
Moody's Analytics	2.3	3.2	3.3	3.8	3.5	5.7	-6.3	2.7	2.0	1.7	0.4	2.6	-1.9	3.6	2.4	2.9	16.9	16.5	1.20	1.70
First Trust Advisors	2.2	3.0	2.7	2.3	4.6	7.3	na	na	1.7	2.3	0.5	2.8	na	na	na	na	17.5	17.5	1.09	1.33
General Motors	2.2	2.8	3.2	2.8	2.4	3.8	-0.6	3.3	1.6	2.2	0.3	2.3	-3.5	1.7	na	na	na	na	1.09	1.30
HSBC	2.2	2.6	2.8	2.7	3.6	5.5	na	na	1.6	2.1	0.3	2.0	na	na	2.5	2.5	16.8	16.5	1.06	1.13
Credit Suisse	2.2	2.9	2.8	3.0	2.8	3.8	1.7	4.1	2.2	3.7	0.2	1.8	na	na	na	na	na	na	1.05	1.15
Bank of America - Merrill	2.2	3.0	3.0	3.1	2.9	4.5	4.5	4.5	1.6	2.6	0.4	2.1	na	na	2.8	3.2	17.1	18.1	1.10	1.30
Goldman Sachs	2.2	2.6	3.1	3.2	2.6	4.5	na	na	2.9	3.5	0.1	2.1	na	na	na	na	16.4	16.9	1.10	1.32
Nat Assn of Home Builders	2.2	3.0	2.8	2.6	3.4	4.9	na	na	1.9	3.8	0.1	2.0	-0.6	2.2	2.6	2.5	16.5	16.3	1.07	1.30
American Int'l Group	2.1	2.6	3.1	3.2	2.5	3.6	-0.5	1.7	3.0	2.0	-0.3	2.0	-3.5	1.9	na	na	16.7	16.9	1.00	1.11
Barclays	2.1	2.5	2.9	2.8	3.5	5.2	na	na	2.4	2.5	0.2	2.0	na	na	na	na	na	na	1.06	1.19
Eaton Corporation	2.1	2.6	2.9	2.7	3.6	3.6	5.0	5.4	2.7	3.0	0.5	1.7	-3.5	1.7	na	na	16.7	17.1	1.14	1.20
Fannie Mae	2.1	2.7	3.0	2.9	2.6	4.5	-0.3	1.4	2.2	2.8	0.2	2.0	na	na	na	na	16.9	17.5	1.11	1.32
Wells Capital Mgmt	2.1	2.8	2.9	2.9	4.1	6.1	-2.5	3.8	2.7	3.4	0.1	2.0	-3.2	2.6	2.6	2.9	16.8	16.9	1.02	1.04
Oxford Economics	2.1	2.8	2.8	2.8	3.4	4.7	-2.4	1.8	2.0	3.3	0.3	2.3	-3.4	2.1	2.4	3.0	16.8	17.0	1.13	1.37
IHS Economics	2.1	3.1	2.8	2.9	3.4	6.6	-0.7	10.3	1.7	3.8	0.0	1.8	-4.1	1.7	2.6	2.7	17.0	17.3	1.10	1.32
The Conference Board	2.1	2.3	2.9	2.4	3.1	3.9	-3.1	-0.4	2.2	2.5	0.0	1.9	-0.2	2.0	na	na	16.7	16.4	1.10	1.32
Georgia State University	2.0	2.8	2.9	3.0	3.2	5.8	4.3	6.5	2.5	3.4	-0.3	2.2	-4.2	2.0	2.5	2.7	16.8	16.9	1.11	1.19
JP Morgan	2.0	2.5	2.7	2.6	3.1	4.7	-1.1	5.2	2.3	2.5	0.4	2.1	-0.3	2.0	2.6	3.0	16.8	16.8	1.09	1.20
Wells Fargo	1.9	2.9	2.8	2.8	3.4	6.1	3.9	5.3	2.2	3.2	0.2	2.2	-0.7	2.2	2.5	2.7	17.0	17.1	1.13	1.22
Consensus (Mean)	2.2	2.8	2.9	2.9	3.4	5.2	0.5	4.4	2.3	3.0	0.2	2.1	-2.5	2.1	2.5	2.8	16.8	17.0	1.09	1.27
Last Month's Mean	2.5	2.8	3.1	3.0	3.3	5.0	1.9	4.1	2.4	3.0	0.2	2.2	-2.3	2.2	2.6	2.8	16.8	17.0	1.09	1.27
3 Months Ago	3.1	2.9	3.3	2.9	5.2	5.3	5.6	4.4	3.7	3.1	0.3	2.1	-0.9	2.1	2.5	2.9	16.8	17.0	1.16	1.31
High	2.8	3.2	3.3	3.8	4.9	7.3	6.1	10.3	3.1	4.0	0.5	2.8	-0.2	3.6	2.8	3.3	17.5	18.1	1.20	1.70
Low	1.9	2.3	2.7	2.2	2.4	3.6	-6.3	-0.4	1.6	1.7	-0.3	1.7	-4.2	0.9	2.3	2.4	16.4	16.3	1.00	1.04
Standard Deviation	0.2	0.2	0.2	0.3	0.6	1.1	3.3	2.6	0.4	0.6	0.2	0.2	1.4	0.5	0.1	0.3	0.2	0.4	0.05	0.13
Comparison Forecasts																				
CBO (Jan. '15)	2.8	3.0									1.1	2.2			2.7	3.0				
OMB (Feb. '15)	3.1	3.0									1.4	1.9								
IMF (Apr. '15)	3.1	3.1	3.5	3.2							0.1	1.5								
OECD (Jun. '15)	2.0	2.8	3.0	3.0							0.0	1.8								

Government and Background Data

President - Mr. Barack Obama (Democrat). **Congress** - Republicans have a majority with 244 seats in the House of Representatives (lower house) and in the Senate (upper house) with 53 seats. **Next Elections** - November 8, 2016 (Presidential and Congressional). **Nominal GDP** - US\$16,768bn (2013). **Population** - 320.1mn (mid-year, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	2.7	2.4	2.7	2.2	1.8	2.0	2.9	2.9	2.8	2.7
Personal Consumption	2.7	2.9	3.0	3.0	3.0	2.7	2.9	3.0	2.8	2.7
Consumer Prices	1.8	1.2	-0.1	-0.2	0.0	0.7	2.0	2.0	2.1	2.2

Percentage Change (year-on-year).

Historical Data

<i>*% change on previous year</i>	2011	2012	2013	2014
Gross Domestic Product*	1.6	2.3	2.2	2.4
Personal Consumption*	2.3	1.8	2.4	2.5
Business Investment*	7.7	7.2	3.0	6.3
Pre - Tax Corporate Profits*	4.0	11.4	4.2	-0.8
Industrial Production*	3.3	3.8	2.9	4.2
Consumer Prices*	3.1	2.1	1.5	1.6
Producer Prices*	6.0	1.9	1.2	1.9
Employment Costs*	2.0	1.9	1.9	2.1
Auto & Light Truck Sales (inc. imports), mn	12.7	14.4	15.5	16.4
Housing Starts, mn	0.61	0.78	0.93	1.00
Unemployment Rate, %	8.9	8.1	7.4	6.2
Current Account, US\$ bn	-459	-461	-400	-411
Federal Budget Balance, fiscal years, US\$ bn	-1300	-1087	-680	-485
3 mth Treasury Bill, % (end yr)	0.0	0.1	0.1	0.0
10 Year Trsy Bond, % (end yr)	1.9	1.8	3.0	2.2

Year Average	Annual Total	Fiscal Years (Oct-Sep)		Rates on Survey Date			
				0.0%		2.4%	
Unemployment Rate (%)	Current Account (US\$ bn)	Federal Budget Balance (US\$ bn)		3 month Treasury Bill Rate (%)		10 Year Treasury Bond Yield (%)	
2015 2016	2015 2016	FY 14-15	FY 15-16	End Sep'15	End Jun'16	End Sep'15	End Jun'16
5.4	4.9	na	na	0.3	1.0	2.3	2.5
5.3	5.1	-392	-391	0.3	0.8	2.3	2.6
5.3	5.0	-424	-388	-419	-420	0.3	1.0
5.3	5.1	-461	-548	-472	-436	na	na
5.3	4.7	-418	-428	-509	-510	0.2	1.4
5.3	4.8	na	na	na	na	0.3	1.0
5.4	5.1	na	na	na	na	0.4	1.4
5.3	4.5	na	na	-400	na	0.4	1.5
5.3	4.8	-366	-416	-475	-500	0.5	1.4
5.4	5.3	na	na	na	na	0.2	0.9
5.4	5.1	-424	-568	-633	-660	0.4	1.2
5.4	4.7	-480	-497	-440	-380	0.3	1.0
5.4	4.9	-477	-558	-500	-350	0.2	0.9
5.4	5.0	-443	-496	-432	-425	0.0	0.5
5.3	4.7	na	na	na	na	na	na
5.4	5.0	-485	-507	-475	-525	0.2	na
5.4	5.0	-474	-650	-450	-575	0.1	0.9
5.5	5.3	-564	-575	-484	-454	0.4	1.1
5.4	5.1	na	na	-470	-450	0.3	1.3
5.3	4.6	-497	-531	-425	-375	na	na
5.4	5.2	na	na	na	na	0.0	1.0
5.4	5.0	-481	-510	-499	-374	0.2	0.8
5.3	5.0	-475	-525	-480	-465	0.2	0.9
5.3	5.0	-463	-425	-411	-435	0.0	0.6
5.4	5.1	-454	-414	-516	-443	0.4	1.1
5.3	4.7	na	na	na	na	0.1	0.5
5.5	5.2	-346	-372	-516	-404	0.1	1.2
5.3	4.7	-531	-615	-465	-450	na	na
5.4	5.0	-463	-530	-510	-575	0.1	1.2
5.4	5.0	-456	-497	-477	-468	0.2	1.0
5.4	5.0	-436	-483	-477	-470		
5.4	5.0	-364	-412	-449	-440		
5.5	5.3	-346	-372	-400	-350	0.5	1.5
5.3	4.5	-564	-650	-633	-660	0.0	0.5
0.1	0.2	51	80	50	83	0.1	0.3
5.5	5.4			-486	-455		
5.4	5.1			-583	-474		
5.5	5.1	-410	-455				
5.5	5.2						

Rocky Q1 Damages 2015 Growth Trajectory

The consensus forecast for GDP in 2015 has taken another tumble, from 2.5% last month to 2.2%. Instead of rising by a previously-announced +0.2% (q-o-q annualized) in Q1, GDP is now thought to have declined by 0.7%. This follows a 2.2% advance in Q4 2014 and 5.0% surge in Q3. The economy has now seen three quarterly contractions since the recession ended in mid-2009, and Q1 in particular has tended to be a poorly performing quarter. One-off culprits like harsh winter weather – which impacts on production, supply line distribution, transport and job hiring – are often the cause and such was the case with this release. The situation was compounded by the West Coast ports dispute (now over) which hit incoming imports from Asia. Exporters were adversely hit by the strong US dollar and generally soft external demand. The energy sector has also seen cutbacks as a result of low oil prices. While transitory factors governed much of the Q1 downturn, generally softer economic fundamentals are also impacting on activity. After advancing by an upbeat 1.1% (in q-o-q terms) in the final three months of last year, industrial production fell by 0.2% in Q1 2015, although this was also due to the hit to construction sector from bad weather. Furthermore, industrial output continued to decline in April, by 0.3% (m-o-m). New factory orders during that same month also declined (by -0.4% m-o-m) on the back of low demand for transport materials. This has led to another downgrade in the production outlook.

For the Federal Reserve, the shaky start to 2015 continues to spur debate over the timing of an interest rate rise. Some feel that the recovery is still too weak to support such a move until at least the September meeting.

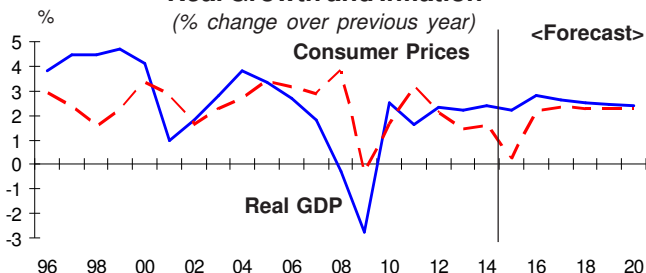
US Fed Funds Rate – Jun. 8, 2015 = between 0%-0.25%

FORECASTS	End Jun. 2015	End Sep. 2015	End Dec. 2015	End Mar. 2016
Consensus Mean Average:	0.142%	0.308%	0.549%	0.828%
Mode (most frequent forecast):	0.125%	0.375%	0.625%	0.875%

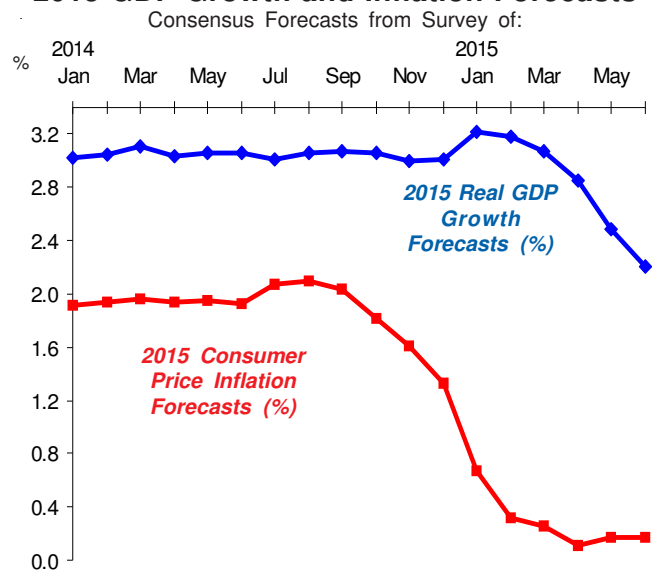
Direction of Trade – 2014

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Canada	19.2	China	19.9
Mexico	14.8	Canada	14.8
China	7.6	Mexico	12.5
Latin America	26.1	Asia (ex. Japan)	27.3
EU	17.1	Latin America	19.0
Asia (ex. Japan)	12.1	EU	17.8

Real Growth and Inflation



2015 GDP Growth and Inflation Forecasts



	Average % Change on Previous Calendar Year												Annual Total					
	Gross Domestic Product		Private Consumption		Business Investment		Industrial Production		Consumer Prices		Domestic Corporate Goods Prices		Total Cash Earnings (nominal)		New Car Registrations (mn)		Housing Starts (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		卸売物価		現金給与総額(名目)		新車登録台数(百万台)		新設住宅着工(百万戸)	
Economic Forecasters	2015 2016		2015 2016		2015 2016		2015 2016		2015 2016		2015 2016		2015 2016		2015 2016		2015 2016	
Nippon Steel & Sumikin Rsrch	1.7	2.8	0.8	2.5	3.0	5.3	0.8	2.3	0.7	0.6	-1.4	0.4	0.9	2.8	2.8	3.0	0.90	0.94
Mizuho Securities	1.4	1.9	0.5	2.3	3.7	5.5	2.2	5.6	0.7	1.5	-1.1	2.0	1.7	3.2	na	na	0.88	0.92
Econ Intelligence Unit	1.3	2.0	0.7	1.1	na	na	1.9	2.9	1.0	1.6	-0.9	1.9	na	na	na	na	na	na
Daiwa Institute of Research	1.3	1.8	0.2	1.3	3.1	5.0	0.2	3.4	na	na	-1.5	1.0	na	na	na	na	na	na
Mitsubishi Research Institute	1.3	1.4	0.2	1.4	2.7	3.0	1.6	2.6	0.7	1.6	-1.0	1.9	na	na	na	na	0.89	0.92
ITOCHU Institute	1.2	1.7	0.3	1.5	2.9	1.7	2.5	2.7	0.6	1.0	0.1	1.2	1.0	1.4	2.5	2.7	0.87	0.87
Toyota Motor Corporation	1.2	1.9	0.9	2.2	1.9	3.6	na	na	0.9	1.0	na	na	na	na	na	na	na	na
Bank of Tokyo-Mitsubishi UFJ	1.1	na	0.5	na	1.4	na	2.8	na	0.8	na	-0.6	na	na	na	na	na	na	na
Merrill Lynch - Japan	1.1	1.8	0.3	2.3	3.2	2.8	2.0	3.7	0.8	1.4	na	na	na	na	na	na	na	na
Mizuho Research Institute	1.1	2.0	0.1	1.4	2.9	3.0	1.5	3.2	0.5	1.0	-1.0	1.1	0.9	1.3	na	na	0.90	0.96
Nomura Securities	1.1	1.8	0.0	1.7	2.9	4.5	0.7	1.9	0.8	1.2	-3.1	-1.2	0.7	1.5	na	na	na	na
IHS Economics	1.0	1.5	0.2	1.5	2.5	3.2	1.3	4.3	1.0	1.4	-1.0	1.8	na	na	na	na	0.91	0.97
Dai-ichi Life Research	0.9	1.8	-0.1	1.7	2.9	4.1	0.8	3.7	0.5	0.8	na	na	na	na	na	na	na	na
Goldman Sachs	0.9	1.2	-0.1	1.0	2.5	2.1	0.4	2.3	0.7	0.8	-0.3	2.5	na	na	na	na	na	na
NLI Research Institute	0.9	1.8	0.3	2.1	0.5	4.1	1.8	3.5	0.6	1.1	-1.4	1.3	1.2	2.0	na	na	0.90	0.92
UBS	0.9	1.8	0.4	1.7	2.4	4.9	1.1	2.2	0.8	0.9	na	na	na	na	na	na	na	na
Oxford Economics	0.8	1.8	0.4	2.1	-0.4	1.5	1.2	2.3	0.3	0.6	-1.7	1.4	0.4	-0.6	na	na	0.94	0.97
HSBC	0.8	1.1	0.0	1.6	1.6	1.6	2.3	3.9	0.7	1.0	-1.3	1.2	0.8	1.6	na	na	na	na
Deutsche Securities	0.8	1.8	0.1	1.5	0.3	3.2	1.6	3.2	0.8	0.9	-1.2	1.3	0.8	1.9	na	na	na	na
Barclays	0.7	1.7	0.0	1.2	2.6	4.4	na	na	0.3	0.3	na	na	na	na	na	na	na	na
Citigroup Japan	0.7	2.0	0.3	1.8	0.9	4.8	1.9	3.0	0.7	0.9	na	na	na	na	na	na	na	na
Morgan Stanley	0.7	2.0	0.1	1.7	0.6	4.8	na	na	1.0	1.4	na	na	na	na	na	na	na	na
Japan Ctr for Econ Research	0.7	1.5	0.2	1.7	0.2	3.4	1.3	2.2	0.6	1.0	-1.8	1.1	0.8	0.5	na	na	0.92	0.95
Mitsubishi UFJ Research	0.6	1.4	0.0	1.6	0.0	2.7	0.5	2.1	0.6	0.5	-0.3	0.4	0.6	0.5	na	na	0.90	0.97
Credit Suisse	0.5	1.0	0.1	1.2	0.6	0.9	1.8	2.1	0.5	0.6	na	na	na	na	na	na	na	na
Consensus (Mean)	1.0	1.7	0.3	1.7	1.9	3.5	1.5	3.0	0.7	1.0	-1.1	1.2	0.9	1.5	2.7	2.9	0.90	0.94
Last Month's Mean	0.9	1.7	0.2	1.6	1.3	3.4	2.1	3.1	0.6	1.0	-1.4	1.1	1.1	1.5	2.5	2.7	0.89	0.93
3 Months Ago	1.1	1.7	0.3	1.5	1.8	3.5	2.4	3.0	0.7	1.1	-1.1	1.2	1.1	1.3	2.6	2.7	0.90	0.93
High	1.7	2.8	0.9	2.5	3.7	5.5	2.8	5.6	1.0	1.6	0.1	2.5	1.7	3.2	2.8	3.0	0.94	0.97
Low	0.5	1.0	-0.1	1.0	-0.4	0.9	0.2	1.9	0.3	0.3	-3.1	-1.2	0.4	-0.6	2.5	2.7	0.87	0.87
Standard Deviation	0.3	0.4	0.3	0.4	1.2	1.3	0.7	0.9	0.2	0.4	0.7	0.8	0.4	1.1	0.2	0.2	0.02	0.03
Comparison Forecasts																		
IMF (Apr. '15)	1.0	1.2	0.6	2.0					1.0	0.9								
OECD (Jun. '15)	0.7	1.4	0.3	2.0					0.7	1.1								

Government and Background Data

Prime Minister - Mr. Shinzo Abe of the Liberal Democratic Party of Japan (LDP) was elected as Prime Minister in December 2014. **Parliament** - President Abe's LDP won 291 of the 475 seats of the Lower House of Parliament and has formed a coalition with the minority party, Komeito Party. **Next Elections** House of Councillors (December 2016). **Nominal GDP** - ¥478.1tn (2013). **Population** - 127.1mn (mid-year, 2013). **Yen/\$ Exchange Rate** - 97.51 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	-1.4	-0.9	-1.0	1.0	2.1	2.2	1.8	1.9	1.7	1.7
Private Consumption	-2.9	-2.4	-4.1	1.6	1.8	1.8	1.8	1.7	1.6	1.8
Consumer Prices	3.3	2.5	2.3	0.2	0.1	0.4	0.9	1.0	1.1	1.2

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	-0.4	1.7	1.6	-0.1
Private Consumption*	0.3	2.3	2.1	-1.3
Business Investment*	4.1	3.6	0.6	3.6
Industrial Production*	-2.6	0.2	-0.6	2.1
Consumer Prices*	-0.3	0.0	0.4	2.7
Domestic Corporate Goods Prices*	1.5	-0.9	1.3	3.2
Total Cash Earnings (nominal)*	-0.2	-0.9	-0.4	0.4
New Car Registrations, mn	2.4	3.0	2.9	2.9
Housing Starts, mn	0.83	0.88	0.98	0.89
Unemployment Rate, %	4.6	4.4	4.0	3.6
Current Account, ¥tn	10.2	5.0	3.8	2.6
General Govt Budget Balance, SNA basis, fisc. years, ¥tn	-41.9	-41.0	-36.7	-31.3 e
3 mth TIBOR, % (end yr)	0.3	0.3	0.2	0.2
10 Yr Govt Bond, % (end yr)	1.0	0.8	0.7	0.3

e = consensus estimate based on latest survey

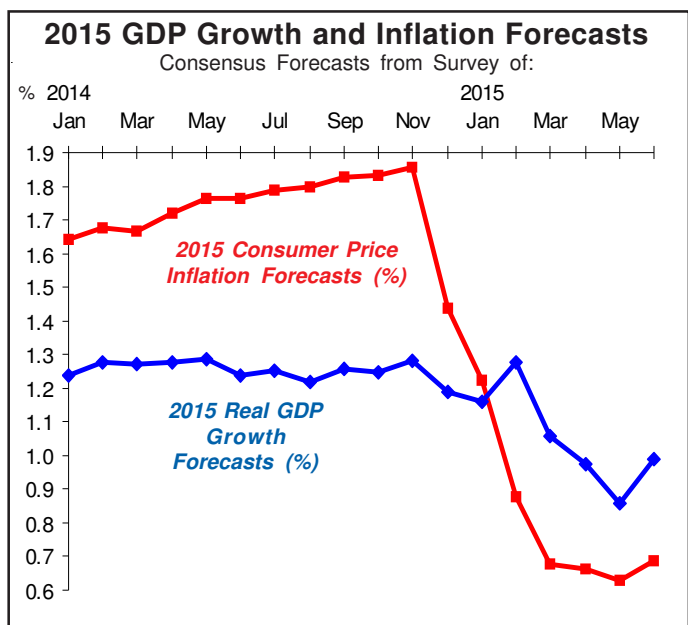
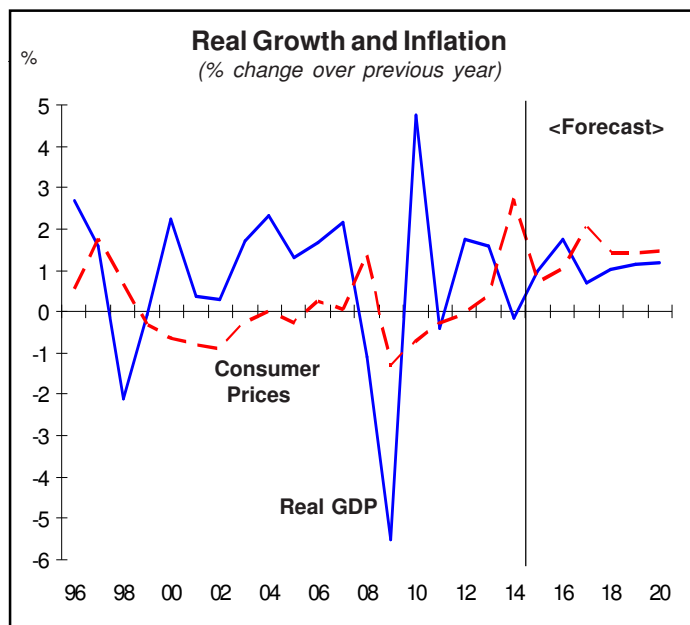
Year Average	Annual Total		Fiscal Years (Apr-Mar)		Rates on Survey Date				
					0.2%		0.4%		
Unemployment Rate (%)	Current Account (¥tn)	General Government Budget Balance (¥tn)		3 month Yen TIBOR Rate (%)		10 Year Govt Bond Yield (%)			
失業率	経常収支	一般政府 財政収支 (SNA ベース、兆円)		3ヵ月物 円建 譲渡性預金		10年物 国債利回り			
2015 2016	2015 2016	FY 15-16	FY 16-17	End Sep'15	End Jun'16	End Sep'15	End Jun'16		
3.3	2.9	19.4	25.3	na	na	0.2	0.2	0.4	0.7
3.4	3.3	14.5	14.5	na	na	0.2	0.2	0.5	0.9
3.5	3.3	na	na	na	na	na	na	na	na
3.4	3.2	16.3	18.1	na	na	0.2	0.2	0.4	0.6
3.4	3.3	15.8	15.8	na	na	na	na	0.5	0.6
3.4	3.2	11.7	12.1	-27.3	-26.2	0.2	0.2	0.4	0.6
3.4	3.3	na	na	na	na	na	na	na	na
na	na	15.1	na	na	na	0.2	na	0.6	na
3.5	3.3	13.1	12.3	na	na	na	na	0.3	0.3
3.4	3.3	15.0	14.1	na	na	0.2	0.2	0.5	0.6
3.4	3.3	19.6	20.3	na	na	na	na	0.6	0.9
3.4	3.4	na	na	na	na	0.2	0.3	0.6	0.8
3.3	3.2	18.0	17.0	na	na	0.2	0.2	0.5	0.7
3.4	3.4	13.5	15.4	na	na	na	na	na	na
3.4	3.3	15.2	12.5	-36.4	-35.3	0.2	0.2	0.5	0.6
3.3	3.2	7.7	10.1	na	na	na	na	na	na
3.5	3.6	8.7	5.2	-33.7	-30.1	0.1	0.1	0.3	0.2
3.4	3.2	17.0	8.1	-26.3	-23.7	0.1	0.1	0.3	0.4
3.4	3.3	14.0	13.2	-25.8	-21.9	0.2	0.2	0.6	0.7
3.4	3.3	na	na	na	na	na	na	na	na
3.4	3.2	12.6	15.1	-33.0	-31.8	0.1	0.1	0.4	0.5
na	na	na	na	na	na	na	na	na	na
3.5	3.4	12.9	9.9	-23.8	-21.3	na	na	0.4	0.4
3.5	3.4	13.9	13.9	-28.6	-26.2	0.2	0.2	0.5	0.6
3.4	3.0	13.0	10.0	na	na	na	na	na	na
3.4	3.3	14.4	13.8	-29.4	-27.1	0.2	0.2	0.5	0.6
3.4	3.3	13.5	13.3	-29.2	-26.5				
3.4	3.3	14.3	14.2	-29.3	-26.7				
3.5	3.6	19.6	25.3	-23.8	-21.3	0.2	0.3	0.6	0.9
3.3	2.9	7.7	5.2	-36.4	-35.3	0.1	0.1	0.3	0.2
0.1	0.1	3.0	4.5	4.5	5.0	0.0	0.1	0.1	0.2
3.7	3.7								
3.5	3.3								

Positive Growth Surprise in Q1

Q1 activity surprised many forecasters, beating expectations to grow by 1.0% (q-o-q) as a result of a 2.7% (q-o-q) increase in capital expenditure. However, GDP still fell by -1.0% (y-o-y) in annual terms due to base year effects as spending ahead of the April 2014 sales tax hike boosted Q1 GDP last year. Private consumption contracted by a massive -4.1% (y-o-y) in Q1 2015, despite climbing by 0.4% in q-o-q terms. In addition to the encouraging q-o-q GDP data, the PMI netted a reading of 50.9 for May, meaning that the manufacturing sector has returned to expansion following a slump in April. Unemployment also slid to 3.3% in April, its lowest level since 1997, as the employment rate rose to 57.3% from 57.1% in March. Going forward, slowdowns in the Chinese and US economies will negatively impact on Japanese export demand. Trade figures showed 8.0% (y-o-y) export growth in April, but this represented a slight dip from the 8.5% (y-o-y) increase posted for March, and observers predict that the downturn could affect corporate activity and have a damaging effect on wage growth. Real wage growth occurred in Japan for the first time in two years in April, and our panel is currently expecting total cash earnings to rise by around 0.9% and 1.5% in 2015 and 2016, respectively.

Inflation came in flat in April as falling energy prices pushed the core CPI further away from the Bank of Japan's (BoJ) 2% goal. The outturn puts increased pressure on BoJ Governor Haruhiko Kuroda. Commenting on the situation at the end of last month, Mr. Kuroda re-emphasised his view that inflation will accelerate during the second half of the current fiscal year, and affirmed that he expects it to reach 2% at some point during the first half of FY 16/17.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	18.9	China	22.3
China	18.3	United States	9.0
South Korea	7.5	Australia	5.9
Asia (inc. the above)	32.3	Asia (inc. the above)	37.0
EU	10.4	Middle East	18.3
Latin America	4.6	EU	9.5



	Average % Change on Previous Calendar Year													
	Gross Domestic Product		Private Consumption		Machinery & Equipment Investment		Industrial Production		Consumer Prices		Producer Prices		Negotiated Wages and Salaries	
	Bruttoinlandsprodukt		Privater Verbrauch		Ausrüstungsinvestitionen		Produktion im Produzierenden Gewerbe		Preisindex für die Lebenshaltung		Index für Erzeugerpreise		Tariflohn- und -gehaltsniveau	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Kiel Economics	2.5	3.8	2.2	3.2	3.2	4.8	na	na	0.7	1.1	na	na	2.9	na
IW - Cologne Institute	2.2	1.5	2.2	1.5	4.0	3.5	2.0	2.0	0.5	1.5	0.0	1.0	2.5	2.5
IFO - Munich Institute	2.1	1.8	2.5	1.6	3.2	4.8	na	na	0.5	1.3	na	na	na	na
RWI Essen	2.1	1.9	2.6	1.7	3.6	5.6	na	na	0.4	1.5	na	na	3.2	2.8
UBS	2.1	2.4	2.1	1.9	2.9	5.1	2.6	3.8	0.6	1.5	0.2	1.8	na	na
Morgan Stanley	2.1	2.5	2.8	2.0	3.2	7.0	na	na	0.6	2.1	na	na	na	na
Bank of America - Merrill	2.0	2.1	2.7	2.3	na	na	1.7	1.9	0.5	1.5	na	na	na	na
Allianz	2.0	1.6	2.3	1.4	3.5	3.4	2.0	2.0	0.5	1.5	-0.8	1.9	2.8	2.8
Bank Julius Baer	2.0	2.2	2.2	1.9	1.5	2.8	1.8	2.8	0.5	1.8	-1.6	0.8	3.0	3.0
BayernLB	2.0	1.9	2.2	1.3	3.9	4.7	2.3	2.8	0.8	1.9	-0.8	2.2	3.2	2.8
IHS Economics	2.0	2.3	2.5	2.3	5.1	8.2	2.8	3.1	0.7	1.9	-0.6	1.6	3.4	3.2
WGZ Bank	2.0	1.9	2.3	2.0	3.2	4.0	1.5	2.5	0.6	1.4	-1.0	1.0	2.8	3.0
DZ Bank	2.0	1.6	2.2	1.4	3.0	3.7	2.1	3.1	0.4	1.6	-0.7	2.3	na	na
Oxford Economics	2.0	2.2	2.3	1.7	2.1	3.9	1.8	2.1	0.6	1.9	-1.6	1.9	3.2	3.7
Citigroup	1.9	2.4	2.7	2.5	2.6	3.0	2.0	3.3	0.7	2.0	na	na	na	na
Berliner Sparkasse	1.9	1.9	2.2	1.3	3.0	3.5	1.7	1.9	0.4	1.8	-1.1	1.7	3.0	2.8
DekaBank	1.9	1.9	2.4	1.1	3.9	6.4	2.0	4.2	0.6	1.8	-0.7	2.1	2.7	3.0
HWWI	1.9	1.7	2.1	1.6	4.8	4.7	2.0	2.6	0.5	1.6	-0.9	1.8	3.0	2.9
UniCredit	1.9	2.1	2.2	1.7	3.4	3.4	2.0	2.0	0.6	2.0	na	na	3.2	2.5
IfW - Kiel Institute	1.8	2.0	2.7	2.2	4.3	9.5	na	na	0.1	1.5	na	na	3.3	2.9
Econ Intelligence Unit	1.8	1.8	1.5	1.0	na	na	1.8	1.8	0.4	1.4	-1.1	1.1	na	na
Commerzbank	1.8	1.8	2.3	1.7	3.9	4.9	2.0	2.5	0.5	2.4	-1.0	1.7	4.0	3.7
Helaba Frankfurt	1.8	1.7	2.0	1.5	3.0	4.0	1.7	1.7	0.5	1.6	-0.5	1.5	3.0	3.0
HSBC Trinkaus	1.8	1.8	1.8	1.3	1.6	4.3	2.9	4.1	0.4	1.5	0.4	1.5	2.8	2.8
Sal Oppenheim	1.8	1.6	2.2	1.7	1.8	3.7	na	na	0.4	1.6	na	na	na	na
IWH Halle Institute	1.8	1.7	2.2	1.6	3.5	4.2	2.3	2.2	0.4	1.0	na	na	2.4	2.6
Feri EuroRating	1.7	1.8	2.0	1.2	2.7	3.5	1.8	2.1	0.6	1.6	-0.6	2.2	3.1	2.9
Deutsche Bank	1.6	1.7	2.1	1.0	3.9	3.7	1.7	2.2	0.3	1.5	-0.7	2.0	2.9	2.9
Goldman Sachs	1.6	1.9	2.4	2.2	1.9	3.4	1.8	2.5	0.5	2.2	na	na	na	na
DIW - Berlin	1.4	1.7	1.7	1.5	2.0	4.7	na	na	0.7	1.4	na	na	na	na
Consensus (Mean)	1.9	2.0	2.3	1.7	3.2	4.6	2.0	2.6	0.5	1.7	-0.7	1.7	3.0	2.9
Last Month's Mean	2.0	2.0	2.3	1.7	3.0	4.7	2.0	2.5	0.4	1.6	-0.9	1.7	3.0	3.0
3 Months Ago	1.8	1.9	2.1	1.6	2.6	4.6	2.1	2.4	0.4	1.6	-0.6	1.7	3.0	3.0
High	2.5	3.8	2.8	3.2	5.1	9.5	2.9	4.2	0.8	2.4	0.4	2.3	4.0	3.7
Low	1.4	1.5	1.5	1.0	1.5	2.8	1.5	1.7	0.1	1.0	-1.6	0.8	2.4	2.5
Standard Deviation	0.2	0.4	0.3	0.5	0.9	1.5	0.4	0.7	0.1	0.3	0.5	0.4	0.3	0.3
Comparison Forecasts														
Bundesbank (Dec. '14)	1.0	1.6	1.3	1.3										
Government (Apr. '15)	1.8	1.8	2.0	1.6	2.8	4.3								
Eur Commission (Apr. '15)	1.9	2.0	2.4	1.8										
IMF (Apr. '15)	1.6	1.7	2.0	1.5					0.2	1.3				
OECD (Jun. '15)	1.6	2.3	2.3	2.0					0.2	1.8				

Government and Background Data

Chancellor - Mrs. Angela Merkel (Christian Democratic Party or CDU).
Parliament - After winning 255 seats in the 622-seat Bundestag (lower house), the CDU have formed a coalition government with the Social Democrats (SPD).
Next Elections - 2017 (Bundestag). **Nominal GDP** - Euro 2,742bn (2013).
Population - 82.7mn (mid-year 2013). **\$/Euro Exchange Rate** - 1.328 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of
June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	1.2	1.5	1.0	1.7	2.2	2.0	1.9	1.9	1.6	1.5
Private Consumption	0.7	2.2	2.0	2.4	2.1	1.8	1.5	1.4	1.3	1.1
Consumer Prices	0.8	0.5	0.1	0.5	0.5	1.1	1.8	1.6	1.7	1.7

Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	3.6	0.4	0.1	1.6
Private Consumption*	2.3	0.7	0.8	1.1
Machinery & Eqpt Investment*	6.1	-3.0	-2.4	4.3
Industrial Production*	7.4	-0.4	0.1	1.5
Consumer Prices*	2.1	2.0	1.5	0.9
Producer Prices*	5.3	1.6	-0.1	-1.0
Negotiated Wages & Salaries*	1.6	3.1	3.1	2.9
Unemployment Rate, %	7.0	6.8	6.9	6.7
Current Account, Euro bn	165	187	182	220
General Govt. Budget Balance (Maastricht definition), Euro bn	-23.3	2.6	4.2	19.4
3 mth Euro, % (end yr)	1.4	0.2	0.3	0.1
10 Yr German Govt Bond, % (end yr)	1.8	1.5	1.9	0.5

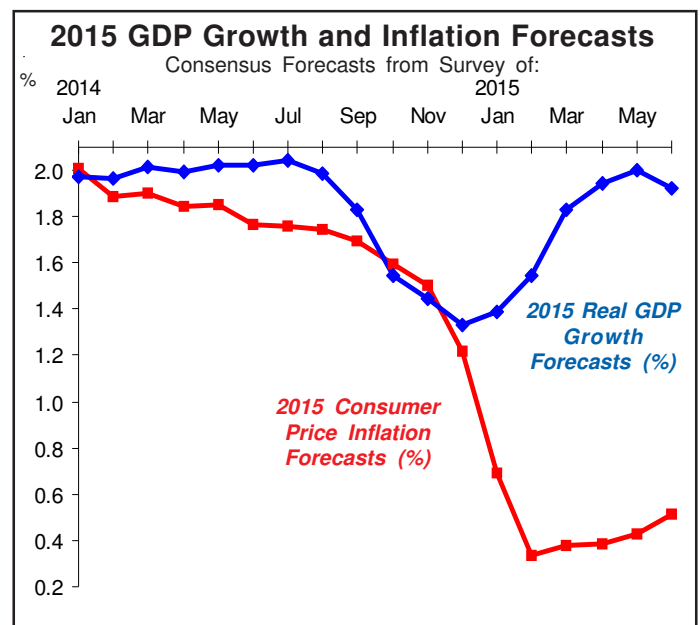
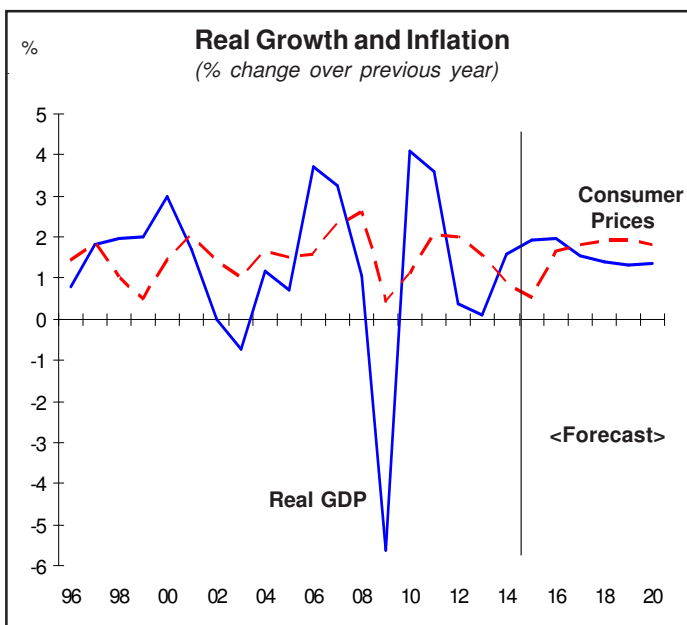
Year Average Unemployment Rate (%)	Annual Total					Rates on Survey Date				
	Current Account (Euro bn)		General Govt Budget Bal (Maastricht) (Euro bn)		Finanzierungs-saldo des Staates (Maastricht) (€ bn)		0.0% 3 month Euro Rate (%)		1.0% 10 Year German Govt Bond Yield (%)	
	Leistungsbilanz (€ bn)						3 Monate Euro Rate (%)		Rendite von Bundesan-leihen, 10 Jahre (%)	
Arbeitslosen- quote, % der Erwerbspers. insgesamt										
2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16	
6.2	5.1	193	194	26.9	51.9	0.1	0.4	0.6	1.0	
6.5	6.3	na	na	16.0	11.0	na	na	na	na	
6.3	5.9	256	266	20.7	25.6	0.0	0.0	0.5	0.5	
6.4	6.2	249	259	16.0	16.0	0.0	0.0	0.3	0.3	
6.5	6.4	na	na	na	na	-0.1	-0.1	0.7	1.4	
6.4	6.0	222	220	23.5	21.6	na	na	na	na	
na	na	203	195	9.9	5.9	na	na	na	na	
6.4	6.3	235	212	20.1	16.7	0.0	0.2	0.6	1.0	
6.4	6.2	na	na	na	na	0.0	0.0	0.6	1.4	
6.4	6.4	225	230	14.0	5.0	0.0	-0.1	0.1	0.4	
6.3	6.1	235	225	20.0	19.6	0.1	0.1	1.0	1.9	
6.3	6.2	250	240	na	na	0.0	0.0	0.9	1.2	
6.4	6.2	250	250	11.0	12.0	-0.1	0.0	0.3	1.0	
6.5	6.4	245	234	9.0	7.7	0.0	0.0	0.8	1.1	
6.3	5.9	228	183	12.2	13.8	0.1	0.1	0.2	0.5	
6.4	6.2	250	273	15.0	19.0	na	na	na	na	
6.4	6.4	234	245	6.0	6.2	0.0	-0.1	0.8	1.2	
6.4	6.3	245	250	13.5	17.0	0.0	0.0	na	na	
6.4	6.2	192	186	14.0	14.0	na	na	na	na	
6.4	6.2	248	251	10.4	8.6	na	na	na	na	
na	na	258	258	na	na	na	na	na	na	
6.4	6.2	250	238	14.0	15.0	0.0	0.0	0.6	0.9	
6.4	6.1	230	235	10.0	10.0	0.0	0.0	0.5	1.0	
6.5	6.3	206	200	5.0	5.0	0.1	0.1	0.3	1.0	
6.4	6.2	na	na	na	na	0.0	0.0	0.6	1.1	
6.3	6.1	243	247	23.9	24.2	0.1	0.1	0.2	0.4	
6.3	6.1	231	232	13.5	8.0	0.0	0.0	0.7	0.8	
6.4	6.5	239	244	19.0	22.0	-0.1	-0.1	0.6	0.9	
na	na	na	na	na	na	na	na	na	na	
6.8	6.4	240	250	4.2	12.2	na	na	na	na	
6.4	6.2	234	233	14.5	15.3	0.0	0.0	0.5	0.9	
6.4	6.2	234	233	13.8	15.4					
6.5	6.3	225	224	9.7	12.2					
6.8	6.5	258	273	26.9	51.9	0.1	0.4	1.0	1.9	
6.2	5.1	192	183	4.2	5.0	-0.1	-0.1	0.1	0.3	
0.1	0.3	19	25	6.0	9.9	0.0	0.1	0.2	0.4	
6.7	6.7									
		238	242	8.5	11.8					

Imports Slow GDP Expansion

The 0.3% (q-o-q) Q1 expansion (down from a roaring 0.7% pace set in Q4 2014) was led by another strong consumption performance, both by households and the government. Household consumption rose by 0.6% (q-o-q) as low prices and interest rates spur expenditure. Retail turnover increased by 3.1% (y-o-y) during the first four months of the year which included a sharp 1.7% (m-o-m) jump in April. May consumer confidence soared to a 13-and-a-half year high, suggesting that domestic demand will continue to drive the economy in Q2. Jobless claims fell further during that same month and vacancies climbed as the 2.7% (y-o-y) hike in negotiated wages in Q1 underlines the purchasing power workers have gained in the current low-fuel cost climate. The unemployment rate was unchanged at 6.4% in May. A welcome 1.5% (q-o-q) pick-up in investment of machinery and equipment implies that business conditions remain resilient despite the slight downgrade in May's business climate index.

Net trade contributed to the minor loss of momentum in Q1 as imports rose at almost double the pace of exports. The manufacturing PMI slipped to 51.1 in May as new orders slowed and output hit its weakest level this year. Western sanctions have subdued Russian demand (China could fill the gap left by Germany and become their key supplier of machinery and equipment). Meanwhile, a longer-term problem is the plunging birth rate which, according to a recent report, has declined to the lowest in the world. A shrinking workforce will strain the pension system and undermine the strong jobs market. Even the increasing influx of migrant workers may not be enough. Inflation was 0.5% (y-o-y) in April and the consensus for 2015 has edged up to the same figure.

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
France	9.6	Netherlands	13.8
United Kingdom	7.9	France	8.0
United States	6.8	China	6.6
EU	61.5	EU	66.3
Eastern Europe	13.4	Eastern Europe	15.1
Asia (ex. Japan)	8.1	Asia (ex. Japan)	9.7



	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	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
OFCE	1.5	2.1	1.9	1.9	1.2	3.9	na	na	0.2	0.9	1.5	1.9
Credit Suisse	1.4	1.9	1.2	1.4	1.1	4.1	na	na	0.0	1.0	na	na
Oddo Securities	1.4	1.9	1.9	1.8	1.4	3.9	1.6	2.2	0.3	1.6	1.0	1.6
BIPE	1.3	1.9	1.6	1.7	1.9	3.8	na	na	0.2	0.8	1.4	1.5
Oxford Economics	1.3	1.7	1.9	1.5	-0.5	2.1	1.3	1.7	0.4	1.8	1.3	2.3
Citigroup	1.3	1.8	1.6	1.5	1.0	3.0	na	na	0.2	1.5	1.2	1.1
BNP Paribas	1.2	1.8	1.5	1.1	1.3	4.7	1.3	2.5	0.3	1.5	1.3	1.5
Barclays	1.2	1.5	1.7	1.5	-0.5	2.8	na	na	0.4	1.1	na	na
Coe-Rexecode	1.2	1.6	1.7	1.5	1.4	3.7	na	na	0.4	1.4	1.3	1.7
Euler Hermes	1.2	1.5	1.8	1.7	-0.5	1.7	na	na	0.1	1.4	na	na
HSBC	1.2	1.3	1.5	0.9	0.6	1.0	1.8	2.4	0.2	1.0	1.0	0.8
PAIR Conseil	1.2	1.7	1.6	1.5	1.0	2.5	1.5	2.5	0.2	1.0	na	na
Credit Agricole	1.2	1.4	1.6	1.3	0.9	2.4	1.1	1.8	0.3	1.1	na	na
Bank of America - Merrill	1.2	1.7	1.4	1.8	na	na	na	na	0.2	1.0	na	na
Goldman Sachs	1.2	1.7	1.2	1.6	-0.4	1.4	na	na	0.3	1.0	na	na
La Banque Postale	1.1	1.9	1.4	1.7	0.2	2.6	na	na	0.2	1.0	1.2	1.4
Exane	1.1	1.6	1.5	1.3	0.8	2.4	1.4	2.5	0.0	0.9	1.1	1.0
IHS Economics	1.1	1.5	1.6	1.5	1.1	2.1	na	na	0.1	1.4	na	na
Morgan Stanley	1.1	1.7	1.2	1.6	na	na	na	na	0.3	1.4	na	na
Econ Intelligence Unit	1.1	1.5	1.4	1.4	na	na	na	na	0.1	1.1	na	na
GAMA	1.0	1.2	1.1	0.9	0.2	1.3	na	na	0.3	1.1	1.1	1.4
Societe Generale	1.0	1.5	1.6	1.5	1.1	3.3	na	na	0.3	1.2	1.5	2.0
UBS	1.0	1.5	1.1	1.5	-0.2	1.3	0.7	1.5	0.4	1.6	na	na
Consensus (Mean)	1.2	1.6	1.5	1.5	0.7	2.7	1.3	2.1	0.2	1.2	1.2	1.5
Last Month's Mean	1.1	1.6	1.4	1.4	0.5	2.5	1.3	2.2	0.2	1.1	1.3	1.5
3 Months Ago	1.0	1.5	1.2	1.3	0.5	2.4	1.2	2.1	0.1	1.1	1.4	1.5
High	1.5	2.1	1.9	1.9	1.9	4.7	1.8	2.5	0.4	1.8	1.5	2.3
Low	1.0	1.2	1.1	0.9	-0.5	1.0	0.7	1.5	0.0	0.8	1.0	0.8
Standard Deviation	0.1	0.2	0.2	0.3	0.7	1.1	0.3	0.4	0.1	0.3	0.2	0.4
Comparison Forecasts												
Government (Apr. '15)	1.0	1.5										
Eur Commission (Apr. '15)	1.1	1.7	1.6	1.5								
IMF (Apr. '15)	1.2	1.5	1.0	1.7	-0.2	2.0			0.1	0.8		
OECD (Jun. '15)	1.1	1.7	1.6	1.7								

Government and Background Data

President - Mr. François Hollande (Parti Socialiste). **Prime Minister** - Mr. Manuel Valls (Parti Socialiste). **Parliament** - The Socialists currently have 292 out of the 577 seats in the National Assembly. **Next Elections** - Legislative – first round: May 2017. Presidential – first round: April 2017. **Nominal GDP** - Euro2,050bn (2013). **Population** - 64.3mn (mid-year, 2013). **\$/Euro Exchange Rate** - 1.328 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	0.2	0.0	0.7	1.1	1.3	1.7	1.6	1.7	1.7	1.7
Household Consumption	0.9	0.5	1.7	1.4	1.4	1.6	1.2	1.4	1.5	1.5
Consumer Prices	0.4	0.3	-0.2	0.2	0.4	0.6	1.1	1.1	1.1	1.1

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	2.1	0.2	0.7	0.2
Household Consumption*	0.3	-0.2	0.5	0.6
Business Investment*	4.0	-0.1	0.8	2.0
Manufacturing Production*	3.9	-3.4	-1.1	0.0
Consumer Prices*	2.1	2.0	0.9	0.5
Hourly Wage Rates*	2.1	2.2	1.7	1.4
Unemployment Rate (ILO), %	8.8	9.4	9.9	9.9
Current Account, Euro bn	-21.2	-32.2	-30.3	-21.1
General Govt. Budget Balance				
(Maastricht definition), Euro bn	-105	-100	-86.4	-84.8
3 mth Euro, % (end yr)	1.4	0.2	0.3	0.1
10 Yr French Govt Bond, % (end yr)	3.2	2.0	2.4	0.8

Year Average		Annual Total				Rates on Survey Date			
						0.0%		1.3%	
Unemployment Rate, ILO (%)	2015	2016	Current Account (Euro bn)	General Govt Budget Balance (Maastricht) (Euro bn)	3 month Euro Rate (%)		10 Year French Govt Bond Yield (%)		
					2015	2016	End Sep'15	End Jun'16	End Sep'15
Taux de Chômage, BIT (%)	2015	2016	Solde Courant (€ md)	Balance Budgétaire (Maastricht) (€ md)	Taux d'intérêt 3 mois Euro (%)		Rendement des obligations d'Etat, 10 ans (%)		
9.9	9.6	na	-28.8	-71.1	0.1	0.1	0.6	0.6	
10.2	10.0	na	na	-90.2	na	na	na	na	
10.0	9.7	-19.5	-16.7	-79.0	0.1	0.1	1.1	1.6	
10.2	9.8	-14.6	-15.9	-84.6	0.0	0.0	0.8	1.2	
10.0	9.9	-37.5	-36.4	-93.9	0.0	0.0	1.0	1.5	
10.1	9.8	-5.9	4.9	-71.3	0.1	0.1	0.4	0.7	
10.0	9.6	-1.2	6.0	-81.0	0.0	0.0	na	na	
10.5	10.4	na	na	na	na	na	na	na	
10.1	10.1	-6.9	-11.6	-82.0	0.0	0.0	1.1	1.4	
9.9	9.8	-7.0	-11.0	-85.2	0.0	0.0	1.0	1.5	
10.0	9.9	-24.0	-28.0	-82.4	0.1	0.1	0.5	1.4	
10.0	9.9	-17.4	-11.4	-82.0	0.0	0.0	0.8	0.7	
10.1	10.0	-21.6	-19.4	-82.2	0.0	0.0	0.7	1.2	
na	na	-27.4	-25.4	-93.5	na	na	na	na	
10.6	10.5	na	na	na	na	na	na	na	
10.1	10.0	-13.4	-15.4	-82.9	0.0	-0.1	1.1	1.2	
10.0	9.9	-20.0	-16.0	-82.0	0.0	0.0	0.7	0.8	
9.4	9.0	-9.7	-15.0	-80.4	na	na	na	na	
10.0	9.6	-19.6	-24.1	-79.9	na	na	na	na	
9.8	9.3	-17.8	-28.3	na	na	na	na	na	
10.2	10.2	na	na	-83.0	0.1	0.3	1.0	1.4	
10.0	9.7	-26.0	-27.0	-87.0	0.0	0.0	0.9	1.0	
9.6	9.4	na	na	na	-0.1	-0.1	1.0	1.7	
10.0	9.8	-17.7	-17.1	-82.8	0.0	0.0	0.8	1.2	
10.0	9.8	-17.0	-14.1	-84.5	0.1	0.3	1.1	1.7	
10.0	9.9	-18.7	-17.0	-88.4	0.1	0.1	0.4	0.6	
10.6	10.5	-1.2	6.0	-71.1	0.1	0.1	0.2	0.4	
9.4	9.0	-37.5	-36.4	-93.9	0.1	0.1	0.2	0.4	
0.3	0.3	9.3	11.1	5.9	5.6				
10.3	10.0	-18.9	-26.1						
10.1	9.9								
10.1	10.0								

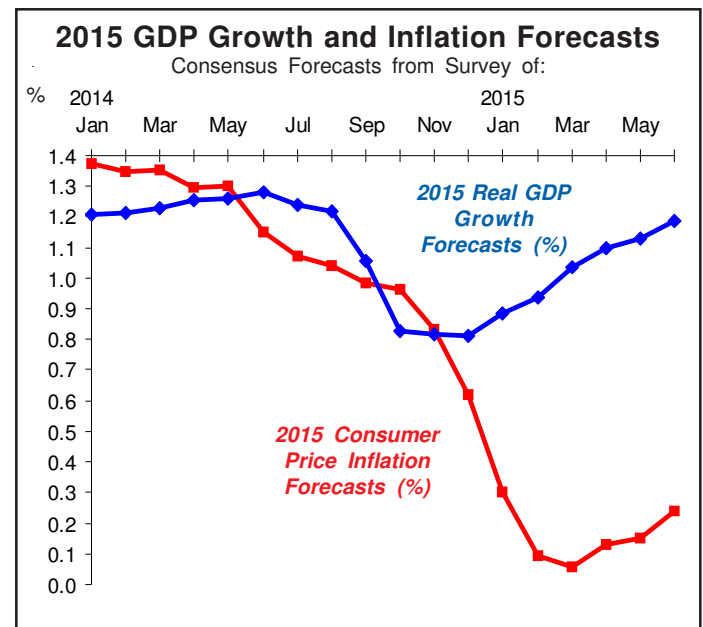
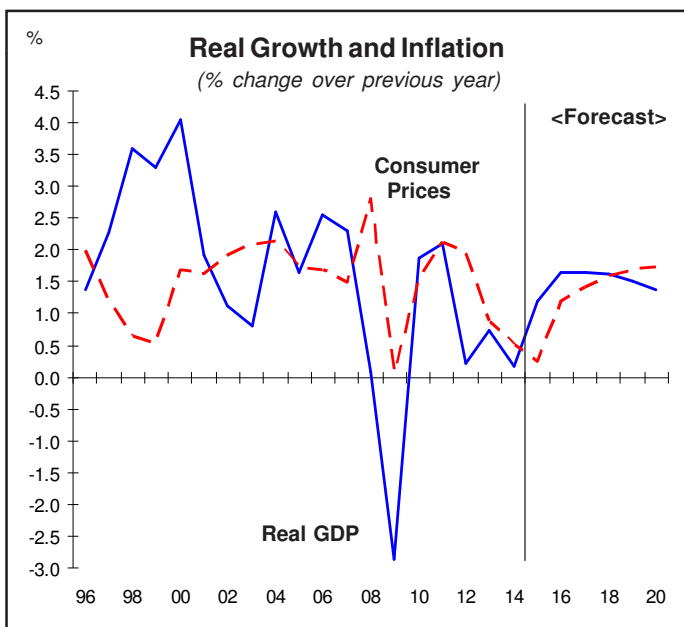
Improving Sentiment on Upbeat Q1 GDP Outturn

Q1 GDP growth surpassed expectations by recording a 0.6% (q-o-q) jump following zero growth in the final three months of 2014. In y-o-y terms, the growth rate increased from 0.0% in Q4 to 0.7%, within touching distance of the government's 1.0% forecast for this year. Moreover, this relatively upbeat start to 2015 has lifted the consensus for GDP from 1.1% last month to 1.2%. Consumer spending fuelled the advance in Q1 activity, increasing 0.8% (q-o-q) and helping to lift the y-o-y rate from 0.5% to 1.7%. Business investment also showed some (albeit modest) impetus, growing by +0.2% (q-o-q) after a 0.1% decline. The news has helped to lift sentiment regarding the French economy. Indeed, the Banque de France has predicted that growth will outpace government expectations, projecting 1.2% for this year and climbing to 1.8% and 1.9% for 2016 and 2017, respectively. Activity is being underpinned by cheaper oil, a weak euro boosting exports, ECB monetary stimulus and signs of improving profitability. However, Banque de France estimates discount the impact of possible austerity if the government decides to press forward with public finance reforms. Moreover, the central bank emphasized downside risks to the outlook as 1% growth remains below what is necessary to meaningfully spur job creation. On the upside, the metropolitan jobless rate edged back down to 10% in Q1 from 10.1% at the end of last year. Elsewhere, goods consumption began Q2 on a somewhat muted note, rising by only 0.1% (m-o-m) in April.

The CPI rose by 0.1% (m-o-m) in April following a 0.7% increase in March. The y-o-y rate finally exited negative territory, helped by seasonal rises in services and manufacturing prices. Our panel's 2015 CPI forecast is at only +0.2%.

Direction of Trade – 2014

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Germany	16.9	Germany	19.9
Belgium	7.5	Belgium	11.4
Italy	7.4	Italy	7.8
EU	61.5	EU	69.7
Eastern Europe	7.0	Asia (ex. Japan)	7.5
Asia (ex. Japan)	6.5	Eastern Europe	7.4



	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	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Liverpool Macro Research	3.0	2.5	na	na	na	na	na	na	na	na	1.6	2.4	0.6	1.6	na	na	2.4	3.2
Lombard Street Research	2.7	2.5	3.0	3.2	3.2	4.7	3.0	5.0	na	na	1.5	2.7	0.3	1.7	na	na	2.8	3.0
Goldman Sachs	2.7	3.0	2.6	2.8	3.5	5.2	na	na	na	na	na	na	0.1	1.4	na	na	na	na
HSBC	2.6	2.5	2.3	2.3	na	na	na	na	1.7	2.4	1.2	2.7	0.2	1.5	na	na	2.7	3.0
Oxford Economics	2.6	2.8	2.9	2.9	4.3	5.7	3.3	3.5	0.9	1.3	1.2	3.0	0.3	1.7	0.5	1.8	2.8	2.9
Citigroup	2.6	3.0	3.4	3.6	3.9	5.9	0.7	5.1	1.4	2.0	1.4	2.8	0.4	1.5	na	na	2.7	3.4
NIESR	2.5	2.4	3.6	2.9	4.0	6.6	na	na	na	na	0.9	1.7	-0.1	1.0	na	na	na	na
UBS	2.5	2.5	2.5	2.5	4.8	5.1	na	na	na	na	na	na	0.3	1.5	na	na	2.3	3.0
Confed of British Industry	2.4	2.5	2.7	2.5	4.2	5.7	na	na	1.2	1.6	1.0	2.3	0.2	1.6	-0.8	2.0	2.0	2.4
IHS Economics	2.4	2.6	2.9	3.1	4.4	5.3	na	na	2.0	2.5	1.4	2.4	0.3	1.6	-1.0	1.6	2.7	3.7
ING Financial Markets	2.4	2.5	2.7	2.7	4.7	5.1	na	na	1.7	2.2	na	na	0.3	2.2	-0.7	2.9	2.6	4.0
JP Morgan	2.4	2.4	2.6	2.3	2.5	5.0	na	na	na	na	na	na	0.4	1.7	na	na	na	na
Experian	2.4	2.3	2.6	2.3	3.8	4.4	na	na	1.5	2.3	1.4	3.1	0.2	1.6	na	na	2.5	3.3
British Chmbrs Commerce	2.3	2.6	2.6	2.4	4.4	6.1	6.0	6.0	1.4	2.0	na	na	0.2	1.5	na	na	2.4	4.0
Credit Suisse	2.3	2.4	2.9	2.2	5.3	7.2	na	na	na	na	1.2	na	0.2	1.5	na	na	na	na
Societe Generale	2.3	2.0	2.3	2.0	6.7	6.1	6.9	4.1	na	na	1.3	2.6	0.4	1.7	na	na	2.6	2.8
Bank of America - Merrill	2.2	2.8	2.7	2.5	4.9	8.4	na	na	2.9	3.7	1.1	2.5	0.2	1.5	na	na	na	na
Barclays	2.2	2.1	2.5	1.9	4.2	5.1	na	na	na	na	na	na	0.2	1.6	na	na	na	na
Economic Perspectives	2.2	2.3	2.7	2.3	3.7	4.8	6.0	4.0	1.7	1.4	1.3	2.8	0.7	2.4	0.8	2.2	2.3	2.8
RBS Markets	2.2	2.1	2.6	2.0	2.8	4.2	na	na	1.8	1.4	0.9	1.6	0.1	1.1	-1.3	1.4	2.8	2.9
Schroders	2.2	1.9	2.8	2.1	3.6	4.0	na	na	1.7	1.5	1.3	2.3	0.4	1.8	na	na	2.8	3.3
Econ Intelligence Unit	2.1	2.1	2.2	2.2	3.4	3.2	na	na	na	na	na	na	0.2	1.4	na	na	na	na
Consensus (Mean)	2.4	2.5	2.7	2.5	4.1	5.4	4.3	4.6	1.6	2.0	1.2	2.5	0.3	1.6	-0.4	2.0	2.6	3.2
Last Month's Mean	2.5	2.5	2.7	2.6	4.2	5.4	4.1	5.2	1.7	1.9	1.3	2.5	0.3	1.6	-0.2	1.5	2.5	3.1
3 Months Ago	2.7	2.5	2.9	2.6	4.9	5.6	6.9	3.2	2.1	2.1	1.4	2.5	0.5	1.7	-0.1	1.5	2.5	3.2
High	3.0	3.0	3.6	3.6	6.7	8.4	6.9	6.0	2.9	3.7	1.6	3.1	0.7	2.4	0.8	2.9	2.8	4.0
Low	2.1	1.9	2.2	1.9	2.5	3.2	0.7	3.5	0.9	1.3	0.9	1.6	-0.1	1.0	-1.3	1.4	2.0	2.4
Standard Deviation	0.2	0.3	0.3	0.4	0.9	1.2	2.4	0.9	0.5	0.7	0.2	0.4	0.2	0.3	0.9	0.5	0.2	0.4
Comparison Forecasts																		
Treasury - OBR (Mar. '15)	2.5	2.3	2.6	2.7	4.3	6.2					1.0	2.1	0.2	1.2			2.3	3.1
Eur Commission (Apr. '15)	2.6	2.4	2.6	2.6	5.6	5.5												
IMF (Apr. '15)	2.7	2.3	3.2	2.9	3.2	4.3							0.1	1.7				
OECD (Jun. '15)	2.4	2.3	2.5	2.3	4.7	6.2							0.0	1.7				

Government and Background Data

Prime Minister - Mr. David Cameron (Conservative Party). Parliament - The Conservative party has a working majority in the 650-seat House of Commons (lower house) having won 331 seats in the May 2015 general election. **Next Election** - By May 2020 (general election). **Nominal GDP** - £1,613bn (2013). **Population** - 63.1mn (mid-year, 2013). **\$/£ Exchange Rate** - 1.564 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	2.8	3.0	2.4	2.3	2.3	2.4	2.6	2.4	2.3	2.1
Household Consumption	2.8	3.0	2.6	2.7	2.4	2.5	2.5	2.4	2.3	2.1
Consumer Prices	1.4	0.9	0.2	0.1	0.3	0.8	1.5	1.7	1.8	2.0

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	1.6	0.7	1.7	2.8
Household Consumption*	-0.1	1.5	1.7	2.5
Gross Fixed Investment*	2.3	0.7	3.4	7.8
Company Trading Profits*	7.1	3.4	2.6	10.0
Manufacturing Production*	1.8	-1.3	-0.7	3.0
Retail Prices (RPI-X underlying rate)*	5.3	3.2	3.1	2.4
Consumer Prices Index*	4.5	2.8	2.5	1.5
Output Prices*	4.8	2.1	1.3	0.0
Average Weekly Earnings*	2.7	1.3	1.3	1.1
Unemployment Rate % (LFS)	8.1	8.0	7.6	6.2
Current Account, £ bn	-27.0	-61.9	-76.7	-97.9
Public Sector Net Borrowing (excl. financial interventions), fiscal yrs, £ bn	113	119.7*	98.5	87.7
3 mth Interbank, % (end yr)	1.1	0.5	0.5	0.6
10 Yr Gilt Yields, % (end yr)	2.1	2.0	2.8	1.8

* Includes Royal Mail pension fund transfer of £28bn.

Year Average	Annual Total		Fiscal Years (Apr-Mar)		Rates on Survey Date			
					0.6%		2.2%	
Unemployment Rate (%) (Labour Force Survey)	Current Account (£ bn)		Public Sector Net Borrowing (£ bn)		3 month Interbank Rate (%)		10 Year Gilt Yield (%)	
2015 2016	2015 2016	FY 15-16 FY 16-17	End Sep'15 End Jun'16	End Sep'15 End Jun'16	End Sep'15 End Jun'16	End Sep'15 End Jun'16		
na na	-77.8 -78.2	84.0 79.6	0.5 1.4	na na	na na	na na		
5.6 5.2	-80.0 -75.0	na na	0.6 0.8	1.8 2.0	1.8 2.0	1.8 2.0		
5.4 5.1	na na	na na	na na	na na	na na	na na		
5.5 5.3	na na	na na	na na	na na	na na	na na		
5.4 5.2	-91.6 -83.1	60.1 48.0	0.5 0.8	2.1 2.5	2.1 2.5	2.1 2.5		
5.1 4.3	-92.1 -87.4	60.3 22.1	0.5 1.0	na na	na na	na na		
5.4 5.3	-87.6 -96.7	79.5 48.8	0.6 0.9	1.8 2.3	1.8 2.3	1.8 2.3		
5.1 4.7	na na	na na	0.9 1.6	2.3 2.5	2.3 2.5	2.3 2.5		
5.5 5.3	-95.4 -85.3	73.0 47.4	na na	na na	na na	na na		
5.4 5.0	-84.5 -71.8	75.0 53.2	0.6 1.1	2.1 2.6	2.1 2.6	2.1 2.6		
5.4 4.9	-80.0 -80.0	71.0 55.0	0.7 1.3	2.1 2.5	2.1 2.5	2.1 2.5		
5.3 5.0	na na	na na	na na	na na	na na	na na		
5.5 5.2	-83.2 -76.5	66.9 51.4	0.9 1.4	2.4 3.3	2.4 3.3	2.4 3.3		
5.3 4.9	-90.0 -83.0	72.1 46.1	0.6 1.0	2.3 2.7	2.3 2.7	2.3 2.7		
5.2 4.8	na na	na na	na na	na na	na na	na na		
5.1 4.9	-98.3 -95.9	69.1 57.7	0.5 1.0	2.1 2.6	2.1 2.6	2.1 2.6		
na na	-54.0 -48.0	na na	na na	na na	na na	na na		
5.5 5.4	na na	na na	na na	na na	na na	na na		
5.7 5.5	-75.0 -60.0	80.0 65.0	0.6 1.3	2.0 2.3	2.0 2.3	2.0 2.3		
5.5 5.2	-76.0 -59.0	78.0 46.0	0.6 1.1	1.9 2.1	1.9 2.1	1.9 2.1		
5.4 5.2	-98.0 -95.0	80.0 70.0	0.6 1.1	2.1 2.6	2.1 2.6	2.1 2.6		
5.3 4.7	-84.0 -78.9	na na	na na	na na	na na	na na		
5.4 5.1	-84.2 -78.4	73.0 53.1	0.6 1.1	2.1 2.5	2.1 2.5	2.1 2.5		
5.4 5.1	-81.8 -76.5	75.2 55.5						
5.4 5.1	-84.8 -80.2	77.1 58.2						
5.7 5.5	-54.0 -48.0	84.0 79.6	0.9 1.6	2.4 3.3	2.4 3.3	2.4 3.3		
5.1 4.3	-98.3 -96.7	60.1 22.1	0.5 0.8	1.8 2.0	1.8 2.0	1.8 2.0		
0.2 0.3	11.0 13.6	7.5 13.8	0.1 0.2	0.2 0.3	0.2 0.3	0.2 0.3		
5.3 5.2		75.3 39.4						
5.4 5.3								
5.4 5.1								

Net Trade Weighs on GDP Growth

Q1 GDP grew just 0.3% (q-o-q), dashing expectations of an upgrade to the earlier preliminary estimate. Slack trade figures and a slowdown in the usually dependable services sector contributed towards the apparent loss of steam. The services sector expanded by a modest 0.4% (q-o-q) and the softer performance may continue through Q2 following a plunge in May's services PMI from 59.5 to 56.5, its steepest fall in almost four years. Net trade knocked a massive 0.9 percentage points off the GDP rate as exports slumped by 0.3% (q-o-q) while imports jumped markedly by 2.3%. Lacking export competitiveness is a growing concern and a key conundrum in restoring the economy on a path of sustained growth. Domestic demand remains the core driver, though, with the 0.5% (q-o-q) boost in household consumption reflecting ongoing momentum. Retail sales climbed 1.2% (m-o-m) in April as consumers raised expenditure on clothing with the holiday season approaching. Furthermore, business investment increased 1.7% (q-o-q) and construction could support Q2 prospects as new projects commence after an unexpectedly decisive general election result. However, the pace of growth in manufacturing is sluggish, partly blamed on low oil prices which have reduced investment in the energy industry and tempered demand for capital goods. Still, it is hoped weaker growth at the start of the year will be short-lived. Our panel's 2015 GDP forecast has slipped to 2.4%.

The CPI sunk into deflationary territory in April, registering -0.1% (y-o-y). The Chancellor labelled the figure as 'not damaging'. Meanwhile, a recent OECD report showed the UK lagging behind other major countries on education which, with sufficient investment, would boost GDP in the long run.

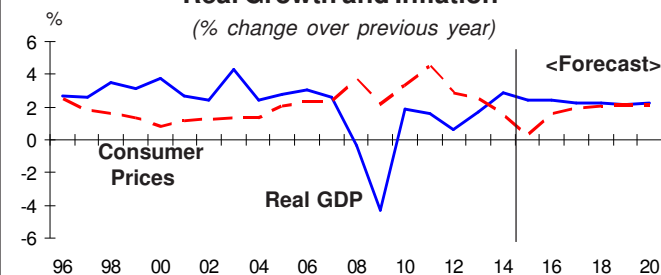
UK Official Bank Rate – Jun. 8, 2015 = 0.50%

FORECASTS	End Jun. 2015	End Sep. 2015	End Dec. 2015	End Mar. 2016
Consensus Mean Average:	0.50%	0.52%	0.56%	0.73%
Mode (most frequent forecast):	0.50%	0.50%	0.50%	0.75%

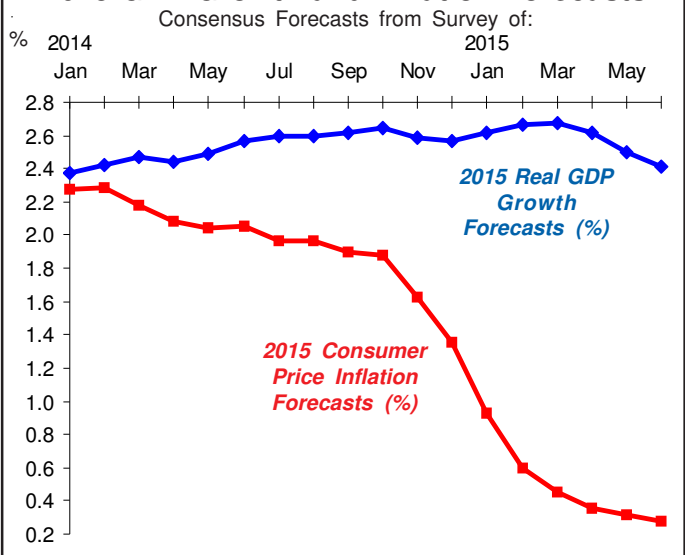
Direction of Trade – 2014

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Germany	10.8	Germany	14.9
United States	10.4	China	9.0
Netherlands	8.1	Netherlands	7.8
EU	51.4	EU	54.8
Asia (ex. Japan)	6.0	Asia (ex. Japan)	13.5
Eastern Europe	5.3	Eastern Europe	6.4

Real Growth and Inflation
(% change over previous year)



2015 GDP Growth and Inflation Forecasts



	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	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Centro Europa Ricerche	0.9	1.3	0.5	0.7	0.9	2.0	na	na	0.3	1.5	na	na	na	na
Banca Nzle del Lavoro	0.8	1.3	0.3	0.7	2.9	2.9	1.0	2.2	0.3	1.3	-1.2	1.3	1.1	1.1
Credit Suisse	0.8	1.6	0.8	1.0	-0.1	2.9	0.6	1.8	0.0	0.7	na	na	na	na
Citigroup	0.8	1.4	1.0	0.9	0.7	2.5	na	na	0.2	1.1	na	na	na	na
ABI	0.7	1.5	0.4	0.9	0.2	2.3	1.5	2.7	0.2	0.9	-1.0	0.9	1.3	1.5
Barclays	0.7	1.3	0.5	0.8	-0.2	0.7	na	na	0.2	0.9	na	na	na	na
Prometeia	0.7	1.4	0.7	0.9	1.8	3.2	1.5	2.7	0.2	1.3	-3.3	2.5	1.4	1.5
REF Ricerche	0.7	1.1	0.6	0.7	-0.1	2.2	0.6	1.2	0.2	0.7	-2.1	1.0	1.1	1.2
UBS	0.7	1.3	0.8	0.9	0.0	1.1	na	na	na	na	0.5	2.0	1.4	1.4
Goldman Sachs	0.6	1.5	0.4	1.3	2.0	3.1	0.7	2.3	0.1	0.6	na	na	na	na
Intesa Sanpaolo	0.6	1.2	0.5	1.1	1.5	2.0	1.1	1.4	0.2	1.2	-1.9	0.8	1.0	1.2
UniCredit	0.6	1.3	0.6	1.4	-0.3	1.4	na	na	0.1	1.0	na	na	na	na
Bank of America - Merrill	0.6	1.2	0.8	1.0	0.0	1.1	0.9	4.0	0.2	0.7	na	na	na	na
Oxford Economics	0.5	1.0	0.4	0.8	0.7	1.1	0.8	1.7	0.2	0.9	-2.5	1.4	1.4	0.9
Econ Intelligence Unit	0.5	0.9	0.6	0.5	0.2	0.9	0.5	1.3	0.2	0.8	-2.5	0.9	na	na
Confindustria	0.5	1.1	0.5	0.8	-0.1	1.9	na	na	0.2	0.6	na	na	na	na
HSBC	0.5	0.8	0.6	0.6	0.0	0.7	0.2	2.1	0.2	0.7	na	na	0.7	0.7
Moody's Analytics	0.5	1.1	0.4	1.2	0.3	1.7	0.8	3.2	-0.1	1.1	-2.1	1.4	na	na
Consensus (Mean)	0.7	1.2	0.6	0.9	0.6	1.9	0.8	2.2	0.2	0.9	-1.8	1.4	1.2	1.2
Last Month's Mean	0.6	1.2	0.6	0.9	0.1	1.8	0.8	2.3	0.1	0.9	-1.6	1.4	1.1	1.2
3 Months Ago	0.6	1.1	0.7	0.8	0.0	1.7	0.6	2.0	0.0	0.8	-1.2	1.3	1.2	1.2
High	0.9	1.6	1.0	1.4	2.9	3.2	1.5	4.0	0.3	1.5	0.5	2.5	1.4	1.5
Low	0.5	0.8	0.3	0.5	-0.3	0.7	0.2	1.2	-0.1	0.6	-3.3	0.8	0.7	0.7
Standard Deviation	0.1	0.2	0.2	0.2	0.9	0.8	0.4	0.8	0.1	0.3	1.1	0.6	0.2	0.3
Comparison Forecasts														
Banca d'Italia (Jan. '15)	0.4	1.2	0.9	0.9	-0.7	2.5								
Government (Apr. '15)	0.7	1.4												
Eur Commission (Apr. '15)	0.6	1.4	0.6	0.6	1.1	4.1								
IMF (Apr. '15)	0.5	1.1	1.2	1.1	-0.3	0.4			0.0	0.8				
OECD (Jun. '15)	0.6	1.5	0.4	1.1	1.6	1.9			0.2	1.3				

Government and Background Data

Prime Minister - Mr. Matteo Renzi. **Parliament** - A coalition government with representation from Renzi's Democratic Party, the New Centre-Right, the Union of the Centre and Civic Choice was formed in February 2014. **Next Elections** - By 2018 (Parliamentary); 2020 (presidential). **Nominal GDP** - Euro1,560bn (2013). **Population** - 61.0mn (mid-year, 2013). **\$/Euro Exchange Rate** - 1.328 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	-0.5	-0.4	0.1	0.5	0.9	1.2	1.2	1.2	1.2	1.2
Household Consumption	0.5	0.5	0.3	0.4	0.6	0.9	1.1	1.1	1.0	0.8
Consumer Prices	-0.1	0.1	-0.2	0.0	0.2	0.5	0.9	0.9	1.1	1.1

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	0.6	-2.8	-1.7	-0.4
Household Consumption*	0.0	-3.9	-2.9	0.3
Gross Fixed Investment*	-1.9	-9.3	-5.8	-3.3
Industrial Production*	1.2	-6.3	-3.2	-0.6
Consumer Prices*	2.8	3.1	1.2	0.2
Producer Prices*	4.8	3.6	-1.1	-1.5
Contractual Hourly Earnings*	1.7	1.5	1.4	1.2
Unemployment Rate,%	8.4	10.6	12.2	12.7
Current Account, Euro bn	-50.4	-6.9	15.0	30.9
General Govt. Budget Balance				
(Maastricht definition), Euro bn	-57.2	-48.3	-47.5	-49.1
3 mth Euro, % (end yr)	1.4	0.2	0.3	0.1
10 yr Italian Govt Bond, % (end yr)	7.0	4.5	4.1	1.9

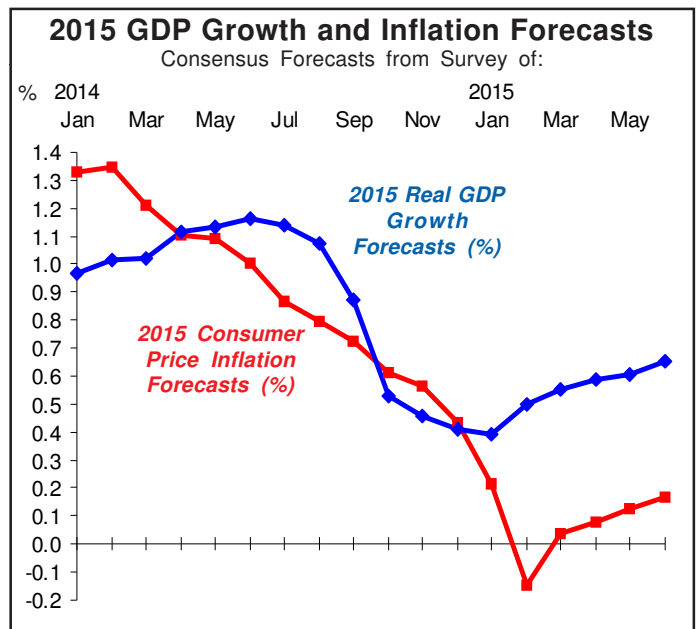
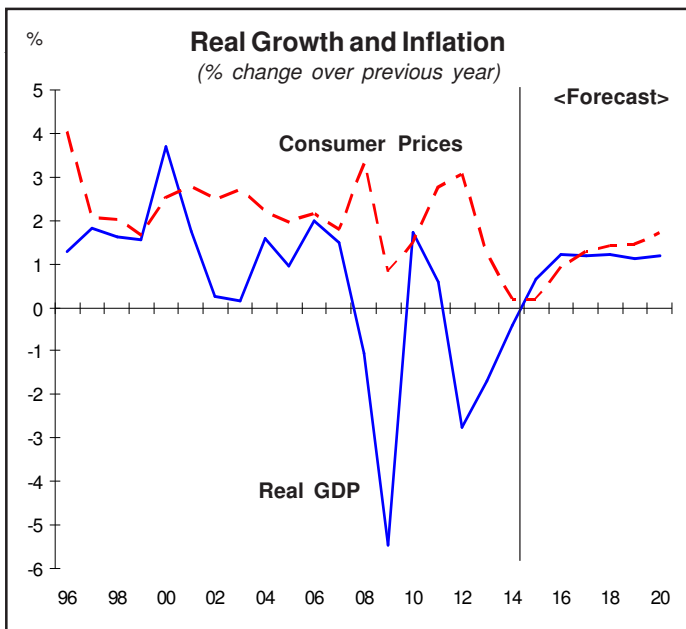
Year Average	Annual Total				Rates on Survey Date				
					0.0%		2.3%		
Unemployment Rate (%)	Current Account (Euro bn)	General Govt Budget Bal (Maastricht) (Euro bn)		3 month Euro Rate (%)		10 Year Italian Govt Bond Yield (%)			
Tasso di Disoccupazione (%)	Partite Correnti (€ mld)	Indebitamento netto (Maastricht) (€ mld)		Interessi Euro Trimestrali (%)		Buoni del Tesoro Decennali (%)			
2015 2016	2015 2016	2015 2016	2015 2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16		
12.3	11.9	52.1	57.2	-42.9	-25.0	0.0	0.1	1.5	1.5
12.3	11.9	na	na	na	na	na	na	na	na
12.6	12.2	na	na	-45.0	-38.0	na	na	na	na
12.6	12.4	35.2	39.2	-49.7	-38.8	0.1	0.1	na	na
12.5	11.4	38.7	55.2	-42.3	-28.5	0.1	0.2	1.8	2.0
12.2	11.7	na	na	na	na	na	na	na	na
12.3	12.1	46.5	39.4	-49.6	-44.7	0.0	0.0	2.0	1.8
12.3	12.0	54.8	58.9	-47.3	-40.5	0.0	0.0	2.0	2.0
13.0	12.9	na	na	na	na	-0.1	-0.1	2.1	2.8
12.8	12.1	na	na	na	na	na	na	na	na
12.3	11.9	39.2	35.1	-49.0	-49.0	0.0	0.0	1.8	1.8
12.7	12.4	na	na	na	na	na	na	na	na
12.6	12.0	47.7	52.9	-46.0	-34.2	na	na	na	na
12.6	12.4	43.7	45.3	-44.7	-33.6	0.0	0.0	2.0	2.4
12.4	12.0	na	na	na	na	na	na	na	na
12.9	12.6	42.1	49.3	-43.8	-42.1	na	na	na	na
12.5	11.7	30.3	34.9	-48.9	-39.8	0.1	0.1	1.8	1.6
12.7	12.5	12.7	3.0	na	na	0.0	0.0	1.8	1.9
12.5	12.1	40.3	42.8	-46.3	-37.7	0.0	0.0	1.9	2.0
12.7	12.2	39.5	41.1	-46.1	-37.4				
12.8	12.4	38.6	37.3	-45.7	-36.8				
13.0	12.9	54.8	58.9	-42.3	-25.0	0.1	0.2	2.1	2.8
12.2	11.4	12.7	3.0	-49.7	-49.0	-0.1	-0.1	1.5	1.5
0.2	0.4	11.6	15.8	2.8	7.0	0.1	0.1	0.2	0.4
12.8	12.8								
12.4	12.4	36.5	36.6						
12.6	12.3								
12.7	12.1								

Q1 GDP Expansion

With Q1 GDP expanding by 0.3% (q-o-q) and by 0.1% in y-o-y terms, the economy grew for the first time in over three years. Gross fixed investment jumped by 0.4% (y-o-y), ending four years of decline. Buoyed by ECB stimulus measures, a depreciating euro and efforts by the prime minister to administer sweeping structural reforms, market optimism is spreading that this could be a turning point for the badly-hit Italian economy. Activity remains fragile, though, and chronic debt and unemployment (which stood at 13% in March) are huge hurdles. Private consumption is downbeat despite the stagnation of consumer prices. It rose just 0.3% (y-o-y) in Q1 as many households (particularly in the harder-hit south) see little improvement to their personal finance situations. Retail sales increased a mere 0.1% (y-o-y) in April, and Istat's consumer confidence survey dropped sharply in May following a less-pronounced decline in April. Inflation advanced to 0.2% (y-o-y) in May as the downward pressure from weak energy costs eased somewhat.

The Bank of Italy has warned that government reforms must be broadened and accelerated to tackle deep-rooted problems such as under-performing schools and corruption. A competition bill has been debated in the lower house which would support the liberalization of the economy. By removing barriers to competition, growth may be stimulated by greater incentives to innovate and invest. Faltering support in recent local elections and opposition within government risks hampering the implementation of further reforms. Meanwhile, Lamborghini's decision to base production of its new SUV in Italy has been welcomed. As well as creating jobs, it is a confidence boost for the government's recent labour reforms.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Germany	12.8	Germany	16.1
France	10.7	France	9.0
United States	7.2	China	7.3
EU	55.4	EU	59.4
Eastern Europe	13.3	Eastern Europe	15.0
Middle East	5.3	Asia (ex. Japan)	11.0



	Average % Change on Previous Calendar Year														Annual Total			
	Gross Domestic Product		Personal 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 des Ménages</i>		<i>Investissement Productif</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	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Citigroup	2.0	1.8	2.3	2.1	4.5	2.2	na	na	0.7	0.4	1.4	2.0	na	na	na	na	na	na
Conf Board of Canada	2.0	2.2	2.5	2.3	-2.1	4.9	na	na	na	na	1.3	2.7	na	na	na	na	170	178
Informetrica	1.8	2.2	1.8	2.1	-1.5	5.0	-1.0	6.0	-1.5	2.5	1.2	2.1	-2.5	2.0	2.4	3.0	170	180
National Bank of Canada	1.8	2.1	2.1	1.8	-1.2	0.7	-11.6	4.2	na	na	1.0	2.2	na	na	na	na	175	171
Royal Bank of Canada	1.8	2.6	2.2	2.6	-2.5	5.1	-9.4	10.3	na	na	1.1	2.5	na	na	na	na	180	179
Econ Intelligence Unit	1.7	2.3	1.8	1.8	na	na	na	na	na	na	1.1	2.2	-1.0	2.5	na	na	na	na
IHS Economics	1.7	2.5	1.9	2.3	-1.3	1.4	-1.8	6.2	-0.5	1.3	1.4	2.0	-0.7	2.3	na	na	184	180
Economap	1.6	2.2	2.0	2.3	-3.0	2.8	-13.0	9.0	-0.5	2.6	1.1	2.0	-1.5	2.2	2.5	2.4	179	180
JP Morgan	1.6	2.2	2.1	2.3	-0.5	4.1	na	na	na	na	1.2	2.2	-0.8	1.5	na	na	na	na
Scotia Economics	1.6	2.0	2.0	2.2	-0.2	4.1	-7.0	9.0	0.5	2.6	1.2	2.1	na	na	na	na	180	178
BMO Capital Markets	1.5	2.2	1.9	2.3	-2.6	2.6	-20.0	8.0	-0.5	2.5	1.1	2.0	na	na	2.5	3.0	178	180
Capital Economics	1.5	1.0	2.0	1.0	0.0	0.5	na	na	1.5	1.5	1.0	1.5	na	na	na	na	175	140
Desjardins	1.5	2.2	2.1	2.1	-2.0	4.7	-6.9	7.7	na	na	1.0	1.9	-0.5	2.8	3.3	2.8	177	180
Toronto Dominion Bank	1.5	2.3	1.9	2.0	0.2	2.8	-11.2	9.9	na	na	0.8	2.2	na	na	na	na	176	177
University of Toronto	1.5	2.5	2.0	2.3	-0.7	4.4	-8.9	8.4	na	na	1.2	2.3	na	na	na	na	177	185
CIBC World Markets	1.4	2.7	2.0	1.7	-0.7	3.8	na	na	na	na	0.8	2.2	na	na	na	na	187	187
HSBC	1.4	2.1	1.8	2.1	-3.4	1.4	-17.2	-0.2	-0.6	1.8	0.7	1.6	na	na	na	na	180	180
Oxford Economics	1.3	2.6	1.9	2.2	-1.2	3.4	-0.4	4.4	-1.3	3.0	0.6	2.1	-0.8	2.1	1.3	2.4	na	na
Bank of America - Merrill	1.3	2.0	1.8	1.8	0.3	2.2	na	na	na	na	1.0	1.6	na	na	na	na	184	182
Consensus (Mean)	1.6	2.2	2.0	2.1	-1.0	3.1	-9.0	6.9	-0.2	2.0	1.1	2.1	-1.1	2.2	2.4	2.7	178	177
Last Month's Mean	1.9	2.2	2.1	2.1	-0.6	2.9	-4.7	6.1	1.0	2.0	1.1	2.1	-1.2	2.2	2.2	2.5	177	177
3 Months Ago	2.1	2.2	2.4	2.0	-0.5	2.8	-3.8	5.4	1.2	1.9	0.9	2.1	-1.6	2.3	2.4	2.6	181	178
High	2.0	2.7	2.5	2.6	4.5	5.1	-0.4	10.3	1.5	3.0	1.4	2.7	-0.5	2.8	3.3	3.0	187	187
Low	1.3	1.0	1.8	1.0	-3.4	0.5	-20.0	-0.2	-1.5	0.4	0.6	1.5	-2.5	1.5	1.3	2.4	170	140
Standard Deviation	0.2	0.4	0.2	0.3	1.8	1.5	6.1	3.0	1.0	0.8	0.2	0.3	0.7	0.4	0.7	0.3	5	11
Comparison Forecasts																		
IMF (Apr. '15)	2.2	2.0	2.3	2.2							0.9	2.0						
OECD (Jun. '15)	1.5	2.3	2.1	2.3							1.0	2.0						

Government and Background Data

Prime Minister - Mr. Stephen Harper (Conservative). **Government** - The Conservatives hold 167 out of 308 seats in parliament (155 seats are needed for a clear majority). **Next Election** - October 19, 2015 (general election). **Nominal GDP** - C\$1,881bn (2013). **Population** - 35.2mn (mid-year, 2013). **C\$/US\$ Exchange Rate** - 1.030 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	2.6	2.5	2.1	1.5	1.3	1.4	2.1	2.4	2.4	2.4
Personal Expenditure	2.8	2.6	2.4	1.9	1.8	1.9	2.3	2.2	2.1	2.0
Consumer Prices	2.1	1.9	1.0	0.7	1.0	1.6	2.1	2.2	2.2	2.0

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	3.0	1.9	2.0	2.4
Personal Expenditure*	2.2	1.9	2.5	2.7
Machinery & Eqpt Investment*	8.1	1.9	-1.7	1.0
Net Operating Surplus: Corporations*	15.4	-4.2	-0.6	8.8
Industrial Production*	4.1	1.4	1.8	4.1
Consumer Prices*	2.9	1.5	0.9	1.9
Industrial Product Prices*	6.9	1.1	0.4	2.5
Average Hourly Earnings*	2.1	2.0	1.6	2.4
Housing Starts, '000 units	194	215	188	189
Unemployment Rate, %	7.5	7.4	7.1	6.9
Current Account, C\$ bn	-47.2	-59.9	-56.3	-41.5
Federal Govt Budget Balance, fiscal years, C\$ bn	-26.3	-18.4	-5.2	-2.7 e
3 mth Trsy Bill, % (end yr)	0.8	0.9	0.9	0.9
10 Yr Govt Bond, % (end yr)	1.9	1.8	2.8	1.8

e = consensus estimate based on latest survey

Year Average	Annual Total	Fiscal Years (Apr-Mar)		Rates on Survey Date					
				0.6%		1.9%			
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 %			
2015 2016	2015 2016	FY 15-16	FY 16-17	End Sep'15	End Jun'16	End Sep'15	End Jun'16		
6.8	6.9	-82.9	-81.2	1.4	1.7	0.8	0.8	1.6	1.9
6.7	6.6	-59.0	-31.0	na	na	0.7	0.9	1.6	1.8
6.7	6.4	-59.0	-45.0	1.0	2.0	0.6	0.7	1.9	2.4
6.7	6.6	-54.5	-44.5	na	na	0.6	0.7	2.0	2.2
6.6	6.3	-51.5	-23.4	na	na	0.8	1.2	2.0	2.6
6.9	6.7	-70.8	-62.1	na	na	na	na	1.8	2.2
6.9	6.8	-61.6	-41.3	na	na	0.6	0.7	2.3	2.9
6.8	6.5	-60.0	-40.0	1.0	2.0	0.6	0.6	1.8	2.0
6.7	6.5	-80.9	-67.8	na	na	na	na	na	na
6.8	6.7	-64.0	-52.0	1.5	2.0	0.7	0.8	1.8	2.2
6.8	6.6	-58.0	-38.0	1.4	1.7	0.6	0.7	1.8	2.1
7.0	7.3	-74.7	-53.4	na	na	0.5	0.2	2.0	2.5
6.8	6.6	-59.0	-39.0	1.5	2.0	0.7	0.8	1.9	2.1
6.9	6.8	-62.1	-42.8	na	na	0.7	1.0	2.0	2.4
6.8	6.5	-66.1	-52.1	na	na	0.6	1.5	2.0	3.0
6.8	6.6	-62.7	-42.3	na	na	0.7	0.7	1.9	2.2
6.8	6.7	-64.0	-45.2	-2.0	1.4	0.2	0.4	1.8	2.4
6.7	6.6	-60.6	-56.3	na	na	0.7	1.1	1.7	2.1
6.8	6.7	-65.6	-50.5	na	na	na	na	na	na
6.8	6.7	-64.1	-47.8	0.8	1.8	0.6	0.8	1.9	2.3
6.8	6.7	-61.9	-45.1	1.1	2.1				
6.7	6.6	-60.1	-49.1	-1.0	1.4				
7.0	7.3	-51.5	-23.4	1.5	2.0	0.8	1.5	2.3	3.0
6.6	6.3	-82.9	-81.2	-2.0	1.4	0.2	0.2	1.6	1.8
0.1	0.2	8.2	13.1	1.3	0.2	0.1	0.3	0.2	0.3
6.7	6.5								

Weaker Outlook Remains in Place

Energy and exports are two major drivers of Canadian GDP, and consequently low oil prices and softer global demand have impacted the recovery. Canadian GDP fell by 0.1% (q-o-q) in Q1 2015 compared with a +0.6% advance in Q4 2014. This was the first quarterly decline since Q2 2011 and while the export-oriented manufacturing sectors clearly took a hit, net trade ended up narrowly contributing to growth, thanks to a decline in real imports outstripping the fall in exports. Final domestic sales fell by 0.4%, pulled down by a massive 1.9% (q-o-q) contraction in machinery & equipment investment which a negligible 0.1% rise in household consumption did little to mitigate. Our panel's 2015 investment forecast has been slashed. Monthly GDP on an output basis highlights the loss of impetus in goods-producing industries. These suffered a 1.0% (m-o-m) decline in March, reined in by a 2.6% monthly contraction in mining, quarrying, oil and gas extraction – a result of scalebacks in the energy sector. Utilities fell by 1.0%. Manufacturing was surprisingly resilient, managing a 0.1% monthly increase, but industrial production as a whole fell by 1.2% in March, curtailed by a fifth straight fall in construction output. On the upside, manufacturing sales and new orders increased by 2.9% (m-o-m) and 5.1%, respectively, in March, sowing hope of a rebound. Still, consensus projections for GDP and production have dropped sharply.

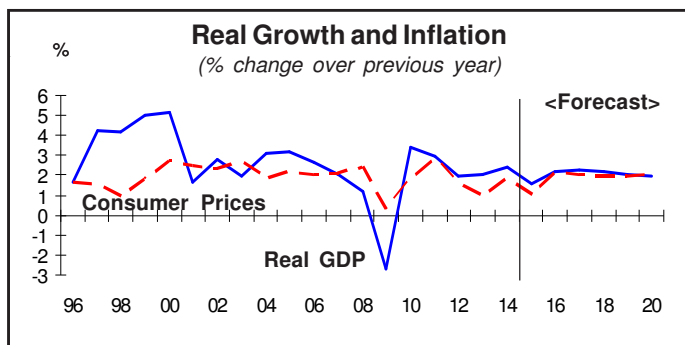
Headline consumer prices fell by 0.1% (m-o-m) in April after a 0.7% increase in March. This brought the y-o-y rate down from 1.2% to 0.8%, below the Bank of Canada's 2% target. However, core inflation stood at 2.3% (y-o-y) in April. Stripped of the energy effect, a weaker C\$ is supporting underlying price pressures.

Canada Overnight Lending Rate – June 8, 2015 = 0.75%

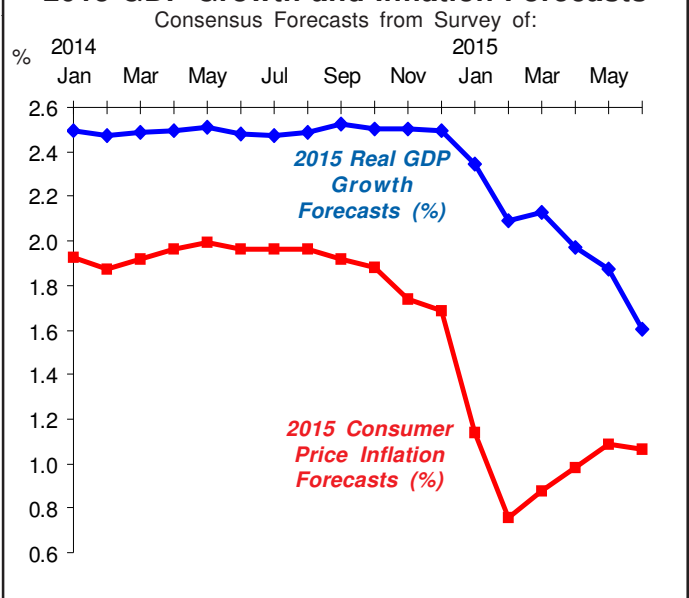
FORECASTS	End Jun. 2015	End Sep. 2015	End Dec. 2015	End Mar. 2016
Consensus Mean Average:	0.75%	0.71%	0.70%	0.76%
Mode (most frequent forecast):	0.75%	0.75%	0.75%	0.75%

Direction of Trade – 2014

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	76.8	United States	54.5
China	3.7	China	11.5
United Kingdom	2.9	Mexico	5.6
EU	7.4	Asia (ex. Japan)	14.7
Asia (ex. Japan)	5.4	EU	11.3
Latin America	2.6	Latin America	8.9



2015 GDP Growth and Inflation Forecasts



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														Year Average				
	Gross Domestic Product		Private Consumption		Govt Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices (HICP)		Industrial Producer Prices		Hourly Labour Costs - Total		Unemployment Rate (%)		
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
Bank Julius Baer	1.8	2.0	2.1	1.9	0.5	0.4	2.7	3.4	2.0	2.6	0.6	1.5	-2.1	-1.5	1.9	1.8	11.0	10.8	
BNP Paribas	1.8	2.0	1.9	1.1	0.6	0.8	1.1	2.2	1.6	3.6	0.2	1.4	na	na	na	na	10.7	10.1	
Natixis	1.7	1.7	1.8	1.5	0.8	0.8	2.1	2.8	na	na	0.3	1.3	na	na	na	na	11.0	10.7	
BBVA	1.6	2.2	1.7	1.6	0.5	0.9	1.5	4.4	na	na	0.1	1.3	na	na	na	na	11.0	10.3	
European F'cast Network	1.6	2.1	1.6	1.2	0.6	0.6	2.4	4.4	2.1	1.6	0.3	1.3	na	na	1.5	2.3	11.1	10.6	
JP Morgan	1.6	2.5	1.8	2.2	1.2	1.2	2.4	3.5	2.4	3.2	0.3	1.1	na	na	na	na	11.0	10.1	
UBS	1.6	2.0	1.5	1.6	0.7	0.7	2.1	3.6	na	na	0.3	1.5	0.1	1.4	na	na	11.0	10.6	
Oxford Economics	1.6	1.9	1.8	1.5	1.0	0.8	1.6	2.8	1.5	2.1	0.3	1.4	-1.1	1.8	na	na	11.1	10.6	
Grupo Santander	1.5	1.9	1.7	1.4	0.3	0.3	3.0	4.3	na	na	0.2	1.2	na	na	na	na	11.1	10.7	
Citigroup	1.5	2.1	2.0	1.8	1.1	0.7	1.7	3.1	2.5	3.8	0.2	1.6	na	na	na	na	11.0	10.2	
Bank of America - Merrill	1.5	1.9	1.9	1.8	0.6	0.6	1.8	2.9	1.7	2.4	0.2	1.1	na	na	na	na	11.2	10.8	
Allianz	1.5	1.6	1.8	1.4	1.1	1.0	1.7	2.8	2.0	2.2	0.3	1.4	-1.3	2.0	na	na	11.0	10.5	
Credit Suisse	1.5	2.1	1.7	1.6	na	na	1.9	4.0	2.6	3.2	0.3	1.4	na	na	na	na	11.2	10.6	
IHS Economics	1.5	1.9	2.0	1.8	0.7	0.9	2.4	3.3	1.5	2.3	0.3	1.3	-1.5	1.1	1.5	1.8	11.0	10.6	
Societe Generale	1.5	1.6	1.8	1.6	1.1	0.9	1.4	2.1	na	na	0.2	1.4	na	na	na	na	11.2	10.7	
Intesa Sanpaolo	1.5	2.0	1.9	1.7	0.8	0.5	1.9	2.6	2.8	2.9	0.3	1.4	-1.2	0.7	1.4	1.3	11.0	10.6	
Goldman Sachs	1.5	1.9	1.7	1.9	na	na	1.7	2.9	1.7	2.6	0.3	1.4	na	na	na	na	11.3	10.8	
Moody's Analytics	1.4	1.7	1.5	1.6	0.5	0.6	1.6	2.7	1.5	1.9	-0.1	1.4	-1.4	2.2	na	na	11.5	11.1	
Econ Intelligence Unit	1.4	1.6	1.5	1.2	0.9	0.9	1.3	2.6	1.8	2.1	0.2	1.2	-2.0	1.1	na	na	11.0	10.5	
Morgan Stanley	1.4	2.2	1.7	1.6	0.5	0.7	1.9	3.8	na	na	0.2	1.6	na	na	na	na	10.9	10.3	
Credit Agricole	1.4	1.8	1.7	1.5	1.4	0.4	1.8	2.3	na	na	0.3	1.3	na	na	na	na	11.3	10.7	
Barclays	1.4	1.7	1.6	1.4	1.0	0.7	1.4	2.5	na	na	0.2	1.1	na	na	na	na	10.9	10.4	
ING	1.4	1.8	1.6	1.4	1.0	1.2	1.2	2.2	3.0	3.5	0.2	1.7	na	na	na	na	10.9	10.4	
UniCredit	1.4	1.8	1.6	1.4	0.8	1.0	1.7	3.3	na	na	0.2	1.2	na	na	na	na	11.1	10.7	
ETLA	1.4	1.9	1.7	1.4	0.8	0.5	1.6	2.7	1.6	2.0	0.3	1.3	na	na	na	na	11.1	10.4	
HSBC	1.3	1.4	1.7	1.3	1.1	0.8	1.4	2.0	1.6	2.1	0.1	0.9	na	na	1.4	1.3	11.1	10.8	
Nomura	1.3	1.1	1.7	1.3	1.0	0.7	1.6	1.4	na	na	0.2	0.8	na	na	na	na	11.2	11.1	
Commerzbank	1.2	1.3	1.7	1.7	1.1	0.7	1.7	2.9	0.9	2.1	0.2	1.2	-1.5	1.1	1.4	1.6	11.2	10.7	
Consensus (Mean)	1.5	1.8	1.7	1.6	0.8	0.7	1.8	3.0	1.9	2.6	0.2	1.3	-1.3	1.1	1.5	1.7	11.1	10.6	
Last Month's Mean	1.5	1.8	1.7	1.5	0.7	0.7	1.7	2.9	1.7	2.4	0.1	1.2	-1.2	1.1	1.6	1.7	11.1	10.6	
3 Months Ago	1.4	1.7	1.6	1.4	0.7	0.7	1.5	2.7	1.3	2.3	0.0	1.2	-1.0	1.2	1.5	1.7	11.2	10.8	
High	1.8	2.5	2.1	2.2	1.4	1.2	3.0	4.4	3.0	3.8	0.6	1.7	0.1	2.2	1.9	2.3	11.5	11.1	
Low	1.2	1.1	1.5	1.1	0.3	0.3	1.1	1.4	0.9	1.6	-0.1	0.8	-2.1	-1.5	1.4	1.3	10.7	10.1	
Standard Deviation	0.1	0.3	0.2	0.3	0.3	0.2	0.4	0.7	0.5	0.6	0.1	0.2	0.6	1.1	0.2	0.4	0.2	0.2	
Comparison Forecasts																			
Eur Commission (Apr. '15)	1.5	1.9	1.8	1.6	0.6	0.8	1.7	4.0			0.1	1.5					11.0	10.5	
ECB - midpoint (June '15)	1.5	1.9	1.9	1.6	0.7	0.7	1.9	3.5			0.3	1.5					11.1	10.6	
IMF (Apr. '15)	1.5	1.6	1.7	1.5	0.7	0.5	1.5	2.4			0.1	1.0					11.1	10.6	
OECD (Jun. '15)	1.4	2.1	1.8	1.8	0.7	0.4	2.0	3.5			0.0	1.3					11.1	10.5	

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 9,585bn (2013). **Population** - 331.1mn (mid-year, 2013). **\$/Euro Exchange Rate** - 1.328 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	0.8	0.9	1.0	1.4	1.7	1.9	1.9	1.8	1.8	1.7
Private Consumption	1.0	1.5	1.7	1.9	1.7	1.7	1.6	1.6	1.6	1.6
Consumer Prices	0.4	0.2	-0.3	0.2	0.4	0.8	1.4	1.2	1.3	1.3

Percentage Change (year-on-year).

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	1.7	-0.8	-0.3	0.9
Private Consumption*	0.2	-1.3	-0.6	1.0
Government Consumption*	-0.2	-0.1	0.2	0.6
Gross Fixed Capital Formation*	1.8	-3.5	-2.3	1.2
Industrial Production*	3.5	-2.4	-0.7	0.8
Consumer Prices*	2.7	2.5	1.3	0.4
Industrial Producer Prices*	5.7	2.8	-0.2	-1.5
Hourly Labour Costs - Total*	2.6	2.4	1.3	1.2
Unemployment Rate, (%)	10.2	11.4	12.0	11.6
Exports - Goods & Services*	6.8	2.9	2.1	3.7
Imports - Goods & Services*	4.6	-0.6	1.3	4.0
Current Account, Euro bn	-6.9	151	214	236
General Govt. Budget Balance (Maastricht definition), Euro bn	-406	-355	-286	-246
Money Supply, M3, end period*	1.6	3.5	1.0	3.6

Average % Change on Previous Calendar Year				Annual Total				Average % Change on Prev. Year	
Exports of Goods & Services		Imports of Goods & Services		Current Account (€ bn)		General Govt Budget Balance (Maastricht) (€ bn)		Money Supply, M3, end period	
2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
5.8	5.3	6.3	6.6	na	na	na	na	na	na
6.1	8.1	5.7	7.1	370	410	-198	-168	na	na
4.4	3.9	4.0	4.0	240	220	na	na	na	na
5.2	5.9	4.9	6.1	na	na	na	na	na	na
6.0	7.7	6.0	7.6	na	na	na	na	na	na
4.0	5.0	4.6	5.6	na	na	na	na	na	na
4.0	4.4	4.2	4.9	na	na	na	na	na	na
4.0	4.0	5.2	3.9	243	238	-225	-192	4.1	4.0
4.3	4.4	4.2	4.4	280	272	-202	-152	na	na
4.0	4.3	4.4	4.0	236	200	-221	-184	na	na
7.4	3.9	7.3	3.8	240	234	-245	-243	na	na
4.1	4.2	4.6	4.4	272	245	-200	-195	na	na
na	na	na	na	na	na	-232	-197	na	na
4.5	4.5	4.8	4.4	240	245	-214	-191	na	na
3.4	3.6	4.0	3.8	na	na	na	na	na	na
4.7	4.4	5.2	5.0	317	338	-198	-195	4.1	4.9
na	na	na	na	na	na	na	na	na	na
3.4	3.8	3.0	3.8	-8	-8	na	na	7.8	4.4
3.6	3.7	3.4	3.4	na	na	-212	-180	na	na
4.5	5.2	3.9	4.8	247	249	-209	-199	na	na
3.9	4.9	4.3	4.6	201	196	-244	-212	na	na
na	na	na	na	na	na	na	na	na	na
3.9	4.1	3.7	4.0	na	na	na	na	6.0	6.5
4.4	4.5	4.9	4.9	na	na	na	na	na	na
7.0	5.6	6.4	5.1	na	na	na	na	na	na
3.9	3.8	4.1	4.0	245	250	-239	-217	na	na
3.4	3.1	4.2	3.4	na	na	na	na	na	na
4.4	5.4	3.9	4.9	250	200	-250	-230	4.8	4.5
4.6	4.7	4.7	4.7	241	235	-221	-197	5.4	4.9
4.6	4.6	4.6	4.8	228	215	-224	-197	4.4	4.0
4.5	4.4	4.4	4.5	232	226	-229	-200	4.3	3.9
7.4	8.1	7.3	7.6	370	410	-198	-152	7.8	6.5
3.4	3.1	3.0	3.4	-8	-8	-250	-243	4.1	4.0
1.1	1.2	1.0	1.1	83	91	19	24	1.6	1.0
4.4	5.4	4.6	5.9	359	359				
4.2	5.4	4.8	5.8						

Better Data Developments

Recent data have been improving. GDP accelerated from 0.8% (y-o-y) growth in Q3 2014 to 0.9% in Q4 and 1.0% in Q1 2015, and expanded by 0.4% in q-o-q terms. The expenditure breakdown (released after June 8) suggested that household consumption helped to buoy activity. Meanwhile, retail sales grew by 0.7% (m-o-m) in April after a weak -0.6% showing in March, as consumers gain a modest fillip from low oil prices. France and Spain saw their recoveries accelerate in Q1 and, even though German growth was slightly more muted, spending there has also been on an upward trend. Despite a weaker euro, net trade subtracted modestly from growth. Policymakers are citing the ECB's QE program as also helping to support activity.

Euro Zone Interest Rates

Forecasts are provided by a total of more than 80 panelists for **Germany** (page 9), **France** (page 11), **Italy** (page 15), the **Netherlands** (page 20) and **Spain** (page 22). This allows the analysis of forecasts for different yields on individual country 10-year benchmark bonds. Forecasts for 3-month interest rates are all for the EURIBOR rate.

	Actual	Consensus	Consensus
	Jun. 8, '15	End Sep. '15	End Jun. '16
Euribor, 3-mth, %	0.0	0.0	0.0
German 10-yr			
Govt Bond, %	1.0	0.5	0.9

Euro zone Refinancing Rate – Jun. 8, 2015 = 0.05%

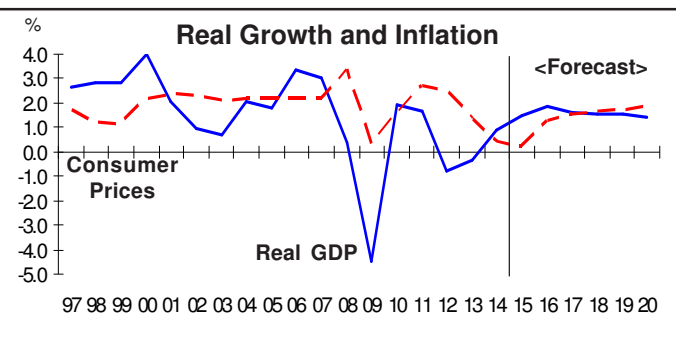
FORECASTS	End Jun. 2015	End Sep. 2015	End Dec. 2015	End Mar. 2016
Consensus Mean Average:	0.05%	0.05%	0.05%	0.05%
Mode (most frequent forecast):	0.05%	0.05%	0.05%	0.05%

Euro Exchange Rates

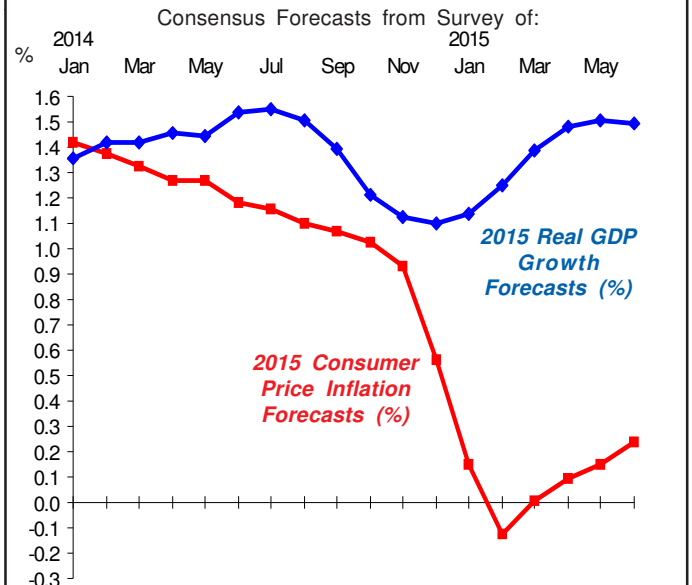
Consensus forecasts from a survey of approximately 100 panellists are shown on page 27.

Euro Zone Economic Statistics

The source of all Historical Data (facing page) is **Eurostat**, with the exception of the Current Account and the Money Supply, M3, which are from the **European Central Bank**. The base years and statistics methodologies used by Eurostat may differ from those used by individual Euro zone-member countries included in *Consensus Forecasts*. Eurostat data is often drawn from the national statistical agencies within the Euro zone but is adjusted to achieve standard classifications.



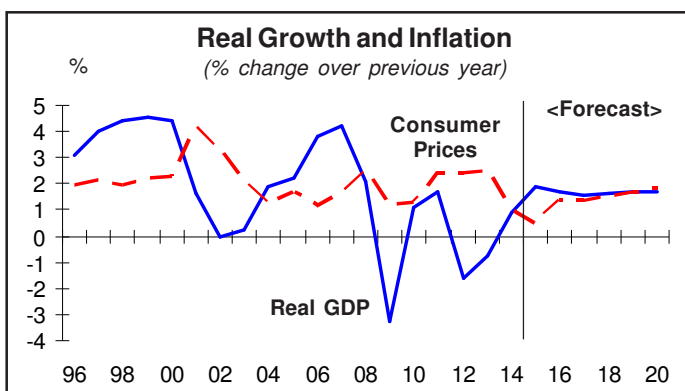
2015 GDP Growth and Inflation Forecasts



	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 Bal (Maastricht) (€ bn)		0.0%		1.2%	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	3 month Euro Rate (%)	10 Year Dutch Govt Bond Yield (%)	End Sep'15	End Jun'16
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	3 month Euro Rate (%)	10 Year Dutch Govt Bond Yield (%)	End Sep'15	End Jun'16
Moody's Analytics	2.2	1.6	1.6	1.8	5.7	2.3	2.0	1.9	0.3	1.4	na	na	60.8	57.9	na	na	0.0	0.0	0.4	0.5
BNP Paribas	2.1	1.7	1.4	1.7	5.2	3.4	2.1	2.3	0.3	1.4	1.7	1.8	77.7	74.1	-12.1	-11.1	0.0	0.0	0.9	1.4
ABN AMRO	2.1	2.2	1.6	1.5	5.3	4.2	na	na	0.6	1.8	1.8	2.1	67.3	67.3	-12.8	-8.3	0.0	0.0	0.3	1.2
Credit Suisse	2.1	2.0	1.0	1.4	4.9	5.0	na	na	na	na	na	na	na	na	-13.4	-12.4	na	na	na	na
ING	2.0	2.1	1.3	1.2	7.2	3.7	2.0	3.0	0.7	1.9	1.7	1.8	72.0	73.0	-10.0	-7.0	0.0	0.0	0.8	1.1
Rabobank Nederland	2.0	2.0	1.6	1.5	6.9	2.7	na	na	na	na	na	na	70.5	69.6	-12.1	-7.0	0.0	0.0	0.9	1.3
Bank of America - Merrill	1.9	1.7	1.5	1.5	4.5	3.5	2.0	2.8	1.0	1.1	na	na	69.9	72.3	-12.5	-12.8	na	na	na	na
NIBC	1.9	0.4	1.5	0.8	6.5	2.2	1.6	-1.0	0.5	0.8	1.8	1.5	65.0	55.0	-10.0	-15.0	0.0	0.0	1.2	2.0
Oxford Economics	1.8	1.5	1.0	0.9	2.7	2.1	1.9	1.3	0.6	1.3	0.3	1.6	72.2	75.0	-12.7	-11.8	0.0	0.0	0.9	1.3
Citigroup	1.8	1.9	1.3	1.0	6.9	2.2	na	na	na	na	na	na	61.8	55.5	-13.0	-12.0	0.1	0.1	0.4	0.7
Theodoor Gilissen	1.8	1.7	1.5	1.7	6.4	2.6	1.5	3.1	0.4	0.8	1.3	2.0	na	na	-13.0	-10.0	0.0	0.1	0.4	0.9
UBS	1.8	2.0	0.8	0.9	4.7	5.3	na	na	na	na	na	na	na	na	na	na	-0.1	-0.1	0.8	1.5
Nomura	1.8	1.1	1.3	0.8	6.3	0.4	na	na	na	na	na	na	na	na	na	na	0.0	0.0	0.7	1.0
Econ Intelligence Unit	1.7	1.5	1.5	0.7	5.3	3.5	na	na	na	na	na	na	na	na	na	na	na	na	na	na
Feri EuroRating	1.7	1.7	1.1	0.9	1.0	1.7	2.0	1.8	0.1	1.5	1.6	2.0	74.0	67.8	-14.6	-12.4	0.0	0.0	0.4	0.7
Consensus (Mean)	1.9	1.7	1.3	1.2	5.3	3.0	1.9	1.9	0.5	1.3	1.5	1.8	69.1	66.7	-12.4	-10.9	0.0	0.0	0.7	1.1
Last Month's Mean	1.8	1.6	1.3	1.2	4.2	2.9	1.9	1.8	0.5	1.3	1.5	1.9	67.3	65.2	-13.0	-12.3				
3 Months Ago	1.5	1.5	1.0	1.2	3.0	2.8	1.8	1.8	0.5	1.2	1.7	2.0	67.5	66.4	-12.5	-12.0				
High	2.2	2.2	1.6	1.8	7.2	5.3	2.1	3.1	1.0	1.9	1.8	2.1	77.7	75.0	-10.0	-7.0	0.1	0.1	1.2	2.0
Low	1.7	0.4	0.8	0.7	1.0	0.4	1.5	-1.0	0.1	0.8	0.3	1.5	60.8	55.0	-14.6	-15.0	-0.1	-0.1	0.3	0.5
Standard Deviation	0.2	0.4	0.3	0.4	1.7	1.3	0.2	1.3	0.3	0.4	0.6	0.2	5.4	7.8	1.4	2.6	0.0	0.0	0.3	0.4
Comparison Forecasts																				
CPB (Mar. '15)	1.7	1.8	1.5	1.7	3.4	3.9			0.4	1.2			67.1	65.6	-12.3	-8.1				
Eur Commission (Apr. '15)	1.6	1.7	1.6	1.7	4.5	4.2							59.7	64.8						
IMF (Apr. '15)	1.6	1.6													-9.4	-3.5				
OECD (Jun. '15)	2.0	2.2	1.5	1.6	7.0	4.0														

◆ The Dutch economy grew by 2.2% (y-o-y) in Q1, the fourth consecutive quarter of expansion. Gross fixed investment surged by 7.4% (y-o-y), led by higher investments in housing and machinery. Exports more than doubled the pace of imports, accelerating by 3% and boosted by oil products and transport. Consumer spending continued its momentum, rising 1.5% (y-o-y) as households benefit from greater purchasing power amid rising house prices lifting confidence.

◆ The recovery appears to be becoming more broad-based. The 2015 GDP consensus has advanced to 1.9%.



Historical Data				
* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	1.7	-1.6	-0.7	0.9
Private Consumption*	0.2	-1.4	-1.6	0.1
Gross Fixed Investment*	5.6	-6.0	-4.0	3.4
Manufacturing Production*	3.3	-0.7	-1.0	1.1
Consumer Prices*	2.4	2.4	2.5	1.0
Hourly Wages (manufacturing)*	1.1	1.8	1.6	1.5
Current Account, transactions basis, Euro bn	56.8	70.5	70.4	67.5
General Govt. Budget Balance (Maastricht definition), Euro bn	-27.8	-25.3	-14.6	-15.0
3 mth Euro, % (end yr)	1.4	0.2	0.3	0.1
10 Yr Dutch Govt Bond Yield, % (end yr)	2.2	1.5	2.2	0.7

Nominal GDP - Euro 603.4bn (2013). Popn - 16.8mn (mid-year, 2013). \$/Euro Exch. Rate - 1.328 (average, 2013).

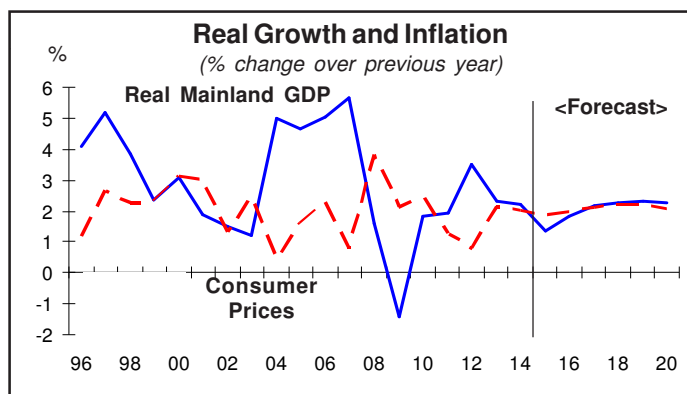
Quarterly Consensus Forecasts										
Historical Data and Forecasts (bold italics) From Survey of June 8, 2015										
	2014		2015			2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	1.0	1.4	2.2	1.9	2.0	1.7	1.7	1.7	1.7	1.7
Consumer Prices	0.9	0.9	0.2	0.5	0.3	0.6	1.2	1.3	1.4	1.6

Percentage Change (year-on-year).

	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)		1.4%		1.6%	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16
Goldman Sachs	1.9	1.7	2.3	2.8	na	na	na	na	2.0	2.3	na	na	na	na	na	na	na	na	na	na
HSBC	1.7	2.0	1.9	1.7	-2.3	3.7	1.8	2.5	1.6	1.7	2.4	2.0	na	na	na	na	1.0	1.0	1.4	1.6
Citigroup	1.6	1.8	1.8	1.8	-2.3	0.6	na	na	2.1	2.2	na	na	261	269	na	na	na	na	1.3	1.5
Nordea Markets	1.5	1.7	2.0	1.5	-4.0	-0.7	na	na	2.3	2.0	2.8	2.8	176	276	219	277	1.3	1.1	1.5	1.8
Feri EuroRating	1.4	2.2	2.1	2.6	-1.0	3.1	2.7	2.0	1.5	1.7	3.3	3.7	254	276	278	256	1.1	1.2	1.7	2.0
Swedbank	1.3	1.5	2.0	1.2	-3.9	-2.7	-2.4	-0.9	2.1	1.7	2.5	2.6	282	313	231	167	1.2	0.9	1.8	1.9
NHO Conf Nor Enterprise	1.3	2.3	1.8	2.0	-4.8	-0.6	na	na	na	na	na	na	na	na	na	na	na	na	na	na
DNB	1.2	1.6	2.0	2.0	-5.1	-1.7	na	na	2.3	1.9	2.7	2.5	na	na	na	na	1.3	1.1	1.5	1.5
Statistics Norway	1.2	2.4	1.9	2.1	-3.2	1.5	na	na	2.0	2.1	2.8	3.0	209	234	na	na	1.3	1.3	na	na
UBS	1.1	2.2	2.0	2.8	-3.9	0.9	na	na	1.3	1.3	na	na	na	na	na	na	1.2	1.2	1.7	2.5
Oxford Economics	1.1	1.0	2.0	2.1	-3.3	2.4	-0.8	-2.0	1.8	2.6	1.3	2.8	196	241	190	176	1.2	1.2	1.4	1.5
Consensus (Mean)	1.4	1.9	2.0	2.1	-3.4	0.6	0.3	0.4	1.9	2.0	2.6	2.8	230	268	229	219	1.2	1.1	1.5	1.8
Last Month's Mean	1.3	1.9	2.1	2.2	-3.3	0.5	0.3	0.6	1.9	1.9	2.6	2.7	221	253	229	228				
3 Months Ago	1.3	2.0	1.8	2.1	-2.2	0.6	0.2	0.0	2.2	2.2	2.9	3.0	243	286	222	221				
High	1.9	2.4	2.3	2.8	-1.0	3.7	2.7	2.5	2.3	2.6	3.3	3.7	282	313	278	277	1.3	1.3	1.8	2.5
Low	1.1	1.0	1.8	1.2	-5.1	-2.7	-2.4	-2.0	1.3	1.3	1.3	2.0	176	234	190	167	1.0	0.9	1.3	1.5
Standard Deviation	0.3	0.4	0.2	0.5	1.2	2.1	2.4	2.2	0.3	0.4	0.6	0.5	42	29	37	56	0.1	0.1	0.2	0.3
Comparison Forecasts																				
Bank of Norway (Mar. '15)	1.5	2.0	1.8	2.5					2.3	2.3										
OECD (Jun. '15)	1.2	1.5	1.8	1.9	-3.6	0.5			2.1	2.2										

◆ GDP increased by 0.5% (q-o-q) in Q1 as the economy moves to diversify away from its reliance on oil revenue. Private consumption rose 0.6% (q-o-q) amid sharp rises in car purchases and clothing. Retail sales surged 2% (m-o-m) in April to boost momentum at the start of Q2.

◆ Gross fixed investment suffered a third straight decline, however, falling -0.3% (q-o-q) as investment in mining and manufacturing dropped considerably. Exports slumped by -3.8% in Q1, with the oil price fallout contributing to a weakened current account surplus.



Historical Data				
* % change on previous year	2011	2012	2013	2014
GDP (Mainland)*	1.9	3.5	2.3	2.2
Private Consumption*	2.3	3.4	2.1	2.0
Gross Fixed Investment*	7.5	7.5	6.9	0.6
Manufacturing Production*	1.1	2.6	3.7	3.3
Consumer Prices*	1.2	0.8	2.1	2.0
Wages & Salaries per Full-Time Employee (Total)*	4.1	4.2	4.8	2.8
Current Account, Nkr bn	345	369	308	267
General Govt. Bud Bal, Nkr bn	375	411	348	285
3 mth Interbank Rate, % (end year)	2.9	1.8	1.7	1.5
10 Yr Govt Bond Yield, % (end year)	2.4	2.1	3.0	1.6

Nominal GDP (total) - Nkr 3,011bn (2013). Population - 5.0mn (mid-yr, 2013). Nkr/\$ Exchange Rate - 5.875 (average, 2013).

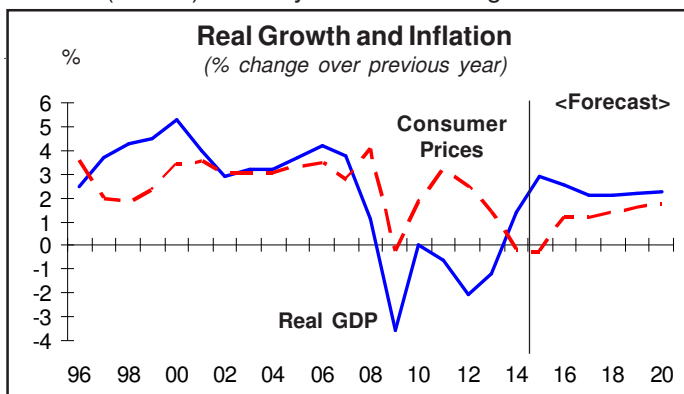
Quarterly Consensus Forecasts										
Historical Data and Forecasts (bold italics) From Survey of June 8, 2015										
	2014			2015			2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product (Mainland)	2.2	2.0	2.0	0.9	1.1	1.1	1.4	1.9	2.2	2.4
Consumer Prices	2.1	2.0	2.0	2.0	1.6	2.0	1.9	1.9	1.8	1.6

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		Industrial Production		Consumer Prices		Salary Cost per Hour		Current Account (€ bn)		General Govt Bud Bal (Maastricht) (€ bn)		0.0%		2.4%			
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	3 month Euro Rate (%)	10 Year Spanish Govt Bond Yield (%)	End Sep'15	End Jun'16	End Sep'15	End Jun'16
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16	End Sep'15	End Jun'16
FUNCAS	3.3	3.0	3.8	3.5	6.0	5.7	2.9	4.1	-0.3	1.1	na	na	14.7	10.1	-49.4	-36.5	0.0	0.1	1.6	1.6		
Inst Estud Economicos	3.2	2.9	3.7	3.4	6.9	5.3	2.6	2.6	-0.3	1.2	na	na	5.4	4.5	-47.9	-38.5	0.0	0.0	2.1	2.1		
Grupo Santander	3.1	2.9	3.4	2.8	5.6	5.6	na	na	-0.7	0.8	0.5	1.0	19.1	12.8	-45.4	-30.2	0.1	0.1	1.6	2.2		
BBVA	3.0	2.7	3.1	2.4	5.7	6.4	na	na	-0.2	1.4	na	na	1.0	1.1	-48.9	-35.1	0.0	0.1	1.1	1.8		
AFI	3.0	2.5	3.5	2.5	6.3	5.5	na	na	-0.4	1.1	na	na	3.8	3.1	-51.2	-38.2	0.1	0.1	1.5	1.8		
Barclays	3.0	2.4	3.0	1.8	4.6	4.7	na	na	-0.3	0.9	na	na	na	na	na	na	na	na	na	na		
CEOE	3.0	2.7	3.3	2.6	6.1	4.3	2.1	1.5	-0.2	1.3	na	na	9.9	12.5	-46.0	-39.3	0.0	0.0	1.7	1.2		
Inst. Klein-G. (UAM)	3.0	3.0	3.1	3.1	5.2	5.4	2.5	2.9	-0.3	1.3	0.3	0.7	9.9	7.3	-52.3	-42.6	0.0	0.1	1.4	1.8		
Oxford Economics	3.0	2.6	3.3	2.6	5.4	3.5	2.5	4.2	-0.3	1.0	0.4	0.0	0.8	4.0	-47.2	-36.9	0.0	0.0	2.0	2.4		
IFL-Univers Carlos III	2.9	2.8	3.2	3.3	5.6	6.5	2.9	4.5	-0.3	1.0	na	na	na	na	na	na	na	na	na	na		
Citigroup	2.9	2.6	3.9	2.7	6.0	6.2	na	na	-0.4	1.0	na	na	7.6	8.5	-48.1	-37.0	0.1	0.1	1.3	1.2		
Bank of America - Merrill	2.9	2.4	3.3	2.5	5.8	3.3	2.3	2.4	-0.2	1.0	na	na	6.1	7.6	-55.3	-42.3	na	na	na	na		
La Caixa	2.8	2.5	2.9	2.1	4.9	4.2	3.0	3.0	0.0	1.9	0.1	1.2	12.4	12.0	-52.4	-37.4	0.0	0.0	1.3	1.7		
Goldman Sachs	2.8	2.4	2.9	2.8	4.2	4.7	0.7	0.5	-0.1	1.2	na	na	na	na	na	na	na	na	na	na		
HSBC	2.7	2.0	3.5	2.0	4.4	2.4	1.5	1.5	-0.4	1.0	0.1	0.4	4.5	8.0	-51.3	-42.1	0.1	0.1	1.9	1.7		
CEPREDE	2.6	2.4	3.0	2.5	5.2	6.4	2.2	2.6	-0.3	1.4	0.3	1.1	-1.9	-6.8	-51.6	-42.5	0.2	0.3	1.8	2.6		
Econ Intelligence Unit	2.6	2.1	2.8	2.3	3.5	3.2	1.8	2.2	-0.2	1.0	na	na	3.2	3.4	na	na	na	na	na	na		
UBS	2.4	2.3	2.8	2.7	4.4	3.9	na	na	-0.1	1.5	na	na	na	na	na	na	-0.1	-0.1	na	na		
Consensus (Mean)	2.9	2.6	3.3	2.6	5.3	4.8	2.3	2.7	-0.3	1.2	0.3	0.7	6.9	6.3	-49.8	-38.4	0.0	0.1	1.6	1.8		
Last Month's Mean	2.8	2.5	3.2	2.6	5.0	4.7	2.1	2.6	-0.4	1.1	0.3	0.8	7.2	6.3	-50.2	-38.7						
3 Months Ago	2.4	2.3	2.8	2.3	4.0	4.1	2.1	2.5	-0.6	1.2	0.6	0.9	7.2	6.6	-49.4	-39.6						
High	3.3	3.0	3.9	3.5	6.9	6.5	3.0	4.5	0.0	1.9	0.5	1.2	19.1	12.8	-45.4	-30.2	0.2	0.3	2.1	2.6		
Low	2.4	2.0	2.8	1.8	3.5	2.4	0.7	0.5	-0.7	0.8	0.1	0.0	-1.9	-6.8	-55.3	-42.6	-0.1	-0.1	1.1	1.2		
Standard Deviation	0.2	0.3	0.3	0.5	0.9	1.2	0.7	1.2	0.1	0.3	0.2	0.5	5.8	5.3	2.9	3.5	0.1	0.1	0.3	0.4		
Comparison Forecasts																						
Banco de Espana (Mar. '15)	2.8	2.7	3.3	2.4	5.9	6.7			-0.2	1.2												
Eur Commission (Apr. '15)	2.8	2.6	3.5	2.8	5.5	5.1							12.8	11.0								
IMF (Apr. '15)	2.5	2.0	3.9	2.5	4.5	3.1			-0.7	0.7					-46.7	-31.7						
OECD (Jun. '15)	2.9	2.8	3.8	2.6	5.4	6.3			-0.7	0.7												

Household consumption jumped 0.7% (q-o-q) as the Q1 GDP outturn was confirmed at 0.9% (q-o-q). Along with strong exports, which rose 1% and exceeded the pace of imports, consumer spending remained robust. Jobless claims declined in May, whilst sentiment is also being driven by rising activity in the recovering housing market.

Q1 industrial output surged 1.8% (q-o-q) and gross fixed investment advanced by 1.3% as growth becomes more broadly supported. CPI ticked up to -0.2% (y-o-y) in May. Q2 prospects seem buoyant; April's retail trade increased 1.3% (m-o-m) and May's manufacturing PMI soared.



Historical Data				
* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	-0.6	-2.1	-1.2	1.4
Household Consumption*	-2.0	-3.0	-2.3	2.4
Gross Fixed Investment*	-6.3	-8.1	-3.8	3.4
Industrial Production*	-2.0	-6.4	-1.7	1.5
Consumer Prices*	3.2	2.4	1.4	-0.2
Salary Cost per Hour*	2.1	0.0	0.4	0.3
Current Account, Euro bn	-34.0	-3.0	15.1	8.5
General Govt. Budget Balance (Maastricht definition), Euro bn	-101	-109	-71.3	-61.4
3 mth Euro, % (end yr)	1.4	0.2	0.3	0.1
10 Yr Spanish Govt Bond Yield, % (end yr)	5.1	5.3	4.1	1.6

Nominal GDP - Euro1,023bn (2013). Popn - 46.9mn (mid-year, 2013). \$/Euro Exch. Rate - 1.328 (average, 2013).

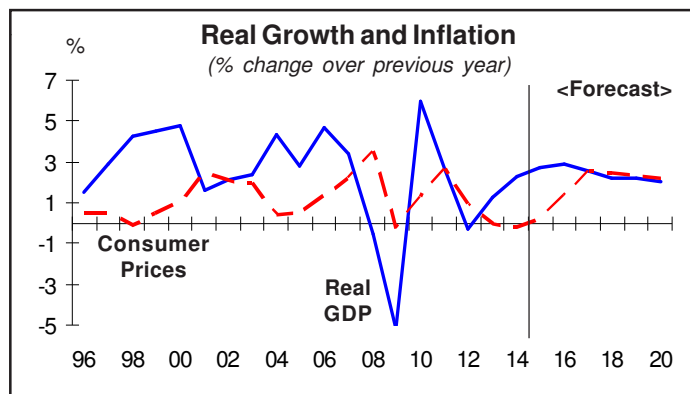
Quarterly Consensus Forecasts										
Historical Data and Forecasts (bold italics) From Survey of June 8, 2015										
	2014		2015		2016					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	1.6	2.0	2.7	2.9	3.0	3.0	2.7	2.6	2.5	2.4
Consumer Prices	-0.3	-0.5	-1.0	-0.4	-0.1	0.6	1.4	1.1	1.0	1.0

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 (Skr bn)		General Govt Budget Balance (Skr bn)		-0.3%		1.0%		
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16	
Confed of Swed Enterprise	3.1	3.1	2.8	2.7	3.6	4.7	na	na	0.2	1.3	na	na	na	na	na	na	-0.4	-0.3	0.4	1.0	
National Institute - NIER	3.1	3.3	2.8	2.7	4.1	5.5	0.4	4.3	0.2	1.1	2.9	3.2	247	267	-60.0	-37.0	na	na	1.0	1.6	
SBAB Bank	3.0	2.7	2.4	2.3	6.1	4.3	-2.1	3.5	-0.1	1.0	2.2	2.5	225	225	-70.0	-70.0	-0.2	-0.1	0.7	0.7	
SE Banken	3.0	2.7	2.8	2.7	7.0	6.5	na	na	0.2	1.2	2.8	3.0	na	na	na	na	-0.3	na	0.5	na	
UBS	3.0	3.7	2.6	3.1	7.1	7.7	na	na	0.2	1.5	na	na	na	na	na	na	0.0	0.0	1.1	1.5	
Citigroup	2.9	2.6	2.8	2.7	4.2	4.1	na	na	0.5	1.4	na	na	247	250	-60.1	-37.0	-0.5	-0.5	na	na	
Econ Intelligence Unit	2.9	3.1	2.5	2.5	5.5	4.1	-0.9	2.7	0.5	1.7	na	na	255	252	na	na	na	na	na	na	
Nordea	2.9	2.6	2.5	2.4	na	na	na	na	0.1	1.4	2.7	2.8	246	265	-71.5	-44.8	-0.3	-0.3	0.9	1.4	
Goldman Sachs	2.9	3.6	2.8	4.4	5.1	4.5	na	na	0.2	1.4	na	na	na	na	na	na	na	na	na	na	
Morgan Stanley	2.7	3.0	2.2	2.5	5.9	5.0	na	na	0.1	1.4	na	na	234	249	na	na	na	na	na	na	
Swedbank	2.6	3.2	3.2	2.5	4.5	6.3	1.8	4.2	0.2	1.9	3.0	3.3	247	260	-69.0	-51.0	-0.4	-0.3	0.7	1.3	
Erik Penser Bank	2.5	2.3	2.7	1.8	5.8	4.8	na	na	0.4	1.8	2.8	3.0	225	210	-65.0	-60.0	-0.2	-0.1	0.8	1.1	
Oxford Economics	2.0	2.8	3.0	3.5	3.4	5.3	-0.9	2.9	0.3	1.9	2.0	2.3	212	177	-83.2	-52.3	-0.4	-0.4	0.8	1.4	
HSBC	1.8	1.9	2.4	2.2	4.9	4.2	1.0	1.2	0.1	0.4	2.3	2.0	na	na	na	na	0.0	0.0	0.9	1.1	
Consensus (Mean)	2.7	2.9	2.7	2.7	5.2	5.1	-0.1	3.1	0.2	1.4	2.6	2.8	237	239	-68.4	-50.3	-0.3	-0.2	0.8	1.2	
Last Month's Mean	2.8	2.9	2.7	2.7	5.2	5.1	0.8	3.4	0.2	1.4	2.6	2.8	236	236	-69.1	-51.0					
3 Months Ago	2.6	2.8	2.8	2.7	4.7	5.0	1.8	3.6	0.3	1.6	2.7	2.8	215	215	-71.2	-49.4					
High	3.1	3.7	3.2	4.4	7.1	7.7	1.8	4.3	0.5	1.9	3.0	3.3	255	267	-60.0	-37.0	0.0	0.0	1.1	1.6	
Low	1.8	1.9	2.2	1.8	3.4	4.1	-2.1	1.2	-0.1	0.4	2.0	2.0	212	177	-83.2	-70.0	-0.5	-0.5	0.4	0.7	
Standard Deviation	0.4	0.5	0.3	0.6	1.2	1.1	1.4	1.2	0.2	0.4	0.4	0.5	14	30	8.0	12.1	0.2	0.2	0.2	0.3	
Comparison Forecasts																					
Riksbank (Apr. '15)	3.2	3.4	2.9	2.9	4.0	5.6			0.3	2.1											
Eur Commission (Apr. '15)	2.5	2.8	2.6	2.6	4.1	4.5															
IMF (Apr. '15)	2.7	2.8							0.2	1.1					-53.8	-26.4					
OECD (Jun. '15)	2.8	3.0	2.5	2.7	5.4	5.2			0.2	1.4											

◆ GDP expanded by 0.4% (q-o-q) in Q1, supported by external trade as exports fell at a slower rate than imports. Household consumption edged up 0.1% helped by ultra-low interest rates and higher disposable income, but this was down from the 1.3% pace in Q4. Investment slipped by -0.1% (q-o-q) but the finance minister announced plans for greater investment on road and railway networks.

◆ Escalating household debt is a major concern for the Riksbank as rocketing house prices threaten to cause a housing bubble. With expansive policies in place to reverse deflation, policymakers are scrambling to find a solution.



Historical Data					
* % change on previous year	2011	2012	2013	2014	2014
Gross Domestic Product*	2.7	-0.3	1.3	2.3	
Household Consumption*	1.9	0.8	1.9	2.4	
Gross Fixed Investment*	5.7	-0.2	-0.4	7.4	
Min. & Manufacturing Prodn*	3.0	-3.3	-4.1	-2.2	
Consumer Prices*	2.6	0.9	0.0	-0.2	
Average Hourly Earnings (Mining & Manufacturing)*	2.8	3.7	2.1	2.4	
Current Account, Skr bn	252	244	276	245	
General Govt. Bud Bal, Skr bn	-2.9	-34.1	-51.8	-80.7	
3 mth Interbank Rate, % (end yr)	2.6	1.3	0.9	0.3	
10 Yr Govt Bond Yield, % (end yr)	1.6	1.5	2.5	0.9	

Nominal GDP - Skr 3,634bn (2013). Population - 9.6mn (mid-year, 2013). Skr/\$ Exchange Rate - 6.514 (average, 2013).

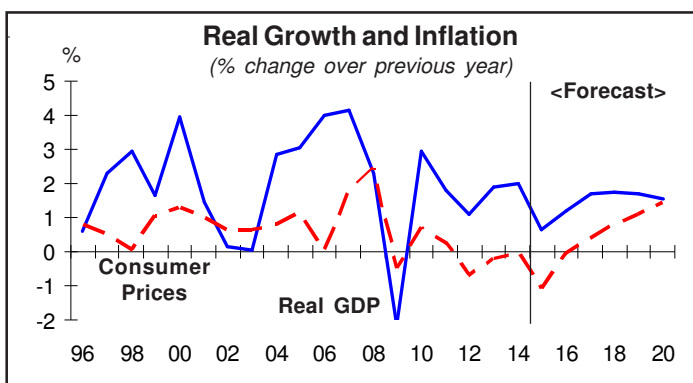
Quarterly Consensus Forecasts										
Historical Data and Forecasts (bold italics) From Survey of June 8, 2015										
	2014			2015			2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product	2.6	2.6	2.6	3.0	3.0	2.9	2.8	3.3	2.9	2.9
Consumer Prices	-0.2	-0.2	0.0	-0.1	0.2	0.6	1.1	1.2	1.5	1.7

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)		-0.8% 3 month Euro-Franc Rate (%)		0.2% 10 Year Govt Bond Yield (%)	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	End Sep'15	End Jun'16	End Sep'15	End Jun'16
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016				
Econ Intelligence Unit	1.0	1.5	1.7	1.3	0.0	0.4	0.6	1.6	-0.7	0.1	na	na	42.1	39.0	na	na	na	na	na	na
Goldman Sachs	0.9	1.1	2.0	2.2	0.4	0.7	na	na	-1.0	0.1	na	na	na	na	na	na	na	na	na	na
Credit Suisse	0.8	1.2	1.5	1.0	0.2	1.4	na	na	-1.3	0.0	na	na	na	na	na	na	-0.8	-0.8	0.1	0.4
HSBC	0.8	1.1	2.3	2.0	0.2	0.7	-0.2	0.6	-1.1	-0.4	na	na	na	na	na	na	-1.0	-1.0	0.0	0.1
Institut Crea	0.8	1.5	0.8	-0.1	0.5	-1.2	na	na	-0.9	0.5	187	187	na	na	na	na	na	na	0.0	0.3
Wellershoff & Partners	0.8	1.0	1.4	1.2	0.5	1.0	na	na	-1.5	-0.5	200	210	na	na	na	na	na	na	na	na
Citigroup	0.8	1.4	1.9	1.3	3.8	4.4	na	na	-1.2	-0.3	na	na	68.7	66.2	na	na	-0.8	-0.8	0.0	0.1
Bank Vontobel	0.7	1.5	1.9	2.2	1.7	2.2	na	na	-1.1	0.3	na	na	25.0	30.0	-1.5	0.8	-0.8	-0.8	0.1	0.4
BAK Basel	0.6	1.5	1.5	1.3	-0.9	0.6	-1.0	1.6	-1.2	-0.1	217	224	71.1	68.0	0.1	-1.3	-0.8	-0.8	0.2	0.4
Swiss Life	0.6	0.6	0.5	0.6	0.3	0.8	0.3	0.4	-1.4	-0.4	na	na	na	na	na	na	na	na	na	na
Zürcher Kantonalbank	0.5	1.2	1.7	1.6	0.8	0.8	-1.0	1.7	-1.1	-0.2	205	209	41.3	49.5	4.0	5.3	-0.7	-0.5	0.0	-0.1
IHS Economics	0.5	1.0	1.5	0.8	0.1	1.5	-1.1	1.5	-1.2	-0.4	202	205	32.0	36.3	-1.7	-4.5	-0.9	-0.9	0.4	1.0
Pictet & Cie	0.5	1.0	1.6	0.8	1.0	1.5	na	na	-1.1	0.0	na	na	40.0	35.0	-1.5	-2.0	-0.8	-0.7	0.2	0.5
UBS	0.5	1.1	1.5	1.6	-0.5	0.5	na	na	-1.0	0.2	na	na	na	na	na	na	-0.8	-0.8	0.0	0.2
Oxford Economics	0.4	1.5	1.5	1.3	-0.7	1.2	-1.0	1.6	-1.1	0.0	221	209	71.1	68.0	0.1	-1.3	-0.8	-0.8	0.1	0.4
KOF Swiss Econ Inst	0.2	1.0	2.1	1.6	-0.1	0.8	na	na	-0.8	0.0	206	210	na	na	-0.9	-1.9	-0.8	-0.8	0.0	0.0
Consensus (Mean)	0.7	1.2	1.6	1.3	0.5	1.1	-0.5	1.3	-1.1	-0.1	205	208	48.9	49.0	-0.2	-0.7	-0.8	-0.8	0.1	0.3
Last Month's Mean	0.7	1.2	1.6	1.4	0.5	1.3	0.3	1.3	-1.1	-0.1	210	213	46.0	48.2	-0.4	-0.6				
3 Months Ago	0.6	1.1	1.6	1.4	0.5	1.0	-0.1	1.2	-1.2	-0.1	199	202	48.7	49.4	0.7	0.6				
High	1.0	1.5	2.3	2.2	3.8	4.4	0.6	1.7	-0.7	0.5	221	224	71.1	68.0	4.0	5.3	-0.7	-0.5	0.4	1.0
Low	0.2	0.6	0.5	-0.1	-0.9	-1.2	-1.1	0.4	-1.5	-0.5	187	187	25.0	30.0	-1.7	-4.5	-1.0	-1.0	0.0	-0.1
Standard Deviation	0.2	0.3	0.5	0.6	1.1	1.1	0.7	0.5	0.2	0.3	11	11	18.6	16.2	2.0	3.1	0.1	0.1	0.1	0.3
Comparison Forecasts																				
IMF (Apr. '15)	0.8	1.2							-1.2	-0.4					-2.7	-1.5				
OECD (Jun. '15)	0.8	1.7	1.6	1.5	0.9	0.9			-0.8	-0.1										
SECO (Mar. '15)	0.9	1.8	1.5	1.3					-1.0	0.3										

◆ A recession looms as GDP contracted by -0.2% (q-o-q) in Q1 with the strength of the Swiss franc depressing external demand. Exports of goods plunged -2.3% (q-o-q), led by a marked decline in pharmaceutical and chemical products, while other key areas such as machinery and jewellery also deteriorated. Manufacturing dipped -0.1% as weak orders undermined output, forcing firms to step up cost-cutting measures.

◆ Resilient consumer spending was one of few bright components, assisted somewhat by rapidly falling prices. Consumer prices dropped by -1.2% (y-o-y) in May.



Historical Data				
* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	1.8	1.1	1.9	2.0
Private Consumption*	0.8	2.8	2.2	1.3
Gross Fixed Investment*	4.3	2.4	1.7	1.5
Industrial Production*	2.7	2.3	0.8	1.5
Consumer Prices*	0.2	-0.7	-0.2	0.0
Merch Exports, SwFr bn	198	201	201	208
Current Account, SwFr bn	42.0	62.0	68.0	45.3
General Govt. Bud. Bal. SwFr bn	1.8	0.3	2.9	-1.0
3 mth Euro-Franc Rate, % (end yr)	0.2	-0.1	-0.1	-0.1
10 Yr Govt Bond Yield, % (end yr)	0.7	0.5	1.1	0.4

Nominal GDP - SwFr 603bn (2013). Population - 8.1mn (mid-year, 2013). SwFr/\$ Exchange Rate - 0.927 (average, 2013).

Quarterly Consensus Forecasts										
Historical Data and Forecasts (bold italics) From Survey of June 8, 2015										
	2015				2016					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		
Gross Domestic Product	1.9	1.9	1.1	0.9	0.5	-0.1	1.0	1.2	1.3	1.4
Consumer Prices	0.0	-0.1	-0.7	-1.2	-1.3	-1.2	-0.4	-0.1	0.1	0.2

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:

Bank Leumi
Citigroup
Fitch Ratings

Bank of America Merrill
Economist Intelligence Unit
Moody's Analytics
Oxford Economics

Barclays Capital
Euromonitor
Nomura

e = consensus estimate based on latest survey

AUSTRIA	Population - 8.5mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$415.8bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		3.1	0.9	0.2	0.3	0.8	1.5
Industrial Production (% change on previous year)		6.1	1.3	0.7	-0.1	1.9	2.4
Consumer Prices (% change on previous year)		3.3	2.4	2.0	1.7	1.1	1.6
Current Account (US Dollar bn)		7.0	6.1	4.1	3.4	5.0	5.5

BELGIUM	Population - 11.1mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$505.9bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		1.6	0.1	0.3	1.0	1.2	1.5
Industrial Production (% change on previous year)		3.9	-2.2	0.7	0.9	1.3	2.3
Consumer Prices (% change on previous year)		3.5	2.8	1.1	0.3	0.3	1.6
Current Account (US Dollar bn)		-5.7	-3.6	-1.2	9.8	5.3	4.8

DENMARK	Population - 5.6mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$330.9bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		1.2	-0.7	-0.5	1.0	1.7	1.9
Manufacturing Production (% change on previous year)		4.7	1.9	2.5	3.0	2.2	3.1
Consumer Prices (% change on previous year)		2.7	2.4	0.8	0.5	0.6	1.5
Current Account (US Dollar bn)		19.6	18.1	24.2	21.1	17.4	15.9

EGYPT	Population - 82.1mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$250.4bn (2013) ¹	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year) ¹		1.9	2.2	2.1	2.2 e	4.1	4.1
Consumer Prices (% change on previous year)		11.1	8.7	6.9	10.1	10.3	9.5
Current Account (US Dollar bn)		-7.9	-9.5	-3.5	-5.8	-6.2	-7.8

¹ year(s) ending June 30

FINLAND	Population - 5.4mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$257.2bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		2.6	-1.4	-1.3	-0.1	0.5	1.3
Industrial Production (% change on previous year)		2.3	-1.7	-3.6	-2.9	0.4	2.2
Consumer Prices (% change on previous year)		3.5	2.8	1.5	1.0	0.5	1.4
Current Account (US Dollar bn)		-4.9	-5.0	-4.8	-5.1	-0.9	-3.2

GREECE	Population - 11.1mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$241.8bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		-8.2	-5.9	-3.8	0.8	0.0	1.8
Industrial Production (% change on previous year)		-5.7	-2.0	-3.2	-2.7	0.0	2.0
Consumer Prices (% change on previous year)		3.3	1.5	-0.9	-1.3	-1.3	0.3
Current Account (US Dollar bn)		-28.7	-5.9	1.4	2.1	2.0	2.0

ADDITIONAL COUNTRIES
JUNE 2015

IRELAND	Population - 4.6mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$217.8bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		2.8	-0.3	0.2	4.8	3.7	3.4
Industrial Production (% change on previous year)		0.0	-1.3	-1.3	19.4	8.4	1.6
Consumer Prices (% change on previous year)		2.6	1.7	0.5	0.2	0.1	1.2
Current Account (US Dollar bn)		1.9	3.5	10.1	15.2	11.4	7.6

ISRAEL	Population - 7.7mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$290.2bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		4.2	3.0	3.2	2.9	3.1	3.4
Industrial Production (% change on previous year)		2.1	3.8	0.2	1.0	3.3	3.1
Consumer Prices (% change on previous year)		3.5	1.7	1.5	0.5	0.1	1.6
Current Account (US Dollar bn)		3.9	2.1	6.9	9.0	11.4	11.8

NIGERIA	Popn - 173.6mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$509.1bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		5.3	4.2	5.5	6.2	4.3	5.6
Consumer Prices (% change on previous year)		10.8	12.2	8.5	8.0	9.8	9.4
Current Account (US Dollar bn)		10.8	17.5	19.2	1.3	-15.3	-8.8

PORTUGAL	Population - 10.6mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$220.0bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		-1.8	-3.3	-1.4	0.9	1.6	1.8
Industrial Production (% change on previous year)		-0.9	-6.1	0.4	1.0	1.4	2.6
Consumer Prices (% change on previous year)		3.7	2.8	0.3	-0.3	0.3	0.9
Current Account (US Dollar bn)		-14.8	-4.5	3.2	1.4	1.4	1.8

SAUDI ARABIA	Popn - 28.8mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$748.4bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		10.0	5.4	2.7	3.6	1.1	2.2
Consumer Prices (% change on previous year)		5.8	2.9	3.5	2.7	2.5	3.0
Current Account (US Dollar bn)		159	165	136	81.2	-24.3	1.3

SOUTH AFRICA	Popn - 52.8mn (2013, mid-year)	Historical Data				Consensus Forecasts	
	Nominal GDP - US\$351.4bn (2013)	2011	2012	2013	2014	2015	2016
Gross Domestic Product (% change on previous year)		3.2	2.2	2.2	1.5	2.0	2.5
Manufacturing Production (% change on previous year)		2.8	2.2	1.3	0.1	1.8	3.8
Consumer Prices (% change on previous year)		5.0	5.6	5.7	6.1	4.8	6.0
Current Account (US Dollar bn)		-9.0	-19.7	-21.1	-19.0	-14.4	-14.9

Foreign Exchange Rates

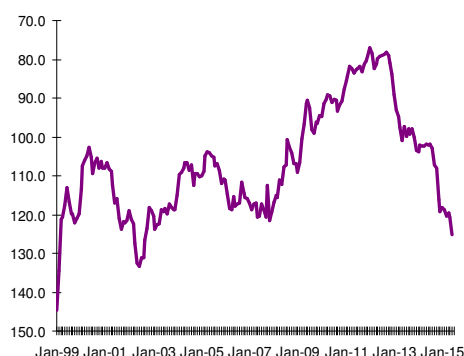
**All US\$ rates are amounts of currency per dollar, except the UK pound and the euro which are reciprocals. A positive (+) sign for the % change implies an appreciation of the currency against the US Dollar and vice versa.*

	Historical Data				Latest Spot Rate (Jun. 8)	Consensus Forecasts					
	Rates at end of:					Forecast End Sep. 2015	Percent Change	Forecast End Jun. 2016	Percent Change	Forecast End Jun. 2017	Percent Change
	2011	2012	2013	2014							
Rates per US Dollar *											
Canadian Dollar	1.021	0.995	1.064	1.160	1.245	1.255	-0.8	1.245	0.0	1.212	+2.7
Egyptian Pound	5.933	6.056	6.938	7.150	7.633	7.766	-1.7	8.110	-5.9	8.651	-11.8
European Euro	1.294	1.318	1.378	1.214	1.120	1.065	-4.9	1.048	-6.5	1.078	-3.8
Israeli Shekel	3.824	3.736	3.478	3.905	3.841	3.981	-3.5	3.992	-3.8	3.950	-2.8
Japanese Yen	77.72	86.55	105.3	119.9	125.3	123.9	+1.1	126.5	-1.0	125.2	+0.1
Nigerian Naira	158.3	155.3	155.2	183.6	198.9	215.3	-7.6	219.6	-9.4	226.6	-12.3
Saudi Arabian Riyal	3.750	3.750	3.750	3.750	3.750	3.750	0.0	3.750	0.0	3.750	0.0
South African Rand	8.143	8.501	10.49	11.58	12.60	12.29	+2.5	12.27	+2.7	12.32	+2.3
United Kingdom Pound	1.546	1.578	1.647	1.561	1.527	1.495	-2.1	1.484	-2.9	1.487	-2.6
Rates per Euro											
Danish Krone	7.435	7.461	7.460	7.446	7.459	7.454	+0.1	7.453	+0.1	7.461	0.0
Norwegian Krone	7.750	7.343	8.426	9.025	8.850	8.472	+4.5	8.348	+6.0	8.173	+8.3
Swedish Krona	8.913	8.576	8.971	9.484	9.364	9.264	+1.1	9.111	+2.8	8.983	+4.2
Swiss Franc	1.218	1.208	1.229	1.201	1.050	1.045	+0.5	1.061	-1.0	1.099	-4.5

Yen per US\$

US\$ per Euro¹

US\$ per UK Pound



¹ historical rates up to January 1, 1999, are calculated as "synthetic" euro exchange rates based on a weighted average of the eleven original component currencies.

Brent, US\$ per barrel		
Range 1990-2015 Spot Rate (Jun. 8)	9.10 - 143.95 61.33	
Brent June Survey	Forecast for End Sep. 2015	End Jun. 2016
Mean Forecast	63.5	69.6
High	83.0	87.0
Low	54.0	60.0
Standard Deviation	4.5	5.7
No. of Forecasts	66	60

Downward Price Pressures

China's oil imports fell 11% (y-o-y) in May, and strong import growth in previous months suggest a buildup of crude inventories in this oil-consuming country. This has helped to push the price of both Brent and West Texas Intermediate (WTI) down to around US\$60 per barrel. On June 8, the Brent spot price stood at US\$61.33. Moreover, OPEC's decision to keep production levels unchanged at the beginning of June has also weighed on prices. Saudi Arabia's record output has offset indications that US shale production is on the decline as the US sector cuts costs. Supply fundamentals could be further boosted by a potential nuclear deal between Iran and the major world powers by June 30. Sanctions on Iranian exports could thereafter be lifted.

continued from page 3

France												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	0.7	-0.2	0.2	0.0	0.7	1.1	1.3	1.7	1.6	1.7	1.7	1.7
% change, qtr/qtr	-0.2	-0.1	0.2	0.0	0.6	0.3	0.4	0.5	0.4	0.4	0.4	0.5
Household Consumption*	0.4	0.6	0.9	0.5	1.7	1.4	1.4	1.6	1.2	1.4	1.5	1.5
% change, qtr/qtr	-0.4	0.5	0.3	0.1	0.8	0.2	0.3	0.3	0.4	0.4	0.4	0.4
Manufacturing Production*	1.5	-0.9	0.2	-0.7	0.0	1.4	1.8	2.6	2.3	2.4	2.4	2.1
Consumer Prices*	0.7	0.6	0.4	0.3	-0.2	0.2	0.4	0.6	1.1	1.1	1.1	1.1
3 month Euro Rate, %¹	0.3	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

¹ End period

United Kingdom												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.7	2.9	2.8	3.0	2.4	2.3	2.3	2.4	2.6	2.4	2.3	2.1
% change, qtr/qtr	0.9	0.8	0.6	0.6	0.3	0.7	0.6	0.7	0.5	0.6	0.5	0.5
Household Consumption*	2.1	2.3	2.8	3.0	2.6	2.7	2.4	2.5	2.5	2.4	2.3	2.1
% change, qtr/qtr	0.8	0.5	1.0	0.6	0.5	0.5	0.7	0.8	0.5	0.4	0.6	0.6
Manufacturing Production*	3.0	3.1	3.0	2.6	1.3	1.5	1.6	1.8	2.0	1.9	1.7	1.7
Retail Prices (underlying rate)*	2.7	2.6	2.5	2.0	1.0	1.0	1.2	1.6	2.3	2.7	2.7	2.8
Consumer Prices*	1.7	1.7	1.4	0.9	0.2	0.1	0.3	0.8	1.5	1.7	1.8	2.0
3 month Interbank Rate, %¹	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.8	1.1	1.3	1.6	1.7

¹ End period

Italy												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	-0.2	-0.3	-0.5	-0.4	0.1	0.5	0.9	1.2	1.2	1.2	1.2	1.2
% change, qtr/qtr	-0.2	-0.1	-0.1	0.0	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Household Consumption*	-0.1	0.5	0.5	0.5	0.3	0.4	0.6	0.9	1.1	1.1	1.0	0.8
% change, qtr/qtr	0.2	0.1	0.2	0.1	-0.1	0.3	0.3	0.4	0.1	0.3	0.3	0.2
Industrial Production*	0.3	0.0	-1.4	-1.4	0.1	0.5	1.5	2.0	2.2	2.3	2.5	2.3
Consumer Prices*	0.5	0.4	-0.1	0.1	-0.2	0.0	0.2	0.5	0.9	0.9	1.1	1.1
3 month Euro Rate, %¹	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3

¹ End period

Canada												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.1	2.5	2.6	2.5	2.1	1.5	1.3	1.4	2.1	2.4	2.4	2.4
% change, qtr/qtr	0.3	0.9	0.8	0.6	-0.1	0.3	0.6	0.6	0.6	0.6	0.6	0.6
Personal Expenditure*	2.7	2.8	2.8	2.6	2.4	1.9	1.8	1.9	2.3	2.2	2.1	2.0
% change, qtr/qtr	0.3	1.0	0.7	0.5	0.1	0.6	0.6	0.6	0.5	0.5	0.5	0.5
Industrial Production*	3.1	5.3	4.3	3.9	1.2	-1.2	-0.8	-0.5	1.0	2.4	2.5	2.8
Consumer Prices*	1.3	2.3	2.1	1.9	1.0	0.7	1.0	1.6	2.1	2.2	2.2	2.0
3 month Treasury Bill Rate, %¹	0.9	0.9	0.9	0.9	0.6	0.6	0.6	0.6	0.7	0.8	1.0	1.3

¹ End period

Euro zone												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	1.1	0.8	0.8	0.9	1.0	1.4	1.7	1.9	1.9	1.8	1.8	1.7
% change, qtr/qtr	0.2	0.1	0.2	0.4	0.4	0.5	0.5	0.5	0.4	0.5	0.4	0.4
Household Consumption*	0.7	0.8	1.0	1.5	1.7	1.9	1.7	1.7	1.6	1.6	1.6	1.6
% change, qtr/qtr	0.3	0.3	0.5	0.4	0.5	0.5	0.3	0.4	0.4	0.4	0.3	0.5
Industrial Production*	1.4	0.6	0.5	0.5	1.3	1.6	2.5	2.8	2.5	2.6	2.5	2.6
Consumer Prices*	0.6	0.6	0.4	0.2	-0.3	0.2	0.4	0.8	1.4	1.2	1.3	1.3

¹ End period

Netherlands												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Gross Domestic Product*	0.0	1.1	1.0	1.4	2.2	1.9	2.0	1.7	1.7	1.7	1.7	1.7
% change, qtr/qtr	-0.4	0.7	0.3	0.8	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.5
Private Consumption*	-0.8	0.0	0.3	0.8	1.5	1.4	1.5	1.2	1.3	1.3	1.3	1.3
% change, qtr/qtr	-0.4	0.3	0.2	0.7	0.3	0.2	0.3	0.4	0.3	0.3	0.3	0.3
Manufacturing Production*	3.1	1.1	0.8	-0.6	-0.5	1.8	2.3	2.2	1.7	1.6	1.5	1.5
Consumer Prices*	1.1	1.0	0.9	0.9	0.2	0.5	0.3	0.6	1.2	1.3	1.4	1.6
3 month Euro Rate, % ¹	0.3	0.2	0.1	0.1	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0

¹ End period

Norway												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Gross Dom. Prod. (Mainland)*	2.1	2.7	2.2	2.0	2.0	0.9	1.1	1.1	1.4	1.9	2.2	2.4
% change, qtr/qtr	0.5	1.1	0.0	0.4	0.5	0.0	0.2	0.4	0.8	0.5	0.6	0.5
Private Consumption*	1.6	2.1	1.9	2.5	2.1	2.0	2.1	1.7	1.8	1.8	2.1	2.3
% change, qtr/qtr	1.0	0.6	0.1	0.8	0.6	0.5	0.2	0.4	0.6	0.5	0.5	0.5
Manufacturing Production*	3.0	2.4	3.2	4.4	1.8	1.4	-0.4	-2.1	-1.9	0.1	1.5	2.6
Consumer Prices*	2.1	1.8	2.1	2.0	2.0	2.0	1.6	2.0	1.9	1.9	1.8	1.6
3 month Interbank Rate, % ¹	1.7	1.8	1.7	1.5	1.5	1.2	1.1	1.1	1.1	1.0	1.1	1.1

¹ End period

Spain												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Gross Domestic Product*	0.6	1.2	1.6	2.0	2.7	2.9	3.0	3.0	2.7	2.6	2.5	2.4
% change, qtr/qtr	0.3	0.5	0.5	0.7	0.9	0.7	0.6	0.6	0.7	0.6	0.5	0.5
Household Consumption*	1.3	2.3	2.8	3.4	3.5	3.3	3.2	2.9	2.8	2.7	2.6	2.6
% change, qtr/qtr	0.6	1.0	0.8	0.9	0.7	0.8	0.7	0.7	0.6	0.7	0.6	0.6
Industrial Production*	3.5	0.4	1.0	1.2	1.3	2.2	2.9	3.3	2.9	3.2	2.8	2.8
Consumer Prices*	0.0	0.2	-0.3	-0.5	-1.0	-0.4	-0.1	0.6	1.4	1.1	1.0	1.0
3 month Euro Rate, % ¹	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2

¹ End period

Sweden												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Gross Domestic Product*	1.7	2.7	2.6	2.6	2.6	3.0	3.0	2.9	2.8	3.3	2.9	2.9
% change, qtr/qtr	0.4	0.7	0.6	0.8	0.4	1.2	0.6	0.7	0.2	1.7	0.2	0.7
Household Consumption*	2.2	3.1	1.9	2.7	2.2	2.5	2.9	2.7	2.4	2.7	2.5	2.4
% change, qtr/qtr	0.6	1.0	-0.2	1.3	0.1	1.2	0.2	1.1	-0.2	1.5	0.1	1.1
Mining & Manuf. Production*	-1.4	-1.1	-3.9	-2.5	-2.7	-0.8	-0.3	0.2	1.7	4.7	4.7	4.5
Consumer Prices*	-0.3	0.0	-0.2	-0.2	0.0	-0.1	0.2	0.6	1.1	1.2	1.5	1.7
3 month Interbank Rate, % ¹	0.9	0.7	0.5	0.3	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	0.0	0.0

¹ End period

Switzerland												
* % change over previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Gross Domestic Product*	2.5	1.7	1.9	1.9	1.1	0.9	0.5	-0.1	1.0	1.2	1.3	1.4
% change, qtr/qtr	0.5	0.2	0.6	0.5	-0.2	0.0	0.1	0.0	0.9	0.2	0.2	0.2
Private Consumption*	1.3	1.1	1.6	1.2	1.8	1.6	1.4	1.3	1.2	1.1	1.1	1.3
% change, qtr/qtr	0.0	0.4	0.6	0.3	0.5	0.2	0.4	0.2	0.4	0.1	0.3	0.4
Industrial Production*	0.6	3.1	-0.4	2.1	-0.5	-1.9	-0.3	-1.1	0.5	1.2	2.1	2.6
Consumer Prices*	0.0	0.1	0.0	-0.1	-0.7	-1.2	-1.3	-1.2	-0.4	-0.1	0.1	0.2
3 month Euro-Franc Rate, % ¹	-0.1	0.0	0.0	-0.1	-0.8	-0.7	-0.7	-0.6	-0.6	-0.5	-0.4	-0.2

¹ End period

- | | |
|---|--|
| □ GDP - Gross Domestic Product | IMF - International Monetary Fund |
| na - not available | Emu - European economic and monetary union |
| OECD - Organisation for Economic Co-operation and Development | ECB - European Central Bank |
| BoE - Bank of England | PMI - Purchasing Managers Index |
| y-o-y - year-on-year | q-o-q - quarter-on-quarter |
| | 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 2015 real GDP estimates. Consensus forecasts are mean arithmetic averages of the listed individual estimates.

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CONSENSUS FORECASTS: WORLD ECONOMIC ACTIVITY

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June Survey	Real GDP % increase			Consumer Prices % increase			Current Account Balance, US\$bn		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Belgium	1.0	1.2	1.5	0.3	0.3	1.6	9.8	5.3	4.8
Canada	2.4	1.6	2.2	1.9	1.1	2.1	-37.6	-51.5	-38.5
France	0.2	1.2	1.6	0.5	0.2	1.2	-28.0	-19.3	-18.0
Germany	1.6	1.9	2.0	0.9	0.5	1.7	292	256	245
Italy	-0.4	0.7	1.2	0.2	0.2	0.9	41.1	44.0	45.1
Japan	-0.1	1.0	1.7	2.7	0.7	1.0	24.7	117.6	109.8
Netherlands	0.9	1.9	1.7	1.0	0.5	1.3	89.7	75.4	70.4
Norway	2.2	1.4	1.9	2.0	1.9	2.0	42.3	29.3	33.9
Spain	1.4	2.9	2.6	-0.2	-0.3	1.2	11.3	7.5	6.6
Sweden	2.3	2.7	2.9	-0.2	0.2	1.4	35.7	27.8	27.7
Switzerland	2.0	0.7	1.2	0.0	-1.1	-0.1	49.5	50.8	48.6
United Kingdom	2.8	2.4	2.5	1.5	0.3	1.6	-161.4	-127.0	-116.4
United States	2.4	2.2	2.8	1.6	0.2	2.1	-411	-456	-497
North America ¹	2.4	2.1	2.7	1.6	0.3	2.1	-448.6	-507.4	-535.7
Western Europe ²	1.3	1.7	1.9	0.7	0.3	1.3	420.0	385.9	377.7
European Union ²	1.3	1.8	2.0	0.6	0.3	1.4	327.8	307.1	291.5
Euro zone ²	0.9	1.5	1.8	0.4	0.2	1.3	313.0	263.0	247.7
Asia Pacific ³	4.6	4.7	4.9	2.7	1.7	2.2	404.7	635.8	602.0
Eastern Europe ⁴	1.6	-0.3	2.0	7.4	8.6	5.7	9.2	0.7	3.9
Latin America ⁵	1.1	0.4	2.0	11.3	14.1	11.9	-176.3	-174.1	-162.6
Other Countries ⁶	3.6	2.6	3.4	5.1	5.2	5.6	66.7	-48.9	-18.5
Total⁷	2.7	2.5	3.1	3.0	2.6	3.1			

Regional totals and the grand total for GDP growth and inflation, are weighted averages calculated using 2013 GDP weights, converted at average 2013 exchange rates. Current account forecasts given in national currencies on pages 7-24 have been converted using consensus exchange rate forecasts for the purposes of comparison. ¹USA and Canada. ²The 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, Lithuania and Poland, plus Romania and Bulgaria which entered in January 2007, plus Croatia which entered in July 2013 (data taken from Eastern Europe Consensus Forecasts). Western Europe comprises the six Euro zone countries listed above, plus Austria, Denmark, Finland, Greece, Ireland, Norway, Portugal, Sweden, Switzerland and the United Kingdom. ³Survey results for Japan plus fifteen other countries taken from **Asia Pacific Consensus Forecasts**. ⁴Twenty-seven countries, including eleven European Union countries taken from the latest issue of **Eastern Europe Consensus Forecasts**. ⁵Eighteen countries taken from the latest issue of **Latin American Consensus Forecasts** (inflation figures are on a December/December basis). ⁶Egypt, Israel, Nigeria, Saudi Arabia and South Africa. ⁷The **Eastern Europe** and **Latin American** components of the **World Total** are taken from prior months surveys.

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