

UK Economic Outlook

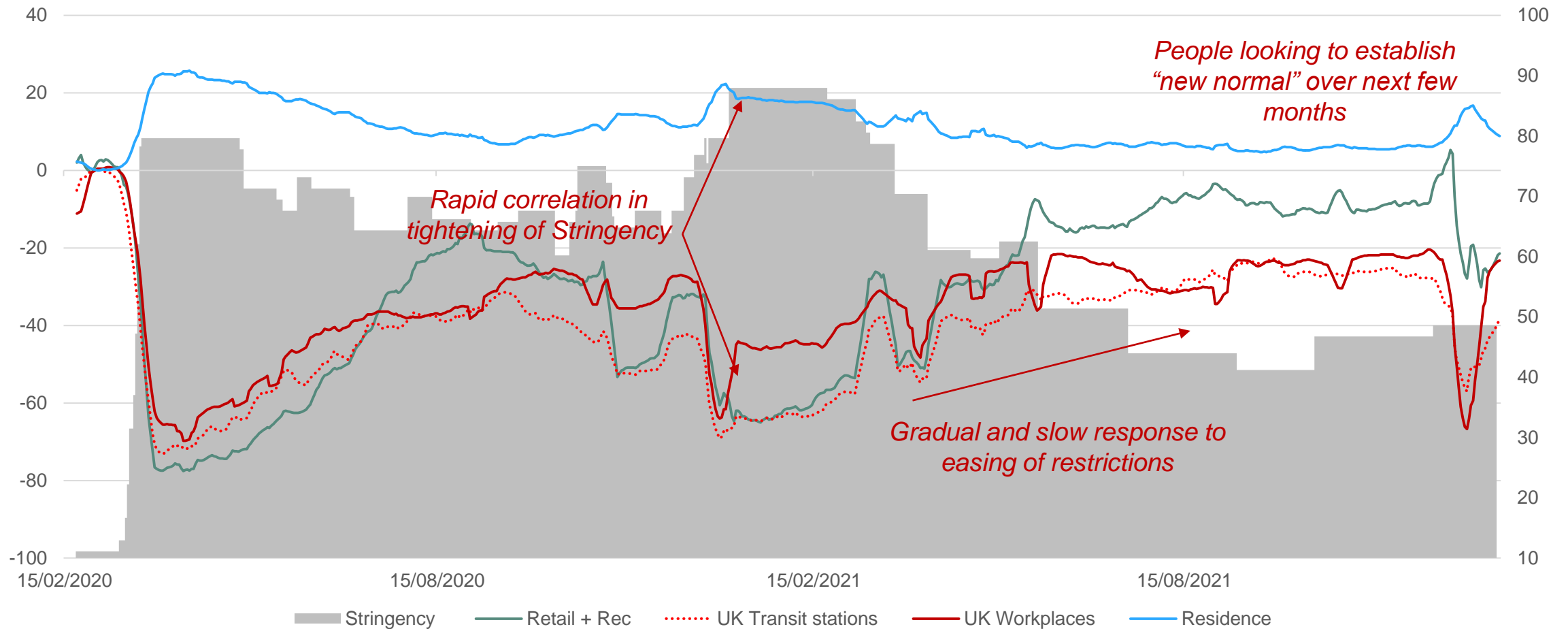
March 2022

James Sproule, Chief Economist
Handelsbanken UK



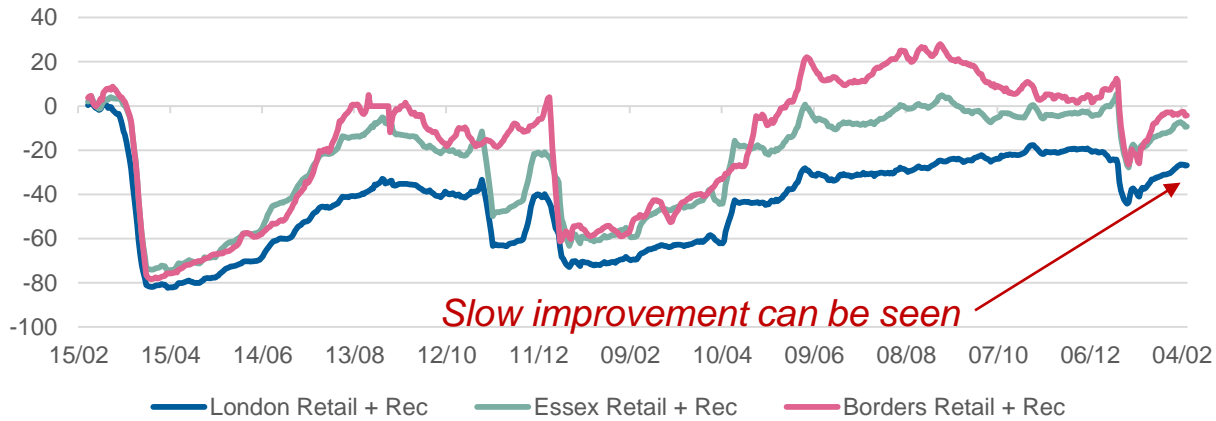
High Frequency Data

UK Google vs Stringency

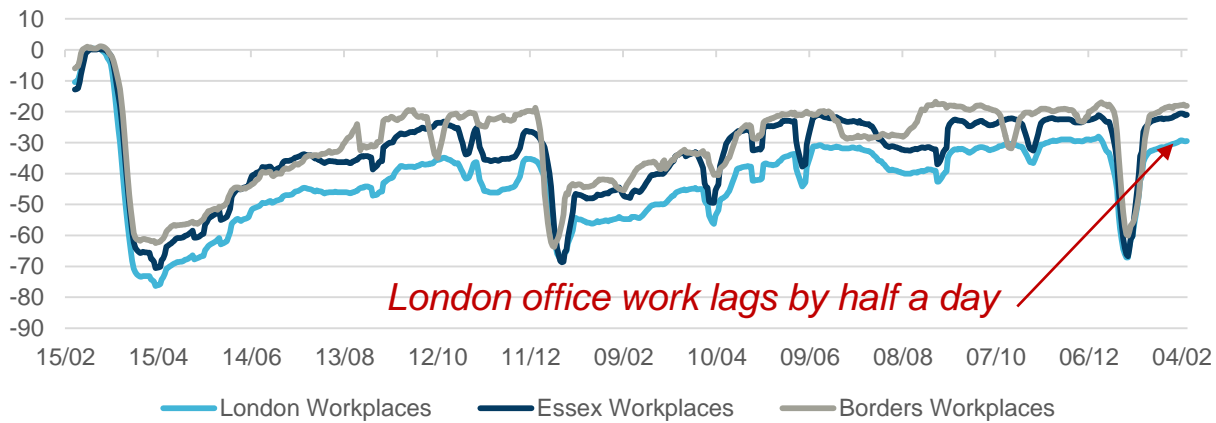


High Frequency Data

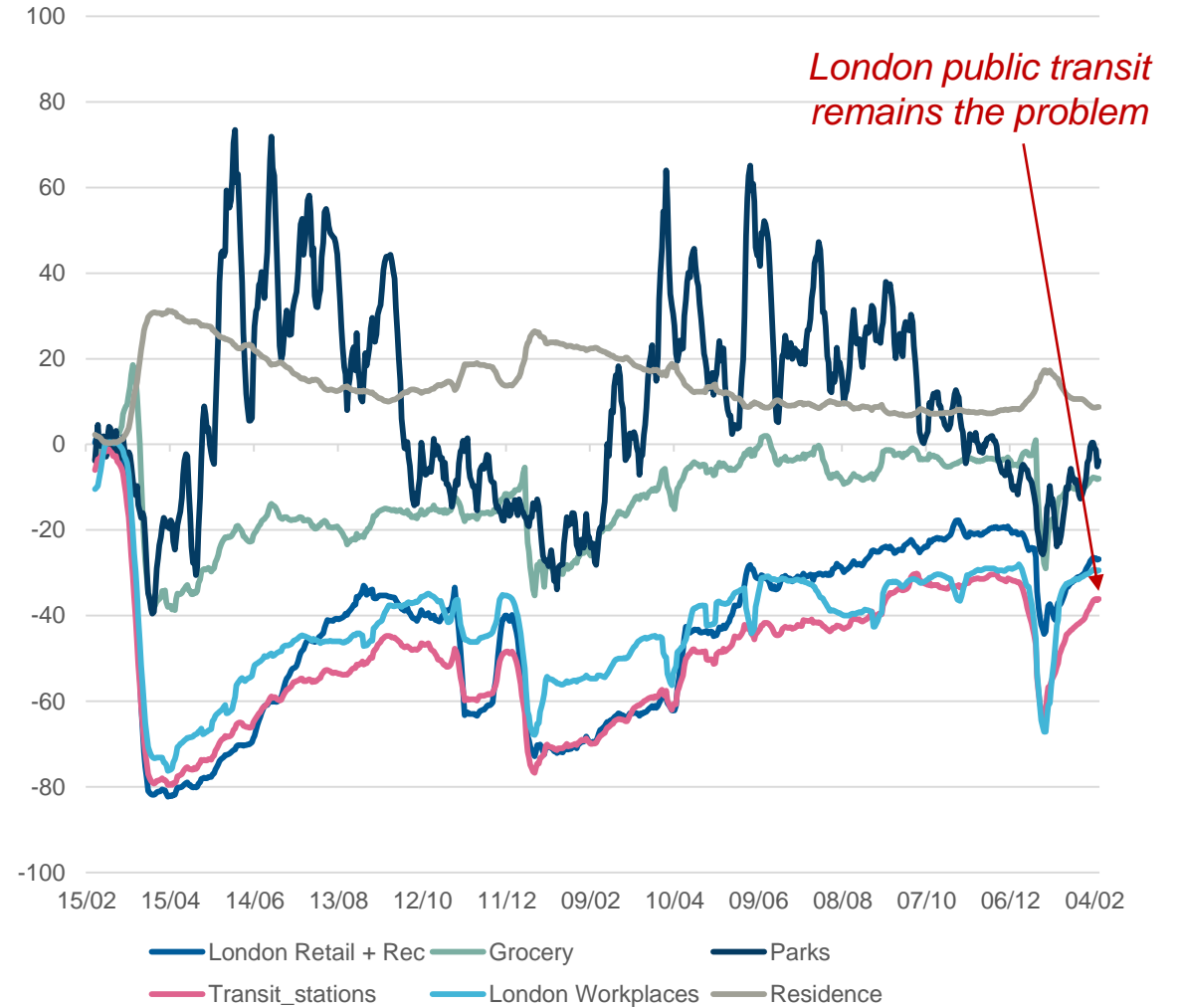
Retail



Workplace



London



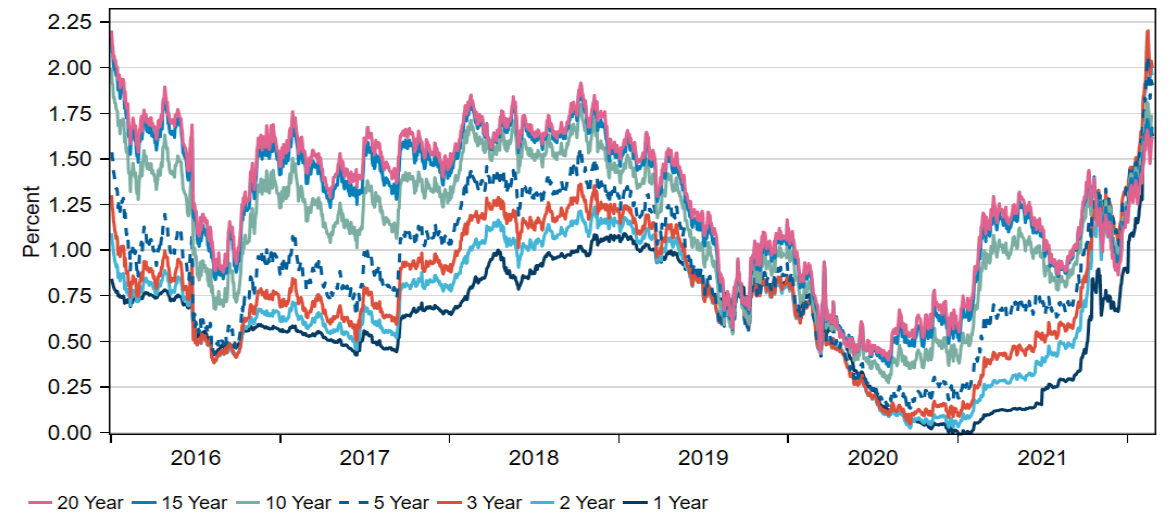
High Frequency Data

Global Container Shipping Index

United States, Corporate Benchmarks, Moody's, Long-Term, Yield

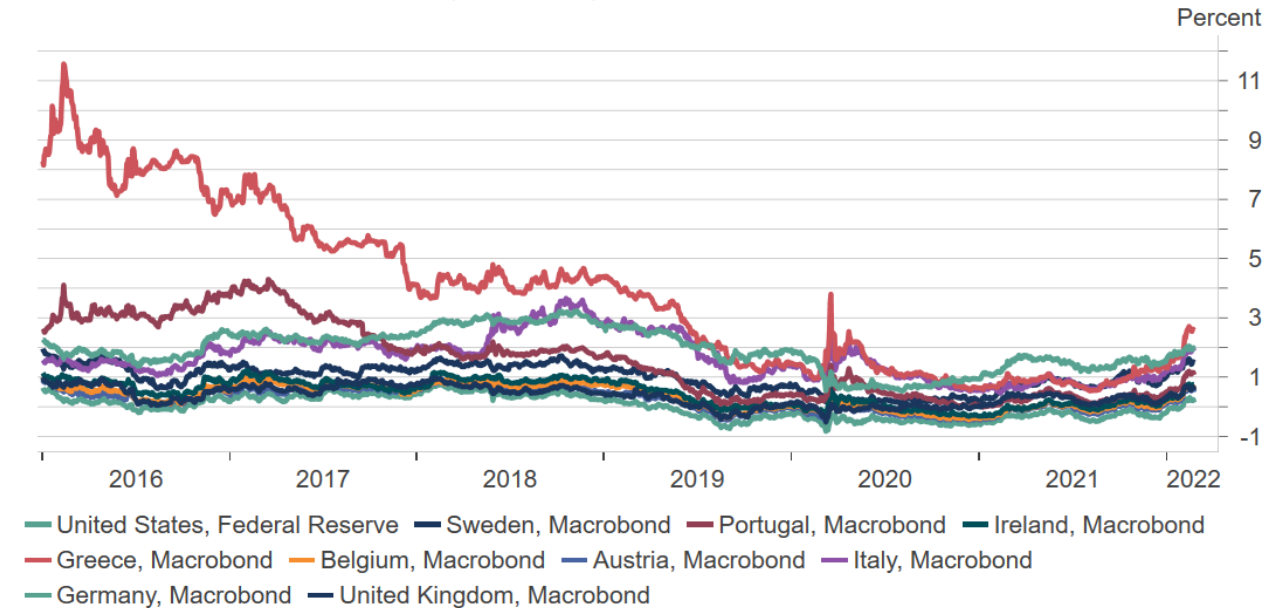


United Kingdom, Swap Rates %



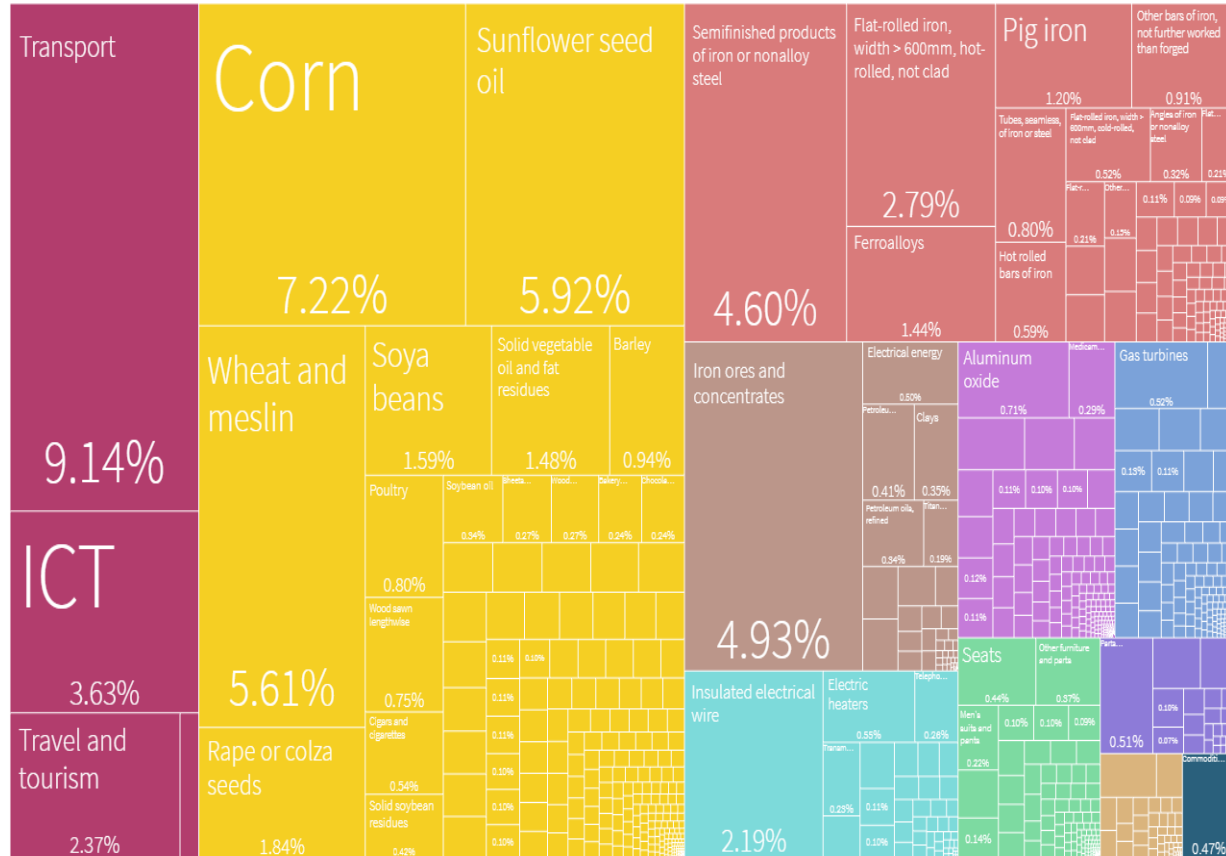
Sources: Macrobond and SHB

Government Benchmarks, 10 Year, Yield

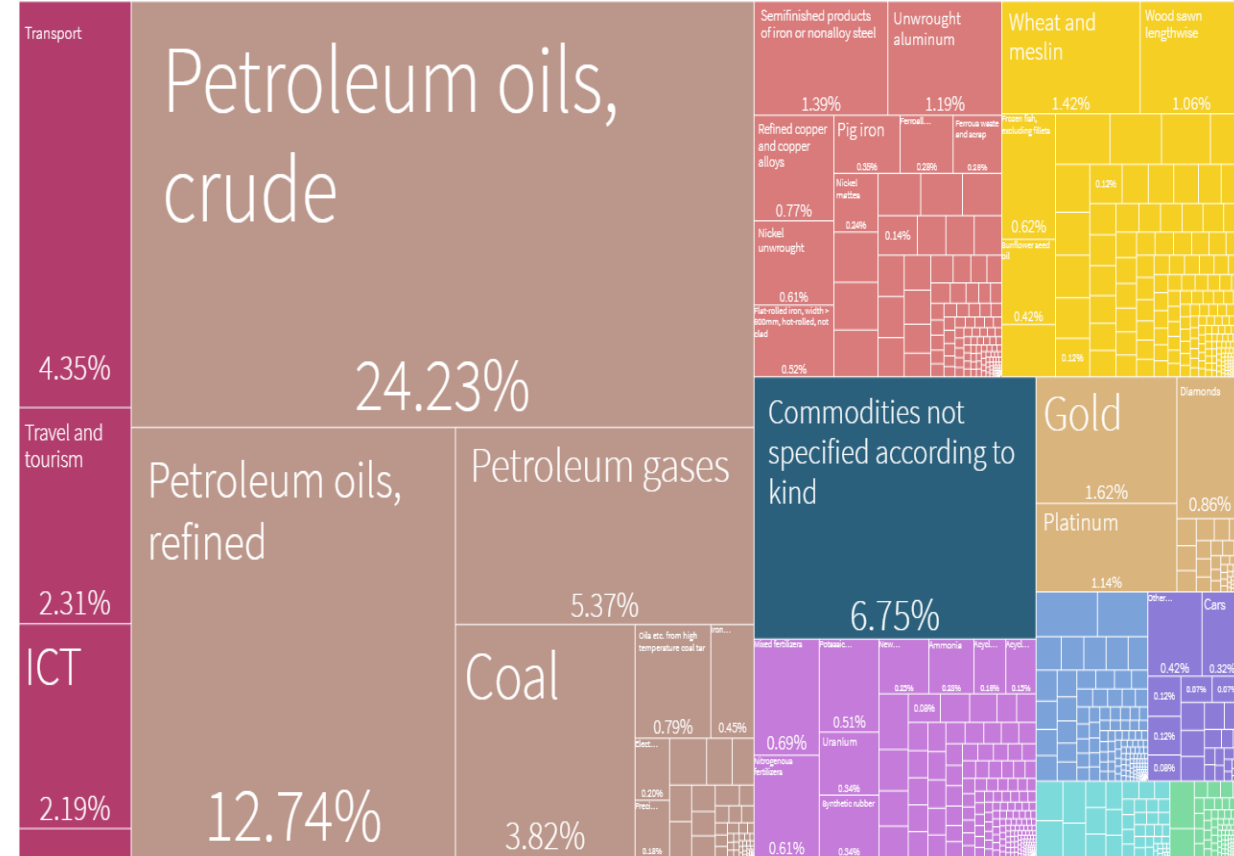


Ukraine v Russia Trade

Ukraine 2019 Exports
\$68.4B C/A -\$4.1B



Russia 2019 Exports
\$474B C/A \$64.8B



Ukraine crisis- commodities

Corn (USd/BU) 686.7500 +61.5 (+9.82%)



Wheat (USd/Bu) 887.5 -38.5 (-4.16%)



Crude Oil Brent (USD/Bbl) 2.2300

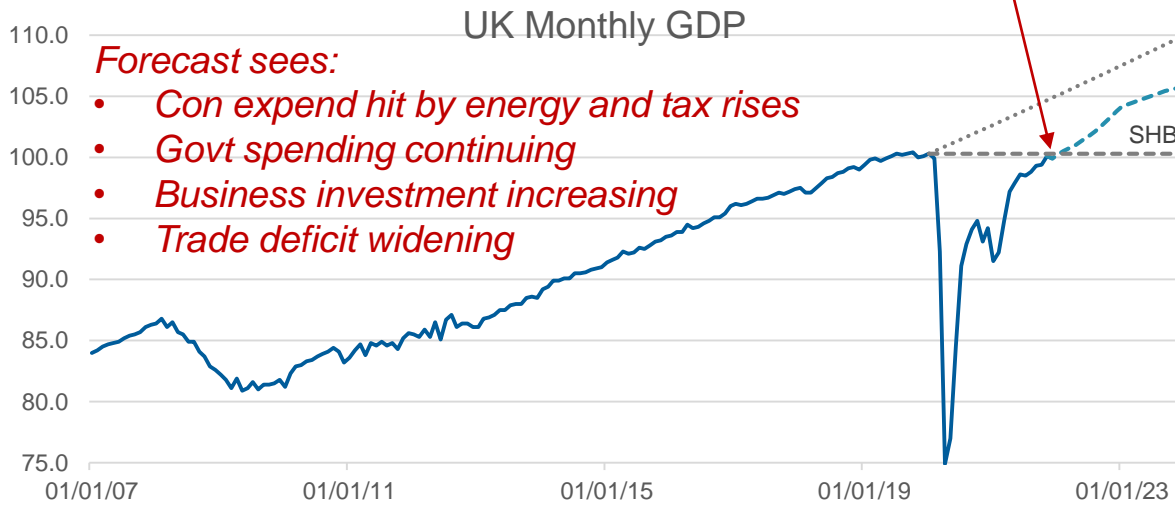
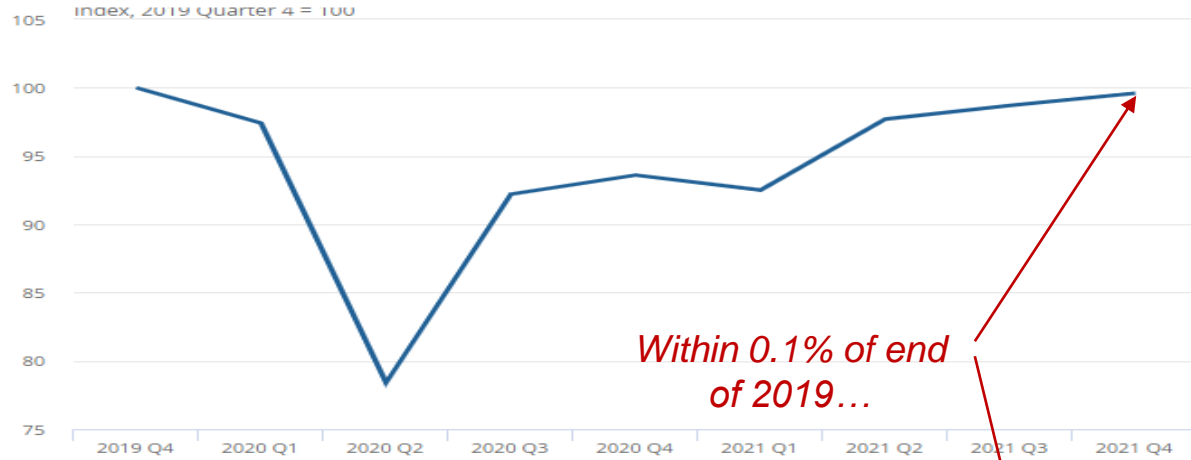


Natural Gas UK GBP (GBp) 251.0000 +47.92 (+23.60%)

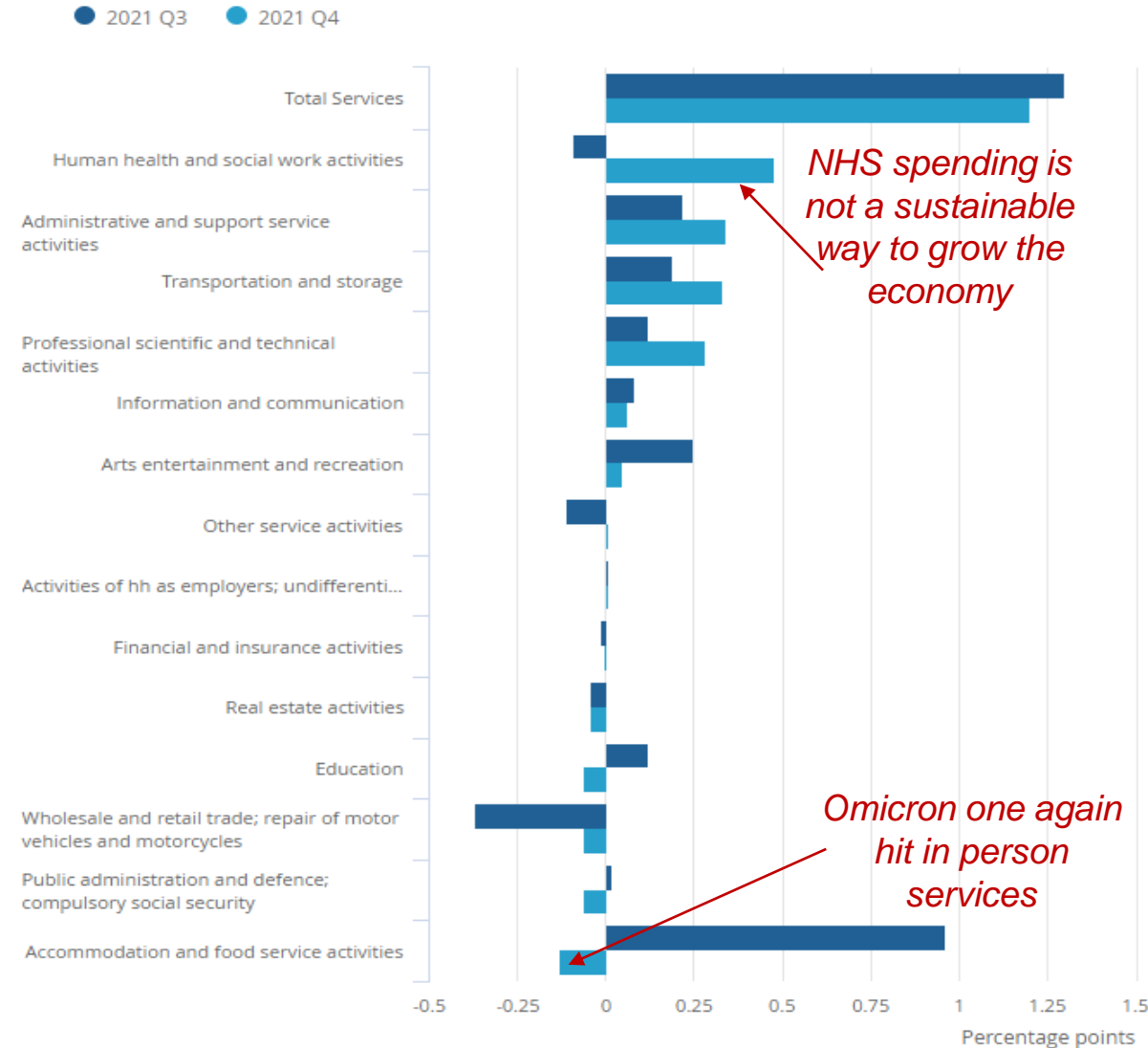


UK GDP

UK, Quarter 4 (Oct to Dec) 2019 to Quarter 4 (Oct to Dec) 2021

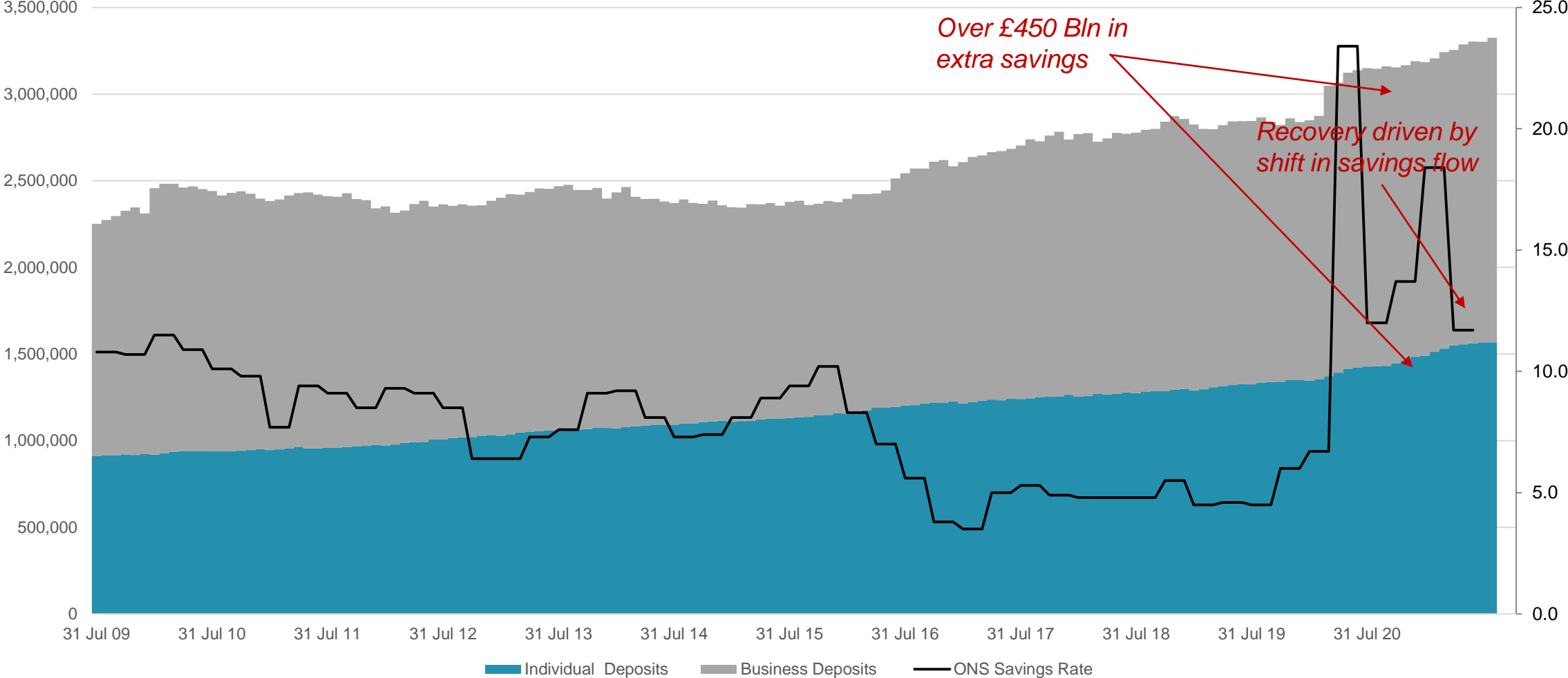


UK, contributions to services growth, Quarter 3 (July to Sept) to Quarter 4 (Oct to Dec) 2021



UK Savings

UK Resident Deposits
£Mln

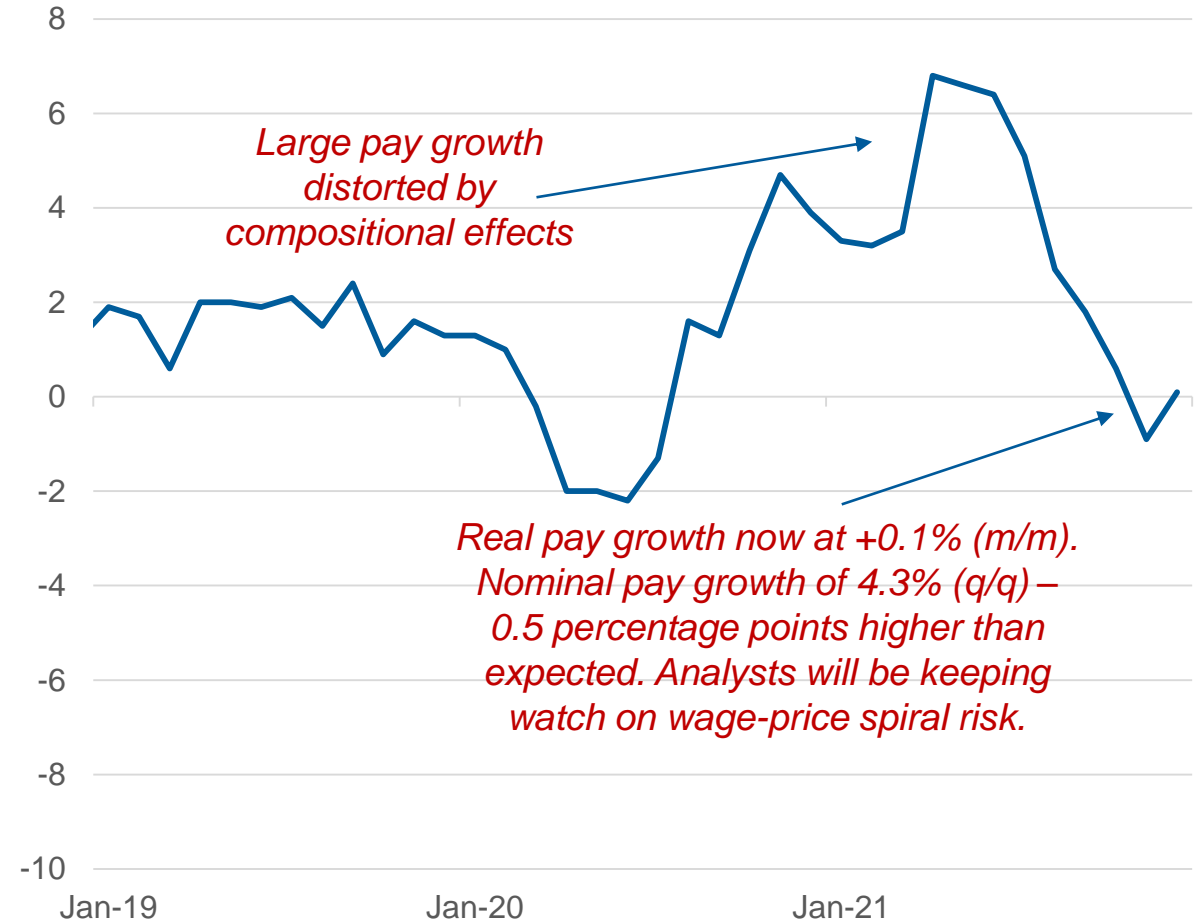


UK Employment and Earnings

Unemployment

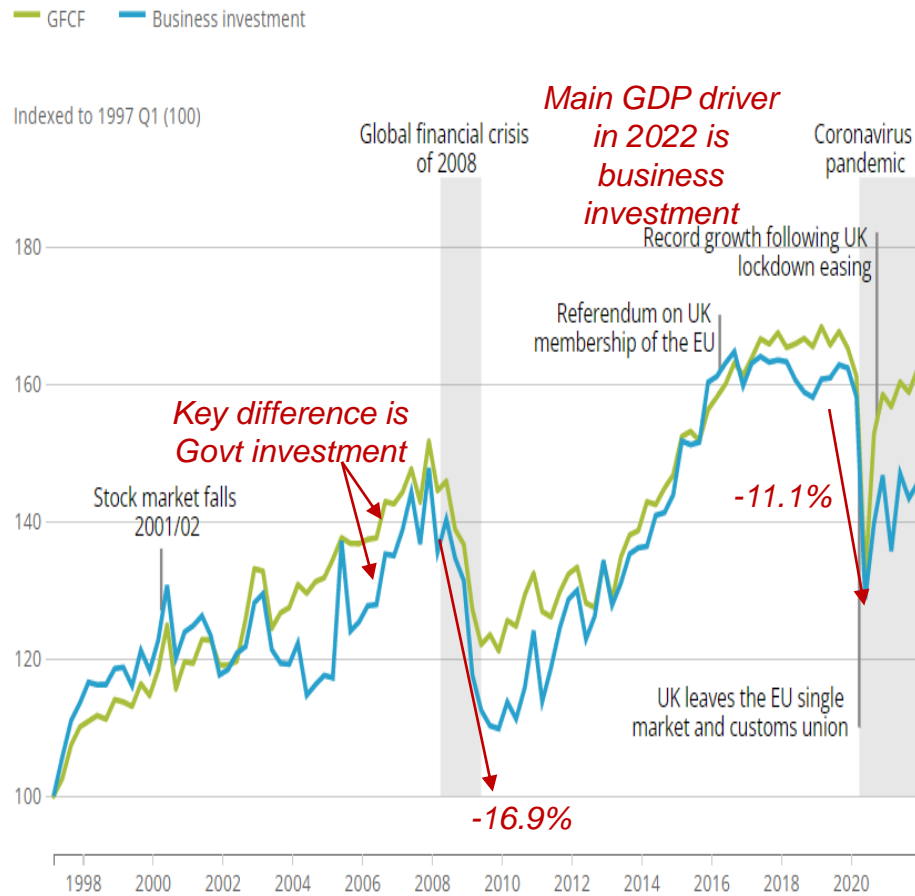


Total Real Pay Increases (% increase single month)

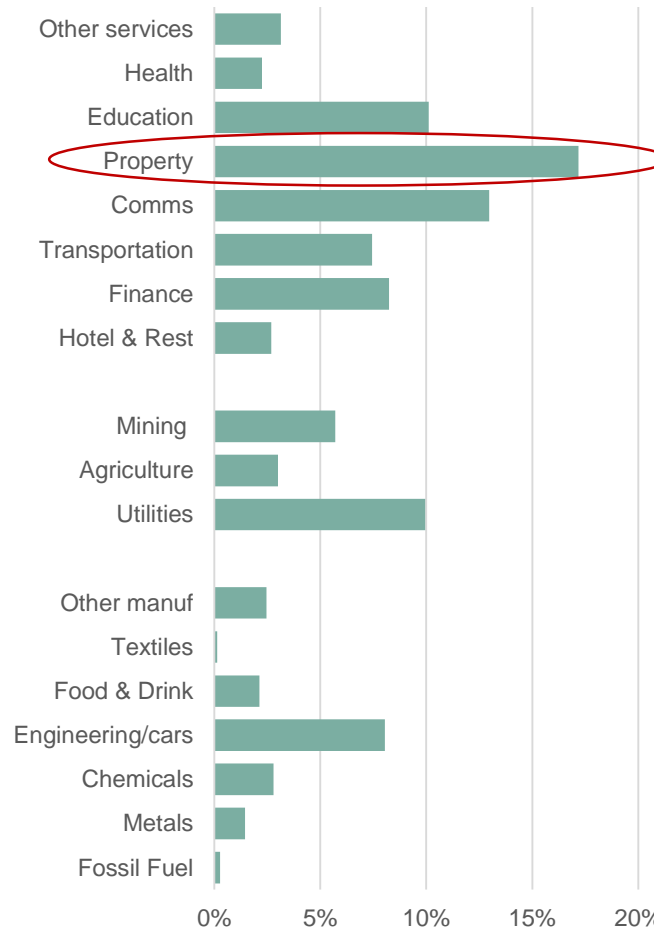


UK Business Investment

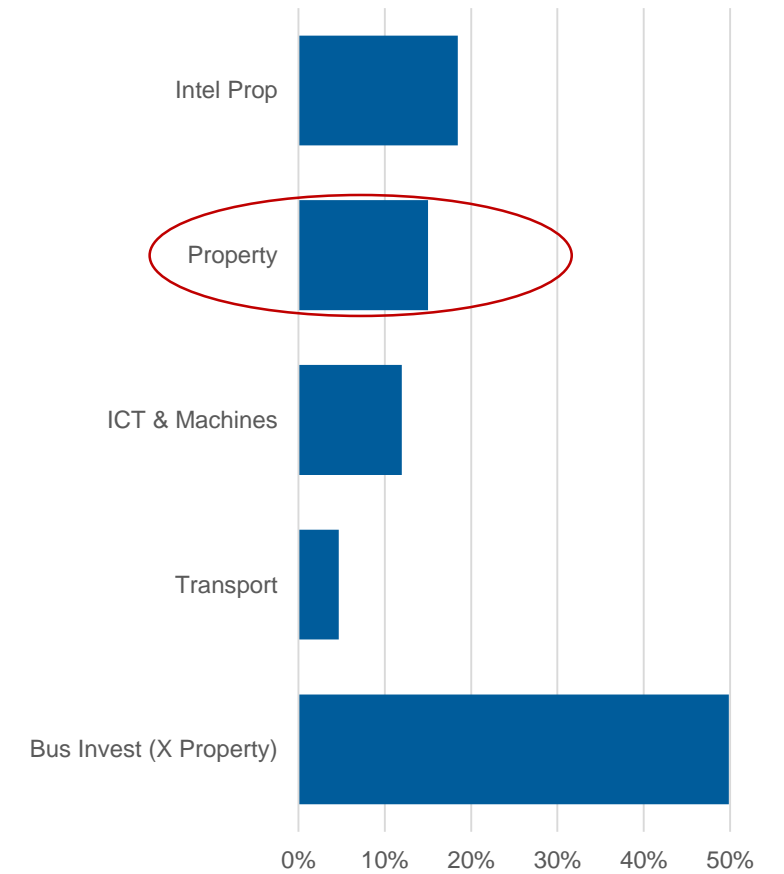
UK business investment, chained volume measure, seasonally adjusted,
Quarter 1 (Jan to Mar) 1997 to Quarter 4 (Oct to Dec) 2021



Origin of Business Investment 2011-21, %

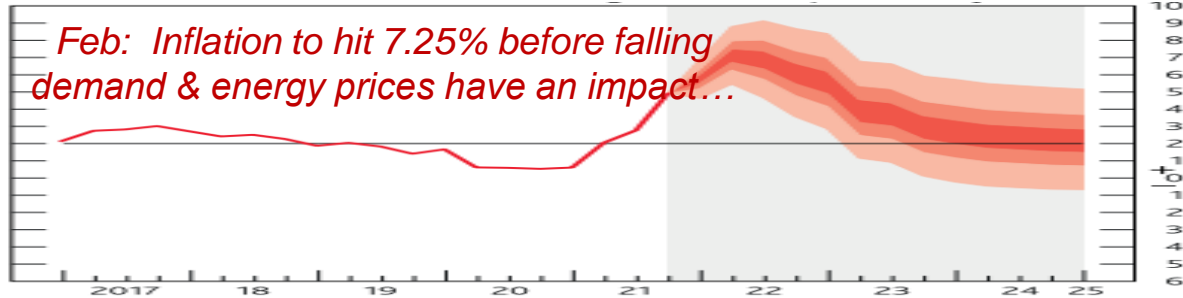


Destination of Business Investment 2011-21, %

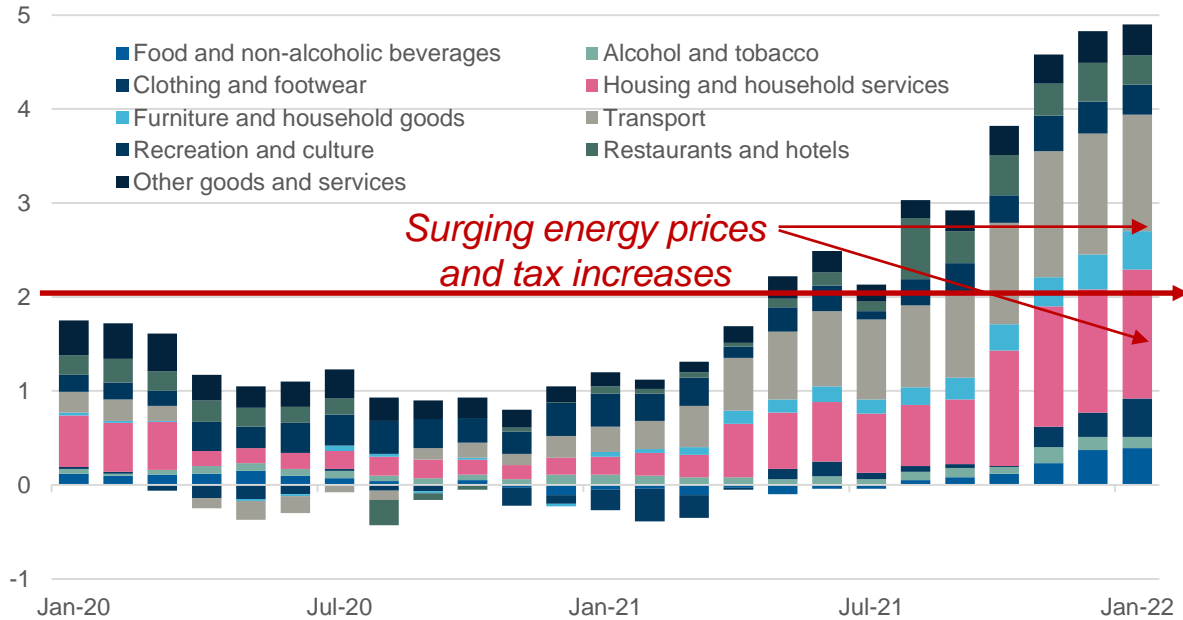


UK Inflation

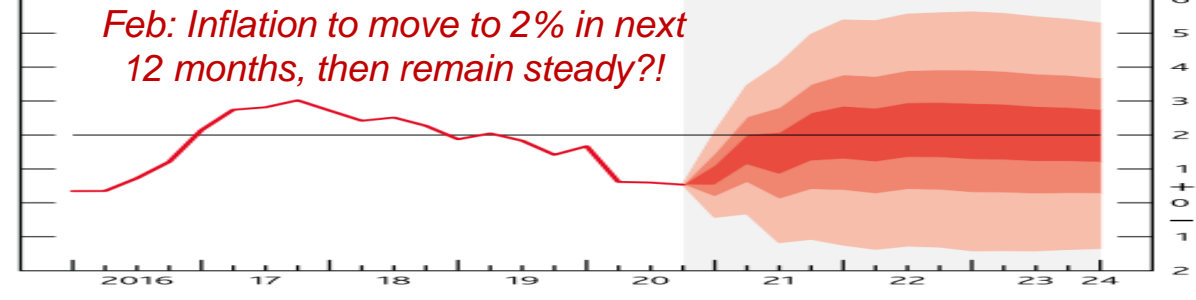
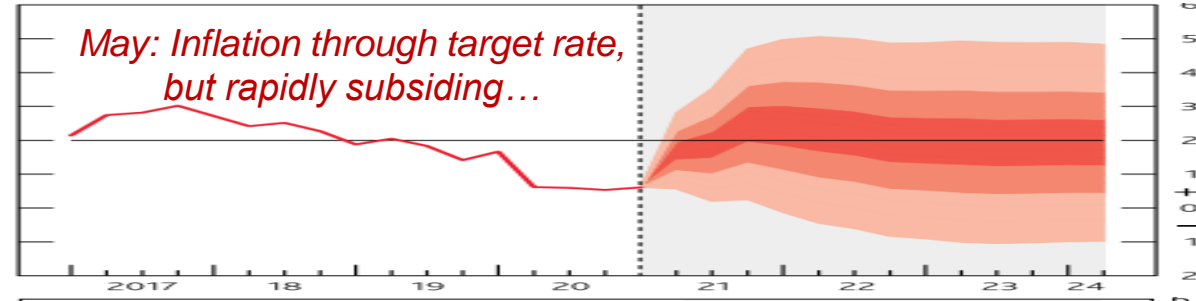
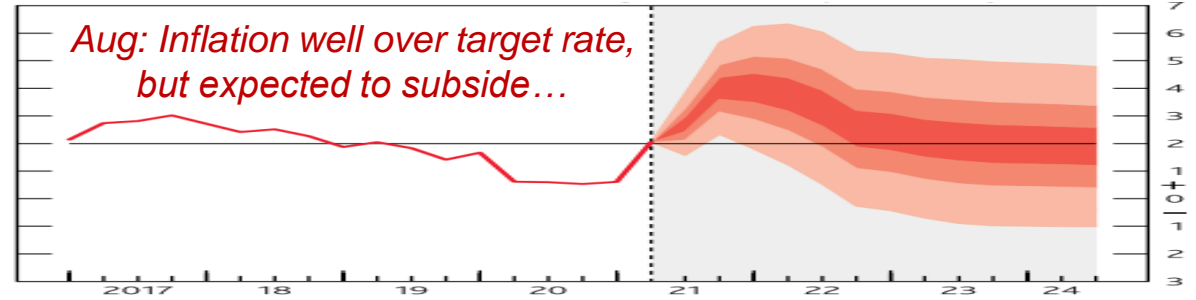
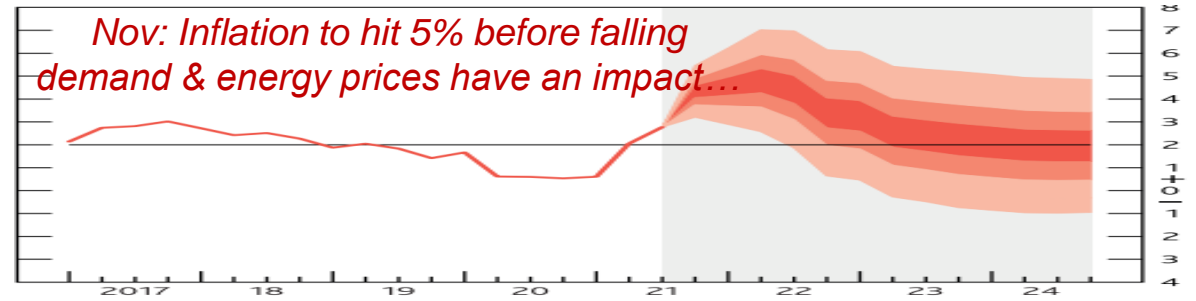
BoE 2022 CPI Expectations



UK CPI Inflation

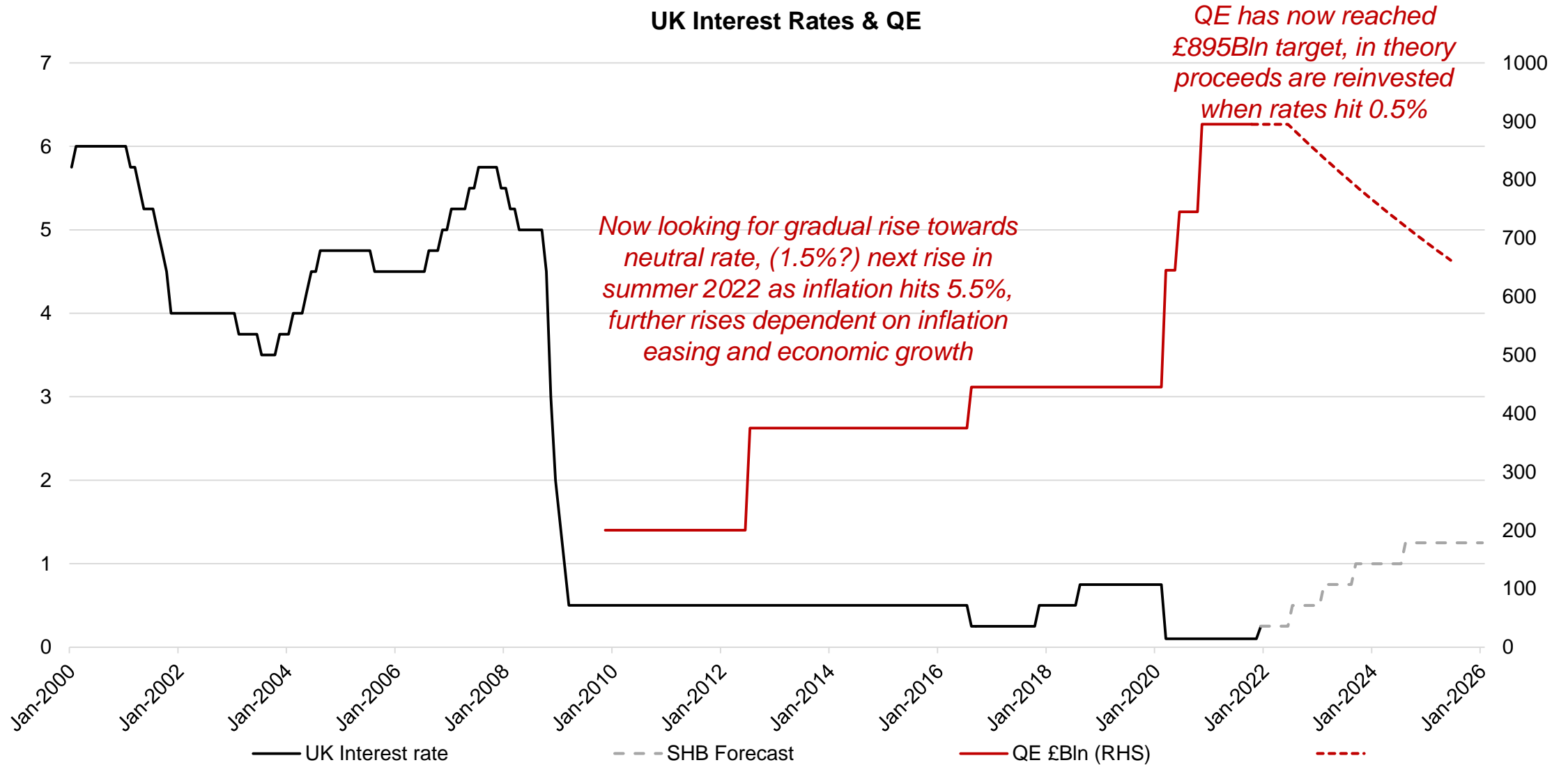


BoE 2021 CPI Expectations



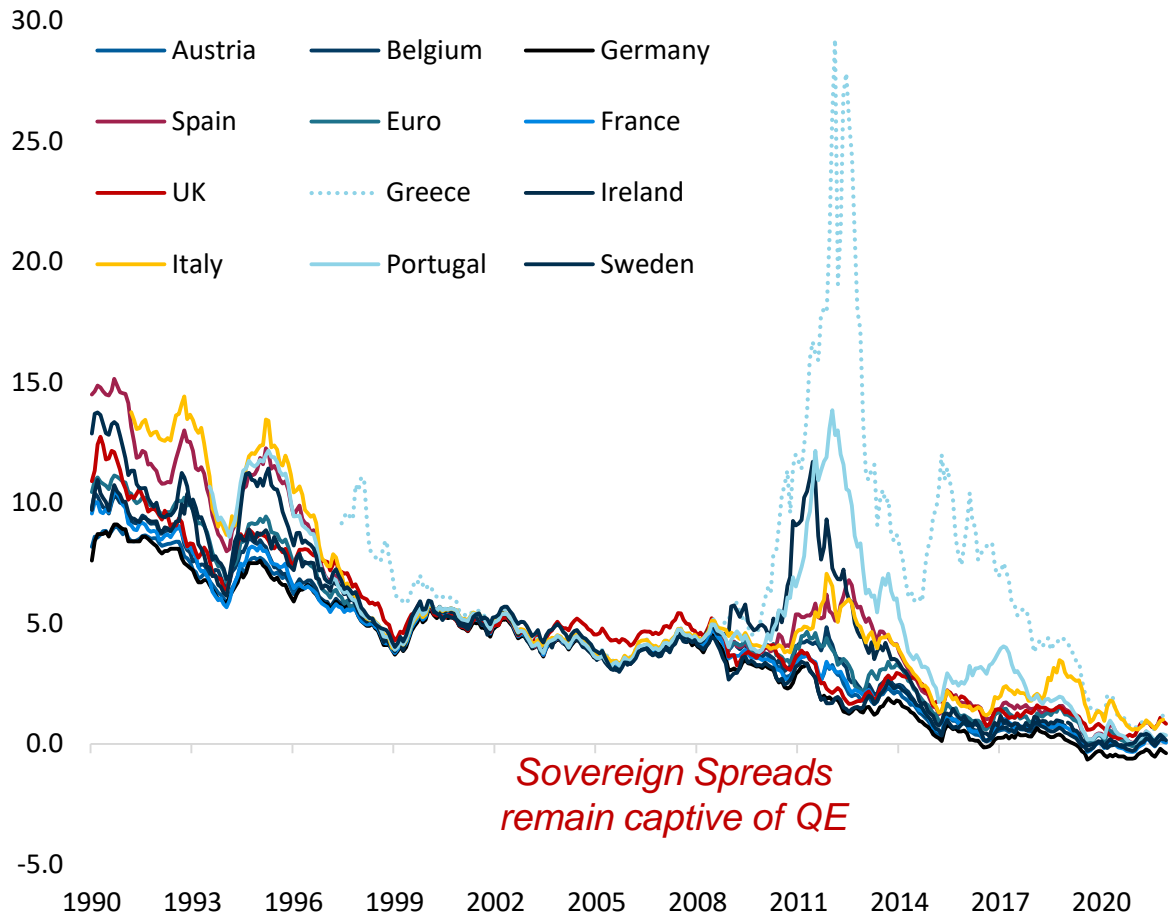
UK Interest Rates

UK Interest Rates & QE

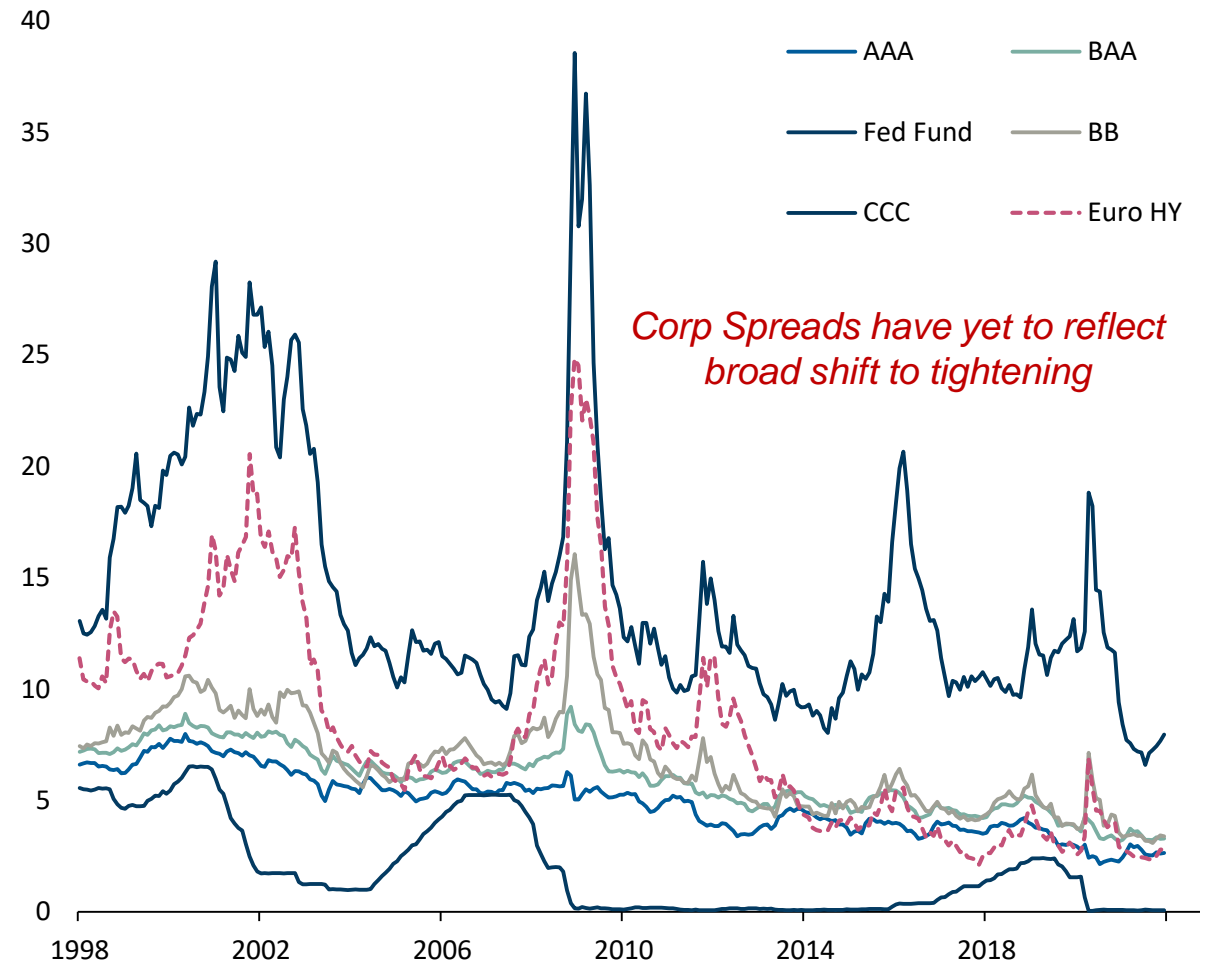


Interest Rate Spreads

Sovereign 10Y Spreads



US Corporate Spreads

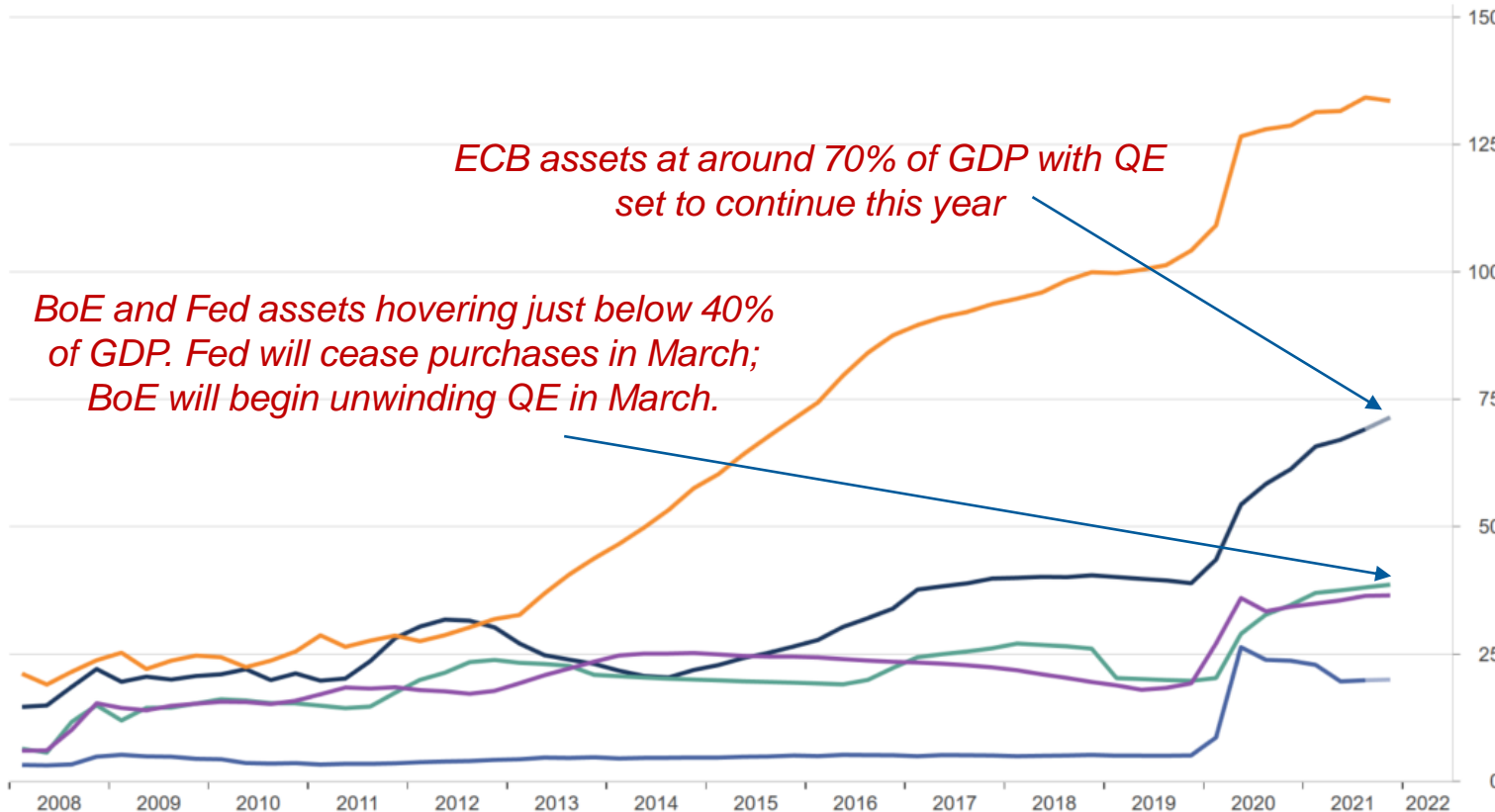


Fed, ECB and BoE Programmes

Central Bank Assets as % of GDP

ECB assets at around 70% of GDP with QE set to continue this year

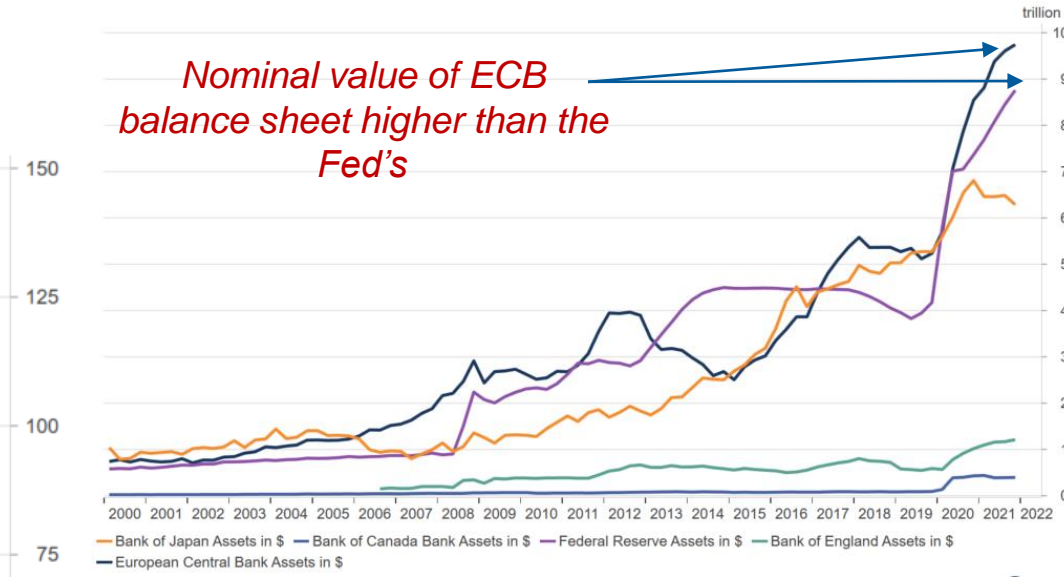
BoE and Fed assets hovering just below 40% of GDP. Fed will cease purchases in March; BoE will begin unwinding QE in March.



— Japan, Balance Sheet & Flows of MFI Sector, Central Bank, Assets, Total, JPY [/ Japan, Gross Domestic Product, Total, Current Prices, SA, AR, JPY * 100]
 — Canada, Balance Sheet & Flows of MFI Sector, Central Bank, Total Assets & Liabilities, Assets or Liabilities & Capital, CAD [/ Canada, Gross Domestic Product, Total, Current Prices, SA, AR, CAD * 100]
 — United States, Balance Sheet & Flows of MFI Sector, Federal Reserve Banks, Assets, Total, All Banks, USD [/ United States, Gross Domestic Product, Total, Current Prices, SA, AR, USD * 100]
 — United Kingdom, Balance Sheet & Flows of MFI Sector, Central Bank, Assets, jointmorehistory(Amounts Outstanding of Central Bank Sterling Loan to Asset Purchases, Total, Current Prices, SA, AR, GBP * 100)
 — Euro Area, ECB Consolidated Balance Sheet & Flows of MFI Sector, Eurosystem, Total Assets & Liabilities, All, EUR [/ Euro Area, Gross Domestic Product, Total, Current Prices, SA, AR, EUR * 100]

Nominal Value of Central Bank Assets (\$)

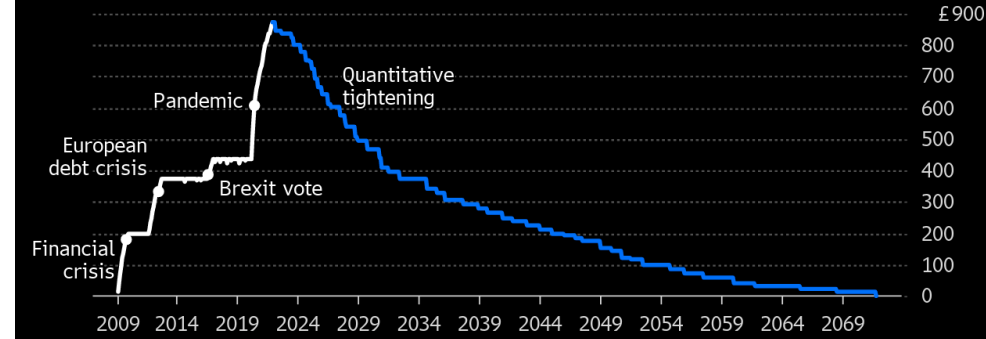
Nominal value of ECB balance sheet higher than the Fed's



Quantitative Tightening

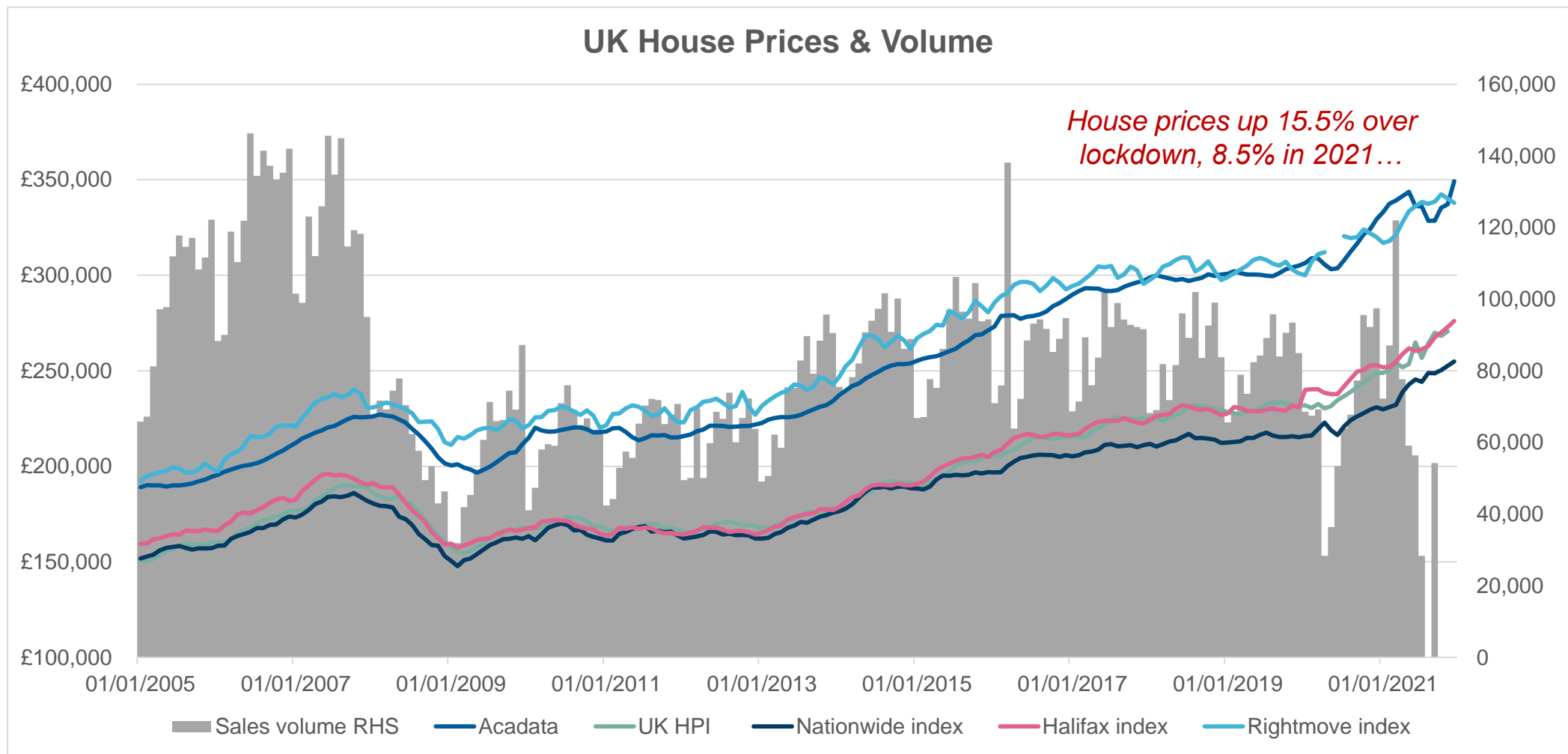
The BOE will begin reducing its vast pile of government bonds in March

- Stock of gilts held in the Asset Purchase Facility
- Stock following maturity of remaining holdings



Source: Bank of England, Bloomberg

UK House Prices



Questions?



IMPORTANT NOTICE: All the analyses, opinions, forecasts, estimations and comparable information expressed in this communication are the subjective views of the author and have not been independently verified or corroborated. Accordingly it is not and does not purport to be objective research. Handelsbanken plc does not accept liability to any person who relies on the content of this communication and accompanying attachments, if any. Handelsbanken considers that the sources and methods used in producing any analyses, opinions, forecasts or estimations contained herein are reliable, however Handelsbanken plc makes no guarantee, representation or warranty and accepts no responsibility or liability as to the completeness of the information contained in this communication and accompanying attachments and none of Handelsbanken plc's officers, directors, or employees makes any guarantee, representation or warranty, nor does any such person accept any responsibility or liability for any loss of profit, indirect or other consequential losses or other economic losses suffered by any person arising from reliance upon any information, statement or opinion contained in this communication and any accompanying attachments (whether such losses are caused by the negligence of such person or otherwise). All information in this material is expressed as at the date of this communication and is subject to changes at any time without prior notice or other publication of such changes. Handelsbanken is the trading name of Handelsbanken plc, which is incorporated in England and Wales with company number 11305395. Registered office: 3 Thomas More Square, London, E1W 1WY, UK. Handelsbanken plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 806852. Handelsbanken plc is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ).