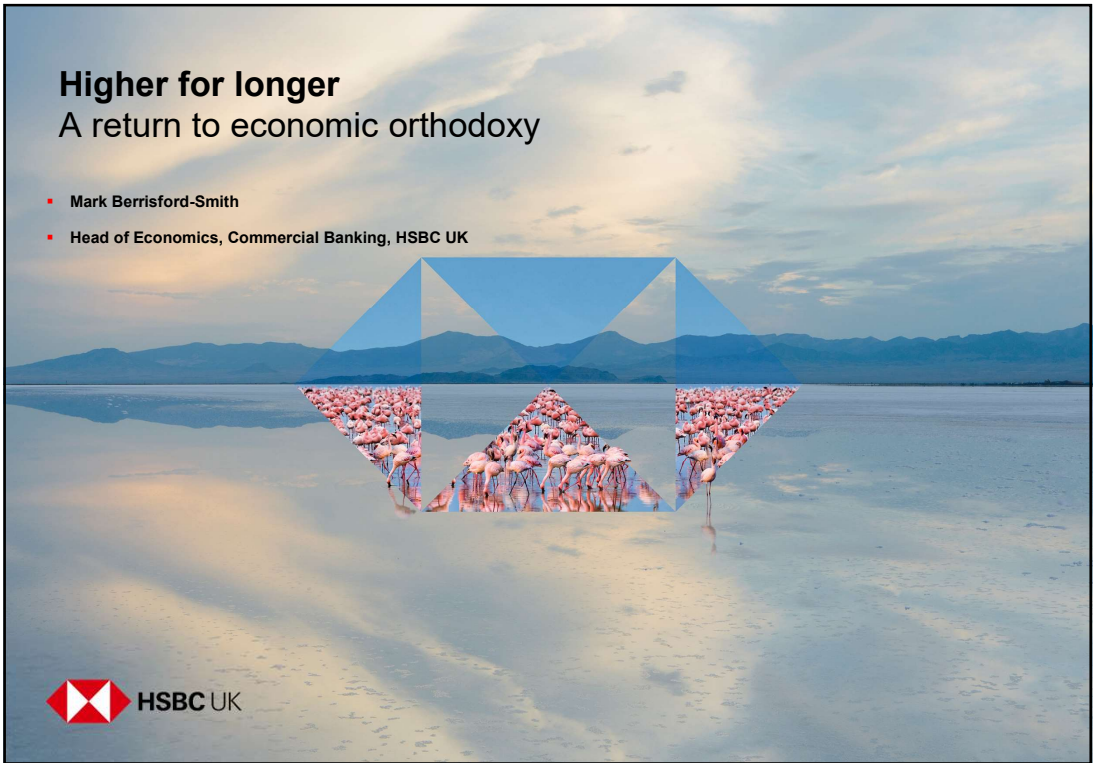


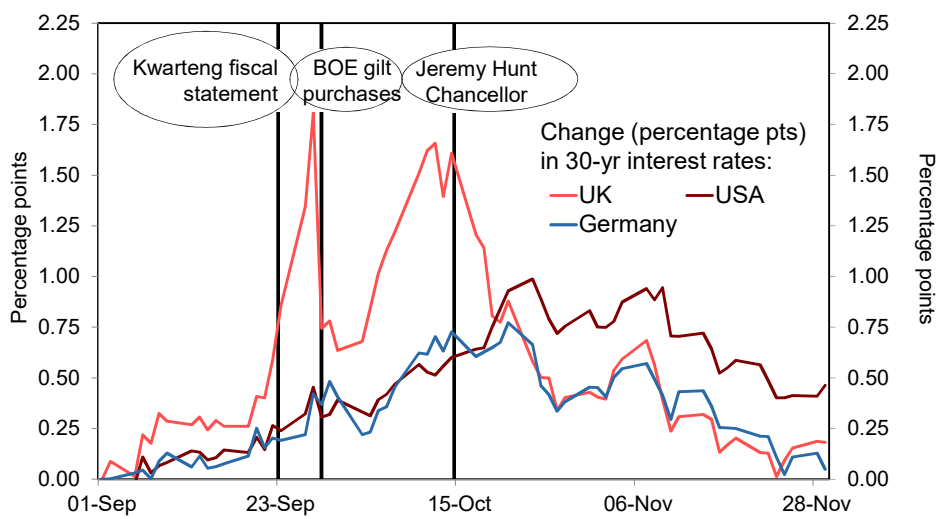
# Higher for longer

## A return to economic orthodoxy

- Mark Berrisford-Smith
- Head of Economics, Commercial Banking, HSBC UK

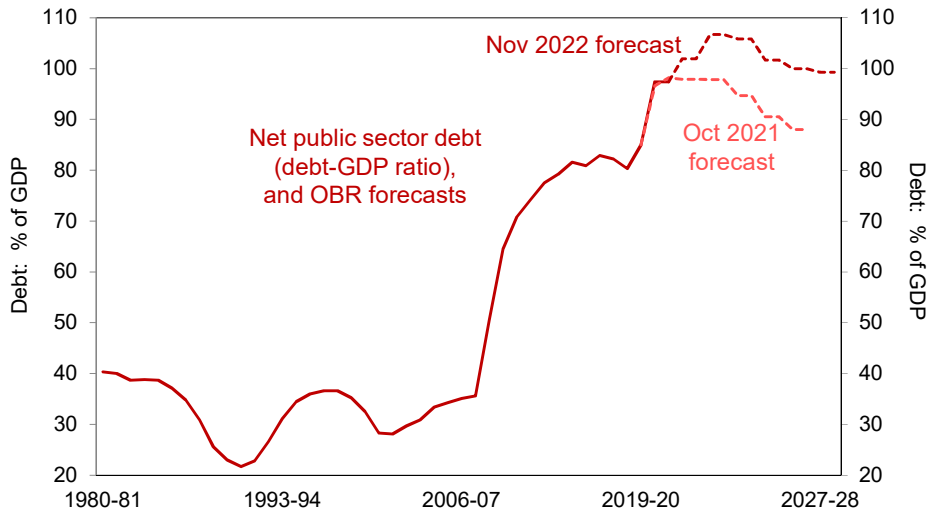


### The early autumn storm has passed



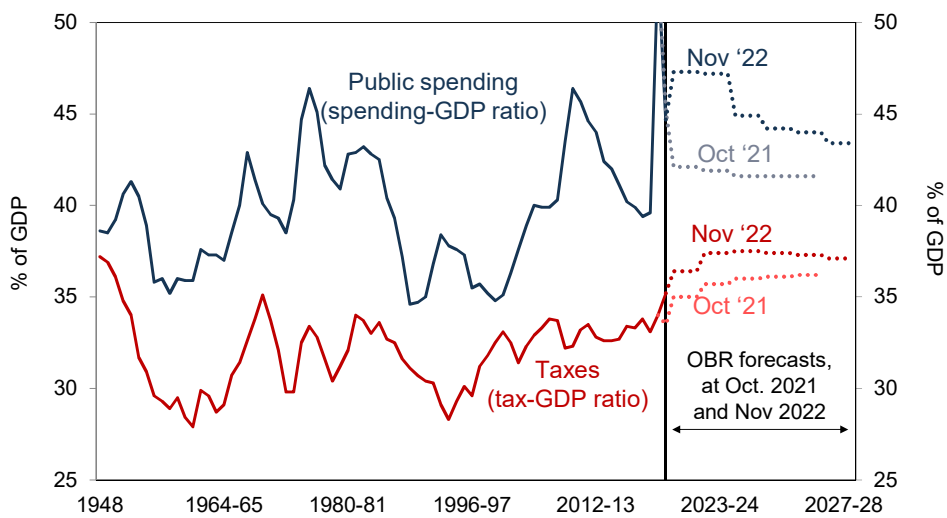
Source: Refinitiv Datastream

### Debt rises above 100% of GDP



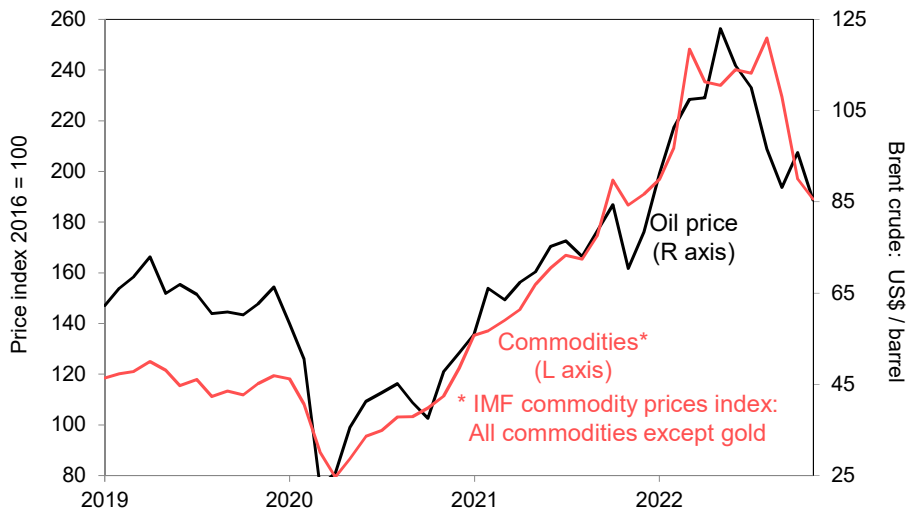
Source: OBR Public Finances Databank

### The highest tax burden since WW2



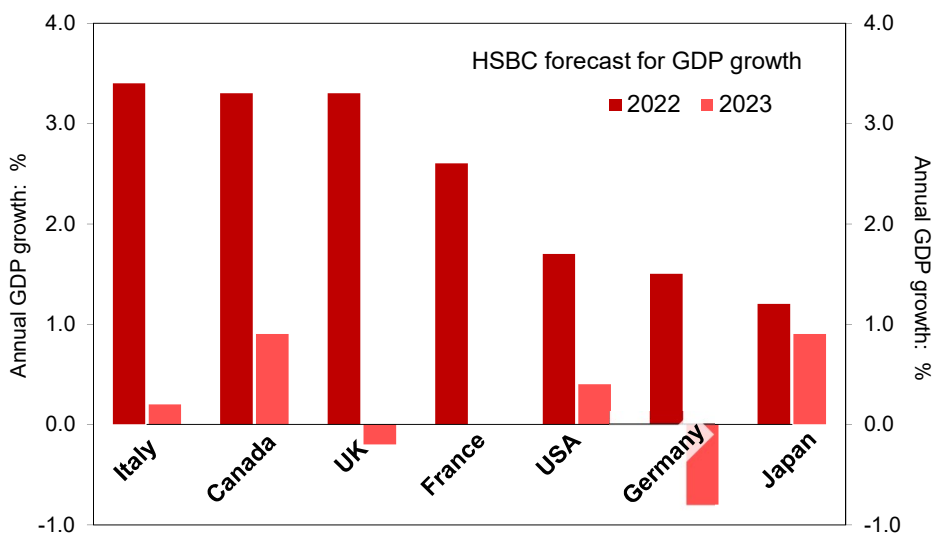
Source: OBR Public Finances Databank

### Commodity prices have eased, but remain elevated



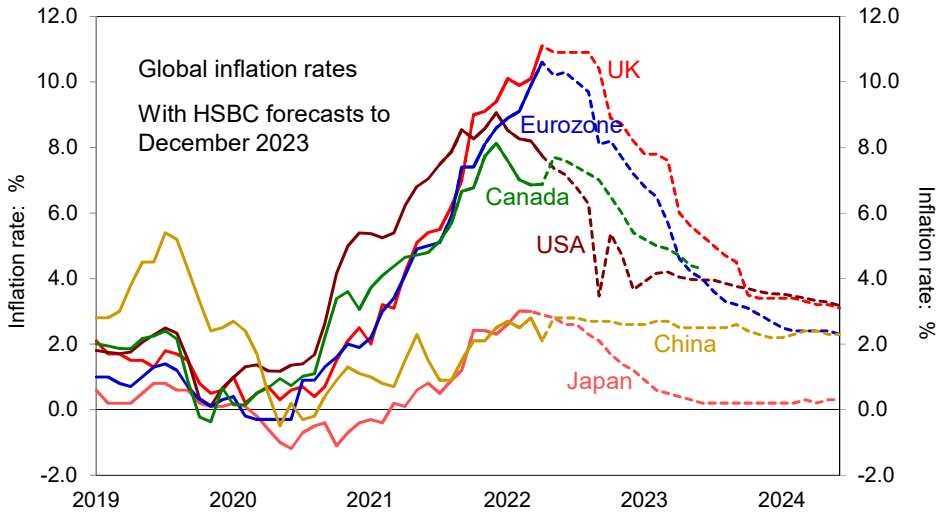
Source: IMF / Refinitiv Datastream

### Growth will be in short supply



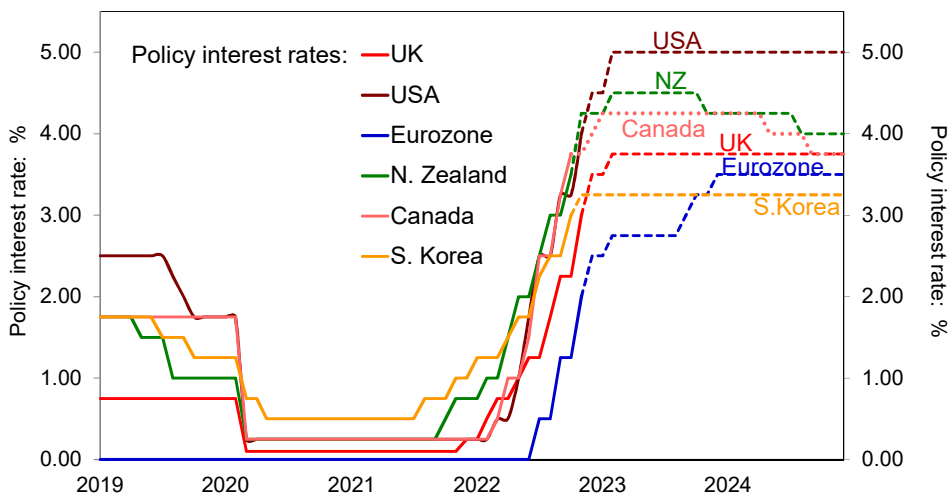
Source: HSBC Global Research

### Inflation - from a spike to a bulge



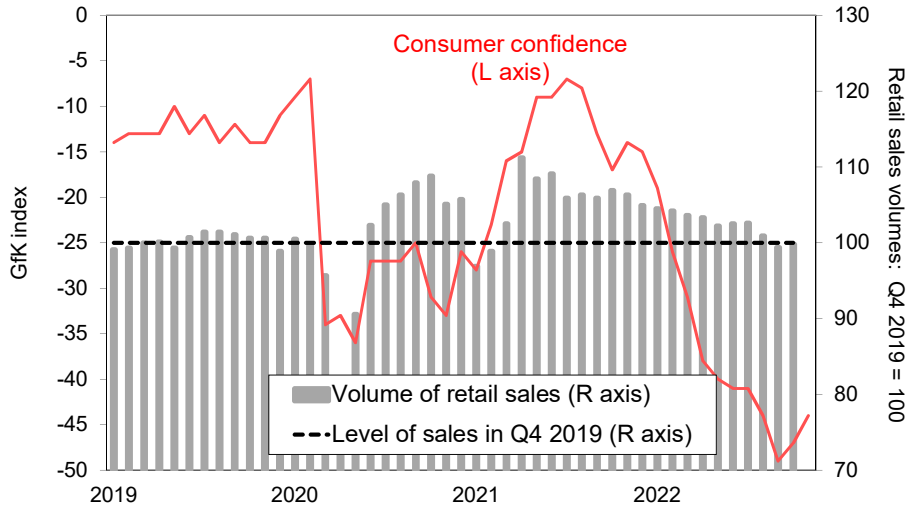
Source: Refinitiv Datastream / HSBC Global Research

### The biggest rate hikes are behind us



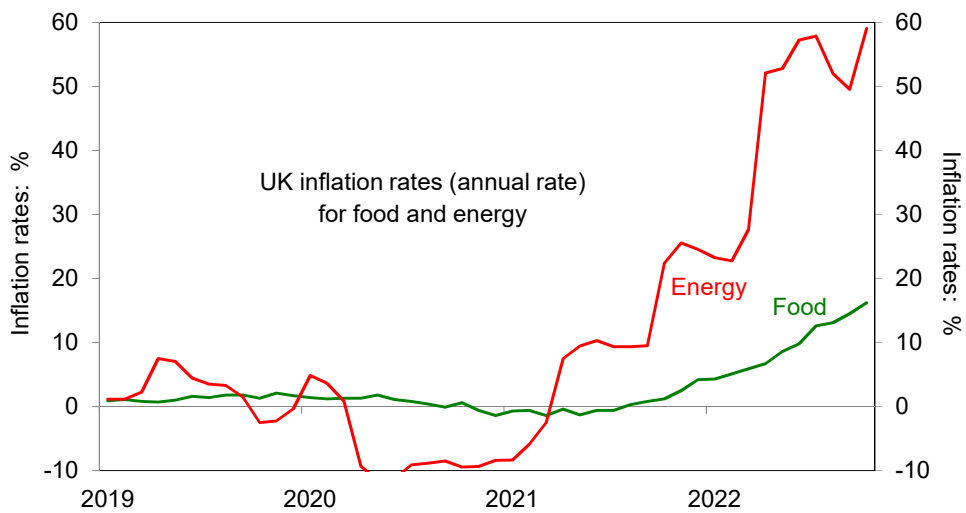
Source: Refinitiv Datastream / HSBC Research

### Confidence slumps, spending falls back



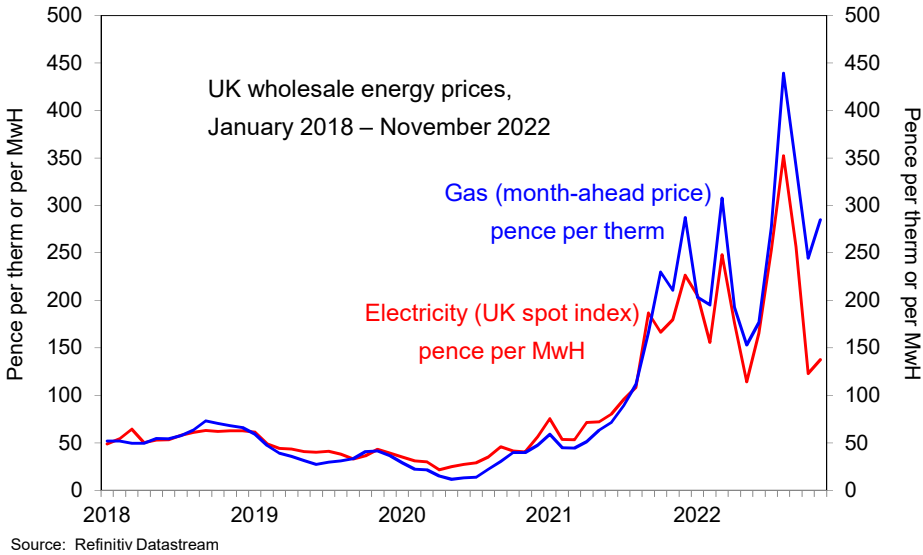
Source: ONS, GfK

### Food and energy have driven inflation higher

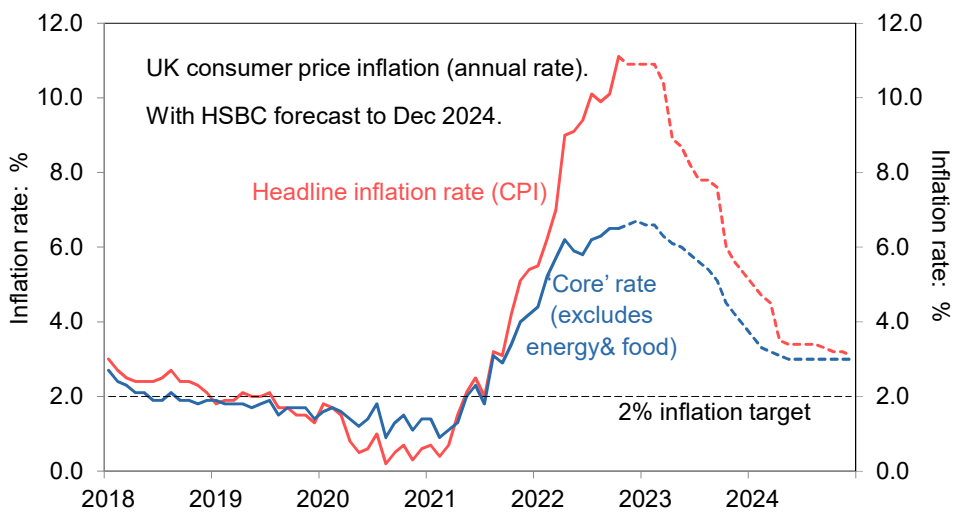


Source: ONS

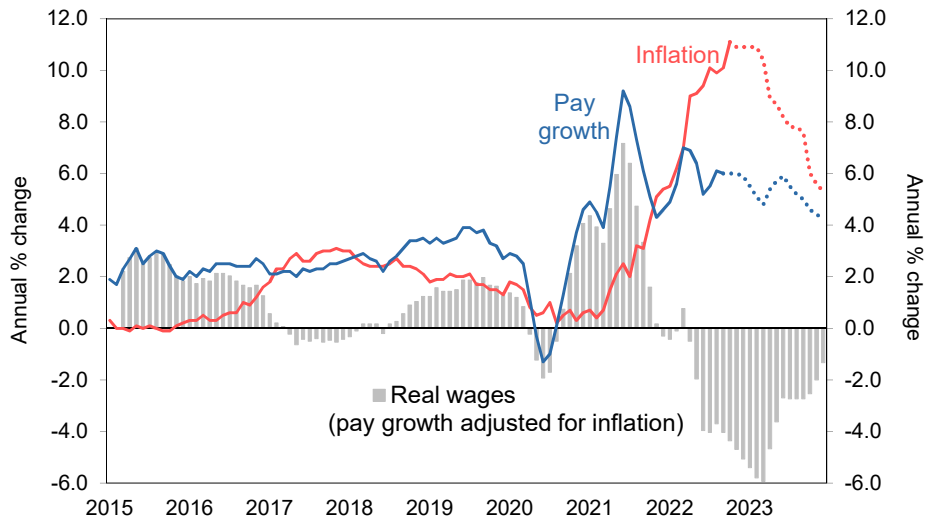
### The UK's soaring wholesale energy prices



### Developments in the “core” are also worrying

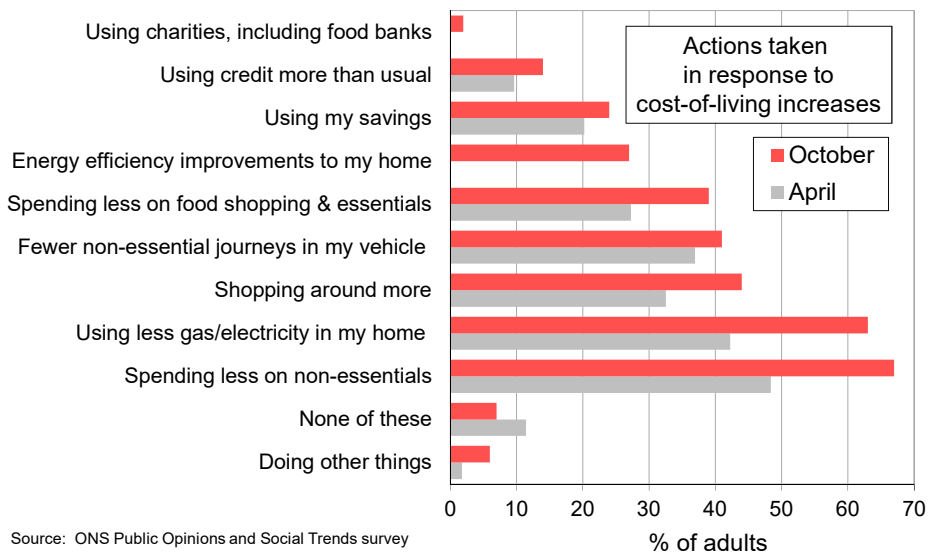


### Real wages are falling fast



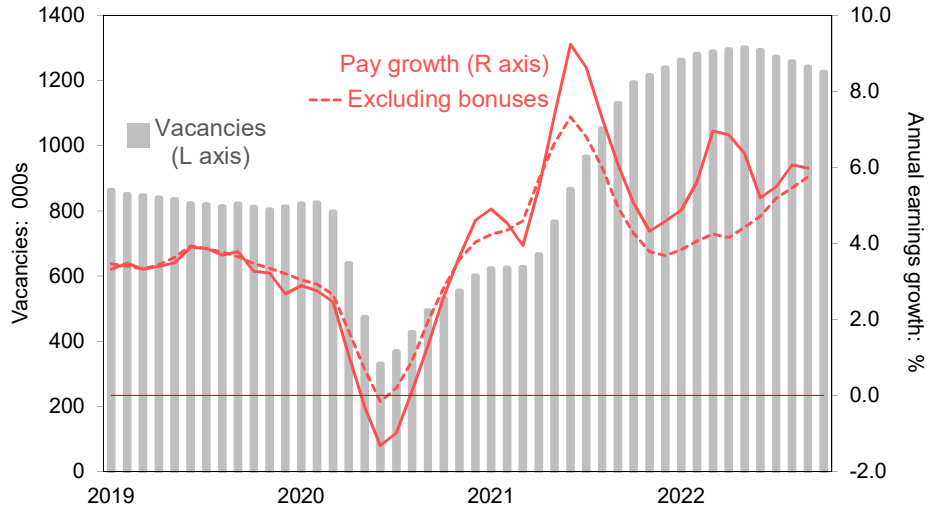
Source: ONS, HSBC

### Changing consumer behaviour



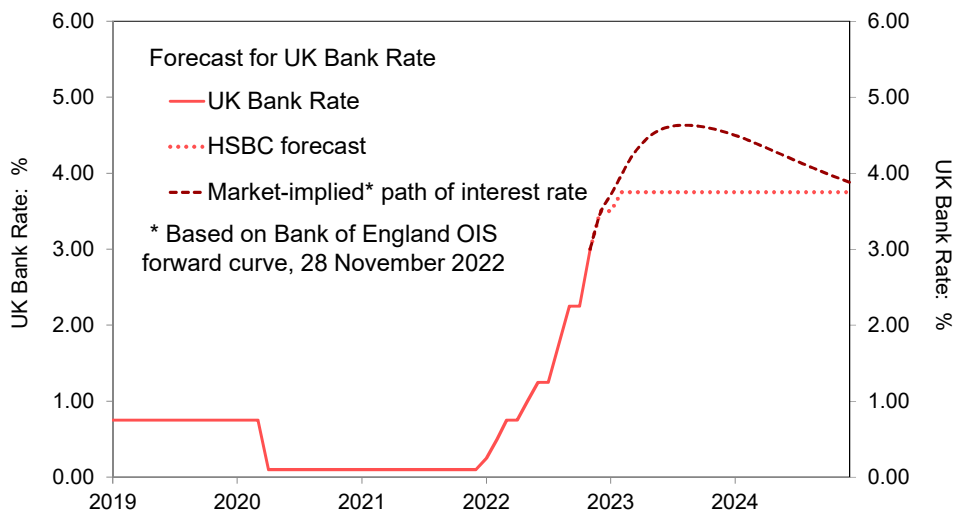
Source: ONS Public Opinions and Social Trends survey

### The labour market is loosening (very slowly)



Source: ONS

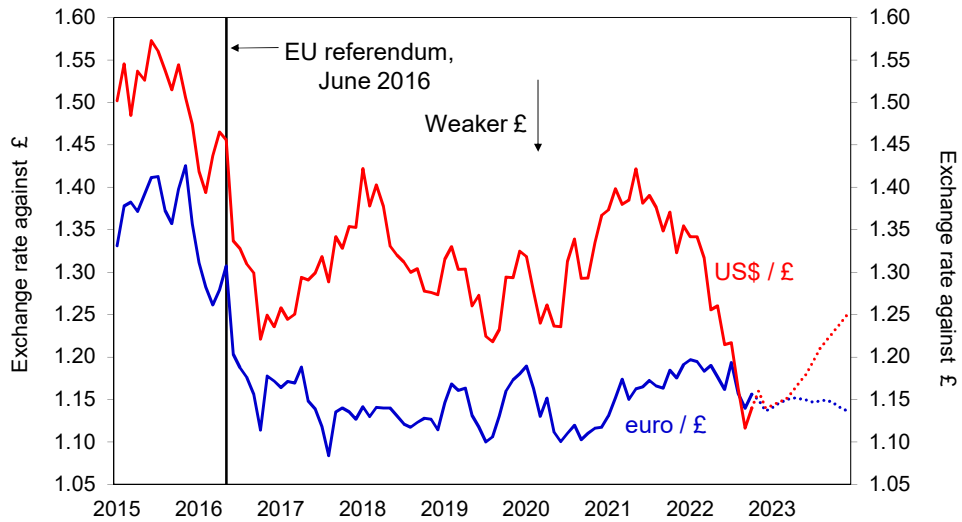
### Fiscal tightening reduces the need for steep rate rises



Source: Bank of England / HSBC Research

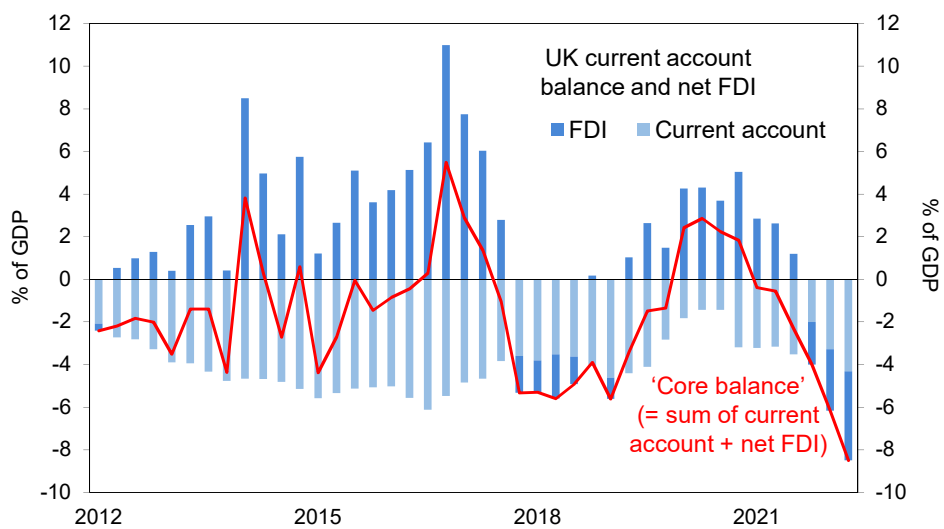


### Sterling is out of favour



Source: Thomson Datastream, HSBC

### The abysmal balance of payments



Source: ONS

## Disclaimer

This presentation has been prepared by Mark Berrisford-Smith, Head of Economics, Commercial Banking, HSBC UK Bank plc ('HSBC UK')

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