Global Economic Overview

27 November 2024

Making sense of prospects for a complex 2025…

Global

The election of Donald Trump for a second term as US President with, importantly, majorities in both the House and the Senate has opened the possibility of far-reaching US policy changes that have global ramifications. How far these will go is as yet unknowable. For now we have incorporated the assumption that, through negotiations, the US's trading partners will avoid extra tariffs of more than 10%, and that retaliation will be more symbolic than meaningful. This, along with the extra impetus to already solid US activity recently from future tax cuts, has seen us downgrade our global GDP growth forecasts only slightly, to 3.1% for this year and next. Because of the contrast of added inflationary impulses in the US but deflationary impulses elsewhere, the Fed looks set to cut policy rates by less next year but the ECB by more – lifting USD in the near term. These assumptions, and so our forecasts, are of course subject to change.

United States

Our base case for the US economy under President Trump envisages a quick but ultimately moderate approach to policy changes. This we think would result in the Fed pausing its easing cycle earlier than we previously imagined, with just one cut next year and the USD gaining, sending EURUSD to parity in early 2025. For GDP growth, there are various push and pulls on the economy, which we think will result in slightly stronger GDP growth this year (2.8%) and weaker next (1.6%). Meanwhile, we predict that a higher inflation and rate profile, as well as rising fiscal concerns, will send 10y US Treasury yields higher, to c.5%. But were Mr Trump to adopt a more severe set of policies, such as harsher tariffs or opting to compromise the independence of the Fed, we could find ourselves with a completely different set of economic projections.

Eurozone

The EU20 finds itself in a difficult position with economic indicators continuing to point to a loss of momentum. Manufacturing remains weak, whilst conditions are softening elsewhere too. Political problems in France and Germany look to cloud the outlook for 2025 further. This is before the implications of the new US administration are taken into account. As above we have assumed a modest tariff backdrop, which at this point has only a limited impact on the EU20 outlook. However we are very cognisant of downside risks should President Trump impose more drastic measures. Our GDP forecast for 2024 is unchanged whilst 2025 is downgraded to 1.2% from 1.5%, a reflection of both the recent data and a US tariff impact. With regards to monetary policy we judge that the balance of data argues for a more aggressive ECB policy approach and now see the Deposit rate at 1.50% by the end of 2025.

United Kingdom

We are factoring in some impact on the UK from a US 'universal tariff', but this may be fairly muted as British goods exports to the US account for just 2.3% of GDP. Inflation will probably rise close to 3.0% by mid-2025, partly on utility prices, but seems likely to fall close to 2.0% by end-year as services inflation continues to moderate. The MPC thus looks set to keep its strategy of gradual policy loosening intact and we still judge that the Bank rate will fall by a further 100bps to 3.75% by end-2025. GDP growth has lost momentum recently, but firm household income growth should support spending further ahead. On politics, we note that Labour is now only 2% or so ahead of the Conservatives in the polls. After an uncertain start, the government needs to get back onto the front foot to regain the public's trust and to facilitate the rise in business investment that will be integral in pushing up the UK's economic capacity.

	2024	2025
GDP growth (%)		
Global	3.1	3.1
US	2.8	1.6
China	4.7	4.3
UK	0.9	1.5
EU20	0.7	1.2
Key official interest rates (%, end-year)		
US Fed funds	4.25-4.50	4.00-4.25
ECB Deposit rate	3.00	1.50
UK Bank rate	4.75	3.75
FX rates (end-year)		
€:$	1.05	1.03
€:£	0.83	0.80
£:$	1.26	1.28
$:¥	155	155
AUD:$	0.65	0.64
€:CHF	0.92	0.90

Please click here for a summary of our economic and market forecasts

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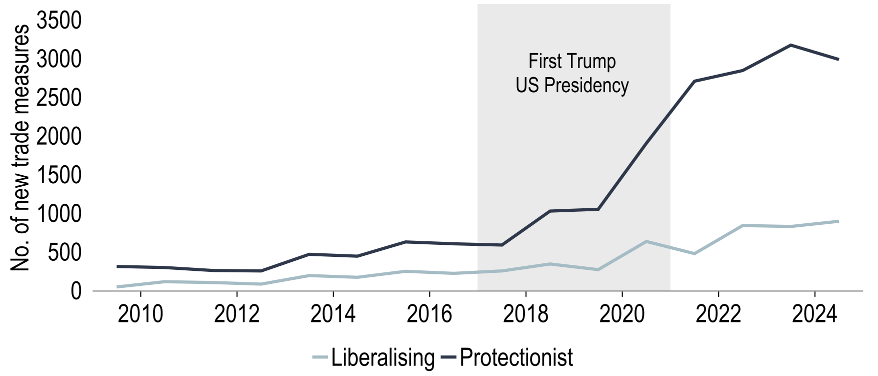
Global

The decisive nature of Donald Trump's election victory, with control of the House and the Senate, has opened the door to a potentially far-reaching reorientation of US policies. Naturally the key question that arises is how the economic outlook has changed as a result. We discuss specific country/blocwide impacts in the other sections of this document. Here, we focus on bringing the global picture together. Conclusions now can only be provisional and are subject to change: Mr Trump is not inaugurated until January, so his administration's policies are not yet known. Should these materially differ from our assumptions, so will our impact assessment. Yet directionally, a few features are clear. Having already kickstarted a clear ramping…

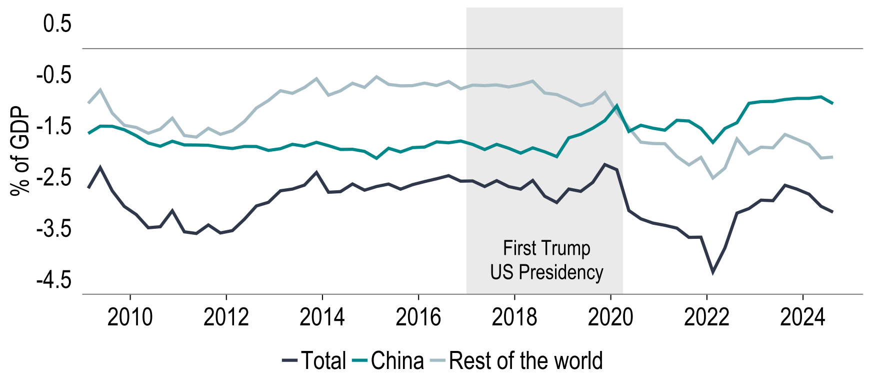
Chart 1: The number of new global trade restrictions has ramped up sharply in recent years



Source: Global Trade Alert, Macrobond, Investec Economics

…up of global trade restrictions during his first term (Chart 1), President Trump will add more during his second. The size and nature of extra tariffs imposed will matter a lot. After all, tariffs skewed towards one country may encourage the rerouting of supply chains to third countries and not necessarily to (more expensive) US production. Indeed, Chart 2 shows that during Trump's first Presidency, the US's bilateral trade deficit with China shrank, but at the expense of wider shortfalls with other countries. Universal tariffs look like a more useful tool for driving production to the US, which we perceive as President Trump's primary aim. Despite the rhetoric, we thus factor in solely universal tariffs, with the threat of extra country-specific ones used as a negotiation tool. We also…

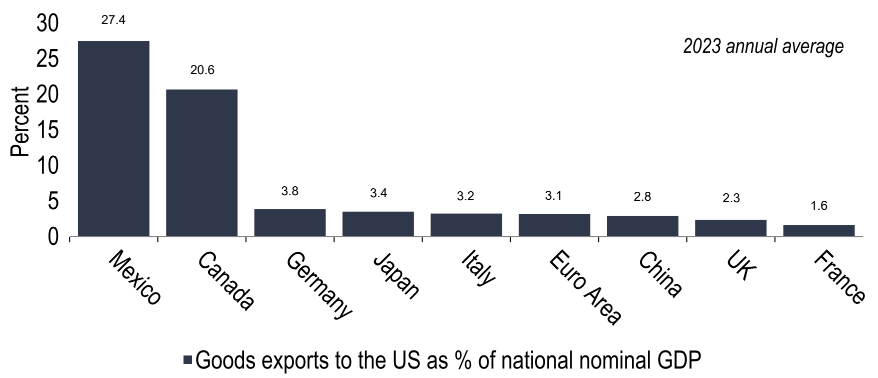
Chart 2: The US trade deficit with China shrank in Trump's 1st term, but the global deficit did not



Source: US Census Bureau, BEA, Macrobond, Investec Economics

…assume the universal tariff level implemented will be at the lower end of what Trump has suggested, namely 10%, as countries forestall larger rises by offering in trade negotiations to buy more US products such as LNG and defence. We also assume only token retaliation measures to be taken, to avoid adding to inflationary pressure outside of the US. Under these assumptions, higher US tariffs will reduce US import demand and so hurt exports of its trading partners to varying degrees, but only add to US inflation. Chart 3 plots goods exports to the US as a % of GDP for a number of economies. Unsurprisingly, Mexico and Canada look especially exposed and the UK less so. But this is only a rough guide: the sensitivity of US import demand to higher prices varies by product, and the product mix exported by countries varies.

Chart 3: Restricted access to US markets could hit trading partners hard, especially in NAFTA

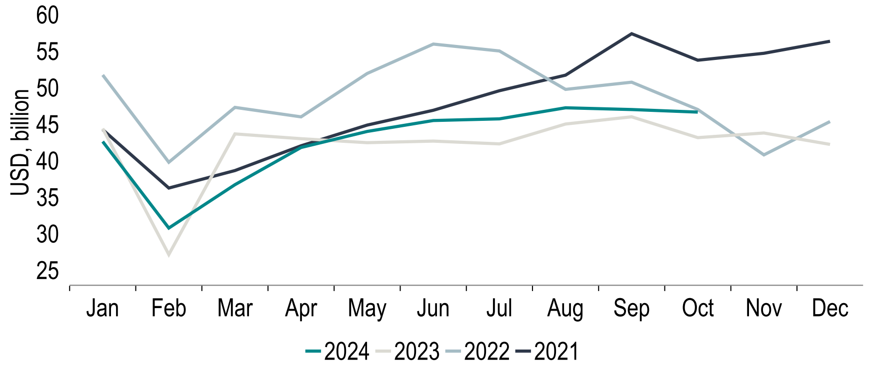


Source: IMF, Macrobond, Investec Economics

Investec

The full impact on GDP growth elsewhere will take time to unfold Indeed, we have incorporated some 'front-running' of exports to the US by its trading partners in Q1 '25; mechanically this would cushion the hit to 2025 GDP growth a little. Indeed, there are some suggestions that Chinese producers may already have started to do so. Data on trade flows are, however, not conclusive (Chart 4). The policy response elsewhere also matters. China will only publish its '25 growth forecast in March, but we anticipate larger fiscal stimulus to try to offset the export hit. More generally, we expect rate cuts to form part of the response for non-US monetary policymakers that face a perceptible weaker growth outlook without an extra inflation impulse – the ECB among them.

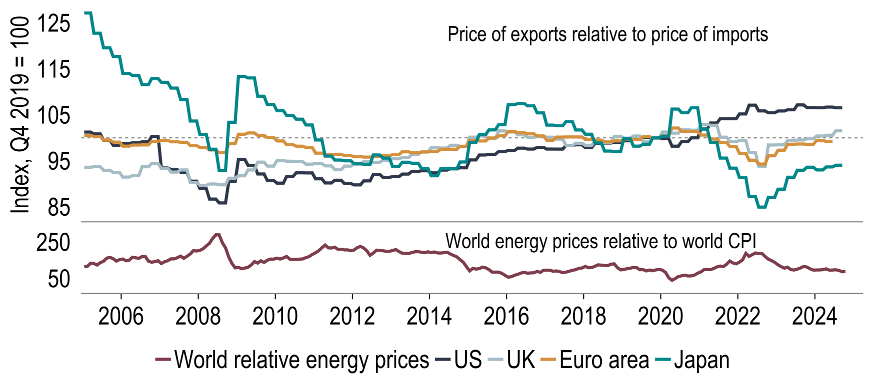
Chart 4: There is little evidence that Chinese exports to the US strengthened already pre-election



Source: China General Administration of Customs, Macrobond, Investec Economics

It is not only Mr Trump's trade policies that can materially impact the global economy. A key question is whether he will deliver on his promise to end the Ukraine war swiftly – and if so, how. A scenario with little Ukrainian territory ceded and Russian sanctions lifted could see lower world energy prices, boosting the terms of trade of net energy importers such as the EU20, the UK and Japan, and weigh on the demand (and prices) for safe-haven assets such as CHF and gold. Were Mr Trump to withdraw US military support to Ukraine and this to end the war through a clear win for Russia, risk premia in Europe could instead rise and pull down activity. A US withdrawal from NATO or a deployment of tactical nuclear weapons by Russia would result in crises. Oil futures do not look priced for such scenarios.

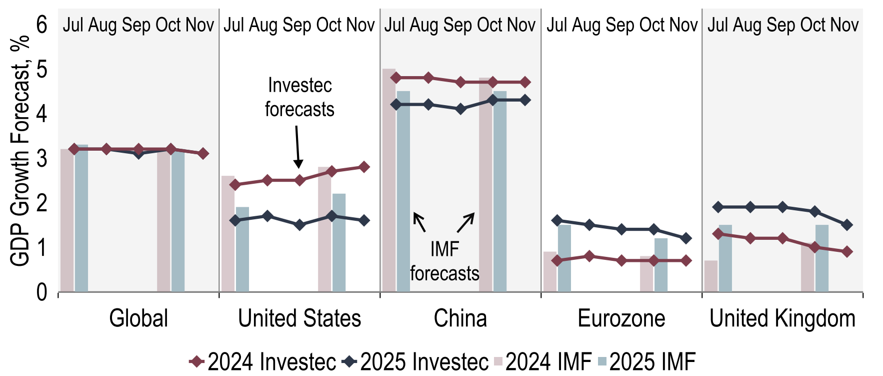
Chart 5: A fall in world energy prices would lift the terms of trade of net energy importers



Source: World Bank, US BEA, ONS, Eurostat, Japanese Cabinet Office, Macrobond, Investec Economics

This is the assumption we make too. Bringing all this together with domestic drivers of activity inside and outside the US, we have downgraded our global GDP forecasts for both this year and next relative to last month. But the forecast changes are very minor, at 0.1%pts each, leaving our baseline forecast for 3.1% growth for both '24 and '25 (Chart 6). With more onus on monetary restrictiveness to contain price pressures needed in the US than in Europe, we have made larger changes to our interest rate and, largely as a result of this, to our FX forecasts. We now predict EURUSD to end '24 and '25 at \$1.05 and \$1.03 (Oct: \$1.11 & \$1.15) and see the equivalent GBPUSD rates as \$1.26 and \$1.28 (Oct: \$1.33 & \$1.37). This view would likely change if US policy surprises.

Chart 6: Our 2025 GDP forecast changes are overwhelmingly downwards, though small

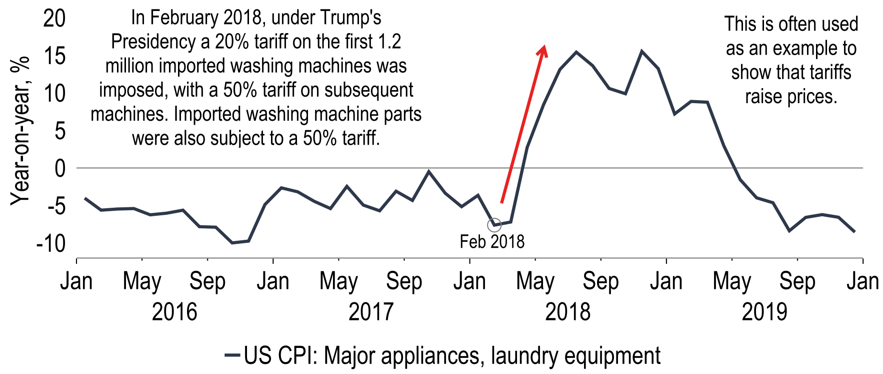


Source: IMF, Macrobond, Investec Economics

United States

In winning the US election, former President, now President-elect, Donald Trump has changed the course for the US macro-outlook. One of his key aims is to shrink the US trade deficit through tariffs. As explained above, we expect Trump will at least start off with a relatively measured approach: we incorporate a 10% universal tariff in our base case, but acknowledge the risk of higher tariffs, even if just for certain goods or countries, such as China or Mexico. In terms of the impact of a 10% universal tariff, although corporates might swallow some of the increased cost through lower profit margins, we expect there to still to be a hit to the end consumer, lifting our end-25 US inflation forecast by 0.7%pts. This is on our assumption that Mr Trump moves quickly with tariffs, most likely through an executive order. Clearly though, the risks are to the upside.

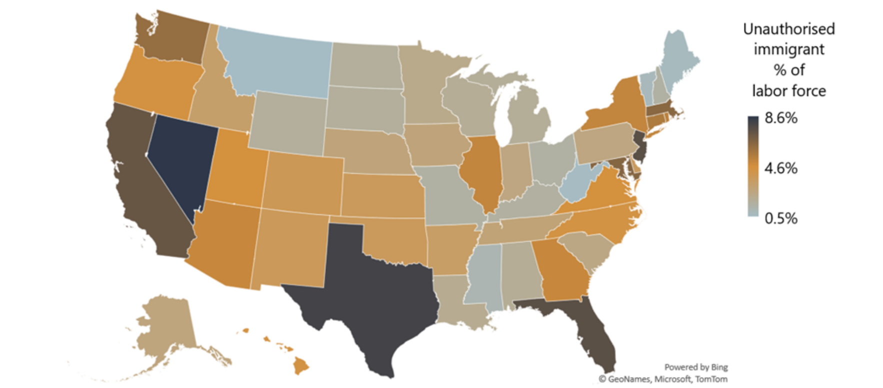
Chart 7: Tariffs pushed up prices for Americans in 2018



Source: Macrobond, Investec Economics

Migration is also a top priority for Mr Trump, with his stated intention to end birthright citizenship and deport up to 15-20 million undocumented migrants. Given such migrants make up an estimated 5% of the workforce, doing so would likely result in labour shortages, constraining growth and putting upward pressure on wage rates. Some industries, such as agriculture, would be hit worse than others. Although we would be minded to take Trump at his word, we note the logistical difficulties, such as the capacity constraints of immigration staff and the extra funding that would be required for mass deportations. We note that by the end of his first term only a small fraction of the pledged southern border wall was built. We expect Trump to make a big push for deportations, but ultimately fall far short of his aim.

Chart 8: Around 5% of the US labour force are undocumented migrants, higher in some states

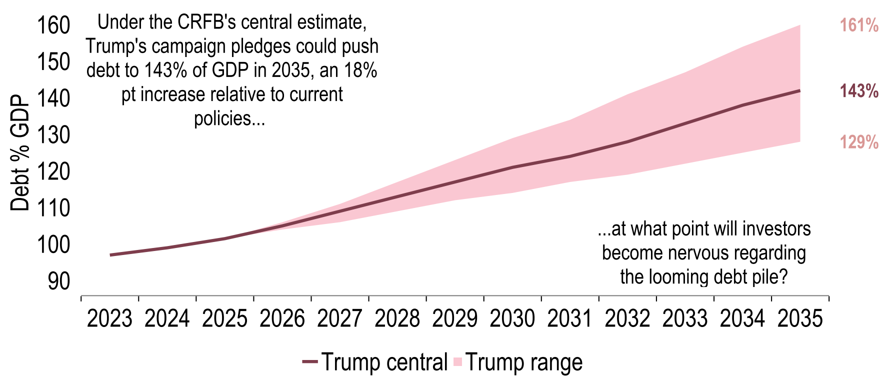


Data refers to 2022

Source: Bing, Pew Research, Investec Economics

Other key policy pledges include extending the 2017 Tax Cuts and Jobs Act (due to expire end-25) and a 15% corporate tax rate for companies that make their goods in America. Alongside eliminating tax on tips and social security benefits, Trump's policies are estimated by the CRFB* to push the debt-to-GDP ratio from 100% now to 143% by 2035. We question how long investors will look through looming US debt burdens with the reasoning that there will always be demand for US debt due to its status as the world's reserve currency. Trump's new pick for Treasury Secretary (Scott Bessent) suggests a degree of fiscal prudence though, with his (ambitious) 3% of GDP deficit target by 2028. Regardless we have embedded an added risk premium into our UST forecasts.

Chart 9: The range of estimates over the implications of a Trump presidency are large

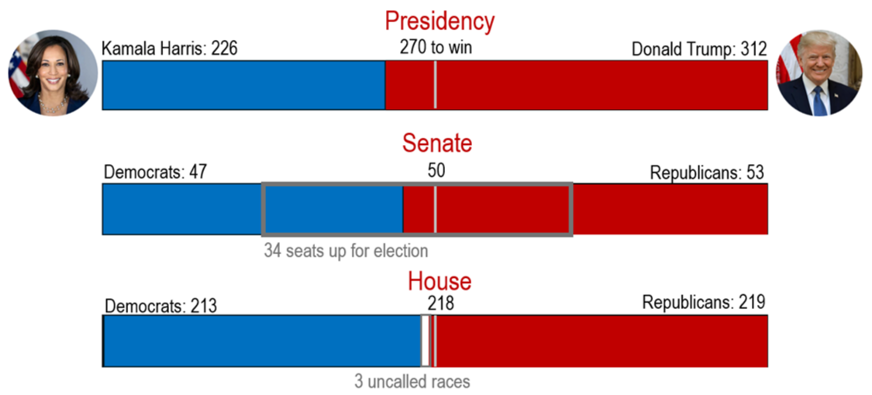


* Committee for a Responsible Federal Budget

Source: CRFB, Macrobond, Investec Economics

Our key assumption driving our forecasts is that Mr Trump will move moderately, but quickly. He will have an eye on midterms, which will fast approach, where he will need to hold onto the Senate and the House, making the path to push policy through Congress easier. But even in the current setup, it will unlikely to be plain sailing for the President-elect. Without a supermajority in the Senate (this requires 60 seats), his plans are still vulnerable to filibuster, a process in which the opposition can effectively block votes on many measures. As such, the minority in the Senate, i.e. the Democrats in this case, actually holds a few legislative cards. This could end up constraining the President in a number of areas and could result in him trying to rely on executive orders, where he can.

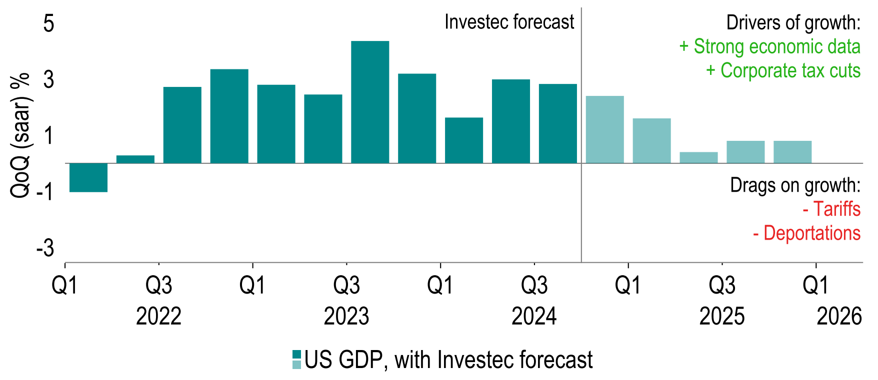
Chart 10: Trump wins a clean sweep of Congress, but falls short of a Senate supermajority



Source: Images from White House, Investec Economics

So where does this leave our forecasts? Firstly, no one really knows what Trump 2.0 will look like and therefore all forecasts are open to huge errors. But on our base case, we have edged our 2024 GDP forecast up to 2.8%, owing to recent strong economic data, and dropped next year's to 1.6% (prior: 1.7%) due to the negative hit from tariffs and deportations. For interest rates, we no longer expect the Fed to cut four times next year, now expecting just one cut in March: strong economic momentum, plus the prospective inflationary impact from tariffs (and possibly deportations) may well result in Fed caution through much of 2025. For FX, the higher rate profile is likely to boost USD in the near-term, but by end-25 weaker economic growth should weigh on the dollar. We expect 10y UST yields to head towards 5% on higher inflation and fiscal concerns.

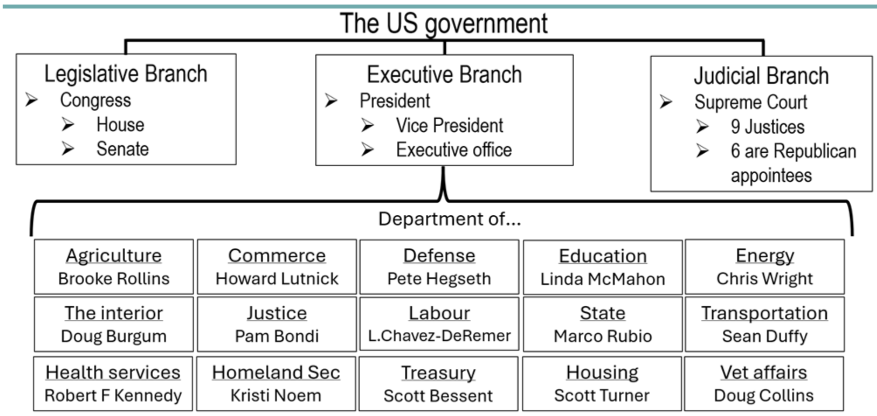
Chart 11: No one really knows what Trump 2.0 will entail - forecasters make their best guess



Source: Macrobond, Investec Economics

Mr Trump has been preparing for his second term by selecting his cabinet (Chart 12). This might provide a signal on what sort of policies the President will enact – for example Howard Lutnick has been described as a China hawk. These picks will have to be confirmed by Congress, although Trump could use recess appointments to sidestep it. Outside of Trump, there are other key events to watch, such as the debt ceiling suspension expiring on January 1 as well as the Fed decision on 18 December. The FOMC will try to look through unconfirmed Trump policies and focus on the current environment, which has been one of economic strength. Markets are now 50/50 on an interest rate cut. We think the upcoming payrolls print will be pivotal to the decision.

Chart 12: President-elect Trump favours those loyal to the MAGA view for the top jobs

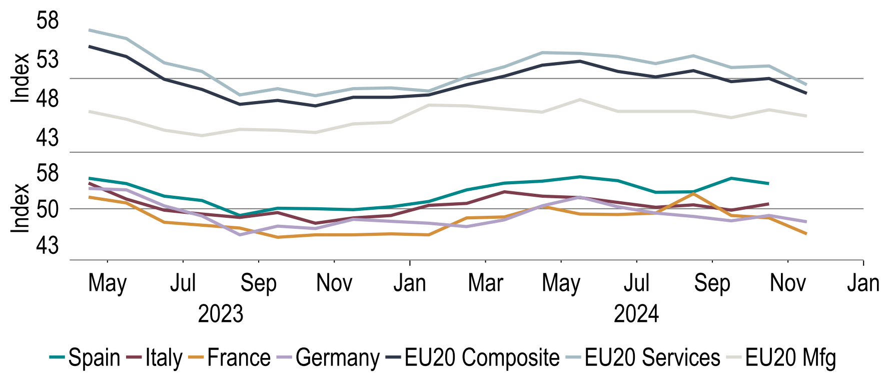


Source: Various media outlets, Investec Economics

Eurozone

The start of 2024 saw the Euro area return to growth following 2023's near-stagnation. But as the year draws to a close that momentum is waning, raising questions over the 2025 outlook. That is even without the added risk of a trade war following the US election result. The familiar theme of manufacturing weakness remains a factor stifling growth, something that is especially weighing on Germany. However there are signs that other areas of the economy are slowing too. We do not foresee a recession in the near term, but risks are skewed to the downside. Whilst our GDP forecast for 2024 is unchanged at 0.7%, the stalling of the economy has contributed to a downgrade to 2025 (1.2% from 1.4%). We have also included some impact of a more restrictive US tariff policy.

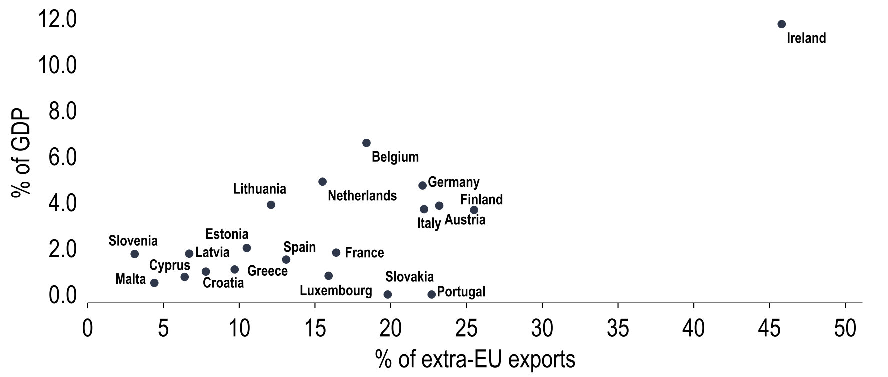
Chart 13: Euro area PMIs and Composite indices for member states



Source: Macrobond, Investec Economics

This assumes that whilst Trump does impose a universal 10% tariff the EU is able to forestall threatened larger tariff rises via negotiations. A path reportedly being examined is a pledge to buy more US LNG. A precedent already exists for this, the EU striking a deal in 2018 to avert tariffs on EU autos. Such a deal would also benefit Europe's energy security. Buying more US defence equipment could be another part of the offer. In terms of those member states most exposed to US trade policies, Ireland is out on its own. However pharmaceuticals make up a large proportion of this, which we would judge to be relatively price inelastic. Belgium, Germany and the Netherlands are the next most exposed with exports representing more than 4% of GDP. In Germany's case we have assumed a 0.2% hit to GDP* next year. We…

Chart 14: Euro area countries' exposure to US tariffs (US exports % of extra-EU trade and GDP)

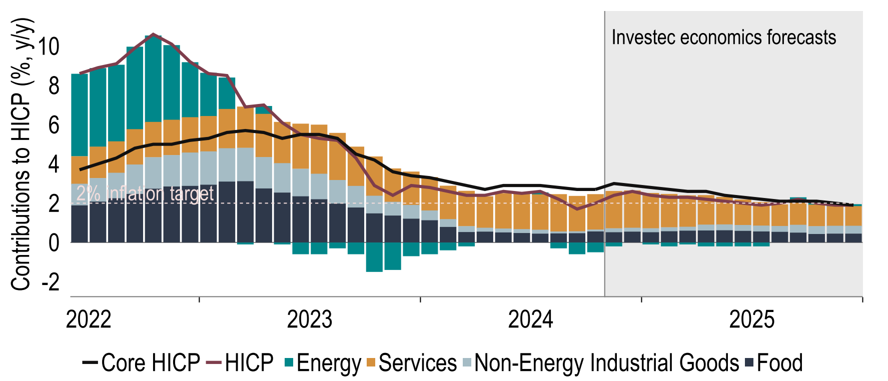


* Deviation from baseline in 2025

Source: Macrobond, Eurostat, Investec Economics

…are cognisant that President Trump may choose to pursue more extreme measures than we have assumed. Under such circumstances the economic consequences for the Euro area could be much more severe; for example a German recession would be a possibility. As to the impact on EU20 inflation, we assume only a limited effect, based on a restrained EU response to US tariffs, limiting any impact on inflation. Clearly from an EU perspective expansive retaliation would be of little benefit to the economy. Certainly, the EU took a moderate approach in responding to Trump's tariffs in 2018, with the EU introducing reciprocal tariffs on steel, aluminium and other goods that covered just €2bn of goods. Our HICP forecasts do see headline inflation rising in the near-term, this driven by unfavourable…

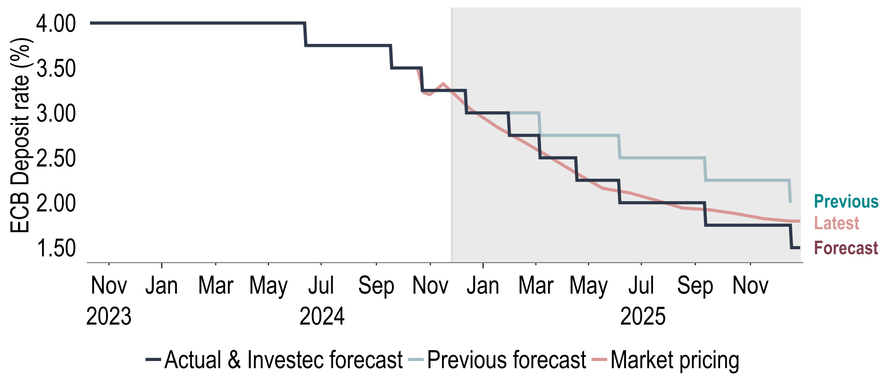
Chart 15: Some near-term volatility, but inflation remains on track to target



Source: Macrobond, Investec Economics

…base effects, rather than tariffs. However we continue to forecast headline and core inflation at 1.9% in Q4 '25, meeting the ECB's target and providing justification for a further easing in ECB policy. If anything given the disappointing activity metrics more recently, several Governing Council members have been highlighting the risks of too weak growth and inflation undershooting the target. Indeed, we now judge that the balance of data argues for a more aggressive pace of easing and for ECB policy to become stimulative in 2025, rather than just neutral. This we assume to be via a 25bp cut at every meeting until June, and slower cuts thereafter, bringing the Deposit rate to 1.50% by end-'25. But we would not rule out the prospect of a larger 50bp move at some point, possibly as soon as this December.

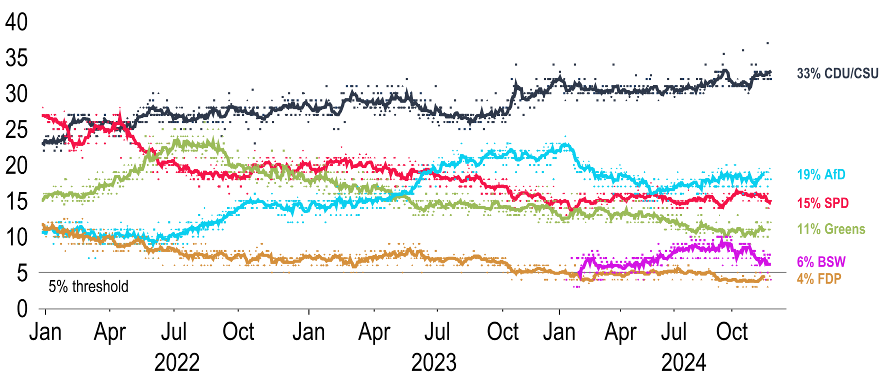
Chart 16: More aggressive ECB easing now expected given weakening fundamentals



Source: Macrobond, Investec Economics

Politics is a 2025 risk for the EU20, not just from a Trump Presidency, but from domestic issues too. Following the collapse of the German coalition in October, early elections are set for 23 Feb, where polling currently points to the CDU/CSU leading at 33%. But a coalition with the SPD (so a reanimation of the 'grand coalition'), the Greens or even both would be needed to form a government. This is not a foregone conclusion given various obstacles to any deal. Certainly fiscal policy and pressure to loosen the debt brake is one point that will need to be addressed. At the same time the far-right AfD will be one to keep an eye on given it is polling in second place. It is however not just Germany that faces issues, with France yet to pass a 2025 Budget with Marine Le Pen…

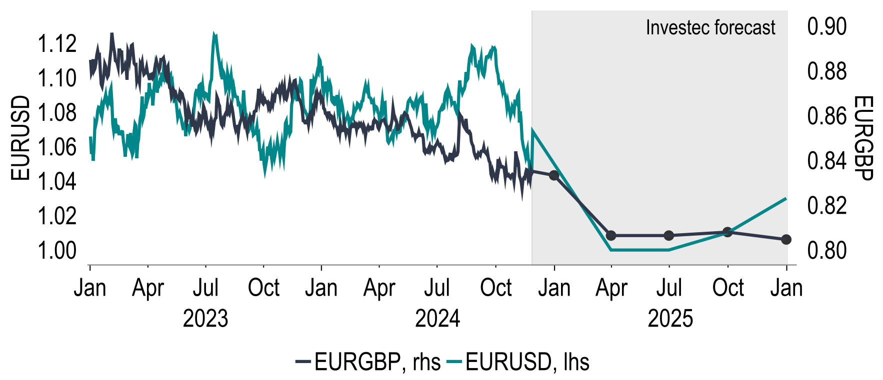
Chart 17: German opinion polls point to CDU/CSU lead



Source: Macrobond, Investec Economics, various German polls

…threatening to bring down Michel Barnier's fledgling government in protest over fiscal policies even before end-'24. For the Euro we see these political risks as just one of a number of factors pushing €:$ down to parity in Q1 2025. From a fundamental perspective the Euro area economic situation is a negative for the Euro given the darkening outlook, which we believe will lead to a faster pace of rate cuts than is currently embedded in market expectations. Certainly, the strength of the US economy and monetary policy prospects are in sharp contrast to those of the EU20. Indeed we see few positives on the near-term horizon to stem the current momentum in €:$. However by the end of 2025 we suspect that the single currency will recover as the $ Trump trade fades and the economy stabilises.

Chart 18: Euro area headwinds to push €:$ to parity



Source: Macrobond, Investec Economics

United Kingdom

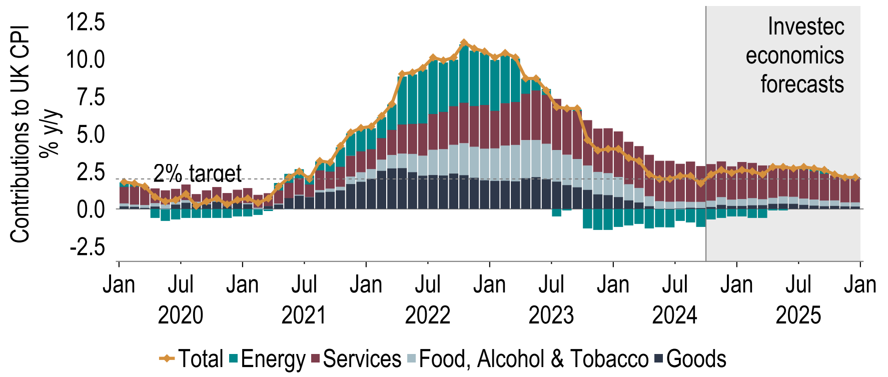
The trade picture ends the year in a state of uncertainty - it is not clear whether the Trump administration in the US will levy additional tariffs on UK goods and if so at what level and whether the British government retaliates in kind. Our broad assumption is that Trump imposes a general 10% 'universal tariff', encompassing UK goods, but that Britain responds with just limited and modest increases of its own. While higher US tariffs would of course be negative for UK exporters, we note that total goods exports make up the equivalent of 15% of UK GDP and the US account for (also) 15% of this (Chart 19), suggesting that the overall impact on UK activity may be relatively muted. At this stage we are therefore factoring in a very modest small negative effect on growth.

Chart 19: UK goods exports by destination. Note services exports now exceed goods exports

Source: Macrobond, Investec Economics

Without major retaliatory action towards the US (and to any other tariff increases elsewhere), the impact of higher tariffs on UK inflation should be contained. Naturally this depends on exactly how trade developments unfold. Nor are we convinced that the measures included in the Budget will make a major difference to the outlook relative to our previous expectations. But we have pushed up our CPI profile though much of next year. This partly reflects energy costs, due to firmer wholesale gas prices. A weaker sterling forecast pushes our inflation projection up too, which now peaks at 2.8% mid-2025 (from the current rate of 2.3%). This though unwinds in time, while some easing in cost pressures in services helps inflation to subside close to 2.0% in Q4 (Chart 20).

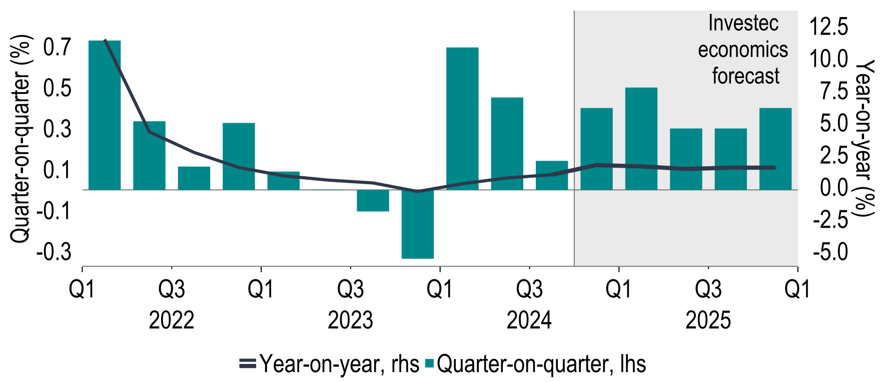
Chart 20: Inflation rises through much of 2025 thanks to utility costs and, to an extent, sterling



Source: Macrobond, Investec Economics

GDP growth has lost momentum through 2024, with activity expanding by a meagre 0.1% on the quarter in Q3, following a much brisker H1 (Chart 21). This inferior growth dynamic has resulted in us downgrading our GDP forecasts, but we still see a pickup from Q4 into 2025. Indeed personal finances remain buoyant: real household disposable income growth was 3.5% in the year to Q2, while at 10.0%, the saving ratio stood at almost double pre-Covid levels, providing a buffer for consumer spending if the income background weakens. Looser fiscal policy (compared with the March Budget baseline) may lift output too, although we had already factored in some budgetary stimulus before October's measures were unveiled. Overall our GDP forecasts for this year and next are now 0.9% and 1.5% (from 1.0% and 1.8%).

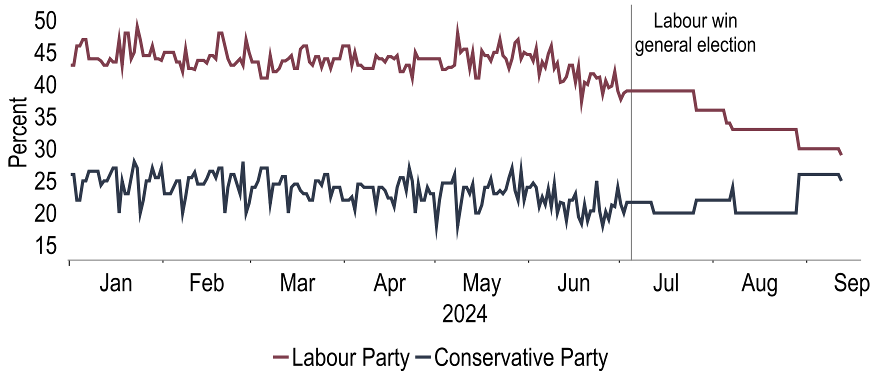
Chart 21: A lower GDP dynamic in recent months, but household incomes have stayed buoyant



Source: Macrobond, Investec Economics

Several 'mishaps' have dented the govt's reputation in its first five months and October's Budget gained a cool reception. Critically employers have warned of lower job creation due to higher National Insurance Contributions and a 6.7% rise in the National Living Wage. More widely, Labour's 172 majority at July's election might seem *Blairesque* – a win by 179 in 1997 was followed by more than a decade in power. But Starmer's party won with just 34% of the vote (against Blair's 43%) and polls show its support has already ebbed - the Tories are now just 2% behind. The government is keen for businesses to commit investment capital to lift Britain's growth potential. Starmer will also wish to be in a decent position to gain a second term. On both counts, the government needs to get onto the front foot to regain its credibility.

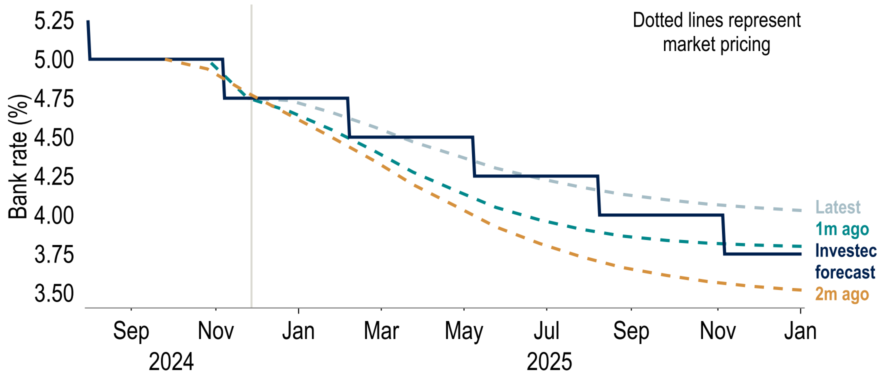
Chart 22: Labour's opinion poll lead has shrunk a lot – when it is not even mid-term blues yet…



Source: Europe Elects, Macrobond, Investec Economics

The MPC's rate strategy is dependent on which of three scenarios plays out – i) an autonomous easing in wage growth; ii) soft GDP growth, which loosens labour market conditions and pay pressures; iii) structurally higher earnings growth (i.e. an upward shift in the Phillips Curve). We sense that the UK is course for scenario 'ii', especially given our softer growth profile, which should help the MPC to look through a (hopefully) brief period of higher inflation. Overall a gradual, steady loosening in policy seems most likely and we stand by our forecast of 100bps of easing over 2025, taking the Bank rate to 3.75% by the end of the year. Chart 23 shows that this is a lower profile for rates than markets are pricing in, implying that there is scope for mortgage rates to come down on the back of a cheapening in swap rates.

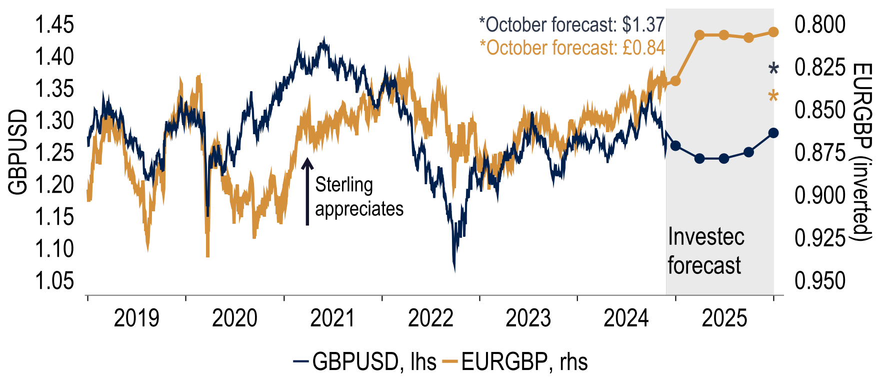
Chart 23: Markets are currently pricing in a higher profile for the Bank rate than we are…



Source: Macrobond, Investec Economics

We had been bullish on sterling thanks to: a more stable political climate, especially in the context of the rest of Europe; reasonable looking short-term GDP prospects; and a new govt seeking to boost longer-term growth. As detailed above though, global macro risks have changed and so has the lens through which markets look at currencies. What we consider to be the UK govt's indifferent start has not supported the buy case either. Our end-2025 forecast for sterling is now $1.28 and 80p against the euro (from $1.37 and 84p previously). We still see upside possibilities for the pound. But for this to happen, global trade tensions need to be contained and prospects for higher investment and growth must come more clearly into view. The onus will be on the govt to demonstrate that the UK is on track.

Chart 24: We now see sterling lower vs the US dollar, though firmer against the euro



Source: Macrobond, Investec Economics

Investec

Global Forecasts

GDP Growth (%)

	Global	US	Japan	China	UK	EU20	Germany	France	Italy
2019	2.9	2.6	-0.4	6.0	1.6	1.6	1.0	2.1	0.4
2020	-2.7	-2.2	-4.2	2.2	-10.3	-6.2	-4.5	-7.6	-9.0
2021	6.6	6.1	2.8	8.4	8.6	6.3	3.6	6.8	8.8
2022	3.6	2.5	1.1	3.0	4.8	3.6	1.4	2.6	4.8
2023	3.3	2.9	1.7	5.2	0.3	0.5	-0.1	1.1	0.8
2024	3.1	2.8	-0.3	4.7	0.9	0.7	-0.2	1.1	0.5
2025	3.1	1.6	0.9	4.3	1.5	1.2	0.5	0.7	0.7

Source: Macrobond, Investec Economics, IMF

Key Official Interest rates (%, end quarter):

	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Australia cash rate
Current	4.50-4.75	3.40	3.25	4.75	4.35
2024					
Q1	5.25-5.50	4.50	4.00	5.25	4.35
Q2	5.25-5.50	4.25	3.75	5.25	4.35
Q3	4.75-5.00	3.65	3.50	5.00	4.35
Q4	4.25-4.50	3.15	3.00	4.75	4.35
2025					
Q1	4.00-4.25	2.65	2.50	4.50	4.35
Q2	4.00-4.25	2.15	2.00	4.25	4.10
Q3	4.00-4.25	1.90	1.75	4.00	3.85
Q4	4.00-4.25	1.65	1.50	3.75	3.85

Source: Macrobond, Investec Economics

10-year government bond yields (%, end quarter):

	US	Germany	UK
Current	4.25	2.17	4.30
2024			
Q2	4.36	2.50	4.21
Q4	4.50	2.25	4.50
2025			
Q2	4.75	2.25	4.50
Q4	5.00	2.00	4.50

Source: Macrobond, Investec Economics

FX rates (end quarter/ annual averages)

		Current	2024				2025				2023	2024	2025
		27-Nov	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	average	average	average
Euro	€:$	1.056	1.08	1.07	1.12	1.05	1.00	1.00	1.01	1.03	1.08	1.08	1.01
Sterling	€:£	0.835	0.86	0.85	0.83	0.83	0.81	0.81	0.81	0.80	0.87	0.85	0.81
	(£:€)	1.198	1.17	1.18	1.20	1.20	1.24	1.24	1.24	1.24	1.15	1.18	1.23
	£:$	1.265	1.26	1.26	1.34	1.26	1.24	1.24	1.25	1.28	1.24	1.28	1.25
Yen	$	151.3	151	161	143	155	155	160	160	155	141	151	158
	€	159.7	163	172	160	163	155	160	162	160	152	164	159
	£	191.3	191	203	192	195	192	198	200	198	175	193	197
Aussie Dollar	$	0.649	0.65	0.67	0.69	0.65	0.62	0.62	0.63	0.64	0.66	0.66	0.63
	€:AUD	1.626	1.65	1.60	1.61	1.62	1.61	1.61	1.60	1.61	1.63	1.64	1.61
	¥	98.21	98.6	107.5	99.3	100.8	96.1	99.2	100.8	99.2	93.3	100.1	99.0
	£:AUD	1.948	1.94	1.89	1.93	1.94	2.00	2.00	1.98	2.00	1.87	1.93	1.99
Swiss Franc	€	0.931	0.98	0.96	0.94	0.92	0.90	0.90	0.90	0.90	0.97	0.95	0.90
	$	0.882	0.91	0.90	0.85	0.88	0.90	0.90	0.89	0.87	0.90	0.88	0.89
	£	1.115	1.14	1.14	1.13	1.10	1.12	1.12	1.11	1.12	1.12	1.12	1.11

Source: Macrobond, Investec Economics

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