

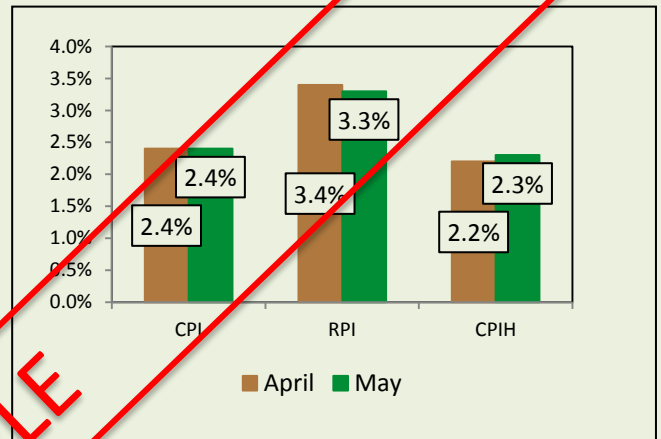
INFLATION



CPI for May 2018 was +2.4% flat on +2.4% in April, as fuel prices increased by the biggest monthly amount since January 2011, rising by +3.8%

CPI +2.4%
RPI +3.3%
CPIH +2.3%

- **CPI** annual inflation was **+2.4%** in **May 2018, flat vs. +2.4%** in April
 - The only large upward contribution came from transport, principally from motor fuels, air fares and sea fares as petrol prices rose 4.6p per litre between April and May to 125.3p, the highest average price since October 2014
 - The largest downward contributions came from recreational and cultural goods & services, particularly computer games which saw prices fall this year vs. a rise last year
- **RPI** annual inflation stands at **+3.3%** in **May 2018, down vs. +3.4%** in April
- **CPIH** (includes owner occupiers' housing costs) was **+2.3%** in **May 2018 up vs. +2.2%** in April



Update
May 2018 – 13th June 2018

EXAMPLE

LABOUR MARKET

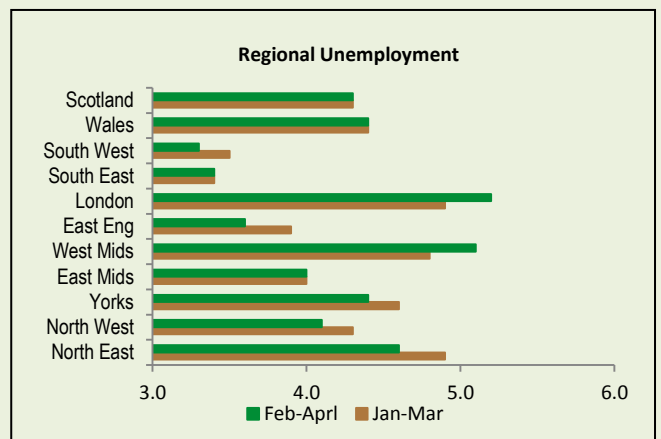


Latest figures from the ONS show that unemployment remained at 4.2%, as wage growth slipped back slightly dampening expectations of an August interest rate rise

Unemployment 4.2%

Pay +2.5%

- **Feb-Apr employment¹ rate** for those aged from 16 to 64 was **75.6%** up from 74.8% a year ago
 - There were **32.39 million** people in **employment** aged 16+, up 146,000 on the quarter (and up 440,000 on a year ago)
- **Unemployment¹ rate** was **4.2%**, down from 4.6% this time last year
 - There were **1.42 million unemployed** people, down 38,000 on the quarter (and down 115,000 on a year earlier)
- **Pay²** (including bonuses) **grew** by **+2.5%** on a year earlier, private sector pay grew by +2.6% and public sector pay grew by 2.4%
 - Regular pay (ex. bonuses) rose by +2.8% on a year earlier



Update
¹ February to April 2018 – 12th June 2018
(3 months seasonally adjusted)
² February to April 2018 – 12th June 2018

**ECONOMIC
ACTIVITY**

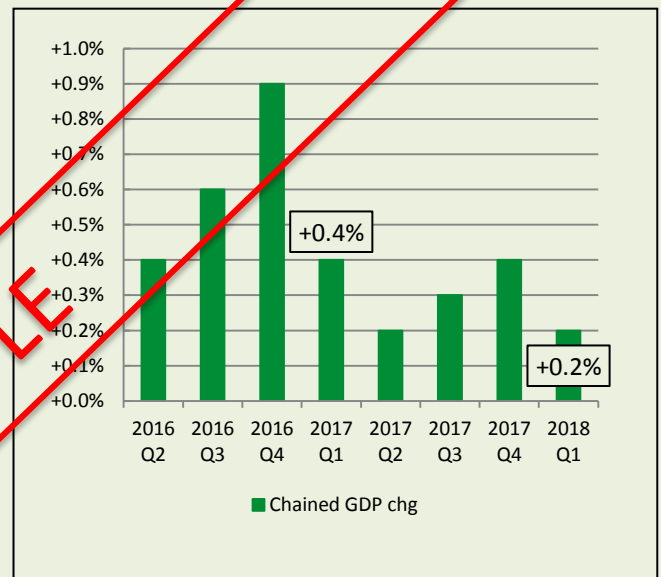


The final estimate for GDP for Q1 was **+0.2%**, up **+0.1pp** last month, after construction data was found to be stronger than earlier estimates

GDP +0.2%

Trade (£9.7bn)

- The final estimate for **UK GDP¹** for **Q1 2018** showed a **growth of +0.2%**, up **+0.1pp** on the second estimate
 - **Production industries** output up **+0.4%** with **Manufacturing down (0.1%)**, **Electricity & Gas** was up **+1.4%** with **Water & Sewage** up **+1.7%** - **Mining & Quarrying** was up **+2.5%**
 - **Construction** was **down (0.8%)**, this follows a growth of **+0.3%** in Q4 and growth of **+0.4%** in Q3
 - **Service industries** output was up **+0.3%** in Q1, down from **+0.4%** in Q4 and flat on **+0.3%** in Q3
- UK's 3-monthly **balance of trade²** to **April** was **(£9.7bn)** compared to **(£7.8bn)** to January
 - The **deficit in goods** was **(£36.20bn)** to **April** compared to **(£35.60bn)** to January, with a **surplus in services** of **+£26.50bn** down slightly vs. **+£28.84bn** to January
- Public sector **net borrowing³** in May 2018 was **(£5.0bn)**, **£2.0bn** less than May 2017
 - Public sector **net debt** (excluding both public sector banks and Bank of England) was **(£1,587.3bn)** by the end of May 2018, equivalent to **75.8%** of GDP



Update

¹ Q1 2018 – 29th June 2018

² 3-monthly to April 2018 – 11th June 2018

³ May 2018 – 21st June 2018

Historical data may be subject to revision

Source: Office of National Statistics

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