

MANCHESTER  
1824

The University  
of Manchester

# Manchester Economic Forecasting



GLOBAL ECONOMIC  
PROSPECTS

FORECAST SUMMARY

Summer 2006

# CONTENTS

**CENTRAL FORECAST SUMMARY .....4**

**CENTRAL FORECAST SUMMARY TABLE.....5**

**CENTRAL FORECAST OVERVIEW .....6**

*Global Overview* ..... 6

*US/Americas*..... 8

*Japan*..... 9

*Europe*..... 10

*Dynamic Asia*..... 11

**GLOBAL FORECAST SCENARIOS .....12**

    SCENARIO I – OIL PRICE PEAKS AT \$85PB IN SPRING 2007 ..... 14

    SCENARIO II - US\$EFFECTIVE EXCHANGE FALLS 5% IN WINTER 2007 ..... 15

    SCENARIO III –10% US & UK HOUSE PRICES FALL 10% IN LATE 2007 ..... 16

**CENTRAL FORECAST SUMMARY .....17**

    COMMODITY PRICES ..... 17

        Summary ..... 17

    POLICY ENVIRONMENT & CURRENCIES ..... 18

        Summary ..... 18

**NATIONAL ACCOUNTS DATA CUT-OFF .....23**

**SUMMARY FORECAST TABLE LISTING .....24**

**DETAILED FORECAST TABLE LISTING .....24**