

Bank of England

OFFICIAL - GREEN

IIMR Annual Monetary Conference

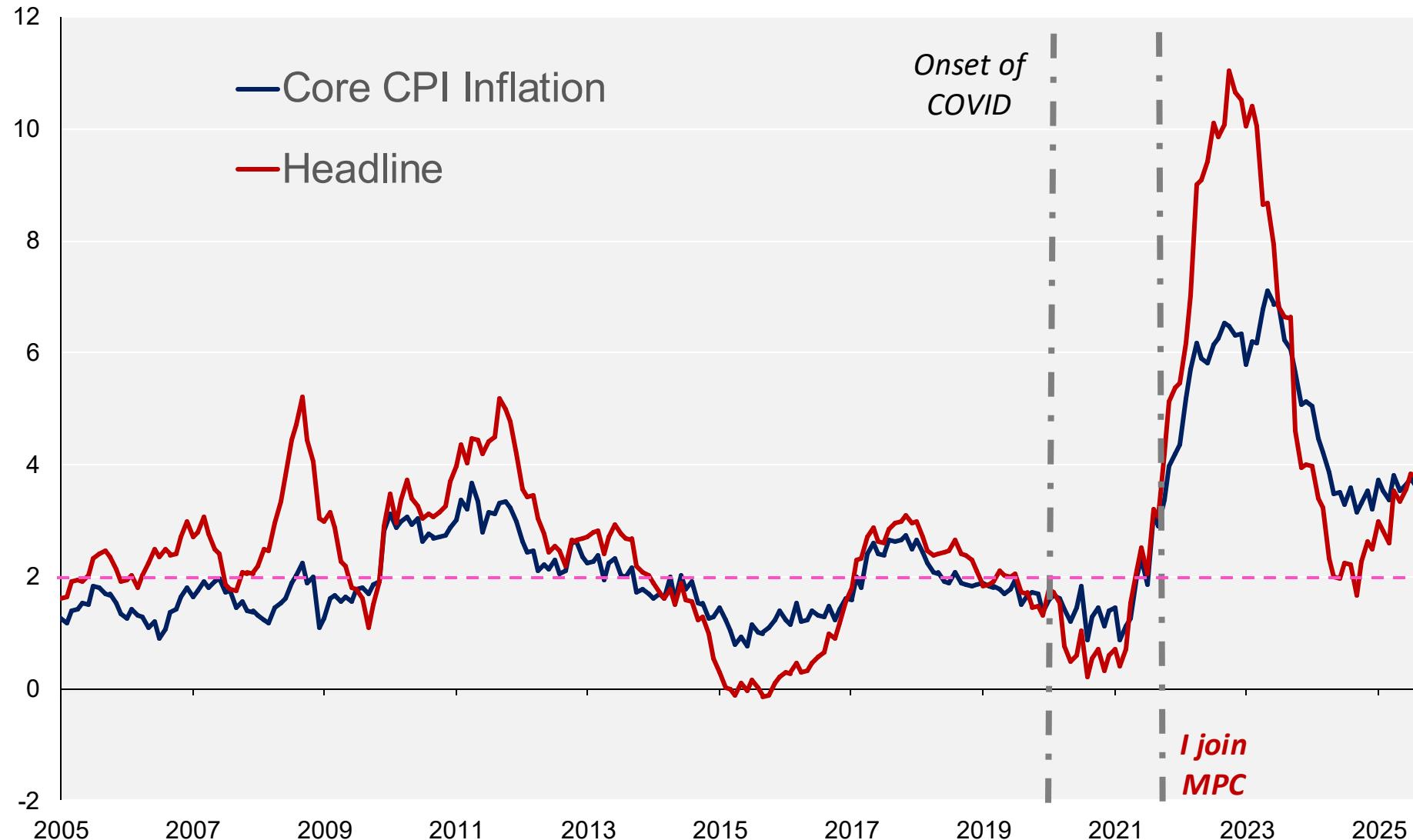
12 November 2025

Huw Pill

Chief Economist
Executive Director for Monetary Analysis and Research
Bank of England



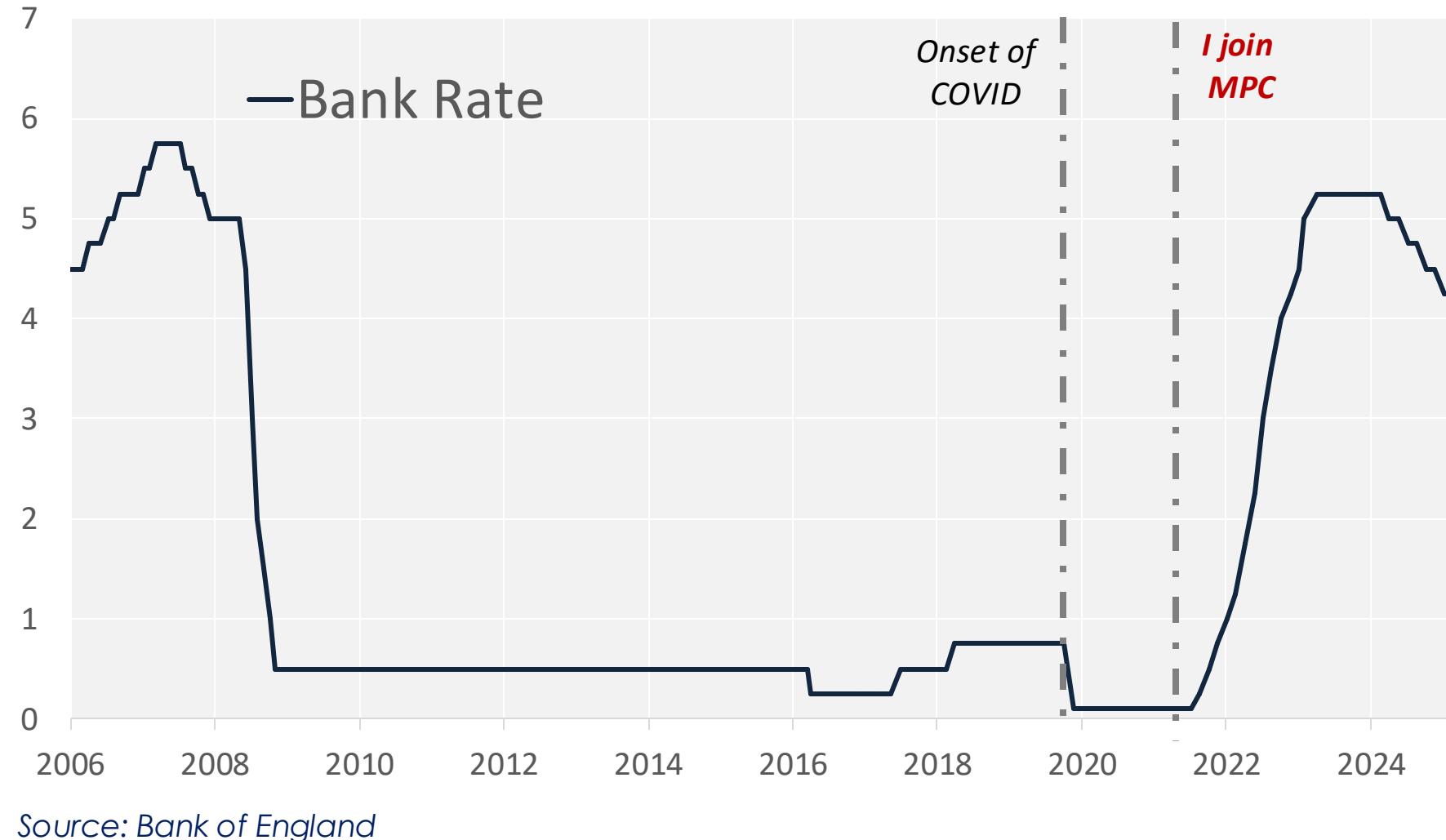
UK Headline and Core CPI Inflation



Source: ONS, Bank of England

OFFICIAL - GREEN

Bank of England nominal ‘policy’ short-term interest rate



We continued QE till Nov 2021



Broad money to GDP has returned to its pre-pandemic trend



Source: Bank of England

Real consumption has risen by just under 1% since 2019Q4



Source: Bank of England

Bank of England

Rt Hon Mel Stride MP
Chair of the Treasury Committee
House of Commons
London
SW1A 0AA

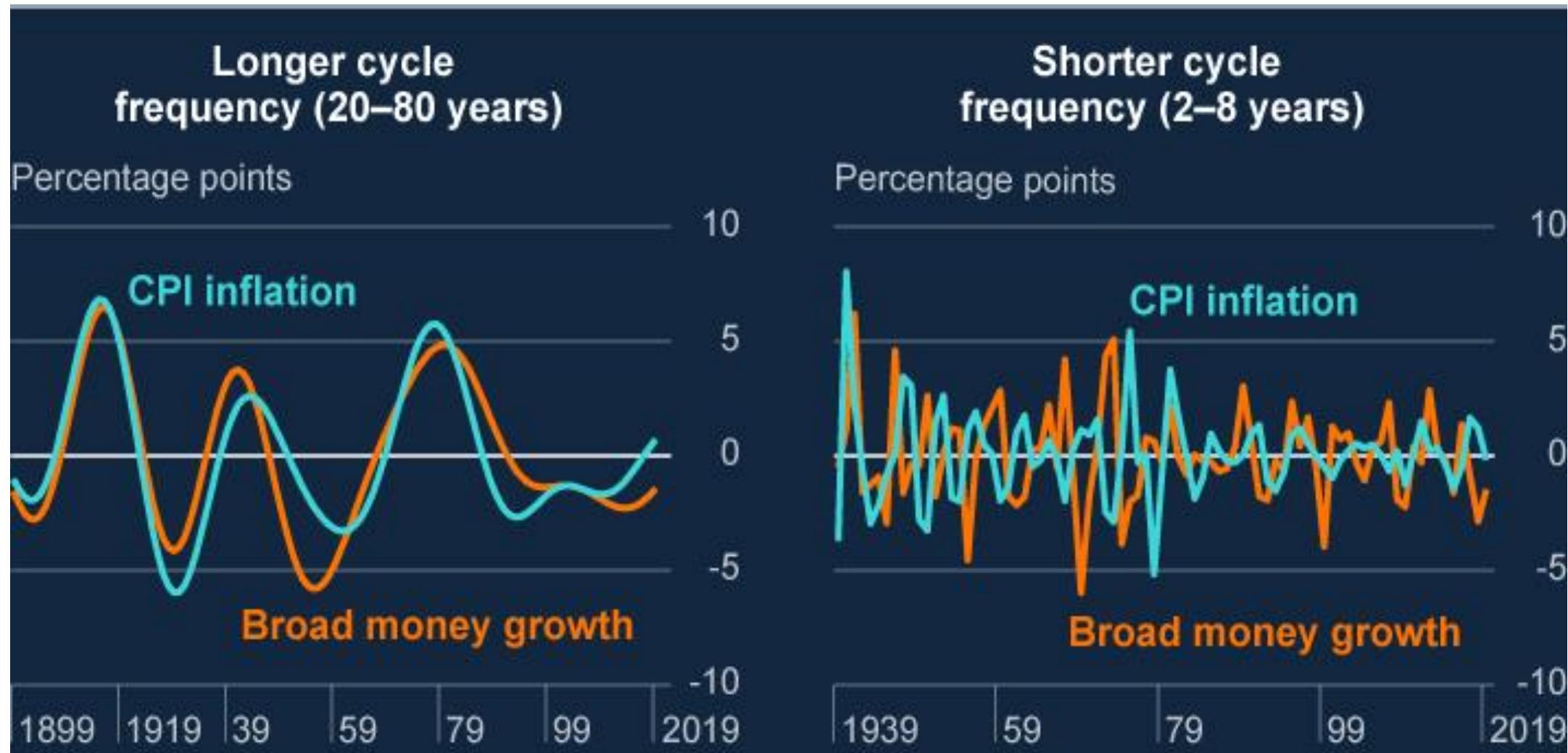
Sir Jon Cunliffe
Deputy Governor, Financial Stability
Bank of England

5 October 2022

Implications for monetary policy

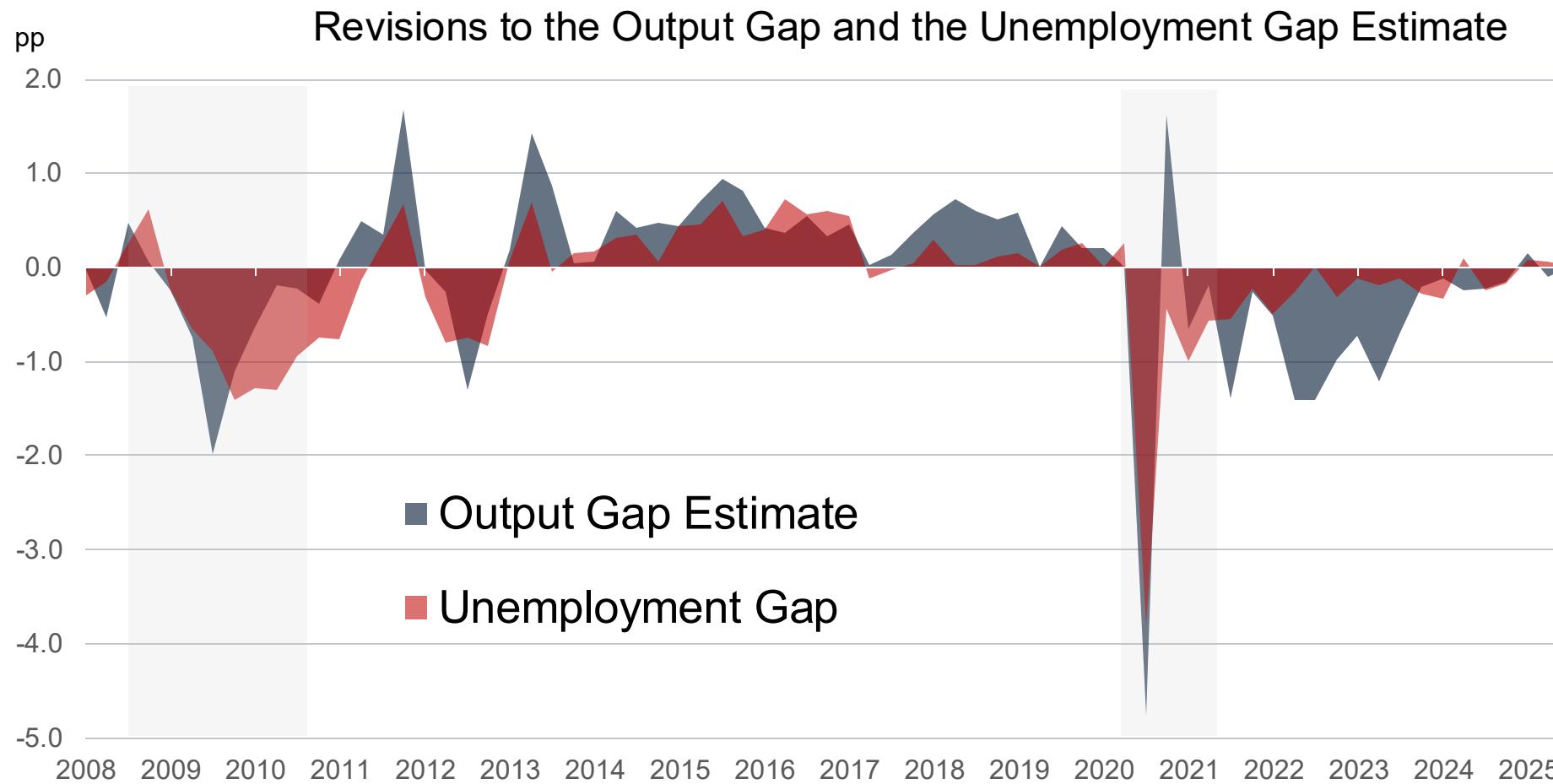
The Bank's announcement on Wednesday 28 September was made in pursuit of its statutory financial stability objective.⁸ The resulting operations in the gilt market are designed to be temporary and targeted. As a result, these operations are not intended to create central bank money on a lasting basis, nor are they designed to cap or control long-term interest rates. Their intention is instead to ensure that those yields are not distorted by severe liquidity strains in financial markets. As such, they should not shift the underlying monetary trends in the economy, which ultimately pin down developments in inflation, and so they are not monetary policy operations.

Reliability varies according to frequency / horizon



Source: Bank of England

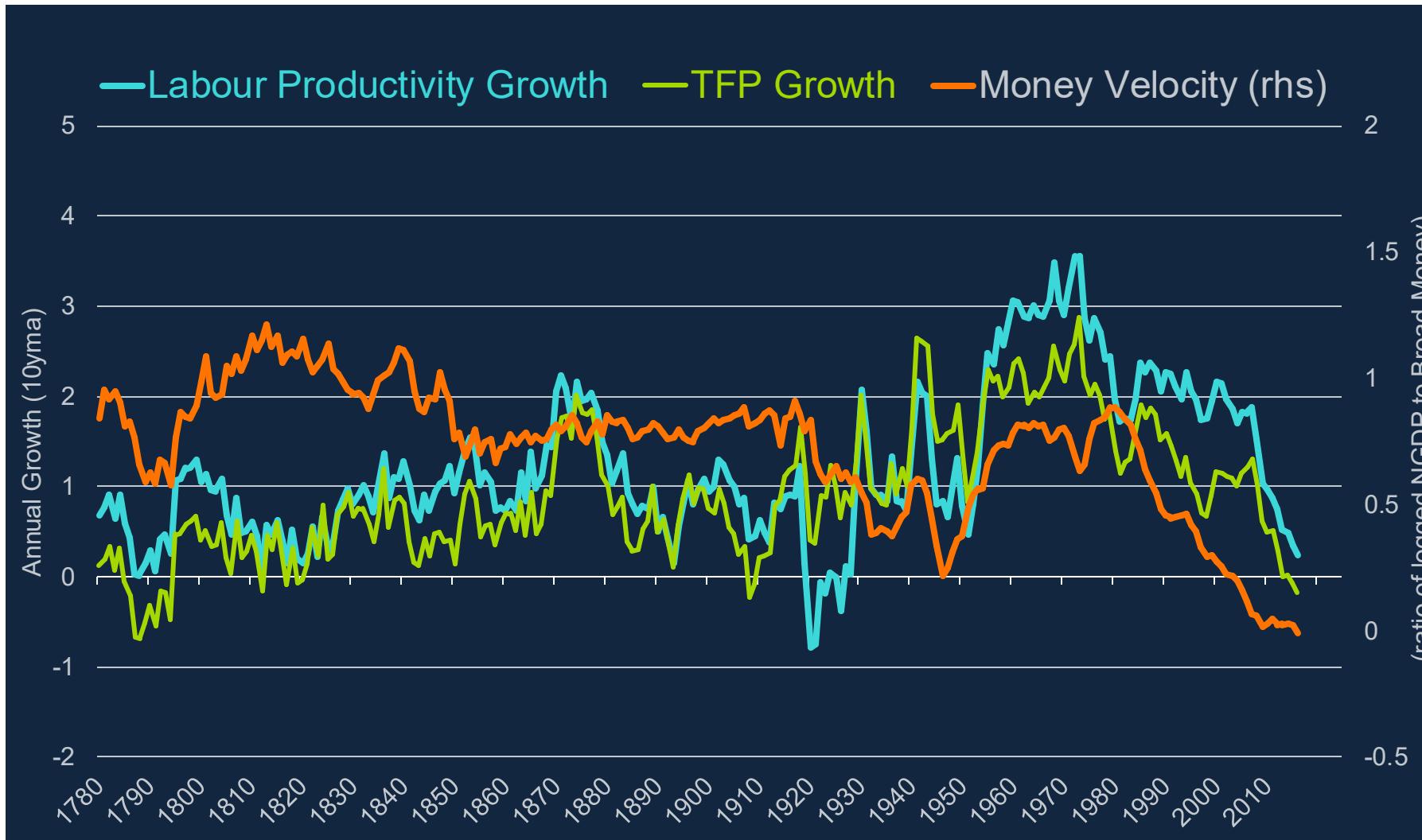
Revisions to output and unemployment gap estimates



Less slack materialised than originally envisioned

Source: Bank of England

Stability of statistical relationships



Source: Bank of England A Millennium of Macroeconomic Data

Gas prices increased sharply in late 2022



Source: Bloomberg