

QPM forecast summary table July 2020 MPC Press report

Summary tables of quarterly projection model projections

Summary of selected forecast results

* Figures below the forecast in parentheses represents the previous MPC forecast

| 1. Selected forecast results (quarterly) | | | | | | | | | | | | | | | | | | | | | |
|--|--------------|--------|-------|-------|-------|-------|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Percentage change (year-on-year) | | Actual | | | | | Forecast | | | | | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 2019 | 1 | 2 | 3 | 4 | 2020 | 1 | 2 | 3 | 4 | 2021 | 1 | 2 | 3 | 4 | 2022 |
| 1. | Headline CPI | 4.2 | 4.4 | 4.1 | 3.7 | 4.1 | 4.4 | 2.5 | 3.1 | 3.6 | 3.4 | 3.9 | 5.1 | 4.3 | 4.0 | 4.3 | 4.2 | 4.2 | 4.4 | 4.5 | 4.3 |
| | | (4.2) | (4.4) | (4.1) | (3.7) | (4.1) | (4.4) | (2.8) | (2.9) | (3.7) | (3.4) | (4.0) | (5.0) | (4.6) | (4.1) | (4.4) | (4.2) | (4.3) | (4.4) | (4.5) | (4.4) |
| 2. | Core CPI | 4.4 | 4.2 | 4.1 | 3.9 | 4.1 | 3.7 | 3.1 | 3.1 | 3.3 | 3.3 | 3.5 | 4.0 | 4.0 | 3.9 | 3.9 | 4.0 | 4.0 | 4.1 | 4.2 | 4.1 |
| | | (4.4) | (4.2) | (4.1) | (3.9) | (4.1) | (3.7) | (3.5) | (3.3) | (3.5) | (3.5) | (3.7) | (3.9) | (3.9) | (3.9) | (3.8) | (4.0) | (4.0) | (4.1) | (4.2) | (4.1) |

| 2. Selected forecast results (annual) | | | | | | | |
|--|---------------------------------|---------|---------|---------|----------|---------|--------|
| Percentage changes (unless otherwise indicated) | | Actual | | | Forecast | | |
| | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 1. | GDP growth | 1.4% | 0.8% | 0.2% | -7.3% | 3.7% | 2.8% |
| | | (1.4%) | (0.8%) | (0.2%) | (-7.0%) | (3.8%) | (2.9%) |
| 2. | Output gap | -1.0 | -1.0 | -1.5 | -7.0 | -4.3 | -2.8 |
| | | (-1.0) | (-1.0) | (-1.5) | (-6.7) | (-4.0) | (-2.5) |
| 3. | Nominal effective exchange rate | 9.9% | -1.0% | -7.0% | -14.2% | -0.9% | 0.3% |
| | | (9.9%) | (-1.0%) | (-7.0%) | (-14.8%) | (-0.6%) | (0.2%) |
| 4. | Real effective exchange rate | 13.7% | 1.4% | -4.5% | -11.8% | 2.0% | 3.2% |
| | | (13.7%) | (1.4%) | (-4.5%) | (-12.3%) | (2.5%) | (3.2%) |
| 5. | Real exchange rate gap | 1.2 | 2.0 | -1.3 | -12.6 | -10.3 | -7.1 |
| | | (1.2) | (2.0) | (-1.3) | (-13.1) | (-10.2) | (-7.0) |
| 6. | Repurchase rate (end of period) | 6.75 | 6.60 | 6.50 | 3.48 | 3.87 | 4.65 |
| | | (6.75) | (6.60) | (6.50) | (3.63) | (4.10) | (4.87) |
| 7. | Current account balance | -2.5 | -3.5 | -3.0 | -1.6 | -2.6 | -3.1 |
| | (ratio to GDP) ** | (-2.5) | (-3.5) | (-3.0) | (-1.3) | (-2.3) | (-2.8) |

Notes

- Nominal effective exchange rate:** is based on the bilateral exchange rates of our three largest trading partners (euro area, United States and Japan). The bilateral exchange rates are weighted by export trade weights.
- Real effective exchange rate:** is the nominal effective exchange rate deflated by the consumer price differential (between South Africa and the trade weighted CPI of euro area, United States and Japan).
- Real exchange rate gap:** The gap signifies the extent to which the real exchange rate deviates from its estimated equilibrium level. A positive gap shows an overvaluation of the currency, and vice versa.
- ** Current account balance as a percentage of GDP:** forecast obtained from the SARB's Core macroeconomic model.