

Mr Richard Allison
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Date: 25.09.13

Dear Richard

Inflation Projection to 2020

Further to your request, the table below shows the market implied RPI inflation projections to the end of 2019/20. This is derived from the yield curves for real and nominal government yields published by the Bank of England.

Inflation projection

	Market implied - September
2013/14	2.71%
2014/15	2.71%
2015/16	2.71%
2016/17	2.73%
2017/18	2.87%
2018/19	3.08%
2019/20	3.25%
Average AMP6	2.93%

Note that there is a single figure for the first three years. This is based on the market implied inflation forecast for the two and half years from September 2013 to March 2016. This is the shortest projection period available from the Bank of England.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rob Francis".

Rob Francis
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