20 September 2013 │ 16 pages

Western Europe

UK Economics Weekly

Change to Rate View

- We are significantly changing our UK interest rate forecasts, advancing the first rate hike from 2017 to 2015. We expect that the tightening cycle will be relatively shallow, but now look for Bank Rate to be 0.75% at end-2015 and 1.75% at end-2016 (both 0.5% before), with the 2017 average revised up to 2¼% from 1.0% previously, and Bank Rate leveling off at about 3-3.5% in 2018.
- These revisions reflect two main factors: first, we are again revising up our growth forecasts, and now expect growth of 1.4% this year, 3.0% in 2014 and 3.1% in 2015 (versus 1.1%, 2.1% and 2.7% respectively last month); second, as discussed last week, we now believe that productivity will rebound more slowly than we previously expected, partly because of continued declines in the cost of labour. With the higher GDP growth outlook, this implies a much faster decline in unemployment than our prior forecast, so that the jobless rate falls to the 7% threshold around end-2014 or early 2015 – hence ending the MPC's guidance framework. The MPC will almost certainly not return to a neutral stance as soon as the jobless rate hits 7%. But, we do expect that, provided the economy's momentum remains solid, they will nudge rates up in subsequent quarters, while keeping rates well below neutral for a while.

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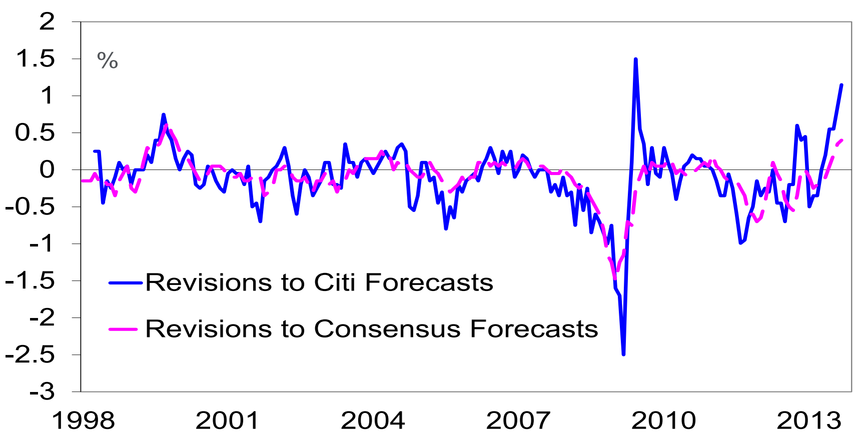
Figure 1. Citi Market Forecasts

	Base Rate	QE Target	10 Year Yield	Spread vs. Bunds	\$/£	£/€
End-2013	0.50	£375bn	2.70	102bp	1.52	0.87
Mid-2014	0.50	£375bn	2.85	107bp	1.48	0.88

Source: Citi Research

Figure 2. UK — Three-Month Sum of Revisions to GDP Growth Forecasts, 1998-2013



Note: We show revisions to growth forecasts for the current and next year.
Sources: Consensus Economics and Citi Research

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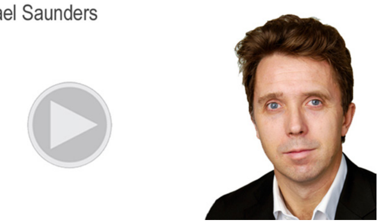


See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

Change to Rate View

We Are Raising UK Growth Forecasts, Again

We are again revising our UK growth forecasts markedly higher

We have already revised up our growth forecasts several times this year and do so again this month. With continued strength in recent surveys and data we now expect growth of 1.4% this year, 3.0% in 2014 and 3.1% in 2015 (versus 1.1%, 2.1% and 2.7% respectively last month[1]). In all, we have lifted our growth forecasts for this year and the next by 1.1-1.2% over the last three months, the sharpest 3-month upward revisions to the Citi's UK growth forecasts of the last 15 years apart from the snap-back at the end of the 2008-09 recession. Over the last six months, our upward revisions total about 1¾%, the greatest of the last 15 years. Consensus growth forecasts also have risen markedly with, over the last three months, the greatest upward revision since 2000. Nevertheless, the consensus (1.3% for 2013 and 2.1% for 2014) now looks slightly too low for 2014, in our view. Our growth forecasts have swung from below consensus earlier this year to above consensus now, the first time since 2011 that our forecasts have been above consensus.

Based on available data, we expect Q3 growth to be similar to the Q2 pace, at 0.7-0.8% QoQ

Early signs for Q3 are mostly favourable; the average level of retail sales in July-August was 1.5% above the Q2 level, while in July the levels of industrial production and construction were 0.9% and 1½% respectively above the Q2 average. At present, we expect Q3 growth to be similar to Q2, at 0.7-0.8% QoQ. Indeed, the widespread gains in surveys (eg those from the BoE Agents, PMI and CBI) hint that Q3 GDP growth could be even higher, perhaps 1% QoQ. Our GDP forecast allows for some weakness in government services, which is not well covered in business surveys. Moreover, exports fell sharply in July, and hence we suspect that Q3 GDP growth will lag somewhat compared to some domestic demand guides.

Figure 3. UK — Economic Forecasts, 2012-17F

		2012	2013F	2014F	2015F	2016F	2017F
Real GDP	Y/Y	0.1	1.4	3.0	3.1	2.7	2.3
Final Domestic Demand	Y/Y	1.4	1.1	2.8	3.1	2.6	1.8
Private Consumption	Y/Y	1.2	1.8	2.6	3.4	3.1	2.1
Public Consumption	Y/Y	2.8	1.6	-0.5	-0.4	-1.0	-1.7
Fixed Investment	Y/Y	0.5	-2.9	9.5	7.1	5.5	5.6
Business Equipment	Y/Y	1.8	-3.5	4.9	6.2	6.4	8.9
Construction of Private Dwellings	Y/Y	-3.4	3.8	25.1	10.8	7.0	2.5
Stocks (Contribution to GDP Growth)	Y/Y	-0.4	-0.1	0.0	-0.1	0.0	0.0
Net Exports (Contribution to Y/Y GDP Growth)	Y/Y	-0.9	0.4	0.2	0.0	0.2	0.5
Consumer Prices	Y/Y	2.8	2.6	2.0	2.2	2.1	1.9
Unemployment Rate		7.9	7.8	7.3	6.7	6.3	5.9
Current Account Balance	% of GDP	-3.7	-3.2	-2.8	-2.8	-2.6	-2.2
Public Sector Net Borrowing	£bn	89	96	78	65	39	25
	% of GDP	-5.7	-5.9	-4.6	-3.6	-2.1	-1.3
General Government Debt	% of GDP	89.5	93.1	95.3	96.1	95.6	94.4
Gross Non Oil Trading Profits	Y/Y	4.5	8.1	10.2	6.5	5.4	3.4
Bank of England Base Rate(Yearend)	%	0.50	0.50	0.50	0.75	1.75	2.75
APF Asset Purchases (Yearend)	£bn	375	375	375	375	375	300

Note: Percentage changes unless indicated. Annual data are period averages. Sources: ONS and Citi Research

Our upward revisions are greatest in domestic demand, reflecting reduced headwinds from private sector deleveraging and the more gradual fiscal consolidation path

We expect the recovery to remain fairly solid, at about 0.7-0.8% QoQ on average, in 2014 and 2015. With the euro area out of recession, exports are improving and the CBI reports a sharp improvement in export orders over recent months. But, our upward revisions are greatest in domestic demand, especially investment. In all, we have lifted our forecasts for average GDP growth in 2013-15 by 1.7% since January, with upgrades of 1.3% for both private consumption and public

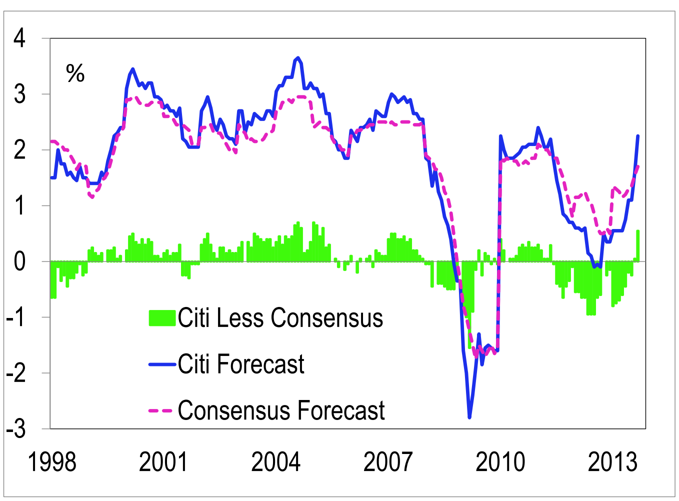
[1] See "*The Upturn and Unemployment*", Michael Saunders, UK Economics Weekly, 16 August 2013, Citi.

consumption, and of 6.2% to investment, reflecting better outlooks for private housing nearterm and (with a slight lag) business investment. The drag from private sector deleveraging is easing, while fiscal consolidation has moved to a very gradual path. The housing market is recovering strongly, helped by the Budget measures and low mortgage rates [2]. More broadly, bank lending rates are low, and credit availability is improving. Moreover, after heavy restraint previously, fiscal policy has been roughly neutral for the last year and a half. The cyclically adjusted primary fiscal deficit shrank by 3.8% of GDP over the two years 2010/11 and 2011/12 combined, but was roughly stable in 2012/13. Tightening of 1.0% of GDP is planned for the current fiscal year, but in practice the underlying deficit in the first five months of the fiscal year has been little changed from last year, implying that fiscal policy remains roughly neutral at present.

Construction output is likely to rise by about 10% next year, playing a major role in the upturn

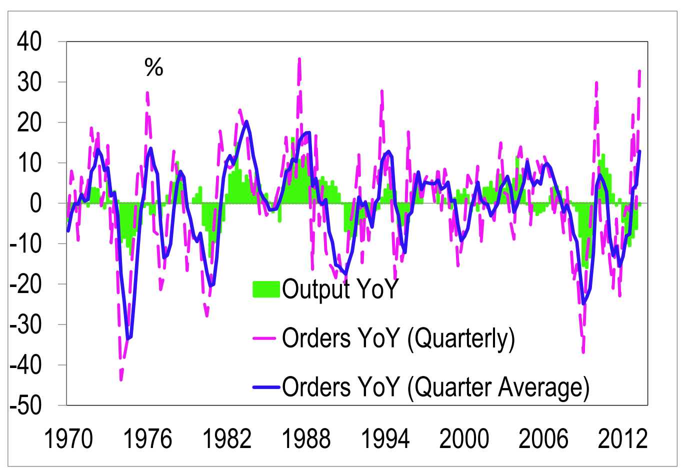
The construction sector is likely to rebound particularly strongly, fuelled by government-backed infrastructure projects, private housing and low interest rates. New construction orders surged 20% QoQ and 33% YoY in Q2, the biggest YoY gain of the last 45 years apart from the 37% YoY jump in mid-1987 when the Channel Tunnel project was launched. The split shows particularly large gains in new orders for private housebuilding (up 45% YoY) and – after a long period of disappointment – in infrastructure projects (up 47% YoY). Construction's weight in GDP is just 7%, but since the sector is quite volatile, it can play a disproportional role in cyclical swings in the economy. Construction fell 8.4% in 2012 -- the second biggest decline of the last 35 years -- as the Olympics projects were completed -- cutting 0.6% off GDP. In H1 this year, construction output fell 3.4% YoY and, even with a second half rebound, output probably will be roughly flat for 2013 as a whole. For 2014, we expect that construction output will expand by 10% or so, hence adding about 0.7% to GDP. This projected swing in construction from a sharp decline during 2012 to strong growth in 2014 accounts for nearly half of the pickup in overall GDP growth that we expect over that period.

Figure 4. UK – GDP Growth Forecasts For Current and Next Year, 1998-13



Note: We show the three-month sum of revisions to growth forecasts for the current and next year. Sources: Consensus Economics and Citi Research

Figure 5. UK – Construction Orders and Output YoY, 1970-2013



Sources: ONS and Citi Research

[2] See "*Housing is Recovering, Not Bubbling*", Michael Saunders, UK Economics Weekly, 6 September 2013, Citi.

Productivity Rebound May Be Gradual

The economy has ample slack to absorb recovery, but only part of this is reflected in the jobless rate

We believe the economy has ample slack to allow an extended pick up without creating inflation pressures. In the labour market, recovery will be met by some mix of (1) workforce growth, via inward migration or a higher participation rate; (2) higher average hours per person; (3) higher output per hour (ie productivity); lower unemployment. But, since the MPC's forward guidance framework is linked to the jobless rate, the monetary policy outlook depends crucially on the mix of these factors: ie the extent to which recovery is accompanied by increases in workforce growth, productivity and hours rather than a lower jobless rate.

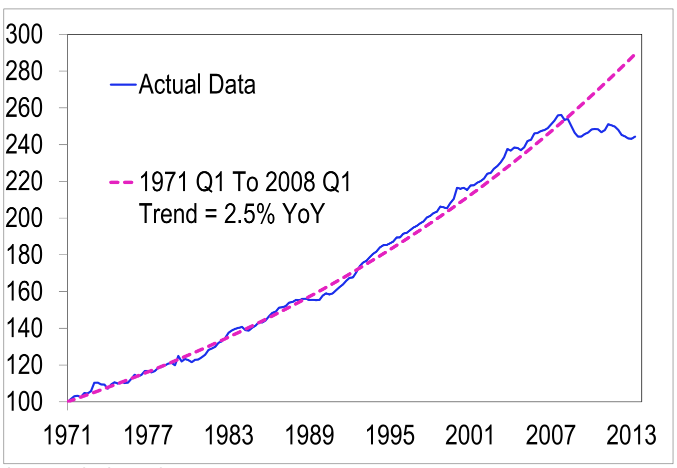
Workforce growth is likely to stay around its recent pace, while hours per person are unlikely to rise much faster than at present

In theory, one could imagine a wide range of scenarios for workforce growth, productivity growth, hours and unemployment. But the greatest uncertainty probably relates to productivity and unemployment. Workforce growth has averaged 0.8-0.9% YoY over the last 10 years and has been similar to that pace in recent quarters. Average hours per person already are surging by 1.5% YoY, with a shift of people from part-time work to full-time work and a longer average work week among full-time workers. Average hours probably will continue to rise, but we suspect their growth rate is unlikely to increase much above the current pace. Over the last 40 years, hours have fallen by an average of 0.2% YoY and there have only been two brief occasions in which hours have risen by more than 1.5% YoY (2.0% YoY in Nov-94 to Jan-95, and 2.2% YoY in Mar-12 to May-12).

UK productivity growth has been unusually weak in recent years

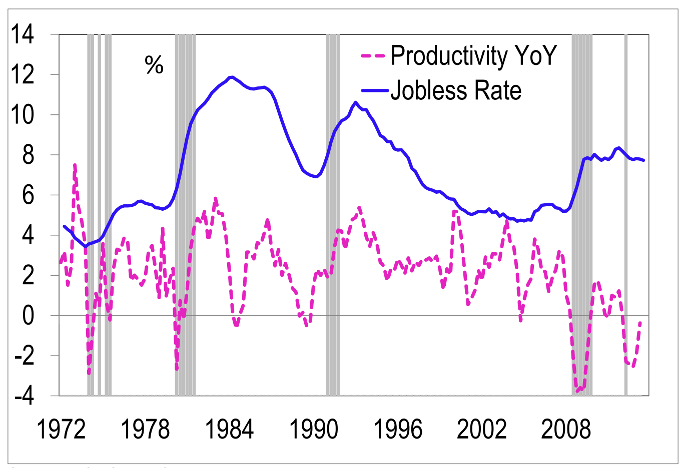
Much has been written about the UK's "productivity puzzle"[3]. The level of real GDP per hour worked (the best single measure of productivity) has fallen by about 5% over the last five years (ie comparing Q1-13 with Q1-08), versus the average pre-crisis growth of about 2½% YoY (taking the 10 years, 20 years or 30 years up to 2008). Hence, the level of productivity is 15-20% below a simple extrapolation of the rising pre-crisis trend. Productivity fell sharply in the 2008/09 recession, recovered briefly as the economy picked up in 2010-11 and then again fell sharply in 2012.

Figure 6. UK – Real GDP Per Hour, Indexed to Q1-1971 = 100, 1971-2013



Sources: ONS and Citi Research

Figure 7. UK – Productivity YoY and the Jobless Rate (Shaded Periods Denote Negative YoY GDP Growth), 1972-2013



Sources: ONS and Citi Research

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3 See, for example, speeches by MPC members Martin Weale (November 2012) and Spencer Dale (December 2012).

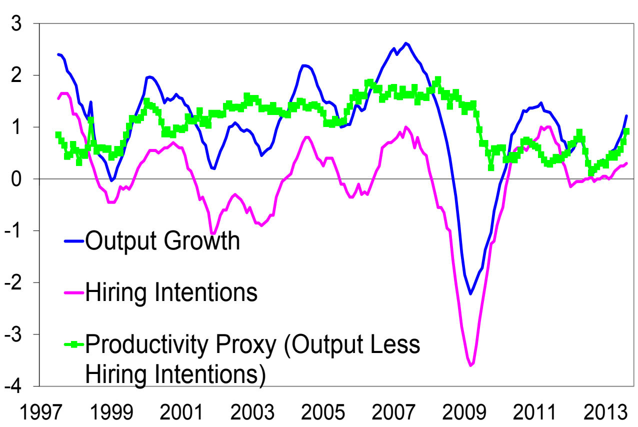
The MPC assume a marked cyclical rebound in productivity, as in the early 1980s and 1990s

The MPC's unemployment forecast assumes that productivity will rebound early as the economy picks up, judging that (as in the early 1980s and early 1990s) firms will utilise existing slack before hiring. The BoE argued earlier this year[4]: "*As demand recovers, it is likely that some of the spare capacity within companies will decline before, or at the same time as, the unemployment rate falls and slack within the labour market narrows. For example, businesses whose employees are devoting effort to generating custom while demand is weak would be more likely to switch staff back to making sales when demand recovers than to hire new employees. And companies that had asked their employees to work reduced shifts would probably increase the hours worked by their existing staff before hiring more. That seems consistent with the recoveries from the recessions of 1980/81 and 1990/91, when the unemployment rate began to fall only once spare capacity within companies, as indicated by survey measures, had been largely eliminated.*"

We do expect some cyclical pickup in productivity as the economy recovers

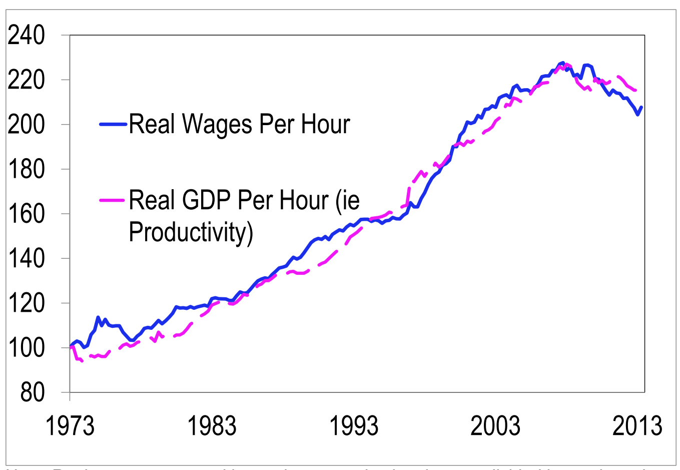
To be sure, productivity did surge in the early stages of the recoveries of the early 1980s and early 1990s, with real GDP per hour rising 4.3% YoY on average in 1981-93 and 4.1% YoY in 1992-94. A replay would probably keep the jobless rate high for a while. We are reasonably confident that productivity growth will pick up a bit as the economy recovers. Productivity usually is temporarily soft when growth undershoots expectations, because firms base hiring plans on overly optimistic output assumptions. This effect probably will unwind as the economy recovers, generating an early productivity rebound. Surveys, including the latest BoE Agents survey, suggest that firms' output expectations have improved by much more than their hiring intentions, which implies that output per person (a key productivity measure) is now improving.

Figure 8. UK – BoE Agents Survey Readings for Output and Employment Expectations, 1997-13



Sources: BoE and Citi Research

Figure 9. UK – Real Wages Per Hour and Productivity, Indexed to Q1-1973 = 100, 1973-2013



Note: Real wages measured by total wage and salary income divided by total number of hours worked. Sources: ONS and Citi Research

Current conditions are very different to the recoveries of the early 1980s and early 1990s, with falling real wages and weakness in investment…

However, we suspect it probably is not valid to assume a replay of the rapid front-loaded productivity surges seen 20-30 years ago, especially given that recent productivity trends have diverged so much from those earlier periods. Back then, real wages were rising rapidly, giving firms strong incentives to economise on hiring and squeeze out productivity gains. Current conditions are very different: the high jobless rate, flexible labour market and strong labour supply growth are causing ongoing declines in real wages that reduce the need for firms to seek productivity gains. Moreover, the erosion of capital allowances and poor credit availability have

[4] See "*Monetary Policy Trade-Offs and Forward Guidance*", Bank of England, August 2013.

resulted in sharp declines in investment, and the resultant weakness in capital stock growth may reduce firms' ability to generate rapid productivity gains. In addition, some sectors that previously played a big role in productivity gains (eg finance) are unlikely to expand as promptly this time around. Some of these effects may never unwind, while others may only unwind quite late in the economic recovery unless, contrary to our expectations, the recovery produces rapid upturns in the finance sector, credit growth, real wages and business investment.

…and this may well cause the rebound in productivity to be backloaded, with a front-loaded decline in unemployment

Hence, under current conditions, the productivity rebound may well be back-loaded rather than front-loaded, so that the decline in unemployment is front-loaded rather than back-loaded. And this is how it is playing out so far. In the recoveries of the early 80s and early 90s, the jobless rate did not peak until GDP exceeded its pre-crisis peak. By contrast, in the current cycle, the jobless rate peaked as far back as Q4-2011, with GDP 4.2% below its pre-crisis peak, and has since fallen by 0.7 percentage points (with GDP still below its pre-crisis peak). Real GDP per hour (ie productivity) fell by about 0.4% YoY in Q2 and, with the level of hours worked up 2.5% YoY in May-July, GDP per hour probably is down by about 1% YoY in Q3.

Modest variations in the outlook for productivity growth can imply very different paths for the jobless rate for a given path of the economy...

As the MPC minutes acknowledge, seemingly modest changes in the productivity path can produce very different unemployment forecasts. For example, in the following three scenarios we assume that GDP growth runs at 3.0% QoQ annualised (as in Q2), workforce growth matches its 10-year average (0.8-0.9% QoQ annualised) and average hours per person are stable.

…ranging from a high productivity/high unemployment mix…

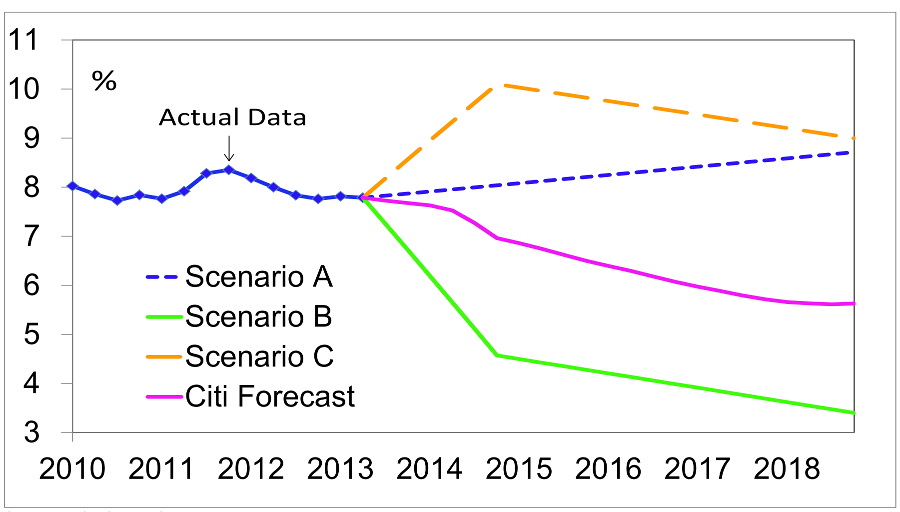
- Scenario A: Productivity growth immediately returns to its pre-crisis norm of 2½% QoQ annualised in Q3-2013 and thereafter. The jobless rate will creep up, edging above 8.0% in late 2014 and above 8.5% in 2017.

- Scenario B: Productivity growth is zero to end-2014 and then returns to 2% annualised, a little below its precrisis trend. The jobless rate will fall below 7% around the end of this year and fall to about 4½% in early 2015, drifting down to about 3½% in 2018.

…to a weak productivity/low unemployment mix

- Scenario C: Productivity growth in H2 2013 and 2014 matches the rapid pace in the recoveries of the early 1980s and early 1990s (about 4% QoQ annualised) and then levels off at 2% annualised. The jobless rate will rise to about 10% at end-2014 and then fall gently, reaching about 9% in 2018.

Figure 10. UK – Scenarios for the Jobless Rate, 2010-18P



Sources: ONS and Citi Research

These scenarios are simplifications, but highlight the uncertainties over the jobless rate

One could make a valid case for the assumptions of each scenario, or others. Of course, these scenarios are simplifications. In practice, scenario C would probably cause a sharp upturn in real wages that would encourage firms to seek higher productivity gains. Scenario B would probably produce a sharp decline in unit labour costs that lifts profits and prompts firms to invest more and hire more. But the potential uncertainties over the jobless rate are clear.

We expect only a modest productivity rebound, causing the jobless rate to fall below 7% around end-2014 or early 2015

We suspect that firms will continue to operate a labour-intensive (ie productivity-weak) structure in the next year or two, with only modest nearterm cyclical productivity, until the combination of rising real wages, improving credit availability and sustained expansion prompts firms to boost investment and economise on labour. In turn, real wages are unlikely to recover until the jobless rate falls much further (6-6.5% or so). Hence, with a back-loaded productivity rebound, the jobless rate may well fall significantly faster in the nearterm than the MPC assumes. Our base case now is that the jobless rate will fall to 7% in late 2014 or early 2015. Then, as real wages, productivity and investment gradually recover, we expect that the jobless rate will level off at 5½%-6% in subsequent years. By contrast, the MPC's base case (and our prior base case) is for the jobless rate to stay just above 7% even in late 2016.

We stress uncertainties over the outlook for both growth and productivity

We stress uncertainties. Fresh headwinds also could emerge this time, either externally or from a recovery-inspired surge in market rates and sterling. Against that, there are upside risks from business surveys and the possibility that recovery yields a sharp pro-cyclical improvement in credit availability. Moreover, as discussed, different nearterm scenarios for workforce growth and productivity growth could yield dramatically higher or lower paths for unemployment.

Interest Rates – Looking Beyond Guidance

We expect the MPC will start a gradual tightening cycle in 2015, versus our previous view that tightening would be delayed to 2017

Our base case implies the MPC will probably face a rather delicate challenge in deciding whether and how much to hike rates if the 7% jobless threshold is hit relatively early, in the next 18 months or so. The MPC may well at that stage believe that the economy still has some slack, given its view that the sustainable jobless rate is 5-6½%, but will be unsure of the extent to which productivity will rebound. If wage gains are very weak, or productivity starts to rebound rapidly (hence stabilising the jobless rate a bit below 7%), then tightening may be delayed or very gradual. The MPC could even resume guidance with a lower jobless threshold (6% or 6.5%). Conversely, if the UK's productivity performance remains poor then (assuming demand remains buoyant) the jobless rate would continue to fall rapidly below 7%. Under this scenario, the MPC would need to tighten rather more promptly, although (with lower potential growth) the economy's neutral rate might be a bit lower than in a high-productivity scenario. We suspect that, provided growth remains solid, the MPC will start to edge up rates in late 2015, while keeping policy relatively loose given fiscal drag, some remaining slack and the high level of private debts. After all, even with our higher growth forecast, the level of real GDP per head will probably only regain its precrisis peak (Q3-2007) in early 2017.

The possibility that the jobless rate will hit 7% in the next 18 months or so probably limits the extent to which guidance can cap market rate expectations

The possibility that the jobless rate will hit 7% in the next 18 months or so means that guidance may now have only limited value in anchoring market rates. We doubt the MPC will want to precommit on what they will do at a 7% jobless rate (or set a lower jobless threshold for guidance) until they actually get there. As a result, market rate expectations beyond the next year or two will depend far more on uncertain judgments over the speed of rate normalisation post-guidance rather than the credibility of the current guidance framework. Markets will most lkely include some premium for such uncertainties.

Economic Indicators

Thu 26 Sep	***Balance of Payments (Q2)***	**Forecast: £-10.8 Billion, 2.7% of GDP**	**Prior: £-14.5 Billion, 3.6% of GDP**
	Figures already have been released showing that the deficit on goods and services trade fell to £4.0bn in Q2 from £6.1bn in Q1, and we expect this to be reflected in a decline in the overall current account deficit to the lowest since Q4-2011. This release often includes substantial revisions to prior data, but on the existing figures the current account deficit has remained quite high in recent quarters.		
Thu 26 Sep	***GDP (Q2, 3rd Release)***	**Provisional: 0.7% QoQ, 1.5% YoY**	**Prior: 0.3% QoQ, 0.3% YoY**
	This release will, as every quarter, include revisions over the last couple of years, but we have no basis on which to anticipate the possible size of direction of such revisions. Assuming revisions are limited, the split is likely to show little change in the savings rate, with the growth of real personal disposable incomes roughly matching the 0.4% QoQ rise in real consumer spending.		
Fri 27 Sep	***Service Sector Output (Jul)***	**Forecast: 0.4% MoM, 1.9% YoY**	**Prior: 0.2% MoM, 2.8% YoY**
	The last couple of months have seen overall services output growth capped by a correction in the subsection representing transport, storage and communication after the very strong April reading. We suspect this effect has run its course, and hence anticipate a stronger MoM gain in services output – a figure in line with our forecasts would represent the highest MoM gain since February and leave output 0.5% above the Q2 average.		

Economic Calendar, 16 September — 4 October 2013

16 September	17 September	18 September	19 September	20 September
Liberal Democrat Autumn Conference (Glasgow, Sep 14-18)	**Consumer Prices (Aug)** Jul 0.0% MoM, 2.8% YoY Aug 0.4% MoM, 2.7% YoY **CPI Ex F, D, T, E (Aug)** Jul -0.2% MoM, 2.0% YoY Aug 0.4% MoM, 2.0% YoY **Retail Prices (Aug)** Jul 0.0% MoM, 3.1% YoY Aug 0.5% MoM, 3.3% YoY **RPIX – Ex Mortgages (Aug)** Jul 0.0% MoM, 3.2% YoY Aug 0.5% MoM, 3.3% YoY **Producer Input Prices (Aug)** Jul 1.2% MoM, 5.1% YoY Aug -0.2% MoM, 2.8% YoY **Prod. Output Prices (Aug)** Jul 0.2% MoM, 2.1% YoY Aug 0.1% MoM, 1.6% YoY **Ex F, D, T, E (Aug)** Jul 0.1% MoM, 1.1% YoY Aug 0.0% MoM, 1.0% YoY	**MPC Minutes** **FOMC Outcome:** No Change to Rates or QE	**Swiss National Bank Outcome:** Rates Unchanged at 0.00% Franc Cap Unchanged at CHF1.20/€ **Norges Bank Outcome** Rates Unchanged at 1.50% **Retail Sales (Aug)** Jul 1.1% MoM, 3.0% YoY Aug -0.9% MoM, 2.1% YoY **CBI Industrial Trends Survey (Aug, 11:00)** **Output Expectations (Sep)** Aug +25% Sep +33% **Order Books (Sep)** Aug 0% Sep +9% **Selling Prices (Sep)** Aug 0% Sep +3%	**Public Sector Net Borrowing – Ex Costs of Financial Intervention (Aug)** Aug12 £14.4bn Deficit Aug13 £13.2bn Deficit **Fiscal Year To Date** Apr-Aug12 £22.6bn Deficit Apr-Aug13 £34.6bn Deficit *During The Weekend* **Germany** **General Election (Sep 22)**

23 September	24 September	25 September	26 September	27 September
Labour Party Conference (Brighton, Sep 22-25)	**BBA Mortgage Advances (Aug)**	**CBI Retail Survey (Sep, 11:00)** *Around Now* **Nationwide House Prices** (Sep, 07:00)	**Balance of Payments (Q2)** Q1 £-14.6bn, 3.6% GDP Q2E £-10.8bn, 2.7% GDP **GDP (Q2, 3rd Release)** Q1 0.3% QoQ, 0.3% YoY Q2P 0.7% QoQ, 1.5% YoY	**Service Sector Output (Jul)** Jun 0.2% MoM, 2.8% YoY JulE 0.4% MoM, 1.9% YoY *During The Weekend:* **Austria: General Election** (Sep 29)

30 September	1 October	2 October	3 October	4 October
	Manufacturing PMI (Sep)	**Government Debt & Deficit (Sep 2013)** **ECB Meeting (Paris)** 12:45 Outcome 13:30 Press Conference	**Services PMI (Sep)**	*Around Now* **Halifax House Prices** (Sep, 08:00)

E Citi estimate. B Billion. P Provisional. R Revised. Note: All data are released at 9.30 a.m., except those marked otherwise.
Sources: BoE, CBI, ONS, national sources and Citi Research.

Notes

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Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

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