

BoE Preview: February 2026

Statement/Minutes release: 12:00GMT, Thursday 5 February

Press conference: 12:30GMT, Thursday 5 February

Summary/Minutes: <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2026/february-2026>

Monetary Policy Report:

<https://www.bankofengland.co.uk/monetary-policy-report/2026/february-2026>

Contents

Page 1: MNI View

Page 4: MNI Instant Answers

Page 5: Summary of Analyst Views

Page 7: Analysts' Key Comments (A-Z)

Agents Pay and Individual Paragraphs in Focus

Tim Davis, 4 February

The upcoming Bank of England meeting is probably the least anticipated quarterly meeting for some time with the MPC expected to leave Bank Rate on hold and leave guidance unchanged, but there are still aspects worth watching. Most in focus will be the vote split (we expect to be 7-2, in line with consensus), the Agents' Pay Survey (which will be published alongside the decision) and the individual member paragraphs.

High bar to guidance change

Before looking at the detail, the current guidance notes that restrictiveness has fallen, that Bank Rate continues to be on a "gradual downward path" and in December added the phrase that "judgements around further policy easing will become a closer call." As noted above we expect this to remain broadly unchanged, with some minor tweaks to accommodate that Bank Rate is likely to be left on hold at this meeting instead of accompanying a cut in December.

We think that since the Monetary Policy Statement (MPS) was shortened and individual member paragraphs were introduced in November that the bar to changes to guidance is fairly high. When looking at developments in the economy since the December meeting we see inflation (particularly food inflation) that is continuing to track below the November MPR forecasts, official wage data marginally softer than the November MPR projection and labour market quantities data that looks a little softer too. However, survey data has been a little more concerning for the doves: the latest PMI data points to stronger output and cost passthrough than expected while the DMP survey is pointing to wage growth holding up at higher levels than hoped. In broad terms we don't think there is anything that we have seen in the data that will be significant enough at this stage to fundamentally change any MPC member's views.

Mann described her view as "finely balanced" in December but other hawks on hold. In terms of those who hawkishly dissented in December there seems little question that any of them will support a sequential cut. Having said this, Mann did note that her November decision was "finely balanced" and she does have a habit of making surprising flips in view, so her vote can never be fully taken for granted. Lombardelli and Pill both were focused on the upside risks to inflation while Greene is concerned about the DMP / Agents' Pay indicators.

Taylor and Dhingra almost certain to support February cut

Looking at the most dovish members, Taylor noted in December that we “should be heading [towards his estimate of neutral, 3.00%] sooner rather than later”. He has also voted for a cut at every meeting since May and we would expect that pattern to continue. Dhingra sees risks to activity skewed to the downside and noted that she “would not support a drawn-out normalisation of our policy stance given the balance of risks.”

Ramsden’s vote could depend on the Agents’ Pay Survey

Ramsden is generally seen as the next most dovish member following Taylor and Dhingra. However, he noted in December that “elevated forward-looking surveys of wage growth give me pause for thought, particularly as structural supply-side issues, such as labour market participation, that previously sustained inflation persistence appear to be resolving”. He then said that he was focused on the Agents’ Pay Survey. We think that the outcome of this a year ago was enough to stop him voting for a sequential cut in March 2025 (after previously voting for a sequential cut in December 2024). In a later speech he noted that the outturn was higher than he had expected. With early indications that the outturn of the survey will be 3.5%, we think that a downside surprise here could be enough to tip Ramsden to vote for a cut at this meeting. But if we saw notably above 3.5% he may need convincing with other soft data to support any future cuts. It will be interesting to see how Ramsden characterises his vote at the February meeting: was his decision finely balanced and how does he categorise forward-looking wage growth surveys.

Breeden seems to have higher bar to a cut than Ramsden

Breeden noted in December that “I will need a greater accumulation of evidence on disinflation as we feel our way towards neutral next year.” As we noted above, we don’t think there has been enough evidence within the data since December to really be considered “greater” evidence. Again, the Agents’ Pay Survey could be this extra evidence if there is a notable downside surprise. But without this, we would be very surprised to see Breeden support an immediate cut.

Bailey remains the swing voter but we think he’s unlikely to repeat his November paragraph
Governor Bailey remains the central member of the MPC in our view. The key line from his December view was that “The key question for me now is the extent to which inflation settles at the 2% target in an enduring way”. He then pointed to slack accumulating but no conclusive evidence of a sharp downturn in the labour market and is concerned about inflation expectations and forward-looking wage growth indicators (one of which of course could be the Agents’ Pay Survey, another the DMP data). Bailey ended his comments noting that “While I see scope for some additional policy easing, the path for Bank Rate cannot be pre-judged with precision, recognising in part the more limited space as Bank Rate approaches a neutral level.”

For Bailey’s February views we note that in November he stated that “Current market pricing is close to the path suggested by a forward-looking Taylor rule, which is a fair description of my position at present.” His November comments also pointed towards seeing further evidence of disinflation “this year” (i.e. in 2025 releases) which backed up what he had seen in on month of data. This is harder to repeat in February, and given how new the members view paragraphs are we aren’t really sure how vague / explicit Bailey’s paragraph is likely to be.

Agents' Pay Survey To Be Equally, If Not More, Important for Medium-Term Outlook

The members paragraphs are likely to be the biggest guide towards near-term policy, but the Agents' Pay Survey is likely to be equally, if not more, important for the more medium-term outlook for cuts later in the year. As we noted above, the guidance given in official communications (including in December) has been that early indications are that the survey will point towards wage growth of around 3.5%. This is only a little lower than the 3.7% level seen in the Agents Pay Survey for 2025. Therefore any upside surprises will indicate that wage growth is likely to be similar in 2026 to 2025 – which is likely to see the market reassess whether there will be any further cuts at all this year. If there is a downside surprise closer to 3.25% then we think we would see markets move back to pricing two cuts more fully for 2026. Of course, we note above how such a surprise could immediately change the voting outcome, in our view.

January DMP Data Still Likely To Be Important

Not on the same scale of importance, but still significant, will be the January Decision Maker Panel data. This will have been available to MPC members during their deliberations, too. There are likely to be some of the numbers from this within the MPR within some of the charts. The key parts for us are inflation expectations, own price expectations and wage growth expectations.

MPR Projections

Finally, the MPR projections are a bit less prevalent than they were in previous years as they now represent the Bank staff's view rather than the best collective judgment of the MPC. The forecasts will incorporate the Budget measures so will bring down Q2-26 CPI notably but we still expect 2/3-year CPI projections to be around 2.0-2.2%. Any higher or lower than this and we think there could potentially be some market impact.

MNI Instant Answers

- Ahead of each policy meeting the MNI Markets team select a number of questions that should capture the essence of the central bank meeting in questions that can largely be answered either numerically or with a yes or no, and which represent all of the expected tradable possibilities.
- These questions will be published within the Preview document and 15 minutes before the announcement on both MNI Bullets and the interactive chat.
- We aim to publish the answers within a few seconds of the embargo being released via the MNI Bullets and our interactive chat.

Advantages

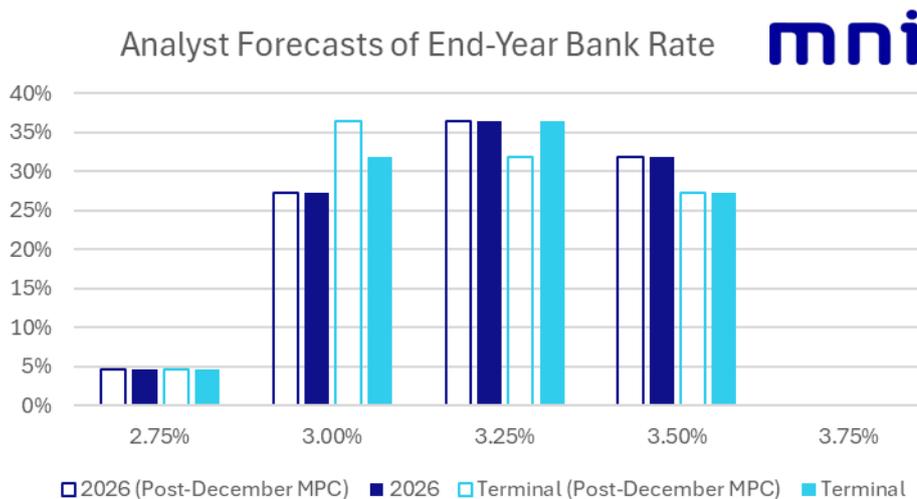
- No need to scroll through 30 newswire headlines.
- All of the tradable info you need delivered concisely straight to your bullet feed or the interactive chat.
- Gives you the confidence that you can quickly trade at the announcement time.

February Questions (for MNI Bullets / Chat)

1. Was the Bank Rate changed, and if so by how much?
2. Number of members voting for unchanged rate?
3. Number of members voting for 25bp cut?
4. Number of members voting for other rate decision?
NB: On questions 2-4 we will name the dissenters (and the direction / magnitude of dissent)
5. Did the MPC keep reference to a “the risk from greater inflation persistence has become somewhat less pronounced since the previous meeting” in its guidance?
6. Did the MPC keep reference to “the risk to medium-term inflation from weaker demand remains” in its guidance?
7. Did the MPC keep reference to Bank Rate is “likely to continue on a gradual downward path?” in its guidance?
8. Did the MPC again say the “judgements around further policy easing will become (continue to be) a closer call”?
9. Were there any additional phrases or sentences added to the guidance paragraphs?
10. Did any members state that their decision was “finely balanced” at this meeting?
11. What was the Agents’ Pay Survey expectation for 2026 wage growth?
12. UK CPI central projection in 1/2/3 years time?
Previous: 2.5% / 2.0% / 2.1%. Previous Q1-27/28: 2.2% / 2.1%
13. UK GDP central projection (2025/2026/2027/2028)?
Previous 1.5%/1.2%/1.6%/1.8%

Summary of Analyst Views

- All of the analyst previews we have read look for a February on hold decision.
- 13/20 (65%) of the sellside views that we have read that specific voting expectations look for 7-2 vote split (Taylor and Dhingra dissenting), 5/20 (25%) look for a 6-3 vote split (generally Ramsden joining). UBS looks for either a 6-3 or 5-4 split while Berenberg looks for 8-1.
- Analysts are split over the timing of the next move: 12/22 (55%) look for March while 10/22 expect April. All analysts expect one cut in one of those two meetings, however.
- This means that just over half (12/22) of the analyst previews that we have read have a base case of a Q4-25 cut.
- In terms of terminal rate, analysts are also split, the median / modal expectation is for 3.25% (8/22 or 36%) while 7/22 (32%) look for 3.00%, 6/22 (27%) look for 3.50% while UniCredit still looks for 2.75%.
- For CPI projections, the median comes in at 1.8% for 1-year ahead (a notable slowdown of 0.3ppt from November's Q1-27 forecasts). Analysts are generally looking for a number below 2.0% here. Analysts then have the 2-year CPI forecasts at 2.0% or 2.1% while for 3-year there is a split from 1.9% to 2.2%.



Analyst MPR Projection Expectations

mni	Headline CPI		
	1-Year	2-Year	3-Year
Morgan Stanley	1.8%	2.0%	1.9%
Deutsche	1.9%	2.0%	2.0%
Bank of America	2.2%	2.0%	2.0%
HSBC	1.7%	2.1%	2.1%
BNP Paribas	1.9%	2.1%	2.1%
Barclays	1.7%	2.2%	2.2%
Goldman Sachs	1.8%	2.2%	2.2%
Median	1.8%	2.1%	2.1%
Prior (Q4-26/27/28)	2.5%	2.0%	2.1%
Prior Q1 (Q1-27/28)	2.2%	2.1%	

Source: Bank of England, MNI

Analyst MPR Projection Expectations

mni	GDP			
	2025	2026	2027	2028
HSBC	1.5%	1.0%	1.5%	1.8%
Nomura		1.1%		
BNP Paribas		1.1%	1.7%	1.7%
UBS		1.1%	1.6%	1.8%
Barclays	1.4%	1.2%	1.6%	1.8%
Deutsche	1.4%	1.3%	1.7%	1.9%
JP Morgan	1.4%			
Bank of America	Q1-26: 0.9%	Q1-27: 1.5%	Q1-28: 1.8%	Q1-29: 1.7%
Morgan Stanley	Q1-26: 0.8%	Q1-27: 1.5%	Q1-28: 1.7%	Q1-29: 1.7%
Goldman Sachs	Q1-26: 0.8%	Q1-27: 1.8%	Q1-28: 1.8%	Q1-29: 1.7%
Median	1.4%	1.1%	1.6%	1.8%
Prior	1.5%	1.2%	1.6%	1.8%

Source: Bank of England, MNI

Summary of Analyst Views (Sorted by Hawkish to Dovish)



Institution	Post-December MPC	Pre-February MPC	Vote split
Danske	"We think Governor Bailey will take a cautious approach and listen to both the dovish and the hawkish camp when timing the next rate cut and that a majority will vote for a final rate cut at the April meeting."	"More disinflationary momentum is needed as rates are closing in on neutral and we call for the next and final rate cut in April. We think recent data has supported this call but continue to see the risk skewed for a second cut during the remainder of 2026."	
NatWest Markets	"We continue to ascribe a high-ish probability to a terminal Bank Rate of 3.5% but the risks appear to be tilting more clearly towards the next rate cut coming in April (possibly even June) rather than March 2026. Labour market developments, notably wage inflation, will be key."	"We maintain our forecast for a terminal Bank Rate of 3.5%, with the final -25bp coming in April." "The risks remain tilted slightly to the downside (to 3.25%) on more aggressive and/or persistent layoffs in the labour market."	7-2
Nomura	"Guidance continued to talk of gradual easing but this was further watered down by mention of future cuts becoming a "closer call". We continue to expect one more cut at the end of April 2026."	"We maintain our forecast for a terminal Bank Rate of 3.5%, with the final -25bp coming in April." "The risks remain tilted slightly to the downside (to 3.25%) on more aggressive and/or persistent layoffs in the labour market"	7-2
Santander	"We expect the next easing in April, with our terminal rate at 3.50%. But we see downside risks to this forecast and would not be surprised to see 50bp in easing over 2026. The BoE does need to take its time though."	"Our base case remains one further cut in April, taking Bank Rate to 3.50%, though a sharper deterioration in the jobs market and ongoing disinflation could lead the BoE to lower rates again later in the year to 3.25%."	6-3
Daiwa	"The views of the five members who voted for a cut today will be more important in determining the likely path of rates over coming quarters. And in our opinion, they remain consistent with our baseline expectation of two further rate cuts in 2026, in April and July." Further cut in 2027 to 3.00%.	"Expect the BoE to maintain that cautious tone." 25bp cuts in April and July to terminal 3.25%.	7-2
Berenberg	"If our forecast that mounting job losses will ensure pay growth trends down throughout 2026, the BoE will turn more dovish soon. We expect 75bps of further easing to 3.00% by Q3 next year."	"Early data covering 2026 hint at stronger demand and stickier inflation than we had expected... We have thus pushed back the three 25bp reductions in Bank Rate we project for this year by one calendar quarter. We now expect the next move at the 30 April meeting."	8-1
Jefferies	"Our view remains unchanged: the Bank is likely to ease more aggressively than markets anticipate, with Bank Rate falling to 3% by end-2026, and the next cut likely in April."	"We continue to believe the MPC will ultimately deliver more easing than markets currently price, and we expect the BoE to cut around 75bps this year."	6-3
HSBC	"With hawkish commentary and individual decisions looking more finely balanced, the timing of the next move is uncertain. We now expect the next cut in April, and note possible upside risks to our forecast terminal rate of 3.00% Cuts in Apr26, Jul26 and Nov26	"Perhaps most interesting to us will be Catherine Mann's paragraph". "The Committee does not appear to be in a hurry and we do not expect it to resume easing until April."	7-2
RBC	"We retain our call for a cut at the February (MPR) meeting, the market is only pricing around 3bps of cuts at present... whilst the risks to our call appear to be tilted to the MPC delivering its next rate cut later than we expect."	"We now don't expect the MPC to deliver the next cut to Bank Rate until the April MPR meeting with a second cut not coming until the following MPR meeting in August."	6-3
Société Générale	"Guidance indicates that further easing is likely next year, although a higher bar of evidence will be required as Bank Rate approaches its neutral level." "We forecast 75bp of easing in 2026 (25bp cuts in April, June, and July)."	"We forecast 75bp of cuts in 2026, consistent with the BoE's weak demand scenario, with the next move in April."	7-2
TD Securities	"We maintain our call for March delivering the next and final cut to 3.50%."	"Maintain our view for a March cut at the moment, but recognise the risks at play between the two spring meetings. The two members to watch on February 5th for a clue into March will once again be Bailey and Breeden."	6-3
Barclays	"The caution expressed in [the] minutes and the focus on the need for a greater accumulation of evidence means we think it is unlikely that the committee has a majority for a cut as soon as February." "We retain our view that the next cut is most likely in March."	By March sufficient softening in wage data for MPC "to have sufficient confidence" to cut 25bp. " Given the caution on the committee that rates at [3.50%] may no longer be restrictive, we think the MPC will then enter wait-and-see mode" at terminal 3.50% (base case).	7-2
BNP Paribas	The MPC "signalled a higher bar for further easing...[but] does retain a bias for further easing, which alongside recent progress on inflation and a shift in BoE language on the distribution of risks around inflation, leaves us comfortable with our expectation for another cut in March, to 3.50%." Then extended pause with cuts in 2027 (on a terminal rate of 3.00% by mid-2027).	"We think it is unlikely the MPC will use the February meeting to signal a conditional cut... probably won't be a re-run of November's meeting." Mar26 cut remains base case but risk of waiting to Apr26. Then expect pause before cuts in Q1-27 and mid-27 to terminal 3.00%.	7-2
JP Morgan	"The bar for February now looks high. We maintain our forecast for quarterly easing (Mar, Jun). The minutes raise a hawkish challenge to this, but further progress on inflation should talk the BoE around"	Base case for Mar26 next cut but this has "become a closer call due to renewed signs of stickiness in underlying inflation and ongoing resilience in confidence and spending." If there is a pause "then its not obvious that waiting until the April MPR will be sufficient."	7-2
Deutsche	"We expect the precipitous drop in CPI next year alongside a deteriorating labour market to keep quarterly rate cuts in play next year." Continue to expect cuts in Mar26 and Jun26 to 3.25%. "Risks are skewed to a slower but deeper easing cycle."	Base case for Mar26 and Jun26 cuts "With the economy picking up momentum, and survey data pointing to elevated underlying prices, the likelihood of a Q1-26 'skip' has risen... We will reassess our call following the February decision. But risks are skewed to a slower dial down of restrictive policy."	7-2
Bank of America	"We continue to expect the next cuts in March/ June to 3.25%... But the BoE's caution as we approach close to neutral increases risks of a delay to April/ July and puts upside risks to our terminal of 3.25%."	Expect guidance "unchanged from December." "Risks are tilted towards a dovish surprise, which keeps the door open for a near term cut." "Our base case is for cuts in March/ June to 3.25%." Risks of delays to cut and upside risks to terminal from wage expectations and caution around neutral.	7-2
ING	"We narrowly expect another cut in February, but it's a close call... If it's not February, then we think it'll be March... Headline CPI should be very close to 2% by May – maybe even below. That's why we expect another cut in the second quarter, leaving the Bank Rate at 3.25% thereafter."	"Highly doubt the Bank will change its forward guidance." Next cut Mar26 when two more rounds of data evidencing that "upside risks to inflation are abating". ING then looks for a final cut in June to 3.25%.	7-2
UBS	"Reiterate" call of cuts in Feb26 and Apr26 but "flag risks of a delay in the February rate cut." "The MPC's tone... was rather cautious. However, we think that if labour market and particularly wage growth indicators show further signs of easing that would allow the MPC to cut again in February."	Expect Mar26 cut "at which point the MPC will have the January inflation print, which we expect to show the first significant step down in inflation (UBS: 3% y/y)... cut once more on 18 June to a 3.25% terminal rate. However, we see the risks to our terminal rate forecast as skewed to the downside"	6-3 or 5-4
Rabobank	"We expect two 25bp cuts in 2026 and continue to target February and April for those moves. That said, decisions to move remain highly data-dependent."	"We now see March and June as the most likely windows for 25 bp cuts, although the timing remains highly data-dependent rather than conviction-driven." Terminal "3.25%, with downside risks if labour market slack widens further"	
Morgan Stanley	"We continue to think a rate cut in 1Q is likely, and on balance, leave it pegged for February. Should December inflation accelerate to more than we are forecasting, 1Q would bring, we think, a repeat of 4Q25 - a dovish hold in February preparing a cut in March. We leave our terminal estimate at 3%."	"Risks a bit more skewed towards a 5-4 vote split than a 7-2 one." "Terminal rate could fall to 3%, with cuts in March, July and November. A faster global growth uptick than projected by Morgan Stanley, as well as a sharp change in fiscal policy direction in the UK, remain key risks to that view."	6-3
Goldman Sachs	The MPC's "communications suggest that the Committee is likely to be reluctant to lower Bank Rate quickly, and so we now expect cuts in March, June, and September."	Guidance "largely unchanged". Bailey to "refrain from offering specific guidance on the next meeting in March." "Continue to think that weaker labour market data will push the MPC to cut in March, June, and September to a 3% terminal rate" close to neutral. Firmer data could see "more drawn out" easing.	7-2
UniCredit	Cuts each quarter through to Q1-27 when terminal 2.75% reached.	"We still see the next rate cut in March and a quarterly pace of rate cuts throughout this year."	7-2

Source: Analyst Reviews and MNI

Note: Sorted by timing of next cut, then timing of next two subsequent cuts, then end-2026 rate, then terminal rate, then date reached, then balance of risks (if specified).

Analysts' Key Comments (A-Z)

Bank of America

- Vote split: 7-2 with Dhingra and Taylor for 25bp cut, risks of 6-3 with Ramsden
- Guidance: Expect to “remain unchanged from December”
- “Relative to market pricing, we think risks are tilted towards a dovish surprise, which keeps the door open for a near term cut”
- Agents' Pay Survey: “Settlements in the 3-3.5% range would give the BoE more confidence that inflation can reach target in an enduring manner, while settlements in excess of 3.5% are likely to keep the BoE cautious and worried about persistent inflation risks.”
- Inflation forecast: 1-year 2.2%, 2-year 2.0%, 3-year 2.0%
- GDP forecast: 26-Q1: 0.9%, 27-Q1: 1.5%, 28-Q1: 1.8%, 29-Q1: 1.7%
- Future policy: “Our base case is for cuts in March/ June to 3.25%. Wage expectations if they stay elevated, along with BoE's caution around neutral, can increase risks of a delay from our base case of March to April and pose upside risks to terminal.”

Barclays

- Vote split: 7-2 with Dhingra and Taylor for 25bp cut.
- Guidance: “tone of guidance will likely remain cautious and noncommittal.”
- Agents' Pay Survey: “a deceleration from 2025's rate, to between 3.0% and 3.5%. The closer it is to the top of this range, the more cautious we would expect the MPC to be about further cuts in 2026.”
- “We will be looking to see how members are adjusting their views of the balance of risks around future wage growth, any specific mentions of whether or not members view the current level of rates as restrictive, and how finely balanced this decision was for them.”
- Inflation forecast: 1-year 1.7%, 2-year 2.2%, 3-year 2.2%
- GDP forecast: 2025: 1.4%, 2026: 1.2%, 2027 1.6%, 2028: 1.8%
- Future policy: “By March we expect there to have been sufficient softening in the wage data and for the MPC to have sufficient confidence that headline inflation will drop to 2% or lower in Q2, that it will feel comfortable cutting Bank Rate before it sees the April step-down in CPI.”
- “Given the caution on the committee that rates at [3.50%] may no longer be restrictive, we think the MPC will then enter wait-and-see mode and, without a more material weakening of labour market and inflation data than embodied in our own forecast, will stay there throughout 2026.”

Berenberg

- Vote split: 8-1
- Future policy: “early data covering 2026 hint at stronger demand and stickier inflation than we had expected. In time, fiscal tightening and decelerating pay growth will snuff out excess price pressures, but not as soon as we anticipated before. We have thus pushed back the

three 25bp reductions in Bank Rate we project for this year by one calendar quarter. We now expect the next move at the 30 April meeting.”

BNP Paribas

- Vote split: 7-2. “It is the slightly less dovish tilt in communications from Dave Ramsden and Sarah Breedon that underpins our expectation for a 7–2 vote split. While both support further easing, in our view, they do not necessarily support back-to-back reductions.”
- Guidance: “Broadly unchanged”
- “We think it is unlikely the MPC will use the February meeting to signal a conditional cut. In other words, this probably won’t be a re-run of November’s meeting.”
- “As part of the supply-side stocktake, we see scope for the BoE to officially update its view of the nominal neutral rate range – lifting it by 50bp to 2.50–3.50%.”
- Inflation forecast: 1-year 1.9%, 2-year 2.1%
- GDP forecast: 2026: 1.1%, 2027 1.7%, 2028: 1.7%
- Future policy: “while we think a near-term rate reduction is likely, we have less certainty around its exact timing. Though March remains our base case, we acknowledge the risk that the committee may prefer to wait for the next batch of data and the MPR in April before it brings Bank Rate down to 3.50%.”
- “After that, we think the BoE will deliver a prolonged pause before resuming policy normalisation in early 2027 (we see a terminal rate of 3.00% by mid-2027).”

Daiwa

- Vote split: 7-2
- Guidance: “Expect the BoE to maintain that cautious tone.”
- Inflation forecast: “Still only sustainably at 2%Y/Y from around the start of 2027.”
- GDP forecast: 2026: 1.25%, 2027: 1.5%
- Future policy: 25bp cuts in April and July to terminal 3.25% (have removed cut to 3.00% in 2027).

Danske Bank

- Vote split: “A large majority to vote for hold.”
- Future policy: “More disinflationary momentum is needed as rates are closing in on neutral and we call for the next and final rate cut in April. We think recent data has supported this call but continue to see the risk skewed for a second cut during the remainder of 2026.”

Deutsche Bank

- Vote split: 7-2. “see risks skewed to a 6-3 vote split, with Deputy Governor Ramsden also opting for a quarter-point rate cut.”
- Guidance: “Expect no change”
- Inflation forecast: 1-year 1.9%, 2-year 2.0%, 3-year 2.0%
- GDP forecast: 2025: 1.4%, 2026: 1.3%, 2027 1.7%, 2028: 1.9%
- Future policy: “Expect Bank Rate to be cut twice this year. The timing of those rate cuts, however, is coming increasingly into question (currently, March and June). With the

economy picking up momentum, and survey data pointing to elevated underlying prices, the likelihood of a Q1-26 'skip' has risen. The case to wait may have strengthened for some on the MPC. We will reassess our call following the February decision. But risks are skewed to a slower dial down of restrictive policy.”

- “Neutral rate views across the committee are likely to sit below current Bank Rate of 3.75% (and likely, nearer 3.25%). Indeed, we expect risk management concerns to become more prominent in the MPC’s discussions going forward - particularly with forward looking data consistent with little to no labour market recovery in the coming months.”

Goldman Sachs

- Vote split: 7-2 “The risks around our forecast are towards more dissents, as it is possible that Ramsden or Breeden (or both) could also vote to lower Bank Rate.”
- Guidance: “Largely unchanged”
- “Governor Bailey is likely to reiterate that he sees scope for some further policy easing but emphasise uncertainty around the path ahead and refrain from offering specific guidance on the next meeting in March.”
- Agents Pay Survey: “Our analysis suggests that settlements are likely to average 3.4% this year... and we expect the survey be roughly in line with that figure.”
- Inflation forecast: 1-year 1.8%, 2-year 2.2%, 3-year 2.2%
- GDP forecast: 26-Q1: 0.8%, 27-Q1: 1.8%, 28-Q1: 1.8%, 29-Q1: 1.7%
- Future policy: “continue to think that weaker labour market data will push the MPC to cut in March, June, and September to a 3% terminal rate, close to our estimate of the neutral rate but below market pricing. That said, uncertainty around the timing of cuts is high, and firmer data would likely result in a more drawn-out easing cycle.”

HSBC

- Vote split: 7-2
- Guidance: “Expect the wording of the guidance to be unchanged.”
- “Perhaps most interesting to us will be Catherine Mann’s paragraph, after she said her decision in December was finely balanced. In a divided MPC, her role as a longstanding and vocal hawk would make any shift in her position potentially significant.”
- Inflation forecast: 1-year 1.7%, 2-year 2.1%, 3-year 2.1%
- GDP forecast: 2025: 1.5%, 2026: 1.0%, 2027: 1.5%, 2028: 1.75%
- Future policy: “The Committee does not appear to be in a hurry and we do not expect it to resume easing until April.”

ING

- Vote split: “Expect a fairly comfortable 7-2 vote.” Risk of Ramsden also dissenting but “his comments after the December meeting hinted at a pause.”
- Guidance: “We highly doubt the Bank will change its forward guidance, noting that decisions are becoming harder as rates approach neutral.”
- “The mantra this week is likely to be keeping options open and letting the data do the talking instead.”

- Future policy: “The Bank said in December that the upside risks to inflation are abating. And by March, there should be two more rounds of data evidencing that. We still expect a cut next month – or at the very least, the probability is higher than the 20% markets currently assign.”
- ING then looks for a final cut in June to 3.25%.

Jefferies

- Vote split: 6-3 with Ramsden dissenting.
- Future policy: “We continue to believe the MPC will ultimately deliver more easing than markets currently price, and we expect the BoE to cut around 75bps this year.”

JP Morgan

- Vote split: 7-2. “There is a risk of 6-3 if Ramsden or Mann were to dissent dovishly (the latter described her hawkish dissent in December as “quite finely balanced”).”
- Guidance: “Expect the MPC will stick to broadly the same statement guidance.”
- “If the BoE wants to downplay the likelihood of a March cut, it could consider changing “is likely to continue on a downward path” to “is likely to require some further downward adjustment”.”
- Agents’ Pay Survey: “A move above 3.5% would probably prompt the BoE to signal a pause, whereas a drop below 3.5% would support the case for a March ease.”
- Inflation forecast: 1-year X%, 2-year X%, 3-year X%
- GDP forecast: 2025: 1.4%, 2026: X%, 2027 X%, 2028: X%
- Future policy: “Our forecast for the next rate cut remains for March. This is based on the idea that there will sufficient data between now and then to reassure the MPC. That includes an anticipated decline in the CPI from 3.4% to 2.9% in January, payback from the strong January PMI (e.g. down two points to 52.0-pts in February) and ongoing weakness from the labour market on both the quantity side (payrolls still falling) and nominal side (slower pay). However, March has become a closer call due to renewed signs of stickiness in underlying inflation and ongoing resilience in confidence and spending.”
- “The main risk to our call is that the BoE signals a temporary pause until it sees more progress in the data. If that’s the case, then its not obvious that waiting until the April MPR will be sufficient. The behavior of the April CPI and wage data will be particularly important, and these releases will not be available until the June meeting.”

Morgan Stanley

- Vote split: 6-3 with Ramsden, Dhingra and Taylor dissenting for 25bp cut and “with risks a bit more skewed towards a 5-4 vote split than a 7-2 one.”
- “We can tally up five plausible votes for a cut – Taylor, Dhingra, Breeden, Ramsden and Mann – although we think that neither Breeden nor Ramsden would vote for a cut against Bailey, should there be enough external members' votes to deliver one.”
- Guidance: “We see no change in the guidance.”
- Agents’ Pay Survey: “Our best estimate is that the Agents' survey will show pay growth as likely to be at moderately below 3.5% in 4Q26.”

- Inflation forecast: 1-year 1.8%, 2-year 2.0%, 3-year 1.9%
- GDP forecast: 26-Q1: 0.8%, 27-Q1: 1.5%, 28-Q1: 1.7%, 29-Q1: 1.7%
- Future policy: “We think that the terminal rate could fall to 3%, with cuts in March, July and November. A faster global growth uptick than projected by Morgan Stanley, as well as a sharp change in fiscal policy direction in the UK, remain key risks to that view.”

NatWest Markets

- Vote split: 7-2. “The other potential dovish dissenters, Dave Ramsden and Sarah Breeden, both indicated that they required more time to observe incoming data.”
- Guidance: “Do not expect any material change.”
- “Expect Governor Bailey, the sole swing-voter at this point, to reiterate his view that there is ‘scope for some additional policy easing’ but also to signal no immediate urgency”
- Inflation forecast: 2-year 2.0%, 3-year 2.0%
- GDP forecast: 2026: 1.3%, 2027: 1.5%
- Future policy: “We maintain our forecast for a terminal Bank Rate of 3.5%, with the final -25bp coming in April.”
- “The risks remain tilted slightly to the downside (to 3.25%) on more aggressive and/or persistent layoffs in the labour market. Domestically-generated inflation and wage pressures caution against expecting more extensive monetary policy easing, especially given the inflationary effects of fiscal policy.”

Nomura

- Vote split: 7-2 vote
- Guidance: “We do not expect any adjustment in guidance to be necessary.”
- GDP forecast: 2026: 1.1%
- Future policy: “We maintain our forecast for a terminal Bank Rate of 3.5%, with the final -25bp coming in April.”
- “The risks remain tilted slightly to the downside (to 3.25%) on more aggressive and/or persistent layoffs in the labour market”

Rabobank

- Future policy: “We now see March and June as the most likely windows for 25 bp cuts, although the timing remains highly data-dependent rather than conviction-driven.”
- Terminal “3.25%, with downside risks if labour market slack widens further”

RBC

- Vote split: 6-3. “The risk to expectation for the MPC to deliver two 25bps rate cuts in 2026 we push the timing of those cuts back. We now don’t expect the MPC to deliver the next cut to Bank Rate until the April MPR meeting with a second cut not coming until the following MPR meeting in August.”

Santander

- Vote split: 6-3 with Ramsden voting for a cut but “risk of a more hawkish 7–2 outcome.”
- “See a risk that Mann could flip to vote for a cut this year.”
- “We expect the tone of the minutes to be more dovish than the vote split implies, highlighting further labour market softening and continued disinflation. That said, the Bank is likely to reinforce its message of “gradual approach” easing from here and will avoid signalling a March cut.”
- Future policy: “Our base case remains one further cut in April, taking Bank Rate to 3.50%, though a sharper deterioration in the jobs market and ongoing disinflation could lead the BoE to lower rates again later in the year to 3.25%.”

Societe Generale

- Vote split: 7-2
- Guidance: “Unlikely to be materially modified”
- Agents’ Pay Survey: “In December, Ramsden emphasised the importance of the BoE’s 2026 pay survey; a downward revision in the finalised survey at the February meeting to 3% (from 3.5%) could shift him toward a cut.”
- Future policy: “We forecast 75bp of cuts in 2026, consistent with the BoE’s weak demand scenario, with the next move in April.”

TD Securities

- Vote split: 6-3
- Future policy: “Maintain our view for a March cut at the moment, but recognise the risks at play between the two spring meetings. The two members to watch on February 5th for a clue into March will once again be Bailey and Breeden.”

UBS

- Vote split: “Expect the decision to keep rates unchanged to be supported by 5 or 6 MPC members.”
- “While the incoming data could provide enough evidence of disinflation for Sarah Breeden, the vote of Dave Ramsden appears more uncertain and conditional on the BoE’s Agents pay survey... it is likely Governor Bailey will vote for keeping rates on hold.”
- Inflation forecast: 1-year X%, 2-year X%, 3-year X%
- GDP forecast: 2025: X%, 2026: 1.1%, 2027 1.6%, 2028: 1.8%
- Future policy: Expect “the Bank will cut again by 25bp to 3.5% on 19 March, at which point the MPC will have the January inflation print, which we expect to show the first significant step down in inflation (UBSe: 3% y/y). We then expect the MPC to cut once more on 18 June to a 3.25% terminal rate. However, we see the risks to our terminal rate forecast as skewed to the downside”

UniCredit

- Vote split: 7-2
- Future policy: “We still see the next rate cut in March and a quarterly pace of rate cuts throughout this year.”

Unauthorized disclosure, publication, redistribution or further dissemination of this information may result in criminal prosecution or other severe penalties. Any such authorization requires the prior written consent of Market News International. Redistribution of this information, even at the instruction of your employer, may result in personal liability or criminal action unless such redistribution is expressly authorized in writing by Market News International. Violators will be prosecuted. This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright © 2026 Market News International, Inc. All rights reserved.