

BoE Preview: March 2026

Summary/Minutes release: 12:00GMT, Thursday 18 March:

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

There is no press conference for a non-MPR meeting

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Hold now, what's next?

Tim Davis, 18 March

The March MPC meeting had not long ago been largely priced for a 25bp cut but with events in the Middle East that eventuality looks unlikely with us, markets and analysts now expecting an on hold decision and at the time of writing markets are pricing in around a 60% probability of a 25bp hike by July, around a cumulative 90% probability by year-end and fully pricing a hike by the April 2027 meeting. The main focus will be on the Bank's updated guidance, the vote split and the individual member paragraphs. We will look at these all in turn.

Guidance: Potential changes

There are found main phrases to the guidance that we consider sending a signal and we think there is a chance that all of them may be tweaked or removed. Given events in the Middle East and energy prices at the time of writing with no clarity on when oil and gas prices will stabilise our base case is that we see some notable changes.

The first phrase in the guidance is:

“The risk from greater inflation persistence has continued to become less pronounced, while some risks to inflation from weaker demand and a loosening labour market remain.”

We would be stunned if this sentence was to make it into the March statement without a change. Whether the majority of the MPC thinks that there could be a swift resolution to the conflict in Iran or not we do not think an argument can be made that risks to inflation persistence continue to become less pronounced. There is a chance that the sentence is tweaked and the latter part of the sentence regarding weaker demand and a loosening labour market could remain. In order to do this the risks to inflation persistence could be described as “broadly balanced”, “unclear at the present time” or “to the upside”. The middle of these options would provide little certainty to markets and would probably be our most expected outcome – as it signals that the MPC is in wait and see mode and leaves as many options on the table as possible. If risks are described as “broadly balanced” that would probably be seen as more dovish than current market pricing while risks “to the upside” appear to rule out near term cuts and indeed could be interpreted as a very subtle nod towards the potential for a hike (depending on the rest of the guidance).

“The restrictiveness of policy has fallen as Bank Rate has been reduced by 150 basis points since August 2024.”

This is a fairly uncontroversial statement that would be fine to stay. It could be bolstered if the MPC wanted to more forcefully state that Bank Rate is still restrictive. In some ways this would be a strange change as it would almost be reverting to previous guidance but we don't fully rule this out because it might be a subtle way for the MPC to attempt to get markets to not overreact and price in too many hikes if there are changes to subsequent parts of the guidance.

“On the basis of the current evidence, Bank Rate is likely to be reduced further.”

We would expect this part of the guidance to either be removed (which is the most hawkish message) or qualified differently. Rather than “on the basis of current evidence” it could read something like “If there is a swift resolution to the conflict in the Middle East...” or “If the Strait of Hormuz reopens in a timely manner...”. This could then keep an explicit easing bias that “Bank Rate is likely to be reduced further” and signal strongly that is still the main view of the majority of the MPC while acknowledging the current risks. Our base case is that there is too much uncertainty at present and that this sentence is simply likely to be removed from the statement. We think if it remains in any form that the market would likely see a notable dovish reaction while if it is removed it would largely depend on whether the subsequent sentence.

“Judgements around further policy easing will become a closer call.”

We are on the fence whether this sentence will remain. It could be accompanied by a qualifier such as one of those mentioned above. It is a stronger nod towards cutting than the following sentence but less explicit than the preceding one. If maintained without a qualifier we think this would be seen as a dovish move from the market. If there is a qualifier it depends on how explicit that is (we expect options to be largely left open). If it is removed we think this would be a hawkish development which may not be fully priced by the market. The most hawkish tilt would be if the word “easing” was replaced with the word “changes” – with the latter not conveying any indication over the direction of the next move.

“The extent and timing of further easing in monetary policy will depend on the evolution of the outlook for inflation.”

To us, if the MPC wants to have any continuity in its guidance (rather than a wholesale complete re-write) we would be looking for this statement to remain. It doesn't necessarily need any qualifiers but it would leave open the possibility of an April cut if conditions were to allow and energy prices were to return to less elevated levels. Without this part of the guidance it would seem to us as though the prospect of an April cut would be relatively remote.

The most hawkish changes that we could envisage (not our base case) would be if all references to easing were removed from the guidance and instead “changes” to Bank Rate would be considered. However much the MPC believes this isn't like previous inflationary episodes it's hard to rule out oil and gas prices moving consistently higher than even current levels and then hard to predict any potential fiscal response (which so far appears to be more likely to be targeted rather than widespread). And therefore it's hard to completely rule out big increases to spot inflation or impacts on inflation persistence through higher inflation expectations. We don't think at the moment this is similar to the spike in gas prices around the time of the Ukrainian war: Bank Rate is in a much more restrictive state while growth and the labour market are already weakening and showing signs of

slack. But these are arguments individual MPC members may make in their individual paragraphs rather than to be included in the main guidance section.

Vote split: We pencil in 7-2 with 9-0 more likely than 6-3; Mann hike vote possible
We pencil in a 7-2 vote split with Taylor and Dhingra voting for a 25bp cut in line with consensus expectations. We would be less surprised by a unanimous vote than one of Ramsden and Breeden continuing to vote for an immediate cut. Breeden seems less likely than Ramsden to vote for a cut in our view, having previously described her February vote as a “close call”. While Ramsden is very focused on the labour market and may like to pause for thought if he perceives wage demands may be impacted. Taylor and Dhingra have both previously advocated in favour of looking through shocks – but we acknowledge there is a chance they change their vote.

Given her activist nature we also wouldn't rule out Mann voting for a hike her (having been a swing voter before the conflict in the Middle East began) - this is not our base case however but would likely spook the market notably. None of the previews that we read explicitly discussed the prospect of a Mann hike vote but she has previously advocated acting swiftly and aggressively and stated that she would rather act and have to reverse the decision than wait for potentially adverse outcomes if conditions don't improved. The reason this isn't our base case is due to how close to cutting she described her view in February and that she still therefore believes that Bank Rate is restrictive.

Individual paragraphs

The individual member paragraphs of any members who voted for a cut in February and who no longer support a cut as well as Bailey and Mann (assuming she supports an on hold decision) will be closely watched. Are they still describing rates as restrictive? Did they consider a cut at this meeting?

We will in particular be watching for any member describing this week's decision as “finely balanced” – a phrase used by a few different MPC members in the recent past (including as a collective in the Minutes), including Breeden in February. If this was used to describe a hold/hike scenario, the market would likely see a large initial reaction even if it was just one member who said that this was their view.

Our assumption is that Taylor will continue to reference neutral around 3% and Dhingra will still point to prolonged demand weakness. We expect Ramsden to remain concerned about the labour market still, but to keep options open. Breeden may say that she could still support insurance cuts as long as energy prices normalise soon.

Greene, Lombardelli and Pill won't discuss hikes in own view, and other than having even stronger phrasing, we don't expect them to change their stance meaningfully at this point.

We have very little conviction whether Governor Bailey will still state that he will “go into the coming meetings asking whether a cut is justified.” Presumably if he does it will be a more qualified statement contingent on stabilisation in the Middle East.

As described above in the vote split section, we also have little conviction surrounding external member Catherine Mann. She has often switched her vote around and also noted that when she voted for a 50bp cut last year that she was partly doing it as a communication strategy. We think her view could be anywhere from voting for a hike to being close to voting for a cut.

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.

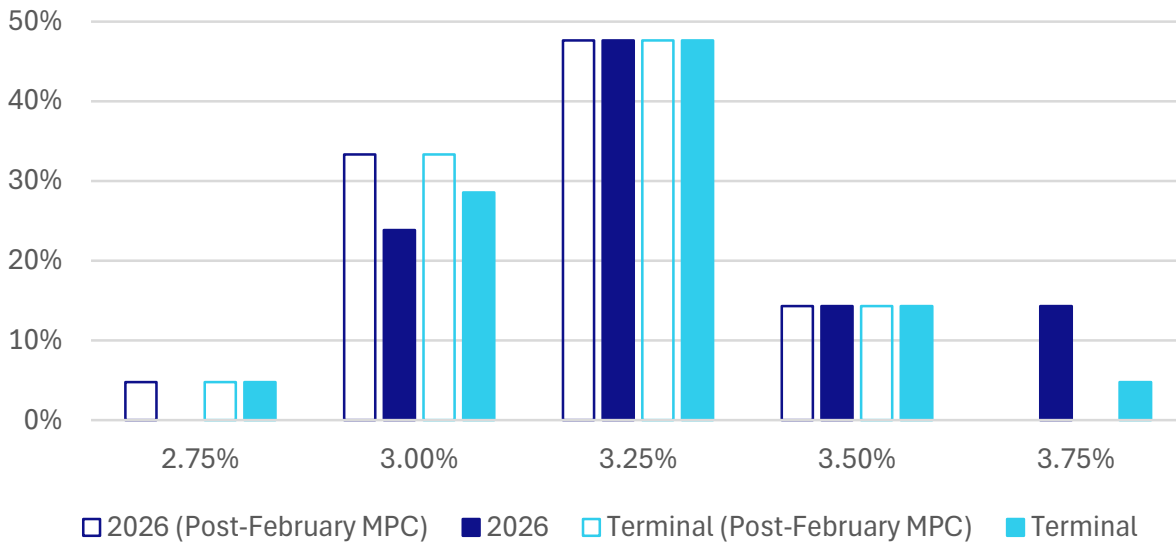
March Questions (for MNI Bullets / Chat)

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 again say “the risk from greater inflation persistence has continued to become less pronounced” in its guidance?
6. Did the MPC again say “On the basis of the current evidence, Bank Rate is likely to be reduced further ” in its guidance?
7. Did the MPC again say the “judgements around further policy easing will become a closer call”?
8. In the guidance, did the MPC say “risks of higher inflation have increased in light of recent events,” or similar?.
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. Did any members refer to considerations of a hike in their individual paragraphs?

Summary of Analyst Views

- All of the analyst previews we have read look for a March on hold decision.
- 15/18 (83%) of the sellside views that we have read that specific voting expectations look for 7-2 vote split (Taylor and Dhingra dissenting), TD Securities looks for 8-1 while NatWest Markets and Societe Generale both expect a 9-0 vote.
- Analysts are split over the timing of the next move: 9/20 (45% so just under half) expect April – although some of these have put their formal view under review. 5/20 (25%) June, 1/20 (5%) July, 2/20 (10%) Q4-26, 2/20 (10%) Q1-27 and Barclays looks for no more cuts in its base case through to the end of 2027.
- This compares to immediately following the February MPC meeting when 14/20 (70%) of the same analysts expected a March cut and the remaining 6/20 expecting an April cut.
- For end-2026, a cut to 3.25% is still favoured by 10/21 (48%) of analysts (which is unchanged from post-February MPC meeting). However the balance of risks has changed. Now 3/21 analysts expect no cuts in 2026, 3/21 expect a cut to 3.50% while 5/21 analysts expect 75bp of cuts this year to 3.00%. There is almost a similar number of analysts on each side of the modal expectation.
- Following the February MPC meeting, analyst views were skewed to the downside with 7/21 analysts looking for 3.00%, 1/21 for 2.75% but only 3/21 looking for 3.50% (as noted above all analysts looked for a March/April cut following the February meeting).
- Mean analyst expectations for end-2026 have therefore risen from 3.18% to 3.30%.

Analyst Forecasts of End-Year Bank Rate



Summary of Analyst Views (Sorted by Hawkish to Dovish)



Institution	Post-February MPC	Latest	Vote split
Barclays	"We retain our baseline that March will be the final cut of this cycle, leaving Bank rate at 3.5%, but we acknowledge that the more dovish tone of this meeting's minutes and worse labour market forecast increase the risk that another cut beyond March is needed."	Base case for Bank Rate on hold through 2026 and 2027. Guidance "likely to be very cautious about any further moves in Bank Rate." Expect phrase "Bank Rate is likely to be reduced further" to be dropped with emphasis on the inflation outlook instead.	
JP Morgan	Meeting "support our existing non-consensus call for a March cut. But... both March and April are in play for the next cut. The incoming data will still have significant sway in determining which meeting." "Final follow-up cut in June, subject to clear wage and CPI improvements in the April data."	Possible unanimous vote for hold. Expect "on the basis of the current evidence, Bank Rate is likely to be reduced further" to be removed from the guidance but easing bias retained. Next cut Q1-27 with the base case Bank Rate on hold at 3.50% through the remainder of 2027.	7-2
Rabobank	"Markets have moved significantly closer to our view of two rate cuts in March and June. We stress that timing remains more of a data-dependent than a conviction call." "We also forecast a final cut to 3.25% in June." "If the labour market continues to weaken, we'll include more cuts in our forecast."	"Remove the rate cuts from our 2026 forecast. If the energy market stabilises earlier than we expect, we will re-evaluate." Rabobank pencils in 25bp cuts in February 2027 and April 2027 to a terminal 3.25%.	
TD Securities	"Four dissents and the balanced wavering of Bailey and Mann at this meeting continue to anchor us on a final March cut... we see the likelihood of at least one of these members deciding that there is enough evidence to deliver a cut. Ultimately, this will depend almost entirely on January's inflation numbers."	Bank Rate "likely to be reduced further" removed as well as sentences on risks from greater inflation persistence becoming less pronounced. Base case is now for a final 25bp cut in Q4-26 to terminal 3.50%.	8-1
Daiwa	"It is certainly not a done deal, we have brought forward our... next 25bps cut... to March... Continue to expect one further rate cut to 3.50% before the autumn. And we still certainly do not rule out the possibility of a further cut to reach a terminal Bank Rate of 3.0% by year-end."	Expect on hold. "Given the elevated inflation profile, we now expect no rate cut from the BoE before November at the earliest."	
Goldman Sachs	"We believe the MPC will gradually cut Bank Rate to a neutral level, which we estimate at around 3% in nominal terms. We therefore maintain our forecast for two further cuts in June and September, although the exact timing will depend on the data."	"We think that the guidance will indicate that some further policy easing remains likely if energy prices fall back. We expect that Bailey will convey a similar message in his individual paragraph." Cuts in Jul26, Nov26 and Feb27 to terminal 3.00% with risks of delays but a high hurdle to hikes.	7-2
Deutsche	"We stick to our call for the next Bank Rate cut to come in March and a final rate cut to come in June taking Bank Rate to 3.25% – broadly consistent with our estimates of neutral. Risks are still skewed to slower pace of rate cuts. But we remain confident that Bank Rate will be cut twice this year."	Risk of 6-3 vote. "Expect the MPC to cut Bank Rate in June and November, leaving our terminal rate expectations unchanged at 3.25%. The timing of any rate cuts, however, remains highly uncertain... Risks to our call are tilting one way at this stage: to one or no further rate cuts this year."	7-2
Bank of America	"Dovish vote, pay settlements lower than 3.5% and dovish forecasts keep us comfortable with our base case of the next cut in March and... [June] to 3.25%... risks of a delay/slower pace haven't gone away... now feel more confident about our call that the BoE is likely to cut twice this year."	Risk of 6-3 vote. "Expect the BoE to keep its easing bias in the March minutes but make it conditional on a relatively quick reversal of energy price moves as well as easing inflation pressures." Assuming energy prices reverse in next couple of months, cuts in Jun26 and Sep26 (low conviction). "Could be a 7-2 vote for a hold, or even a 6-3. The exact split matters less than the split itself." Risk of unanimous on hold decision. "Now see the terminal rate for this cycle to be 3.25%, with cuts in June and September. This, however, relies on our base case—which is highly uncertain—to play out."	7-2
Citi	25bp cuts in Apr26, Jun26 and Sep26 to terminal 3.00%.	If Staight of Hormuz reopens by end of March (base case) "we think the BoE would resume easing with a 25bp cut in June and reach 3.00% by year-end. If energy prices stay high for six months, the BoE would probably delay the reduction until 2027."	
Berenberg	Expect "75bp reduction in bank rate this year... March, may be too soon for the next cut... inflation is likely to remain close to 2% from Q2 onwards. This will allow the BoE to shift its focus to stabilising employment with three more 25bp interest rate cuts."	"We think the market has gone too far – we see quarterly rate cuts resuming in June, assuming the Iran war does not last long."	7-2
UniCredit	"We still expect four rate cuts in total this year, including one at the next meeting on 19 March." Reflects judgement that neutral is around 2.75%. "We see the risks as skewed towards more rate cuts, given that the deterioration of the labour market may warrant a period of rates slightly below neutral."		
NatWest Markets	"Risks of a March cut have increased (~35% probability)... Political risks perhaps provide a clearer window for a Bank Rate reduction prior to the 7th May local elections and we stick with our forecast for one further 25bp cut to a terminal 3.5% in April." "The macroeconomic fundamentals around domestically-generated inflation and wage pressures caution against expecting more extensive monetary policy easing."	Risks of some dovish dissent (7-2, Dhingra & Taylor). "We will formally review our Bank Rate forecast (a final 25bp cut in April to 3.5% terminal) in the light of the March MPC Minutes and April MPR."	9-0
Danske	"Timing of the next rate cut is coming down to Governor Bailey... The timing will hinge on incoming data, and we expect the bar for cutting further has been raised as the Bank Rate has closed in on neutral levels. We continue to aim for the next rate cut in April and pencil in another one in November."	"The most likely outcome is probably that the more centrist leaning doves, Breeden and Ramsden, flip their votes to hold for now." Stick to forecast of Apr26 and Nov26 cuts to 3.25% terminal. "We also appreciate that the risk is, the final path of the cutting cycle will drag out."	7-2
Morgan Stanley	"The BoE's framework is shifting, as there is more confidence that the economy is leaving the recent period of supply-side shocks with its inflationary process largely intact. We continue to look for cuts in March, July and November."	80% probability guidance presented as a choice between cut and hold. 20% probability the guidance entertains the change of a hike. Base case for cuts in Apr26, Nov26 and Feb27 to terminal 3.00%. If oil and gas disruptions still dominate by April meeting "struggle to see" any cuts this year.	7-2
ING	"Our base case is unchanged. We expect cuts in March and June, taking rates down to 3.25%." Today's meeting "unquestionably boosts the chances of a March rate cut, which is a bit of a surprise."	"Next move in rates is more likely down than up. If by the time of the April meeting, energy prices have fallen... then we think there's a chance the Bank could still cut rates at that point." "In a scenario where the disruption lasts longer... we could still see further easing later in the Autumn/into winter."	7-2
RBC	"The hurdle for a cut in March is lower now... the benign results of the Agents pay survey, the potential for two MPC members to switch their vote... we pull forward our expectation for the MPC to deliver the next cut in Bank Rate" in March. Leave final cut to "the August MPR meeting."	"For the moment we push back our expectation of the next BoE rate cut to the April MPR meeting and retain our call for a second rate cut in July. However, we are keeping that under review and the risks are tilted toward the MPC delivering less easing than we currently envisage."	7-2
Nomura	There is a growing sense that the MPC will need to cut not only more quickly but more than we had been expecting." Brought forward next cut to Mar26 and added Jun26. "Terminal rate to 3.25%... which we see as broadly in the middle of our view of a 3.00-3.50% neutral range."	"While guidance can probably be broadly retained... expect some additional language talking about the rise in energy prices." Cuts in Apr26 and Jul26 "would likely require a fall in oil and gas prices."	7-2
UBS	"The outcome of the meeting... reinforce the call for a cut in March, in our view. We then expect the MPC to cut once more on 18 June to a 3.25% terminal rate" "As before, we see the risks to our terminal rate forecast as skewed to the downside; i.e. the Bank cutting to below 3.25%."	Taylor and Dhingra could vote for a cut. "For now we maintain our call of two more rate cuts this year, but push them out to April and July, instead of March and June" but see "significant risks to our baseline."	
Jefferies	"We now expect the first cut of the year in March, earlier than our previous call for April, followed by a deeper easing cycle through 2026. Our baseline remains that Bank Rate will fall to 3% this year."	"In our base case, we continue to expect the Bank of England's rate cutting cycle to bottom out at 3%."	7-2
Société Générale	"The larger accumulation of data by April, coupled with April being a forecast round, leads us to maintain our call for an April cut. That said, we agree March is 50-50." Then "expect the MPC to cut rates at a quarterly pace (April, July, and November)."	"The easing bias is likely to be dropped. Guidance may resemble the ECB's recent communication that rates are in a "good place" to respond." "we still expect the MPC to deliver 75bp of easing, conditional on our energy assumptions turning out correctly, but the timing of those cuts is uncertain."	9-0
HSBC	"While there remain upside risks, we continue to see three more cuts from here, in April, July and November."	7-2 vote but "A 6-3 or 5-4 vote might serve the purpose of suggesting to the market that it has gone a little far in pricing out cuts, if that is indeed the Committee's view. But for now, we think it might prefer to wait and see." "Big questions... upside risks" to 3.00% year-end forecast.	7-2

Source: Analyst Reviews and MNI

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

Analysts' Key Comments (A-Z)

Bank of America

- Vote split: "Expect a 7-2 vote for a hold in March, with Taylor and Dhingra voting for a 25bps cut. Risks are for 6-3 with Ramsden voting for a cut given the weak labour market, but we think the energy price spike is likely to prompt him to vote for a hold. We don't expect Breeden to vote for a cut, given her vote to cut in February was a finely balanced decision."
- Guidance: "Expect the BoE to keep its easing bias in the March minutes but make it conditional on a relatively quick reversal of energy price moves as well as easing inflation pressures. We expect the BoE to keep the statement "The extent and timing of further easing in monetary policy will depend on the evolution of the outlook for inflation" and "If inflationary pressures continue to ease, Bank Rate is likely to be reduced further." Having said that it is likely to add that uncertainty has increased on the path of inflation and Bank Rate given recent geopolitical events."
- Future policy: "Assuming energy price moves reverse in the next couple of months and we don't get a protracted conflict, we expect two cuts in June and September (vs March/June before)."
- "We could see an earlier cut in April if energy price moves reverse by then, but risks are for further delays and lesser number of cuts this year if the conflict is prolonged... If the moves are sustained for much longer or become larger with the conflict continuing into Q2, it can add to doubts on whether the BoE can cut twice this year with one cut potentially more likely. But it may mean cuts next year given the deteriorated growth outlook in the medium term... an extended hold/hike may be followed by deeper cuts in 2027 once the energy price moves stabilize as the BoE would have to contend with medium term growth and labour market implications of this real income shock."

Barclays

- "We change our call for the Bank of England and now expect it to hold Bank Rate at 3.75% as the war in the Middle East continues."
- Guidance: "Likely to be very cautious about any further moves in Bank Rate. We still expect the phrase "on the basis of current evidence, Bank Rate is likely to be reduced further" to be dropped from the text, and the MPC members to emphasise that the inflation outlook is paramount for the path of monetary policy."
- Future policy: Base case for no cuts through 2026 or 2027

Berenberg

- "The BoE will likely remain on hold until energy prices drop back, or it becomes clear soft demand will ensure underlying price pressures continue to ease. In our base case of a short-lived closure of the Strait of Hormuz, we think the BoE would resume easing with a 25bp cut in June and reach 3.00% by year-end. If energy prices stay high for six months, the BoE would probably delay the reduction until 2027."

BMO

- Vote split: 7-2
- Guidance: Message will “will try to be as dovish as possible while balancing growth downside vs upside inflation expectations.”

BNP Paribas

- Vote split: 7-2 with Taylor and Dhingra for 25bp cut. “We see some risk of Sir Dave Ramsden also voting for a rate cut due to ongoing concern about domestic demand.”
- Guidance: “We expect the MPC to retain wording that the “restrictiveness of policy has fallen back” and that “judgements around further policy easing will become a closer call”. However, we see scope for the MPC to remove the following sentence: “On the basis of the current evidence, Bank Rate is likely to be reduced further”.”
- Future policy: “Our Bank Rate profile is under review.”
- BNP outline three scenarios: one in which there is a cut in April before rate cuts resume in early 2027 to a terminal 3.00%. A second is on hold throughout 2026 before rate cuts to a terminal 3.00% in 2027. A third is on hold through 2026 and 2027.
- “The energy price shock would need to be accompanied by at least one of the following for rate hikes to be delivered: disanchoring in inflation expectations (Figure 9); no further cooling in the labour market; or meaningful fiscal support to mitigate the demand shock.”

Citi

- Vote split: “Could be a 7–2 vote for a hold, or even a 6–3. The exact split matters less than the split itself.” Risk of unanimous on hold decision.
- Future policy: “Remove our forecast for a cut in April on the back of the energy shock and now see the terminal rate for this cycle to be 3.25%, with cuts in June and September. This, however, relies on our base case—which is highly uncertain—to play out.”

Daiwa

- Expect on hold.
- Future policy: “Given the elevated inflation profile, we now expect no rate cut from the BoE before November at the earliest.”

Danske Bank

- Vote split: Expect 7-2 hold: “The most likely outcome is probably that the more centrist leaning doves, Breeden and Ramsden, flip their votes to hold for now.”
- Future policy: “We stick to our expectation of an April rate cut followed by a final one in November, leaving the Bank Rate at 3.25%. We also appreciate that the risk is, the final path of the cutting cycle will drag out.”

Deutsche Bank

- Vote split: 7-2 (Dhingra and Taylor prefer 25bp cut). Risk of 6-3 “with either Deputy Governor Ramsden or Deputy Governor Breeden holding onto their call for an imminent rate cut, given increasing downside risks to the economic outlook. In short, we see risks to our expected vote tally skewed in a slightly more dovish direction.”
- “We expect the MPC’s message to be threefold... First, uncertainty around the inflation outlook has increased dramatically... Second, this is not 2022... Third, the MPC may need to approach further rate cuts with caution.”
- Guidance: “Envision something like: “Monetary policy remains restrictive. The Committee will determine the appropriate path for Bank Rate in light of the evolving outlook and incoming data and does not pre-commit to any particular policy path. The timing of any further reductions is more uncertain given the evolving inflation outlook as a result of the Middle East conflict. In this context, the MPC will continue to weigh the risks between inflation and the outlook for demand and employment, particularly given recent indicators of weakening labour market conditions and softening economic activity, noting the potential for higher commodity prices to exacerbate these trade-offs by simultaneously increasing inflationary pressures and dampening economic growth.”
- Future policy: “Expect the MPC to cut Bank Rate in June and November, leaving our terminal rate expectations unchanged at 3.25%. The timing of any rate cuts, however, remains highly uncertain... Risks to our call are tilting one way at this stage: to one or no further rate cuts this year.”
- Why June? “The much-anticipated April drop in services momentum won't be released until May, and we think this will bear more importance than before for the MPC to contemplate further rate cuts.”
- “Why November for the next rate cut? Our judgement for some time has been that the median voter's estimate of nominal neutral errs closer to 3.25%. Therefore, the next and likely final rate cut – in our view – will be symbolically important. In delivering such a cut, the MPC will want to see evidence that rising inflation expectations aren't translating to second-round effects and higher wage settlements. We won't have much information on both until Q4-26.”

Goldman Sachs

- Vote split: 7-2
- Guidance: “We think that the guidance will indicate that some further policy easing remains likely if energy prices fall back. We expect that Bailey will convey a similar message in his individual paragraph.”
- Future policy: “See the next rate cut in July, followed by November and February to a terminal rate of 3%. We would expect the BoE to delay rate cuts further with additional upward pressure on energy prices but see a high hurdle for hikes.”

HSBC

- Vote split: 7-2 with “Swati Dhingra and Alan Taylor voting for 25bps cuts, but Dave Ramsden and Sarah Breeden changing their votes to hold (after voting for cuts in February). A 6-3 or 5-4 vote might serve the purpose of suggesting to the market that it has gone a little far in pricing out cuts, if that is indeed the Committee’s view. But for now, we think it might prefer to wait and see.”
- Future policy: “There are big questions for rates going forward, and upside risks to our end-year forecast of 3.00%”

ING

- Vote split: “The key question is the vote split; we expect 7-2 in favour of no change, but a greater number of officials voting for a cut would be a dovish surprise.”
- Future policy: “We still think the next move in rates is more likely down than up. If by the time of the April meeting, energy prices have fallen... then we think there’s a chance the Bank could still cut rates at that point. Such a scenario would point to headline inflation staying below 3%, which officials would be minded to “look through”.”
- “In a scenario where the disruption lasts longer, risking inflation closer to 4%, then the Bank will likely be more cautious... we could still see further easing later in the Autumn/into winter.”

Jefferies

- Vote split: 7-2
- Future policy: “In our base case, we continue to expect the Bank of England’s rate cutting cycle to bottom out at 3%.”

JP Morgan

- Vote split: “we look for a 7-2 split with Dhingra and Taylor still dissenting for lower rates... It is possible that the vote... is unanimous for unchanged rates... We think dissents for higher rates are unlikely at this stage.”
- Guidance: Expect “on the basis of the current evidence, Bank Rate is likely to be reduced further” to be removed from the guidance “lowering expectations for near-term rate cuts. But it will not want to drop its easing bias altogether.”
- “Think the BoE will acknowledge that rates are still restrictive at this week’s meeting, and retain a mild easing bias.”
- Future policy: “We assume the next cut will now not come until 1Q27. By that time, the BoE will be able to assess how another year of high inflation is interacting with wage setting for that year. A peak in inflation would also likely be in sight. We assume limited second-round effects via wages: the downward pull on pay from labour slack is assumed to outweigh the upward impact from higher inflation expectations.”
- JP Morgan’s base case then sees Bank Rate at 3.50% through the end of 2027.

Morgan Stanley

- Vote split: 7-2 with Taylor and Dhingra voting for a cut.
- “We think there is a risk of hikes mentioned in the voting paragraphs by Pill, Lombardelli and Greene”
- Guidance: “The phrasing could be as follows: “if the Committee judged that higher energy inflation could lead to second-round effects, policy would remain restrictive for as long as necessary to prevent this. However, if upside risks associated with energy prices were to subside, or if recent developments were to add to downside risks to medium-term inflation from weaker demand and a loosening labour market, policy restrictiveness would be reduced further.”
- “We place 80% probability on our [guidance] base case, and 20% probability on this alternative scenario that entertains a chance of a hike” [e.g. “a line around how “policy could be adjusted in either direction”]
- Future policy: Base case assumes “an improvement in the flow of oil and gas through the Strait of Hormuz in the coming weeks, we see the April meeting as akin to February 2025 – a near-term hump in inflation presented as a temporary uptick, alongside cautious messaging and an insurance cut. After April, given caution through the inflation hump, we would then see no cut before 4Q. Then, in November, we think the Bank could forecast a renewed decline in headline inflation, and cut again. We peg a final cut in February 2027.”
- “If by April, oil and gas disruptions still dominate the MPC's thinking, as opposed to the labour market slack and the likely fall in the underlying services inflation in the next 2 prints, then we struggle to see how the BoE cuts at all this year.”

NatWest Markets

- Vote split: 9-0 “with risks of some dovish dissent (7-2, Dhingra & Taylor).”
- Future policy: “We will formally review our Bank Rate forecast (a final 25bp cut in April to 3.5% terminal) in the light of the March MPC Minutes and April MPR.”

Nomura

- Vote split: “We forecast a 7-2 decision, with Ramsden and Breeden returning to the majority unchanged decision but Dhingra and Taylor continuing to vote for cuts.”
- Guidance: “While guidance can probably be broadly retained (rates “likely to be reduced further”, judgements becoming “a close call” and further cuts dependent on the inflation outlook), expect some additional language talking about the rise in energy prices. Moreover,”
- Future policy: “We have left our recently-adjusted view of rate cuts intact (April, July), but that would likely require a fall in oil and gas prices.”

Rabobank

- “Remove the rate cuts from our 2026 forecast. If the energy market stabilises earlier than we expect, we will re-evaluate.”
- “If tensions in the Middle East ease more quickly than we expect and energy prices do retreat, we will revisit our view and re-introduce rate cuts into the 2026 forecast, given our conviction that the UK labour market is weakening. But for now, the window for easing has closed.”
- Rabobank pencils in 25bp cuts in February 2027 and April 2027 to a terminal 3.25%.

RBC

- Vote split: “We pencil in a 7-2 vote in favour of a hold (serial dove Swati Dhingra and Prof Alan Taylor continuing to vote for a cut).”
- Future policy: “For the moment we push back our expectation of the next BoE rate cut to the April MPR meeting and retain our call for a second rate cut in July. However, we are keeping that under review and the risks are tilted toward the MPC delivering less easing than we currently envisage.”
- “At the moment we are still debating whether the MPC will be able to deliver further easing rather than whether it will be forced to raise rates.”

Santander

- Vote split: “expect a 7-2 vote split, with external doves Dhingra and Taylor backing a 25bp cut, but we warn that a cut from Breeden could narrow the split to 6-3.”
- Guidance: “expect forward guidance to remain deliberately vague, emphasising close monitoring of the Middle East conflict and vigilance of renewed second-round inflation effects.”

Societe Generale

- Vote split: Unanimous
- Guidance: “The easing bias is likely to be dropped. Guidance may resemble the ECB’s recent communication that rates are in a “good place” to respond.”
- Future policy: “Our base case is Brent falling back to \$70/bbl by 3Q25. Combined with economic slack limiting second round effects, this should allow the MPC to focus on softening growth and look through the temporary rise in inflation. Consequently, we still expect the MPC to deliver 75bp of easing, conditional on our energy assumptions turning out correctly, but the timing of those cuts is uncertain.”

TD Securities

- Vote split: “8-1, with one of Taylor or Dhingra dissenting on growth worries.”
- Guidance: “Expect “Bank Rate is likely to be reduced further” to be removed from the statement entirely, with a sentence along the lines of the MPC needing to see how energy prices, inflation, and inflation expectations evolve before deciding their next move. Implicitly, this language will open up the possibility of a rate hike to fight inflation.”
- “MPC is likely to remove the following sentence from its February decision: “the Committee judged that the risk from greater inflation persistence had continued to become less pronounced”. In its place are likely to be sentences flagging risks to rising inflation and inflation expectations.”
- Future policy: Base case for final 25bp cut in Q4-26 to terminal 3.50%.

UBS

- Vote split: “Alan Taylor and Swati Dhingra could still vote for a cut, given concerns about the weak labour market which could potentially be exacerbated by the energy shock.”
- Future policy: “for now we maintain our call of two more rate cuts this year, but push them out to April and July, instead of March and June. That said, we see significant risks to our baseline depending on the developments in the Middle East and implications for energy prices. In a scenario where energy prices remain elevated for a prolonged period of time, pushing inflation above the target over the coming quarters, we would not exclude further delays to interest rate cuts.”

UniCredit

- Vote split: 7-2 “with Swati Dhingra and Alan Taylor dissenting in favour of a 25bp cut.”
- Future policy: “We think the market has gone too far – we see quarterly rate cuts resuming in June, assuming the Iran war does not last long.”

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