

[21500001]



He reckons the current account deficit will narrow to only # 1.8 billion in September .
pron:x v:e-i-h q:i-h-h a:e-p n:_of:x-i n:_of:x-i _ v:e-i p:e-u-i _ n:_cur:x card:i-i-c card:i-i-c p:e-u-i moly:x-c _

[21500012]

However , Mr. Dillow said he believes that a reduction in raw material stockbuilding by industry could lead to a sharp drop in imports .
a:e-h _ n:x named:x-c v:_to:e-i-h-i pron:x v:e-i-h _ q:i-h-h n:_of:x-i p:e-u-i a:e-p n:x v:e-i-p p:e-u-i n:x v:_moda:e-h v:_to:e-i-p-i _ q:i-h-h a:e-p n:_of:x-i p:e-u-i n:_of:x-i _

[21500013]

Combined with at least some rebound in exports after August 's unexpected decline , the deficit could narrow to as little as # 1.3 billion .
v:_cause:e-i-p-h p:e-u-i x:e-u x:e-u q:_indiv:i-h-h n:x p:e-u-i n:_of:x-i p:e-u-i moly:x-c _ v:_e-u-p n:x _ q:i-h-h n:_of:x-i v:_moda:e-h v:e-i p:e-u-i _ litle-few_a:e-p _ n:_cur:x card:i-i-c card:i-i-c _

[21500014]

Mr. Briscoe , who also forecasts a # 1.3 billion current account gap , warns that even if the trade figures are bullish for sterling , the currency wo n't advance much because investors will want to see further evidence of the turnaround before adjusting positions .
n:x named:x-c _ _ a:e-h v:e-i-p q:i-h-h n:_cur:x card:i-i-c card:i-i-c a:e-p n:_of:x-i n:x v:e-i-h _ x:e-u x:e-h-h q:i-h-h n:_of:x-i n:x _ a:e-u p:e-u-i n:x _ q:i-h-h n:x _ neg:e-h v:e-i a:e-e x:e-h-h n:x _ v:e-i-h _ v:e-i-p a:e-i-i n:_of:x-i _ q:i-h-h n:x p:e-u-i v:_to:e-i-p n:_of:x _

[21500015]

Nevertheless , he noted , " No one will want to go into the trade figures without a flat position " in the pound .
a:e-h _ pron:x v:_to:e-i-h-i _ _ person:x person:x _ v:e-i-h _ v:e-i p:e-u-i q:i-h-h n:_of:x-i n:x p:e-u-i q:i-h-h a:e-p n:_of:x _ p:e-u-i q:i-h-h n:x _

[21500016]

Meanwhile , overall evidence on the economy remains fairly clouded .
p:e-i _ a:e-i n:_of:x-i p:e-u-i q:i-h-h n:x v:e-i-h a:e-e v:e-i-p _

[21500017]

In his Mansion House speech , Mr. Lawson warned that a further slowdown can be expected as the impact of the last rise in interest rates earlier this month takes effect .
p:e-u-i q:i-h-h named:x-c named_n:x-c n:x _ n:x named:x-c v:e-i-h _ q:i-h-h a:e-i-i n:x v:_moda:e-h _ v:e-i-p x:e-h-h q:i-h-h n:x p:e-x-i q:i-h-h a:e-p n:x p:e-u-i n_in:x-i n:_of:x-i time_n:x q:_demi:h-h n:x v:e-i-p-u n:x _

[21500018]

U.K. base rates are at their highest level in eight years .
named_n:x-c n:x n:_of:x-i _ p:e-u-i q:i-h-h a:e-i a:e-p p:e-u-i card:i-i-c n:x _

[21500019]

But consumer expenditure data released Friday do n't suggest that the U.K. economy is slowing that quickly .
ci:i-i n:_of:x-i n:_of:x-i n:x v:e-i-p dof:w-x-c _ neg:e-h v:_to:e-i-h-i _ q:i-h-h named_n:x-c n:x v:e-i-p x:e-u-u a:e-e _

[21500020]

The figures show that spending rose 0.1 % in the third quarter from the second quarter and was up 3.8 % from a year ago .
q:i-h-h n:x v:e-i-h _ v:e-i-p v:e-i card:i-i-c n:_of:x p:e-u-i q:i-h-h ord:i-i-c n_temp:x p:e-u-i q:i-h-h ord:i-i-c n_temp:x _ _ p:e-u-i card:i-i-c n:_of:x p:e-i-u card:i-i-c n:x p:e-i-u _

[21500021]

This compares with a 1.6 % rise in the second from the first quarter and a 5.4 % increase from the second quarter of 1988 .
x:x v:_with:e-i-i _ q:i-h-h card:i-i-c n:_of:x n:x p:e-u-i q:i-h-h n:x p:e-u-i q:i-h-h ord:i-i-c n_temp:x _ q:i-h-h card:i-i-c n:_of:x n:x p:e-u-i q:i-h-h n:x n:_of:x-i _ yofe:x-c _

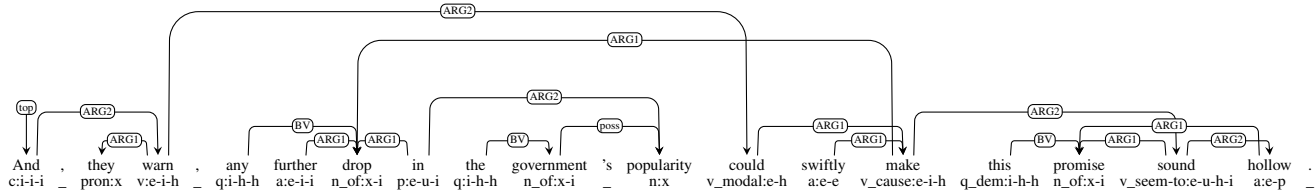
[21500023]

Certainly , the chancellor has made it clear that he is prepared to increase interest rates again if necessary to both ensure that a substantial slowdown does take place and that sterling does n't decline further .
a:e-h _ q:i-h-h n:_of:x-i _ v:_cause:e-i-h _ a:_of:e-h _ pron:x _ a:e-i-h _ v:_cause:e-i-p n_in:x-i n:_of:x-i a:e-e a:e-h a:e-h x:e-h-h a:e-e v:e-i-h _ q:i-h-h a:e-p n:x _ v:_of:i-e-i-i n_x _ _ n:x _ neg:e-h v:e-i-p a:e-e _

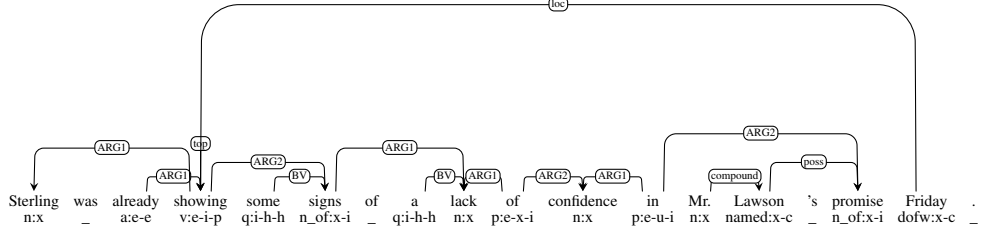
[21500025]

Analysts agree there is little holding sterling firm at the moment other than Mr. Lawson 's promise that rates will be pushed higher if necessary .
n:x v:_with:e-i-h-i _ v_there:e-i litle-few_a:e-p v:e-i-h n:x a:e-p p:e-u-i q:i-h-h n:x p:e-u-i p:e-u-i n:x named:x-c _ n:_of:x-h _ n:_of:x-i _ _ v:e-i-p a:e-i x:e-h-h a:_force-p-i _

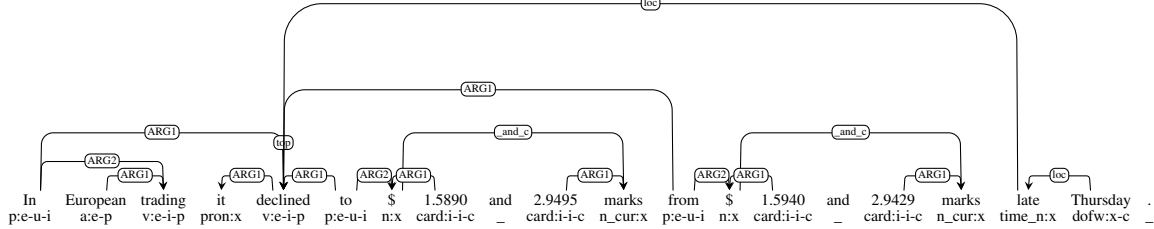
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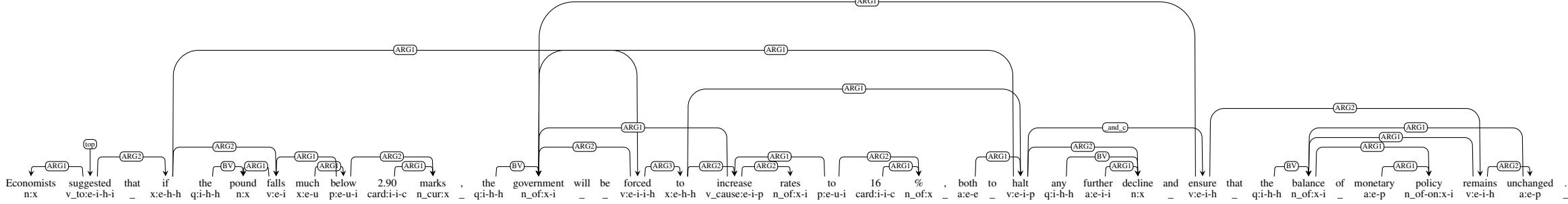
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[21500028]



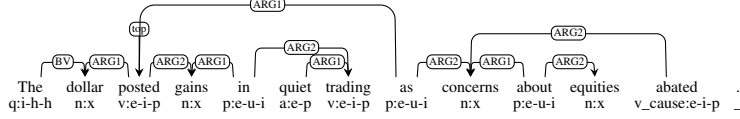
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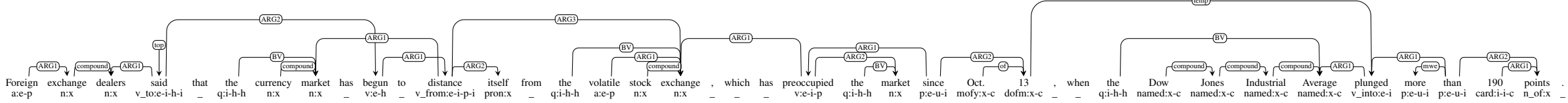
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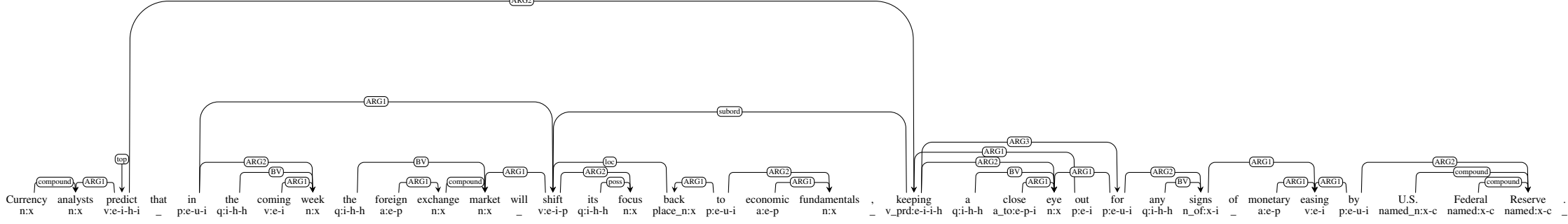
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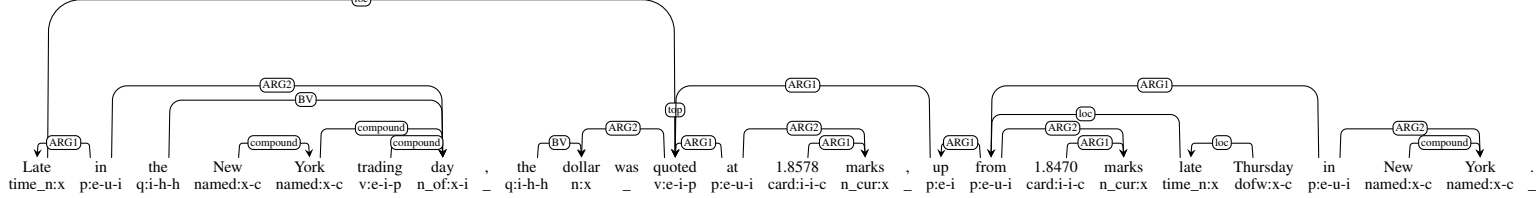
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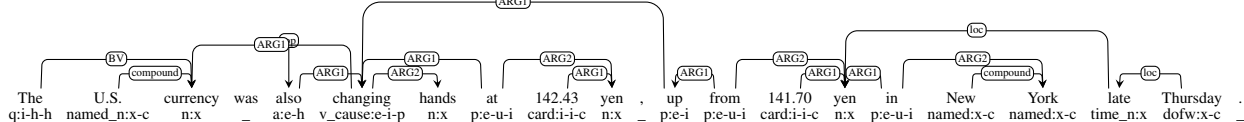
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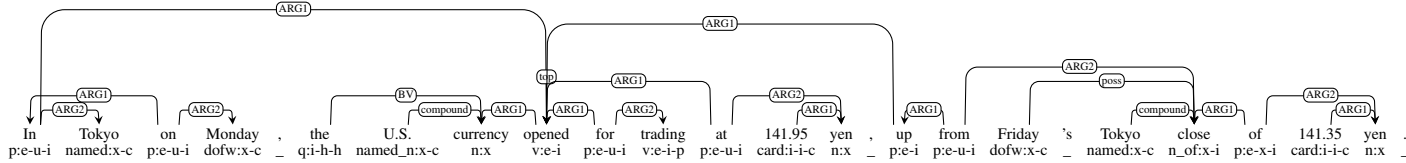
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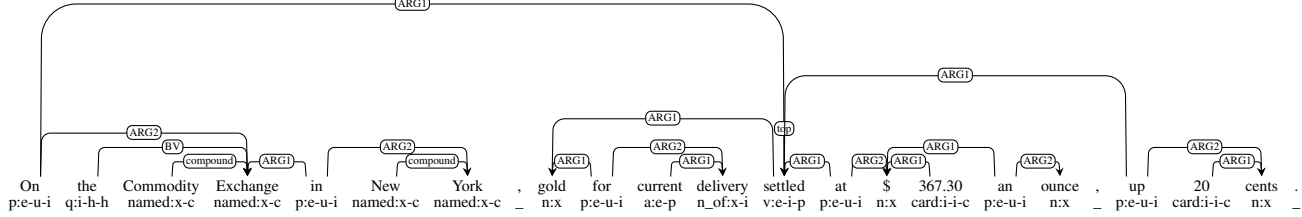
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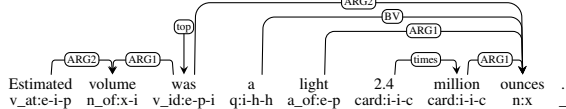
[21500036]



[21500037]



[21500038]



[21500039]

