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Quantitative easing needs an open mind for economy by David Hurley

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Bank of England policymaker Paul Fisher said that he was keeping an open mind as to whether more quantitative easing would be required because the outlook for the UKâ€™s economy was still incredibly uncertain. He also said that if anything he feels slightly more comfortable about the inflation outlook than the outlook for growth. Earlier this month, Fisher voted with the majority of the Bank of Englandâ€™s (BoE) Monetary Policy Committee to increase the size of the central bank's quantitative easing programme (QE) from 50 billion pounds to 325 billion pounds.

In the last three months of 2011, the economy of Britain has contracted by 0.2 percent, and the BoE has forecast a sluggish first half to 2012, followed by a sort of stronger growth. Last week the BoE has forecasted that by the end of the year, the inflation would fall from its current level of 3.6 percent to below its 2 percent target, and still be there in two years time. This was a higher inflation forecast than three months ago. This also made the economists to doubt whether the BoE will approve more QE once the current round of gilt purchases are complete in May.

Talking about February's policy meeting which released on Wednesday showed that two policymakers had voted for a 75 billion pound rise in QE, reinvigorating prospects for further QE. Fisher said that the bank had a "very firm" plan for reversing QE at some point but conceded that the plan could easily change. He said that it would be too early to tell whether the economy was growing during the first quarter of 2012. But as per our forecast which is for underlying growth this year is to be pretty flat, below trend, maybe averaging a small positive. It seems consistent with what we are seeing and hearing with the economy overall and it would be too early to tell whether the economy is growing during the first quarter of 2012. Hard hit by economical slowdown, need quick funds to settle your debts apply with 12 month loans @ http://www.12monthloansnofees.co.uk/12-month-loans.html and get the required cash with minimum hassle.

He added that at the moment he would have a completely open mind going into the next round whether or not we need to more quantitative easing programme or whether we could stop. The underlying position seems to be that the economy is flat to small-positive at the moment until the consumer gets going again.

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David Hurley is financial advisor and shares he best views on a 12 month loans no fees, a 12 month payday loans and a 12 month loans.

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