

1 **Q. Reference: Dr. Booth’s Evidence, Page 22, Lines 8-11**

2
3 **Please provide any evidence to support Dr. Booth’s assertion that interest rate**
4 **forecasts, such as those from Consensus Economics or Blue Chip Financial**
5 **Forecasts, have “been consistently wrong since the financial crisis”. In**
6 **particular, please focus your response on forecasts in 2017 and 2018.**

7
8 **A.** Interest rates are the price of money; they are determined by supply and demand
9 like everything else. The fact that money is available to A credits on lower rates
10 than in 2016 indicates a greater willingness to lend and increased supply. Either that
11 or reduced demand, which is not normally the case with a stronger economy.