



NOT FOR PUBLICATION UNTIL 09:30 ON 2 MAY 2006

Provisional estimates of narrow money (notes & coin and M0): April 2006

As announced in the article '*Publication of narrow money: the implications of money market reform*' in the Autumn 2005 Quarterly Bulletin (<http://www.bankofengland.co.uk/publications/quarterlybulletin/qb050304.pdf>), the Bank of England will cease publication of data on M0 and bankers' operational deposits following the implementation of reforms to the Bank's money market operations. The reforms will be launched on 18 May, so this release will cover only separate data for notes and coin in circulation and for banks' and building societies' reserves from May 2006 onwards.

Provisional figures for April indicate that, seasonally adjusted, notes and coin in circulation were on average 0.5% higher than in March. The twelve-month growth rate rose to 5.4%, from 5.2% in March.

Total M0 (including banks' operational deposits as well as notes and coin) increased by 0.8%, seasonally adjusted, in April. The twelve-month growth rate rose to 7.5%, from 6.7% in March.

Table A: Notes & Coin and M0 ^(a)
 Seasonally adjusted

		Notes & coin ^(b)				Banks' operational deposits ^(c)			M0		
		Average amount outstanding		Growth rates		Average amount outstanding		Average amount outstanding		Growth rates	
		£ millions	Change £ millions	Per cent	1m	12m	£ millions	Change £ millions	£ millions	Change £ millions	Per cent
2006	Jan	44 090	878	2.0	4.0	1183	121	45 273	1 000	2.3	6.6
	Feb	44 442	352	0.8	4.5	808	-375	45 250	- 23	-0.1	6.2
	Mar	44 730	289	0.6	5.2	769	-39	45 500	250	0.6	6.7
	Apr	44 945	215	0.5	5.4	928	159	45 874	374	0.8	7.5

(a) Data in **bold italics** are where the current estimate of the change differs by more than 0.2 per cent of the underlying level or the growth rate (or amount outstanding) differs by 0.2 percentage points (per cent) or more from the most recent published estimate. Further details on revisions are available separately. There are no revisions above the thresholds on this occasion.

(b) An adjusted version of notes and coin is available. See Notes to Editors 2.

(c) This series has not been seasonally adjusted as, after examination, it was found not to be significantly seasonal.

Chart 1: Growth rates of notes and coin

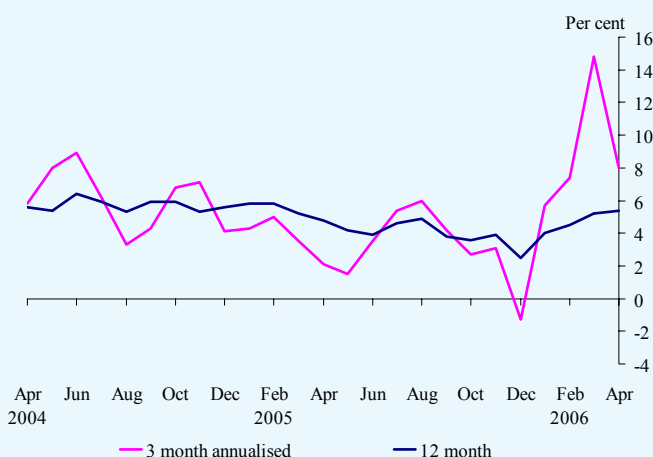
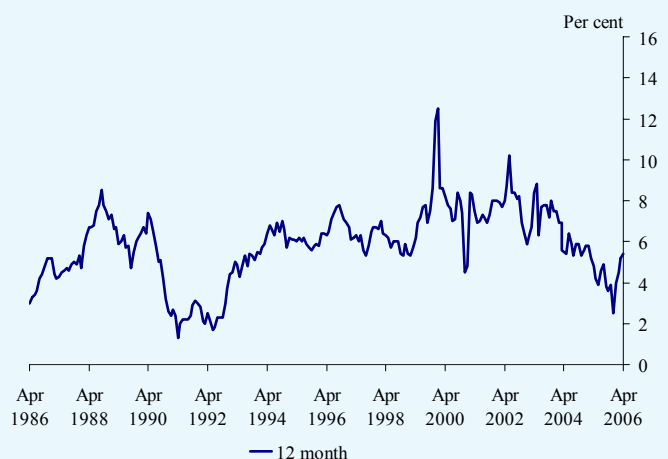


Chart 2: Growth rate of notes and coin long run



Notes to Editors

- 1 M0 comprises notes and coin in circulation outside the Bank of England (including those held in banks' and building societies' tills), plus banks' operational deposits with the Bank of England. Further information on M0, notes and coin and calculations of growth rates can be found in Bank of England *Monetary and Financial Statistics*, or via the following links:
www.bankofengland.co.uk/mfsd/iadb/notesiadb/m0.htm
www.bankofengland.co.uk/mfsd/iadb/notesiadb/growth_rates.htm
- 2 An adjusted version of notes and coin is also available on the Bank's Statistical Interactive Database, see note 3. This series excludes Bank estimates of the effects of specific non-seasonal events on the level of notes and coin in circulation. To date, the series has been adjusted for the effects of: the £1 note write-off in 1998; the funding of the winter fuel payments; the turn of the millennium; the fuel dispute of 2000; and the threatened strike action affecting note distributors in 2003.
The relevant codes are:

LPMB8H4	(Amounts outstanding)
LPMB8H5	(Changes)
LPMB7H5	(1 month growth rate)
LPMB7H7	(3 month annualised growth rate)
LPMB7H9	(6 month annualised growth rate)
LPMB8H3	(12 month growth rate)
- 3 The Statistical Interactive Database provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats. This database can be accessed at www.bankofengland.co.uk/mfsd/iadb. The tables shown separately illustrate the codes for each series which can be used for downloading long runs from the database.