



BANK OF ENGLAND

News release

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Bank of England Quarterly Bulletin – Winter 2005

The Winter issue of the Bank of England Quarterly Bulletin is published today. It contains the following articles and reports:

- Foreword, by Charles Bean, Chief Economist and Executive Director of Monetary Policy, Bank of England. In his Foreword, attached to this News Release, Mr Bean provides a brief commentary on the Winter issue of the Bulletin.
- Markets and operations. This regular quarterly commentary discusses recent developments in sterling markets, UK market structure and the Bank's official operations. The article includes a box on the history of the commercial bill market.
- Introducing the Agents' scores. The Agents' scores – which are numerical measures of the intelligence gathered by the Bank's twelve regional Agents – have been used internally at the Bank since the mid-1990s. From January 2006, the Bank intends to publish the scores on its website. As the article discusses, the scores are no substitute for Office for National Statistics (ONS) data, but they have a number of characteristics, such as timeliness, which make them a useful additional resource for the Bank's Monetary Policy Committee (MPC).
- Do financial markets react to Bank of England communication? Clear communication by central banks plays an important role in explaining interest rate decisions and anchoring inflation expectations. This article examines reactions in financial markets to a wide range of Bank communications.
- Financial stability, monetary stability and public policy. This article reviews recent literature on the interplay between financial and monetary stability, and highlights areas that merit further research.
- Share prices and the value of workers. Traditionally, a company's share price is assumed to be independent of the value of its employees. This article sets out an alternative approach which links share prices to investment and hiring behaviour.

- Stabilising short-term interest rates. This article describes how the Bank's new arrangements for implementing the MPC's interest rate decisions should tie market interest rates more closely to the Bank's official rate.
- Summaries of recent Bank of England working papers and speeches.

Note to Editors

Copies of the Quarterly Bulletin are available from the Publications Group, Bank of England, Threadneedle Street, EC2R 8AH (Tel: 020 7601 4030; fax 020 7601 3298) or from the Quarterly Bulletin pages.