



BANK OF ENGLAND

News release

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Bank of England Quarterly Bulletin - Spring 2006

The Spring 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, which is attached to this News Release, Mr Bean provides a brief commentary on the Spring issue of the Bulletin.
- Markets and operations. This regular quarterly commentary discusses recent developments in sterling and global financial markets.
- The distribution of assets, income and liabilities across UK households: results from the 2005 NMG Research survey. The financial position of households is an important influence on consumer spending. The Bank commissioned a survey asking households a range of questions about their assets, debts and income - the third on this issue in recent years. This article presents the key findings from the survey.
- New information from inflation swaps and index-linked bonds. For some time, the Bank has used index-linked financial instruments to derive market-based measures of inflation expectations and real interest rates. But trading in inflation swaps and index-linked bonds has increased rapidly in recent years. There now exists an increasingly liquid global market for such instruments. As the article describes, this facilitates analysis of inflation expectations and real interest rates across countries.
- Understanding the term structure of swap spreads. Market expectations of the future path of interest rates can be derived from both government bond and swap yield curves. But, at times, these can provide different signals about market views. This article investigates the factors that contribute to the gap between government bond rates and swap rates at different maturities.
- The forward market for oil. This article explores the working of the forward market for oil and considers why producers have not been hedging more of their future oil production.

- The information content of aggregate data on financial futures positions. This article examines the empirical link between speculative financial futures positions and movements in asset prices.
- 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.

Key Resources

Foreword

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/quarterlybulletin/foreword0601.pdf>