

CONFIDENTIAL

Prime Minister

No sign yet of deceleration  
in MO growth. Recent numbers

MAMC: C9

FROM: MS J E C HEALEY (MG2) my wife  
DATE: 3 MAY 1990 reflect continued  
EXT: 4604 buoyancy of retail sales.

BHP

3/5

1. MR GRICE
2. ECONOMIC SECRETARY

- cc
- PS/Chancellor
  - PS/Financial Secretary
  - PS/Paymaster General
  - Sir P Middleton
  - Sir T Burns
  - Mr Wicks
  - Mr Scholar
  - Mr Peretz
  - Mr Riley
  - Mr Sedgwick
  - Mr Owen (EA2)
  - Mr O'Donnell
  - Mr McIntyre
  - Mr Brooks o/r
  - Ms Simpson
  - Mr Pike
  - Mrs Williams

Coming after the sharp rise  
in notes and coin in April,  
this week's further significant  
increase in notes and coin has  
to be regarded as disappointing.

JWG

3.5.90

Mr Gray - No 10

**MO FIGURES**

The latest weekly figures, covering the first week in May, are attached. In the latest four week period, MO was 7.3 per cent higher than a year earlier in seasonally adjusted terms (and 8.7 per cent higher before seasonal adjustment). Notes and coin increased by 7.4 per cent over the same period after seasonal adjustment (8.8 per cent nsa).

2. The annualised six month growth rate of notes and coin was 6.5 per cent in the latest four week period compared to 6.8 per cent in April.

*Juliette Healey*  
JULIETTE HEALEY

TABLE 17

CONFIDENTIAL (Until Publication)

## M0 : THE WIDE MONETARY BASE

Monthly data	Level £ million (Change in brackets)					% change on previous month		3 month % growth annualised		6 month % growth annualised		Percentage change on previous year					
	Notes and Coin		Bankers' Deposits	M0		Notes & Coin (sa)	M0 (sa)	Notes & Co (sa)	M0 (sa)	Notes & Co (sa)	M0 (sa)	Notes and Coin		M0 (nsa)	M0 (sa)		
	(nsa)	(sa)		(nsa)	(sa)							(nsa)	(sa)				
1989 April	16630	16778	( 44 )	194	16824	16972	( 119 )	0.3	0.7	1.3	2.2	2.6	2.6	5.3	6.1	5.0	5.8
May	16922	16944	( 166 )	166	17088	17110	( 138 )	1.0	0.8	7.0	7.3	3.9	3.9	6.6	6.3	6.5	6.2
June	17003	17062	( 118 )	136	17139	17198	( 88 )	0.7	0.5	8.1	8.4	4.3	3.8	5.8	6.2	5.5	5.9
July	17339	17149	( 87 )	120	17459	17269	( 71 )	0.5	0.4	9.1	7.2	5.2	4.7	5.7	5.7	5.2	5.2
August	17558	17329	( 180 )	196	17754	17525	( 256 )	1.1	1.5	9.4	10.0	8.2	8.7	5.9	5.9	6.1	6.1
September	17416	17361	( 32 )	139	17555	17500	( -25 )	0.2	-0.1	7.2	7.2	7.6	7.8	4.7	4.7	4.5	4.5
October	17412	17473	( 112 )	160	17572	17633	( 133 )	0.6	0.8	7.8	8.7	8.4	7.9	5.5	5.5	5.3	5.2
November	17552	17581	( 108 )	167	17719	17748	( 115 )	0.6	0.6	5.9	5.1	7.6	7.5	5.7	5.8	5.6	5.7
December	18871	17714	( 133 )	186	19057	17900	( 152 )	0.8	0.9	8.5	9.5	7.8	8.3	5.6	6.0	5.6	6.0
January	17739	17777	( 63 )	76	17815	17853	( -47 )	0.3	-0.3	7.2	5.1	7.5	6.9	6.1	6.3	5.6	5.8
February	17429	17749	( -28 )	141	17570	17890	( 37 )	-0.2	0.2	3.9	3.2	4.9	4.2	6.6	6.5	6.4	6.4
1990 March	17526	17800	( 51 )	125	17650	17925	( 35 )	0.3	0.2	1.9	0.5	5.1	4.9	5.0	6.4	5.0	6.3
April	18091	17995	( 195 )	224	18315	18219	( 294 )	1.1	1.7	5.0	8.5	6.1	6.8	8.8	7.2	8.8	7.3
May (1/4)	17998	18088	( 93 )	140	18138	18228	( 9 )	0.5	0.0	7.9	7.8	5.9	5.5	6.4	6.8	6.1	6.5
Latest 4 weeks @	18157	18055	( 234 )	205	18362	18260	( 301 )	1.3	1.7	7.1	10	6.4	6.5	8.8	7.4	8.7	7.3

  

Weekly data	Level £ million (Change in brackets)					Percentage change on previous week		Percentage change on previous year			
	Notes and Coin		Bankers' Deposits	M0		M0 (sa)	M0 (sa)	Notes and Coin		M0 (nsa)	M0 (sa)
	(u/a)	(s/a)		(s/a)	(sa)			(nsa)	(sa)		
1990 March											
7th	17474	17762	( 4 )	166	17928	( -8 )	0.0	6.3	6.3	6.3	6.3
14th	17489	17774	( 12 )	114	17888	( -40 )	-0.2	5.9	6.3	5.5	5.9
21st	17534	17811	( 37 )	191	18002	( 114 )	0.6	3.1	6.2	4.1	7.2
28th	17605	17853	( 42 )	28	17881	( -121 )	-0.7	2.9	6.3	2.1	5.4
April											
4th	17736	17847	( -6 )	216	18063	( 182 )	1.0	6.2	6.5	6.2	6.5
11th	18328	18029	( 182 )	96	18125	( 62 )	0.3	10.5	7.5	10.1	7.1
18th	18404	18081	( 52 )	298	18379	( 254 )	1.4	11.2	7.8	11.2	7.9
25th	17896	18021	( -60 )	287	18308	( -71 )	-0.4	7.2	7.2	8.0	7.9
May											
2nd	17998	18088	( 67 )	140	18228	( -80 )	-0.4	6.2	7.0	5.7	6.4

@@ The figures have been corrected for the write-off of £51 million of notes on 1 June 1989 under the terms of the 1983 Currency Act.



