8/8/2008 6:05

The Morning Email: Central Banks

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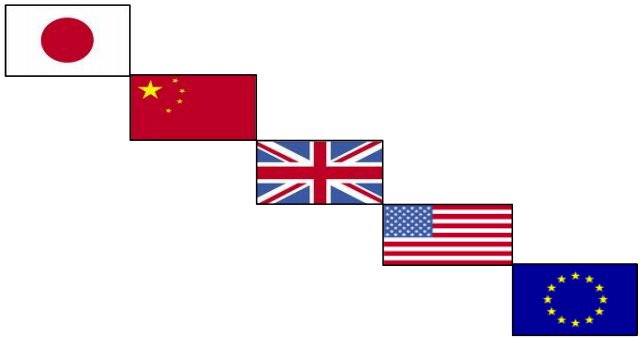

Recent Updates

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2, 3	8/5/2008

If you see orange on any page, then, it was updated in the last day or two or it's a new item to the email.

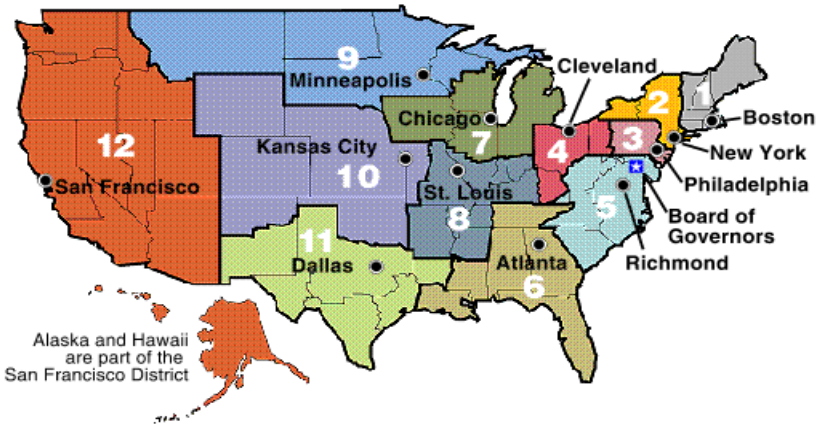
Want something added? Let me know: jgoulding@ghco.com

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

The FOMC: Dates and Places

Meeting Dates for 2008

January	February	March	April	May	June
29/30		18	29/30		24/25
July	August	September	October	November	December
	5	16	28/29		16



The term "monetary policy" refers to the actions undertaken by a central bank, such as the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Federal Reserve Act of 1913 gave the Federal Reserve responsibility for setting monetary policy.

The Federal Reserve controls the three tools of monetary policy--open market operations, the discount rate, and reserve requirements.
-Source: FR

The FOMC: People

Born ^	2008 Voting Members	Policy Inclination	Term Expires	Took Office	Comment
Dec-1953	Ben S. Bernanke, Chairman, Board of Governors	Moderate/Dove	1/31/2020	2/1/2006	
Nov-1942	Donald L. Kohn, Vice Chairman Board of Governors	Moderate/Hawk	1/31/2016	8/5/2002	
Jul-1952	Elizabeth Duke, Board of Governors	No bias yet	1/31/2012	8/5/2008	
Jun-1962	Randall S. Kroszner, Board of Governors	Moderate/Dove	1/31/2008	3/1/2006	
Jan-1951	Frederic S. Mishkin, Board of Governors	Moderate/Dove	1/31/2014	9/5/2006	Steps downAug 31st, 2008
Apr-1970	Kevin M. Warsh, Board of Governors	Moderate/Hawk	1/31/2018	2/24/2006	
08/18/1961	Timothy F. Geithner, New York	Moderate			
09/19/1948	Charles I. Plosser, Philadelphia	Moderate/Hawk		8/1/2006	
1949 ??	Richard W. Fisher, Dallas	Moderate/Hawk		4/4/2005	
11/03/1944	Gary Stern, Minneapolis	Hawk/Moderate		3/16/1985	
08/04/1954	Sandra Pianalto, Cleveland	Moderate		2/1/2003	

Born ^	2008 Alternate Members (Voters in 2009)	Policy Inclination	Took Office	Comment
09/27/1955	Jeffrey M. Lacker, Richmond	Moderate/Hawk	8/1/2004	
02/01/1947	Dennis P. Lockhart, Atlanta	Moderate/Hawk	3/1/2007	
8/13/1946	Janet L. Yellen, San Francisco	Moderate/Dove	6/14/2004	
01/15/1958	Charles L. Evans, Chicago	Moderate	9/1/2007	

Born ^	2009 Alternate Members	Policy Inclination	Took Office	Comment
06/06/1946	Thomas M. Hoenig, Kansas City	Moderate	10/1/1991	
1960 or 1961	Dr. James B. Bullard, St. Louis	Moderate/Dove	4/1/2008	
06/03/1957	Eric Rosengren, Boston	Moderate/Dove	7/23/2007	

	Rotation 2008	Rotation 2009	
Members	New York	New York	Committee membership changes at the first regularly scheduled meeting of the year.
	Cleveland	Chicago	
	Philadelphia	Richmond	
	Dallas	Atlanta	
	Minneapolis	San Francisco	
Alternate Members	New York†	New York†	
	Chicago	Cleveland	
	Richmond	Boston	
	Atlanta	St. Louis	
	San Francisco	Kansas City	

Notes

^Reserve Bank presidents are subject to mandatory retirement upon becoming 65 years of age.
However, presidents initially appointed after age 55 can, at the option of the board of directors,
be permitted to serve until attaining ten years of service in the office or age 70, whichever comes first.
[Source: FRB web site]

†For the Federal Reserve Bank of New York, the First Vice President is the alternate for the President.

Top CB Expectations, Dates, and more

Central Bank	Rate (%)	Benchmark	Last Rate Change	Amount		Next Meeting	Market Expectations	Policy Strategy	1 Month OIS Rates	
Bank of England (BOE)	5.00	Repo Rate	4/10/2008	(0.25)	BOE	9/4/2008	On Hold	Price Stability	5.036	BOE
European Central Bank (ECB)	4.25	Refi (min bid)	7/3/2008	0.25	ECB	9/4/2008	On Hold	Price Stability	4.299	ECB
US Federal Reserve Bank	2.00	Fed Funds	4/30/2008	(0.25)	FRB	9/16/2008	On Hold	Price Stability/Full employment	2.008	FRB
Bank of Japan (BOJ)	0.50	O / N Call Rate	2/21/2007	0.25	BOJ	8/19/2008	On Hold	Price Stability	0.615	BOJ ^
Bank of Canada (BOC)	3.00	O / N Rate	4/22/2008	(0.50)	BOC	9/3/2008	On Hold	Price Stability / ICT		BOC
Swiss National Bank (SNB)	2.25 - 3.25	3-Mth Libor	9/13/2007	0.25	SNB	9/18/2008	On Hold	Price Stability		SNB
Reserve Bank of Australia	7.25	Cash Rate	3/4/2008	0.25	RBA	9/2/2008	On Hold	Price Stability / ICT		RBA
Reserve Bank of New Zealand	8.00	OCR	7/24/2008	**(0.25)**	RBNZ	9/11/2008	Easing Bias	Price Stability / ICT		RBNZ
			mm/dd/yyyy			mm/dd/yyyy				

BOE: **04/10/2008**; Changed from 'Ease Possible'. After the rate cut on 04/10/2008, the analysts are stating they thing the BOE will sand pat in May. The June SONIA Curve is pricing in a 80% chance of .25 cut and July is pricing in 100% chance.

ECB: **07/03/2008**; Changed from Hike Possible after July 3rd 25bp hike. Press conference was interpreted as 'one-and-done'.

FRB: **06/25/2008;** Statement is being interpreted as On Hold by the street. The last page of this email has a more 'notes' on the FRB.

BOJ: **03/21/2008**; Reports that the BOJ is leaning towards cutting rates, on 03/12/2008, after release of minutes. Therefore I'll move them from "Hike Possible, On Hold", to "On Hold". **04/30/2008,** most analyst remove tightening bias.

BOC: **07/12/2008;** Statement is being interpreted as On Hold by the street. Therefore I'm changing from 'Easing Bias' to 'On Hold'.

SNB: **06/19/2008**; Move to 'On Hold, after June 19th quarterly monetary policy assessment report.

RBA: **03/05/08**; Represents a policy change from 03/05/08 'Hike Possible'. The post communique is being interpreted as an end to the tightening cycle. The Aussie dollar fell substantially after the communique was released.

RBNZ: **07/24/08**; unexpected rate cut. Furthermore, in their statement they said: Provided that the outlook for inflation continues to improve and there is no excessive exchange rate depreciation, we would expect to lower the OCR further". Therefore, I'm moving from 'On Hold' to 'Easing Bias'.

Notes

^ BOJ rate is "The Deposit Rate"

Sources for **"Policy Strategy"** can be found at each CB's web site. The FRB's Strategy is stated in the Federal Reserve Act, and on the FRB site at the following web address:http://www.federalreserve.gov/pf/pdf/pf_2.pdf

Price Stability / ICT: means that the bank has an 'Inflation Control Target' (ITC) but they also acknowledge price stability as being part of there policy strategy.

Dates are mm/dd/yyy

The FOMC: Ranges

Ranges for FOMC Meetings [1]

	Avg Dly Rng [2]	Avg 15 Min Range [3]
30	6.1	5.3
10	6.7	5.5
5	8.4	6.2
2	10.4	7.7

Ranges for Humphrey-Hawkins Hearings [4]

	Avg Dly Rng	Avg 30 Min Rng [5]
30	7.7	4.2
10	9.1	5.4
5	11.1	7.1
2	12.1	8.4

Notes:

1) Averages Calculated since 01/31/2006

2) Daily range is 7am - 2pm CT

3) 15min range is time of release - 1:30 pm CT

4) Calculated since Bernanke began as Chairman

5) 30min range is time of release - 9:30am CT

Objective of the Monetary Policy
The objective of the monetary policy is to maintain the stability of the value of the currency and thereby promote economic growth.

Management Team of PBC

Zhou Xiaochuan	Chairman, Monetary Policy Committee
Su Ning	Deputy Governor
Wang Hongzhang	Chief Disciplinary Officer
Hu Xiaolian	Deputy Governor, and Administrator of State Administration of Foreign Exchange (SAFE)
Liu Shiyu	Deputy Governor
Ma Delun	Deputy Governor
Yi Gang	Deputy Governor
Du Jinfu	Assistant Governor

The PBC was established on December 1, 1948 based on the consolidation of the former Huabei Bank, Beihai Bank and Xibei Farmer Bank.

In September 1983, the State Council decided to have the PBC function as a central bank.

The Law of the People's Republic of China on the People's Bank of China passed by the Third Plenum of the Eighth National People's Congress on March 18, 1995 legally confirmed the PBC's central bank status.

In March 2003, the First Plenum of the Tenth National People's Congress approved the Decision on Reform of the Organizational Structure of the State Council, separating the supervisory responsibilities of the PBC for the banking institutions, asset management companies, trust and investment companies and other depository financial institutions. Instead, the China Banking Regulatory Commission was established to supervise the financial industry.

On December 27, 2003, the Standing Committee of the Tenth National People's Congress approved at its Sixth Meeting the amendment to the Law of the People's Republic of China on the People's Bank of China, which has strengthened the role of the PBC in the making and implementation of monetary policy, in safeguarding the overall financial stability and in the provision of financial services.

Members of the Policy Board

Position	Name	Date of appointment
Governor of the Bank of Japan	Masaaki Shirakawa	Apr.09, 2008
Deputy Governor of the Bank of Japan	Vacant	
Deputy Governor of the Bank of Japan	Kiyohiko G. Nishimura	Mar.20, 2008
Member of the Policy Board	Miyako Suda	Apr.1, 2006
Member of the Policy Board	Atsushi Mizuno	Dec.3, 2004
Member of the Policy Board	Tadao Noda	Jun.17, 2006
Member of the Policy Board	Seiji Nakamura	Apr.5, 2007
Member of the Policy Board	Hidetoshi Kamezaki	Apr.5, 2007

The Bank of Japan, as the central bank of Japan, decides and implements monetary policy with the aim of maintaining **price stability.**

The Bank of Japan Law states that the Bank's monetary policy should be "aimed at, through the pursuit of price stability, contributing to the sound development of the national economy."

The Bank releases its views on economic and financial developments, which form the basis of the decision on the guideline for money market operations, in "The Bank's View" in the Monthly Report of Recent Economic and Financial Developments.

	Date of MPM	Publication of Outlook Report (The Bank's View)	Publication of MPM Minutes
Jan. 2008	21 (Mon.), 22 (Tue.)	--	Feb. 20 (Wed.)
Feb.	14 (Thur.), 15 (Fri.)	--	Mar. 12 (Wed.)
Mar.	6 (Thur.), 7 (Fri.)	--	Apr. 14 (Mon.)
	8 (Tue.), 9 (Wed.)	--	May 23 (Fri.)
Apr.	30 (Wed.)	30 (Wed.)	June 18 (Wed.)
May	19 (Mon.), 20 (Tue.)	--	June 18 (Wed.)
June	12 (Thur.), 13 (Fri.)	--	July 18 (Fri.)
July	14 (Mon.), 15 (Tue.)	--	Aug. 22 (Fri.)
Aug.	18 (Mon.), 19 (Tue.)	--	Sep. 22 (Mon.)
Sep.	16 (Tue.), 17 (Wed.)	--	Oct. 10 (Fri.)
	6 (Mon.), 7 (Tue.)	--	Nov. 6 (Thur.)
Oct.	31 (Fri.)	31 (Fri.)	Nov. 27 (Thur.)
Nov.	20 (Thur.), 21 (Fri.)	--	Dec. 25 (Thur.)
Dec.	18 (Thur.), 19 (Fri.)	--	To be announced

The Governing Council (21)
Jean-Claude Trichet , President of the ECB
Lucas D. Papademos, Vice-President of the ECB
Lorenzo Bini Smaghi, Member of the Executive Board of the ECB
José Manuel González-Páramo, Member of the Executive Board of the ECB
Jürgen Stark, Member of the Executive Board of the ECB
Gertrude Tumpel-Gugerell, Member of the Executive Board of the ECB
Guy Quaden, Governor, Nationale Bank van België/Banque Nationale de Belgique
Axel A. Weber, President, Deutsche Bundesbank
John Hurley, Governor, Central Bank and Financial Services Authority of Ireland
Nicholas C. Garganas, Governor, Bank of Greece
Miguel Fernández Ordóñez, Governor, Banco de España
Christian Noyer, Governor, Banque de France
Mario Draghi, Governor, Banca d'Italia
Athanasios Orphanides, Governor, Central Bank of Cyprus
Yves Mersch, Governor, Banque centrale du Luxembourg
Michael C. Bonello, Governor, Central Bank of Malta
Nout Wellink, President, De Nederlandsche Bank
Klaus Liebscher, Governor, Oesterreichische Nationalbank
Vítor Manuel Ribeiro Constâncio, Governor, Banco de Portugal
Marko Kranjec, Governor, Banka Slovenije
Erkki Liikanen, Governor, Suomen Pankki - Finlands Bank

The Governing Council usually meets twice a month at the Eurotower in Frankfurt am Main, Germany.

At its first meeting each month, the Governing Council assesses monetary and economic developments and takes its monthly monetary policy decision. At its second meeting, the Council discusses mainly issues related to other tasks and responsibilities of the ECB and the Eurosystem.

The minutes of the meetings are not published, but the monetary policy decision is announced at a press conference held shortly after the first meeting each month. The President, assisted by the Vice-President, chairs the press conference.

The primary objective of the ECB's monetary policy is to maintain price stability. The ECB aims at inflation rates of below, but close to, 2% over the medium term.

EU Central Banks
EUROZONE (15):
Austria: Oesterreichische Nationalbank
Belgium: Nationale Bank van België/Banque nationale de Belgique
Cyprus: Kentrike Trapeza tis Kyprou
Finland: Suomen Pankki/Finlands Bank
France: Banque de France
Germany: Deutsche Bundesbank
Greece: Bank of Greece
Ireland: Banc Ceannais na hÉireann / Central Bank of Ireland
Italy: Banca d'Italia
Luxembourg: Banque Centrale du Luxembourg
Malta: Central Bank of Malta
Netherlands: De Nederlandsche Bank
Portugal: Banco de Portugal
Slovenia: Banka Slovenije
Spain: Banco de España

NON-EUROZONE (12):
Bulgaria: Bulgarian National Bank
Czech Republic: Česká národní banka
Denmark: Danmarks Nationalbank
Estonia: Eesti Pank
Hungary: Magyar Nemzeti Bank
Latvia: Latvijas Banka
Lithuania: Lietuvos Bankas
Poland: Narodowy Bank Polski
Romania: National Bank of Romania
Slovakia: Národná banka Slovenska
Sweden: Sveriges Riksbank
United Kingdom: Bank of England

The ECB: Banks

EU Central Banks

Austria, Oesterreichische Nationalbank	Klaus Liebscher, ECB Governor, Oesterreichische Nationalbank (Austria), ECB governing council.
Belgium, Nationale Bank van België/Banque Nationale de Belgique	Guy Quaden, ECB Governor, Nationale Bank van België/Banque Nationale de Belgique, ECB governing council.
Bulgaria, Bulgarian National Bank	Ivan Iskrov
Czech, Republic Česká národní banka	Zdeněk Tůma
Cyprus, Central Bank of Cyprus	Athanasios Orphanides, ECB Governing Council Member, ECB governing council.
Denmark, Danmarks Nationalbank	Nils Bernstein
Estonia, Eesti Pank	Andres Lipstok
Éire/Ireland, Central Bank and Financial Services Authority of Ireland	John Hurley, ECB Governor, Central Bank and Financial Services Authority of Ireland, ECB governing council.
Finland, Suomen Pankki - Finlands Bank	Erkki Liikanen, ECB Governor, Suomen Pankki - Finlands Bank, ECB governing council.
France, Banque de France	Christian Noyer, ECB Governor, Banque de France, ECB governing council.
Germany, Deutsche Bundesbank	Axel A. Weber, President, Deutsche Bundesbank, ECB governing council.
Greece, Bank of Greece	Georgios Provopoulos, Governor, Bank of Greece, ECB governing council. (20/06/2008, mm/dd/yyyy)
Hungary, Magyar Nemzeti Bank	András Simor
Italy, Banca d´Italia	Mario Draghi, Governor, Banca d'Italia, ECB governing council.
Latvia, Latvijas Banka	Ilmārs Rimšēvičs
Lithuania, Lietuvos bankas	Reinoldijus Šarkinas
Luxembourg, Banque centrale du Luxembourg	Yves Mersch, ECB Governor, Banque centrale du Luxembourg, ECB governing council.
Malta, Central Bank of Malta	Michael C. Bonello, ECB governing council.
The Netherlands, De Nederlandsche Bank	Nout Wellink, President, De Nederlandsche Bank, ECB governing council.
Poland, Narodowy Bank Polski	Sławomir Skrzypek
Portugal, Banco de Portugal	Vítor Manuel Ribeiro Constâncio, Governor, Banco de Portugal, ECB governing council.
Romania, Banca Națională a României	Mugur Isărescu
Slovakia, Národná banka Slovenska	Marko Kranjec, Governor, Banka Slovenije, ECB governing council.
Spain, Banco de España	Miguel Fernández Ordóñez, Governor, Banco de España, ECB governing council.
Sweden, Sveriges Riksbank	Stefan Ingves
United Kingdom, Bank of England	Mervyn King

Board Members

Jean-Claude Trichet , President of the ECB, came from Banque de France, BIS, and World Bank

Lucas D. Papademos, Vice-President of the ECB, came from Bank of Greece

Lorenzo Bini Smaghi, Member of the Executive Board of the ECB, came from Banca d'Italia

José Manuel González-Páramo, Member of the Executive Board of the ECB, came from Banco de España

Jürgen Stark, Member of the Executive Board of the ECB, came from Deutsche Bundesbank

Gertrude Tumpel-Gugerell, Member of the Executive Board of the ECB, came from Oesterreichische Nationalbank

Notes :

Represented on the Governing Council

Represented on the General Council

Source: ecb.int

Introductory statement
Jean-Claude Trichet, President of the ECB,
Lucas Papademos, Vice President of the ECB
Frankfurt am Main, 7 August 2008

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council.

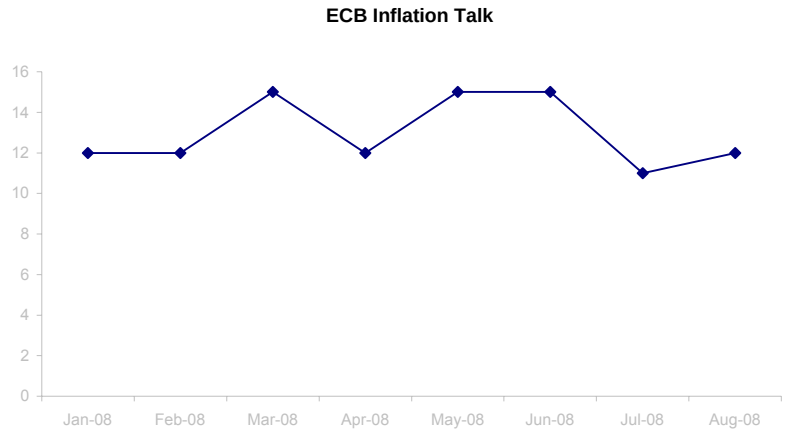
On the basis of our regular economic and monetary analyses, we decided at today's meeting to leave the key ECB interest rates unchanged. The information that has become available since our previous meeting has further underpinned the reasoning behind our decision to increase interest rates in July. It has confirmed that annual inflation rates are likely to remain well above levels consistent with price stability for a protracted period of time and that risks to price stability over the medium term remain on the upside. This assessment is underpinned by continued vigorous money growth, with so far no signs of significant constraints on bank loan supply. In such a context, it remains crucial to avoid broadly based second-round effects in wage and price-setting. The latest economic data point to a weakening of real GDP growth in mid-2008, which in part was expected after the exceptionally strong growth in the first quarter. Against this background and in full accordance with our mandate, we emphasise that maintaining price stability in the medium term is our primary objective and that it is our strong determination to keep medium and long-term inflation expectations firmly anchored in line with price stability. This will preserve purchasing power in the medium term and support sustainable growth and employment. On the basis of our assessment, the current monetary policy stance will contribute to achieving our objective. We will continue to monitor very closely all developments over the period ahead. [....]

[SOURCE: The ECB]

Inflation Talk

Number of times the word inflation was mentioned in the full statement.

Jan-2008	12
Feb-2008	12
Mar-2008	15
Apr-2008	12
May-2008	15
Jun-2008	15
Jul-2008	11
Aug-2008	12



Source: ecb.int

The BOE - Dates, Rates, and Statement

Current Bank Rate 5.0 %
Next due: 04 Sep 2008

Current Inflation 3.8%
Next due: 12 Aug 2008

Inflation Target 2.0%
Next due: 13 Aug 2008

News Release
Bank of England Maintains Bank Rate at 5.0%
7 August 2008

The Bank of England's Monetary Policy Committee today voted to maintain the official Bank Rate paid on commercial bank reserves at 5.0%.

The Committee's latest inflation and output projections will appear in the Inflation Report to be published on Wednesday 13 August.

The minutes of the meeting will be published at 9.30am on Wednesday 20 August.

Note to Editors

The previous change in Bank Rate was a reduction of 0.25 percentage points to 5.0% on 10 April 2008.

[Source: BOE]

MPC Decision	Minutes	Report
9 & 10 January	23-Jan	
6 & 7 February	20-Feb	13-Feb
5 & 6 March	19-Mar	
9 & 10 April	23-Apr	
7 & 8 May	21-May	14-May
4 & 5 June	18-Jun	
9 & 10 July	23-Jul	
6 & 7 August	20-Aug	13-Aug
3 & 4 September	17-Sep	
8 & 9 October	22-Oct	
5 & 6 November	19-Nov	12-Nov
3 & 4 December	17-Dec	

Source: bankofengland.co.uk

The BOE - How They Voted

VOTING BY THE MONETARY POLICY COMMITTEE - 2007

Last Updated 19 December 2007	Voted to Increase	Voted to Reduce	Voted to Maintain	Meetings Attended
Mervyn King, Governor	4	1	7	**12**
Rachel Lomax, Deputy Governor	1	1	10	**12**
Paul Tucker	2	1	9	**12**
Charles Bean	1	1	10	**12**
Kate Barker	3	1	8	**12**
Sir John Gieve, Deputy Governor	4	2	6	**12**
David Blanchflower	1	4	7	**12**
Tim Besley	6	1	5	**12**
Andrew Sentance	6	1	5	**12**

VOTING BY THE MONETARY POLICY COMMITTEE - 1997 TO PRESENT DATE

Last Updated 23 July 2008	Voted to Increase	Voted to Reduce	Voted to Maintain	Meetings Attended	
Mervyn King	30	17	88	**135**	
Rachel Lomax	7	3	50	**60**	Retired
Paul Tucker	13	4	57	**74**	
Charles Bean	8	16	71	**95**	
Kate Barker	11	14	62	**87**	
Sir John Gieve	6	5	19	**30**	
David Blanchflower	1	11	14	**26**	
Tim Besley	9	2	12	**23**	
Andrew Sentance	8	2	12	**22**	
Spener Dale	0	0	1	**1**	
Totals	**93**	**74**	**386**	**553**	
				553	Sum Check

VOTING BY THE MONETARY POLICY COMMITTEE - 2008

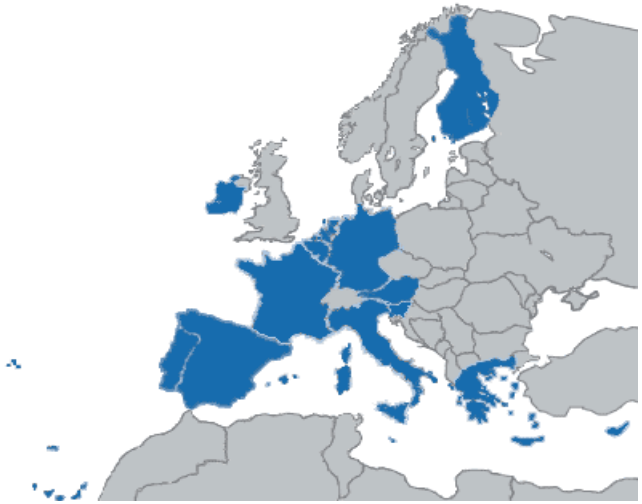
Last Updated 23 July 2008	Voted to Increase	Voted to Reduce	Voted to Maintain	Meetings Attended	
Mervyn King, Governor	0	2	5	**7**	
Rachel Lomax, Deputy Governor	0	2	4	**6**	RET
Paul Tucker	0	2	5	**7**	
Charles Bean, Deputy Governor	0	2	5	**7**	
Kate Barker	0	2	5	**7**	
Sir John Gieve, Deputy Governor	0	3	4	**7**	
David Blanchflower	0	6	0	**6**	
Tim Besley	1	1	5	**7**	
Andrew Sentance	0	1	6	**7**	
Spencer Dale	0	0	1	**1**	

Lomax retires, 30 June 2008
Bean takes over Deputy Governer, 01 July 2008
Spencer Dale joins MPC, 01 July 2008

`

15 Member States of the European Union use the euro as their currency:
Belgium
Germany
Ireland
Greece
Spain
France
Italy
Cyprus
Luxembourg
Malta
The Netherlands
Austria
Portugal
Slovenia
Finland

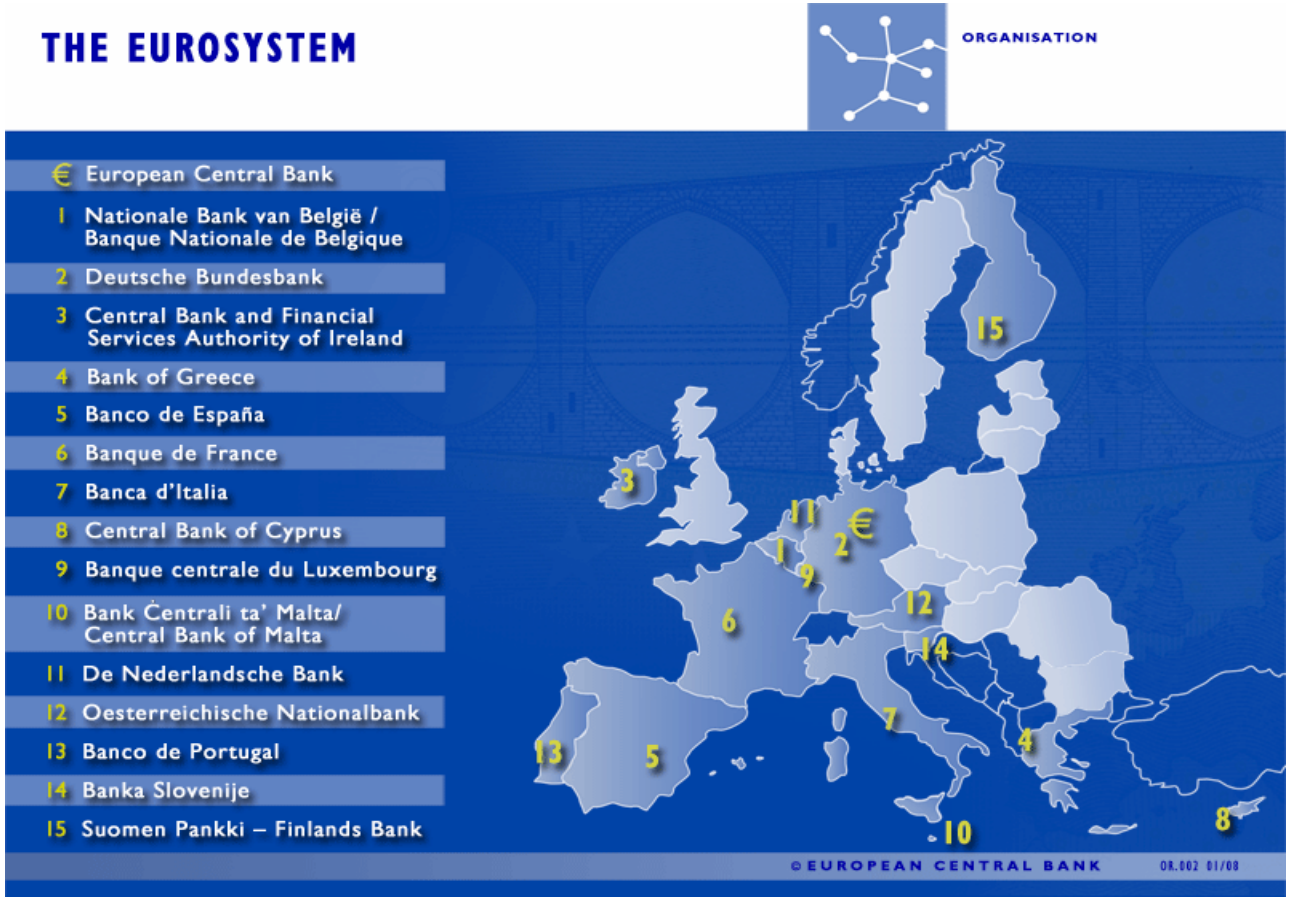
Non-participants:
Bulgaria, Czech Republic, Denmark, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia, Sweden and the United Kingdom are EU Member States but do not currently use the single European currency.
[SOURCE: The ECB. **Last updated June 10, 2008**]



Country breakdown
On 1 January 2008 two countries accounted for 44% (3,483) of all MFIs [monetary financial institutions] in the euro area: Germany (26.6%) and France (17.6%). Italy and Austria each accounted for about 10% of the euro area total. Over the last nine years (1999-2008), the following developments in the national MFI sectors of euro area countries have been particularly noteworthy: a considerable increase of 236 units (246%) in Ireland and large decreases in the Netherlands, Spain and Germany (by 48%, 41% and 36% respectively). Since joining the EU on 1 May 2004, the MFI sectors in Malta and Slovenia have increased significantly, namely by 65% and 11% respectively. By contrast, the number of MFIs in Cyprus has decreased by 47% during the same period.

Among the non-euro area countries, Poland has by far the largest number of MFIs (722), representing 7% of the MFI sector in the EU. Since 1999 there have been substantial increases in the MFI sectors of Slovakia (36%), Latvia (33%), Sweden (31%) and Romania (26%), while the size of these sectors in the United Kingdom and the Czech Republic has shrunk by 24% and 15%, respectively.

[SOURCE: The ECB]


THE EUROSYSTEM
ORGANISATION
€ European Central Bank
1 Nationale Bank van België / Banque Nationale de Belgique
2 Deutsche Bundesbank
3 Central Bank and Financial Services Authority of Ireland
4 Bank of Greece
5 Banco de España
6 Banque de France
7 Banca d'Italia
8 Central Bank of Cyprus
9 Banque centrale du Luxembourg
10 Bank Ċentrali ta' Malta/ Central Bank of Malta
11 De Nederlandsche Bank
12 Oesterreichische Nationalbank
13 Banco de Portugal
14 Banka Slovenije
15 Suomen Pankki – Finlands Bank
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KEY CHARACTERISTICS OF THE EURO AREA*

EUROPEAN INTEGRATION

	€-15	EU-27		
Population (millions)	318.3	493.5	299.8	127.7
GDP (PPP, € trillions)	8.5	11.9	11.2	3.5
GDP per capita (PPP, € thousands)	26.6	24.1	37.3	27.5
Share of world GDP (PPP, %)	14.3	21.0	19.7	6.3
Exports (goods and services, % of GDP)**	21.6	13.9	11.0	16.8

** 2006 ** The figure for the euro area excludes Cyprus and Malta*
Sources: for euro area and EU: ECB, Eurostat, national data, IMF and ECB calculations; for the United States and Japan: national sources, IMF.

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Notes on Speeches

2007

09/20/2007
Lockhart's first speech indicates he's a moderate/hawk

10/23/2007
Northern Trust says Chicago Fed Pres Evans is dovish

[**A note from Jim**: I'll move Evans from a Hawk to a Moderate. I'm not convinced someone under Moskow's tutelage is a Dove.]

10/31/2007
Move Hoening to Moderate from Dove after dissent.

12/11/2007
Move Rosengren to a Moderate/Dove for his dissent for a 50bp discount rate cut compared to the 25 bp cut the rest voted for. He was a Moderate/Hawk.

2008

02/29/2008
More dovish comments from Rosengren. (Comments took place at the Monetary Policy Forum titled 'Leveraged Losses: Lessons from a Mortgage Market Meltdown' in New York)

09/29/2008
Mishkin, gives dovish comments at the Monetary Policy Forum titled 'Leveraged Losses: Lessons from a Mortgage Market Meltdown' in New York. I'll place him in the
moderate/dove camp.

06/06/2008: St. Louis Fed President James Bullard "policy is appropriately calibrated at this time but financial mkts are better and thus policy can begin to address pressing inflationary concerns during the remainder of the yr."

"U.S. economy will be able to post stronger growth in the second half of this year despite the ongoing financial crisis and the drag from the housing sector... such growth is likely to make the inflation outlook a more pressing concern for the Fed in the second half of this year."

"breakdown in inflation expectations has not occurred yet, to be sure, but the risk is real and could happen over a very short horizon."

I'll begin Bullard as Moderate Hawk after this speech. Also, his predecessor was moderate/hawk

2008 (cont)

06/11/2008
Bullard
"what is new here is relative price trends in food and energy
that may plausibly be expected to persist for some time. If it were just a matter of the food and energy components being volatile, I think a theoretical case could be made that these prices contain too much noise
and so should be ignored... With relative price trends, the ad hoc approach to this question is becoming increasingly untenable."

"likelihood of a measurable contraction in growth this yr has lessened. These conditions complicate the infl outlook, in which significant econ slack had been seen as helping to keep inflation in check."

04/30/2008
Removal of key statements. The street is interpreting as pause mode. Therfore, I'll move from 'Easing Bias' to 'Pause' (On Hold).
Even after the morning news articles, on May 1st, from Ip and Beckner, I'll stick with On Hold (Pause) until the June meeting.
06/25/2008
Statement is being interpreted as On Hold by the street.