1/22/2009 5:55

The Morning Email: Central Banks

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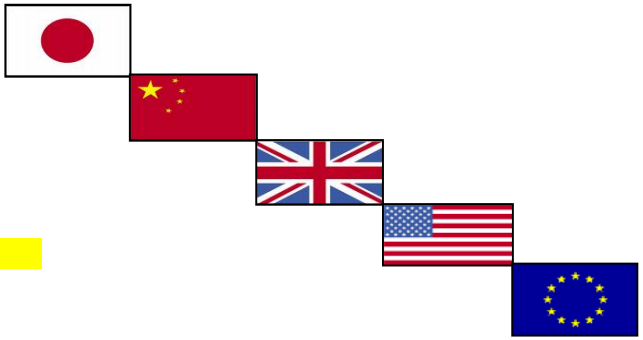

Recent Updates

Page	Date (dd/mm/yyy)

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

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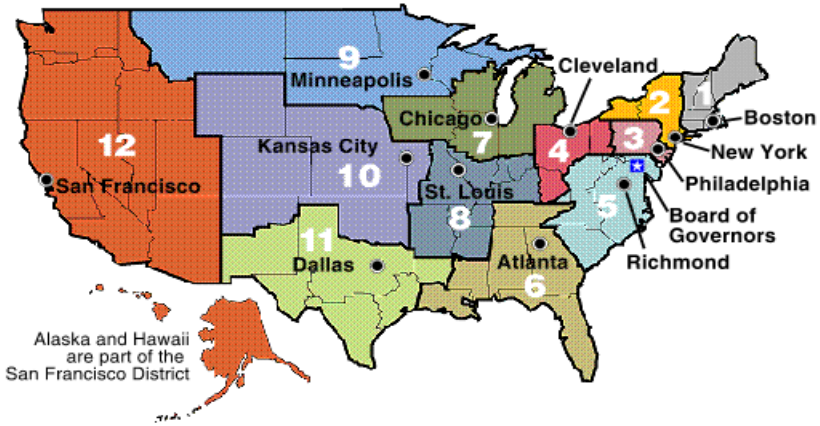
The FOMC: Dates and Places

Meeting Dates for 2009

January	February	March	April	May	June
27/28		17	28/29		23/24
July	August	September	October	November	December
	11	22		3/4	15



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	02/01/2006	
Nov-1942	Donald L. Kohn, Vice Chairman Board of Governors	Moderate/Hawk	1/31/2016	08/05/2002	
Jul-1952	Elizabeth Duke, Board of Governors	No bias yet	1/31/2012	08/05/2008	
Jun-1962	Randall S. Kroszner, Board of Governors	Moderate/Dove	1/31/2008	03/01/2006	
Jan-1951	Vacant, Board of Governors	Moderate/Dove	1/31/2014		
Apr-1970	Kevin M. Warsh, Board of Governors	Moderate/Hawk	1/31/2018	02/24/2006	
06/06/1952	Christine M. Cumming, New York	No bias yet		12/01/2008	
01/15/1958	Charles L. Evans, Chicago	Moderate		09/01/2007	
09/27/1955	Jeffrey M. Lacker, Richmond	Moderate/Hawk		08/01/2004	
02/01/1947	Dennis P. Lockhart, Atlanta	Moderate/Hawk		03/01/2007	
8/13/1946	Janet L. Yellen, San Francisco	Moderate/Dove		06/14/2004	
Born ^	**2009 Alternate Members (Voters in 2010)**	**Policy Inclination**		**Took Office**	**Comment**
06/06/1946	Thomas M. Hoenig, Kansas City	Moderate		10/01/1991	
1960 or 1961	Dr. James B. Bullard, St. Louis	Moderate/Hawk		04/01/2008	
06/03/1957	Eric Rosengren, Boston	Moderate/Dove		07/23/2007	
08/04/1954	Sandra Pianalto, Cleveland	Moderate		02/01/2003	
Born ^	**2010 Alternate Members (Voters in 2011)**	**Policy Inclination**		**Took Office**	**Comment**
11/03/1944	Dr. Gary H. Stern, Minneapolis	Hawk/Moderate		03/16/1985	
1950???	Richard W. Fisher, Dallas	Hawk		04/04/2005	
09/19/1948	Dr. Charles I. Plosser. Philadelphia	Hawk/Moderate			

	Rotation			
	2008	2009	2010	
Members	New York	New York	New York	Committee membership changes at the first regularly scheduled meeting of the year.
	Cleveland	Chicago	Cleveland	
	Philadelphia	Richmond	Boston	
	Dallas	Atlanta	St. Louis	
	Minneapolis	SF	KC	
Alternate Members	New York†	New York†	New York†	
	Chicago	Cleveland	Chicago	
	Richmond	Boston	Philadelphia	
	Atlanta	St. Louis	Dallas	
	SF	KC	Minneapolis	

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

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]

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)	1.50	Repo Rate	1/8/2009	(0.50)	BOE	2/5/2008	Ease Bias	Price Stability	1.004	BOE
European Central Bank (ECB)	2.00	Refi (min bid)	1/15/2009	(0.50)	ECB	2/5/2009	Ease Bias	Price Stability	1.306	ECB
US Federal Reserve Bank	0 - 0.25	Fed Funds	12/16/2008	(0.75)	FRB	1/28/2009	Ease Bias	Price Stability/Full employment	0.200	FRB
Bank of Japan (BOJ)	0.30	O / N Call Rate	10/31/2008	(0.30)	BOJ	1/22/2009	On Hold	Price Stability	0.300	BOJ ^
Bank of Canada (BOC)	1.50	O / N Rate	12/9/2008	(0.75)	BOC	1/20/2009	Ease Bias	Price Stability / ICT		BOC
Swiss National Bank (SNB)	.00 - 1.00	3-Mth Libor	11/20/2006	(0.50)	SNB	3/12/2009	Ease Bias	Price Stability		SNB
Reserve Bank of Australia	4.25	Cash Rate	11/3/2008	(1.00)	RBA	2/3/2009	Ease Bias	Price Stability / ICT		RBA
Reserve Bank of New Zealand	5.00	OCR	12/4/2008	(1.50)	RBNZ	1/29/2008	Ease Bias	Price Stability / ICT		RBNZ
			mm/dd/yyyy			mm/dd/yyyy				

BOE: 10/09/2008: Changed from On hold to 'Ease Bias' after global coordinated rate cuts. **11/06/2008**: Biggest cut in 300 yr history of 150bps.

ECB: 10/09/2008: Changed from 'Ease Possible' after global coordinated rate cuts to 'Ease Bias'

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. **09/13/08:** No dissenters.MNI's Beckner states that there is no easing bias though. **10/29/08**: I'd say Beckner is a little out of touch after they lowered rates .50. Moving to 'Ease Bias'. **12/16/08:** 2nd CB (ex Japan) to **ZIRP**

BOJ: 04/30/2008: most analyst remove tightening bias. **10/31/08**: Keeping them on hold even after ease. How far can they go? Not far.

BOC: 10/21/2008: Changed from 'Ease Possible' to Ease Bias after 10/08/2008 global coordinated cuts and 10/21/2008 .25 cut.

SNB: 10/09/2008: Changed from On hold to 'Ease Possible' after global coordinated rate cuts. **11/06/2008:** Cut was intermeeting and unexpected. Move to 'Ease Bias' **11/20/2008:** Surprise 100 bp cut. **12/11/08: First to ZIRP**

RBA: 08/19/08: Represents a policy change from 08/18/08 'On Hold'. RBA minutes show an easing bias. UBS is calling for gradual ease of 100bps. **09/03/08: It appears UBS was/is correct. 10/07/08: And again! (1.00) 11/03/08: And again! (.75); 12/02/08 And again! (1.00)**

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'. **09/11/08: (50) bp cut, 10/23/2008:(100) bp cut. 12/04/08: (150) bp cut**

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	6.4	5.3
10	7.8	6.0
5	9.9	7.0
2	11.6	8.6

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.

Bank of Japan Meetings

	Date of Anncmnt
Jan. 2009	1/22/2009
Feb.	2/19/2009
Mar.	3/17/2009
Apr.	4/7/2009
May	5/22/2009
June	6/16/2009
July	7/15/2009
Aug.	8/11/2009
Sep.	9/17/2009
Oct.	10/14/2009
Nov.	11/20/2009
Dec.	12/18/2009

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
Georgios Provopoulos , 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
Ewald Nowotny, Governor, Oesterreichische Nationalbank
Vítor Manuel Ribeiro Constâncio, Governor, Banco de Portugal
Marko Kranjec , Governor, Banka Slovenije
Ivan Šramko, Governor, Národná banka Slovenska
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 (16):
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
Slovakia: Národná Banks Slovenska
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	Ewald Nowotny, 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.
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

Photo: Martin Joppen

Governing Council of the European Central Bank, 2009

Front row (left to right): John Hurley, Michael C. Bonello, Gertrude Tumpel-Gugerell, Jean-Claude Trichet, Lucas D. Papademos, Miguel Fernández Ordóñez, Yves Mersch

Middle row (left to right): Christian Noyer, Marko Kranjec, Vítor Manuel Ribeiro Constâncio, George A. Provopoulos, Erkki Liikanen, Ewald Nowotny

Back row (left to right): Ivan Šramko, José Manuel González-Páramo, Axel A. Weber, Nout Wellink, Guy Quaden, Lorenzo Bini Smaghi, Jürgen Stark

Note: Mario Draghi and Athanasios Orphanides were not available when the photograph was taken.

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Introductory statement
Jean-Claude Trichet, President of the ECB,
Lucas Papademos, Vice President of the ECB
Frankfurt am Main, 15 January 2009

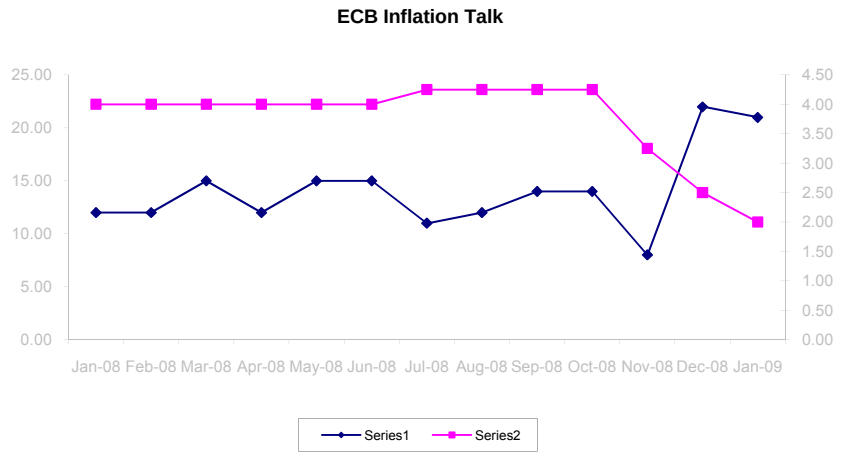
Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our first press conference of 2009. Let me therefore wish you all a very Happy New Year. I would also like to take this opportunity to welcome Slovakia as the 16th country to adopt the euro as its currency. Accordingly, Mr Šramko, the Governor of Národná banka Slovenska, became a member of the Governing Council on 1 January 2009. Following the adoption of the euro by Slovakia there are now 329 million citizens using the euro as their currency.
We will now report on the outcome of today's meeting of the Governing Council, which was also attended by Commissioner Almunia.
On the basis of its regular economic and monetary analyses, the Governing Council decided to reduce the interest rate on the main refinancing operations of the Eurosystem by a further 50 basis points, bringing the total reduction since 8 October 2008 to 225 basis points. Today's decision takes into account that inflationary pressures have continued to diminish, owing in particular to the further weakening in the economic outlook. Looking forward, we continue to expect inflation rates in the euro area to be in line with price stability over the policy-relevant medium-term horizon, thereby supporting the purchasing power of incomes and savings. After today's decision we consider risks to price stability over the medium term to be broadly balanced. This takes into account the latest economic data releases and survey information, which add clear further evidence to the assessment that the euro area is experiencing a significant slowdown, largely related to the effects of the intensification and broadening of the financial turmoil. Both global demand and euro area demand are likely to be dampened for a protracted period. Monetary expansion is moderating further, supporting the assessment that inflationary pressures and risks are diminishing. All in all, the level of uncertainty remains exceptionally high. The Governing Council will continue to keep inflation expectations firmly anchored in line with its medium-term objective of inflation rates below, but close to, 2%. This supports sustainable growth and employment and contributes to financial stability. Accordingly, 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 vs Rates

Date	Inflation Mentions	Rate
Jan-2008	12.00	4.00
Feb-2008	12.00	4.00
Mar-2008	15.00	4.00
Apr-2008	12.00	4.00
May-2008	15.00	4.00
Jun-2008	15.00	4.00
Jul-2008	11.00	4.25
Aug-2008	12.00	4.25
Sep-2008	14.00	4.25
Oct-2008	14.00	4.25
Nov-2008	8.00	3.25 (Cut .50 ~ 10/09 and 11/06)
Dec-2008	22.00	2.50
Jan-2009	21.00	2.00



*Most comments about inflation in Dec 08 where in regards to the LACK-OF inflation.
Same for January...most comments about inflation were about the LACK-OF inflation.

Source: ecb.int

The BOE - Dates, Rates, and Statement

Current Bank Rate 1.5 %
Next due: 05 Feb 2009

Current Inflation 4.1%
Next due: 20 Jan 2009

Inflation Target 2.0%
Next due: 11 Feb 2009

Schedule for 2009

MPC Decision	Minutes	Report
7 & 8 January	21-Jan	
4 & 5 February	18-Feb	11-Feb
4 & 5 March	18-Mar	
8 & 9 April	22-Apr	
6 & 7 May	20-May	13-May
8 & 9 June	18-Jun	
8 & 9 July	22-Jul	
5 & 6 August	19-Aug	12-Aug
9 & 10 September	23-Sep	
7 & 8 October	22-Oct	
4 & 5 November	18-Nov	11-Nov
9 & 10 December	23-Dec	

News Release
Bank of England Reduces Bank Rate by 0.5 Percentage Points to 1.5%
8 January 2009

The Bank of England's Monetary Policy Committee today voted to reduce the official Bank Rate paid on commercial bank reserves by 0.5 percentage points to 1.5%.
The world economy appears to be undergoing an unusually sharp and synchronised downturn. Measures of business and consumer confidence have fallen markedly. World trade growth this year is likely to be the weakest for some considerable time.

In the United Kingdom, business surveys suggest that the pace of contraction in activity increased during the fourth quarter of 2008 and that output is likely to continue to fall sharply during the first part of this year. Surveys of retailers and reports from the Bank's regional Agents imply that consumer spending has weakened. The outlook for business and residential investment has deteriorated. And the availability of credit to both households and businesses has tightened further, pointing to the need for further measures to increase the flow of lending to the non-financial sector. But the substantial depreciation in sterling over recent months may help to moderate the impact on UK net exports of the slowdown in global growth.

CPI inflation fell to 4.1% in November. Inflation is expected to fall further, reflecting waning contributions from retail energy and food prices and the direct impact of the temporary reduction in Value Added Tax. Measures of inflation expectations have come down. And pay growth remains subdued. But the depreciation in sterling will boost the cost of imports.
At its January meeting, the Committee noted that the recent easing in monetary and fiscal policy, the substantial fall in sterling and the prospective decline in inflation would together provide a considerable stimulus to activity as the year progressed. Nevertheless, the Committee judged that, looking through the volatility in inflation associated with the movements in Value Added Tax, there remained a significant risk of undershooting the 2% CPI inflation target in the medium term at the existing level of Bank Rate. Accordingly, the Committee concluded that a further reduction in Bank Rate of 0.5 percentage points to 1.5% was necessary to meet the target in the medium term. The minutes of the meeting will be published at 9.30am on Wednesday 21 January.

Notes to Editors
The previous change in Bank Rate was a reduction of 1.0 percentage points to 2.0% on 4 December 2008.
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[Source: BOE]

The BOE - How They Voted

VOTING BY THE MONETARY POLICY COMMITTEE - 1997 TO PRESENT DATE

	Voted to Increase	Voted to Reduce	Voted to Maintain	Meetings Attended
Mervyn King	30	20	90	140
Paul Tucker	13	7	59	79
Charles Bean	8	19	73	100
Kate Barker	11	17	64	92
Sir John Gieve	6	8	21	35
David Blanchflower	1	16	14	31
Tim Besley	10	5	13	28
Andrew Sentance	8	5	14	27
Spener Dale	0	3	3	6
Totals	87	100	351	538
			538	Sum Check

VOTING BY THE MONETARY POLICY COMMITTEE - 2009

	Voted to Increase	Voted to Reduce	Voted to Maintain	Meetings Attended
Mervyn King, Governor	0	0	0	**0**
Paul Tucker	0	0	0	**0**
Charles Bean, Deputy Governor	0	0	0	**0**
Kate Barker	0	0	0	**0**
Sir John Gieve, Deputy Governor	0	0	0	**0**
David Blanchflower	0	0	0	**0**
Tim Besley	0	0	0	**0**
Andrew Sentance	0	0	0	**0**
Spencer Dale	0	0	0	**0**

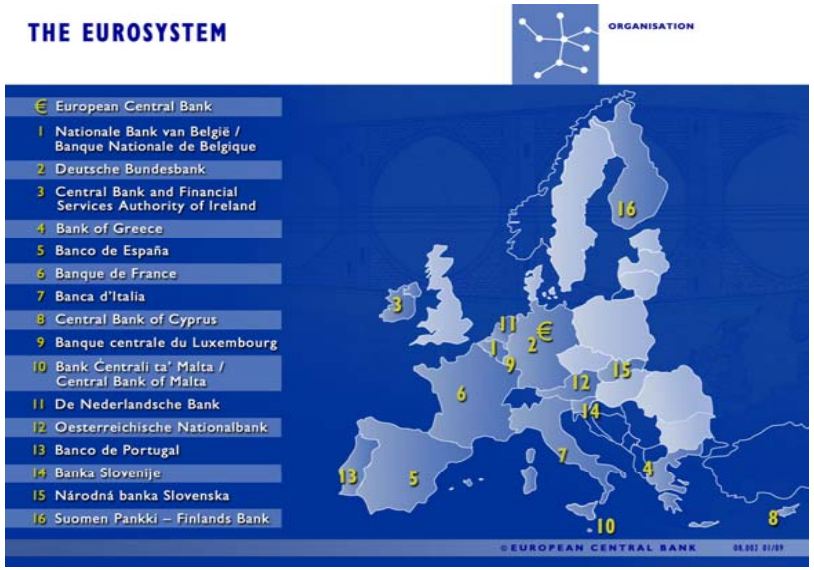
VOTING BY THE MONETARY POLICY COMMITTEE - 2008

	Voted to Increase	Voted to Reduce	Voted to Maintain	Meetings Attended	
Mervyn King, Governor	0	5	7	**12**	
Rachel Lomax, Deputy Governor	0	2	4	**6**	RET
Paul Tucker	0	5	7	**12**	
Charles Bean, Deputy Governor	0	5	7	**12**	
Kate Barker	0	5	7	**12**	
Sir John Gieve, Deputy Governor	0	6	6	**12**	
David Blanchflower	0	12	0	**12**	Will Retire in May 2009
Tim Besley	2	4	6	**12**	
Andrew Sentance	0	4	8	**12**	
Spencer Dale	0	3	3	**6**	

Interest Rates in 2008
Increased 0 times
Reduced 5 times
Maintained 7 times

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

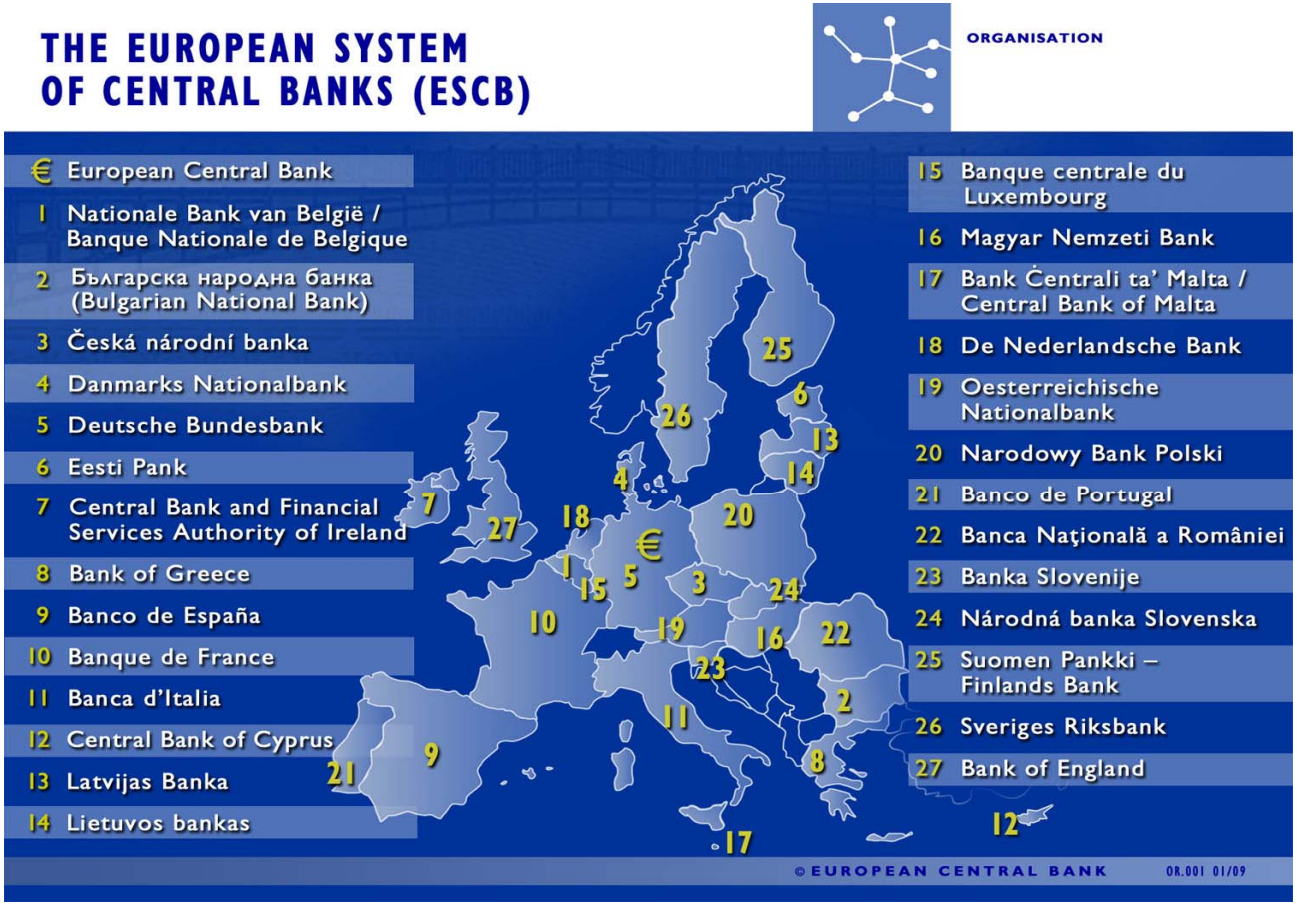
16 Member States of the European Union use the euro as their currency
Belgium
Germany
Ireland
Greece
Spain
France
Italy
Cyprus
Luxembourg
Malta
The Netherlands
Austria
Portugal
Slovenia
Slovakia
Finland
Non-participants
Bulgaria, Czech Republic, Denmark, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Sweden and the United Kingdom are EU Member States but do not currently use the single European currency.
[SOURCE: The ECB. **Last updated January 02, 2009**]



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 European System of Central Banks

1) the European Central Bank (ECB) and

2) the national central banks (NCBs) of all 27 EU Member States

[source: the ecb]

Table 2 Overview of the comparability of selected indicators

Euro area headline indicators	To be compared with	Assessment	
		United States	Japan
HICP	CPI excluding imputed rents	Comparable (product coverage similar to HICP definition)	Comparable (product coverage similar to HICP definition)
GDP	Headline	Almost comparable (nominal GDP: slight deviations for the treatment of software expenditure, shadow economy, military expenditure, FISIM; GDP volume change: slight deviations for the treatment of quality changes, non-market sectors output and the choice of index number)	Comparable
Consumption	Headline	Comparable	Comparable
Investment	Headline adjusted (US)	More comparable (after adjustment for the treatment of military weapons but no adjustment for the treatment of software capitalisation)	Comparable
Unit labour costs	Headline adjusted (US)	Comparable (after adjustments for volume changes of GDP; expansion of the non-farm business to the whole economy and use of persons employed instead of number of hours worked for employment definition)	Information not available
Labour cost index	None	Not comparable (different definition: euro area indicator refers to changes in costs of labour per hour using recent industry and country weights whereas US indicator describes changes in employer costs for a fixed basket of labour eliminating compositional changes)	Information not available
Unemployment	Headline	Almost comparable (unemployment statistics derived from a household survey in line with ILO guidelines but differences in the sample period, target population, treatment of temporary lay-offs and age limit definition)	Almost comparable (unemployment statistics derived from a household survey in line with ILO guidelines but differences in the sample period, target population and age limit definition)
Employment	Labour force survey employment (US) Headline (Japan)	More comparable (employment definition based on persons employed but no adjustment for the treatment of the shadow economy)	Almost comparable (but no adjustment for the treatment of the shadow economy)
Bank credit	Headline adjusted (US)	Comparable (after adjustment for the banking sector coverage)	Not comparable (no possible adjustment)
Debt security	None	Not comparable (different valuation, sector and instrument coverage)	Information not available
MFI interest rates to households for house purchases	None	Not comparable (different definition, banking sector coverage and calculation methods)	Not comparable (different definition).
Households' indebtedness	Headline adjusted (US) Headline (Japan)	More comparable (after adjustment of the households' gross disposable income but no adjustment for the exclusion in households of sole proprietorships and most partnerships without independent legal status)	Comparable

Source: ECB
http://www.ecb.int/pub/pdf/mobu/mb200504en.pdf
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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."

09/03/2008
Bullard give hawkish speech stating that lowering rates no wouldn't help. He said this the day before the House votes on the Bail out bill and the finanical system is on the brink of collapse. I'm swtiching him from Moderate/Dove to Moderate/Hawk.

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.