

25/06/2007	14:52	EURO	chg	USA	chg	UK	chg
Futures	Bond	110.39	0.30	106.78	0.41	103.63	0.29
	STIR	95.65	0.00	94.73	0.02	93.76	0.03
Cash	3mth	4.16	0.00	5.36	0.00	5.95	0.01
	2yr	4.43	-0.03	4.89	-0.03	5.76	-0.04
	5yr	4.54	-0.04	4.98	-0.03	5.71	-0.04
	10yr	4.62	-0.04	5.10	-0.03	5.48	-0.04
	30yr	4.74	-0.04	5.22	-0.03	4.85	-0.02
	10yr-2yr	0.18	-0.01	0.21	-0.01	-0.27	0.00
Spreads	2yr	--	--	0.51	0.00	1.41	-0.01
	vs euro	10yr	--	--	0.55	0.00	0.94
FX	USD	1.347	0.000	--	--	2.000	0.001
	EUR	--	--	--	--	0.673	0.000
	YEN	166.55	-0.38	123.67	-0.25	247.30	-0.39
Equities		4439.1	-0.9%	1502.6	-1.3%	6547.5	%

Euribor futures were unchanged to 5 ticks higher with the Sep-07 contract at 95.650/0.000 (4.350% implied). Sep-07 Bunds were 30 ticks higher at 110.39. In cash, German government benchmark yields were 3bps to 4bps lower 2s underperforming. The 2s/10s spread was 18bps vs. 19bps and the 10s/30s spread was unchanged at 12bps.

Gilts were trading higher on Monday afternoon, with 30-year Gilts underperforming ahead of the 1.125% 2037 Index Linked Gilt auction on Tuesday.

Short sterling futures were 1 tick to 4 ticks higher with the Sep-07 contract at 93.840/+0.040 (6.160% implied). Jun-07 Gilts were 29 ticks higher at 103.63. In cash, UK government benchmark yields were 2bps to 4bps lower with 30s outperforming. The 2s/10s spread was unchanged at -27bps and the 10s/30s spread was -65bbps vs. -64bbps.

Headlines

EGBs higher, take cue from US Treasuries in afternoon trade on risk aversion

Bunds higher, take cue from USTs, weak Chinese stocks

July German GFK Consumer Confidence: 8.4 vs. 7.8 expected

German Q3 Issuance: German Q3 capital market borrowing cut to E36.0bln vs. estimates of E39.0bln

Euro Mkt Summary: EGBs Higher, Extend Gains On Risk Aversion by Charanjeev Chana

EGBs were trading higher on Monday afternoon, with little bias. Bunds extended gains in the afternoon session, taking cue from US Treasuries which gained amid short-covering, safe-haven bids and uncertainty on the subprime situation. The market ebbed off highs following upward revisions to previous month US home sales data. Bonds opened on a stronger footing on Monday morning, taking cue from UST gains and underpinned by risk-aversion buying following sharp losses in Chinese stocks overnight - after speculation grew over an imminent PBOC interest rate hike. Early losses followed after the release of German GFK consumer confidence data, which rose to a 6-month high. Bunds however reversed losses on weakness in European equity bourses. The Bund curve traded flatter on the publication of the German Q3 issuance calendar, after the German Finance agency reported a cut in German Q3 capital market borrowing to E36.0bln vs. estimates of E39.0bln - with cuts planned in 5-, 10- & 30-year issuance.