

11/9/2007 5:44



## The Morning Email: US & Germany

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### News Release

**Bank of England** Maintains Bank Rate at 5.75%  
8 November 2007

The Bank of England's Monetary Policy Committee today voted to maintain the official Bank Rate paid on commercial bank reserves at 5.75%.

The Committee's latest inflation and output projections will appear in the Inflation Report to be published on Wednesday 14 November.

The minutes of the meeting will be published at 9.30am on Wednesday 21 November.

### PRESS RELEASE

8 November 2007 - Monetary policy decisions

At today's meeting the Governing Council of **the ECB** decided that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.00%, 5.00% and 3.00% respectively.

Want something added? Let me know: [jgoulding@ghco.com](mailto: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.

Jim Goulding, [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

The Morning Email, US&GER

Quotes 1

32 nds								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
TUAZ7	104.135	0.0	104.137	104.075	104.100	43,337	420,241	2y Futures	<b>US Futures Market</b>
FVAZ7	109.005	0.1	109.015	108.205	108.240	83,778	948,019	5y Futures	
TYAZ7	111.290	0.1	111.300	111.125	111.165	179,527	1,697,599	10y Futures	
USAZ7	114.130	0	114.140	113.230	113.290	37,773	492,234	30y Futures	



US Cash Treasury Market						
Last	Net	Hi	Low	Open	Volume	
BUS02P	100.122	3.5	100.127	100.065	100.075	2y
BUS05P	100.160	7.2	100.167	100.042	100.045	5y
BUS10P	100.015	11.5	100.030	99.180	99.200	10y
BUS30P	105.290	19	105.315	105.045	105.045	30y

Last	Net	Hi	Low	Open	Volume	
BUS02Y	3.410	(6.70)	3.526	3.41	3.509	2y Yield
BUS05Y	3.758	(5.30)	3.849	3.755	3.833	5y Yield
BUS10Y	4.240	(4.50)	4.306	4.236	4.298	10y Yield
BUS30Y	4.629	(3.00)	4.685	4.623	4.669	30y Yield

Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGZ7	103.67	95.00	103.68	103.55	103.57	359,946	886,050	Schatz(2Y)	<b>German Futures Markets</b>
DLZ7	108.78	245.00	108.80	108.47	108.50	280,124	744,764	Bobl(5Y)	
DBZ7	114.60	35.00	114.67	114.15	114.25	590,399	1,395,449	Bund(10Y)	



	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE040P0909***	100.30	3.803	4.000	9/11/2009	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE050P0712***	104.53	3.899	5.000	7/4/2012	5 yr CTD	
T.US.DE040P0716*	99.53	4.056	4.000	7/4/2016	10 yr CTD	
DEP2P	100.33	3.803	4.000	9/11/2009	2yr OTR	
DEP5P	101.57	3.891	4.250	10/12/2012	5yr OTR	
DEP10P	101.23	4.091	4.250	7/4/2017	10yr OTR	

Notes

- Y = Yield
- DE = German Country Code
- CTD = Cheapest to Deliver
- OTR = On the Run
- \* OTR
- \*\* CTD
- \*\*\* CTD & OTR

**Quotes 2**

This page provided a more detailed look at the quotes for the German Bonds

German Bonds are quoted in decimal, not 32nds.



	Decimal					
	Bid	Ask	Last	Hi	Low	Chng
DGZ7	103.67	103.68	103.67	103.68	103.55	95.00
DLZ7	108.78	108.78	108.78	108.80	108.47	245.00
DBZ7	114.59	114.60	114.60	114.67	114.15	35.00

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGZ7	4.053	4.050	4.050	4.115	4.048
DLZ7	4.027	4.026	4.026	4.092	4.023
DBZ7	4.185	4.183	4.183	4.235	4.175

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P0909***	3.797	3.878	3.803	3.803	3.820	
T.US.DE050P0712***	3.894	3.978	3.899	3.899	3.908	
T.US.DE040P0716*	4.046	4.121	4.056	4.056	4.063	
DEP2P	3.820	3.803	3.803	3.878	3.797	7
DEP5P	3.900	3.891	3.891	3.968	3.887	22
DEP10P	4.097	4.091	4.091	4.150	4.080	23

SYM NAME	
Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

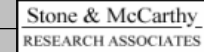
2 yr CTD	German Cash
5 yr CTD	
10 yr CTD	
2yr OTR	
5yr OTR	
10yr OTR	

	Decimal					
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P0909***	100.30	100.33		100.34	100.20	7.00
T.US.DE050P0712***	104.53	104.57		104.59	104.23	22.00
T.US.DE040P0716*	99.53	99.58		99.65	99.12	22.00
DEP2P	100.30	100.33	100.33	100.34	100.20	7.00
DEP5P	101.53	101.57	101.57	101.59	101.23	22.00
DEP10P	101.18	101.23	101.23	101.31	100.76	23.00

SYM NAME	
2 yr CTD	German Cash
5 yr CTD	
10 yr CTD	
2yr OTR	
5yr OTR	
10yr OTR	

Notes

- Y = Yield
- DE = German Country Code
- CTD = Cheapest to Deliver
- OTR = On the Run
- \* OTR
- \*\* CTD
- \*\*\* CTD & OTR



**Euro Mkt Summary: EGBs Higher on Dovish Bernanke Comments**  
by Charanjeev Chana

EGBs were trading higher on Thursday afternoon with short dates outperforming, in turn steepening the Bund curve. In the afternoon session, short dates initially came under pressure on comments by ECB President Trichet said upside risks to price stability were "fully confirmed" by recent data with monetary policy ready to counter these developments - thereby suggesting the tightening bias was still intact. The market then reversed losses and extended gains on comments by Fed Governor Ben Bernanke, who said the FOMC expects growth to "slow noticeably" in the fourth quarter. EGBs opened higher on Thursday morning, underpinned by risk aversion buying on renewed credit concerns. Prices soon came off highs on profit-taking ahead of key interest rate announcements by the ECB and BOE. Little reaction followed the ECB's decision to keep interest rates unchanged at 4.00%. In supply news, the AFT sold E2.26bln of the 4.25% Oct 2017 OAT issue at an average yield of 4.25% and covered 2.912 times, and E745mln of the 4.00% Apr 2055 OAT issue at an average yield of 4.47% and covered 3.832 times.

Europe sees the release of French industrial production [data on Friday](#) morning. We expect a sharper than expected decline, which is likely to offer some support to short dates on the Bund curve in early trade.

[In the forex markets](#), the dollar traded weaker against the major currencies. The EUR/USD was at 1.469 (+0.006), cable at 2.110 (+0.009) and USD/JPY at 112.62 (+0.12).

[European equities](#) were mixed in afternoon trade. The DAX was trading +0.30%, CAC 40 -1.03% and the FTSE outperforming at +0.03% on the day, after BHP Billiton said it had offered to buy Rio Tinto Group. US stocks were weaker with the S&P 500 -0.03% and the NASDAQ -0.93%.

[Gilts](#) were trading higher, outperforming their European counterparts. Short dated Gilts outperformed on the Gilt curve. Gilts opened higher, and short dates outperformed on weaker than expected October Halifax house price data. The monthly rate posted a second consecutive decline in house prices whilst the annual rate dropped to single digits for the first time since February this year. Last minute hedging by domestic accounts was noted, against a surprise interest rate cut by the Bank of England. Gilts spiked lower following the Bank of England's decision to keep interest rates on hold at 5.75%.

Attention in the UK will turn to UK trade balance data on Friday morning.



[Times for Market News International stories are ET]

05:50 11/09 **EU COMMISSION:** Sees 2009 EMU HICP at 2.0% (first forecast)

- Ups 2008 EMU HICP forecast to 2.1% vs previous 1.9%
- Cuts 2008 EMU GDP forecast to +2.2% vs previous +2.5%

05:22 11/09 **EURO-DOLLAR:** Euro posts fresh life highs vs dollar above \$1.4739.

04:55 11/09 **MNI GILT TECHS:** Backing off earlier highs. Weekly picture likely to be bullish unless the market slips back through 108.90 and 107.98 weekly open. Key support is not until the 21-DMA at 107.50. Initial support in the current intraday move is 108.14/21.

06:28 11/09 **EGB FLOWS:** Traders reported decent size buying in German 2-year Schatz this morning from UK real moeny account. Elsewhere, carry trade unwinds seen supporting the safe-haven bid. Traders say that the carry trade unwinds reflects the jittery financial conditions.

It's all about BARCLAY'S today. It's down 9% on write down rumours. Barclay's said it wouldn't comment until Nov 27, when their earnings are due. ---Jim

05:50 11/09 **ECB WEBER:** We signalled that sharp inflation rise is a concern

- Certain risk that inflation to stay high through most of 2008
- Sees risk of inflation won't fall significantly in 2009
- Upside price and downside growth risks both increased
- Dollar drop hasn't fully offset higher oil prices
- Will make sure price stability remains intact
- We will not tolerate 2nd round inflation effects
- Sees reappraisal of risk ongoing
- Will monitor all incoming data closely
- Major assessment will include FX and oil
- Dec assessment will include FX and oil
- ECB statement doesn't conflict with what i've said
- Have decided to keep extra liquidity in market
- Liquidity demand in market stronger at end of year.

05:14 11/09 **OIS:** Current levels on Overnight Index Swap curves imply:

- **SONIA** (Sterling Over-Night Index Average) Swap curve is pricing in around 54% chance of a 25bps rate cut from the BoE at the December 6 MPC meeting.
- **EONIA** (European Over-Night Index Average) Swap rates continue to imply no chance of a rate cut at the Dec 12 Governing Council meeting, and an unchanged rate profile into 2008.
- **Japanese OIS curve** implies around 1.0% chance of a 25bps rate hike at the November 13 Bank of Japan meeting. -- Fed funds futures is pricing in 64% chance a 25bps rate cut at the December 11 FOMC meeting.



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	15.64	5.36	\$1,676	€ 2,458
10y	7.92	2.54	\$793	€ 1,163
5y	4.48	1.44	\$451	€ 661
2y	1.89	0.62	\$193	€ 283
ZB	9.88	3.67	\$115	€ 168
ZN	5.78	2.09	\$65	€ 96
ZF	3.85	1.36	\$42	€ 62
ZT	1.79	0.60	\$19	€ 28

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.08	€ 241	\$165	0.874919
Bobl	4.04	€ 131	\$89	0.960712
Schatz	1.72	€ 53	\$36	0.957701
DE10Y	7.68	€ 1,158	\$789	
DE5Y	4.04	€ 630	\$429	
DE2Y	1.72	€ 255	\$174	

^Futures are Based on CTD

Last

EURUSD 146.68

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	10.18	18.75	46.12
10y	4.82	8.87	21.83
5y	2.74	5.04	12.40
2y	1.17	2.16	5.31
ZB	0.70	1.28	3.16
ZN	0.40	1.34	1.80
ZF	0.26	0.47	1.17
ZT	0.11	0.21	0.52

**Notes**

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

3) MDuration & DV01s for Futures are based on proxy issue (CTD)

## US Financial Futures / Eurex Bond

	ZN	ZF	ZT
Bund (Z)	1.700	2.700	3.000
Bobl (Z)	0.970	1.450	1.570
Shatz (Z)	0.400	0.620	0.680

Bloomberg  
Ratio's

## US Treasuries v Eurex Bonds

	2y	5y	10y
Bund (Z)	1.7	3.9	7.1
Bobl (Z)	3.1	7.1	12.8
Shatz (Z)	7.8	15.9	28.8

Bloomberg  
Ratio's

	Bund (Z)	Bobl (Z)	Shatz (Z)
Bund (Z)	1.00	1.67	4.11
Bobl (Z)	0.60	1.00	2.47
Shatz (Z)	0.24	0.41	1.00

GH Trader's  
Ratio's

## Note:

Bloomberg hedge ratio's are static. Meaning, I only update them once a week and on rolls. My hedge ratio's are live, meaning, they're updated in real-time. I've managed to get the Eurex to Eurex ratio's updating live as of 07/05/2007. I'll be working on Eurex to the USA ratio's soon. All matrixes are labeled GH Trader's or Bloomberg.

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	3.426	3.410	3.410
US5y	3.765	3.758	3.758
US10y	4.244	4.240	4.240

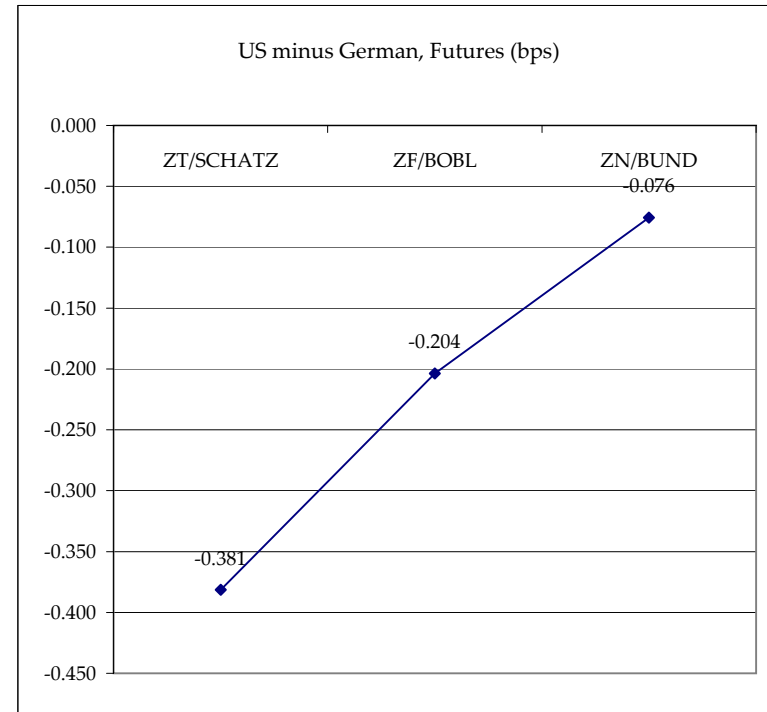
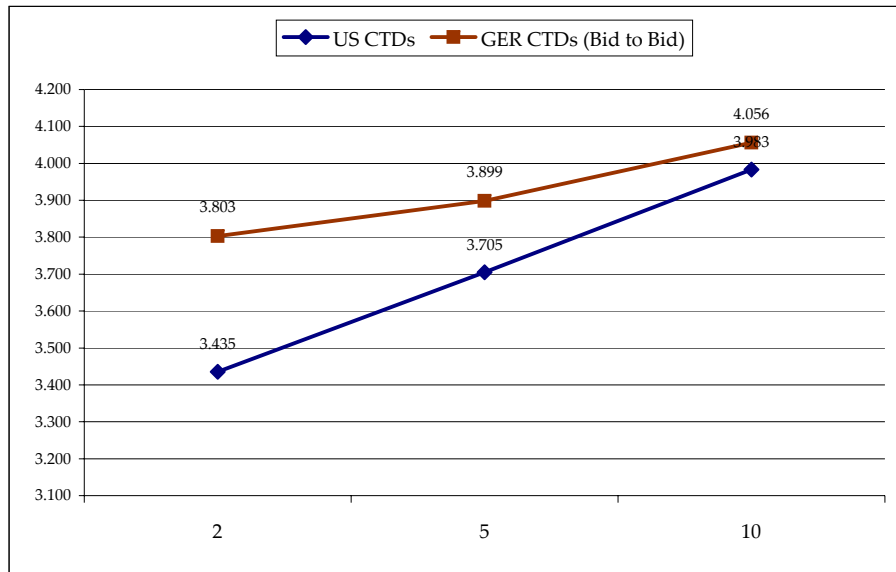
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.820	3.803	3.803
DE5y	3.900	3.891	3.891
DE10y	4.097	4.091	4.091

Spreads	
	Bps
ZT/SCHATZ	-0.381
ZF/BOBL	-0.204
ZN/BUND	-0.076

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4 of 09/09	3.435	3.422	3.422
4.625 of 02/12	3.705	3.695	3.695
4.25 of 08/14	3.983	3.980	3.980

German Futures (CTD)			
	Bid	Ask	Last
4.000 of 09/09	3.797	3.878	3.803
5.000 of 07/12	3.894	3.978	3.899
4.000 of 07/16	4.046	4.121	4.056

This chart shows the US futures, ZT, ZF, and ZN as a yield compared to the German Futures, the Schatz (2yr), Bobl (5yr), and Bund (10yr). Cheapest to Deliver (CTD) are used as proxies for the yields.



When does the volume trade? Between what hours of the day? These are the two questions most frequently asked, by new traders to this contract. Of course number releases pertaining to the German economy will produce volume. Past that we can look at a chart of the Bund as determine when volume occurs.

Time	Volume	Volume
	Rises	Drops
1:00 AM CST	x	
7:00 AM CST	x	
10:00 AM CST		x
11:00 AM CST		x
German Econ Release	x	
US Econ Release	x	

#### Bond Market Characteristics

From The Treasury Bond Basis Book 3rd Edition, by Galen Burghardt

Accrued Interest	Germany	Japan	UK
Coupon (date)	Annual	semi (20th)	semi
Ex-dividend (days)	no	no	yes (7)
Accrual basis	actual	actual	actual
Year Basis	actual	365	actual

#### Settlement time frame

Domestic	T+2	T+3	T+3
International	T+3	na	na

#### Trading Basis

Quotation	price	simple yield	price
Tick	decimal	bp	decimal
Tax (resident)	0	0	0
Price/Yield Method	ISMA	Simple	DMO

#### Repo

Accrual basis	actual	actual	actual
Year basis	360	0	365

The Governing Council

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  
 Axel A. Weber, President, Deutsche Bundesbank  
 Nout Wellink, President, De Nederlandsche Bank  
 Guy Quaden, Governor, Nationale Bank van België/Banque Nationale de Belgique  
 Nicholas C. Garganas, Governor, Bank of Greece  
 Miguel Fernández Ordóñez, Governor, Banco de España  
 Christian Noyer, Governor, Banque de France  
 John Hurley, Governor, Central Bank and Financial Services Authority of Ireland  
 Mario Draghi, Governor, Banca d'Italia  
 Yves Mersch, Governor, Banque centrale du Luxembourg  
 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**

Austria, Oesterreichische Nationalbank  
 Belgium, Nationale Bank van België/Banque Nationale de Belgique  
 Bulgaria, Bulgarian National Bank  
 Czech, Republic Česká národní banka  
 Cyprus, Central Bank of Cyprus  
 Denmark, Danmarks Nationalbank  
 Estonia, Eesti Pank  
 Éire/Ireland, Central Bank and Financial Services Authority of Ireland  
 Finland, Suomen Pankki - Finlands Bank  
 France, Banque de France  
 Germany, Deutsche Bundesbank  
 Greece, Bank of Greece  
 Hungary, Magyar Nemzeti Bank  
 Italy, Banca d'Italia  
 Latvia, Latvijas Banka  
 Lithuania, Lietuvos bankas  
 Luxembourg, Banque centrale du Luxembourg  
 Malta, Central Bank of Malta  
 The Netherlands, De Nederlandsche Bank  
 Poland, Narodowy Bank Polski  
 Portugal, Banco de Portugal  
 Romania, Banca Națională a României  
 Slovakia, Národná banka Slovenska  
 Slovenia, Banka Slovenije  
 Spain, Banco de España  
 Sweden, Sveriges Riksbank  
 United Kingdom, Bank of England

**EU Central Banks**

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

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 for shaded and unshaded cells**

Represented on the Governing Council

Represented on the General Council

**8 November 2007 - Monetary policy decisions**

**At today's meeting the Governing Council of the ECB decided that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.00%, 5.00% and 3.00% respectively.** [SOURCE: The ECB]

**ECB Introductory Statement [ First paragraph only. You can view the full statement at [www.ecb.int](http://www.ecb.int) ]**

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 fully confirms that the outlook for price stability over the medium term is subject to upside risks. Against this background, and with money and credit growth vigorous in the euro area, our monetary policy stands ready to counter upside risks to price stability, as required by our mandate. The economic fundamentals of the euro area remain sound and support a favourable medium-term outlook for economic activity. However, the ongoing reappraisal of risk in financial markets has led to continued uncertainty.

This warrants a thorough examination of additional information before drawing further conclusions for monetary policy in the context of our medium term-oriented monetary policy strategy focused on maintaining price stability. Accordingly, the Governing Council will monitor very closely all developments. By acting in a firm and timely manner on the basis of our assessment, we will ensure that risks to price stability over the medium term do not materialise and that medium and long-term inflation expectations remain firmly anchored in line with price stability, which is all the more important at times of financial market volatility and increased uncertainty. This will favour an environment conducive to sustained economic growth, well-functioning markets and job creation. As regards the financial markets, we will continue to pay great attention to developments over the period to come.

[SOURCE: The ECB]

Stone & McCarthy  
RESEARCH ASSOCIATES










**Most Recent MPC Meetings:**

	King (Gov)	Lomax (Dep Gov)	Gieve (Dep Gov)	Bean	Tucker	Barker	Blanchflower	Besley	Sentance	Result	Level	Vote	Dissent bias
Aug-06	+25bps	+25bps	+25bps	+25bps	+25bps	+25bps	unch			+25bps	4.75%	6-1	no chg
Sep-06	unch	unch	unch	unch	unch	unch	unch	unch		unch	4.75%	8-0	none
Oct-06	unch	unch	unch	unch	unch	unch	unch	+25bps	+25bps	unch	4.75%	7-2	tightening
Nov-06	+25bps	unch	+25bps	+25bps	+25bps	+25bps	unch	+25bps	+25bps	+25bps	5.00%	7-2	no chg
Dec-06	unch	unch	unch	unch	unch	unch	unch	unch	unch	unch	5.00%	9-0	none
Jan-07	+25bps	unch	+25bps	unch	unch	+25bps	unch	+25bps	+25bps	+25bps	5.25%	5-4	no chg
Feb-07	unch	unch	unch	unch	unch	unch	unch	+25bps	+25bps	unch	5.25%	7-2	tightening
Mar-07	unch	unch	unch	unch	unch	unch	-25bps	unch	unch	unch	5.25%	8-1	easing
Apr-07	unch	unch	unch	unch	unch	unch	unch	+25bps	+25bps	unch	5.25%	7-2	tightening
May-07	+25bps	+25bps	+25bps	+25bps	+25bps	+25bps	+25bps	+25bps	+25bps	+25bps	5.50%	9-0	none
Jun-07	+25bps	unch	+25bps	unch	unch	unch	unch	+25bps	+25bps	unch	5.50%	5-4	tightening
Jul-07	+25bps	unch	+25bps	unch	+25bps	+25bps	unch	+25bps	+25bps	+25bps	5.75%	6-3	no chg
Aug-07	unch	unch	unch	unch	unch	unch	unch	unch	unch	unch	5.75%	9-0	none
Sep-07	unch	unch	unch	unch	unch	unch	unch	unch	unch	unch	5.75%	9-0	none
Oct-07	unch	unch	unch	unch	unch	unch	-25bps	unch	unch	unch	5.75%	8-1	easing

**BOE Hawkometer - Blanchflower Voted for an October Rate Cut by Niraj Shah [Stone & McCarthy]**

8-1  
The Bank of England minutes showed that the Monetary Policy Committee had voted 8:1 to leave rates on hold at the October meeting. The sole dissenter was Blanchflower who voted for an immediate rate cut. The arch dove argued for a cut on the basis that the BOE's August growth forecast had been a "little high" anyway and that since then growth risks had "increased or even crystallised". The Committee as a whole discussed the case for a "precautionary" cut in rates given the shift in the balance of risks to growth. However, the MPC noted that some slowdown in the economy was needed anyway to meet the inflation target and that there was also a danger that an easing would be "misinterpreted". The November Inflation Report will be instrumental in seeing how far CPI and growth forecasts are revised. However, unless there is a sharp revision lower in growth projections, we still do not envisage the Bank cutting rates before 2008.  
[10/17/2007]

**BOE HAWKOMETER (October)**

	Dissenting Hawkish Votes	Dissenting Dovish Votes	Non-Dissenting Votes	Total Votes	Hawkishness Rating
 Sentance	4	0	9	13	31%
 Besley	4	0	10	14	29%
 King (Gov)	14	0	112	126	11%
 Tucker	6	1	58	65	8%
 Gieve (Dep Gov)	1	0	20	21	5%
 Lomax (Dep Gov)	2	3	47	52	-2%
 Barker	1	4	73	78	-4%
 Bean	0	5	81	86	-6%
 Blanchflower	0	6	11	17	-35%

[As of 11/08/2007 7:00 am CT]

Current Bank Rate 5.75%  
Next due: 6 Dec '07

Current Inflation (CPI) 1.8%  
Next due: 13 Nov '07  
Inflation Target 2.0%

Latest Inflation Report: Aug '07  
Next due: 14 Nov '07

[As of 11/08/2007 7:00 am CT]

**News Release**

**Bank of England Maintains Bank Rate at 5.75%  
8 November 2007**

**The Bank of England's Monetary Policy Committee today voted to maintain the official Bank Rate paid on commercial bank reserves at 5.75%.**

**The Committee's latest inflation and output projections will appear in the Inflation Report to be published on Wednesday 14 November.**

**The minutes of the meeting will be published at 9.30am on Wednesday 21 November.**