[Times for Market News International stories are ET]

06:49 11/15 LIBOR: Dollar 3 month LIBOR highest since Oct30
06:47 11/15 **LIBOR FIXINGS**: Euro 3-mth Libor fixed at 4.58438% vs 4.57375% Weds
-- Stg 3-mth Libor fixed at 6.34250% vs 6.29875% Weds
-- Dollar 3-mth Libor fixed at 4.90500% vs 4.87750% Weds.

06:43 11/15 **GILT SUMMARY**: Gilts are higher, with the short-dated issues outperforming in the wake of the weaker than expected UK retail sales data, in turn steepening the Gilt yield curve. Retail sales volumes fell 0.1% on the month and 4.4% on the year, compared with median analysts' forecasts for unchanged on the month and a 4.6% increase on the year. The October result was also the lowest on the month since January this year. The data increased speculation of an early Bank of England rate cut as soon as the December MPC meeting, in the wake of the dovish BoE Quarterly Inflation Report yesterday. Elsewhere, December short-sterling contract traded lower on renewed year-end funding concerns. Traders attributed the move due to some banks chosing to do their year-end funding today, for the turn of year, rather than wait and have exposure to a potential cut from the Bank of England in December. The Gilt 2-/10-year yield spread was 2.0 bps steeper at -5.6 bps, whilst the 10-/30-year yield spread was 0.7 bps steeper at -27.1 bps.

07:01 11/14 **BUND SUMMARY:** European bond prices are lower on Wednesday, but above their worst levels following short-covering in UK Gilts in the wake of the dovish Bank of England Quarterly Inflation Report. Volumes were reported to be above average, with long-dated issues outperforming at the expense of shorter maturities, in turn flattening the Bund yield curve. Bunds opened sharply lower following a sharp rebound in global stocks and re-emergence of FX carry trades. Dec Bunds hit fresh session low at 113.80 despite eurozone Q3 flash GDP data coming in as expected at +0.7% q/q, +2.6% y/y. Prices were also weighed ahead of supply from Italy and Germany. Germany alloted E5.98bln of the new 4.00% Jan 2018 Bund issue at ave yield 4.19% and covered 2.0 times. Traders reported street demand for the new 4.00% Jan 2018 Bund issue following the concession this morning. Italy sold E2.5bln of the 4.25% Oct 2012 BTP issue at ave yield 4.14% and covered 1.53 times. Traders also reported real money accounts putting on 10-/30-year flattening trades.

06:57 11/15 **FX:** Euro-dollar and dollar-yen both ended Thursday morning lower, the market seemingly becoming more averse to taking risk, coinciding with a down day for European stocks. After making a brief show above $1.4700, euro-dollar slipped back to trade just shy of Wednesday's base, ending the session around $1.4625. Dollar-yen slipped back below Y111.00 as theyen crosses took a tumble, rate then running into demand at Y110.40 and ending up back at Y110.75. Sterling continued to lose ground during European morning trade, on follow through selling after the release Wednesday of the dovish Bank of England Inflation Report. Weaker than expected retail sales data also added to the negative weight against thepound, with traders also noting Middle Eastern selling, suggested to be linked to the unwinding of the recent failed bid for UK supermarket Sainsbury.

05:39 11/15 **SONIA:** The SONIA (Sterling Over-Night Index Average) swap curve is now pricing in around 65% chance of a 25bps rate cut at the Dec MPC meeting, in the wake of the weak UK retail sales data and also the BoE quarterly inflation report. In addition, the curve remains fully pricing for a 25bps rate cut by February 2008, and now fully pricing in 3 rate cuts or 75bps cut by Sept 2008.

Month	Rate	Probability (25bp cut)	Prob Pre-retail sales
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December	5.584%	-65.0%	-55.0%
January	5.528%	-90.0%	-85.0%
February	5.453%	-120.0%	-115.0%
March	5.338%	-165.0%	-165.0%
April	5.226%	-210.0%	-200.0%

01:51 11/15 **JGB SUMMARY**: Japanese government bonds ended Thursday's session modestly lower, boosted by short-covering in the futures market and solid demand from real money funds in the belly of the curve. Prices were higher from the getgo and held a bid throughout the session despite only modest volumes. Trader said many players were sidelined ahead of the US session and the release of key economic data. The Ministry of Finance sold Y700 billion 15-year floating rate notes, with a bid/cover of 3.81 times.
-- Benchmark 10-year yield was 1.5 bps lower at 1..510%.
-- Benchmark 5-year yield was 3 bps lower at 1.0475%.
-- Benchmark 20-year yield was 1 bps lower at 2.070%.
-- Benchmark 30-year yield was 1 bps lower at 2.305%.
-- Lead Sept JGB futures contract was up 0.34 at 136.85.