



[Times for Market News International stories are ET]

07:06 11/19 **LIBORS:** As well as the 0.02875 gain in the 3-month euro Libor, sterling 3-month is higher by 0.04875. 2-month gained 0.05625 in sterling. 3-month dollars gained 0.03313

07:24 11/19 **EGB SUMMARY:** Bund futures initially opened lower, following the late weakness in UST markets on Friday but weak equity markets have since provided a bid for bonds as the market steadily recovers to a high of 114.73. There was little data to lead the move with EMU September construction production coming in unchanged m/m and rising 1.5% y/y. Market had earlier traded a 114.36 low, matching the 5-day moving average, though sliding equities soon helped provide a base. Equity markets in France and Germany are off around 0.35% Resistance in the futures market is initially at 114.76/82 with 114.90/00 above there. Elsewhere, ECB Governing Council member Klaus Liebscher said the risks to price stability in the eurozone are tilted to the upside, while growth remains robust thanks to improving competitiveness. The Bund curve traded steeper from Friday's close, with the 2-/10-year yield spread at +34 bps versus +33 bps, whilst the 10-/30-year yield spread was at +34.5 bps versus +34 bps.

07:36 11/19 **GILT SUMMARY:** Gilts are lagging a little in European trade, despite a 1% decline in the FTSE 100. Traders have cited some profit-taking following the recent strong gains seen in recent sessions. Earlier trade was capped around 109.74, though main resistance for the Gilt is at 109.88/90, including a March high and Fibonacci levels. Daily studies are set for a reversal lower, though the market has recovered from its earlier 109.42 low. 109.10 seen as support below there. The UK Debt Management Office (DMO) is due to sell a new 40-year linker -- 0.75% Nov 2047 IL Gilt on November 11 for Stg750mln on Tuesday. The DMO also announces the size of the 4.50% Dec 2042 Gilt on Tuesday, which is due to be sold on November 28, where most strategists expect this to be for Stg2.25bln.

07:09 11/19 **UK: Data** released in the UK Monday,
**** House Prices Fall In Nov, Seen Falling Further - Rightmove>**
 - Rightmove Sees House Prices Staying Flat Through 2008
 - Sees Further Price Falls In December, Early 2008
 - UK house prices fell by 0.7% in November, according to the latest house price report from Rightmove. This report provides further evidence that the UK house market is cooling although hardly collapsing. The annual rate of increase also eased to 7.9% from 10.4% in October, Rightmove said. The latest figures mean that house prices have basically stagnated for the past four months. Rightmove also forecast that prices will remain flat in 2008 and said the market would need an early cut in interest rates from the Bank of England to prevent stagnation.

07:56 11/19 **JGB RECAP:** Prices ended slightly lower on light volume which was mostly curve trades including 5/10Y and 9/10Y flatteners and 7/10Y steepeners. Swaps wider on higher LIBOR fixings. Linkers were cheaper despite the MOF held a Y40B buy back BEIs focused on a Nikkei story centering on the soon to expire gasoline tax. The story suggested the Democratic party would oppose renewing the tentative policy that gasoline tax stays doubled. If the bill is not renewed gasoline prices could fall Y24.3 per liter, worst case scenario, which would depress CPI (currently the tax is 48.6Yen per liter until 31/3/08).