



[Times for Market News International stories are ET]

06:40 11/28 **EUROZONE**: Reported comments from eurozone officials Wednesday,

** ECB TRICHET: Setting working group with PBOC on proper yuan FX

- Yuan rise in interest of China/global prosperity.
- Same China FX message for long time.

- Respect sovereign decisions for China authorities

- Direction EU suggesting in line with China's ideas

- Int'l consensus of need to avoid sharp FX moves.

** EU ALMUNIA: Resolving imbalances critical to global growth

- EMU shouldn't be only one solving imbalances

** EU JUNCKER: China FX should rise in gradual but more rapid way.

- Yuan fall vs euro creating European economic problems.

- Protectionism could result unless yuan problem fixed.

- Need to know why yuan rising vs dollar, falling vs euro.

- "Need to correct this obvious imbalance".

- Meeting with China PM Wen more frank than before.

06:44 11/28 **BUND SUMMARY**: Bunds opened lower, taking cue from weaker US Treasuries towards the Chicago close. Bunds came under selling pressure following release of eurozone M3 money supply data, where the annual growth rate surged to a seasonally adjusted 12.3% in October -- hitting fresh record high from an unrevised 11.3% in September. The latest result was well above the 11.5% median forecast in an MNI survey of 19 analysts. The short-dated issues were also weighed gains in European equity bourses, correction lower in the euro-dollar, amid long-liquidation and profit-taking ahead of month-end fixing and also ahead of 5-year German Bobl 151 supply, where E4.498bln was allotted at average yield of 3.82%, covered 2.0 times vs 1.75 cover at the previous auction on Oct 31. Traders said that the price concession ahead of auction boded well, despite the issue trading expensive against neighbours on the curve and adjacent issues. However, the long-dated Bunds outperformed on duration extension buying.

06:50 11/28 **EUROZONE**: Data released in the eurozone Wednesday,

** ECB: Eurozone Oct S/A M3 growth 12.3% y/y; MNI median 11.5% y/y.

- Oct EMU sa private loan growth 11.2% y/y; Sep 11.0% y/y

** GERMANY: Oct real wholesale sales +1.8% y/y; nominal +4.5% y/y

** GERMANY: German consumer confidence is expected to decline in December for the fifth month in a row as measured by research firm GfK's latest survey, published Wednesday. The drop of 0.5 point to +4.3 of the GfK forward-looking seasonally adjusted consumer confidence index was in line with median expectations in an MNI survey of analysts. November's reading was revised down to +4.8 from +4.9.

06:51 11/28 **GILT SUMMARY**: Gilts are lower in line with weakness in Bunds, with the long-dated Gilts also outperforming on duration extension buying. The iBoxx sterling index extends by around +0.13 years, taking into account the Stg4.5bln coupon paid on Dec 7, which go ex-dividend on Nov 29. This in turn underpin demand for the Stg2.0 billion 4.50% Dec 2042 Gilt auction, which was covered 1.82 times and came in with a tail of 0.5 bps. The results were seen as decent and highest cover ratio for the 2042 Gilt issue since its launch on June 5. Traders noted that the concession ahead of the auction and the smaller than expected size, were supportive of demand. Traders also noted Russian name selling 2-year Gilt. The Gilt 2-/10-year yield spread was 10.0 bps flatter at -7.5 bps, whilst the 10-/30-year yield spread was 3.0 bps flatter at -20.0 bps. Dec Gilts are down 52 ticks at 109.41.

06:57 11/28 **JAPAN**: Data released in Japan Wednesday,

** Oct retail sales +0.8% y/y vs +0.5% in Sept; large stores -1.8%

- Government upgrades assessment, first time in 2.5 years

02:28 11/28 **JGBS**: Japanese government bonds ended Wednesday's session mixed, with the ultralong end of the curve unable to gain upward traction. Traders said the belly of the curve saw good buying interest from city banks and public funds, with the 10-year yield again dipping below the 1.500% level. Weaker stocks also helped support the belly of the curve, with prices firming as the Nikkei 225 slid in afternoon trade. However, the 20 and 30-year sectors remained sluggish, with little sign of month-end duration demand.

- Benchmark 10-year yield was 1 bps loer at 1.490%.

- Benchmark 5-year yield was 2 bps lower at 1.035%.

- Benchmark 20-year yield was 1 bps higher at 2.095%.

- Benchmark 30-year yield was 2.5 bps higher at 2.345%.

- Lead Dec JGB futures contract was 0.21 higher at 137.10.