



The Morning Email: US & Germany



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Want something added? Let me know: jgoulding@ghco.com

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The Morning Email, US&GER



Quotes 1

32 nds								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
TUAZ7	103.060	0.0	103.080	103.060	103.077	15,208	192,774	2y Futures	US Futures Market
FVAZ7	106.155	0.0	106.195	106.155	106.190	31,497	558,252	5y Futures	
TYAZ7	108.225	0.0	108.270	108.220	108.260	86,331	1,230,159	10y Futures	
USAZ7	110.210	0	110.280	110.210	110.280	14,531	359,724	30y Futures	



32 nds							SYM NAME	
Last	Net	Hi	Low	Open	Volume			
BUS02P	99.232	(1.5)	99.250	99.235	99.245	2y	US Cash Treasury Market	
BUS05P	99.162	(2.0)	99.195	99.162	99.185	5y		
BUS10P	100.235	(4.0)	100.285	100.235	100.275	10y		
BUS30P	101.275	(9)	102.045	101.285	102.020	30y		

32 nds							SYM NAME	
Last	Net	Hi	Low	Open	Volume			
BUS02Y	4.134	1.70	4.151	4.105	4.143	2y Yield	US Cash Treasury Market	
BUS05Y	4.360	1.80	4.365	4.335	4.354	5y Yield		
BUS10Y	4.653	1.50	4.659	4.631	4.645	10y Yield		
BUS30Y	4.877	1.50	4.88	4.86	4.874	30y Yield		

Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGZ7	103.09	(65.00)	103.18	103.09	103.16	311,555	687,241	Schatz(2Y)	German Futures Markets
DLZ7	107.17	(100.00)	107.32	107.16	107.29	209,010	638,365	Bobl(5Y)	
DBZ7	112.11	(8.00)	112.35	112.09	112.25	412,565	1,282,788	Bund(10Y)	



	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE040P0909***	99.71	4.141	4.000	9/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE050P0712***	103.05	4.258	5.000	7/4/2012	5 yr CTD	
T.US.DE040P0716*	97.39	4.357	4.000	7/4/2016	10 yr CTD	
DEP2P	99.74	4.141	4.000	9/11/2009	2yr OTR	
DEP5P	99.96	4.259	4.250	10/12/2012	5yr OTR	
DEP10P	98.98	4.379	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	103.09	103.09	103.09	103.18	103.09	-65.00
DLZ7	107.16	107.17	107.17	107.32	107.16	-100.00
DBZ7	112.11	112.12	112.11	112.35	112.09	-8.00

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGZ7	4.356	4.353	4.353	4.356	4.307
DLZ7	4.375	4.374	4.374	4.376	4.340
DBZ7	4.472	4.471	4.471	4.474	4.444

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P0909***	4.085	4.163	4.141	4.141	4.158	
T.US.DE050P0712***	4.220	4.269	4.258	4.258	4.267	
T.US.DE040P0716*	4.328	4.371	4.357	4.357	4.364	
DEP2P	4.158	4.141	4.141	4.163	4.085	-4
DEP5P	4.268	4.259	4.259	4.272	4.223	1
DEP10P	4.385	4.379	4.379	4.390	4.345	10

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***	99.71	99.74		99.84	99.70	-4.00
T.US.DE050P0712***	103.05	103.09		103.25	103.04	0.00
T.US.DE040P0716*	97.39	97.44		97.64	97.34	13.00
DEP2P	99.71	99.74	99.74	99.84	99.70	-4.00
DEP5P	99.92	99.96	99.96	100.12	99.90	1.00
DEP10P	98.93	98.98	98.98	99.24	98.89	10.00

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

Notes

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



[7:27 am ET] LONDON, Oct. 11 (MNI) - European bond prices are lower on Thursday, but off their worst levels on the back of short-covering and duration extension buying, say traders. Bunds opened little changed, after U.S. Treasuries traded steady overnight.

However, prices fell sharply, with U.K. Gilts once again leading the charge on reported leverage account selling.

In addition, European stocks gains also added to the downward pressure in December Bund futures, which hit 11-day lows at 112.08.

Prices were also weighed ahead of supply from Italy, where E4.0bln of the new 4.25% Oct 2012 BTP issue were sold at an average yield of 4.32% and covered a disappointing 1.38 times.

Traders said that the weak cover was attributed to the fact that the 5-year sector is rich in asset-swap terms. Traders added that the price premium at 1 cent was also weaker than expected.

Bunds then staged a recovery, led duration extension buying in long-dated issues, and short-covering by leverage accounts.

In other supply news, Republic of Ireland's forthcoming long-dated syndicated euro benchmark issue is expected to be a 10- or a 15-year issue, Oliver Whelan, the head of Funding & Debt Management at the National Treasury Management Agency (NTMA) told MNI.

Whelan said the NTMA are testing the market and depending on market feedback, will likely launch the new long-dated syndicated issue early next week, with pricing expected to be mid-week. The size of the issue is likely to be for a minimum of E3.0bln.

Elsewhere, the ECB monthly bulletin was a repeat of the latest ECB press conference statement on October 4, and had little impact on Bunds.

In the U.K., Gilts are lower and extended losses on leverage account selling.

However, the short-dated Gilts outperformed, amid corrective moves following recent sharp losses in the wake of hawkish comments from Bank of England Governor Mervyn King on Tuesday.

The short-dated Gilts were also underpinned by the latest RICS survey, which showed the U.K. house prices balance declining 14.6% in the 3 Months to September - the fastest pace for two years.

The Gilt 2-/10-year yield spread was 2.2 bps steeper at -24.9 bps, whilst the 10-/30-year yield spread was 0.2 bp flatter at -44.6 bps.

Dec Gilts are down 12 ticks at 106.91.

In other cross border flows, Bunds underperformed U.S. Treasuries as the 10-year UST/Bund yield spread narrowed to +34 bps versus +35 bps Wednesday.

European equity bourses are higher. The FTSE-100 was up 0.74%. In Paris the CAC was higher by 0.60% and in Frankfurt, the DAX was up 0.60%. U.S. index futures are trading higher. The S&P Dec contract was up 7.7 points at 1581.0 and the Nasdaq Dec contract was up 7.7 points at 1581.0.

The yield on the 4.00% Sept 2009 Schatz was up 1.7 bps at 4.09%. The yield on the 4.25% Oct 2012 Series 151 Bobl was up 2.3 bps at 4.23%. The yield on the benchmark 4.25% July 2017 Bund was up 1.5 bps at 4.37%. The yield on the 4.25% July 2039 Bund up 0.8 bp to 4.58%.

Subsequently, the Bund curve traded flatter from Wednesday's close, with the 2-/10-year yield spread at +28 bps versus +29 bps, whilst the 10-/30-year yield spread was unchanged at +21 bps.



[Times for Market News International stories are ET]

05:07 10/12 **ECB**: -- To launch 5-day liquidity absorbing refs at 4.00%. Bids due at 0935GMT.

06:10 10/12 **LIBOR**: Libors are showing signs of moving back higher and some are speculating this move will start to gain pace as the three-month date takes us further into the new year and secures funding further over the turn. This month, cash traders have noted offers starting to thin out, though the bids have not been chasing the move so far, though some are expecting this trend to dominate into next week.

05:56 10/12 **EGBs**: European bond prices are trading mixed Friday, but off their best levels. Bunds opened higher, after US Treasuries traded higher in late New York trade overnight. Dec Bunds were last at 112.17, up 10 ticks, having touched a high at 112.35. Traders also said the weakness in European bourse - taking their lead from overnight falls in the U.S. and Asia earlier Friday, was helping underpin gains in Bund futures. However, with a lack of follow-through demand, prices slipped from their best levels, as traders looked to square their books ahead of U.S. data expected later in the day. But the curve did flatten modestly, with the shorter-dated end of the curve underperforming. There was no sovereign issuance Friday, although both France and Greece announced plans for next week.

05:54 10/12 **CREDIT**: Credit crisis/liquidity issues have been making the rounds this morning amongst brokers and dealers, which has weighed marginally on the financial sector. Firstly, there appears to be renewed focus on house prices. In the UK this week, a couple of surveys have shown surprising weakness which has seen a reaction in FX and fixed income markets, but more limited impact in CDS. Financials traded off their best levels of the week, starting Thursday, although so far the idening is just a minor retracement (not helped by poor Countrywide mortgage stats yesterday). Also this morning the rumour that two Russian banks had to access the Russian central banks discount window spread through the money market very quickly. Although the talk was never confirmed, it did highlight continued event risk around the subject, although notably reaction to the rumour was very composed.

04:16 10/12 **ECB STARK**: Higher risk premia on markets reflect correction of past risk under appreciation. - Market turmoil has increased economic outlook uncertainty
 - ECB needs to gather more information before drawing further conclusions
 - Confidence indicators point to sustained growth through during H2 2007
 - Global economic activity remains resilient so far despite turmoil
 - Expects inflation to remain significantly above 2.0% in early 2008 before moderating. (Rtrs)

02:46 10/12 **JGB SUMMARY**: Japanese government bonds ended Friday's session higher across the board, boosted by weaker stocks and solid investor demand at the Ministry of Finance's 5-year JGB auction. With little fresh gathered from the overnight press conference by Bank of Japan Governor Toshihiro Fukui, traders and investors had to look overseas for fresh trading incentives. Prices were modestly higher from the getgo, eventually ending the morning session higher. However, prices accelerated to the upside after the auction results. Overall volumes were seen as modest, although above recent levels.
 -- Benchmark 10-year yield was 4 bps lower at 1.705%.
 -- Benchmark 5-year yield was 4.5 bps lower at 1.245%.
 -- Benchmark 20-year yield was 3.5 bps lower at 2.215%.
 -- Benchmark 30-year yield was 3.5 bps lower at 2.465%.
 -- Lead Sept JGB futures contract was up 0.42 at 134.72.



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	15.43	5.07	\$1,585	€ 2,249
10y	7.74	2.51	\$786	€ 1,114
5y	4.42	1.41	\$440	€ 625
2y	1.86	0.60	\$186	€ 264
ZB	9.85	3.53	\$110	€ 157
ZN	5.82	2.04	\$64	€ 91
ZF	3.91	1.34	\$42	€ 59
ZT	1.86	0.62	\$19	€ 27

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.12	€ 229	\$161	0.874919
Bobl	4.09	€ 126	\$89	0.960712
Schatz	1.79	€ 53	\$37	0.957701
DE10Y	7.72	€ 1,096	\$773	
DE5Y	4.09	€ 607	\$428	
DE2Y	1.79	€ 254	\$179	

^Futures are Based on CTD

Last

EURUSD 141.84

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.82	17.81	42.33
10y	4.87	8.82	20.97
5y	2.73	4.95	11.76
2y	1.15	2.09	4.97
ZB	0.68	1.24	2.95
ZN	0.40	1.34	1.70
ZF	0.26	0.47	1.12
ZT	0.12	0.22	0.51

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	2.600	2.800
Bobl (Z)	0.960	1.450	1.570
Shatz (Z)	0.424	0.644	0.690

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	1.64	3.91
Bobl (Z)	0.61	1.00	2.38
Shatz (Z)	0.26	0.42	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	4.151	4.134	4.134
US5y	4.361	4.360	4.360
US10y	4.655	4.653	4.653

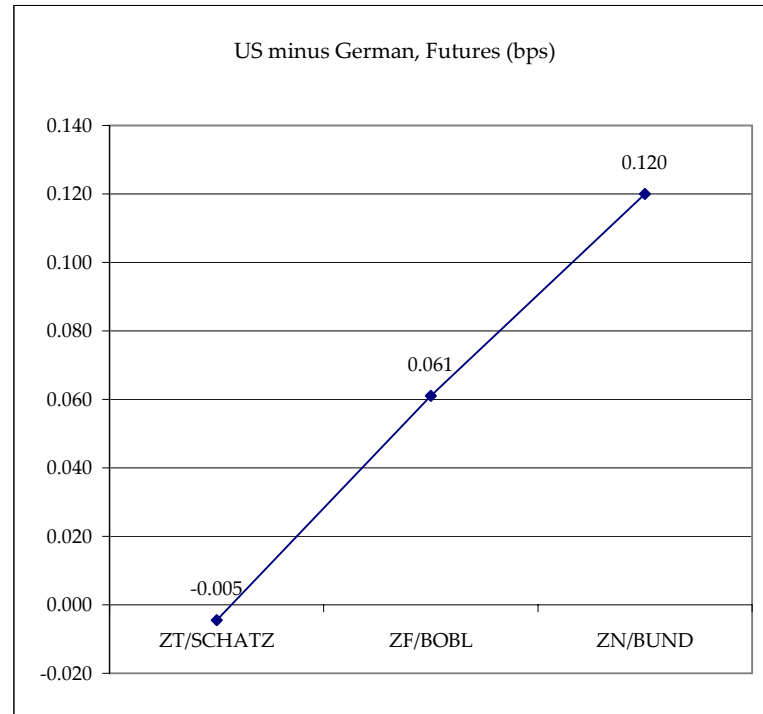
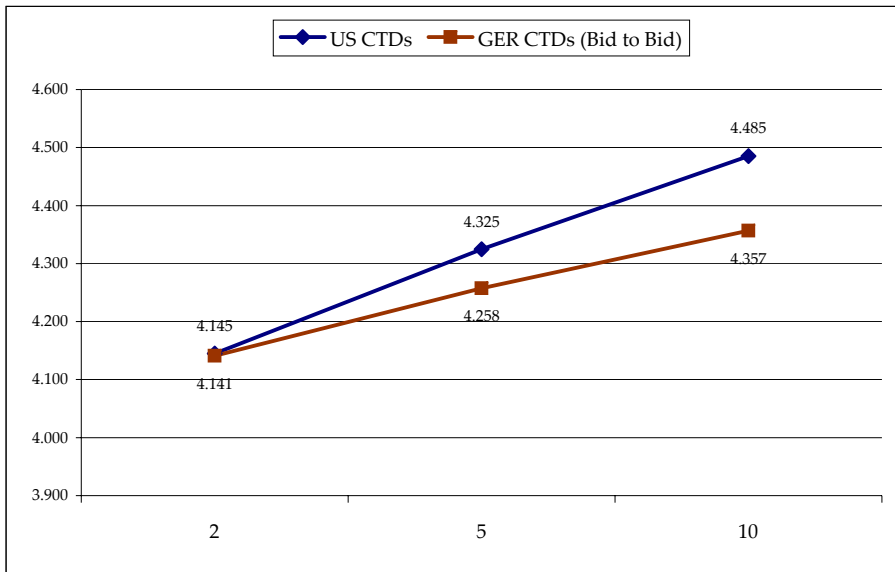
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	4.158	4.141	4.141
DE5y	4.268	4.259	4.259
DE10y	4.385	4.379	4.379

Spreads	
	Bps
ZT/SCHATZ	-0.005
ZF/BOBL	0.061
ZN/BUND	0.120

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4 of 09/09	4.145	4.137	4.137
4.625 of 02/12	4.325	4.319	4.319
4.25 of 08/14	4.485	4.477	4.477

German Futures (CTD)			
	Bid	Ask	Last
4.000 of 09/09	4.085	4.163	4.141
5.000 of 07/12	4.220	4.269	4.258
4.000 of 07/16	4.328	4.371	4.357

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

4 October 2007 - Monetary policy decisions

At today's meeting, which was held in Vienna, 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.

The President of the ECB will comment on the considerations underlying these decisions at a press conference starting at 2.30 p.m. (CEST) today.

[SOURCE: The ECB]

ECB Introductory Statement

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 has confirmed 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 primary objective. >>>

The fundamentals of the euro area economy support a favourable medium-term outlook for economic activity. In particular, corporate earnings and profitability have been sustained, employment growth has been robust and unemployment has fallen. However, given the financial market volatility and the reappraisal of risk seen in recent weeks, this assessment is surrounded by heightened uncertainty. In view of the only limited range of new economic data that have become available since our meeting in early September, particular caution needs to be exercised when assessing any potential impact of the financial market developments on the real economy. Hence, it remains necessary to gather additional information and examine new data 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. On the basis of our assessment, and by acting in a firm and timely manner, 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, thereby favouring an environment conducive to sustained economic growth, well-functioning markets and job creation. Providing such an anchor for medium and long-term inflation expectations is all the more important at times of financial market volatility and increased uncertainty. As regards the financial markets, we will continue to pay great attention to developments over the period to come.










[SOURCE: The ECB]

Most Recent MPC Meetings:

	King (Gov)	Lomax (Dep Gov)	Gieve (Dep Gov)	Bean	Tucker	Barker	Blanchflower	Besley	Sentance	Result	Level	Vote	Dis-sent 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

Stone & McCarthy
RESEARCH ASSOCIATES

BOE HAWKOMETER (to September meeting)

	Dissenting Hawkish Votes	Dissenting Dovish Votes	Non-Dissenting Votes	Total Votes	Hawkishness Rating
 Sentance	4	0	8	12	33%
 Besley	4	0	9	13	31%
 King (Gov)	14	0	111	125	11%
 Tucker	6	1	57	64	8%
 Gieve (Dep Gov)	1	0	19	20	5%
 Lomax (Dep Gov)	2	3	46	51	-2%
 Barker	1	4	72	77	-4%
 Bean	0	5	80	85	-6%
 Blanchflower	0	5	11	16	-31%

Turbulent markets spark dovish tone Dovish noises made by ECB policy makers over the possible impact of the financial turbulence on Eurozone growth, weighed on the ECB hawkometer readings in September. ECB official Vitor Constancio noted that that the "risk concerning our main scenario [of Eurozone growth remaining near trend potential] has increased." Meanwhile ECB member Ordóñez suggested that the ECB "must act with enormous caution" in light of the turmoil in financial markets.
--by Charanjeev Chana [smra.com, 10/03/07]

[September 6, 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%.

In its August Inflation Report, the Committee's central projection was for inflation to remain close to the 2% target over the forecast period and for output growth to ease, reflecting a slowing in both consumer spending and business investment.

In recent weeks, heightened concerns about a variety of asset-backed securities have led to disruption around the world, not only in markets for those financial instruments but also in money markets more generally. The MPC's mandate is to set interest rates to meet the Government's 2% target for CPI inflation. So the Committee discussed these developments and other economic data in terms of their implications for the outlook for inflation.

CPI inflation fell back to 1.9% in July and may remain around, or a little below, the 2% target for the next few months. Pay pressures remain muted. There are tentative signs of a slowing in consumer spending. But the recent solid pace of output growth has been sustained and the margin of spare capacity appears limited. Indicators of pricing pressure remain somewhat elevated.

It is too soon to tell how far the disruption in financial markets will impair the availability of credit to companies and households. As stated in its August Report, the MPC is monitoring closely the evolution of both credit spreads and the quantities of credit extended, alongside all other data relevant to the outlook for inflation.

Against that background, the Committee judged that no change in Bank Rate was necessary at this meeting to keep inflation on track to meet the target in the medium term.

The minutes of the meeting will be published at 9.30am on Wednesday 19 September.

Note to Editors

The previous change in Bank Rate was an increase of 0.25 percentage points to 5.75% on 5 July 2007. [SOURCE: The BOE]

As of 10/04/2007 7:00 am CT

Current Bank Rate 5.75

Next due: 8 Nov '07

Current Inflation (CPI) 1.8%

Next due: 16 Oct '07

Inflation Target 2.0%

[As of 10/04/2007 7:00 am CT]

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 minutes of the meeting will be published at 9.30am on Wednesday 17 October.