10/17/2007 9:48

The Morning Email: US & Germany

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

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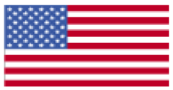
Quotes 1

	32 nds								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
TUAZ7	103.115	0.0	103.117	103.055	103.057	148,035	197,657	2y Futures	US Futures Market
FVAZ7	106.295	0.1	106.295	106.170	106.185	329,323	460,567	5y Futures	
TYAZ7	109.090	0.2	109.100	108.240	108.255	802,537	1,033,125	10y Futures	
USAZ7	111.110	0	111.130	110.130	110.150	252,999	290,667	30y Futures	



	Last	Net	Hi	Low	Open	Volume	
BUS02P	99.290	4.7	99.292	99.240	99.240	2y	US Cash Treasury Market
BUS05P	99.290	9.7	99.292	99.177	99.180	5y	
BUS10P	101.095	17.5	101.105	100.225	100.235	10y	
BUS30P	102.175	104	102.185	101.110	101.135	30y	
	Last	**Net**	**Hi**	**Low**	**Open**	**Volume**	
BUS02Y	4.046	(8.00)	4.151	4.038	4.135	2y Yield	
BUS05Y	4.269	(7.10)	4.354	4.268	4.338	5y Yield	
BUS10Y	4.582	(7.10)	4.663	4.578	4.647	10y Yield	
BUS30Y	4.836	(7.30)	4.918	4.833	4.902	30y Yield	

	Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGZ7	103.08	75.00	103.08	103.00	103.03	575,753	682,923	Schatz(2Y)	German Futures Markets
DLZ7	107.11	175.00	107.11	106.90	106.98	602,509	544,255	Bobl(5Y)	
DBZ7	112.03	29.00	112.03	111.64	111.80	1,078,521	1,247,223	Bund(10Y)	

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0909***	99.71	4.142	4.000	9/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE050P0712***	103.00	4.267	5.000	7/4/2012	5 yr CTD	
T.US.DE040P0716*	97.32	4.367	4.000	7/4/2016	10 yr CTD	
DEP2P	99.74	4.142	4.000	9/11/2009	2yr OTR	
DEP5P	99.92	4.268	4.250	10/12/2012	5yr OTR	
DEP10P	98.91	4.388	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	SYM NAME	
DGZ7	103.08	103.08	103.08	103.08	103.00	75.00	Schatz(2Y)	German Futures
DLZ7	107.11	107.11	107.11	107.11	106.90	175.00	Bobl(5Y)	
DBZ7	112.02	112.03	112.03	112.03	111.64	29.00	Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		
DGZ7	4.361	4.359	4.361	4.400	4.359	Schatz(2Y)	German Futures
DLZ7	4.387	4.386	4.386	4.431	4.386	Bobl(5Y)	
DBZ7	4.482	4.481	4.482	4.527	4.481	Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng		
T.US.DE040P0909***	4.142	4.203	4.142	4.142	4.158		2 yr CTD	German Cash
T.US.DE050P0712***	4.267	4.326	4.267	4.267	4.277		5 yr CTD	
T.US.DE040P0716*	4.367	4.426	4.367	4.367	4.374		10 yr CTD	
DEP2P	4.158	4.142	4.142	4.203	4.142	8	2yr OTR	
DEP5P	4.277	4.268	4.268	4.327	4.268	22	5yr OTR	
DEP10P	4.394	4.388	4.388	4.446	4.388	38	10yr OTR	

	Decimal							
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0909***	99.71	99.74		99.74	99.63	8.00	2 yr CTD	German Cash
T.US.DE050P0712***	103.00	103.04		103.04	102.79	21.00	5 yr CTD	
T.US.DE040P0716*	97.32	97.37		97.37	96.96	34.00	10 yr CTD	
DEP2P	99.71	99.74	99.74	99.74	99.63	8.00	2yr OTR	
DEP5P	99.88	99.92	99.92	99.92	99.66	22.00	5yr OTR	
DEP10P	98.86	98.91	98.91	98.91	98.46	38.00	10yr OTR	

Notes

Y = Yield

DE = German Country Code

CTD = Cheapest to Deliver

OTR = On the Run

* OTR

** CTD

*** CTD & OTR

MarketNews international

Stone & McCarthy RESEARCH ASSOCIATES

Euro Mkt Summary: EGBs Higher on Weak US Housing Starts
by Charanjeev Chana

EGBs were trading higher on Wednesday afternoon with long dates lagging, in turn steepening the Bund curve. The market pared losses in afternoon trade on weaker than expected September US housing starts, whilst shrugging off stronger than expected September headline CPI data. EGBs opened higher on safe haven buying overnight in JGBs and USTs, spurred by losses in financial stocks on renewed subprime fears. Indian stocks led the decline following SEBI proposals to restrict foreign capital inflows through the participatory note route, which would mean no new issuance of participatory notes or unwinding of existing positions in sub-accounts. Bunds pared gains and the curve reversed its early steepening bias on hawkish comments from ECB official Klaus Liebscher, who noted "significant" upside inflation risks and "rather robust" euro-region growth, whilst adding that the ECB did not "rule out any option" on rates.

Key data for the Eurozone remains limited on Thursday. On the supply front, France is the sole issuer of Eurozone primary government debt on Thursday. The AFT taps the 4.00% Sept 2009 BTAN and the 4.50% July 2012 BTAN for between E3.0-3.5bln. The AFT will also tap linker issues, including the 1.25% July 2010 BTANei and the 1.00% July 2017 OATi for between E800m-1.3bln.

In the forex markets, the dollar traded mixed against the major currencies. The EUR/USD was at 1.422 (+0.002), cable at 2.041 (+0.004) and USD/JPY at 116.80 (+0.03).

European equities were stronger in afternoon trade. The DAX was trading +0.28%, CAC 40 +0.95% and the FTSE +0.98% on the day. US stocks were also stronger with the S&P 500 +0.63% and the NASDAQ +1.11%.

Gilts also traded higher in Wednesday afternoon trade, with little bias. In morning trade, prices slipped lower on the release of below expected UK claimant count data and stronger than expected UK average earnings. However Gilts soon pared losses, as traders eyed the outcome of the BOE October MPC meeting minutes, which revealed an 8-1 vote to keep interest rates on hold in October, with MPC official David Blanchflower voting for a cut in interest rates. The outcome fuelled speculation that the MPC committee has not quite ruled out a rate cut in coming months.

Attention in the UK on Thursday will turn to UK official retail sales data, which may pressure the front end of the Gilt curve in morning trade if our expectations of an above expected outcome is realised. Alongside retail sales data, the CML,BBA and BSA release mortgage lending figures, and public finances are also due.

[Times for Market News International stories are ET]

07:20 10/17 **GILT SUMMARY:** Gilts are higher, but off their best levels after the BoE MPC minutes for the October meeting, which noted that inflation expectations are still elevated. However, the minutes also showed that the committee was split 8-1 in deciding to leave rates unchanged at its October meeting. Arch dove David Blanchflower was the sole dissenter, arguing that the BoE's August growth forecast had been a "little high" anyway and that since then growth risks had "increased or even crystallised". Gilts were also weighed by the UK labour market report, which showed the claimant count unemployment fell 12.8k -- posting a larger than expected fall in September, dropping to its lowest level since March 2005. Average earnings rose more rapidly than expected, with the three month average on a year ago rate coming in at 3.7% against analysts' median 3.6% forecast, and 3.5% on the same basis in July. The Gilt 2-/10-year yield spread was 0.4 bps steeper at -19.5 bps, hilst the 10-/30-year yield spread was unchanged at -43.1 bps.

07:18 10/17 **BUND SUMMARY**: Bunds opened higher, following overnight gains in US Treasuries and JGBs, amid continued safe-haven buying, in turn further steepening the Bund curve. The Nikkei-225 ended 1.07% lower overnight, as financial stocks suffered under fresh concerns over the possible impact of sub-prime woes. The Indian stock market was one of the biggest casualties, with the benchmark Senex closing down around 1.8% on the back of tightening controls and plans to curb foreign investment. The Sanex index fell as much as 9.2%, which in turn triggered curb trading. However, the short-dated issues reversed their outperformance following hawkish comments from ECB Governing Council member Klaus Liebscher, who said that inflation risks are clearly on the upside and the European Central Bank stands "ready to act" on interest rates if necessary. Liebscher, who heads the Austrian National Bank, also said European economic growth remains robust. The Bund curve reversed earlier 2bps steepening, to currently trade unchanged, with 2-/10-yr spread at +23bp.

07:32 10/17 **EONIA**: EONIA (European Over-Night Index Average) Swap rates continue to imply no chance of a rate cut at the November Governing Council meeting, with the strip still pricing in higher percentage chance of the next move being a rate hike in 2008, rather than a cut.

Month	Rate	Probability	Probability (cut) Last week
----	-----	------------	---------------------------
November	4.019%	0%	-7.0%
December	4.043%	-2.0%	-9.0%
January	4.071%	+8.0%	-22.1%
February	4.103%	+15.0%	-30.0%
March	4.140%	+31.0%	-35.0%

07:26 10/17 SONIA: **SONIA** (Sterling Over-Night Index Average) Swap curve is currently pricing in around 24% chance of a 25bps rate cut from the BoE at the November meeting. This is moderately higher in the wake of Tue's unexpectedly soft UK CPI data. Interestingly, the strip is now fully pricing in a 25bps rate cut by April 2008.

Month	Rate	Probability (25bps cut)	Prob Monday (25bps cut)
----	-----	----------------------	----------------------
November	5.690%	-24.0%	-16.0%
December	5.662%	-35.0%	-20.0%
January	5.608%	-55.0%	-40.0%
February	5.561%	-75.0%	-55.0%
March	5.525%	-90.0%	-60.0%

04:30 10/17 OCT. **BOE MINUTES:** MPC Voted 8-1 For Unchanged Rates
--Blanchflower Backed Cut, Arguing Growth Risks Had Increased
--BOE MPC Discussed "Precuationary" Rate Cut
--BOE MPC Worried Rate Cut Would Be Misintrereted

02:51 10/17 **JGB SUMMARY**: Japanese government bonds ended Wednesday's session higher across the board, boosted by weaker Japanese stocks. The Nikkei 225 ended 1.07% lower, as financial stocks suffered under fresh concerns over the possible impact of sub-prime woes. JGBs opened higher, helped by an overnight U.S. Treasury rally. Prices extended gains throughout the day, helped by the slide in stocks. However, traders said despite the fall in yields, volumes were light across the board.
-- Benchmark 10-year yield was 5 bps lower at 1.655%.
-- Benchmark 5-year yield was 5 bps lower at 1.175%.
-- Benchmark 20-year yield was 2 bps lower at 2.195%.
-- Benchmark 30-year yield was 1.5 bps lower at 2.450%.
-- Lead Sept JGB futures contract was up 0.54 at 135.27

Intrinsics & Tic for Tic Matrix'

	US Intrinsic's ^			
	M Duration	DV01 32	DV01 $	DV01(€)
30y	15.47	5.12	$1,600	€ 2,273
10y	7.74	2.53	$790	€ 1,123
5y	4.41	1.41	$442	€ 628
2y	1.86	0.59	$186	€ 264
ZB	9.86	3.56	$111	€ 158
ZN	5.82	2.06	$64	€ 91
ZF	3.90	1.34	$42	€ 60
ZT	1.86	0.61	$19	€ 27

^Futures are Based on CTD

	German Intrinsic's ^			
	M Duration	DV01(€)	DV01($)	CF
Bund	7.11	€ 229	$161	0.874919
Bobl	4.08	€ 126	$89	0.960712
Schatz	1.78	€ 53	$37	0.957701
DE10Y	7.71	€ 1,096	$772	
DE5Y	4.08	€ 606	$427	
DE2Y	1.78	€ 254	$179	

^Futures are Based on CTD

	Last
EURUSD	142.08

	Tic for Tic Matrix ($)		
	Bund	Bobl	Schatz
30y	9.93	18.01	42.89
10y	4.90	8.90	21.19
5y	2.74	4.97	11.84
2y	1.15	2.09	4.98
ZB	0.69	1.25	2.98
ZN	0.40	1.34	1.72
ZF	0.26	0.47	1.13
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)

Hedge Ratio's - Bloomberg/GH Trader's LLC

US Financial Futures / Eurex Bond

Bloomberg Ratio's

	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

US Treasuries v Eurex Bonds

Bloomberg Ratio's

	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

GH Trader's Ratio's

	Bund (Z)	Bobl (Z)	Shatz (Z)
Bund (Z)	1.00	1.64	3.92
Bobl (Z)	0.61	1.00	2.39
Shatz (Z)	0.26	0.42	1.00

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.

Yields & Spreads

	US Cash Treasuries (OTR)		
	Bid	Ask	Last
US2y	4.050	4.046	4.046
US5y	4.271	4.269	4.269
US10y	4.584	4.582	4.582

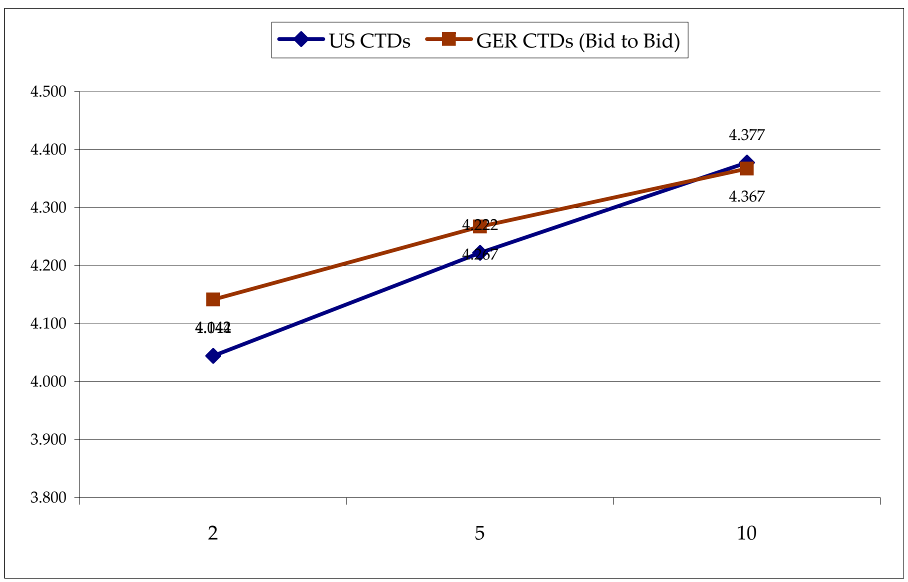
	German Cash Treasuries (OTR)		
	Bid	Ask	Last
DE2y	4.158	4.142	4.142
DE5y	4.277	4.268	4.268
DE10y	4.394	4.388	4.388

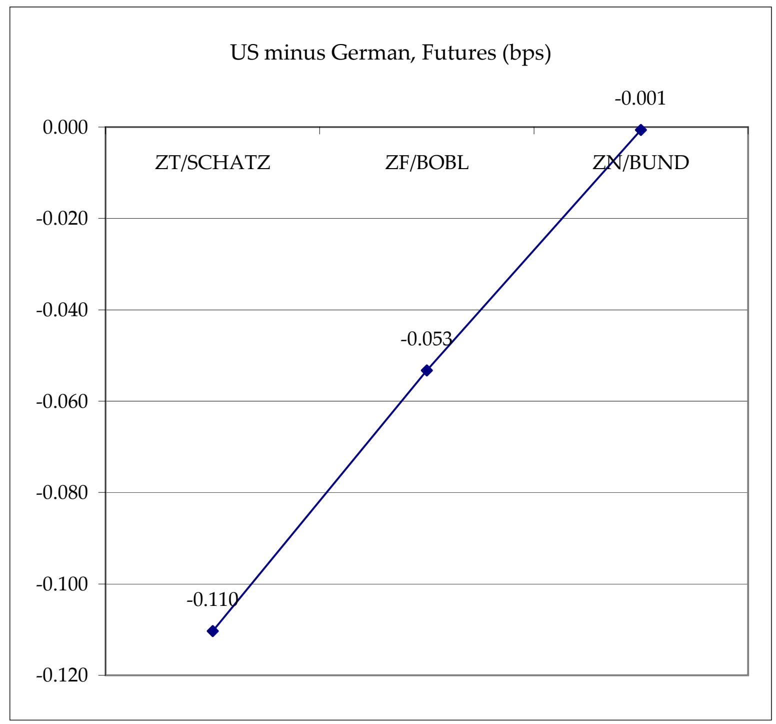
	Spreads
	Bps
ZT/SCHATZ	-0.110
ZF/BOBL	-0.053
ZN/BUND	-0.001

	US Cash Treasuries (CTD)		
	Bid	Ask	Last
4 of 09/09	4.044	4.031	4.031
4.625 of 02/12	4.222	4.214	4.214
4.25 of 08/14	4.377	4.367	4.367

	German Futures (CTD)		
	Bid	Ask	Last
4.000 of 09/09	4.142	4.203	4.142
5.000 of 07/12	4.267	4.326	4.267
4.000 of 07/16	4.367	4.426	4.367

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.





Volume Questions & Global Bond Market Characteristics

When does the volume trade? Between what ours 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 Rises	Volume 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 ECB 1

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 Naţională 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	Sławomir Skrzypek
Portugal, Banco de Portugal	Vítor Manuel Ribeiro Constâncio, Governor, Banco de Portugal
Romania, Banca Naţională 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]

Stone & McCarthy
RESEARCH ASSOCIATES

Most Recent MPC Meetings:

	King (Gov)	Lomax (Dep Gov)	Gieve (Dep Gov)	Bean	Tucker	Barker	Blanch-flower	Besley	Sent-ance	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

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 Ordonez 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.