



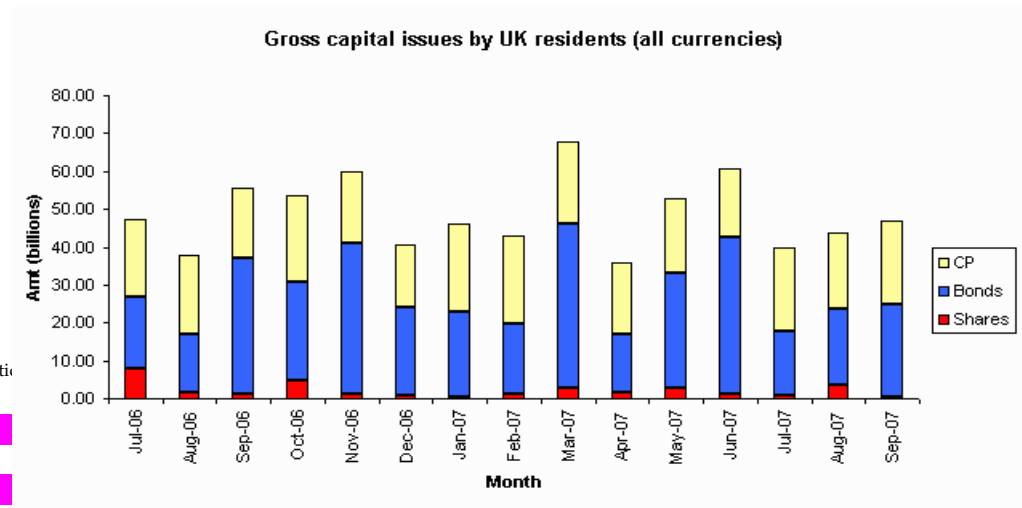
The Morning Email: US & Germany



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Source: BOE

Want something added? Let me know: jgoulding@ghco.com
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Quotes 1

	32 nds					Volume	Yest Volume	SYM NAME	
	Last	Net	Hi	Low	Open				
TUAZ7	103.265	0.0	103.282	103.227	103.262	40,258	260,470	2y Futures	US Futures Market
FVAZ7	108.000	0.1	108.025	107.245	107.300	92,586	599,980	5y Futures	
TYAZ7	110.255	0.1	110.285	110.180	110.210	155,086	1,445,985	10y Futures	
USAZ7	113.210	0	113.240	113.080	113.140	33,994	379,463	30y Futures	



	32 nds					Volume	
	Last	Net	Hi	Low	Open		
BUS02P	100.145	2.0	100.155	100.107	100.145	2y	US Cash Treasury Market
BUS05P	101.040	5.2	101.060	100.295	101.037	5y	
BUS10P	103.020	8.5	103.045	102.245	103.005	10y	
BUS30P	105.150	16	105.170	104.170	104.200	30y	

	32 nds					Volume	
	Last	Net	Hi	Low	Open		
BUS02Y	3.751	(3.40)	3.826	3.73	3.784	2y Yield	US Cash Treasury Market
BUS05Y	3.993	(3.50)	4.045	3.977	4.021	5y Yield	
BUS10Y	4.360	(2.80)	4.403	4.349	4.384	10y Yield	
BUS30Y	4.654	(3.40)	4.719	4.642	4.68	30y Yield	

	Decimal					Volume	Yest Volume	SYM NAME	
	Last	Net	Hi	Low	Open				
DGZ7	103.49	55.00	103.50	103.36	103.40	316,600	714,325	Schatz(2Y)	German Futures Markets
DLZ7	108.27	190.00	108.29	107.94	108.00	320,450	709,029	Bobl(5Y)	
DBZ7	114.00	34.00	114.05	113.48	113.62	733,993	1,464,936	Bund(10Y)	



	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE040P0909***	100.11	3.917	4.000	9/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE050P0712***	104.10	4.009	5.000	7/4/2012	5 yr CTD	
T.US.DE040P0716*	99.02	4.127	4.000	7/4/2016	10 yr CTD	
DEP2P	100.14	3.917	4.000	9/11/2009	2yr OTR	
DEP5P	101.06	4.010	4.250	10/12/2012	5yr OTR	
DEP10P	100.76	4.151	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	103.49	103.49	103.49	103.50	103.36	55.00
DLZ7	#VALUE!	108.27	108.27	108.29	107.94	190.00
DBZ7	114.00	114.01	114.00	114.05	113.48	34.00

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGZ7	4.148	4.146	4.146	4.216	4.143
DLZ7		4.136	4.136	4.206	4.132
DBZ7	4.252	4.251	4.252	4.312	4.246

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P0909***	3.917	4.012	3.917	3.917	3.933	
T.US.DE050P0712***	4.007	4.088	4.009	4.009	4.019	
T.US.DE040P0716*	4.123	4.200	4.127	4.127	4.134	
DEP2P	3.933	3.917	3.917	4.012	3.917	12
DEP5P	4.019	4.010	4.010	4.093	4.007	35
DEP10P	4.157	4.151	4.151	4.225	4.146	60

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***	100.11	100.14		100.14	99.97	12.00
T.US.DE050P0712***	104.10	104.14		104.15	103.80	32.00
T.US.DE040P0716*	99.02	99.07		99.10	98.55	56.00
DEP2P	100.11	100.14	100.14	100.14	99.97	12.00
DEP5P	101.02	101.06	101.06	101.07	100.69	35.00
DEP10P	100.71	100.76	100.76	100.80	100.18	60.00

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

Notes

Y = Yield

DE = German Country Code

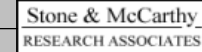
CTD = Cheapest to Deliver

OTR = On the Run

* OTR

** CTD

*** CTD & OTR



[Friday]

Euro Mkt Summary: EGBs Higher on Risk Aversion, Safe-Haven Bids
by Charanjeev Chana

EGBs were trading higher on Friday afternoon with the belly of the curve outperforming, underpinned by risk aversion and safe haven buying. Bunds posted slight losses following the release of the Belgian consumer confidence index, which improved in October. The market then advanced higher in a later rally fuelled by stock market losses in the US, following weak Q3 earnings from Honeywell, 3M and Caterpillar. EGBs opened higher on Friday with short dates outperforming, taking cue from JGBs and USTs overnight on risk-aversion buying following sharp losses in the Nikkei 225. Short dates extended their outperformance on the get go, after September German producer prices came in below expectations. Short dates were further underpinned by euro-dollar gains, which hit fresh life-time highs at \$1.4319. The market remained higher amid renewed credit market concerns and the 20-year anniversary of the 1987 stock market crash.

On Monday, data is light and limited to the release of German import prices on the open. Thereafter, ECB President Trichet is due to speak in New York on Monday evening.

In the forex markets, the dollar traded weaker against the major currencies. The EUR/USD was at 1.426 (-0.003), cable at 2.048 (+0.004) and USD/JPY at 115.21 (-0.44).

European equities were weaker in afternoon trade. The DAX was trading -0.48%, CAC 40 -0.39% and the FTSE -0.80% on the day. US stocks were also weaker with the S&P 500 -0.87% and the NASDAQ -1.00%.

Gilts were also trading higher, but underperforming trade in Europe following the release of UK GDP data. Gilt prices dipped lower following the release of the 1st estimate for Q3 UK GDP data, which came in above expectations. The data was further indication of robust activity (following UK retail sales data released Thursday) and provided an additional blow to BOE rate cut expectations. Traders continued to cite the G7 meeting and the Rugby World Cup final on Saturday between England and South Africa for low volumes.

No key data releases are expected for the UK on Monday.



[Times for Market News International stories are ET]

04:16 10/22 **EUROPEAN STOCKS:** European equity bourses are sharply lower at the open on Monday, playing catch-up with weakness on Wall Street on Friday, with miners and banking stocks among the biggest underperformers. In London, Alliance & Leicester is the biggest loser, whilst Total is leading CAC-40 lower and Daimler is leading Xetra-DAX lower on reports that the car maker will hand out record discounts to help promote its vehicles in Q4. CAC-40 is down 84pts (-1.46%), Xetra-DAX is down 96pts (-1.21%) and FTSE-100 is down 81pts (-1.24%).

03:19 10/22 **BONDS: EGBs** are opening higher on Monday, amid risk-aversion buying as European equity bourses look to open sharply lower, as credit worries intensify. In addition, safe-haven flows also seen in the wake of the heightened tension on the Iraq/Turkey border after latest attack by Kurdish rebels. The focus turns to the 4.05% yield level on 10-year Bund yield -- long-term support line drawn from September 2005, and also coincides with the 38.2% Fibonacci retracement of the Sept 2005 to July 2007 move. The Dow fell 367 pts (-2.64%) on Friday -- the third-biggest point loss of the year, taking it to its lowest point since Sept. 17, the day before the Federal Reserve cut interest rates. The move came on the 20th anniversary of Black Monday in 1987, and now sets up a nervous trading session today after Nikkei-225 closed down 376pts (-2.24%). The dollar is also weaker after the G7 failed to refer to the currency in their communique on Friday, despite making some changes in their language on exchange rates.

02:15 10/22 **FX:** (European Open) With the G7 communique making no reference to the weak dollar, euro-dollar made fresh highs in early Asia at \$1.4348 where it ran into strong supply, currently sitting back around \$1.4315. Large stops are now reported above \$1.4350, with significant barrier interest at \$1.4400. The G7 call for faster appreciation of the yuan, together with sliding equities saw dollar-yen come off sharply to a Y113.25 low, though rate is now making fresh highs for the day back around Y114.30, helped by talk of Toushin launches today. Euro-yen has also pared early losses, recovering from Y162.48 and trading just off the highs at time of writing, whilst cable sits in the middle of the \$2.0471-\$2.0560 range. Stronger than expected Australian PPI data helped Aussie bounce from the \$0.8840 low, currently back at \$0.8886 after topping out just shy of \$0.8900.

(Cont.)

03:14 10/22 **CREDIT OPEN:1)** Credit markets will open with a continued soft tone today after a sharp fall in US equities compounded the already pretty pronounced widening that had been seen over the last week. In fairness newsflow through the whole of last week was fairly downbeat so the move does not look like just a seasonal correction. However, its also a tad early to say credit markets will go back to the choppy August style of trade given we have merely rejected range tops in both stocks and credit and for now should simply rotate to test the lower end of the range. The ongoing raft of earnings data will be key, however, as no upturn in earnings growth is going to weigh when US housing and other macro issues appear to be the focal point for the wider markets.

03:14 10/22 **CREDIT OPEN:2)** Given the more cautious tone that will be seen early this week the super-SIV is bound to see more skepticism and indeed the details of the plan still remain vague. The project saw increased criticism at the weekend with Greenspan adding in his view that it could create more problems than cure them. Also Deutsche Bank's chief has emphasised the need for transparency, calling for banks to "take the hits", implying that the fund may have been set up to avoid this.

02:22 10/22 **JGB SUMMARY:** Japanese government bond prices were sharply higher in Tokyo trade on Monday, amid continued flight-to-quality demand out of equities. Spec players were at the center of trade, chasing prices higher, while many longer-term investors held to the sidelines, traders said. The G7 meeting of finance ministers and central bankers failed to provide comfort at the weekend, and the Tokyo stock market was sharply lower from the open, helping bond markets score gains, which continued through the session.

-- Benchmark 10-year yield was 2.5 bps lower at 1.585%.

-- Benchmark 5-year yield was 1.5 bps lower at 1.110%

-- Benchmark 20-year yield was 2 bps lower at 2.155%.

-- Benchmark 30-year yield was 2 bps lower at 2.405%.

-- The Nikkei 225 ended 375.90 points, or 2.24% lower, at 17,438.47.

Intrinsics & Tic for Tic Matrix'



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	15.66	5.33	\$1,667	€ 2,369
10y	7.75	2.58	\$806	€ 1,146
5y	4.41	1.43	\$447	€ 636
2y	1.84	0.59	\$186	€ 264
ZB	9.91	3.65	\$114	€ 162
ZN	5.82	2.08	\$65	€ 93
ZF	3.90	1.36	\$42	€ 60
ZT	1.84	0.61	\$19	€ 27

^Futures are Based on CTD

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	10.14	18.56	44.72
10y	4.90	8.97	21.63
5y	2.72	4.98	12.00
2y	1.13	2.07	4.98
ZB	0.69	1.27	3.06
ZN	0.40	1.34	1.75
ZF	0.26	0.47	1.14
ZT	0.12	0.21	0.52

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.12	€ 234	\$164	0.874919
Bobl	4.08	€ 128	\$90	0.960712
Schatz	1.77	€ 53	\$37	0.957701
DE10Y	7.73	€ 1,121	\$789	
DE5Y	4.08	€ 613	\$431	
DE2Y	1.77	€ 254	\$178	

^Futures are Based on CTD

Last

EURUSD 142.15

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	1.65	4.00
Bobl (Z)	0.60	1.00	2.42
Shatz (Z)	0.25	0.41	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	3.755	3.751	3.751
US5y	3.996	3.993	3.993
US10y	4.362	4.360	4.360

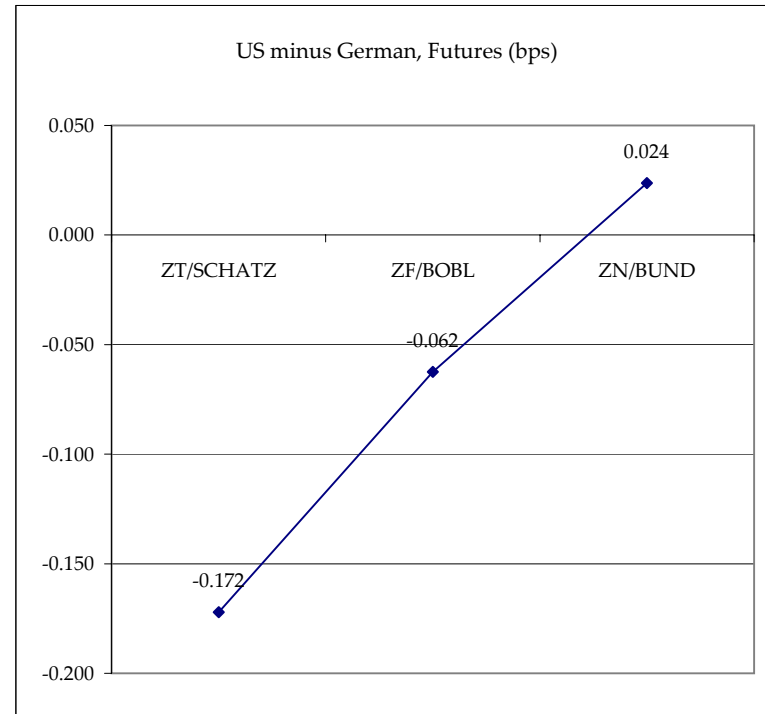
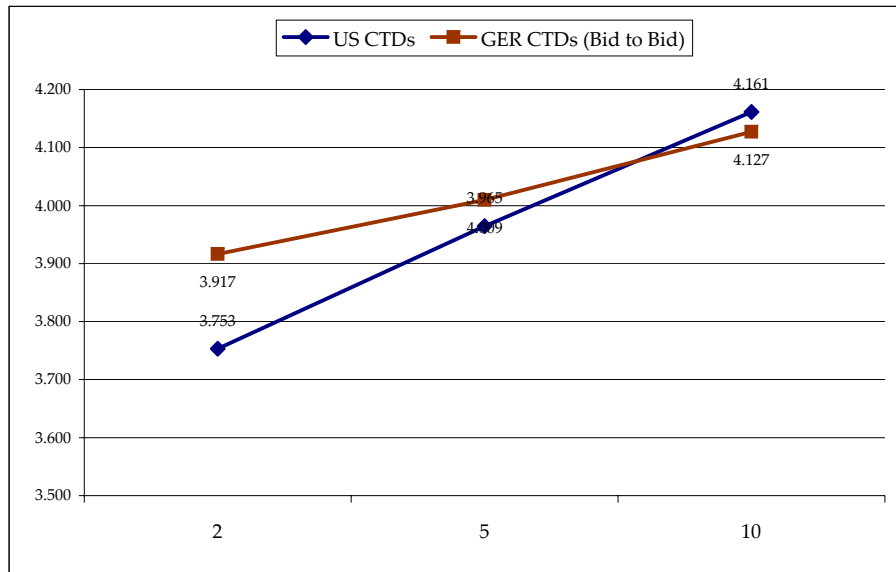
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.933	3.917	3.917
DE5y	4.019	4.010	4.010
DE10y	4.157	4.151	4.151

Spreads	
	Bps
ZT/SCHATZ	-0.172
ZF/BOBL	-0.062
ZN/BUND	0.024

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4 of 09/09	3.753	3.745	3.745
4.625 of 02/12	3.965	3.947	3.947
4.25 of 08/14	4.161	4.151	4.151

German Futures (CTD)			
	Bid	Ask	Last
4.000 of 09/09	3.917	4.012	3.917
5.000 of 07/12	4.007	4.088	4.009
4.000 of 07/16	4.123	4.200	4.127

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]

Stone & McCarthy
RESEARCH ASSOCIATES










Most Recent MPC Meetings:

	King (Gov)	Lomax (Dep Gov)	Gieve (Dep Gov)	Bean	Tucker	Barker	Blanchflower	Besley	Sentance	Result	Level	Vote	Dissent 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
Oct-07	unch	unch	unch	unch	unch	unch	-25bps	unch	unch	unch	5.75%	8-1	easing

BOE Hawkometer - Blanchflower Voted for an October Rate Cut by Niraj Shah [Stone & McCarthy]

8-1
The Bank of England minutes showed that the Monetary Policy Committee had voted 8:1 to leave rates on hold at the October meeting. The sole dissenter was Blanchflower who voted for an immediate rate cut. The arch dove argued for a cut on the basis that the BOE's August growth forecast had been a "little high" anyway and that since then growth risks had "increased or even crystallised". The Committee as a whole discussed the case for a "precautionary" cut in rates given the shift in the balance of risks to growth. However, the MPC noted that some slowdown in the economy was needed anyway to meet the inflation target and that there was also a danger that an easing would be "misinterpreted". The November Inflation Report will be instrumental in seeing how far CPI and growth forecasts are revised. However, unless there is a sharp revision lower in growth projections, we still do not envisage the Bank cutting rates before 2008.
[10/17/2007]

BOE HAWKOMETER (October)

	Dissenting Hawkish Votes	Dissenting Dovish Votes	Non-Dissenting Votes	Total Votes	Hawkishness Rating
 Sentance	4	0	9	13	31%
 Besley	4	0	10	14	29%
 King (Gov)	14	0	112	126	11%
 Tucker	6	1	58	65	8%
 Gieve (Dep Gov)	1	0	20	21	5%
 Lomax (Dep Gov)	2	3	47	52	-2%
 Barker	1	4	73	78	-4%
 Bean	0	5	81	86	-6%
 Blanchflower	0	6	11	17	-35%

[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.