



The Morning Email: US & Germany

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UBS on the BOE [Courtesy of ransquawk.com]

The Bank of England has issued statements on unchanged interest rate decisions twice in the past - on 10 September 1998 and then again on 6 May 1999. What's interesting is that both of those occasions were followed by an interest rate cut the following month (Oct. 8 and June 10 respectively). Looking at those past statements there are great similarities in the September comment to today's.

On 10 September 1998 the bank noted that while 'the current level of interest rates is necessary to meet the inflation target, it recognises that deterioration in the international economy could increase the risks of inflation falling below the target. The Committee will continue to monitor these risks'.

The May 1999 statement was a little different in that it made it clear a cut was in the offing on the back of sterling strength, and was hence used as more direct guidance. While it would be a real leap to suggest that a rate cut is on the table for this October, today's statement certainly makes for much more dovish reading than the BoE has been offering of late.

Opening remarks: at first blush the ECB has left the door open for further tightening - subject to developments

- Upside risks to price stability in the medium term remainTightening Bias
- Rate decision was unanimous
- ECB WILL LAUNCH EXTRA REFI OPERATION
- Policy is still on the accommodative side
- Trichet responds to France's Sarkozy remarks 'praising' the ECB's decision to hold rates today but saying the "ECB is IN-DE-PEN-DENT" and is bound to be totally independent by Clause 109 of the Maastricht Treaty.

[Thanks Howard!]

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

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

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The Morning Email, US&GER



Quotes 1

	32 nds					Volume	Yest Volume	SYM NAME	
	Last	Net	Hi	Low	Open				
TUAZ7	103.082	(0.0)	103.092	103.070	103.072	20,587	245,528	2y Futures	US Futures Market
FVAZ7	107.015	0.0	107.035	106.295	106.295	35,330	473,451	5y Futures	
TYAZ7	109.190	0.0	109.200	109.125	109.135	76,499	1,026,029	10y Futures	
USAZ7	112.080	0	112.090	111.280	111.290	14,567	299,456	30y Futures	



	32 nds					Volume	
	Last	Net	Hi	Low	Open		
BUS02P	99.277	1.5	99.285	99.275	99.275	2y	US Cash Treasury Market
BUS05P	99.235	4.2	99.245	99.205	99.205	5y	
BUS10P	102.035	9.0	102.045	101.290	101.290	10y	
BUS30P	103.185	15	103.200	103.070	103.070	30y	

	32 nds					Volume	
	Last	Net	Hi	Low	Open		
BUS02Y	4.067	(2.00)	4.1	4.05	4.096	2y Yield	US Cash Treasury Market
BUS05Y	4.183	(3.20)	4.229	4.174	4.213	5y Yield	
BUS10Y	4.482	(3.10)	4.519	4.478	4.513	10y Yield	
BUS30Y	4.770	(3.10)	4.802	4.766	4.796	30y Yield	

	Decimal					Volume	Yest Volume	SYM NAME	
	Last	Net	Hi	Low	Open				
DGZ7	103.55	70.00	103.56	103.46	103.51	201,033	796,801	Schatz(2Y)	German Futures Markets
DLZ7	108.20	180.00	108.22	107.99	108.07	207,891	566,017	Bobl(5Y)	
DBZ7	113.92	28.00	113.95	113.61	113.72	377,369	1,071,469	Bund(10Y)	



	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE034P1009	99.08	3.953	3.500	10/9/2009	2 yr CTD	German Cash Treasury Market
T.US.DE040P0412	104.09	4.035	5.000	7/4/2012	5 yr CTD	
T.US.DE040P0716	98.91	4.142	4.000	7/4/2016	10 yr CTD	
DEP2P	100.85	3.978	4.500	6/12/2009	2yr OTR	
DEP5P	99.80	4.044	4.000	4/13/2012	5yr OTR	
DEP10P	100.56	4.178	4.250	7/4/2017	10yr OTR	

Y = Yield
 CTD = Cheapest to Deliver
 DE = German Country Code

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	103.55	103.55	103.55	103.56	103.46	70.00
DLZ7	108.20	108.20	108.20	108.22	107.99	180.00
DBZ7	113.91	113.92	113.92	113.95	113.61	28.00

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGZ7	4.117	4.115	4.115	4.161	4.112
DLZ7	4.151	4.150	4.150	4.196	4.147
DBZ7	4.263	4.261	4.263	4.297	4.258

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE034P1009	3.968	3.953	3.953	4.020	3.953	
T.US.DE040P0412	4.044	4.035	4.035	4.098	4.033	
T.US.DE040P0716	4.149	4.142	4.142	4.187	4.139	
DEP2P	3.990	3.978	3.978	4.049	3.978	5
DEP5P	4.054	4.044	4.044	4.110	4.042	15
DEP10P	4.184	4.178	4.178	4.220	4.175	21

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.DE034P1009	99.08	99.11	99.11	99.11	98.98	5.00
T.US.DE040P0412	104.09	104.13	104.13	104.14	103.85	17.00
T.US.DE040P0716	98.91	98.96	98.96	98.98	98.63	20.00
DEP2P	100.83	100.85	100.85	100.85	100.73	5.00
DEP5P	99.76	99.80	99.80	99.81	99.53	15.00
DEP10P	100.51	100.56	100.56	100.58	100.22	21.00

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

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




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: BOE Website]

10:45 09/06 **EGB CLOSING SUMMARY:** EGBs traded mixed on Thursday afternoon, with Bunds paring losses after the ECB left interest rates unchanged and President Trichet delivered a more dovish than expected ECB press statement. We note that the initial debate over ECB rate expectations in August focussed on whether the ECB would choose to tighten policy in September or October. Alongside failing to deliver a rate hike today, President Trichet also failed to indicate intentions to tighten policy in October after suggesting the governing council would "monitor very closely all developments" rather than stressing the need for strong vigilance. EGBs opened lower on position squaring ahead of key interest rate announcements from the BOE and ECB. Bunds fell to session lows following the announcement of the ECB quick 1-day refi tender and poor results for Spanish and French auctions. Spain sold E1.61bln of the 3.90% Oct 2012 Bono issue, covered 1.79 times and France launched the new 4.25% Oct 2017 OAT for E3.910bln, covered 2.33 times.

BOE Unusually Releases a Statement After Keeping Rates On Hold by Niraj Shah

-- Stone & McCarthy (London) --

The Bank of England kept interest rates on hold at 5.75% in September as widely expected. However, in a highly unusual move, the Bank also issued a statement. The BOE normally only does this after changing interest rates and this is only the third time since independence that a statement has been released when rates have been kept on hold. The previous times were in September 1998 and May 1999 when interest rates were then actually cut in the following months. Whilst we do not expect this to happen this time round, the statement appeared to confirm that the BOE would keep rates on hold in the near-term.



[All Times Eastern]

03:30 09/07 **SWEDEN:** Riksbank raises interest rates by 25 basis points- Repo rate moves to 3.75%

06:24 09/07 **EGBS:** Traders say that the cash bond market is non-existent this morning, with panic selling of everything non-German. Non-core spreads are wider vs Bunds, with few quotes on electronics, add traders.

06:05 09/07 **EURO O/N:** Euro overnight deposit rates continue to ease Friday orning session ahead of the BBA Libor fixings. The o/n rate is currently at 3.88/3.98%, according to traders.

06:00 09/07 **GERMANY DATA** - July ind output up 0.1% m/m after June 0.2% (-0.4%)

--Below MNI survey median forecast of +0.7% m/m

--Econ Ministry says above-average holidays dampened monthly upturn

--Mfg output +0.2% m/m after June -0.3% (-0.5%)

05:40 09/07 **ECB WEBER:** Economic uncertainty up strongly-- ECB may need to be more cautious in signalling mon pol.

04:32 09/07 **ECB MERSCH:** M3 analyis still points to upside inflation risks-- ECB ready to act if and when needed on monetary policy-- Notes that Trichet didn't rule out vigilance in future-- But stresses that "we never pre-commit".

04:01 09/07 **ECB STARK:** Reported comments from Juergen Stark in Frankfurt-- Says link between trend inflation, money growth intact-- Says trend money growth leads inflation by 2 to 3 years-- Every upsurge in money growth followed by inflation. (Bbg)

03:40 09/07 **ECB TRICHET:** Observers know ECB will deliver price stability.

03:25 09/07 **ECB TRICHET:** Will assure that medium-term price risks don't materialise-- Constantly alert, determined to act when necessary.

03:24 09/07 **ECB TRICHET:** Monetary policy on accommodative side-- Medium-term price risks on upside-- need more data for mon pol due to market turbulence.

05:23 09/07 **BUNDS:** Sept Bunds turn positive as European equity bourses come under pressure. FTSE-100 is down 0.05%, CAC-40 -0.37% and Xetra-DAX is -0.3%.

03:11 09/07 **BONDS 2:** The front-month euribor contracts rallied further after the ECB announced further supplementary longer repo operations, with no pre-set allotment amounts. This implies that the ECB will decide the level of rates according to the level of bids, and shows that the ECB is totally committed in its attempt to get the 3-month rate lower. Further liquidity injections remain a risk, with a 1-month fixed rate tender the next option.

02:33 09/05 **JGB SUMMARY:** Japanese government bonds ended Wednesday's session higher across the board, reversing mid-session losses, as weaker stocks and a stronger yen helped underpin the bond markets. JGBs opened lower, as the initial higher opening for stocks triggered profit-taking. With no fresh economic data to change the market's dynamics, price continued to drift lower early in the day. However, as stocks turned south, JGBs rallied off their lows, helped by light dip-buying in thin volumes. The belly of the curve initially led the way higher, with the 5 and 10-year JGBs outperforming. The longer-end of the curve also rallied late in the day, helped by pension and life fund demand.

-- Benchmark 10-year yield was 2.5 bps lower at 1.630%.

-- Benchmark 5-year yield was 2.5 bps lower at 1.145%.

-- Benchmark 20-year yield was 1.5 bps lower at 2.120%.

-- Benchmark 30-year yield was 1.5 bps lower at 2.365%.

-- Lead Sept JGB futures contract was up 0.32 at 135.62

03:38 09/07 **RIKSBANK:** Probable repo rate to be raised in coming years

-- See inflation close to 2.00% target in 2008

-- Production, employment developing in balanced way

-- Labour market tighter than expected in June

-- Economy slightly stronger than forecast in June

-- Repo rate need to be hiked at same rate seen June

-- But if fin mkt crisis persists, rate may need be cut

-- Future mon pol to depend on developments abroad, at home

-- Financial unrest seen dampening growth somewhat

-- Too early to determine impact of financial market turbulence

-- Food prices inflation boost stronger than expected.



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	15.65	5.20	\$1,626	€ 2,226
10y	7.85	2.57	\$805	€ 1,101
5y	4.45	1.42	\$444	€ 608
2y	1.88	0.60	\$188	€ 257
ZB	9.99	3.61	\$113	€ 155
ZN	5.93	2.09	\$65	€ 89
ZF	4.01	1.38	\$43	€ 59
ZT	1.89	0.63	\$20	€ 27

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.24	€ 227	\$166	0.868738
Bobl	4.20	€ 126	\$92	0.960712
Schatz	1.89	€ 55	\$40	0.957701
DE10Y	7.84	€ 1,087	\$794	
DE5Y	4.52	€ 651	\$475	
DE2Y	2.31	€ 333	\$243	

^Futures are Based on CTD

Last

EURUSD 136.89

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.80	17.72	40.25
10y	4.85	8.76	19.91
5y	2.68	4.84	10.99
2y	1.13	2.04	4.64
ZB	0.68	1.23	2.79
ZN	0.39	1.34	1.61
ZF	0.26	0.47	1.06
ZT	0.12	0.22	0.49



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)	Bobl (Z)	Shatz (Z)
Bund (Z)	1.00	1.64	3.73
Bobl (Z)	0.61	1.00	2.28
Shatz (Z)	0.27	0.44	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	4.071	4.067	4.067
US5y	4.185	4.183	4.183
US10y	4.484	4.482	4.482

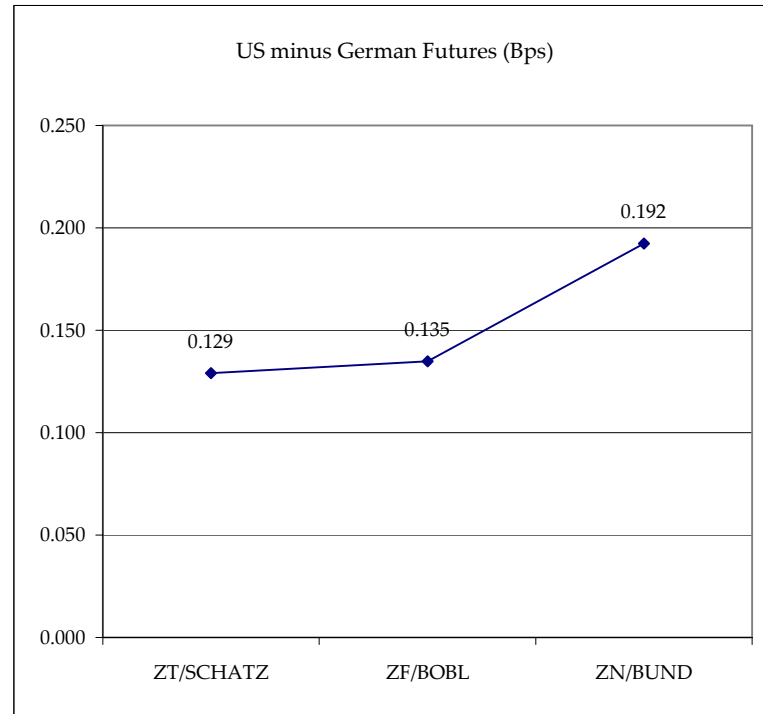
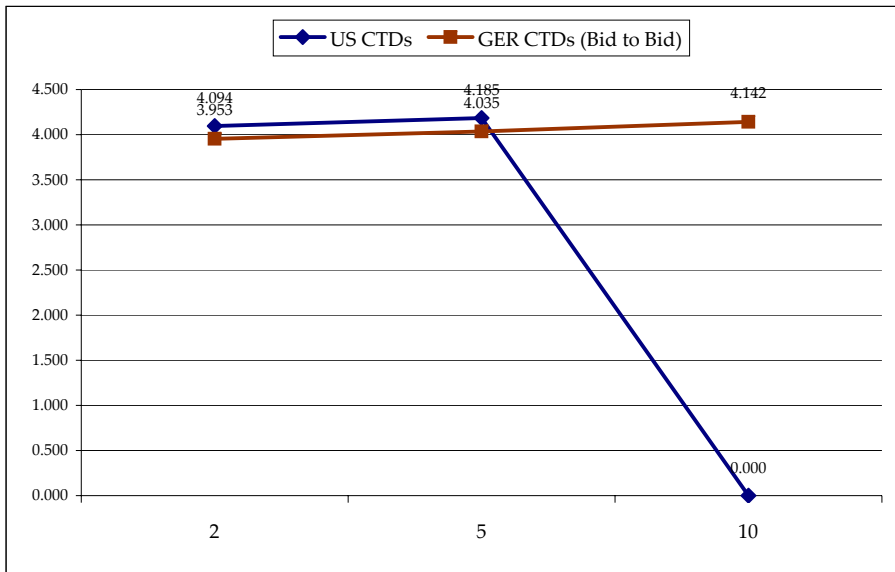
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.990	3.978	3.978
DE5y	4.054	4.044	4.044
DE10y	4.184	4.178	4.178

Spreads	
	Bps
ZT/SCHATZ	0.129
ZF/BOBL	0.135
ZN/BUND	0.192

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.375 of 09/09	4.094	4.082	4.082
4.625 of 02/12	4.185	4.170	4.170
4.250 of 08/14			4.334

German Futures (CTD)			
	Bid	Ask	Last
3.500 of 10/09	3.968	3.953	3.953
5.000 of 07/12	4.044	4.035	4.035
4.000 of 07/16	4.149	4.142	4.142

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

Sept 06, 2007**Introductory statement**Jean-Claude Trichet, President of the ECB, Lucas Papademos, Vice President of the ECB Frankfurt am Main, 6 September 2007

"Ladies and gentlemen, let me welcome you to our press conference and report on the outcome of today's meeting of the ECB's Governing Council. The meeting was also attended by the President of the Eurogroup, Prime Minister Juncker, and Commissioner Almunia.

"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 medium-term outlook for price stability remains subject to upside risks, as identified by both our economic and monetary analyses. Incoming macroeconomic data also confirm the strong fundamentals of the euro area economy and support a favourable medium-term outlook for real GDP growth. Against this background, our monetary policy stance is still on the accommodative side with, inter alia, money and credit growth vigorous in the euro area. At the same time, the financial market volatility and reappraisal of risk of recent weeks have led to an increase in uncertainty. Given this high level of uncertainty, it is appropriate to gather additional information and to examine new data before drawing further conclusions for monetary policy in the context of our medium-term-oriented monetary policy strategy aimed at delivering 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-term inflation expectations remain firmly anchored in line with price stability. This 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.

"...To sum up, a cross-check of the information identified under the economic analysis with the outcome of the monetary analysis has confirmed the existence of upside risks to price stability over the medium term – against the background of the strong fundamentals of the euro area economy. Accordingly, our monetary policy stance is still on the accommodative side with, inter alia, money and credit growth vigorous in the euro area. At the same time, given the high level of uncertainty, additional information is needed before further conclusions for monetary policy can be drawn. 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-term inflation expectations remain firmly anchored in line with price stability. In the current context, it is all the more important that inflation expectations remain firmly anchored in line with price stability. As regards the financial markets, we will continue to pay great attention to developments over the period to come."

[SOURCE: The ECB]

PRESS RELEASE6 September 2007 - Pre-announcement of supplementary longer-term refinancing operation

The Governing Council of the European Central Bank has today decided to conduct a supplementary liquidity-providing longer-term refinancing operation with a maturity of three months.

This operation aims to support a normalisation of the functioning of the euro money market. It will be conducted in addition to the regular monthly longer-term refinancing operations, which remain unaffected.

The operation will be carried out as a variable rate tender, with no preset allotment amount. A standard tender procedure will be applied, with announcement on Tuesday, 11 September 2007, allotment on Wednesday, 12 September 2007, and settlement on Thursday, 13 September 2007. The operation will mature on Tuesday, 11 December 2007.










[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

BOE HAWKOMETER (to August 2007 meeting)

	Dissenting Hawkish Votes	Dissenting Dovish Votes	Non- Dissenting Votes	Total Votes	Hawkishness Rating
 Sentance	4	0	7	11	36%
 Besley	4	0	8	12	33%
 King (Gov)	14	0	110	124	11%
 Tucker	6	1	56	63	8%
 Gieve (Dep Gov)	1	0	18	19	5%
 Lomax (Dep Gov)	2	3	45	50	-2%
 Barker	1	4	71	76	-4%
 Bean	0	5	79	84	-6%
 Blanchflower	0	5	10	15	33%

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]