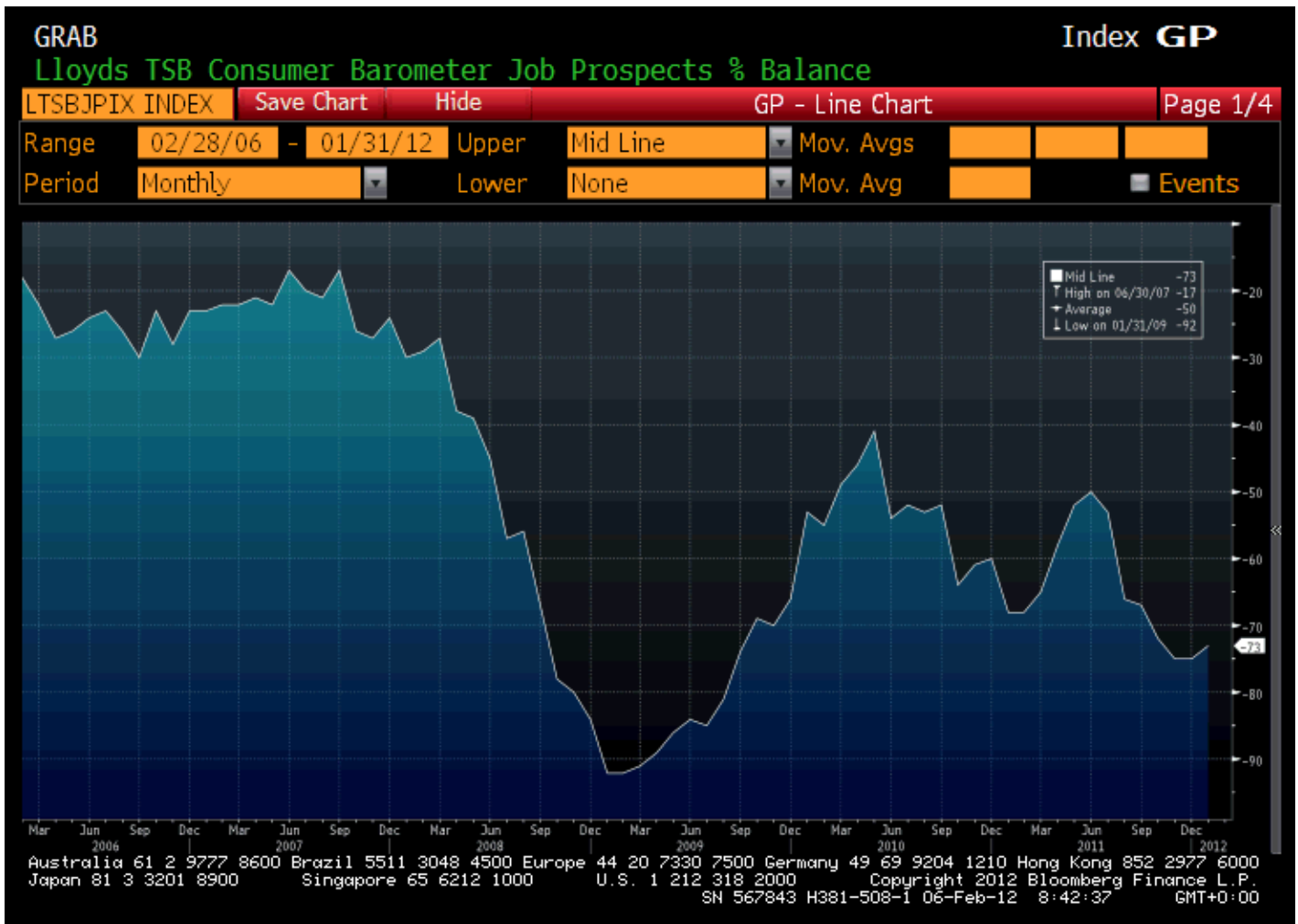




1. Another weekend has passed without any progress on the Greek debt restructuring. Lucas Papademos, the Greek Premier, failed in getting party leaders to agree the harsh austerity terms in return for the next tranche of the €130 billion bailout. This edges Greece closer to defaulting which, without the bail out, could be as early as next month. A final deadline of 11am today has been imposed by international creditors.
2. Lloyds U.K. employment confidence figures showed a slight improvement at -73 (from -75 in December). Halifax House Price figure released this morning is up 0.6% this month, after declining 1% last month. Rightmove Q4 2011 data shows lack of supply across the market as homeowners on the lower rungs of the property ladder fail to move up.
3. Treasury bill auctions from France (91/182/364 day), Netherlands (79/174 day) and the U.S. three month and six month. Also have three, ten and 30 year from U.S. this week.
4. Most weekend papers expect an announcement £50 billion increase, to £325 billion, of Quantitative Easing from MPC after their meeting on Thursday. .
5. There have been reports that Portugal has sounded out advisors on a debt restructure.

Lloyds Employment Confidence





Daily Bond Research

6th February 2012

Statistics		
UK	EU	US
<p>Monday (06/02) – Lloyds Employment Confidence, New Car Registrations. Tuesday (07/02) – BRC Sales like-for-like YoY. Wednesday (08/02) – BRC Shop Price Index YoY. Thursday (09/02) – Industrial Production, Manufacturing Production, Visible Trade Balance, Trade Balance, Trade Balance Non EU GBP, Total Trade Balance, BOE Asset Purchase Target, BOE Announces Rates, NIESR GDP Estimate. Friday (10/02) – PPI Input NSA, PPI Output n.s.a. PPI Output Core NSA. Monday (13/02)- No Statistics.</p>	<p>Monday (06/02) – Sentix Investor Confidence. Tuesday (07/02) – No Statistics. Wednesday (08/02) - No Statistics. Thursday (09/02) – ECB Announces Interest Rates. Friday (10/02) - No Statistics. Monday (13/02)- No Statistics.</p>	<p>Monday (06/02) – No Statistics. Tuesday (07/02) – IBD/TIPP Economic Optimism, JOLTs Job Openings, Consumer Credit. Wednesday (08/02) – MBA Mortgage Applications. Thursday (09/02) – Initial Jobless Claims, Continuing Claims, Bloomberg Consumer Comfort, Wholesale Inventories. Friday (10/02) – Trade Balance, U. of Michigan Confidence, Monthly Budget Statement. Monday (13/02)- No Statistics.</p>
Future Auctions		
UK	Europe	US
<p>07/02/12- UK to Sell £4bln 1.75% 2017 Bonds</p>	<p>08/02/12- Germany to Sell Add'l €4bln 5 Year Notes</p>	<p>07/02/12- Fed to Sell \$32bln 3 Year Notes 08/02/12- Fed to Sell \$24bln 10 Year Notes 09/02/12- Fed to Sell \$16bln 30 Year Bonds</p>



Daily Bond Research

6th February 2012

Date	Amount	Stock	Cover	Avg Yld	Tail (bp)
15 June 2011	£2.25bln	4.25% 27	1.85	4%	-
21 June 2011	£4.75bln	2% 16	1.56	1.963%	-
23 June 2011	£450mln	0.5% IL 50	2.17	0.499%	-
5 July 2011	£3.25bln	3.75% 21	2.16	3.511%	-
6 July 2011	£1.1bln	1.25% IL 27	1.64	0.613%	-
14 July 2011	£2bln	4.25% 40	1.95	4.176%	-
19 July 2011	£4.75bln	2% 16	1.48	1.789%	-
2 Aug 2011	£2bln	4.5% 34	2.23	3.955%	-
11 Aug 2011	£825mln	0.625% IL 42	1.85	0.527%	-
18 Aug 2011	£4.5bln	1.75% 2017	1.35	1.507%	1.1bps
23 Aug 2011	£1bln	1.875% 2022	2.05	0.065%	-
1 Sept 2011	£3bln	3.75% 2021	1.99	2.762%	-
6 Sept 2011	£1bln	4.75% 2030	1.88	3.426%	-
15 Sept 2011	£900mln	0.75% IL 47	1.49	0.387%	-
22 Sept 2011	£4.75bln	1.75% 2017	1.29	1.394%	-
4 Oct 2011	£3.25bln	3.75% 2021	1.76	2.240%	-
11 Oct 2011	£900mln	1.125% 2037	1.36	0.334%	-
13 Oct 2011	£2bln	4.25% 2039	2.26	3.516%	0.4bps
20 Oct 2011	£4.75mln	1.75% 2017	1.66	1.547%	1.4bps
03 Nov 2011	£2bln	4.25% 2032	1.63	3.108%	0.8bps
08 Nov 2011	£900mln	0.625% IL 40	2.61	0.237%	-
17 Nov 2011	£4bln	5% 2018	1.92	1.434%	0.7bps
01 Dec 2011	£3bln	3.75% 2021	1.61	2.382%	-
06 Dec 2011	£1.75bln	4.25% 2040	1.98	3.287	-
07 Dec 2011	£900mln	1.25% I/L 2032	2.03	0.004%	-
14 Dec 2011	£3bln	4% 2022	1.77	2.21%	-
15 Dec 2011	£4bln	1.75% 2017	1.27	1.125	-
20 Dec 2011	£750mln	4.25% 2027	2.81	2.637%	-
04 Jan 2012	£3.75bln	1.75% 2017	2.02	1.102%	-
10 Jan 2012	£700mln	0.75% IL 2047	1.92	- 0.116%	-
11 Jan 2012	£3bln	3.75% 2021	2.15	2.085%	-
19 Jan 2012	£4bln	4% 2015	2.02	0.893%	-
01 Feb 2012	£2.5bln	5% 2025	1.88	2.356%	-
02 Feb 2012	£1.25bln	0.125% IL 2029	2.27	0.188%	-



Daily Bond Research

6th February 2012

MPC Meeting Decision Dates	Future ECB Decision Dates	Future FOMC Decision Dates
February 09	February 09	March 13

Official Rates

UK Base Rate

0.50% (5 Mar 09)
1.00% (5 Feb 09)
1.50% (8 Jan 09)
2.00% (4 Dec 08)
3.00% (6 Nov 08)
4.50% (8 Oct 08)
5.00% (10 Apr 08)
5.25% (7 Feb 08)
5.50% (6 Dec 07)
5.75% (5 July 07)
5.50% (10 May 07)
5.25% (11 Jan 07)

ECB Repo Rate

1.00% (8 Dec 11)
1.25% (3 Nov 11)
1.50% (7 July 11)
1.25% (7 Apr 11)
1.00% (7 May 09)
1.25% (2 Apr 09)
1.50% (5 Mar 09)
2.00% (15 Jan 09)
2.50% (4 Dec 08)
3.25% (6 Nov 08)
3.75% (8 Oct 08)
4.25% (3 Jul 08)
4.00% (6 June 07)

US Fed Funds Rates

0.00%-0.25% (16 Dec 08)
1.00% (29 Oct 08)
1.50% (8 Oct 08)
2.00% (30 Apr 08)
2.25% (18 Mar 08)
3.00% (30 Jan 08)

US Discount Rate

0.50% (16 Dec 08)
1.25% (29 Oct 08)
1.75% (8 Oct 08)
2.25% (30 Apr 08)

BofJ Target Rate

0.00% - 0.10% (10 Aug 10)
0.10% (1 Dec 08)
0.30% (1 Oct 08)



Daily Bond Research

6th February 2012

The information used here is obtained from sources that we consider to be reliable but its accuracy and completeness cannot be guaranteed. The opinions and conclusions contained are those of King & Shaxson Limited. ("K&S"), and are subject to change without notice. No responsibility is taken for any losses, including any consequential loss, which may be incurred by acting upon such recommendations or information.

Whilst all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts opinions and expectations contained herein are fair and reasonable, neither the author nor K&S has verified the information contained herein and accordingly none of the author, K&S nor any of their respective directors, officers or employees makes any representation or warranty, express or implied as to the accuracy or completeness of the information or opinions contained herein and shall not be in any way responsible or liable for the contents hereof and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith. Nothing in this paragraph shall exclude liability for any representations or warranties made fraudulently. The material does not attempt to describe all the economic, political, competitive and other factors that underlie any estimates, forecasts, or opinions, or potential changes that could affect the assumptions on which these estimates, forecasts and opinions are based. K&S makes no representation that the information is current. In particular, but without limiting the preceding sentence, statements of fact or opinion regarding securities, investments, financial products, companies, markets, territories or particular circumstances may not be up-to-date or may not represent the current opinion of K&S.

Any opinions, forecasts or estimates herein constitute a judgment as at the date of this report. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. This information is subject to change without notice. It may be incomplete or condensed and it may not contain all material information concerning the Company.

This document does not constitute or form part of and should not be construed as any offer for sale or purchase of (or solicitation of or invitation to make any offer to buy or sell) any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

The information contained in this transmission is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient you are hereby notified that any dissemination, distribution or copy of this facsimile or any parts of it is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone +44 (0)20 7426 5950 and speak to Compliance).

King & Shaxson Capital Limited Reg. No. 2863591 and King & Shaxson Limited Reg. No. 869780, members of the London Stock Exchange, and King & Shaxson Asset Management Limited Reg. No. 3870667. The Registered Office for all companies is 6th Floor, Candlewick House, 120 Cannon Street, London, EC4N 6AS. All companies are registered in England and are part of the PhillipCapital Group.

King & Shaxson Capital Limited (FSA Reg. No. 169760), King & Shaxson Limited (FSA Reg. No. 179213), and King & Shaxson Asset Management Limited (FSA Reg. No. 193698) are Authorised and Regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.