



- 1) Most bond charts have now turned negative, however today's Non-Farm payroll numbers will provide the final verdict on whether things have really changed or whether we are just seeing a short bout of profit taking in bonds. Forecasts are for a drop of about 115k but it is important to remember that census workers, which are continuing to be laid off, may distort the figures. We suspect a stronger net figure will have a bigger impact than a weak number. The White House have denied that they have a stimulus plan ready to be roll out if the number comes out on the downside.
- 2) There were no surprises from ECB yesterday after they left the benchmark interest rate unchanged at 1%. They did however raise their central forecast from 1% to 1.6% in 2010 and from 1.2% to 1.4% in 2011. ECB member Nowotny added that he sees no double-dip in the Euro-zone.
- 3) Dow managed a late bounce to finish up 51 points, while overnight US Treasuries were little changed. Far East equity markets are up about 0.5%.
- 4) UK PMI services data is out at 9.30 and is expected to slow to 52.9 from 53.1. Data for the UK has surprised on the downside. US have a half day today and a Labor Day holiday on Monday.

US Nonfarm Payrolls

GRAB

Index GP

US Employees on Nonfarm Payrolls Total MoM Net Change SA

NFP TCH INDEX Advanced Hide GP - Line Chart Page 1/3

Range 10/31/06 - 07/31/10 Upper Latest/Last Re Mov. Avgs Currency USD

Period Monthly Lower None Mov. Avg 15 Events

■ Last Price -131.00
 T High on 05/31/10 432.00
 + Average -135.00
 L Low on 01/31/09 -779.00



Australia	61	2	9777	8600	Brazil	5511	3048	4500	Europe	44	20	7330	7500	Germany	49	69	9204	1210	Hong Kong	852	2977	6000
Japan	81	3	3201	8900	Singapore	65	6212	1000	U.S.	1	212	318	2000	Copyright 2010 Bloomberg Finance L.P. SN 567841 H381-297-0 03-Sep-10 8:26:19								

Statistics

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Bond Research

September 3rd 2010

UK	EU	US
Friday – PMI Services	Friday – PMI Services (France)	Friday – Change in Nonfarm Payrolls, Unemployment rate
Future Auctions		
UK	Europe	US



Auction History					
Date	Amount	Stock	Cover	Ave Yld	Tail (bp)
22 April 2010	£3.75bn	4T20	1.90	4.078%	0.2bps
27 April 2010	£1bn	IL 2032	2.13	0.943%	-
28 April 2010	£4.5bn	4H13	2.02	1.797%	0.7bps
11 May 2010	£2.25bn	4Q27	2.47	4.472%	0.5bps
13 May 2010	£1.1bn	IL 2022	2.49	0.765%	-
17 May 2010	£1.0bln	4Q32	1.93	4.376%	-
26 May 2010	£4.0bln	IL 0.5% 2050	Syndicated	0.758%	-
2 June 2010	£4.25bln	2T15	2.34	2.274%	0.7bps
08 June 2010	£1.1bn	IL 2027	1.63	0.939%	-
09 June 2010	£3.75bn	3T20	1.86	3.633%	0.2bps
17 June 2010	£4bn	5 14	2.28	4.065%	0.5bps
01 July 2010	£879m	IL 0.75% 2047	2.40	0.666%	-
06 July 2010	£3.56bn	3T 20	2.45	3.467%	0.2bps
14 July 2010	£2.415bn	4Q 46	1.63	4.168%	0.4bps
15 July 2010	£1.244bn	IL 1.875 22	1.76	0.947%	-
20 July 2010	£3.75bn	4 16	1.38	2.523%	1.00bps
03 Aug 2010	£3.75bn	2T15	1.99	2.060%	0.7bps
10 Aug 2010	£1.75bn	4H34	1.56	4.200%	0.3bps
12 Aug 2010	£3bn	4 22	1.72	3.485%	0.4bps
19 Aug 2010	£1bln	IL 1.25% 2027	1.94	0.870%	-
2 Sept 2010	£4.122bln	5 14	1.69	1.542%	0.7bps
MPC Meeting Decision Dates		Future FOMC Decision Dates		Future ECB Decision Dates	
Sept 09		Sept 21		Sept 02	
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)		US Feds Fund 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 0.75% (18 Feb 10) 0.50% (16 Dec 08) 1.25% (29 Oct 08) 1.75% (8 Oct 08) 2.25% (30 Apr 08)		ECB Repo Rate 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) BofJ Target Rate 0.10% (1 Dec 08) 0.30% (1 Oct 08) 0.50% (21 Feb 07)	
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