

12.00 Bank of England announce monetary policy



Current BOE Interest rates: **0.50%- Expected to remain on hold.**

- The Bank of England's MPC committee is expected to keep key interest rates on hold today.
- **The Asset Purchase Programme (Q.E.) stands at £200 bln. Expected to remain unchanged.**

The Bank of England is likely to keep its monetary policy unchanged at this meeting. The consensus view is to leave the now expired asset purchase programme at £200 bln, however leave the door open for further buying should it be necessary in the future. This consensus view is based on a gradual recovery in UK data over the last quarter. Some analysts, including those from the OECD expect a rapid expansion in the UK. The BOE tend to act most aggressively during the months that they have the quarterly inflation report (next month), although we have heard a raft of voices from key members that they will consider extending the asset purchase programme should economic data warrant it. However this may just be rhetoric to ease market fears that may result in a sharp rise in Gilt yields, i.e. reassure buyers that the BOE is ready to step in and support the market if necessary. Since we have neither seen a deterioration of UK Macro-data or a sharp rise in Gilt yields, any decision taken to extend the APP will be a major surprise to the markets.

In conclusion:

The BOE will most likely continue towards a "wait and see" stance. The consensus view is that they will not extend their asset purchases, however keep the door open for more should the economy turn lower at a later point.

13.30 Initial Jobless Claims



Expectation	435K	Previous	439K	Range	(420K, 450K)
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13.30 Continuing Claims



Expectation	4630K	Previous	4662K	Range	(4600K, 4650K)
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