

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 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. With the UK Government making noises about deep cuts to government spending, it would seem most likely that the BOE leave the door open for further asset purchases should those cuts start to impact the economy. The BOE will also need to reassure buyers of UK debt that they will be able to act if we see a rapid deterioration of UK macro-economic data, or if there is a rapid rise in Gilt yields.

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	448K	Previous	453K	Range	(440K, 465K)
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13.30 Continuing Claims



Expectation	4640K	Previous	4666K	Range	(4550K, 4670K)
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