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As mentioned in my last newsletter the layout and content is slightly changed as from today.

General

The last week or two has seen worldwide “investors” and or “speculators” becoming increasingly jittery about the USA budget deficit and the financial problems in Europe. Almost everyone knows that at some stage living beyond your means is a possible road to ruin. It is a pity that governments either in the UK or abroad do not seem to have grasped this fundamental economic tenet. The news that the House of Representatives have passed the bill to increase the budget deficit of the USA, thus avoiding a technical default on the US debt, was greeted with mild relief and the US Dollar showed some recovery. However the flight to safety is still continuing and GBP and the Euro have remained under pressure since mid-morning of 1st August. The main gainers in the FX markets have been the JPY and CHF along with Gold which has remained firmly above the USD1,600 an ounce level.

Other Overseas News

The continuing political spat between Pakistan and the USA continues. The news this morning that the FBI has been investigating Dr. Syed Fai and the Justice Foundation Kashmir Centre (and its supposed connections with the ISI) has only heightened tensions between the two countries. Dr Fai was arrested and charged (with conspiracy) in Virginia.

Other Market News

The economic gloom persists in London with HSBC and Barclays declaring proposals to cut jobs significantly over the remainder of this year. Expected job losses are 30,000 worldwide for HSBC and 3,000 from Barclays Capital (the investment banking division of Barclays Bank Ltd.)

Foreign Exchange Markets

As all my readers would understand – big swings every day in the FX markets have been the order for this month

From 01 July	Open	High	Low	Now
GBP/USD	1.6078	1.6472	1.5806	1.6252
EUR/USD	1.4519	1.4571	1.3851	1.4170
USD/JPY	80.64	81.41	76.53	77.35

Property

Investment properties in London, especially in Mayfair and the West End, continue to be well bid. The domestic residential market remains quiet with some pockets of activity (mainly in the south-east) but in general house prices remain soft.

Money Markets

LIBORs at 11:00hrs Thursday 23 June 11

Currency	3months	6months	1year
GBP	0.82500	1.10188	1.57688
USD	0.2455	0.39475	0.72775
EURO	1.46563	1.72388	2.11875

Stock Market

The FTSE100 was introduced as an Index of the value of the top 100 UK companies according to their market value. It is a personal observation but with companies like Glencore (up until floatation a private company registered in Switzerland) being included, the Index has become more an international barometer than a reflection of the value of leading UK companies.

The last four weeks trading range is set out below

Close (30June2011)	5,942.77
Low	5,729.68 – 2 Aug
High	6,077.53 – 8 July
Now	5,738.73 13:20 2 Aug

UNB'S Domestic Retail Deposit rates

UNB's 90DN Gold deposit account pays 2.25%p.a. (gross) AER 2.26%

The 90DN Special Hi-Rate Account pays 2.75 (gross) AER 2.77% (This deposit may be withdrawn shortly)

The bank offers the following **gross** interest rates on retail Fixed Term Deposits

6 months	1.50%	aer1.51%	min£2.5k, max£1mio
1 year	3.51%	aer3.51%	min£2.5k, max£1mio
2 years	3.75%	aer3.75%	min£1, max£1mio
3 years	4.25%	aer4.25%	min£1, max£1mio

Interest on the 1, 2 and 3yr deposits will be paid annually.

Depositors may opt for interest to be paid monthly or yearly on the 2 and 3 year deposits.

The gross interest rates for calculation purposes are 3.68% and 4.17% respectively if interest is paid monthly.

Gross Interest – gross is the contractual rate of interest payable before the deduction of income tax at the rate specified by law
AER (Annual Equivalent Rate) – the aer shows the true rate of interest you will have received by the end of the year taking into account the regularity of which interest is added to the account (as the payment frequency has a compounded affect on the amount of interest you receive).

Please note that any comments and or observations are the personnel opinion of the writer and should not be considered as advice or solicitation for business
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