Document 0117

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The United Kingdom High Court declared illegal a variety of interest-rate swap transactions and options deals between a London borough council and commercial banks . q:i-h-h named:x-c na
                                                                                                                                                                                                   as 70 U.K. and international banks stand to lose several hundred million pounds should the decision be upheld and set a precedent for other municipalities .

_ card:i-i-c named_n:x-c _ a:e-p _ n_of:x-i _ v:e-i-p _ card:i-i-c _ card:i-i-c _ card:i-i-c _ card:i-i-c _ n:x _ v_modal:e-h _ q:i-h-h _ n:x _ v:e-i-p _ v:e-
In response to the ruling , gilt futures swiftly plunged more than a point yesterday before recovering much of the loss by the end of the session p:e-u-i n_to:x-i _ q:i-h-h n:x _ n:x n:x a:e-e v_into:e-i p:e-u-i p:e-u-i card:i-i-c n_of:x time_n:x p:e-u-i v:e-i-p much-many_a:e-p _ q:i-h-h n_of:x-i _ p:e-u-i q:i-h-h n_of:x-i _ q:i-h-h n
                                                                                                                British government bonds , which also fell sharply initially , retraced some of the losses to end about 3/8 point lower a:e-p n_of:x-i n:x _ _ a:e-b v:e-i a:e-e a:e-e _ v:e-i-p q:i-h-h _ q:i-h-h _ q:i-h-h v:e-i x:e-u fraction:i-i-c n_of:x a:e-i
                                                                                                                                                           , which is alleged to have engaged in over 600 deals valued at over # v_in:e-i-i _ x:e-u card:i-i-c n:x v:e-i-p p:e-u-i _ n_cur
          When two parties engage in an interest-rate swap , they are betting against each other on future rates x:e-h-h card:i-i-c n_of-to:x v_in:e-i-i _ q:i-h-h n_of:x-i _ pron:x _ v:e-i-p p:e-u-i recip_pro:x recip_pro:x p:e-u-i a:e-p n_of:x-i _
      Thus , an institution obligated to make fixed-rate interest payments on debt swaps the payments with another making floating-rate payments a:e-h _ q:i-h-h _ n:x _ v:e-i-p-u _ n_of:x-i _ n_of:x-i _ n_of:x-i _ n_of:x-i _ n:x _ v_for:e-i-p _ q:i-h-h _ n_of:x-i _ p:e-u-i _ q:i-h-h _ n:x _ v:e-i-p-u _ n_of:x-i _
  In most of the British transactions , the municipalities agreed to make pre-u-i q:i-h-h q:i-h-h a:e-p n:x q:i-h-h n:x v:e-i-h v:e-i-p-h n_of:x-i n_of:x-i p:e-u-i n_of:x-i p:e-u-i n_of:x-i n_of
                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                'he 'ARGI
                                                                                                                  ARG2
      As interest rates rose , municipalities owed the banks more than the banks were paying them x:e-h-h n_in:x-i n_of:x-i v:e-i _ n:x v:e-i-i-i q:i-h-h n_of:x-i much-many_a:e-i q:x-h-h q:i-h-h n_of:x-i _ v_for:e-i-i-i pron:x _
          The council backed the audit commission 's stand that the swap transactions are illegal q:i-h-h n_of:x-i v:e-i-p q:i-h-h n_of:x-i n_of:x-i
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