



Week of January 4, 2010

**Synthetic Fixed Rates**

Issuer pays fixed rate and receives floating rate

Avg Life	MMD "AAA"	Issuer Receives SIFMA		Issuer Receives 67% 1M LIBOR	
		Pays Fixed Swap Rate	Savings/(Loss) Compared to	Pays Fixed Swap Rate	Savings/(Loss) Compared to
1	0.28%	0.80%	(0.52)	0.55%	(0.27)
3	0.85%	1.72%	(0.87)	1.55%	(0.70)
5	1.57%	2.42%	(0.85)	2.19%	(0.62)
7	2.37%	2.82%	(0.45)	2.56%	(0.19)
10	3.00%	3.19%	(0.19)	2.86%	0.14
15	3.34%	3.53%	(0.19)	3.11%	0.23
20	3.70%	3.65%	0.05	3.19%	0.51
30	4.15%	3.77%	0.38	3.22%	0.93

**Swap Forward Premiums**

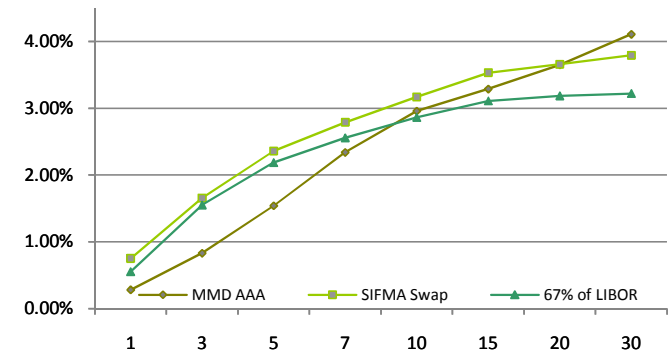
SIFMA & 67% of LIBOR Swap Forward Premiums

Forward-Starting Avg Life	SIFMA Swap Forward Premiums			
	3 mo	6 mo	12 mo	
10 years	10 bps	21 bps	40 bps	
20 years	6 bps	13 bps	25 bps	
30 years	5 bps	10 bps	20 bps	

Forward-Starting Avg Life	67% of LIBOR Swap Forward Premiums			
	3 mo	6 mo	12 mo	
10 years	9 bps	19 bps	36 bps	
20 years	5 bps	11 bps	21 bps	
30 years	4 bps	9 bps	16 bps	

**Synthetic Fixed vs. Insured Municipals**



**Leading Indices**

Term	SIFMA	1M LIBOR	3M LIBOR	10-yr UST	30-yr UST
Spot	0.25%	0.23%	0.25%	3.83%	4.65%
Last Week	0.32%	0.23%	0.24%	3.82%	4.69%
1-yr Avg	0.41%	0.33%	0.68%	3.26%	4.08%
5-yr Avg	2.43%	3.33%	3.51%	4.12%	4.53%
10-yr Avg	2.26%	3.15%	3.26%	4.45%	4.93%

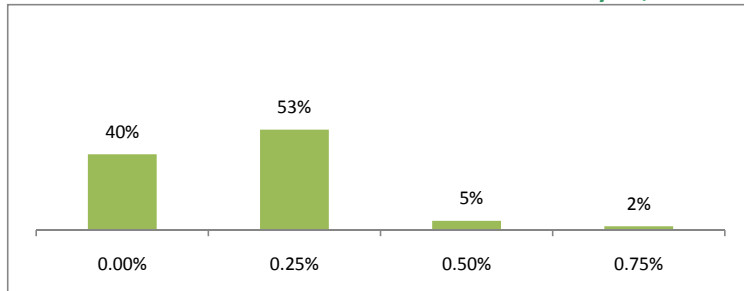
**SIFMA / LIBOR**

Term	SIFMA / LIBOR	
	1M LIBOR	3M LIBOR
Spot	107.1%	98.3%
Last Week	138.4%	132.8%
1-yr Avg	123.1%	73.2%
5-yr Avg	84.1%	70.4%
10-yr Avg	80.2%	72.6%

**Investment Agreements**

Avg Life	Debt Service Reserve Fund		Project Fund		Single Family Housing		
	GIC	Repo	Avg Life	GIC	Repo	Avg Life	GIC
5 years	2.75%	1.75%	6 mo	0.38%	0.15%	3 mo	0.21%
10 years	3.71%	2.71%	9 mo	0.61%	0.30%	6 mo	0.38%
15 years	4.10%	3.10%	12 mo	0.71%	0.35%	9 mo	0.61%
20 years	4.22%	3.22%	18 mo	1.35%	0.50%	12 mo	0.69%
30 years	4.23%	3.23%	24 mo	1.75%	0.75%	Float Fund	2.75%

**Current Probabilities for FOMC Date January 27, 2010\***



**Market Commentary**

- The US employment picture got an unexpected boost last week as initial jobless claims fell to 432K, the lowest since July 2008.
- The Treasury market ended the year on a three week losing streak amid continued positive economic sentiment and a strong stock market. The benchmark 10 YR Treasury closed at 3.84%, up 3 basis points in yield for the week and 163 basis points for the year.
- The SIFMA Index moved down 7 basis points, resetting at 0.25% last week. 1M LIBOR and 3M LIBOR were virtually unchanged, resetting at 0.23094% and 0.25063%, respectively, on Wednesday.

\* Based on Fed Funds futures contracts as of January 04, 2010

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