



Week of August 24, 2009

**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	0.40%	0.84%	(0.44)	0.56%	(0.16)
3	1.09%	2.01%	(0.92)	1.61%	(0.52)
5	1.77%	2.60%	(0.83)	2.16%	(0.39)
7	2.28%	2.95%	(0.67)	2.47%	(0.19)
10	2.94%	3.26%	(0.32)	2.71%	0.23
15	3.57%	3.55%	0.02	2.91%	0.66
20	4.04%	3.63%	0.41	2.97%	1.07
30	4.54%	3.77%	0.77	3.02%	1.52

**Swap Forward Premiums**

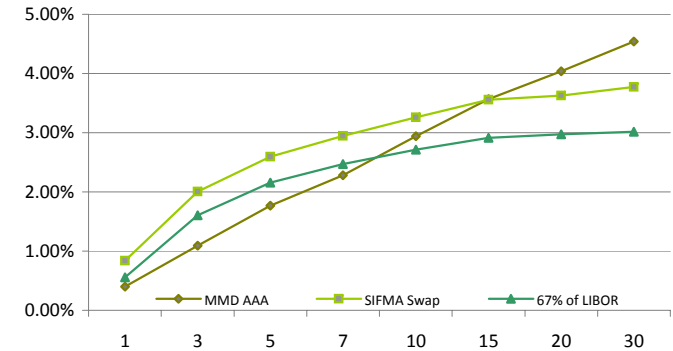
SIFMA & 67% of LIBOR Swap Forward Premiums

Forward-Starting SIFMA Swap Forward Premiums				
Avg Life	3 mo	6 mo	12 mo	
10 years	10 bps	20 bps	40 bps	
20 years	6 bps	12 bps	24 bps	
30 years	5 bps	10 bps	19 bps	

Forward-Starting 67% of LIBOR Swap Forward Premiums				
Avg Life	3 mo	6 mo	12 mo	
10 years	9 bps	17 bps	33 bps	
20 years	5 bps	10 bps	19 bps	
30 years	4 bps	8 bps	15 bps	

**Synthetic Fixed vs. Insured Municipals**



**Leading Indices**

Term	SIFMA	1M LIBOR	3M LIBOR	10-yr UST	30-yr UST
Spot	0.42%	0.26%	0.39%	3.57%	4.37%
Last Week	0.43%	0.28%	0.43%	3.50%	4.37%
1-yr Avg	1.19%	1.09%	1.59%	3.24%	3.91%
5-yr Avg	2.51%	3.45%	3.65%	4.17%	4.57%
10-yr Avg	2.37%	3.34%	3.46%	4.54%	4.99%

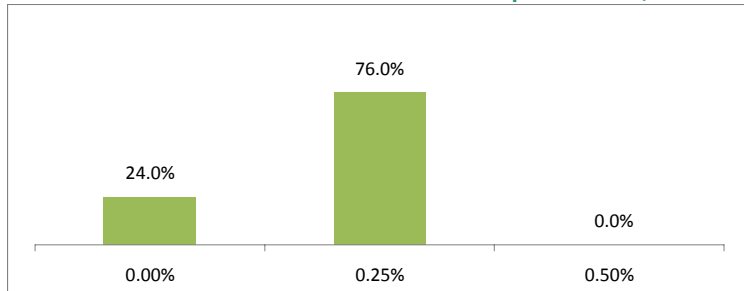
**SIFMA / LIBOR**

Term	SIFMA / LIBOR	
	1M LIBOR	3M LIBOR
Spot	158.9%	108.6%
Last Week	154.3%	99.7%
1-yr Avg	120.1%	65.1%
5-yr Avg	81.3%	68.2%
10-yr Avg	78.2%	71.0%

**Investment Agreements**

Avg Life	Debt Service Reserve Fund			Project Fund			Single Family Housing	
	GIC	Repo	Avg Life	GIC	Repo	Avg Life	GIC	
5 years	2.80%	1.80%	6 mo	0.34%	0.25%	3 mo	0.17%	
10 years	3.60%	2.60%	9 mo	0.56%	0.35%	6 mo	0.34%	
15 years	3.88%	2.88%	12 mo	0.76%	0.40%	9 mo	0.56%	
20 years	3.97%	2.97%	18 mo	1.44%	0.55%	12 mo	0.74%	
30 years	4.00%	3.00%	24 mo	1.84%	0.75%	Float Fund	2.75%	

**Current Probabilities for FOMC Date September 23, 2009\***



\* Based on Fed Funds futures contracts as of August 24, 2009

**Market Commentary**

- US Existing home sales were up 7.2% month over month to the highest level in two years, offering a sign the housing market is on the rebound.
- The Treasury yield curve saw a slight flattening last week as the 2 yr Treasury was up 4 basis points in yield while the 10 year treasury was down 1 basis point.
- Short-term rates were stable last week; the SIMFA index was down one basis point, resetting at .42% while 1M and 3M LIBOR reset at .27% and .42%, respectively, on Wednesday.

**Elizabeth Scott** [scott@gkbaum.com](mailto:scott@gkbaum.com) • **Cody Higginbottom** [higginbottom@gkbaum.com](mailto:higginbottom@gkbaum.com) • **Jeremiah Miller** [millerj@gkbaum.com](mailto:millerj@gkbaum.com) • **Alec Lehrer** [lehrer@gkbaum.com](mailto:lehrer@gkbaum.com) • 800.722.1670

All rates are indicative, subject to credit approval and market conditions. Please call George K. Baum & Company for current indications. While this material is based on information we consider reliable, we do not represent that is accurate or complete, and it should not be relied upon as such. This rate report does not constitute an offer to sell or a solicitation of an offer to buy any security, instrument or contract. George K. Baum & Company, or any person associated with it, may at any time have positions in securities, instruments or contracts similar to those mentioned above. Each counterparty must determine the appropriateness of each transaction to its specific application.