



## Debt & Derivative Advisors

### Leaders in Healthcare Finance

# Market Update: Healthcare

[www.soundcapital.com](http://www.soundcapital.com)

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#### Talk to one of our Debt and Derivative Advisors:

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#### General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	Swaps	
				SIFMA	67% of LIBOR
2 Yr	2.18	2.95	4.00	1.80	1.53
5 Yr	2.98	3.86	5.07	2.66	2.25
10 Yr	3.95	4.89	5.96	3.29	2.68
20 Yr	4.92	5.77	6.76	3.48	2.70
30 Yr	5.24	6.10	7.05	3.55	2.67

#### Healthcare Market News

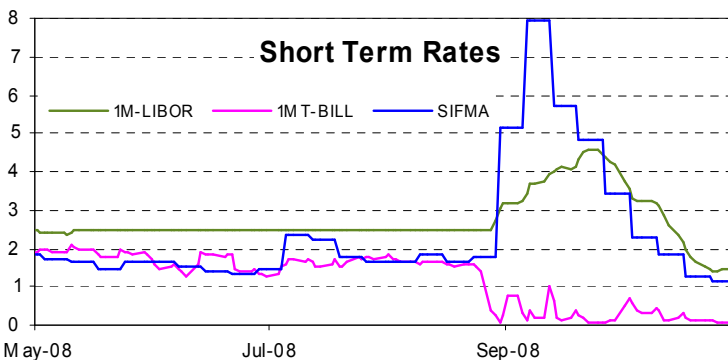
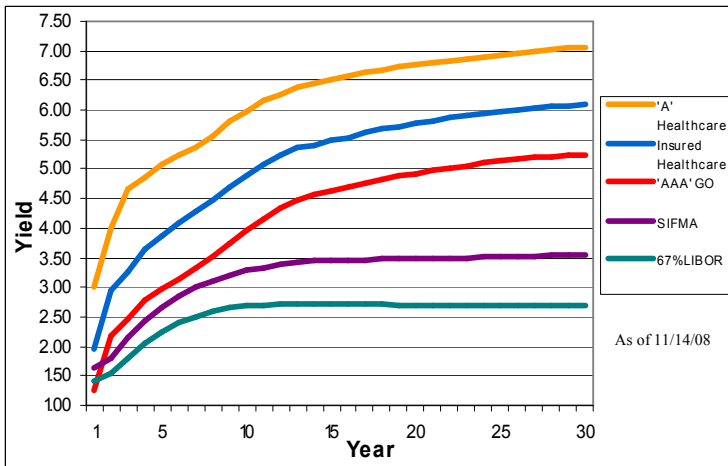
After a relatively volatile week, the Dow and the S&P 500 experienced significant losses again, ending last week at 8497.31 (-5.0%) and 873.29 (-6.2%). Economic news was consistently bad, with new jobless claims reaching a high since September 11, 2001, and retail sales posting a sharp decline. Electronics retailer Circuit City declared bankruptcy, and energy prices have scaled back dramatically on anticipated lower demand, as an impending global recession seems inevitable.

Markets also reacted negatively last week to Treasury Secretary Paulson's announcement of substantial changes to the government's Troubled Asset Relief Program. Specifically, he acknowledged that purchasing bad mortgage debt from financial institutions was not the optimal way to use the funding. Instead, the focus will be on increasing the availability of consumer credit and reducing the risk of additional foreclosures.

In fixed income, Treasuries were down substantially as the 2-year fell 10 basis points, the 5-year plunged 22 basis points, the 10-year fell 12 basis points, and the 30-year dipped 3 basis points on the week. The AAA GO muni yield curve also steepened, with the 2-year down 7 basis points, the middle of the curve down by 12 to 14 basis points, and the 30-year down by 2 basis points.

The municipal bond market finally gained some traction over the past several weeks. On the new issuance calendar for healthcare, there is a light \$429MM scheduled this week. Highlights include \$272MM for University Health System of Eastern Carolina and \$108MM for Columbus Regional Healthcare.

On the general municipal calendar this week, there is a moderate \$6.9Bn scheduled this week. Highlights include: 1) \$553MM Commonwealth of Massachusetts, 2) \$523MM State of California, and 3) \$400MM New York City.



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**MuniMarket Pulse podcast - Chris Mier of Loop Capital Says Muni Market is Relying "A Little Too Much on the Retail Customer"**

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## New Issue Summary

### Recent Healthcare Transactions—Issues over \$20MM

Week of sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
10-Nov	130.0	Idaho Health Facs Auth	St. Luke's Health	ID	Rev	A2/A/---	09-19, 23, 28, 37	Merrill Lynch	N
10-Nov	41.7	Maine Health & Ed Fac Auth	Various	ME	Rev	Aa3/--/AA	09-18, 23, 28, 38	Morgan Stanley	N
10-Nov	162.3	New Mexico Hosp	Presbyterian Hlth Serv	NM	Rev	Aa3/AA/--	10-18, 23, 28, 32	Goldman Sachs	N
3-Nov	24.5	Chattanooga Hsg Fac Brd	Catholic Health	TN	Rev	Aa2/AA/AA	14-18, 23, 28, 33	JP Morgan	N
3-Nov	215.8	Colorado Hlth Fac Auth	Catholic Health	CO	Rev	Aa2/AA/AA	14-18, 23, 28, 33, 38*	JP Morgan	N
3-Nov	227.0	Harris County Hlth Facs	Memorial Hermann Healthcare	TX	Rev	A2/A/---	27-29, 31, 35	RBC Cap Mkts	N
3-Nov	180.0	Illinois Finance Authority	Advocate Health Care Network	IL	Rev	Aa3/AA/AA	09-16, 18, 23, 28, 38	Citigroup	N
3-Nov	312.8	City of Minneapolis	Fairview Health Services	MN	Rev	A2/A/---	11-14, 18, 23, 28, 32	Citigroup	N
3-Nov	209.4	City of Minneapolis	Fairview Health Services	MN	Rev	Aaa/AAA/---	38	Citigroup	N
3-Nov	59.7	Montgomery County	Catholic Health	OH	Rev	Aa2/AA/AA	14-18, 23, 28, 33, 38	JP Morgan	N
3-Nov	51.8	Southcentral Gen Auth	Wellspring Health	PA	Rev	Aa3/--/AA-	29	Citigroup	N
3-Nov	177.1	Washington Hlth Cr Fac	Catholic Health	WA	Rev	Aa2/AA/AA	16-18, 23, 28, 33, 36	JP Morgan	N

#### Highlighted 'A' Healthcare Issue Details & Spread Analysis

Idaho Health Facs Auth St. Luke's Health	Maturity	Yield	+/- "AAA" GO
A2/A/--- Pricing Date: 11/10/08 \$130.0MM Negotiated	2009	3.58	2.30
	2010	4.48	2.23
	2011	4.75	2.18
	2012	5.00	2.10
	2013	5.13	2.03
	2014	5.30	2.03
	2015	5.49	2.03
	2016	5.67	1.99
	2017	5.92	2.03
	2018	6.12	2.03
2019	6.32	2.03	
2023	6.57	1.85	
2028	6.77	1.80	
2037	7.02	1.77	

#### Highlighted 'AA' Healthcare Issue Details & Spread Analysis

Illinois Finance Authority Advocate Health Care Network	Maturity	Yield	+/- "AAA" GO
Aa3/AA/AA Pricing Date: 11/3/08 \$180.0MM Negotiated	2009	NRO	NA
	2010	3.93	1.45
	2011	4.20	1.35
	2012	4.53	1.37
	2013	4.75	1.37
	2014	4.93	1.36
	2015	5.14	1.38
	2016	5.33	1.40
	2018	5.65	1.35
	2023	6.33	1.49
2028	6.53	1.49	
2038	6.75	1.40	

Issuers and borrowers may request SCM to perform a spread analysis on any issue. Call 952-996-0180.

### Upcoming Healthcare Transactions—Issues over \$20MM

Week of sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
17-Nov	48.1	Green Bay Redev Auth	Bellin Memorial Hospital	WI	Rev	A3/A/---	09-28	Robert W. Baird	N
17-Nov	108.1	Medical Center Hosp Auth	Columbus Regional Healthcare	GA	Rev	--/--/---		Citigroup	N
17-Nov	74.1	NC Medical Care Comm	University Health Sys of Eastern Carolina	NC	Rev	A1/A+/AA-	09-18, 23, 26, 36	Edward Jones	N
17-Nov	82.4	NC Medical Care Comm	University Health Sys of Eastern Carolina	NC	Rev	A1/A+/AA-	33	Citigroup	N
17-Nov	56.3	NC Medical Care Comm	University Health Sys of Eastern Carolina	NC	Rev	A1/A+/AA-	36	Citigroup	N
17-Nov	59.6	NC Medical Care Comm	University Health Sys of Eastern Carolina	NC	Rev	A1/A+/AA-	36	Citigroup	N

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