



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

www.soundcapital.com

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General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	Swaps	
				SIFMA	67% of LIBOR
2 Yr	2.82	3.58	4.04	2.25	1.82
5 Yr	3.78	4.69	5.20	3.12	2.55
10 Yr	4.86	5.82	6.29	3.70	2.96
20 Yr	5.72	6.54	7.09	3.90	3.03
30 Yr	5.92	6.70	7.30	3.95	3.02

Healthcare Market News

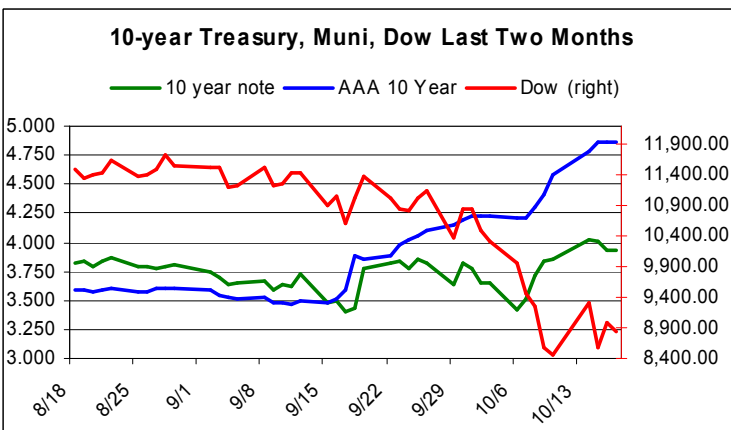
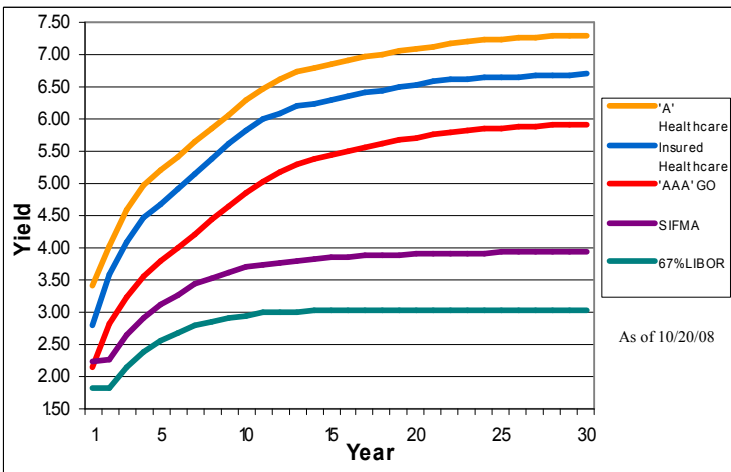
The Dow and the S&P 500 traded through wide ranges of approximately 1700 and 200 points last week, respectively, before ending the week at 8852.22 (+4.7%) and 940.55 (+4.6%). This was largely a corrective move after the two indexes dropped 15% in the prior week, although some of the recovery was likely driven by continued and coordinated intervention efforts to unfreeze credit markets and inter-bank lending.

New measures introduced last week included an announcement by the FDIC that it will guarantee nearly \$2 trillion in banks' debt and deposit accounts (including promissory notes, commercial paper, and inter-bank funding); announcements by the Federal Reserve that it will provide unlimited dollars to three central banks and purchase corporate commercial paper to provide additional liquidity; and an announcement that the Treasury would use up to \$250 billion of the \$700 billion recently authorized to purchase preferred stock in banks.

In addition, economic data released last week showed an evaporation of inflationary risks as the economy likely heads into a nationwide recession, and Fed Chairman Bernanke indicated additional interest rate cuts are possible.

In fixed income, the Treasury curve steepened as the 2-year gained 3 basis points, the 5-year and 10-year each gained 7 basis points, and the 30-year climbed 18 basis points on the week. The AAA GO muni yields also gained substantially, with the 2-year up 27 basis points, the 5-year up by 34, the 7-year and 10-year each up by 28, and the 30-year up by 23 basis points.

The municipal bond market continued its wait-and-see approach, with most new issues still listed as day-to-day.



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MuniMarket Pulse podcast - Bill Mason of David Lerner Associates Describes the Municipal Market in Two Words: "Higher Yields"
Go to <http://podcast.derivactiv.com>.



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
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Due to extreme market disruptions over the past several weeks, most new municipal issues have been postponed or listed as day-to-day.

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
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