



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

www.soundcapital.com

December 10th, 2007

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General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	SWAPS	
				SIFMA	67% of LIBOR
2 Yr	3.05	3.26	3.45	2.98	2.74
5 Yr	3.20	3.53	3.81	3.16	2.93
10 Yr	3.64	4.01	4.43	3.51	3.23
20 Yr	4.26	4.63	5.08	3.87	3.44
30 Yr	4.40	4.73	5.25	3.97	3.47

Healthcare Market News

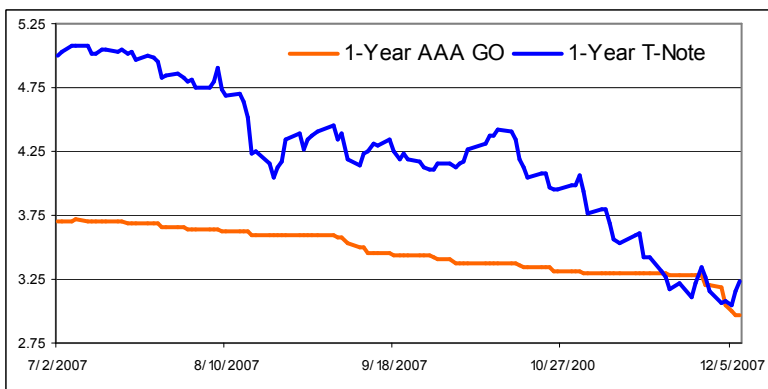
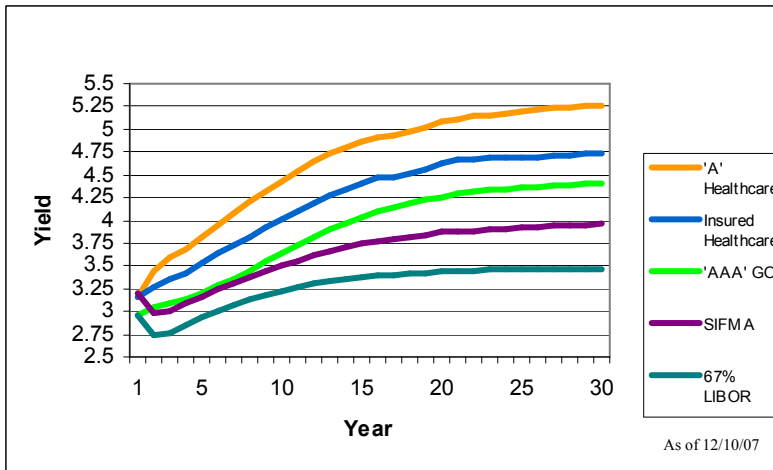
Last Thursday the White House announced a plan to **freeze resets on some adjustable rate sub-prime loans for five years** and provide other assistance to homeowners facing foreclosure. The move saw a positive response from Wall Street as the Dow jumped to its highest level in more than a month, closing at 13625.58 last Friday. Treasuries saw a sell-off as the 10-year was yielding 4.15% late today, compared to 3.89% last Tuesday.

The Federal Open Market Committee will announce their **Fed Funds rate on Tuesday**, with the market largely expecting a **25 basis point cut from 4.50% to 4.25%**. Short-term rates have dropped in expectation of the cut as the 1-year AAA GO yield curve dipped below 3.00% for the first time in over 2 years late last week.

MBIA, the largest AAA-rated insurer of muni bonds, was in the news last week as Moody's said in a statement that a capital shortfall for the company was "somewhat likely." Any potential shortfall and rumors of a downgrade were snuffed out today, as **MBIA announced a \$1Bn capital infusion from a private equity firm**.

In Healthcare, new issuance this week is moderate with \$586MM on the calendar. Highlights include 1) \$261MM Lifebridge Health Project, MD, 2) \$121MM Good Samaritan Hospital, CA, and 3) \$90MM Hospital Auxilio Mutuo, Puerto Rico.

In the general municipal market, there is a light calendar for the week with \$4.3Bn in visible supply. **Supply will likely diminish as we get closer to the holidays**. Highlights include 1) \$706MM Commonwealth of Pennsylvania, 2) \$616MM City of New York, and 3) \$600MM New York State Personal Income Education Bonds.



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MuniMarket Pulse podcast - Underwriter's Call: Listen to Tom Enright of City Securities talk about insurer speculation and widening credit spreads. Go to <http://podcast.derivactiv.com>.

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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
3-Dec	25.3	Hempstead IDA	Csh Lynbrook LP	NY	Rev NTS	---/---/---	42	Roosevelt & Cross	N
3-Dec	128.7	Illinois Finance Authority	Monarch Landing	IL	Rev	---/---/---	08,13,17,42	Ziegler Capital Mkts	N
3-Dec	99.0	Joint Guadalupe County-City	Guadalupe Regional Med Cen	TX	Rev	Aa2/AA/---	11-19,20,36	Goldman Sachs	N
3-Dec	98.1	Palm Beach County	Biomedical Research Park	FL	Rev	Aaa/AAA/AAA	08-27	Janney Montgomery Scott	N
3-Dec	65.2	New Jersey Health Care	St. Peters Univ Hosp	NJ	Rev	Baa2/AAA/---	13-17,21,37	Goldman Sachs	N

Highlighted AAA Healthcare Issue Details & Spread Analysis

Palm Beach County Biomedical Research Park	Maturity	Yield	+/- "AAA" GO
Aaa/AAA/AAA	2008	3.24	0.06
(Aa1/AA+/AA+)	2009	3.28	0.12
Enhanced: XLCA	2010	3.31	0.17
Pricing Date: 12/03/07	2011	3.35	0.18
\$98.080MM Negotiated	2012	3.43	0.20
	2013	3.51	0.22
	2014	3.60	0.23
	2015	3.70	0.26
	2016	3.79	0.27
	2017	3.88	0.28
	2018	3.98	0.29
	2019	4.06	0.29
	2020	4.13	0.29
	2021	4.19	0.29
	2022	4.25	0.29
	2023	4.31	0.29
	2024	4.36	0.28
	2025	4.40	0.28
	2026	4.44	0.28
	2027	4.60	0.41

*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
10-Dec	261.0	Maryland Health & Educ Fac	Lifebridge Health	MD	Rev	A2/A/---		Lehman Brothers	N
10-Dec	90.0	Puerto Rico Indl Tourist	Hospital Auxilio Mutuo	PR	Rev	---/---/---		JP Morgan	N
10-Dec	52.8	California Statewide Community Dev	Los Angelos Orthopaedic Hos	CA	Rev	---/---/---	08-30	JP Morgan	N
10-Dec	121.0	California Statewide Community Dev	Good Samaritan Hospital	CA	Rev	---/---/---		Shattuck Hammond	N
10-Dec	25.9	Nacogdoches Health Facilities	Timber Springs	TX	Rev	---/---/---	14	Oppenheimer	N
10-Dec	35.9	Nacogdoches Health Facilities	Timber Springs	TX	Rev	---/---/---	15-17,24,42	Oppenheimer	N

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