



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	2.69	2.92	3.09	2.32	2.14
5 Yr	2.95	3.28	3.65	2.69	2.47
10 Yr	3.42	3.79	4.30	3.22	2.93
20 Yr	4.03	4.41	4.96	3.67	3.23
30 Yr	4.17	4.53	5.12	3.77	3.27

Healthcare Market News

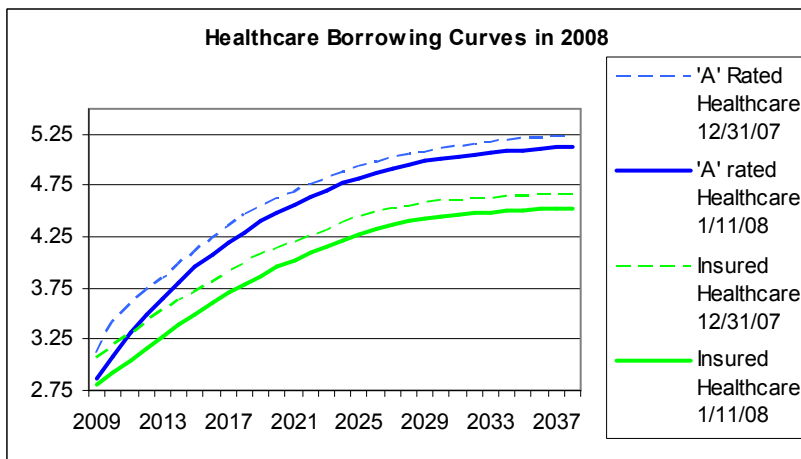
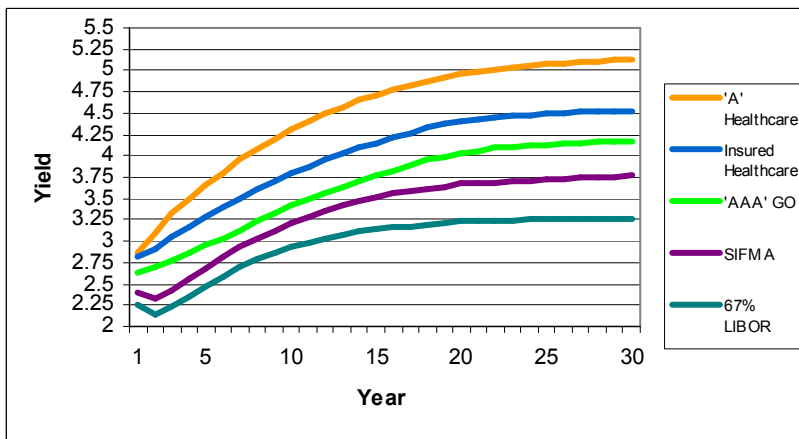
The Dow closed at 12606.3 last Friday, **down nearly 5% from the beginning of 2008**. The Nasdaq was down 4.6% from the beginning of the year. Declines have come in the midst of slow economic forecasts for the first half of the year and reduced earnings estimates for retailers and banks. In late trading Monday, however, the Dow had regained 1.18% and the S&P was up 0.91% after news of stronger than expected earnings at IBM and increased estimates at Apple Inc.

The Fed will announce their Fed Funds Rate on January 30th. After Fed Chairman Ben Bernanke hinted toward further rate cuts to help boost economic growth in a meeting last week, **the market largely expects a 50 basis point rate cut from 4.25% to 3.75%**.

The benchmark **10-year Treasury** has also seen yield declines since the beginning of the year, **down 22 basis points** from 4.03% on 12/31/07 to 3.81% last Friday. The 5-year Treasury is down 38 basis points from the beginning of the year, yielding 3.07% last Friday. **Muni rates have also declined** since the beginning of the year, but not nearly as much. On the pure AAA curve, the 2-year is down 28 basis points to yield 2.69%, the 10-year down 21 basis points to yield 3.42%, and the 30-year down 15 basis points to yield 4.17%.

On the new issuance calendar for healthcare, there is a **moderate \$435MM** scheduled for this week. Highlights include 1) \$125MM Montefiore Medical Center, NY, 2) \$121MM Good Samaritan Hospital, CA, 3) \$90MM Hospital Auxilio Mutuo, Puerto Rico, and 4) \$52.8MM Los Angeles Orthopedic Hospital, CA.

In the general municipal calendar, there is a **moderate \$3.9Bn in visible supply**. Highlights include 1) \$766MM Chicago O'Hare International Airport, 2) \$378MM City of Columbus, Ohio Sewerage System, 3) \$342MM State of Florida Department of Transportation, and 4) \$300MM State of Florida Board of Education.



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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
7-Jan	285.8	Maryland Health & Educ Fac	Lifebridge Health	MD	Rev	Aaa/AAA/---	08-23,28,47	Lehman Brothers	N
7-Jan	172.6	Albany Indl Dev Agency	St. Peter's Hospital	NY	Rev	Baa2/BBB+/---	08-17,22,32	Merrill Lynch	N

Highlighted AAA Healthcare Issue Details & Spread Analysis

Maryland Health & Educ Facilities Auth Lifebridge Health, MD	Maturity	Yield	+/- "AAA" GO
Aaa/AAA/---	2009	3.15	0.35
(A2/A/---	2010	3.24	0.40
	2011	3.37	0.47
Enhanced: Assured Guaranty	2012	3.45	0.47
Pricing Date: 1/7/08	2013	3.58	0.52
\$285.8MM Negotiated	2014	3.65	0.52
	2015	3.73	0.52
	2016	3.83	0.53
	2017	3.93	0.53
	2018	4.02	0.53
	2019(A)	3.94	0.37
	2020(A)	4.03	0.40
	2021(A)	4.09	0.40
	2022(A)	4.15	0.40
	2023(A)	4.19	0.38
	2028(A)	4.510	0.44
	2034(A)	4.600	0.44
	2038(A)	4.790	0.60

(A)= Enhanced Maturities

*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
14-Jan	125.0	New York Dorm Auth	Montefiore Medical Center	NY	Rev	Aa2/---/---		Merrill Lynch	N
14-Jan	121.0	California Statewide Community Dev	Good Samaritan Hospital	CA	Rev	---/---/---		Shattuck Hammond	N
14-Jan	90.0	Puerto Rico Indl Tourist	Hospital Auxilio Mutuo	PR	Rev	---/---/---		JP Morgan	N
14-Jan	52.8	California Statewide Community Dev	Los Angeles Orthopaedic Hos	CA	Rev	---/---/---	08-30	JP Morgan	N
14-Jan	46.4	Matagorda County Hospital		TX	Rev	---/---/---	15	Depfa First Albany	N
21-Jan	35.9	Nacogdoches Health Facilities	Timber Springs	TX	Rev	---/---/---	15-17,24,42	Oppenheimer	N
21-Jan	25.9	Nacogdoches Health Facilities	Timber Springs	TX	Rev	---/---/---	14	Oppenheimer	N

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