



## Debt & Derivative Advisors

### Leaders in Healthcare Finance

# Market Update: Healthcare

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November 12th, 2007

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

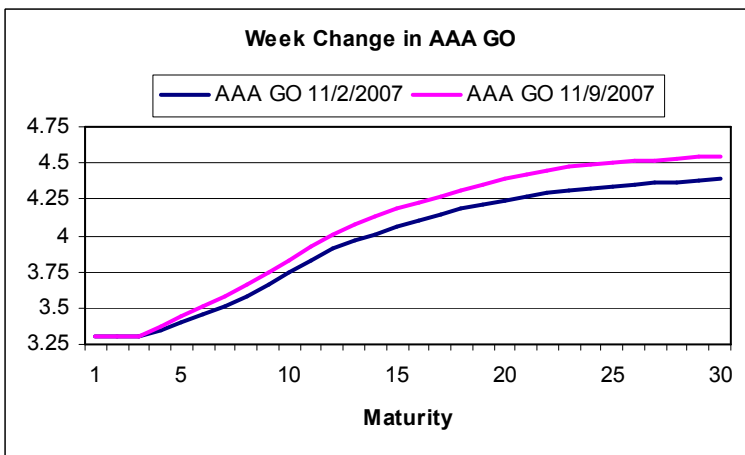
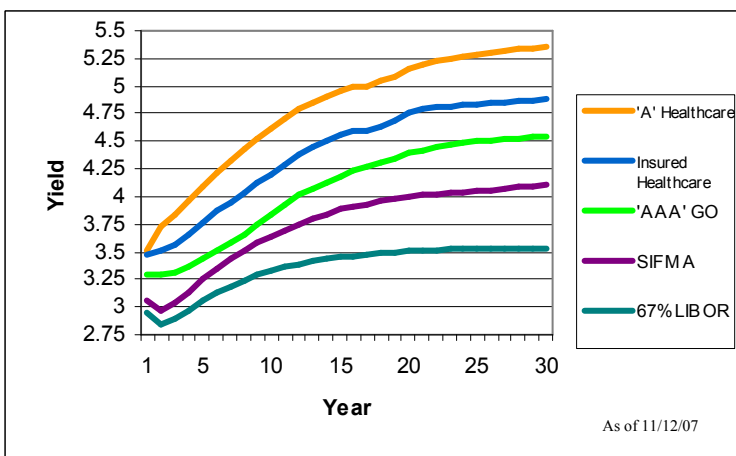
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#### General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	SWAPS	
				SIFMA	67% of LIBOR
2 Yr	3.31	3.51	3.72	2.96	2.84
5 Yr	3.44	3.77	4.09	3.26	3.06
10 Yr	3.83	4.20	4.60	3.64	3.33
20 Yr	4.39	4.76	5.16	4.00	3.51
30 Yr	4.55	4.87	5.35	4.10	3.54



#### Healthcare Market News

Last week was an atrocious week for the Dow Jones Industrial Average. After several more banks announced large sub-prime related write-downs, the Dow tumbled 4.1% on the week. The volatility was felt in treasuries, as flight to quality let to a 20 to 30 basis point decline on the short end.

For munis, the AAA GO curve was one to five basis points higher on the short end and 10 to 20 basis points higher on the long end. Credit spreads also continue to widen. As insurers announce their losses from exposure to the sub-prime mortgage crisis, investors are hedging against a potential downgrade in ratings.

This week in healthcare, we have a moderately heavy calendar with over \$350 MM on the calendar. Highlights include 1) \$133.6 MM Washington VA Mason Medical Center, 2) \$93.5 MM New York University Hospital Center, 3) \$61.8 MM Timber Springs Retirement Community, TX, and 4) \$37.8 MM Ochsner Community Hospital, LA.

On the general municipal calendar, this week is moderate with \$4.5 Bn in visible supply. Large issues include 1) \$773 MM Chicago O'Hare International Airport on Wednesday, 2) \$600 MM City of New York GO Bonds, and 3) \$367 MM City & County of Honolulu GO Bonds.

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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
6-Nov	51.6	Lehigh County	Good Shepard Group	PA	Rev	---/AAA/AAA	09-27,30-37	Merrill Lynch	C
5-Nov	95.0	Jacksonville Health Facilities	Brooks Health System	FL	Rev	---/A/A	11-17,22,38	Merrill Lynch	N
5-Nov	52.8	California Stwd Comm Dev	Los Angeles Orthopedic Hosp	CA	Rev	---/BBB+/-	08-30	JP Morgan	N
29-Oct	62.2	North Carolina Medical Care	Southminster Project	NC	Rev	---/-/-	16-20,22,37	Ziegler Cap	N
29-Oct	49.9	Cass County Hospital		MO	Rev	---/BBB/-	11-17,22,38	Piper Jaffray	N
29-Oct	117.0	Hillsborough County Indl	H Lee Moffitt Cancer Center	FL	Rev	A3/A/-	10-17,22,37	UBS	N
22-Oct	30.5	Colorado Health Fac Authority	Parkview Medical Center—Refund	CO	Rev	A3/-/-	09-19,22,29	Wachovia	N
22-Oct	38.4	Colorado Health Fac Authority	Parkview Medical Center	CO	Rev	A3/-/-	37	Wachovia	N
22-Oct	69.8	Louisiana Public Facilities Authority	Lake Charles Memorial Hospital	LA	Rev	---/-/-	19,34	Morgan Keegan	N
22-Oct	155.0	Maryland Health & Higher Ed	Mercy Medical Center	MD	Rev	Baa2/BBB/-	08-42	Merrill Lynch	N
22-Oct	26.7	Meeker County Hospital Fac	Meeker County Memorial Hospital	MN	Rev	---/-/-	10-17,22,37	Piper Jaffray	N

#### Highlighted AAA Healthcare Issue Details & Spread Analysis

Lehigh County, PA Good Shepard Group	Maturity	Yield	+/- "AAA" GO
---/AAA/AAA	2009	3.550	0.25
(A/A/-)	2010	3.600	0.29
Enhanced: Assured Gty	2011	3.700	0.33
Pricing Date: 11/06/07	2012	3.800	0.37
\$51.645MM Competitive	2013	3.910	0.42
	2014	4.020	0.46
	2015	4.100	0.46
	2016	4.180	0.45
	2017	4.260	0.44
	2018	4.430	0.52
	2037	5.060	0.57

\*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
12-Nov	93.5	New York Dorm Auth	NYU Hosp Center	NY	Rev	---/-/-	09-27,32,37	Citigroup	N
12-Nov	37.8	Louisiana Public Facilities Authority	Ochsner Cmty Hospital	LA	Rev	A3/A/-	15	Citigroup	N
12-Nov	25.9	Nacogdoches Health Facilities	Timber Springs Retiremnt Com	TX	Rev	---/-/-	14	Oppenheimer	N
12-Nov	35.9	Nacogdoches Health Facilities	Timber Springs Retiremnt Com	TX	Rev	---/-/-	15-17,24,42	Oppenheimer	N
12-Nov	105.4	Washington Healthcare Facilities	VA Mason Medical	WA	Rev	---/-/-	42	Shattuck Hammond	N
12-Nov	28.2	Washington Healthcare Facilities	VA Mason Medical	WA	Rev	---/-/-	7	Shattuck Hammond	N
12-Nov	27.3	Palm Beach County Health Facilities	Waterford Project	FL	Rev	---/BBB/-	15	Ziegler Cap	N
19-Nov	121.0	California Stwd Comm Development		CA	Rev	---/-/-		Shattuck Hammond	N

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