



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

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	2.26	2.84	3.25	2.59	2.28
5 Yr	3.00	3.80	4.25	3.14	2.76
10 Yr	3.86	4.68	5.15	3.53	3.06
20 Yr	4.81	5.36	5.89	3.86	3.23
30 Yr	4.97	5.39	5.92	3.97	3.25

Healthcare Market News

Despite extreme volatility and a very heavy trading week, the Dow closed down only 0.3% at 11388.44 and the S&P 500 closed up 0.3% at 1255.08. There was little in the way of economic data, with turmoil in the financial markets again dominating the week.

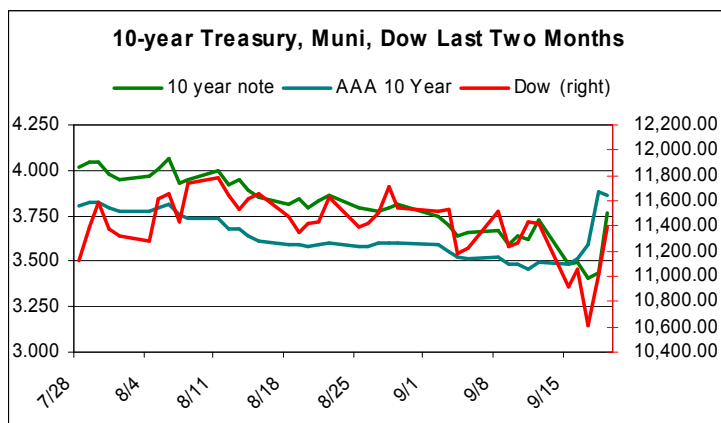
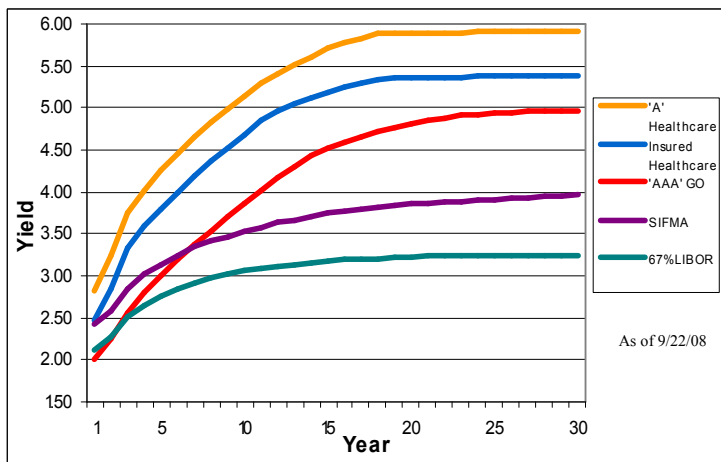
Leading into last week, AIG, the world's largest insurance company, asked the Federal Reserve for emergency funding. Lehman Brothers Holdings Inc. filed for Chapter 11 bankruptcy, and Merrill Lynch announced a forced sale to Bank of America.

At the end of the week, Treasury and the Fed proposed a massive bailout plan for the financial industry. The plan would authorize the federal government to purchase up to \$1 trillion in distressed assets from struggling financial institutions, while increasing regulatory oversight for the financial industry. Action was also taken to enforce bans on short selling in financial equities and insure money market funds, in an effort to boost investor confidence and stem further losses.

In fixed income, Treasuries traded through a very wide range before ending the week little changed. The curve steepened somewhat, as the 2-year yield closed down 10 basis points and the balance of the curve closed up 3 to 4 basis points. The AAA GO muni yield curve steepened substantially, with the two-year yield up 26 basis points and the 30-year yield up 41 basis points.

On the new issuance calendar for healthcare, there is a moderate \$850MM scheduled this week. Highlights include: 1) \$491MM Fairview Health Services, MN, 2) \$89MM Albert Einstein Healthcare, PA, and 3) \$84MM Deschutes County Hospital, OR.

On the general municipal calendar, there is a very light \$2.4Bn scheduled this week. Highlights include: 1) \$424MM Wake County, NC, 2) \$185MM Pasco County, FL, and 3) \$163MM New York State.



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MuniMarket Pulse podcast - TJ Marta of RBC Predicts Continued Contraction in Banking System

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
18-Sep	133.3	North Carolina Med Care	Cape Fear Valley Health Sys	NC	Rev	A3/A/-/---	09-19, 23, 28, 33	Edward Jones	N
15-Sep	46.6	Kentucky Econ Dev Fin	Ashland Hosp Corp	KY	Rev	A1/A+/A+	10-14, 31, 33, 34, 38	RBC Capital	N
8-Sep	162.5	Missouri Hlth Ed Facs	CoxHealth	MO	Rev	A2/-/A	22-25, 29, 33, 39	Merrill Lynch	N
8-Sep	452.3	Ohio State	Cleveland Clinic Hlth Sys	OH	Rev	Aa2/AA/-/---	12-29, 33, 38, 43	JPMorgan	N
8-Sep	35.2	West Virginia Hosp Auth		WV	Rev	A2/A+/---	28, 35	Banc of America	N

Highlighted 'A' Healthcare Issue Details & Spread Analysis

North Carolina Med Care Cape Fear Valley Hlth Sys	Maturity	Yield	+/- "AAA" GO
A3/A/-/---	2009	2.60	0.60
Pricing Date: 9/18/08	2010	3.10	0.84
\$133.3MM Negotiated	2011	3.40	0.84
	2012	3.60	0.80
	2013	3.80	0.80
	2014	4.00	0.81
	2015	4.10	0.72
	2016	4.30	0.76
	2017	4.45	0.74
	2018	4.60	0.72
	2019	4.75	0.69
	2023	5.25	0.66
	2028	5.50	0.61
	2033	5.63	0.58

Highlighted 'AA' Healthcare Issue Details & Spread Analysis

Ohio State Hospital Cleveland Clinic	Maturity	Yield	+/- "AAA" GO
Aa2/AA/-/---	2012	3.35	0.81
Pricing Date: 9/08/08	2013	3.56	0.83
\$452.3MM Negotiated	2014	3.77	0.86
	2015	3.93	0.86
	2016	4.09	0.87
	2017	4.24	0.87
	2018	4.39	0.87
	2019	4.56	0.88
	2020	4.71	0.88
	2021	4.82	0.88
	2022	4.94	0.90
	2023	5.00	0.90
	2024	5.05	0.90
	2025	5.10	0.90
	2026	5.15	0.90
	2027	5.20	0.90
	2028	5.25	0.90
	2029	5.30	0.90
	2033	5.37	0.82
	2038	5.45	0.85
	2043	5.55	0.90

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
22-Sep	83.7	Deschutes Co Hosp		OR	Rev	---/---/---		Morgan Stanley	N
22-Sep	45.4	Indiana Finance Authority		IN	Rev	---/A/-/---		Piper Jaffray	N
22-Sep	82.6	Kalamazoo Hosp Fin Auth	Bronson Methodist Hosp	MI	Rev	A2/-/---		Ziegler Cap Mkts	N
22-Sep	201.3	City of Minneapolis	Fairview Health Services	MN	Rev	---/---/---	15-28	Citigroup	N
22-Sep	290.0	City of Minneapolis	Fairview Health Services	MN	Rev	---/---/---		Citigroup	N
22-Sep	88.5	Pennsylvania Econ Dev Fin	Albert Einstein Healthcare	PA	Rev	A3/-/A-	09-18	Goldman Sachs	N
22-Sep	58.7	Salem Hosp Fac Auth	Salem Hospital	OR	Rev	---/---/---		Merrill Lynch	N

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