



S&P Fixed Income Highlights

S&P Municipal Bond Indices

S&P/LSTA U.S. Leveraged Loan 100 Index

S&P U.S. Commercial Paper Index

S&P/Citigroup International Treasury Bond Index

S&P CDS U.S. Indices

February 2009

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Index Analysis and Management

Mike McGlone - 212 438 4127
Mariah Alsati-Morad - 212 438 2308
Craig Feldman - 212 438 3296

Published monthly, the S&P Fixed Income Update highlights developments in the Fixed Income market as measured by the S&P Fixed Income Indices.

For additional information on the S&P Municipal Bond Indices visit:
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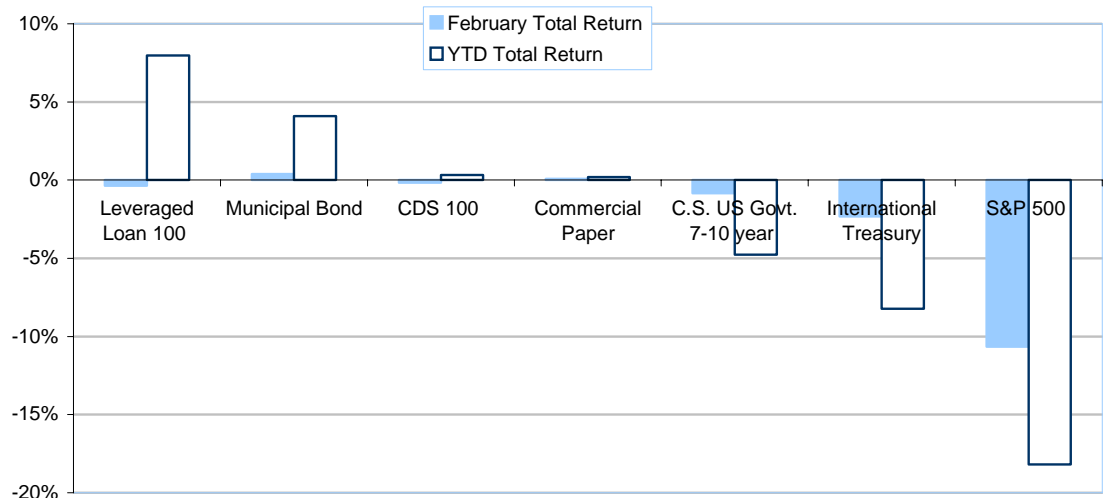
212.438.2046
index_services@standardandpoors.com

Market Overview

Stability amidst instability

Most credit market indices continued to offer a glimmer of hope in February in the midst of a marketplace fixated on declining equity values. At the end of February, the year-to-date loss on the S&P 500 stood at 18.18%. The S&P National Municipal Bond Index increased 0.40% on the month for a year-to-date (YTD) gain of 4.10%. The index weighted average yield to maturity as a percentage of the 10yr treasury declined to 139% from 144% at the end of January, and from 204% at the end of 2008. Stability remained the story in the leveraged loan market as the S&P/LSTA U.S. Leveraged Loan 100 Index declined only 0.35% in February for a year-to-date gain of 7.98%. In the CDS market, spreads generally widened across the market in February, most significantly in the high-yield space. The S&P CDS U.S. High-Yield Index declined 4.73% with a corresponding spread increase from 1231 at the start of February to 1414 at month end, while the S&P 100 CDS Base Index declined a modest 0.16% on the month, as the spread increased by 4bps to 136. The yield on the U.S. treasury benchmark 10-year note increased 18bps in February to 3.02% and has increased 81bps year-to-date. Most global treasury yields increased as well. This, coupled with an increase in the value of the U.S. dollar, led to a 2.32% monthly decline in the S&P/Citigroup International Treasury Bond Index. The index had a year-to-date loss of 8.22% at the end of February. Commercial paper yields, as measured by the S&P U.S. Commercial Paper Index, increased about 4bps on the month to 0.67%. Year-to-date, the index has returned 0.19% and the weighted average YTM has declined 9bps to 0.67% from 0.76% at the end of December. Since the end of 2008, the spread of the weighted average YTM of the S&P U.S. Commercial Paper Index over the 3-month T-bill has declined 26bps to 42, from an end of December spread level of 68.

February and YTD Total Returns



Municipal Bond Indices

S&P National Municipal Bond Index
S&P California Municipal Bond Index

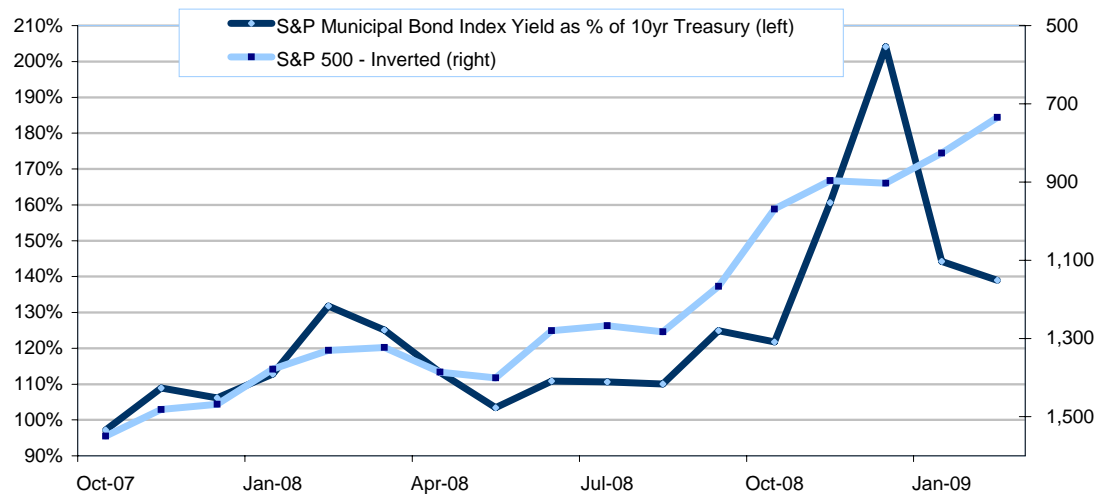
S&P New York Municipal Bond Index
S&P National 0-5 Year Municipal Bond Index

Index Performance and Market Overview

Oasis

The S&P National Municipal Bond Index has been fairly stable in 2009 amidst declines in the U.S. treasury and equity markets. Year-to-date, the index has increased 4.10% on the back of a 0.40% gain in February. Due to recent declines in muni-bond yields and a sharp pick-up in treasury yields, the weighted average YTM of the index over the 10yr treasury declined to 139% at the end of February from a level of 204% at the end of December. Securities from New York have outperformed the broad index, as evidenced by the S&P New York Municipal Bond Index February gain of 0.68% and a year-to-date increase of 4.40%. Year-to-date, the weighted average YTM of the national index has declined 32bps to 4.19% at the end of February with longer dated securities providing the majority of the index price appreciation. The weighted average YTM of index securities with 20 or more years to maturity has declined about 56bps in 2009. At the end of 2008, the yield of these securities averaged about 6.10%, compared to their end of February yield near 5.54%. Shorter maturity securities were the laggards in February, as evidenced by the 0.37% loss in the S&P National 0-5 Index. Year-to-date, however, the 0-5 index has returned +0.93% and the weighted average YTM has declined 42bps to 1.98%. Over the same period, the yield on the U.S. government 2yr note has increased 20bps, and the percentage of the yield on the S&P National 0-5 Index over the 2yr declined to 204% at the end of February, from 307% at the end of December.

The chart below depicts the S&P National Municipal Bond Index weighted average YTM as a percentage of the 10yr Treasury and the S&P 500 (inverted).



INTEREST RATES

	Feb. 27	Jan. 30
3-Mo T-bill	0.25%	0.23%
6-Mo T-bill	0.44%	0.35%
3-Mo LIBOR	1.26%	1.18%
2-Yr T-Note	0.97%	0.95%
5-Yr T-Note	1.99%	1.88%
10-Yr T-Note	3.02%	2.84%
30-Yr T-Bond	3.71%	3.60%

The matrix below depicts the monthly correlations between indices since January of 2002. S&P 100 CDS Base Index values are since March 2007.

Correlation Since Jan 2002*

	Municipal Bond Index	Loan 100 Index	International Treasury	100 CDS Base Index*	S&P 500	C.S. US Govt. 7-10yr
Municipal Bond Index	1.00					
Loan 100 Index	0.31	1.00				
International Treasury	0.31	-0.05	1.00			
100 CDS Base Index*	0.61	0.49	0.16	1.00		
S&P 500	-0.02	0.57	0.09	0.47	1.00	
C.S. US Govt. 7-10yr	0.50	-0.34	0.62	-0.16	-0.25	1.00
Standard Deviation*	1.53%	2.36%	2.71%	1.05%	4.34%	2.07%
Return Since Jan. 02*	37.26%	1.83%	85.59%	-1.16%	-26.57%	58.18%

* 100 CDS data since March 2007

Winners and Losers

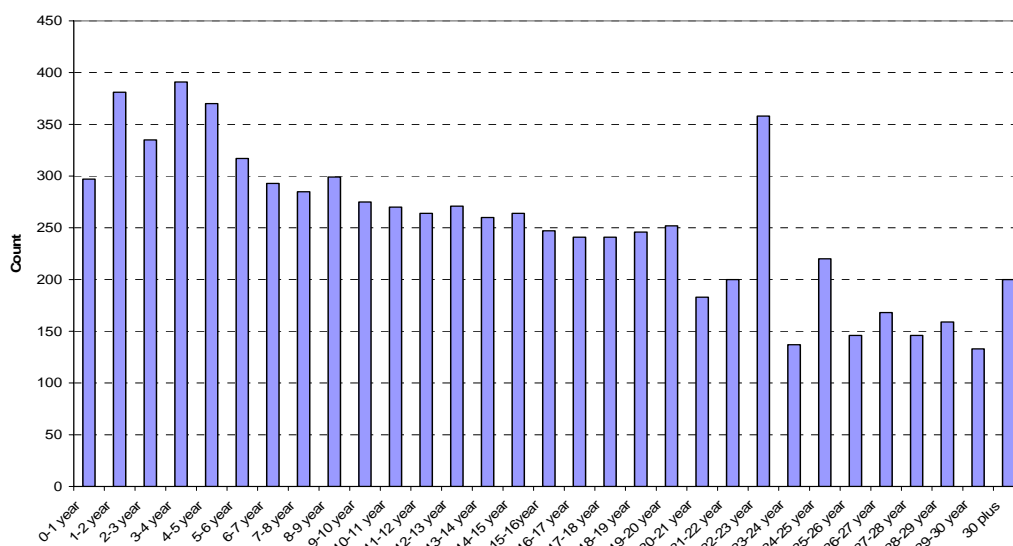
A Hudson Yards Infrastructure New York Revenue Bond provided the largest positive index impact in February, while the bond that appreciated the most was a Minnesota State Municipal Power Electricity Bond. The largest negative index impact was from a Detroit School Bond, and the bond that depreciated the most was a Mississippi Special Obligation Bond that closed February with a yield of 7.00% compared to 5.41% at the end of January. Five of the top ten bonds that had the largest negative impact on the National Index were from California, with the largest of those being a State of California Various Purpose General Obligation Bond.

Top Ten February 09		
Issues	Market Cap (\$Million)	Index Weight
New York N Y City Transitional Fin Auth Rev Rfdg Ser a	\$709,208	0.15%
California St Economic Recovery Ser a	\$701,216	0.15%
California St Rfdg	\$691,463	0.14%
Massachusetts St Sch Bldg Auth Dedicated Sales T Ax Revser a	\$675,817	0.14%
Los Angeles Calif Uni Sch Dist Election of 2002- Ser a	\$663,575	0.14%
Hudson Yds Infrastructure Corp N Y Rev Ser a	\$649,485	0.14%
Triborough Brdg & Tuni Auth N Y Revs Gen Purp-Ser a	\$645,928	0.14%
California St Var Purp	\$638,758	0.13%
Metropolitan Transn Auth N Y Rev Rfdg-Ser a	\$638,494	0.13%
California St Economic Recovery Ser B-Mand Tend 7/1/10	\$593,247	0.12%

February 2009 Versus February 2008

Since February of 2008, the index weighted average modified duration has increased to 7.57, from 6.11, while the weighted average yield to worst has decreased to 4.05% from 4.54%. This is a result partially from the fact that the index was expanded in August of 2008, due to lowering the issue par amount eligible for index inclusion. The index weighted average years to maturity has decreased by about a year to 14.28 from 15.22. Below is a chart depicting the maturity distribution of the index as of the end of February.

S&P National Index Maturity Distribution



Rebalancing

Entering March 2009, the number of index constituents increased slightly to 7,882 bonds from 7,849. As there was little refunding activity, most additions were driven by new issuance. California was the highest contributor to the index in terms of par outstanding, making up 27.7% of the new issuance. In terms of sector contribution, water/sewer was the highest contributor making up 32.5% of new issuance, followed by local government bonds at 23.9%. The new securities had little impact on the characteristics of the index causing a mild decline in the weighted average duration to 7.51 from 7.57. The yield to worst measure increased slightly to 4.05% from 3.97%.

Index Weighted Average Yield to Maturity as a Percent of the 10yr Treasury (month-end):

S&P National Municipal Bond Index

February: 139%
January: 144%
Feb. 08: 132%

S&P California Municipal Bond Index

February: 143%
January: 149%
Feb. 08: 132%

S&P New York Municipal Bond Index

February: 142%
January: 148%
Feb. 08: 134%

S&P 0-5 Year Municipal Bond Index as a Percent of the 2yr Treasury

February: 204%
January: 189%
Dec 08: 307%

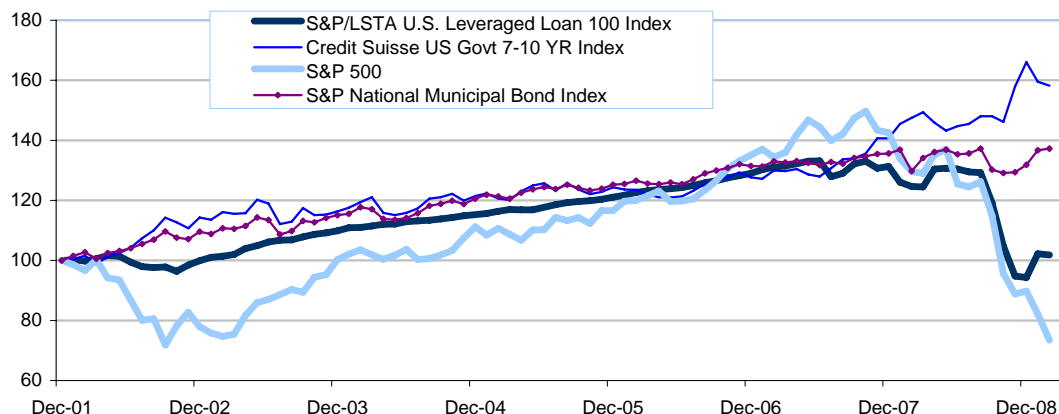
S&P/LSTA U.S. Leveraged Loan 100 Index

Index Performance and Market Overview

Glimmer of hope?

Despite the sharp decline in equity markets, and a decline in this index of 0.35% in February, the S&P/LSTA U.S. Leveraged Loan 100 Index has still posted a year-to-date gain of 7.98%. Since January of 2002, the index has had a monthly correlation of +0.57 with the S&P 500 Index, but, since the end of 2008, the correlation between the two indices has been slightly negative. The S&P 500 year-to-date loss of 18.18% contrasts sharply with the S&P/LSTA U.S. Leveraged Loan 100 Index; a divergence of 26.05% YTD. S&P's LCD group stated the following in its February commentary: "In the face of such puny supply, loan prices rebounded strongly in January, helped along by US\$ 17.8 billion of loan repayments during the opening months of 2009, as well as some US\$ 500 million of inflows into prime funds....."

The chart below depicts the S&P/LSTA U.S. Leveraged Loan 100 Index return compared to the S&P 500 and other indices from a base date of December 31, 2000 and a base price of 100.



Winners and Losers

Loans from Reynolds & Reynolds and Capital Automotive LP were the two best performers in February, increasing 25% and 21% respectively. A loan from LyondellBasell Industries was the biggest drag in the index, posting a monthly decline of 48%. Index loans in the LCD broad industry classification of computers & electronics were the best performers on the month, increasing an average of 6.4%, followed by loans within the oil & gas industry which had an average gain of 5.7% in February. Gaming & hotel industry loans were the worst performers with an average decline of 8.7%.

LCD Broad Industry	February Average Price Change
Computers & Electronics	6.42%
Oil & Gas	5.66%
Entertainment & Leisure	5.33%
Real Estate	4.00%
Forest Product	3.71%
Healthcare	2.35%
Telecom	2.16%
Food & Beverage	1.30%
Services/Retail	-0.53%
Media	-1.38%
Industrial	-3.18%
Other	-5.41%
Gaming & Hotel	-8.71%

Rebalancing

There were no loans added to or deleted from the index in February.

S&P/LSTA U.S. Leveraged Loan 100 Index

February TR:	-0.35%
YTD TR:	+7.98%
2008 TR:	-28.14%
WA Years to Maturity:	4.87
WA LIBOR Spread (bps):	249
WA Bid Price:	64.82

S&P U.S. Commercial Paper Index

Index Performance and Market Overview

Stability continues

The U.S. commercial paper market remained stable in February as evidenced by the 0.08% monthly increase in the S&P U.S. Commercial Paper Index. Commercial paper yields, as measured by the S&P U.S. Commercial Paper Index, increased about 4bps on the month to 0.67%. Year-to-date, the index has returned 0.19% (and the weighted average YTM has declined 11bps from 0.76% at the end of December). Since the end of 2008, the spread of the weighted average YTM of the S&P U.S. Commercial Paper Index over the 3-month T-bill has declined 26bps to 42 from a spread level of 68 at the end of December.

Winners and Losers

Commercial paper from AIG FDG Inc. and American Gen. Fin. Inc. were the best performing securities, contributing the most to the index return in February. Combined, both entities made up about 1.2% of the index in February, and the average yield of those entities declined to 10.62% at month end from 10.85% at the beginning of the month. Commercial paper from ALCOA was among the February laggards, increasing an average yield to near 5.02% from about 1.19% at the beginning of the month.

S&P U.S. Commercial Paper Index

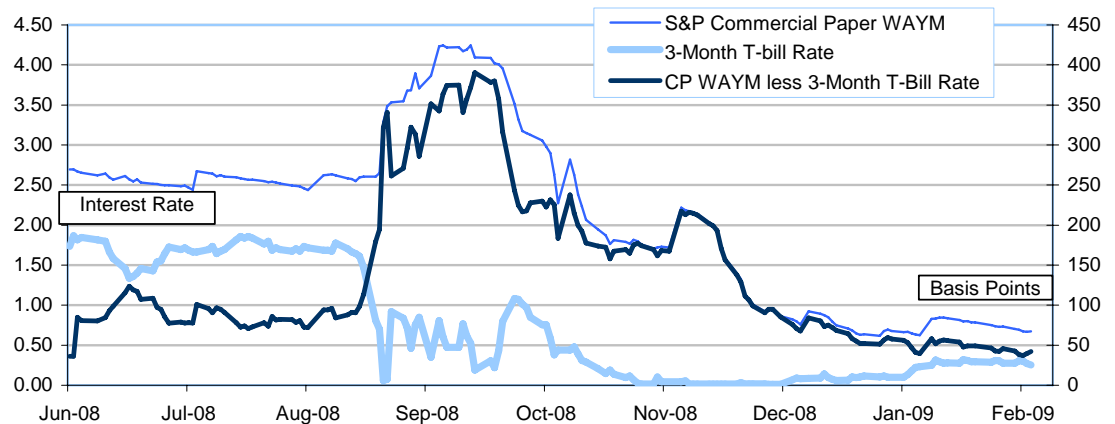
February TR: +0.08%
 YTD TR: +0.19%
 WA Yield to Maturity: 0.67%
 Constituent Count: 1,058

Spread to 3-month Bill: 42
 - February change +2
 - YTD change -26

Spread to 1-month LIBOR (bps): 18
 - February change -3
 - YTD change -14

S&P U.S. Commercial Paper Index Monthly Comparison Table			
	Inception 6/30/2008	January 1/30/2009	February 2/27/2009
Risk Characteristics			
Index Value	100.00	101.360	101.445
Annualized Monthly Return		1.28%	1.00%
One Month Total Return		0.11%	0.08%
Three Month Total Return		0.76%	0.52%
WAYM	2.70%	0.63%	0.67%
WA Maturity (days)	62	30	31
Spread to 3-month Bill (bps)	36	40	42
Spread to 1-month LIBOR (bps)	23	21	18
Constituents			
Number of Issues	1156	1139	1058
Distinct Issuers			
Best Performer		AIG FDG Inc.	American Gen. Fin. Corp
Worst Performer		Citigroup	Alcoa

The chart below depicts the weighted average YTM of the S&P U.S. Commercial Paper Index relative to the 3-month T-bill.



March Rebalancing

The S&P U.S. Commercial Paper Index contracted 5.95% to 995 securities in March from 1,058 in February.

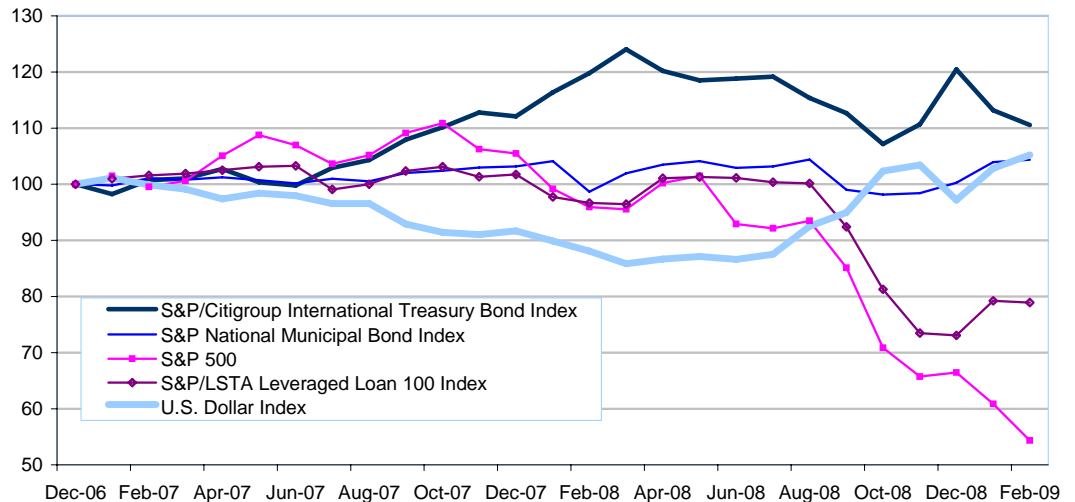
S&P/Citigroup International Treasury Bond Index

Index Performance and Market Overview

Strong dollar, weak index

The S&P/Citigroup International Treasury Bond Index declined 2.32% in February, bringing the year-to-date loss to 8.22%. Over the same period, the U.S. dollar index has increased 8.24%. Dollar strength has accounted for the majority of the index's decline as the weighted average YTM has increased 6bps to 2.66% from the end of December level of 2.60%. The chart below shows both the S&P/Citigroup International Treasury Bond Index and the U.S. dollar index since December of 2006. The two indices have had a high negative monthly correlation of about -0.91 since the beginning of the decade. On a daily basis, since the beginning of 2009, the correlation has been -0.61.

Returns since December 2006: From a base of 100



S&P/Citigroup International Treasury Bond Index

February TR:	-2.32%
YTD TR:	-8.22%
WA Coupon	3.81%
WA Yield to Maturity:	2.66%
WA Modified Duration:	6.23
WA Life:	8.38
Constituent Count:	547

March Rebalancing

The aggregate index increased by a net of 5 bonds. Additions to the aggregate index decreased the average yield to maturity by 7bps. The yield to worst decreased by 7bps to 2.65% from 2.72%. The modified duration decreased to 6.23 from 6.30 while the effective duration decreased to 6.35 from 6.41.

S&P Credit Default Swap U.S. Indices

Prices on US corporate bonds fell back in February and the CDS market reflected the drop accordingly. The S&P CDS U.S. Investment Grade Index lost 0.91%, as the index spread widened to 327 from 303. CIT Group and General Electric Capital Corp showed the largest percentage spread increase among Investment Grade constituents in February. The high-yield market was hit the hardest last month with the S&P CDS High-Yield Index declining 4.73%, as the spread increased to 1414 at month end from 1231 at the start of February. ArvinMeritor, TRW Automotive, Beazer Homes, RH Donnelly and MGM Mirage were among the biggest movers in terms of percentage spread increase. Relatively unchanged was the S&P 100 CDS Index, which is the premier index that seeks to track the performance of liquid reference entities of the S&P 100 Index. The index fell 0.16% in February, as the spread marginally increased to 136 from 132. Year-to-date the index is up 0.33% despite a 19.31% decline for the S&P 100 Index.

S&P 100 CDS

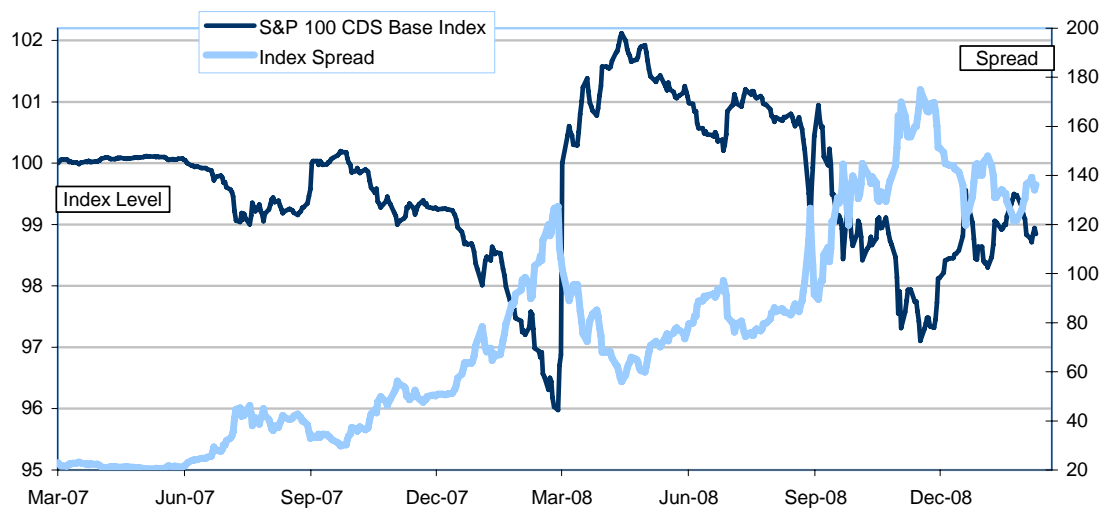
	<u>Feb.27</u>	<u>Monthly Change</u>
Index Level	98.849	-0.16%
Index Spread	136	+4

S&P CDS US HY

	<u>Feb.27</u>	<u>Change</u>
Index Level	79.015	-4.73%
Index Spread	1414	+183

S&P CDS US IG

	<u>Feb. 27</u>	<u>Change</u>
Index Level	94.606	-0.91%
Index Spread	327	+24



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