

# S&P Fixed Income Index 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 Indices

S&P Credit Default Swap U.S. Indices

S&P/CITIC China Bond Indices

June 2009

## Market Overview

Index	Total Return %				
	June '09	2009 YTD	12 Months	3 Years*	5 Years*
<b>Money Market</b>					
S&P U.S. Commercial Paper	0.04%	0.49%	1.75%	NA	NA
S&P U.S. Commercial Paper Non-Financials	0.03%	NA	NA	NA	NA
S&P U.S. Commercial Paper Financials	0.05%	NA	NA	NA	NA
<b>Leveraged Loan</b>					
S&P/LSTA U.S. Leveraged Loan 100	3.38%	33.11%	-3.77%	0.35%	2.14%
<b>U.S. Municipal Bond (Tax-Exempt Only)</b>					
S&P National Municipal Bond	-1.06%	5.89%	3.16%	3.64%	4.11%
S&P California Municipal Bond	-2.29%	3.28%	0.63%	2.76%	3.75%
S&P New York Municipal Bond	-0.47%	6.92%	3.99%	4.09%	4.33%
S&P National 0-5 Year Municipal	0.05%	2.06%	5.53%	4.97%	4.00%
<b>Credit Default Swap</b>					
S&P 100 CDS Rolling	0.31%	3.03%	NA	NA	NA
S&P CDS High Yield Rolling	1.27%	14.33%	NA	NA	NA
S&P CDS Investment Grade Rolling	0.30%	7.88%	NA	NA	NA
<b>Regional - China</b>					
S&P/CITIC Government Bond	-0.17%	0.06%	6.86%	3.4%	5.15%
S&P/CITIC Corporate Bond	-0.47%	1.50%	14.05%	4.09%	6.68%
S&P/CITIC Interbank Bond	-0.21%	-1.11%	10.68%	4.07%	4.48%
S&P/CITIC Composite Bond	-0.10%	0.42%	7.92%	3.42%	4.76%
S&P/CITIC Convertible Bond	3.16%	35.06%	33.02%	30.77%	21.76%
<b>Global</b>					
S&P/Citigroup International Treasury Bond Ex-U.S.	0.00%	0.92%	2.31%	7.99%	6.76%
S&P/Citigroup International Treasury Bond Ex-U.S. 1-3 Yr	-0.86%	2.49%	0.45%	7.60%	5.95%

\*3 Year and 5 Year returns are annualized

In the spotlight this issue:

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Published monthly, the S&P Fixed Income Index Highlights focuses on developments in the fixed income market as measured by the S&P Fixed Income Indices.

For additional information on the S&P Fixed Income Indices visit:

[www.fixedincomeindices.standardandpoors.com](http://www.fixedincomeindices.standardandpoors.com)

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**Bloomberg<sup>SM</sup> Tickers:**

S&P National Municipal Bond Index:  
Total Return: SPMUNUST

S&P California Municipal Bond Index:  
Total Return: SPMUNCAT

S&P New York Municipal Bond Index:  
Total Return: SPMUNNYT

S&P National 0-5 Year Index:  
Total Return: SPMU5YRT

**June Total Returns:**

S&P National: -1.06%  
S&P California: -2.29%  
S&P New York: -0.47%  
S&P 0-5 Year: 0.05%

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

**S&P National Municipal Bond Index**  
June: 119%  
May: 117%  
April: 128%  
March: 156%

**S&P California Municipal Bond Index**  
June: 129%  
May: 123%  
April: 132%  
March: 162%

**S&P New York Municipal Bond Index**  
June: 120%  
May: 120%  
April: 133%  
March: 160%

**S&P 0-5 Year Municipal Bond Index as a Percent of the 2yr Treasury (month-end):**  
June: 163%  
May: 188%  
April: 194%  
March: 229%

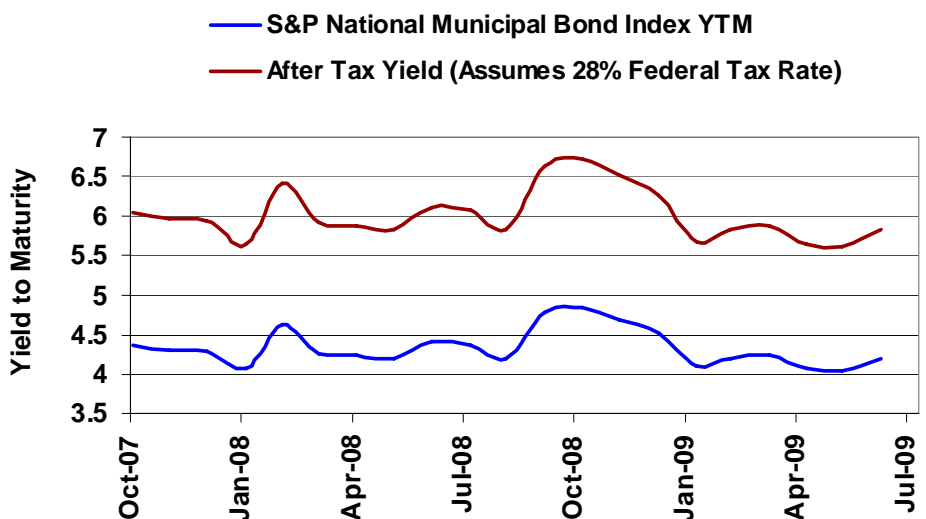
**Municipal Bond Indices**

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

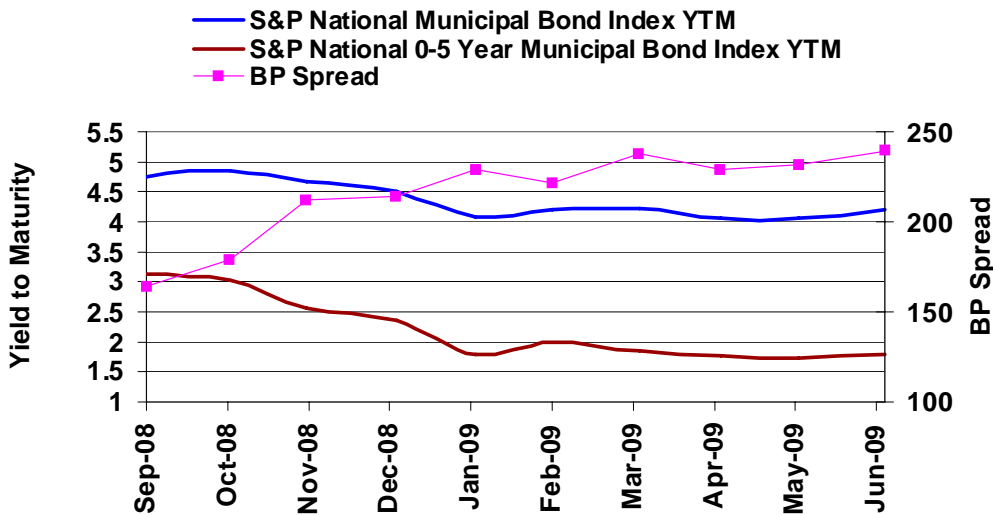
**Index Performance and Market Overview**

Municipal bond yields rose during the month of June driving prices down and impacting the total return performance of the sector. The S&P National Municipal Bond Index, which intends to measure the investment grade tax-exempt municipal bond market, reflected a -1.06% return for the month. The index has come off its highs for the year hit in May to record a year-to-date total return of 5.89% through the end of June. Bonds issued within the state of California have seen weaker performance than the general market with a -2.29% return for June and a +3.28% total return for the year. Rising credit concerns and debt issuance contribute to yields rising. Bonds issued within New York have mostly outperformed the general market, as returns for the S&P New York Municipal Bond Index have seen a year-to-date total return of +6.92%.

The graph below depicts the S&P National Municipal Bond Index Weighted Average Yield To Maturity and its after-tax yield equivalent yield:



The municipal yield curve has begun to steepen, impacting longer maturities. The difference between the S&P National Municipal Bond Index YTM and the S&P National 0-5 Year Index YTM ended the month at 240bps, up from 218bps at year end.



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

## Bloomberg<sup>SM</sup> Tickers:

S&P/LSTA U.S. Leveraged Loan Index:  
Total Return: SPBDLL  
Wgt Avg Bid Price: SPBDLLB

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

June TR: 3.38%  
YTD TR: 33.11%  
2008 TR: -28.14%  
Wgt Avg Bid Price: 78.89

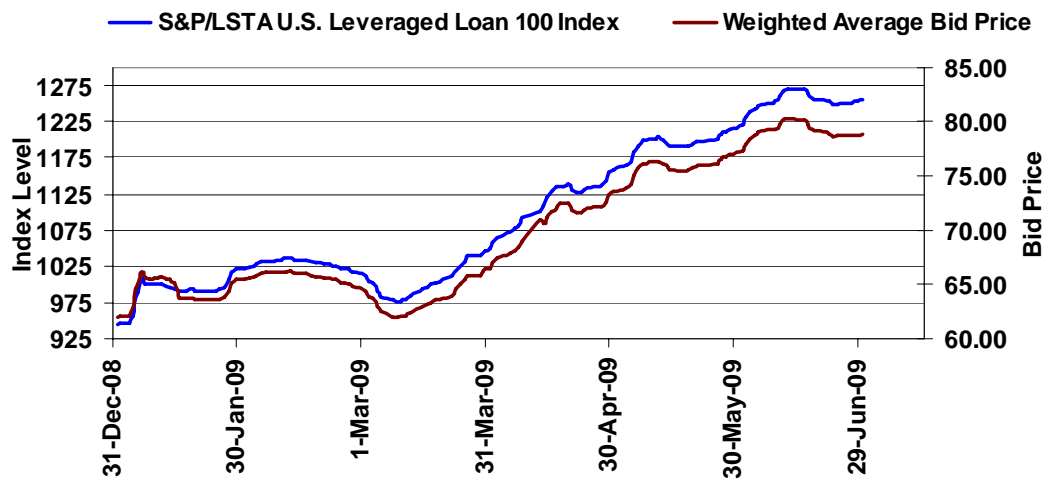
## Index Performance and Market Overview

The S&P/LSTA U.S. Leveraged Loan 100 Index recorded a +3.38% total return for June, ending at 1255.39 after coming off its high for the year which hit on June 15<sup>th</sup>. The index has rebounded 28.7% from its year-to-date low on March 10, 2009, and now has a year-to-date the total return over 33.11%.

The weighted average bid price of loans in the index closed the month at 78.89, a 27.39% change since year end.

According to S&P LCD, institutional issuance for the second quarter hit US\$ 7 billion as compared to US\$ 5 billion in the first quarter of 2009. More information can be found on [www.lcdcomps.com](http://www.lcdcomps.com)

The chart below depicts daily index levels and weighted average bid price of index constituents beginning 1/2/2009.



**Bloomberg<sup>SM</sup> Tickers:**

S&P U.S. Commercial Paper Index:  
 Total Return: SPBDCP  
 Wgt Avg Days Mt: SPBDCPAM  
 Wgt Avg Yield: SPBDCPAY

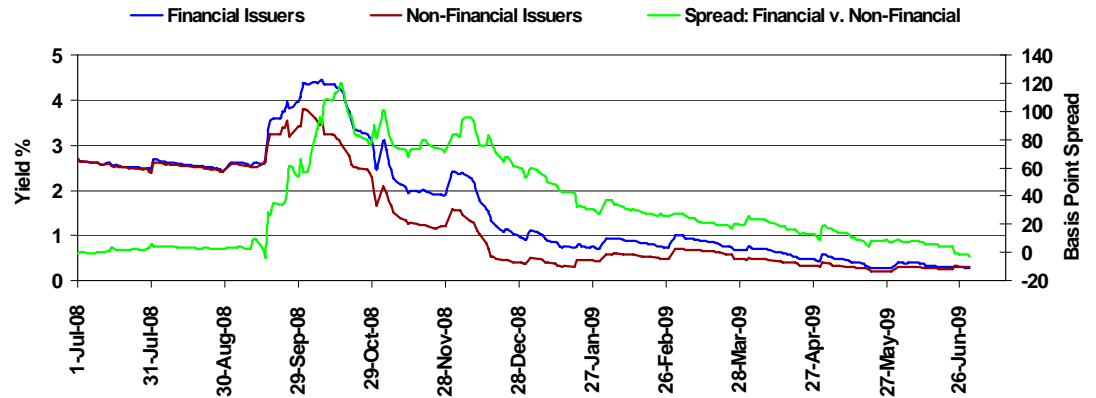
S&P U.S. Commercial Paper Non-Financials Index:  
 Total Return: SPBDCPN  
 Wgt Avg Days Mt: SPBDCPNM  
 Wgt Avg Yield: SPBDCPNY

S&P U.S. Commercial Paper Financials Index:  
 Total Return: SPBDCPF  
 Wgt Avg Days Mt: SPBDCPFM  
 Wgt Avg Yield: SPBDCPFY

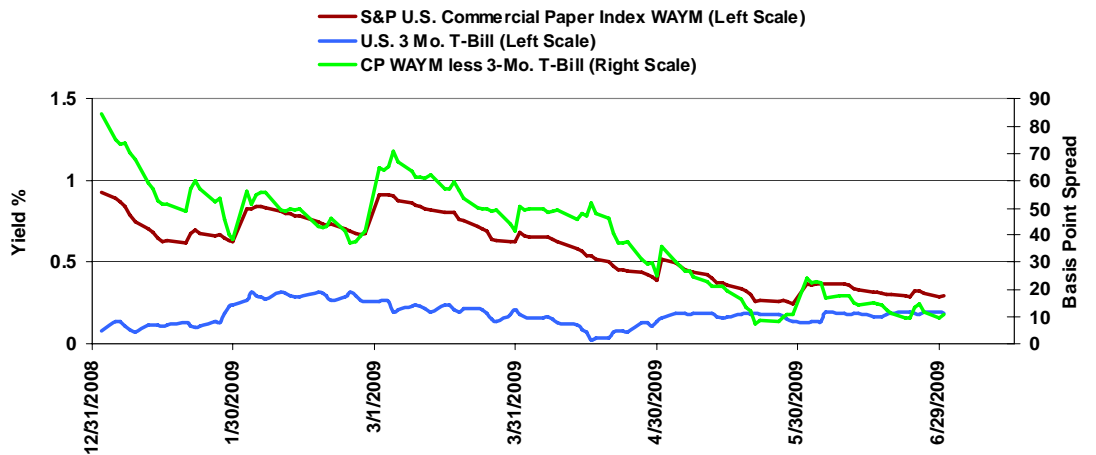
## S&P U.S. Commercial Paper Index Index Performance and Market Overview

During the month of June, average yields held below .4% in the U.S. commercial paper market. Key drivers included federal intervention via the CPFF and the lack of supply of new paper. The Federal Reserve data indicates that outstanding commercial paper fell by US\$ 44 billion during the month to US\$ 1,229 billion, led by a reduced ABCP outstanding of US\$ 37 billion and Non-Financials outstanding decrease of US\$ 24 billion. Commercial paper issued by Financial issuers increased during the month by US\$ 17 billion. Commercial paper yields, as measured by the S&P U.S. Commercial Paper Index, increased by about 5bps on the month to 0.30%. Year-to-date, the index has returned 0.49%.

Yield differentials of Non-Financials and Financials commercial paper have narrowed significantly since the events of September. The chart below represents the spread differential of the weighted average yields of the S&P U.S. Commercial Paper Financials Index versus the S&P U.S. Commercial Paper Non-Financials Index over time:



The chart below depicts the weighted average YTM of the S&P U.S. Commercial Paper Index relative to the 3-month T-bill since 1/2/2009.



## Bloomberg<sup>SM</sup> Tickers:

S&P/Citigroup International Treasury Bond Index Ex U.S.:  
 Total Return: SPBDXUTR  
 Wgt Avg Coupon: SPBDXUC  
 Wgt Avg Life: SPBDXUL  
 Wgt Avg Bid: SPBDXUB  
 Wgt Avg Yield: SPBDXUY  
 Wgt Avg Mod Duration: SPBDXUD

S&P/Citigroup International Treasury Bond Ex U.S. 1-3 Year Index:

Total Return: SPBDXU3T  
 Wgt Avg Coupon: SPBDXU3C  
 Wgt Avg Life: SPBDXU3L  
 Wgt Avg Bid: SPBDXU3B  
 Wgt Avg Yield: SPBDXU3Y  
 Wgt Avg Mod Duration: SPBDXU3D

S&P/Citigroup International Treasury Bond Index Ex. U.S.

June TR: 0.00%  
 YTD TR: 0.92%  
 WA Coupon 3.71%  
 WA Yield to Maturity: 2.53%  
 WA Modified Duration: 6.17  
 WA Life: 8.30  
 Constituent Count: 565

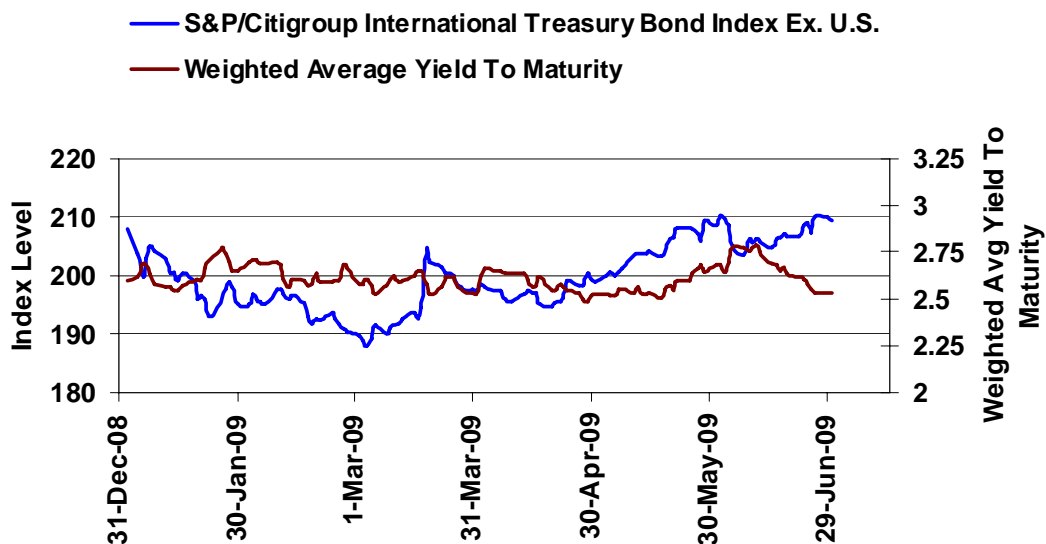
S&P/Citigroup International Treasury Bond Ex. U.S. 1-3 Year

June TR: -0.86%  
 YTD TR: 2.49%  
 WA Coupon 3.52%  
 WA Yield to Maturity: 1.20%  
 WA Modified Duration: 1.74  
 WA Life: 1.82  
 Constituent Count: 128

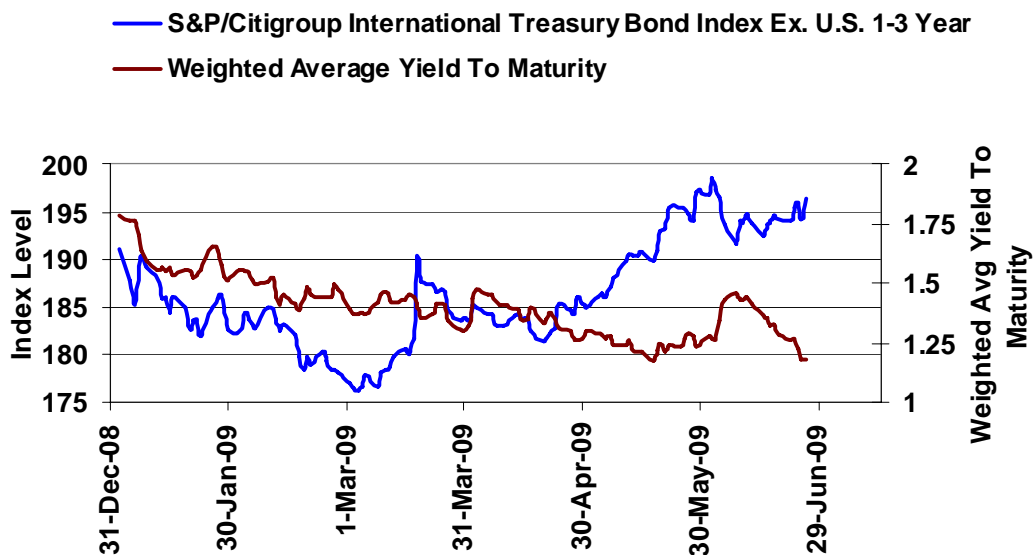
## S&P/Citigroup International Treasury Bond Index Index Performance and Market Overview

The S&P/Citigroup International Treasury Bond Index was unchanged in June, holding on to its +5.8% second quarter return. The result also keeps the year-to-date total return for the Index steady at +0.92%. The weighted average yield to maturity of bonds in the index fell by 11bps for the month which was unchanged for the quarter.

The chart below shows both the S&P/Citigroup International Treasury Bond Ex U.S. Index levels and its weighted average yield to maturity since 1/2/2009.



The chart below shows both the S&P/Citigroup International Treasury Bond Ex U.S. 1-3 Year Index and its weighted average yield to maturity since 1/2/2009.



## S&P Credit Default Swap U.S. Indices Index Performance and Market Overview

Credit default swaps spreads, representing the cost of buying default protection, narrowed significantly during the month of June. Through June 30, 2009, year-to-date spreads, as measured by the corresponding S&P CDS U.S. Index Spreads, show:

- Higher quality entities, as represented by the S&P 100 CDS Index, have improved 45.9%. An investment in a similar basket of CDS would have a year-to-date total return of 3.03%.
- High Yield entities, as represented by the S&P CDS U.S. High-Yield Index, have improved by 35%. An investment in a similar basket of CDS would have a year-to-date total return of 14.33%.
- Investment Grade entities, mostly BBB rated in the S&P CDS U.S. Investment Grade Index, have improved by 54%. An investment in a similar basket of CDS would have a year-to-date total return of 7.88%.

### Bloomberg<sup>SM</sup> Tickers:

S&P 100 CDS Rolling Index:  
Total Return: SPCDOR50

S&P CDS U.S. High-Yield Rolling Index:  
Total Return: SPCDHR50

S&P CDS U.S. Investment Grade Rolling Index:  
Total Return: SPCDIR50

### S&P 100 CDS

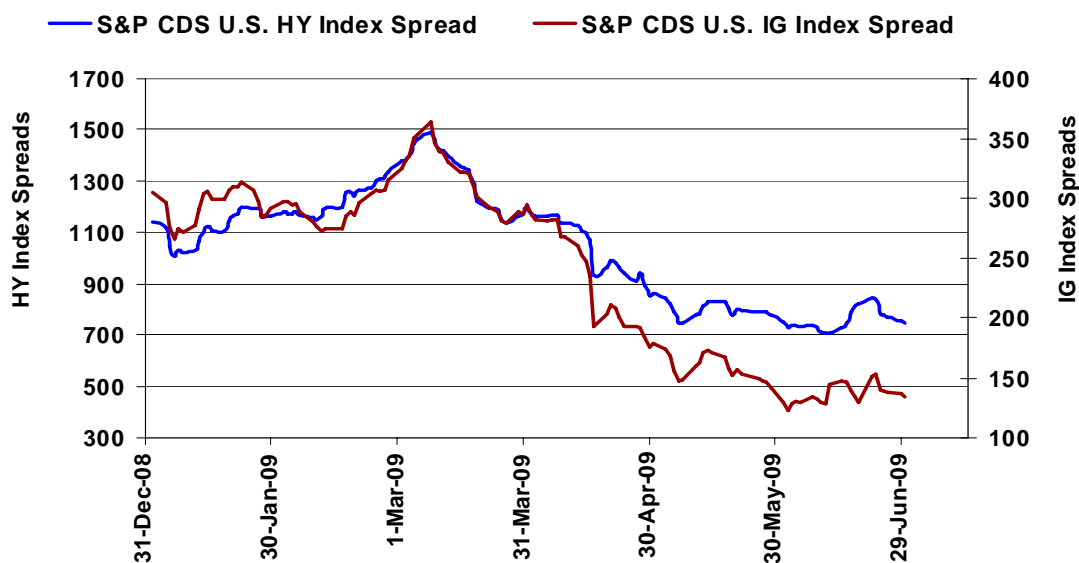
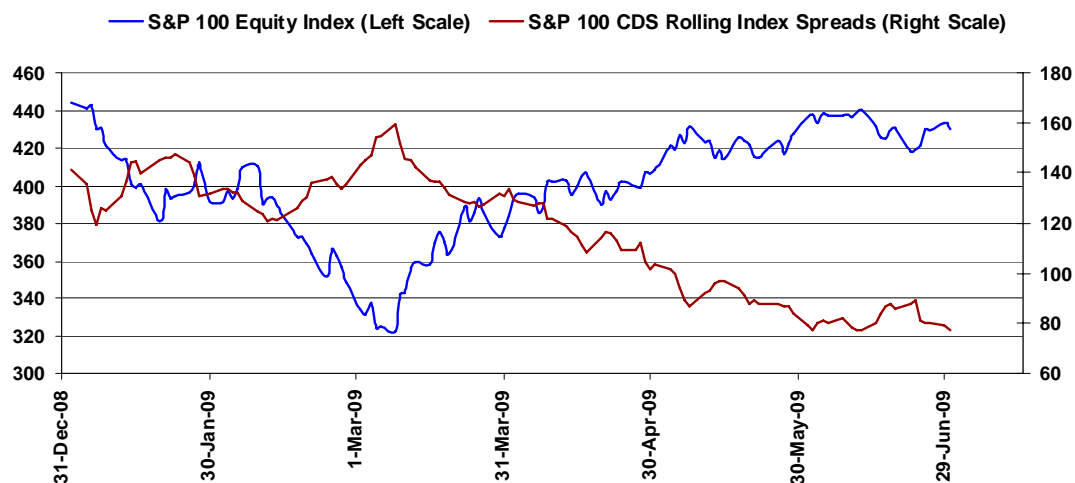
	June 30	Monthly Change
Index Level	101.519	0.31%
Index Spread	77	-7

### S&P CDS U.S. HY Rolling

	June 30	Change
Index Level	96.987	1.27%
Index Spread	745	-30

### S&P CDS U.S. IG Rolling

	June 30	Change
Index Level	102.767	0.30%
Index Spread	134	-7



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