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11/21/11 Weekly Fixed-Income Briefing

For the week ending November 18, 2011 fixed-income markets were mixed across all major sectors. Bond markets continued to be locked in the middle of a tug-of-war with our Eurozone neighbors across the Atlantic. In the U.S. we have realized more and more positive economic data which has boosted investor sentiment. On the other side, events evolving from the Eurozone continue to cast a cloud of doubt. These mitigating forces over the past week have kept investors at bay creating a very tight trading range in some sectors. All in all, investors want to believe the issues at hand around the world will be solved. But at the same time after being stung in 2008 investors have taken a more wait and see posture.

For the week, the Barclays Capital U.S. Aggregate Bond Index, which is widely followed, finished little changed. Intermediate U.S. Treasury securities which tend to have a maturity between 3 years and 10 years returned on average 2 basis points (0.02%). Corporate bonds declined the most on the week with intermediate investment grade bonds losing about 63 basis points (-0.63%). High yield corporate bonds posted a negative return of approximately 69 basis points (-0.69%) for the week.

MORTGAGE RATES

Mortgage Rates 30-Year Fixed	4.03
Mortgage Rates 15-Year Fixed	3.38

MONEY MARKETS

Fed Funds Target	0.08
Prime Rate	3.25
TED Spread	0.49
LIBOR O/N Indexed Swap	0.39
90-Day Govt Agency DN	0.02
90-Day Commercial Paper	0.51
90-Day U.S. Libor	0.49

U.S. TREASURY CURVE

3 Month	0.00
1 Year	0.10
2 Year	0.28
5 Year	0.92
10 Year	2.01
30 Year	2.99

GOVERNMENT AGENCY CURVE

1 Year	0.33
2 Year	0.55
5 Year	1.38
10 Year	2.72
30 Year	4.86

CORPORATE BONDS

FINRA-BLP Inv Grade Index	4.71
FINRA-BLP High Yield Index	8.04

INTERNATIONAL 10 YEAR BONDS

China	3.65
France	3.47
Germany	1.97
India	8.84
Japan	0.95
United Kingdom	2.25

FOREIGN EXCHANGE RATES

EUR	1.3518
GBP	1.5787
JPY	76.8900

Past performance is not a guarantee of future results. Opinions and forecasts regarding sectors, industries, companies, countries and/or themes, and portfolio composition and holdings, are all subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security, industry, or sector. Investments in foreign securities may entail unique risks, including political, market and currency risks. The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, Mortgage-Backed Securities (agency fixed-rate and hybrid ARM pass-throughs), Asset-Backed Securities and Commercial Mortgage-Backed Securities. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.