



# PORTFOLIO MANAGER'S REPORT



Thursday July 22, 2010 8:49 AM

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## CURRENT OFFERING YIELDS - Thursday: 07/22/2010 8:49 AM

## TODAY'S ECONOMIC DATA

Trsy (Last Price)	Change (From Yest)	Agcy NC (Bullets)	Muni - TEY (A1; GO; BQ)	CMO (Avg Life)	MBS (Avg Life)			
3 mo	0.150%	UNCH	0.135%	0.359%		22-Jul	Initial Jobless Claims	
6 mo	0.191%	+ 0.50 bp's	0.193%	0.465%		22-Jul	Prior: 429K Actual: 464K	
12 mo	0.244%	+ 0.1 32'ds	0.366%	0.662%		22-Jul	Continuing Claims	
2 yr	0.576%	-1.5 32'ds	0.721%	1.117%		22-Jul	Prior: 4681K Actual: 4487K	
3 yr	0.946%		1.094%	1.652%	1.476%		Exiting Home Sales	
5 yr	1.686%	-3.0 32'ds	1.842%	2.723%	1.946%		Prior: 5.66M Actual: ---	
10 yr	2.923%	-3.0 32'ds	3.133%	4.692%	2.536%		DJIA	10,263.45
30 yr	3.919%	-12.5 32'ds	4.481%	6.950%	3.873%		NASDAQ	2,224.74
							S & P 500	1,086.26
								142.92
								37.41
								16.67

Source: Bloomberg Fair Value Curve or Last Price (Treasury only); ALL yields and spreads are "representative", not actual. Spreads change as the market changes, actual offerings may be higher or lower than

## TODAY'S NEWS

### Treasury Two-Year Yields Increase as Profits Ease Economic Outlook Concern

July 22 (Bloomberg) -- Treasury two-year note yields rose from a record low as higher-than-forecast corporate profits eased concern the Federal Reserve may have to consider more stimulus measures to help sustain the U.S. economic recovery. Two-year yields had touched all-time lows for a third consecutive day and 10-year note yields traded at a 15-month low after Fed Chairman Ben S. Bernanke said yesterday that policy makers were prepared to take further action. Stocks rose even as a report today showed more Americans than projected filed applications for unemployment benefits last week.

### Today's Topic- Let Us Do the Heavy Lifting for You

Yesterday's PMR demonstrated how one can use duration to estimate gains and losses in varying interest rate environments. Since there is currently a propensity for higher rates, one needs to understand specifically what that means for their portfolio, especially as it relates to potential losses.

Quantifying potential gains and losses should be performed not only when rates are low and expected to rise, but rather on a regular basis. We suggest performing this analysis monthly or, at the very least, quarterly. Performing this analysis includes many time consuming steps. A few include determining each bond's duration, applying the correct change in market value, calculating the gain or loss from your current book value, etc. The amount of time it takes to perform this analysis is multiplied by the number of interest rate environments assumed, making for a very lengthy process.

Why not let County Club Bank Capital Markets prepare the many analyses needed to analyze your portfolio effectively, so you can spend your time making informed investment decisions rather than preparing reports? Country Club Bank Capital Markets offers a proprietary investment reporting service called **Portfolio Analytics Reports Service (PARS)**. It incorporates all analyses needed to optimize the bond portfolio decision process. Call your Country Club Bank representative to discuss this service in more detail.