



# PORTFOLIO Manager's REPORT



Friday August 20, 2010 8:42 AM

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CURRENT OFFERING YIELDS - Friday: 08/20/2010 8:42 AM						ECONOMIC SNAPSHOT			
	Trsy	Change	Agcy NC	Muni - TEY	CMO	MBS			
	(Last Price)	(From Yest)		(A1; GO; BQ)	(Avg Life)	(Avg Life)	Next Week's Economic Releases		
3 mo	0.145%	UNCH	0.138%	0.480%			8/23/2010	Chicago Fed Nat Activity Index	
6 mo	0.181%	--0.10 bp's	0.178%	0.495%			8/24/2010	Existing Home Sales	
12 mo	0.228%	-0.1 32'ds	0.328%	0.571%					
2 yr	0.479%	UNCH	0.625%	0.874%	1.279%	1.299%	8/25/2010	Durable Goods Orders	
3 yr	0.789%		0.938%	1.364%	1.589%	2.139%			
5 yr	1.408%	-0.5 32'ds	1.565%	2.344%	2.258%	2.988%			
10 yr	2.577%	-2.0 32'ds	2.759%	4.420%	3.377%	3.577%	DJIA	10,199.69	-71.52
30 yr	3.634%	-0.5 32'ds	4.239%	6.889%			NASDAQ	2,170.67	-8.28
							S & P 500	1,068.96	-6.67

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 indicated here. The municipal rate is the taxable

## TODAY'S NEWS

### Treasuries Heading For Weekly Advance as U.S. Reduces Size of Bond Sales

Aug. 20 (Bloomberg) -- Treasury 10-year notes headed for a fourth weekly gain, the longest run since February, on signs the U.S. economic recovery is slowing and the Treasury said it's reducing bond sales. The yield on the two-year note fell to a record low, while the 10-year yield was the least since March 2009. The U.S. said yesterday it plans to auction \$102 billion of two-, five- and seven-year notes next week, the smallest monthly offering of that combination of securities since May 2009. The Fed bought \$6.16 billion of notes this week, part of its plan to spur the slowing U.S. economy by keeping borrowing costs low.

## Friday - Market Lite



"It's a house made out of sand. What did you think I meant when I said I owned a beach house?"