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US TREASURY & MONEY MARKETS										Properties							
07:29	FED FUNDS		US T-BILL YIELD/PRICE				EURO\$DEP		REVERSE		REPO						
BID/ASK	0.07000	0.10000	4W	-0.01	0.00	-0.00	-0.00	3M	0.3800	0.5100	0/N	0.14	0.05				
LST/OPEN	0.07000	0.07000	3M	0.00	0.01	0.00	0.00	6M	0.5800	0.7300	1W	0.14	0.02				
HIGH/LOW	0.07000	0.04000	6M	0.03	0.00	0.04	0.03	1Y	0.8900	1.0900	2W	0.14	0.04				
			1Y	0.11	0.00	0.11	0.11				1M	0.16	0.06				
DJIA	12294.00	124.35	S&P 500 FUT	1256.40	-3.90	CCMP	2618.64	19.19	CRB	305.76	-0.32						
US BONDS YLD/BID/ASK/CHG				DEALER CP		90D EUR\$ FUT		FUNDS FUT		LIBOR FIX							
<sup>1</sup> / <sub>8</sub>	12/31/13	0.286	99-21+	99-21 <sup>3</sup> / <sub>4</sub>	-00 <sup>1</sup> / <sub>4</sub>	15D	0.300	MAR	99.3100	DEC	99.93	1W	0.21600				
<sup>1</sup> / <sub>4</sub>	12/15/14	0.433	99-14+	99-14 <sup>3</sup> / <sub>4</sub>	00 <sup>1</sup> / <sub>4</sub>	30D	0.320	JUN	99.2400	JAN	99.92	1M	0.29395				
<sup>7</sup> / <sub>8</sub>	12/31/16	0.959	99-18+	99-19	02 <sup>3</sup> / <sub>4</sub>	60D	0.410	SEP	99.2050	FEB	99.92	2M	0.42220				
2	11/15/21	2.003	99-30+	99-31	06	90D	0.550	DEC	99.1800	MAR	99.90	3M	0.57575				
3 <sup>1</sup> / <sub>8</sub>	11/15/41	3.043	101-19	101-19+	09	120D	0.670	MAR	99.1850	APR	99.89	4M	0.65025				
SPOT FOREX		Key Rates		Swaps		180D		0.800		JUN		99.1650		MAY		99.89	
JPY	77.8265	Prime	3.25	3Y	.897	10yr Note Fut		30Y MBS									
EUR	1.3070	BLR	2.00	5Y	1.353	CBT	130-02	+ 06+	GNMA 4.5	108-16	108-17	- 01					
GBP	1.5663	FDTR	0.25	10Y	2.170	CRUDE OIL		GOLD 4.5		105-16	105-17	01					
CHF	.9341	Discount	0.75	30Y	2.753	NYM WTI	99.72	+04	FNMA 4.5	105-31	106-00	01					
CAD	1.0202																

Treasury prices are slightly higher on the first day of what will be a very slow week in markets. Global equity markets are mostly lower today, and S&P 500 futures are currently down 4 points. An article in today's Wall Street Journal indicates that steel producers in the U.S. are beginning to increase production due to greater demand from automakers, oil/gas drillers, and farm equipment manufacturers, which is generally viewed as a positive indicator for the U.S. economy.

The S&P Case-Shiller home price index (HPI), which tracks average home prices in 20 U.S. metropolitan areas, fell 0.62 percent month-over-month (seasonally adjusted) in October, the sixteenth time in the last 17 months that the index has declined. On a year-over-year basis, average home prices fell 3.4 percent in October, the thirteenth consecutive year-over-year decline. The table below provides a breakdown of price changes over various time periods for the 20 cities that comprise the index. For the fourth month in a row, Detroit and Washington DC were the only two cities posting an increase in the average home price versus one-year earlier. The average home price in Washington DC was also up 1.4 percent over a three-year period, which is the first positive change over a 3-year period since March 2009 (Charlotte). The economy in Washington DC is clearly doing better than the rest of the country (sorry, couldn't resist).

The economic calendar for the rest of the week is relatively uneventful. We will see on Thursday whether the recent improvement in initial jobless claims continues. Initial claims fell last week to the lowest level since May 2008, and if the downturn is the beginning of a longer-term trend, we should

begin to see strong jobs growth in the coming months. However, as I have noted over the last few weeks, jobless claims figures can sometimes be skewed during the holiday season, so it will be important to see the current trend hold over the next month.

<b>S&amp;P/Case-Shiller Home Prices *</b>					
<i>As of October 31, 2011</i>	<b>1-months earlier</b>	<b>3-months earlier</b>	<b>1-year earlier</b>	<b>2-years earlier</b>	<b>3-years earlier</b>
US Composite-20 City	-1.23%	-1.81%	-3.40%	-4.23%	-11.25%
Detroit	-3.34%	-2.62%	2.54%	-2.58%	-17.54%
Washington DC	-0.33%	1.51%	1.33%	4.08%	1.40%
Dallas	-0.93%	-1.27%	-0.62%	-3.73%	-4.27%
Denver	-0.15%	-0.48%	-0.95%	-2.73%	-2.84%
Boston	-1.09%	-1.96%	-1.06%	-1.30%	-4.06%
Charlotte	-0.50%	-0.91%	-1.18%	-5.28%	-11.91%
New York	-1.20%	-0.95%	-1.97%	-3.61%	-11.36%
Cleveland	-1.00%	-1.91%	-2.44%	-5.08%	-8.39%
Miami	-1.17%	-2.09%	-4.05%	-7.30%	-20.31%
San Diego	-0.56%	-1.52%	-4.46%	-1.62%	-3.93%
San Francisco	-0.66%	-2.17%	-4.68%	-2.56%	-5.09%
Portland	-0.48%	-0.27%	-4.73%	-9.63%	-18.63%
Chicago	-1.76%	-1.17%	-4.81%	-10.98%	-19.99%
Los Angeles	-1.48%	-2.67%	-4.91%	-1.73%	-7.96%
Phoenix	0.32%	0.00%	-5.12%	-9.19%	-25.63%
Tampa	-0.50%	-2.07%	-6.09%	-9.67%	-23.41%
Seattle	-1.01%	-2.44%	-6.23%	-10.08%	-21.26%
Minneapolis	-2.85%	-3.50%	-8.42%	-10.84%	-18.17%
Las Vegas	-1.54%	-3.27%	-8.53%	-11.79%	-35.29%
Atlanta	-4.98%	-12.76%	-11.70%	-17.17%	-23.86%

*\* Non-seasonally adjusted*

Mortgage spreads are essentially unchanged versus the 5-year Treasury note at the moment. December 2013 agency bullet spreads (FNMA 0.75% 12/18/2013) are currently three basis points tighter versus Friday morning at 14 basis points over the 2-year Treasury note.

Date	Time	Event	Survey	Actual	Prior	Revised	
12/27/2011	08:00	S&P/CS 20 City MoM% SA	OCT	-0.40%	-0.62%	-0.57%	-0.66%
12/27/2011	08:00	S&P/CS Composite-20 YoY	OCT	-3.20%	-3.40%	-3.59%	-3.54%
12/27/2011	08:00	S&P/CaseShiller Home Price Ind	OCT	--	140.3	141.97	142.04
12/27/2011	09:00	Consumer Confidence	DEC	58.9	64.5	56	55.2
12/27/2011	09:00	Richmond Fed Manufact. Index	DEC	5	3	0	--
12/27/2011	09:30	Dallas Fed Manf. Activity	DEC	4.8	--	3.2	--
12/29/2011	07:30	Initial Jobless Claims	24-Dec	374K	--	--	--
12/29/2011	07:30	Continuing Claims	17-Dec	3600K	--	--	--
12/29/2011	08:45	Chicago Purchasing Manager	DEC	61	--	62.6	--
12/29/2011	08:45	Bloomberg Consumer Comfort	25-Dec	--	--	-45	--
12/29/2011	09:00	Pending Home Sales MoM	NOV	1.50%	--	10.40%	--
12/29/2011	09:00	Pending Home Sales YoY	NOV	--	--	7.30%	--
12/29/2011	10:00	Kansas City Fed Manf. Activity	DEC	6	--	4	--
12/30/2011	09:00	NAPM-Milwaukee	DEC	58.5	--	56.7	--