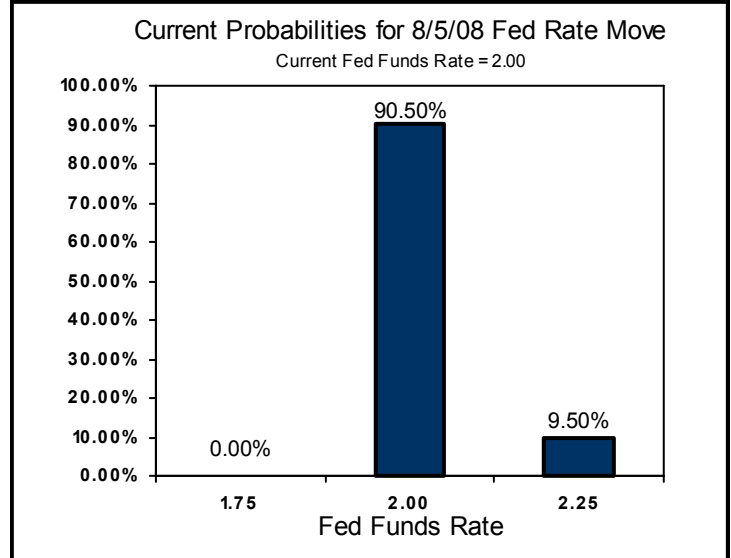


Custom Hedging Solutions

HEDGEWITHEASE

	7/14/2008	7/21/2008	6/23/2008	
Item	Prior Wk	Current Wk	Change	Prior Mth
LIBOR				
1 M	2.46	2.46	0.00	2.48
3 M	2.79	2.80	0.01	2.80
6 M	3.12	3.15	0.03	3.18
1Y	3.28	3.36	0.08	3.54
Treasury				
2 Y	2.47	2.68	0.21	2.98
3 Y	2.79	2.99	0.20	3.27
5 Y	3.20	3.43	0.23	3.65
7 Y	3.49	3.64	0.15	3.87
10 Y	3.90	4.09	0.19	4.19
30 Y	4.47	4.65	0.18	4.71
Swaps				
2 Y	3.38	3.67	0.29	3.86
3 Y	3.72	4.04	0.33	4.21
5 Y	4.09	4.42	0.33	4.55
7 Y	4.33	4.65	0.10	4.72
10 Y	4.55	4.85	0.10	4.88
30 Y	4.88	5.14	(0.03)	5.17
Prime	5.00	5.00	0.00	5.00
Oil	134.60	130.89	(3.71)	134.55
DJIA	11239.30	11496.57	257.27	11811.80
S&P 500	1245.36	1260.68	15.32	1321.97



Question: Will Fannie and Freddie Fail?

Answer: In our opinion, it is highly unlikely. There has always been an implicit government guaranty of FNMA and FHLMC. Concerns about the mortgage finance firms' solvency have led the Federal reserve to allow Fannie and Freddie to borrow from the Fed's discount window. The U.S. Treasury has temporarily increased its line of credit to Fannie and Freddie and has agreed, if needed, to make equity investments, and Congress is working on the details of a rescue plan. Despite some criticism of the plan on Capitol Hill, allowing Fannie and Freddie to fail would be so devastating to the U.S. economy that the federal government simply cannot allow it to happen. In our opinion, with over \$5 trillion in mortgages and guarantees outstanding, FNMA and FHLMC are just "too big to fail."

Date	Event		Survey	Actual	Prior	Revised
7/15/2008	Advanced Retail Sales	JUN	0.40%	0.10%	1.00%	0.80%
7/16/2008	Consumer Price Index (MoM)	JUN	0.70%	1.10%	0.60%	--
7/16/2008	CPI Ex Food & Energy	JUN	0.20%	0.30%	0.20%	--
7/17/2008	Initial Jobless Claims	12-Jul	380K	366K	346K	348K
7/17/2008	Philadelphia Fed	JUL	-15	-16.3	-17.1	--
7/21/2008	Leading Indicators	JUN	-0.10%	--	0.10%	--
7/24/2008	Initial Jobless Claims	19-Jul	380K		366K	
7/25/2008	Durable Goods Orders	JUN	-0.30%		0.00%	
7/25/2008	U Michigan Confidence	JUL	56.3		56.6	

Whatever your Derivative Needs, We Will Help you Hedge with Ease™

Custom Hedging Solutions is your interest rate risk manager. We help identify and analyze your risk, present you with hedging solutions, and facilitate a hedging transaction to mitigate your interest rate exposure. We apply extensive knowledge of interest rate swaps, caps, floors, swaptions, and other derivative instruments to help bid out interest rate caps, execute swaps and options, or hedge defeasance costs.