



# FHLB Des Moines

## Financial Market Overview

The US economy lost fewer jobs than expected and the unemployment rate remained unchanged in February according to data released last week. Treasury yields headed mainly higher on the news, with the 2 year treasury increasing 9.5 basis points from 0.8% to 0.895%. The 10 year treasury rose 7 basis points from 3.61% to 3.68%. Also of note, the yield curve flattened, as the spread between 2 year treasuries and 10 year treasuries decreased by 4 basis points.

Domestic auto sales rose last week from the year ago pace, but was down slightly from January's 10.7 million cars sold. The number of homes under contract to be sold declined 7.6% in January, and while many attribute the number to heavy snowfall, it still raises questions for recovery in the housing sector.

This week's economic calendar is relatively light. International trade and retail sales are the only major monthly reports from Washington this week. The private sector consumer sentiment report from the University of Michigan is due on Friday. There are no major indicators out today.

## Upcoming Economic Data

<b>Monday, March 8</b>	No data
<b>Tuesday, March 9</b>	ABC Consumer Confidence
<b>Wednesday, March 10</b>	MBA Mortgage Applications, Wholesale Inventories, Monthly Budget Statement
<b>Thursday, March 11</b>	Trade Balance, Initial Jobless Claims
<b>Friday, March 12</b>	Advance Retail Sales, Retail Sales Ex Auto & Gas, U. of Michigan Confidence

## Advance Rate Indications

Indications as of 3/8/10 9:00 AM  
Assumes Advance Amount < \$15mm

Fixed Rate Bullets		Convertibles*		Convertibles w/ Strike*			Member Option - Fixed*			
		Berm	Euro					Berm		
1 Week	0.39%									
2 Week	0.40%	2yr Lockout 3 Mo	0.51	0.55		6%	7%	8%	2yr Lockout 3 Mo	1.70
1 Month	0.42%	2yr Lockout 1yr	0.76	0.77	3yr Lockout 1yr	1.84	1.90	n/a	2yr Lockout 1yr	1.52
3 Month	0.47%	3yr Lockout 3 Mo	0.65	1.70	5yr Lockout 1yr	2.55	2.72	2.85	3yr Lockout 3 Mo	2.38
6 Month	0.58%	3yr Lockout 1yr	0.86	0.87	5yr Lockout 2yr	2.56	2.73	2.85	3yr Lockout 1yr	2.18
1 Year	0.75%	3yr Lockout 2yr	1.39	1.40	7yr Lockout 1yr	2.97	3.19	3.37	3yr Lockout 2yr	2.07
2 Year	1.39%	5yr Lockout 3 Mo	0.80	0.83	10yr Lockout 1yr	3.33	3.62	3.84	5yr Lockout 3 Mo	3.59
3 Year	2.02%	5yr Lockout 1yr	1.02	1.04	10yr Lockout 3yr	3.40	3.65	3.87	5yr Lockout 1yr	3.39
5 Year	3.08%	5yr Lockout 2yr	1.57	1.58	<b>Member Option - Variable</b>			5yr Lockout 2yr	3.29	
7 Year	3.82%	5yr Lockout 3yr	2.18	2.19	Calls			5yr Lockout 3yr	3.22	
10 Year	4.52%	7yr Lockout 3 Mo	0.87	0.89	1 Month 3 Month			7yr Lockout 3 Mo	4.16	
<b>LIBOR Advance Pricing Spreads</b>		7yr Lockout 1yr	1.03	1.04	3 Year	0.42%	0.47%	7yr Lockout 1yr	3.97	
	1 Month 3 Month	7yr Lockout 2yr	1.50	1.52	5 Year	0.42%	0.47%	7yr Lockout 2yr	3.87	
1 Year	0.26% 0.23%	7yr Lockout 3yr	2.13	2.13	7 Year	0.42%	0.47%	7yr Lockout 3yr	3.81	
3 Year	0.35% 0.29%	10yr Lockout 3 Mo	1.15	1.17				10yr Lockout 3 Mo	5.19	
5 Year	0.53% 0.47%	10yr Lockout 1yr	1.36	1.38				10yr Lockout 1yr	5.00	
10 Year	0.87% 0.83%	10yr Lockout 2yr	1.88	1.94				10yr Lockout 2yr	4.91	
<b>Mortgage Matched Advance</b>		10yr Lockout 3yr	2.46	2.51				10yr Lockout 3yr	4.86	
15 Yrs, 5 yr lockout	4.21%	10yr Lockout 5yr	3.25	3.29				10yr Lockout 5yr	4.77	

Rate indications are for advance amounts of less than \$15mm. For pricing requests of \$15mm or more and or additional structures not listed above, please contact the Money Desk at 800.544.3452

\*\* In order for the Bank to offer the lowest pricing available, requests for convertible and Member Option Fixed Rate advances will be aggregated and funded once the total requests for a particular structure reaches or exceeds \$5 million.

## Capital Market Rates

Market levels as of 3/8/10 9:00 AM

US Treasuries	Weekly Change	LIBOR	Weekly Change	Key Indices	Prime Swap Rates
2 Year	0.91% 0.02%	1 Month	0.22906% 0.000%	Prime	3.25% 2yr 3.94%
5 Year	2.35% -0.10%	3 Month	0.25363% 0.001%	Fed Funds Target	0.25% 5yr 5.40%
10 Year	3.67% -0.13%			Discount Rate	0.50% 10yr 6.38%

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