



Financial Market Overview

The Treasury market sold off last week driven in part by better-than-expected economic data. The long end of the curve led the sell off with 30yr yields rising over 20 basis points, steepening the 2s30s curve by 18 basis points. The stock market showed a weekly increase for the first time in four weeks with the S&P 500 rising 3.8% and the Dow rising 2.9%.

The most significant data released last week was August's Labor Report, which was released on Friday. Despite showing an increase in the unemployment rate to 9.6% from 9.5%, the report was considered relatively positive as non-farm payrolls shed fewer jobs than expected (67,000 vs. 40,000 expected). Also released, the ISM manufacturing index and retail sales reports both came in above expectations

This week the market will be focused on a number of economic releases including the release of the Fed's Beige Book on Wednesday and the weekly jobless claims data on Thursday.

Upcoming Economic Data

Monday, September 6	Labor Day Holiday - No data
Tuesday, September 7	ABC Consumer Confidence
Wednesday, September 8	MBA Mortgage Applications
Thursday, September 9	Trade Balance, Initial Jobless Claims
Friday, September 10	Wholesale Inventories

Advance Rate Indications

Indications as of 9/7/10 9:00 AM
Assumes Advance Amount < \$15mm

Fixed Rate Bullets		Convertibles*		Convertibles w/ Strike*			Member Option - Fixed*		
		Berm	Euro	6%	7%	8%		Berm	
1 Week	0.41%						2yr Lockout 3 Mo	1.19	
2 Week	0.42%	2yr Lockout 3 Mo	0.56	0.60			2yr Lockout 1yr	1.07	
1 Month	0.43%	2yr Lockout 1yr	0.71	0.71	3yr Lockout 1yr	1.29	1.29	n/a	
3 Month	0.47%	3yr Lockout 3 Mo	0.60	1.07	5yr Lockout 1yr	1.97	2.01	2.03	
6 Month	0.55%	3yr Lockout 1yr	0.74	0.77	5yr Lockout 2yr	1.97	2.01	2.03	
1 Year	0.65%	3yr Lockout 2yr	0.95	0.96	7yr Lockout 1yr	2.49	2.60	2.67	
2 Year	1.00%	5yr Lockout 3 Mo	0.70	0.75	10yr Lockout 1yr	2.91	3.07	3.19	
3 Year	1.28%	5yr Lockout 1yr	0.86	0.89	10yr Lockout 3yr	2.91	3.07	3.19	
5 Year	2.06%	5yr Lockout 2yr	1.07	1.10	Member Option - Variable			5yr Lockout 2yr	2.22
7 Year	2.77%	5yr Lockout 3yr	1.39	1.41	Calls			5yr Lockout 3yr	2.15
10 Year	3.41%	7yr Lockout 3 Mo	0.77	0.82	1 Month 3 Month			7yr Lockout 3 Mo	3.23
LIBOR Advance Pricing Spreads		7yr Lockout 1yr	0.91	0.94	3 Year	0.43%	0.47%	7yr Lockout 1yr	3.00
	1 Month 3 Month	7yr Lockout 2yr	0.96	1.16	5 Year	0.43%	0.47%	7yr Lockout 2yr	2.87
1 Year	0.29% 0.22%	7yr Lockout 3yr	1.43	1.46	7 Year	0.43%	0.47%	7yr Lockout 3yr	2.79
3 Year	0.40% 0.32%	10yr Lockout 3 Mo	1.08	1.13				10yr Lockout 3 Mo	4.15
5 Year	0.55% 0.47%	10yr Lockout 1yr	1.24	1.27				10yr Lockout 1yr	3.91
10 Year	0.92% 0.87%	10yr Lockout 2yr	1.46	1.50				10yr Lockout 2yr	3.78
Mortgage Matched Advance		10yr Lockout 3yr	1.72	1.78				10yr Lockout 3yr	3.71
15 Yrs, 5 yr lockout	3.20%	10yr Lockout 5yr	2.35	2.39				10yr Lockout 5yr	3.64

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 9/7/10 9:00 AM

US Treasuries	Weekly Change	LIBOR	Weekly Change	Key Indices	Prime Swap Rates
2 Year	0.49% 0.02%	1 Month	0.25766% 0.000%	Prime	3.25% 2yr 3.49%
5 Year	1.43% 0.10%	3 Month	0.29188% -0.004%	Fed Funds Target	0.25% 5yr 4.39%
10 Year	2.64% 0.17%			Discount Rate	0.50% 10yr 5.37%

Legal Disclaimer

The Federal Home Loan Bank of Des Moines provides this commentary for informational purposes only. Under no circumstances should it be considered an offer or solicitation for the purchase or sale of any financial instrument or advice or recommendation to enter into or conclude any financial transaction. The information provided herein is not intended to provide a sufficient basis on which to make an investment decision and this material does not constitute "research". Portions of the information contained herein have been obtained from sources believed to be reliable, but the Bank does not represent or warrant that it is complete or accurate. The views and opinions reflected herein are subject to change without notice. Neither the Bank nor any officer, director or employee thereof accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents. No part of this document may be reproduced in any manner without written permission from the Bank.