

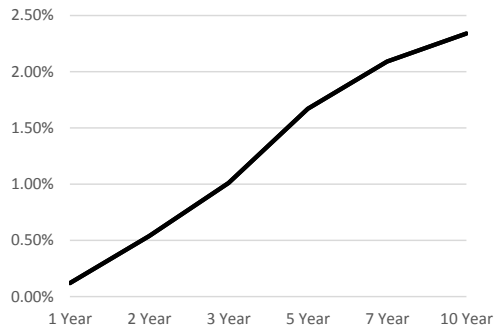


Capital Markets Update

Today's Rates & Yield Curve

Benchmark Rate	Today	Last Week	Change
10 Yr. Treasury	2.34%	2.34%	0.00%
5 Yr. Treasury	1.63%	1.65%	-0.02%
1 Yr. Swap	0.33%	0.34%	-0.01%
2 Yr. Swap	0.75%	0.73%	0.02%
3 Yr. Swap	1.17%	1.16%	0.01%
5 Yr. Swap	1.79%	1.78%	0.01%
10 Yr. Swap	2.51%	2.50%	0.01%
1 Month LIBOR	0.16%	0.16%	0.00%
1 Year LIBOR	0.56%	0.56%	0.00%
Prime Rate	3.25%	3.25%	0.00%

US Treasury Yield Curve



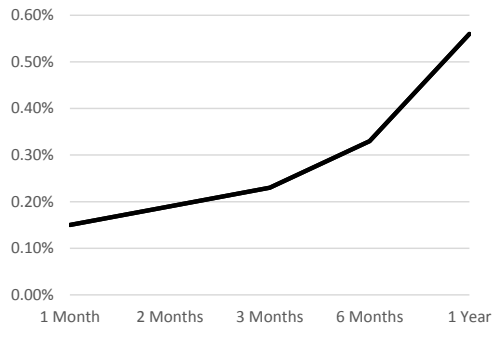
Market Commentary & Analysis

We continue to see mixed messages regarding forward trends in the economy, with short term uncertainty about the direction of interest rates. Last week, the Labor Department announced that the unemployment rate fell to 5.8% in October, continuing a rapid decline over the past year.

The latest decline was primarily influenced by the addition of 214,000 new non-farm payroll jobs, slightly lower than an expected increase of 243,000. Combined with upward revisions to the August and September readings, the numbers helped drive the unemployment rate down to 5.8%. Separately, hourly wages increased by 0.1%, missing analysts' estimate of 0.2%, indicating no acceleration in wage growth.

The median forecast from the Fed calls for a jobless rate between 5.9% and 6% at the end of the year. As such, the latest news has somewhat caught the Fed by surprise. Having said that, we don't see a significant short term impact on market expectations for interest rate trends. The 10 year Treasury is currently trading at 2.34%, up slightly from last week. We continue to recommend to our clients that the window for locking in rates at low amounts is narrow, with expectations of rising rates in the Spring of 2015.

Libor Yield Curve



Swaps Yield Curve

