

MUNICIPAL BONDS

MEMBER FINRA AND SIPC

NEW YORK & NEW JERSEY

Week of May 30, 2011

WEEKLY MARKET SNAPSHOT

- The Bond Buyer 20-bond index of G.O. Bonds fell 2 basis points this week to a 4.53%.
- The 10 year Treasury bond yield declined 7 basis points this week, to a 3.10% yield.
- The 30 year Treasury bond yield declined 3 basis points this week, to a 4.25% yield.
- U.S. Treasury prices rose and yields fell after a government report showed the pace of economic growth during the first three months of the year was slower than forecast and weekly jobless claims unexpectedly increased, fueling speculation that the economy is slowing. \$99 billion of new securities were sold this week, taking advantage of historically low interest rates. \$35 billion of two year notes were sold on Tuesday at an average yield of .56%. This was followed on Wednesday by the sale of \$35 billion five year notes that went at an average yield of 1.81%. Thursday's sale of \$29 billion seven year notes was expected to yield 2.44%.
- The tax free municipal bond market continued its multi week rally as the level of activity in the new issue market remains far below normal levels. On Tuesday, Kenton County, Kentucky sold \$9.1 million school building revenue bonds via competitive bid. The bonds are rated Aa3 by Moody's and had re-offering yields ranging from .70% in 2012 to 4.60% in 2031. Hilliard Lyons acted as a co-senior manager on this new issue.

Spotlight Bond of the Week

\$45,000

New Jersey

**Economic Development Authority
School Facilities Construction
Bonds**

Coupon: 4.25%

Maturity: 06/15/2021

Price: \$101.375

YTM: 4.081%

Callable: 06/15/2012 @ 100

YTC: 2.896%

Moody's: A1

S&P: A+

NEW YORK AND NEW JERSEY MUNICIPAL OFFERINGS ARE SHOWN ON THE FOLLOWING PAGES

PNC Investments has access to the financial investments listed below through its affiliate, PNC Capital Markets, LLC, and J.J.B. Hilliard, W.L. Lyons LLC both registered broker/dealers and members of SIPC.

New York & New Jersey Municipal Bond Inventory

<u>Moody/S&P</u>	<u>Quantity</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>▲Maturity</u>	<u>Yield to Mat.</u>	<u>Lowest Yield to Call</u>	<u>Approx. Price</u>
A1 /A+	45,000	NEW JERSEY ECONOMIC DEV	4.250 %	06/15/2021	4.081 %	2.90 % to 06/15/2012	\$ 101.375

All offerings are subject to prior sale or change in price. Information contained in this circular has been gathered from sources deemed reliable; however, we do not guarantee the accuracy thereof.

Not FDIC Insured • May Lose Value • No Bank Guarantee