

MUNICIPAL BONDS

Pennsylvania
Week of
March 15, 2010

MEMBER NASD AND SIPC

WEEKLY MARKET SNAPSHOT

- The Bond Buyer 20-bond index of G.O. bonds fell 1 basis point this week to a 4.33%.
- The 10 year Treasury bond yield rose 10 basis points this week, to a 3.71% yield.
- The 30 year Treasury bond yield rose 12 basis points this week to a 4.68% yield.
- The U.S. Treasury sold another \$74 billion of new securities this week with little fanfare as the appetite for super safe U.S. Govt. bonds remains very strong. On Tuesday, \$40 billion of new 3 year notes were sold at an average yield of 1.43%. Wednesday's sale of \$21 billion of 10 year notes came at a 3.73% yield. The last of this week's auctions was scheduled to take place on Thursday with the sale of \$13 billion 30 year bonds. The expected yield on this sale is 4.68%. Demand from foreign investors was stronger than it has been at recent auctions.
- Taxable Build America Bonds continued to dominate the largest amount of volume in the new issue market this week as issuers continue to take advantage of very low interest rates. The City of New York priced and sold \$500 million taxable water revenue bonds that carry ratings of Aa3 by Moody's and AA+ by Standard & Poors. The 2042 maturity was priced to yield 6.49%. The Kentucky Housing Corporation negotiated the sale of \$40 million tax free housing revenue bonds that are rated Aaa by both Moody's and Standard & Poors. Offering yields ranged from .50% in 2011 to 3.95% in 2023. Hilliard Lyons acted as co senior manager on this issue.

Spotlight Bond of the Week

\$130,000

***St. Mary Hospital Authority, PA
Health System Revenue Bonds
Catholic Health East Issue***

Coupon: 5.00%

Maturity: 11/15/2040

Price: \$100.00

YTM: 5.00%

Moody's: A1

S&P: A

Complete terms & conditions of this new issue are more fully disclosed in the Official Statement, copies of which are available upon request.

PENNSYLVANIA MUNICIPAL OFFERINGS ARE SHOWN ON THE FOLLOWING PAGES

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

Pennsylvania 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>
AA3 /NR	10,000	BETHEL PARK PA SCHOOL	3.000 %	08/01/2013	1.400 %		\$ 105.250
NR /AAA	125,000	MON VALLEY PA SEWAGE	3.350 %	11/01/2019	3.350 %	3.35 % to 05/01/2015	\$ 100.000
AA3 /NR	15,000	LOWER PAXTON TWP PA SER	4.500 %	04/01/2020	3.754 %	0.46 % to 10/01/2011	\$ 106.190
AA2 /NR	45,000	BERKS CNTY PA RFDG FGIC	0.000 %	11/15/2020	3.485 %		\$ 69.190
NR /A+	15,000	MC KEESPRT PA AMBAC AREA	0.000 %	10/01/2023	4.861 %		\$ 52.190
NR /A+	10,000	PENNSYLVANIA TPK COMMN	5.000 %	12/01/2031	3.952 %	0.83 % to 12/01/2013	\$ 115.169
A1 /A	130,000	ST MARY HSP AUTH PA HLTH	5.000 %	11/15/2040	5.000 %	5.00 % to 11/15/2020	\$ 100.000

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