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# SPEER FINANCIAL, INC.

*INDEPENDENT PUBLIC FINANCE CONSULTANTS SINCE 1954*

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## N E W S L E T T E R

JANUARY 2003

### THE MUNICIPAL MARKET

The year 2002 saw a fairly steady long-term rate with very low short-term rates. Long-term tax-exempt interest rates ranged just under a three-quarters of a percent spread through the year. The *Bond Buyer* 20-Bond General Obligation Index hit 4.66% on Oct 10<sup>th</sup>, the lowest rate for the year. High for the year was 5.34% on March 21<sup>st</sup>. The 25-Bond Revenue Index was also fairly stable with a October 10<sup>th</sup> low of 5.02% and a March 21<sup>st</sup> high of 5.67%.

The economy is perceived to be slow but trying for an upturn, with any fear of inflation being ignored.

#### Interest Rates

Interest rates, bond sale volumes, and related statistics in this Newsletter come from reports published in *The Bond Buyer* newspaper. The 20-Bond Bond Buyer Index is the average tax-exempt market value, expressed in terms of yield, on the general obligation bonds of twenty selected issuers with Moody's ratings ranging from Baa1 to Aaa, averaging A1, and maturing in twenty years.



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