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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 2004

### THE MUNICIPAL MARKET

The year 2003 saw a fairly steady long-term rate with very low short-term rates. Long-term tax-exempt interest rates ranged just 0.97 of a percent high to low spread through the year. The *Bond Buyer* 20-Bond General Obligation Index hit 4.21% on June 12<sup>th</sup>, the lowest rate for the year. High for the year was 5.18% on August 14<sup>th</sup>. The 25-Bond Revenue Index was also fairly stable with a June 12<sup>th</sup> low of 4.78% and a August 14<sup>th</sup> high of 5.50%.

The economy is perceived to be early in the stages of an upturn, with concern of inflation being downplayed.

#### **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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