
SPEER FINANCIAL, INC.

INDEPENDENT PUBLIC FINANCE CONSULTANTS SINCE 1954

NEWSLETTER

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THE MUNICIPAL MARKET

The year 2004 saw a fairly steady long-term rate with rising short-term rates. Long-term tax-exempt interest rates ranged just 0.79 of a percent high to low spread through the year. The *Bond Buyer* 20-Bond General Obligation Index hit 4.35% on March 11th, the lowest rate for the year. High for the year was 5.14% on May 13th. The 25-Bond Revenue Index was also fairly stable with a March 18th low of 4.73% and a May 13th high of 5.45%.

The economy is perceived to be early in the stages of an upturn, with inflation being downplayed as a major concern. A primary focus is on jobs creation as an indicator of economic recovery.

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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