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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 2006

### THE MUNICIPAL MARKET

The year 2005 saw a fairly steady long-term rate with rising short-term rates. Long-term tax-exempt interest rates ranged just 0.45 of a percent high to low spread through the year. The *Bond Buyer* 20-Bond General Obligation Index hit 4.18% on June 2<sup>nd</sup> and September 1<sup>st</sup>, the lowest rate for the year. High for the year was 4.63% on March 24<sup>th</sup> and November 3<sup>rd</sup>. The 25-Bond Revenue Index was also fairly stable with a June 2<sup>nd</sup> low of 4.72% and a November 3<sup>rd</sup> high of 5.24%.

The economy seems to be improving, with a major focus on inflation and job creation. Long term rates are (still) expected to rise, with the question of when. The Bond Buyer Index opened 2005 at 4.47% and closed at 4.38%.

#### 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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