The annual yield of the Index in 2007 averaged 4.40%, near the low for the past two decades and the same as 2006. Volatility, as seen in the "Low-to-High-Spread" below, increased as various economic and other factors influenced the market. The relatively low variance of 0.73% between the high and low rates in 2007 indicates the relative stability of the tax-exempt market.

20 G.O. Bond Buyer Index - Annual Averages

	Year Low		Year High		Low-to-High	Average
	Date	Yield	Date	Yield	Spread	Annual Yield
1997	Dec 23	5.14%	Apr 03	5.88%	0.74%	5.51%
1998	Oct 01	4.82%	Apr 30	5.32%	0.50%	5.07%
1999	Jan 08	4.96%	Dec 29	6.00%	1.04%	5.48%
2000	Dec 28	5.14%	Jan 20	6.09%	0.95%	5.71%
2001	Nov 08	4.91%	Apr 26	5.34%	0.43%	5.15%
2002	Oct 10	4.66%	Mar 21	5.34%	0.68%	5.03%
2003	Jun 12	4.21%	Aug 14	5.18%	0.97%	4.74%
2004	Mar 11	4.35%	May 13	5.14%	0.79%	4.68%
2005	Jun 02	4.18%	Mar 24	4.63%	0.45%	4.39%
2006	Dec 07	4.03%	Jun 29	4.71%	0.68%	4.40%
2007	Mar 08	4.08%	Aug 23	4.81%	0.73%	4.40%

A second indicator of the volatility of the municipal market is the difference in the average monthly yield. As shown below, 2007 volatility was moderate on a intermonthly basis compared to the past five years.

20 G.O. Bond Buyer Index - Monthly Average

	2002	2003	2004	2005	2006	2007
January	5.16%	4.64%	4.61%	4.41%	4.37%	4.23%
February	5.10%	4.73%	4.55%	4.35%	4.41%	4.22%
March	5.28%	4.89%	4.41%	4.57%	4.44%	4.15%
April	5.21%	4.92%	4.82%	4.46%	4.58%	4.26%
May	5.18%	5.10%	5.07%	4.31%	4.59%	4.31%
June	5.08%	4.74%	5.06%	4.23%	4.60%	4.60%
July	5.02%	4.33%	4.87%	4.31%	4.61%	4.56%
August	4.95%	4.41%	4.70%	4.32%	4.39%	4.67%
September	4.73%	4.74%	4.56%	4.29%	4.27%	4.52%
October	4.87%	4.76%	4.50%	4.50%	4.30%	4.41%
November	4.95%	4.81%	4.52%	4.57%	4.14%	4.46%
December	4.84%	4.90%	4.48%	4.46%	4.11%	4.43%
Monthly Average Differential	0.10%	0.16%	0.13%	0.10%	0.06%	0.08%

The Bond Buyer Index was reported at 4.32% on January 4, 2008. This compares to 4.44% during the last week of 2007.

Bond Insurance

Use of insurance was down 2%, from 49% of all bonds to 47%. This reflects the late 2007 turmoil in the bond market due to announcements of possible rating downgrades of those insurers who also insured various housing mortgage instruments.