

The annual yield of the Index in 2008 averaged 4.86%, near the low for the past two decades but above the past five years. Volatility, as seen in the "Low-to-High-Spread" below, increased dramatically as various economic and other factors influenced the market. The variance of 1.86% between the high and low rates in 2008 reflects the general economy as seen in the tax-exempt market.

20 G.O. Bond Buyer Index - Annual Averages

	Year Low		Year High		Low-to-High Spread	Average Annual Yield
	Date	Yield	Date	Yield		
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%
2008	Jan 17	4.15%	Oct 16	6.01%	1.86%	4.86%

A second indicator of the volatility of the municipal market is the difference in the average monthly yield. As shown below, 2008 volatility was high on a intermonthly basis compared to the past five years.

20 G.O. Bond Buyer Index - Monthly Average

	2003	2004	2005	2006	2007	2008
January	4.64%	4.61%	4.41%	4.37%	4.23%	4.27%
February	4.73%	4.55%	4.35%	4.41%	4.22%	4.64%
March	4.89%	4.41%	4.57%	4.44%	4.15%	4.93%
April	4.92%	4.82%	4.46%	4.58%	4.26%	4.70%
May	5.10%	5.07%	4.31%	4.59%	4.31%	4.58%
June	4.74%	5.06%	4.23%	4.60%	4.60%	4.72%
July	4.33%	4.87%	4.31%	4.61%	4.56%	4.68%
August	4.41%	4.70%	4.32%	4.39%	4.67%	4.69%
September	4.74%	4.56%	4.29%	4.27%	4.52%	4.86%
October	4.76%	4.50%	4.50%	4.30%	4.41%	5.50%
November	4.81%	4.52%	4.57%	4.14%	4.46%	5.23%
December	4.90%	4.48%	4.46%	4.11%	4.43%	5.49%
Monthly Average Differential..	0.16%	0.13%	0.10%	0.07%	0.09%	0.23%

The Bond Buyer Index was reported at 5.02% on January 8, 2009. This compares to 5.24% during the last week of 2008.

Bond Insurance

Use of insurance was down 60%, from 47% of all bonds, to just 18%. This reflects the 2008 turmoil in the bond market due to rating downgrades of all bond insurers which have been around for one year or more.