FEDERAL RESERVE BANK of ATLANTA

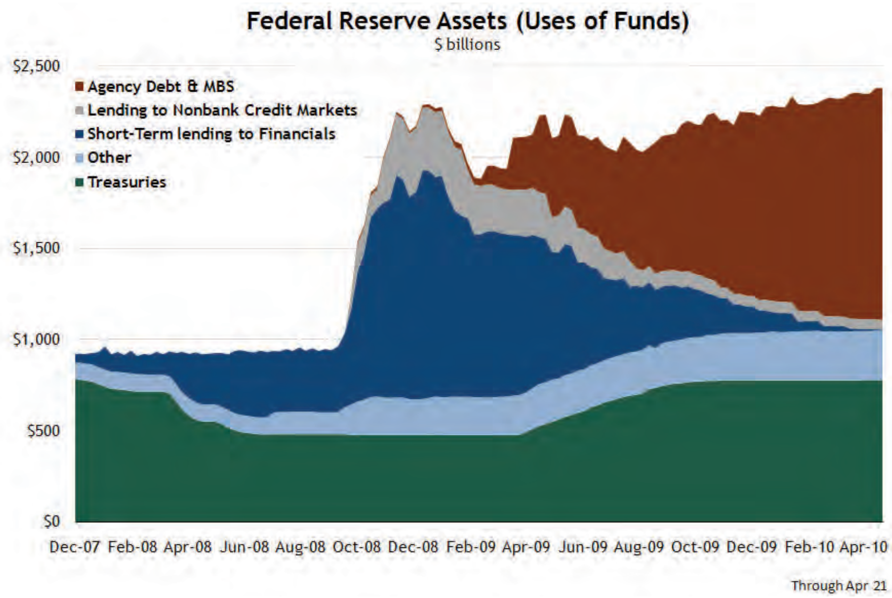
April 28, 2010

Financial Highlights

Federal Reserve

Summary

The balance sheet contracted slightly for the week ended April 21, declining by $1.6 billion.

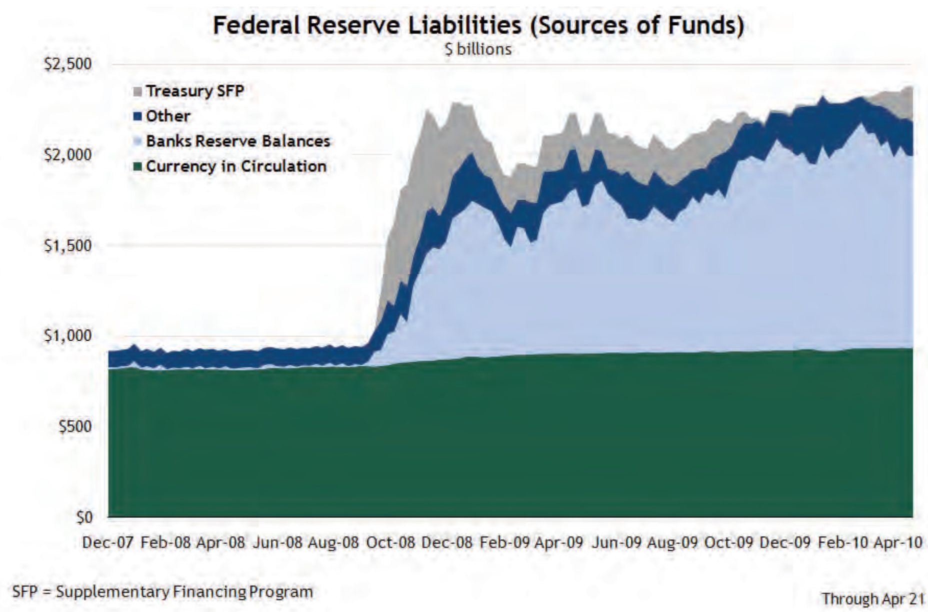


Source: Federal Reserve Board

- The MBS purchases program ended in March, but the agency debt and MBS portion of the balance sheet is expected to continue to grow as the MBS purchases continue to settle on the balance sheet. For more information, see the New York Fed's Web site.

Bank reserve balances declined slightly, continuing the recent downward trend. Since Feb. 24, 2010, reserve balances have declined 15%.

The U.S. Treasury's supplementary financing account increased by $25 billion for the seventh consecutive week. The Treasury has now restored the balance to $200 billion as intended.



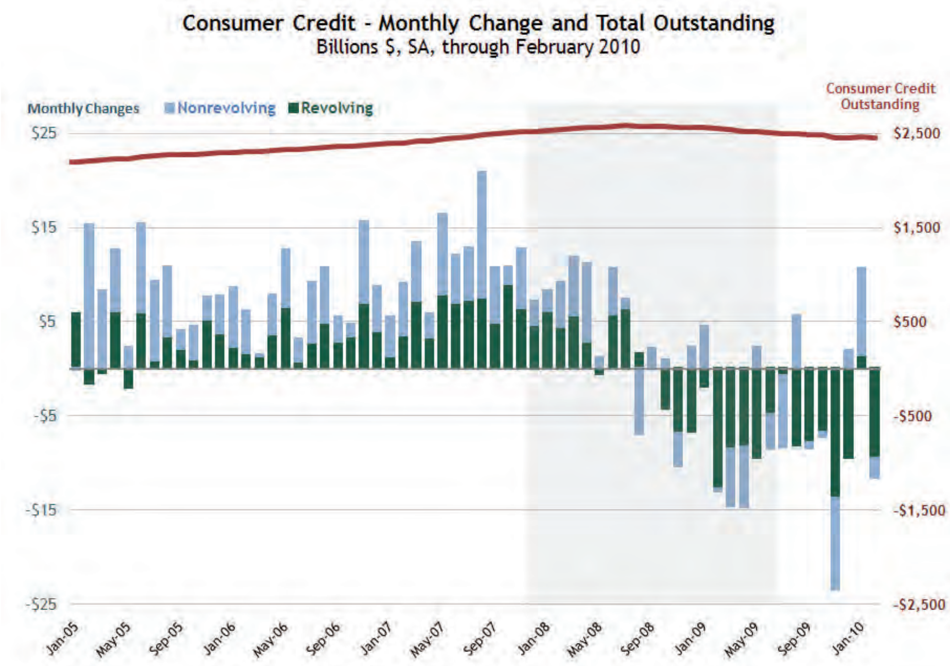
Source: Federal Reserve Board

Assets: Lending to nonbanks—TALF, CPFF, AMLF, and MMIFF; Short-term lending to financials—discount window, TAF, currency swaps, PDCF, and repos; Misc.—Maiden Lanes I, II, and III, credit to AIG, and other Fed assets. **Liabilities**: Other—Reverse repos, Treasury cash holdings, and deposits with Federal Reserve Banks other than reserve balances and excluding the Supplementary Financing Program.

Consumer Credit

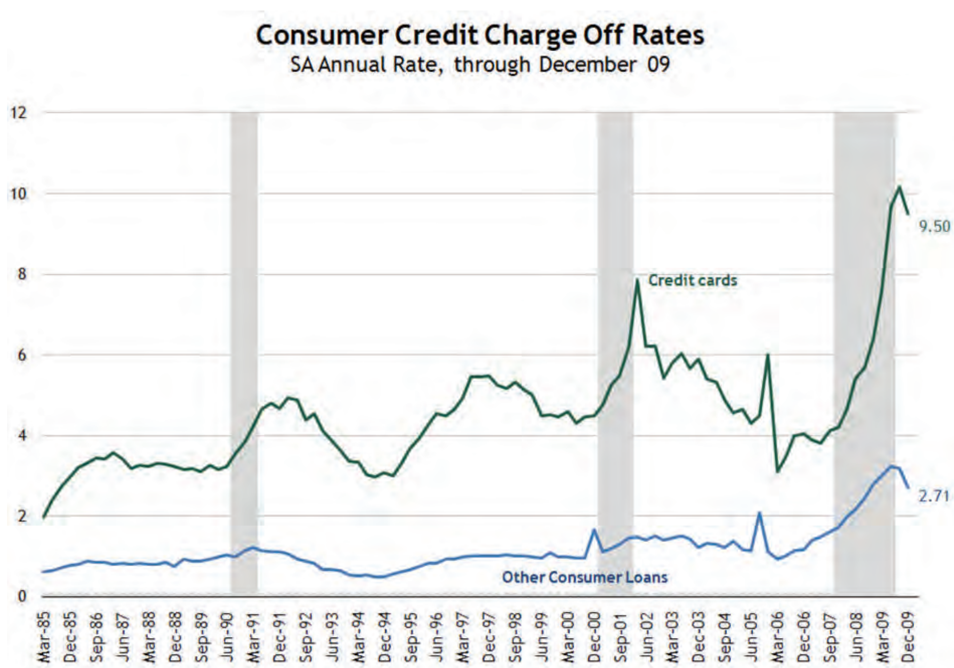
Summary

Consumer credit outstanding declined $11.5 billion in February. Nonrevolving contracted $9.5 billion and revolving fell $2 billion.



Source: Federal Reserve Board

Charge-off rates for credit cards and other consumer loans declined in the fourth quarter of 2009, after increasing for 14 straight quarters.



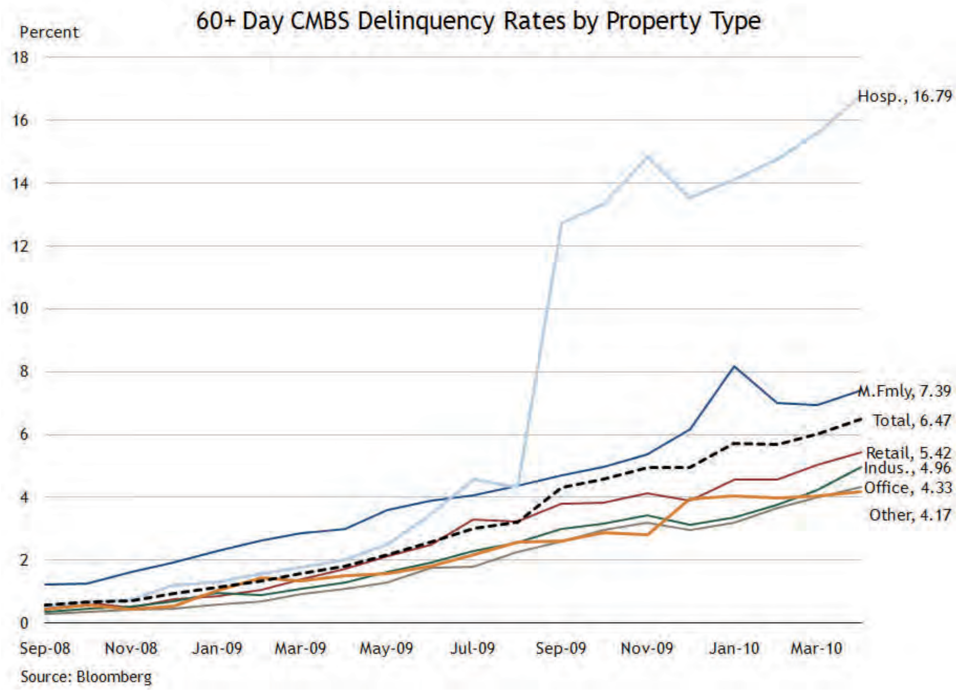
Source: Federal Reserve Board

Commercial Mortgage Backed Securities

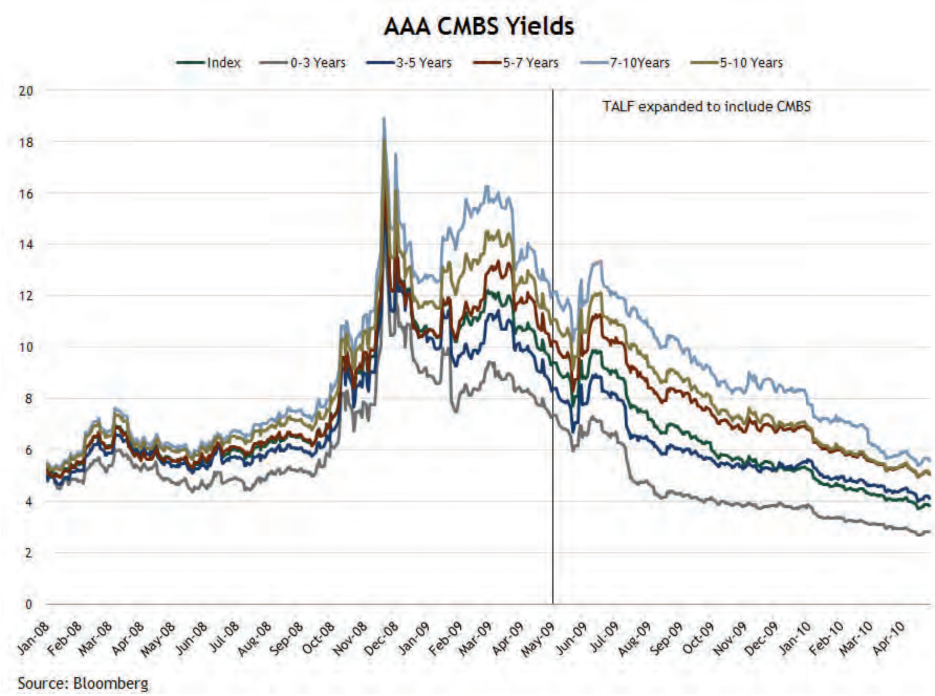
Summary

CMBS delinquency rates for all property types continue to rise.

As of April 28, the average delinquency rate for all properties was 6.5% compared with 1.8% one year ago.



Yields on top-rated CMBS continue to decline.



Commercial Mortgage Backed Securities

Summary

The last TALF operation for legacy CMBS was in March; the program is now over.

No loans were requested for newly issued CMBS at the most recent April 21 TALF operation.

TALF Operations

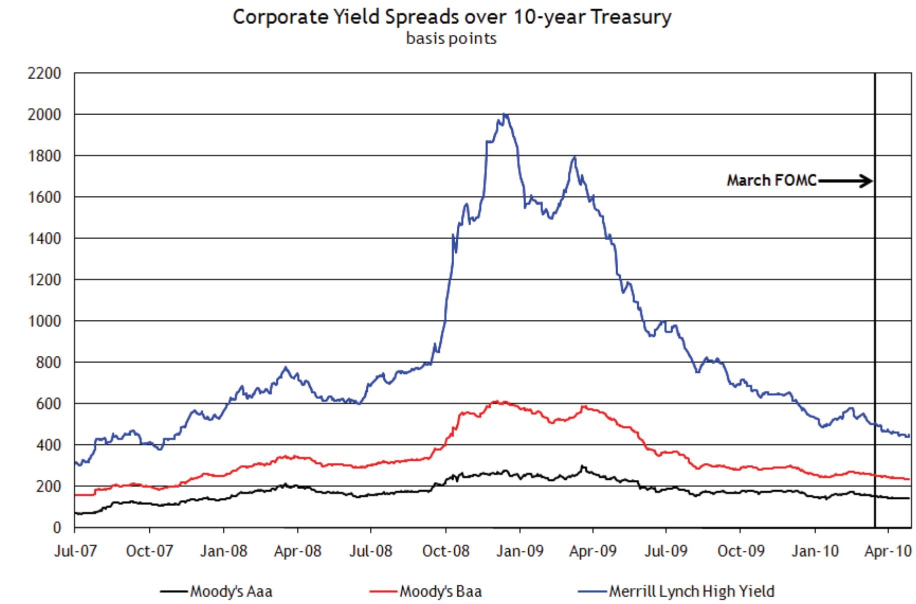
Subscription Date	3-Year Loan Rate	5-Year Loan Rate	Newly Issued Amount (millions)	Legacy Amount (millions)
6/16/09	3.27	4.13	$0.00	--
7/16/09	3.03	3.87	$0.00	$668.94
8/20/09	3.07	3.87	$0.00	$2,148.31
9/17/09	2.95	3.80	$0.00	$1,351.10
10/21/09	2.86	3.64	$0.00	$1,930.57
11/17/09	2.72	3.54	$72.25	$1,329.53
12/14/09	2.74	3.62	$0.00	$1,282.44
1/20/10	2.78	3.73	$0.00	$1,325.98
2/17/10	2.7435	3.6865	$0.00	$1,255.72
3/19/10	2.7225	3.6305	$0.00	$1,259.67
4/21/10	2.784	3.719	$0.00	--

Source: New York Fed and Bloomberg

Corporate Bonds

Summary

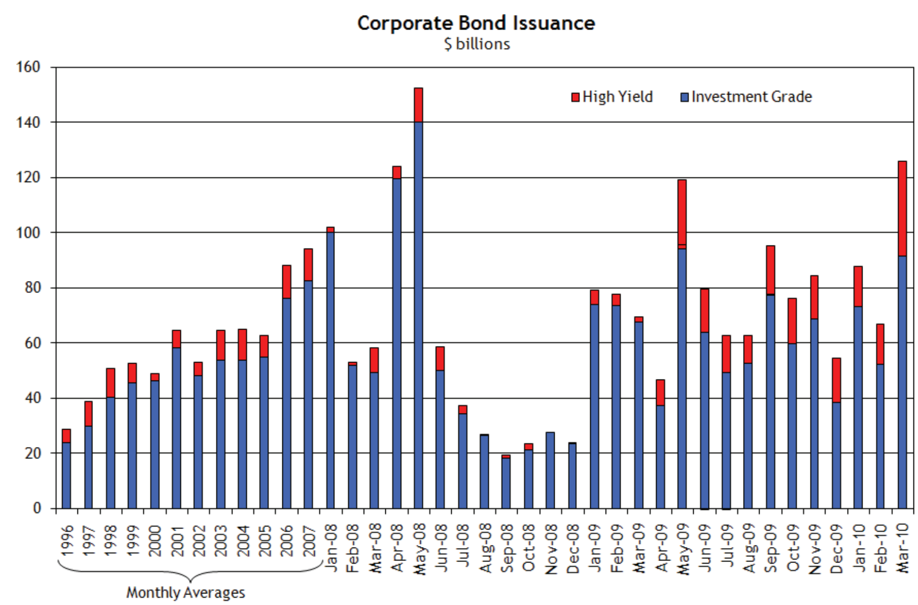
Corporate yield spreads narrowed during the FOMC's intermeeting period.



Source: Merrill Lynch, Federal Reserve Board

- Since the March FOMC meeting, corporate yield spreads narrowed by 54 bps for the Merrill Lynch High Yield Index, 10 bps for Moody's Aaa-rated bonds, and 17 bps for Baa-rated bonds.

U.S. corporations accessed the bond market for a record $125.8 billion in financing during March 2010. Of this, $34.4 billion was high-yield bonds.



Source: SIFMA

- According to SIFMA, U.S. corporate bond issuance hit $125.8 billion in March 2010, a record-setting monthly number for data going back to January 2008, and higher than the monthly averages of any year from 1996 to 2007. The $34.4 billion in high-yield debt issuance is also unprecedented over the same time domains.

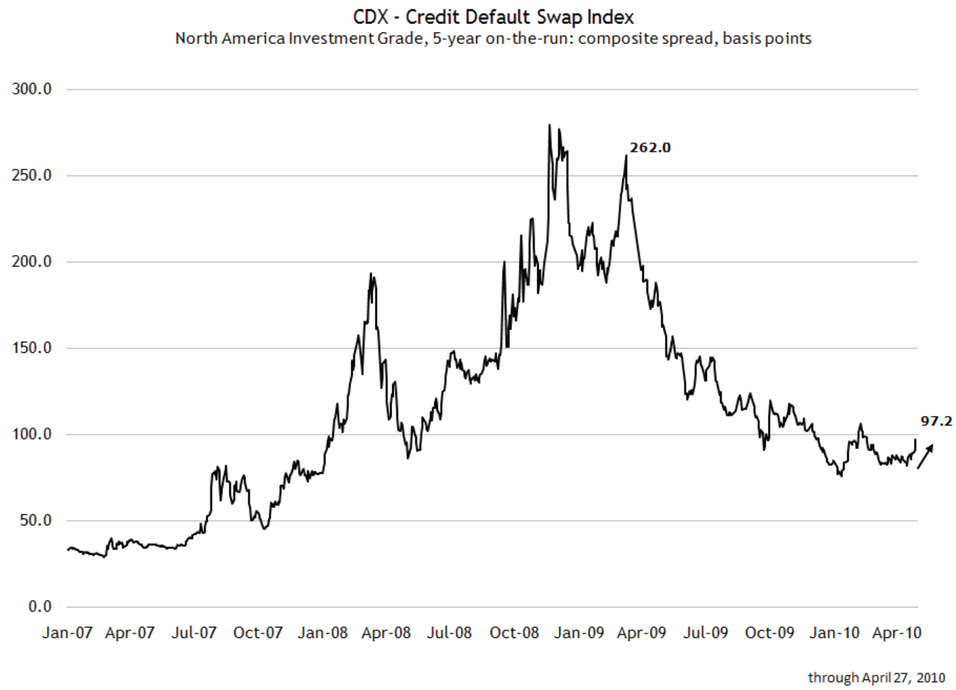
Corporate Bonds

Summary

The Markit CDX North America Investment Grade index rose 11.9 basis points (bps) on April 27; at 97.2 bps, the index is at its highest level since mid-February.

Investors use the CDX to hedge against losses on corporate debt or to speculate on creditworthiness. An increase in the CDX generally signals a deterioration in the perception of credit quality.

One basis point equates to $1,000 annually on a contract protecting $10 million in debt.



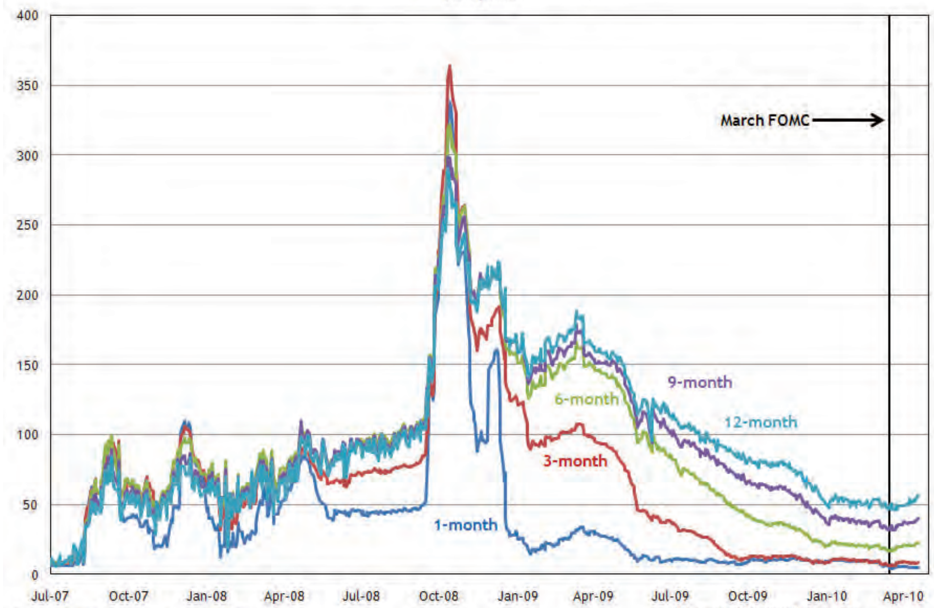
Source: Markit Group Limited/Haver Analytics

Broad Financial Market Indicators

Summary

Shorter-term dollar LIBOR to OIS spreads are stable since the last FOMC meeting.

Dollar LIBOR to OIS* Spread
basis points



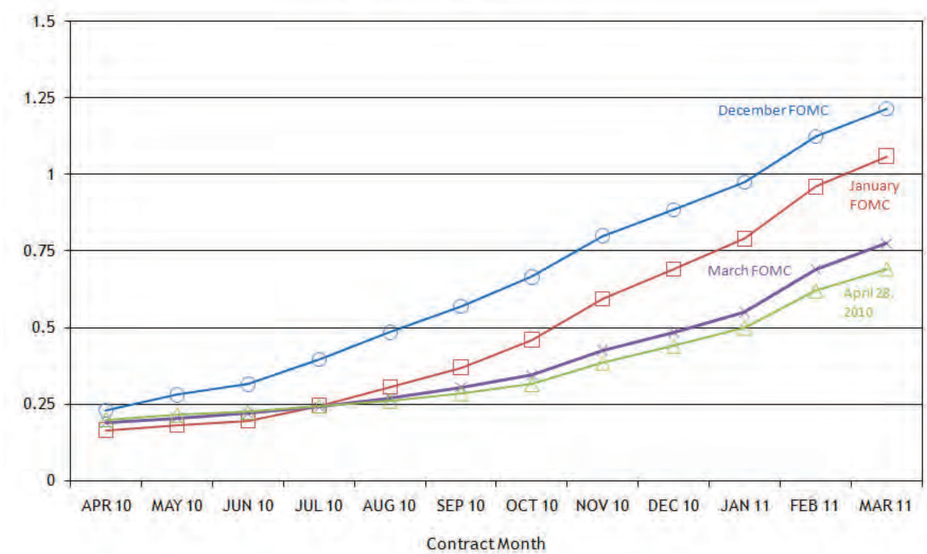
Source: British Bankers Association/Bloomberg

*Overnight Index Swap rate

- As of April 28, the one-month dollar LIBOR to OIS spread is relatively stable since the March FOMC meeting and is currently at 5.3 bps. The 3-, 6-, 9-, and 12-month spreads, however, have moved higher at 10.6, 20.6, 37.1, and 51.8 bps, respectively, showing an increase of 4.4, 9.0, 9.5, and 9.5 bps, respectively.

Fed funds futures indicate the market has pushed the likelihood of a Fed rate hike until late 2010 or even early 2011.

Fed Funds Futures Rates
percent

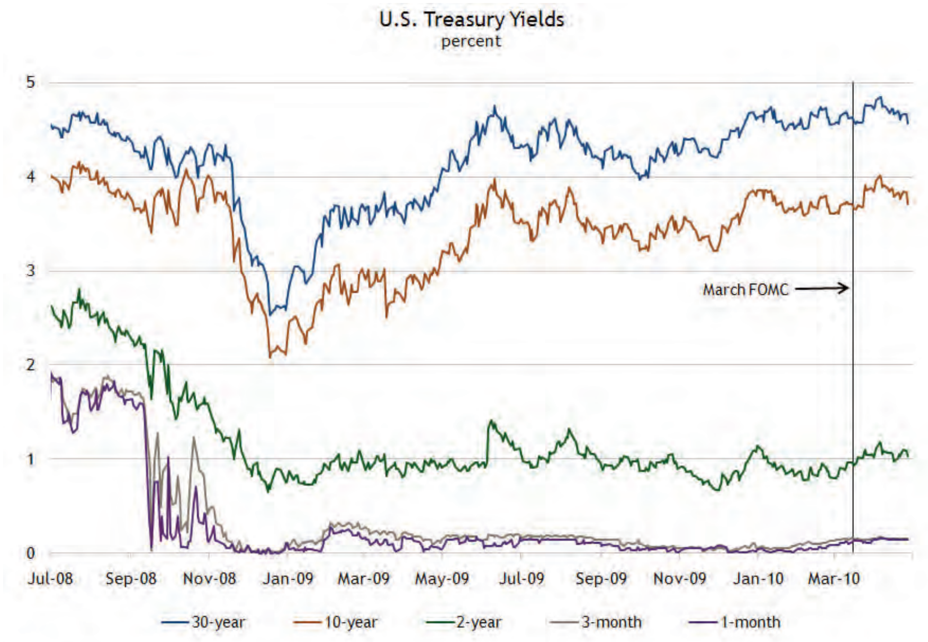


Source: Bloomberg

Broad Financial Market Indicators

Summary

Treasury yields initially rose following the March FOMC meeting but have declined recently.



Source: Bloomberg

- As of April 27, the 30-year bond yield is 4.56%, down 3 bps since the March FOMC meeting, while the 10-year note is 3.74% and the two-year note is 1.03%, up 5 and 10 bps respectively during the same period. The three– and one-month T-bill yields are 0.16% and 0.14%, respectively.
- On April 27, yields fell 11, 12, and 6 bps for the 30-, 10-, and 2-year securities, respectively, as growing financial instability in the euro zone and subsequent equity market weakness led to greater demand for Treasuries.