

November 25, 2008

Credit Trends:

**U.S. Composite Credit Spreads Daily
(Nov. 25, 2008)**

Global Fixed Income Research:

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The Standard & Poor's composite spreads widened across the board yesterday, pushing the speculative-grade composite spread to a new five-year high of 1,553 basis points (bps). By rating, speculative-grade spreads broke through five-year highs as well, leaving 'BB' at 1,093 bps, 'B' at 1,649 bps, and 'CCC' at 3,013 bps.

The investment-grade spread also widened, pushing it to 517 bps, 17 bps short of its five-year record seen on Nov. 20, 2008. The 'AA' spread hit a new five-year high of 433 bps, while 'A' and 'BBB' widened to 472 bps and 622 bps, respectively, short of their five-year highs, which were also set on Nov. 20, 2008.

By industry, new five-year highs were seen in financial institutions, industrials, and telecommunications, now at 724 bps, 902 bps, and 798 bps, respectively. Banks and utilities widened to 622 bps and 519 bps, respectively, their third-widest spreads in five years.

With speculative-grade defaults on the rise, a higher preponderance of credit downgrades, and a general malaise about the future of the economy, we expect spreads to remain at their elevated levels for some time until confidence is restored to the market.

Standard & Poor's U.S. Composite Credit Spreads

(Basis points)	Nov. 24, 2008	Nov. 21, 2008	One month ago	Beginning of 2008	Five-year moving average
Standard & Poor's investment-grade composite credit spreads	517	514	460	204	162
Standard & Poor's speculative-grade composite credit spreads	1,553	1,548	1,337	576	454

Data as of Nov. 24, 2008. Source: Standard & Poor's Global Fixed Income Research

Chart 1

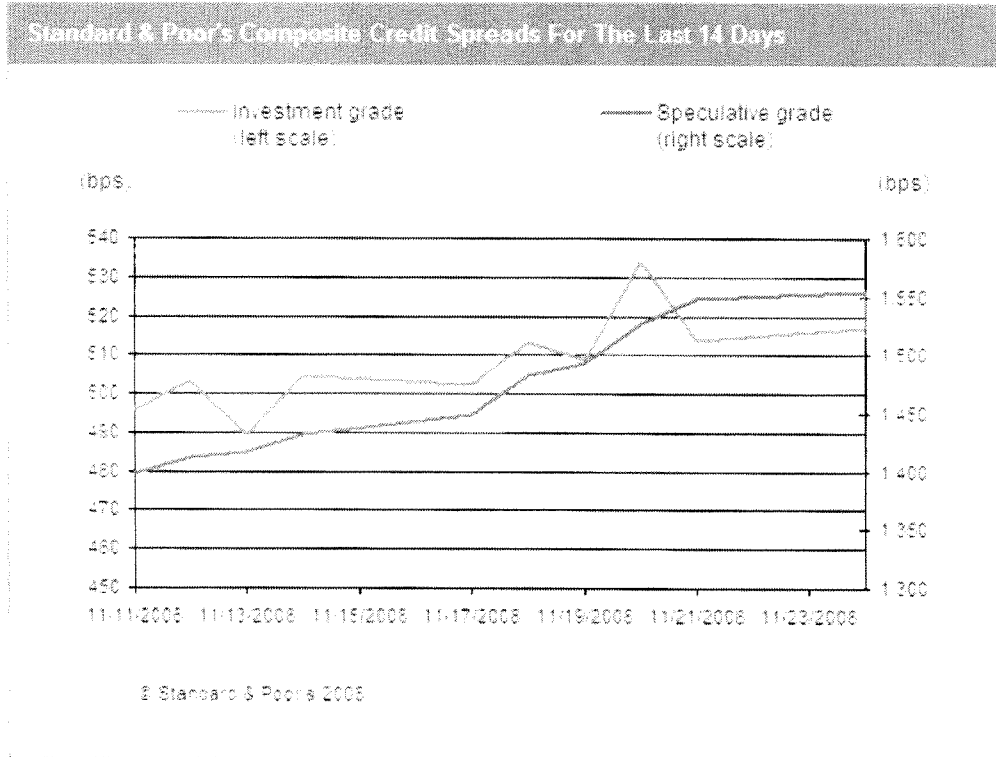


Chart 2

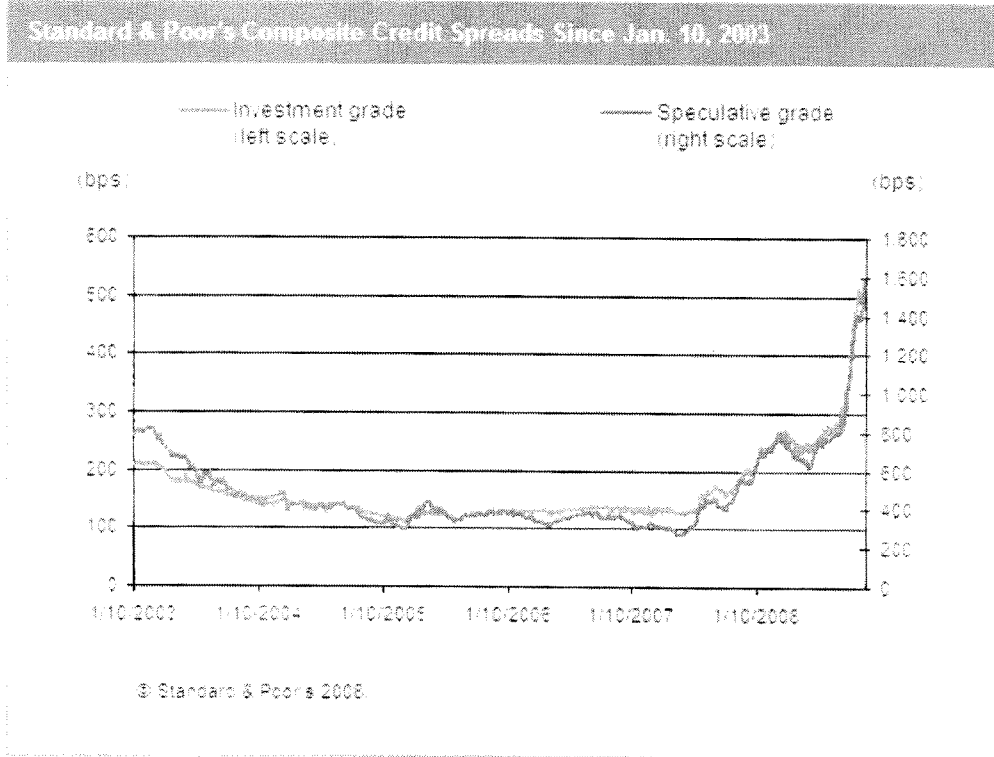
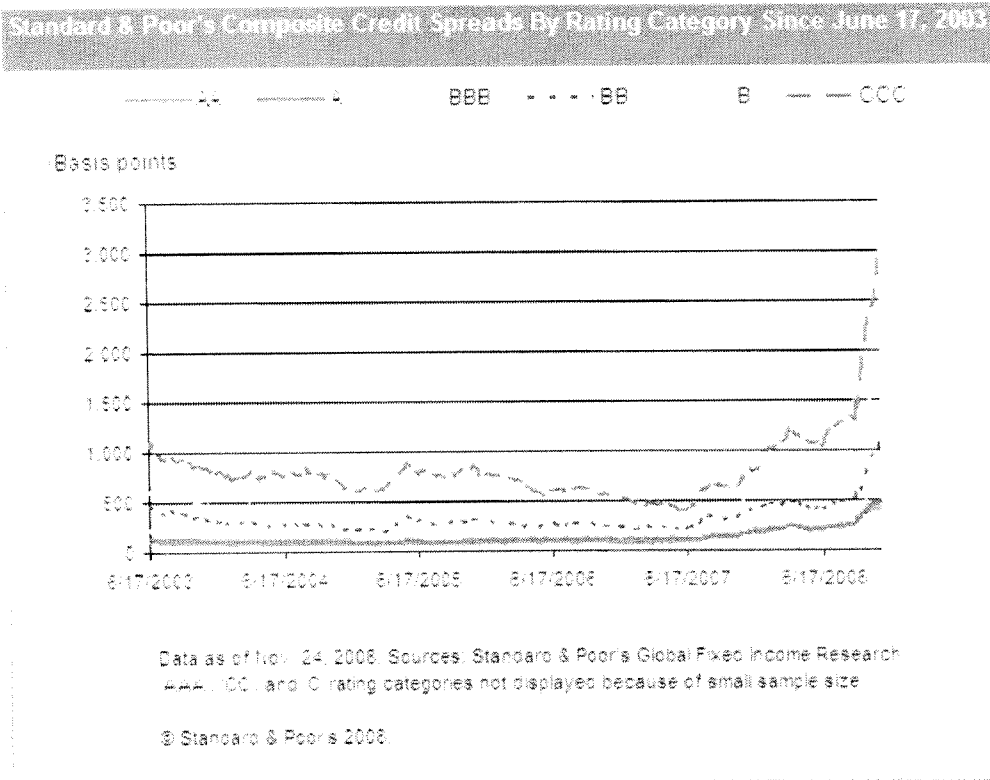


Chart 3



Standard & Poor's Global Fixed Income Research group provides U.S. option-adjusted spread composites consisting of more than 13,000 investment-grade and speculative-grade issues. Credit spreads are a measure of the market's valuation of credit risk and are quoted in basis points (one-hundredth of a percentage point). They reflect daily movements in credit spread levels within various bond market sectors.

The spreads are calculated daily above the U.S. Treasury yield curve for various bond market sectors, subsectors, rating categories, rating designations, outlooks, CreditWatch placements, and maturities. Issues included in the composite bond spread calculations have the following characteristics:

- Face amount outstanding of at least \$100 million.
- U.S. dollar-denominated issues of companies domiciled within or outside the U.S.
- Rated by Standard & Poor's Ratings Services.
- Issues may have embedded call, put, and sinking fund options.
- Fixed-coupon bonds, excluding convertible, set-up, and preferred securities.

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