



U.S. ABCP Market Outlook (CP Desk Comments)

Commentary by Credit Suisse's US ABCP Trading Desk

ABCP Commentary

This past week we saw a great deal of interest in ABCP, especially in 2 and 3 month maturities. With robust participation from both the investor and dealer community, issuers were able to lower their levels quite dramatically. LIBOR continued its descent towards sea level with 3 months and out lower by about 10 bps. With some of the stronger names getting done at very low levels in 1 month, it makes sense that the investor community needed to extend out to pick up some yield. The CP data for ABCP was relatively benign and we would expect the AMLF facility to reduce its outstandings to an immaterial amount over the next 45 days. Next week, we would expect to see the same strong demand for ABCP early on in the week and then taper off as we head towards the holiday weekend.

The weekly CP data was as follows:

Total CP outstandings decreased by \$20.6 bn to **\$1.353 tn** for the week ending 5/13/09. A decline in outstandings was seen across all types of CP.

Of the total CP market:

- Corporate outstandings decreased by \$4.1 bn for the week (\$155.8 bn vs \$159.9 bn last week)
- Financial outstandings decreased by \$11.5 bn for the week (\$599.9 bn vs \$611.4 bn last week)
- ABCP outstandings experienced a weekly decline of \$5.1 bn (\$598.2 bn vs \$603.3 bn last week)

CPFF usage declined again this week to **\$160 bn** vs \$166 bn last week.

AMLF usage decreased marginally to **\$28.6 bn** from \$28.9 bn last week.

The **MMIFF** continues to remain unutilized.

The **Fed's exposure** to the total CP market remained unchanged this week at 14% through these two programs.

(Source: Federal Reserve website)

Corporate/Financial Commentary

It was another week of tighter levels as new issue postings followed LIBOR's continued descent. This has been a welcomed trend for issuers but has left some investors sitting on the sidelines. Other investors chose to buy yieldier banks/financials in the 2 weeks to the 1 month area. Overall, banks and financials continue to see ample liquidity with most of the interest in 1 to 3 months. This week, we saw very good demand for Tier 2 paper. This was not a surprise as investors increased their risk appetite and looked for yield. Tier 1 corporate levels remained unchanged. We expect more of the same over the next few weeks until the LIBOR curve stabilizes.

Maureen Coen
212.325.3531
maureen.coen@credit-suisse.com

Joseph Soave
212.325.1802
joseph.soave@credit-suisse.com

Brian Rogers
212.325.1802
brian.rogers@credit-suisse.com

Stephanie Gentile
212.325.4713
stephanie.gentile@credit-suisse.com

Galit Kursman
212.325.3358
galit.kursman@credit-suisse.com

Emily Lao Chua
212.325.9817
emily.laochua@credit-suisse.com

Danielle Melchione
212.325.0943
danielle.melchione@credit-suisse.com

Headlines Affecting the CP Market (Bloomberg):

- 5/15 LIBOR Declines, TED Spread Is Narrowest Since Crisis Began in August 2007
- 5/14 LIBOR Drops by Most in Eight Weeks Amid Efforts to Unfreeze Credit Market
- 5/12 Home Prices in U.S. Drop Most on Record in Quarter

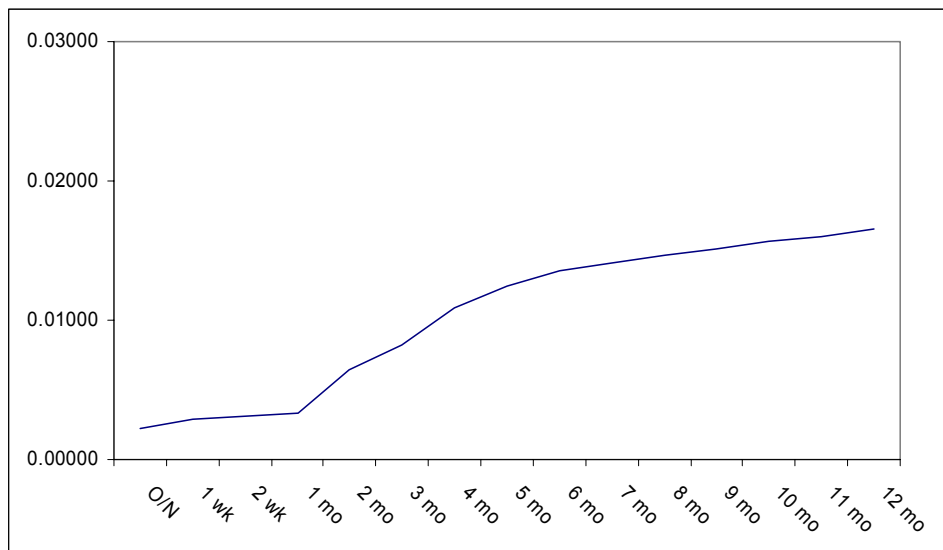
Short-Term Fed Facility Usage:

All amounts in USD billions (except where noted)

Facility	Current Week (5/13)	Prior Week	Peak	Facility Effective Date
AMLF	28.616	28.961	152.1 (10/1/08)	9/19/08
CPFF	160.0 (face)	166.0 (face)	350.3 (1/22/09)	10/27/08
MMIFF	0	0	n/a	11/24/08

Data source: <http://www.federalreserve.gov/releases/h41/Current>

LIBOR Curve (5/15/09):

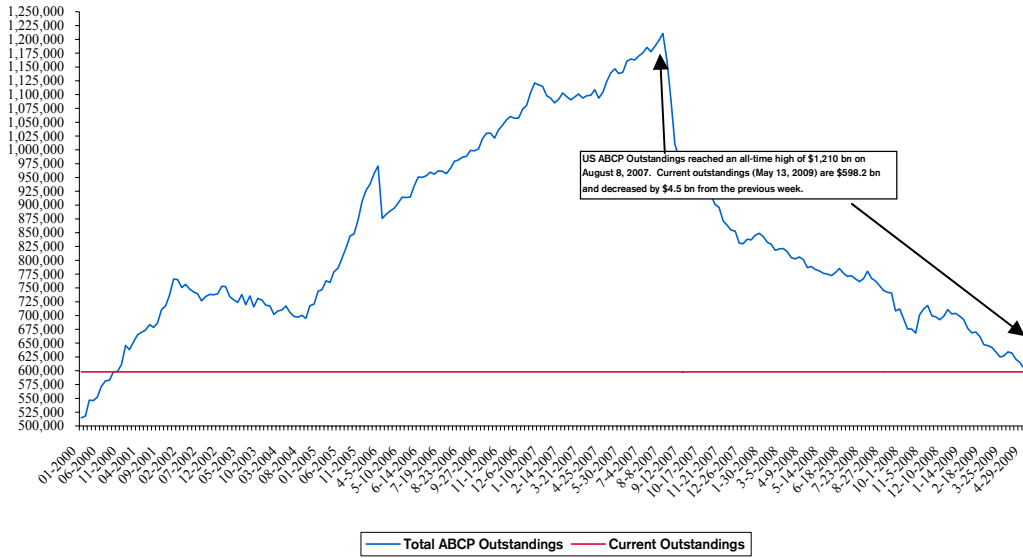


O/N	.22500%
1 wk	.28813%
2 wk	.31563%
1 mo	.32813%
2 mo	.64250%
3 mo	.82563%
4 mo	1.08875%
5 mo	1.24500%
6 mo	1.35625%
7 mo	1.41125%
8 mo	1.46250%
9 mo	1.51250%
10 mo	1.56375%
11 mo	1.60500%
12 mo	1.65625%

ABCP Outstandings

U.S. ABCP Outstandings decreased by \$4.5 billion for the week ending May 13, 2009 to **\$598.2 bn** outstanding from \$602.7 billion outstanding (Source: Federal Reserve, *Not Seasonally Adjusted data*).

Total US ABCP Outstandings as of Wednesday, May 13, 2009
(in millions)



This material has been prepared by individual sales and/or trading personnel of Credit Suisse or its subsidiaries or affiliates (collectively "Credit Suisse") and not by Credit Suisse's research department. It is not investment research or a research recommendation for the purposes of FSA rules as it does not constitute substantive research. All Credit Suisse research recommendations can be accessed through the following hyperlink: <https://s.research-and-analytics.csfb.com/login.asp> subject to the use of approved login arrangements. This material is provided for information purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. Any pricing information provided is indicative only and does not represent a level at which an actual trade could be executed. The information provided is not intended to provide a sufficient basis on which to make an investment decision. Credit Suisse may trade as principal or have proprietary positions in securities or other financial instruments that are the subject of this material. It is intended only to provide observations and views of the said individual sales and/or trading personnel, which may be different from, or inconsistent with, the observations and views of Credit Suisse analysts or other Credit Suisse sales and/or trading personnel, or the proprietary positions of Credit Suisse. Observations and views of the salesperson or trader may change at any time without notice. Information and opinions presented in this material have been obtained or derived from sources believed by Credit Suisse to be reliable, but Credit Suisse makes no representation as to their accuracy or completeness. Credit Suisse accepts no liability for loss arising from the use of this material. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future results. Trade report information is preliminary and subject to our formal written confirmation.

CREDIT SUISSE
Eleven Madison Avenue
New York City, NY
10010
U.S.A.
www.credit-suisse.com

