



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

*Commentary by Credit Suisse's US ABCP Trading Desk*

### ABCP Commentary

We are starting to sound like a broken record, but there was very little change in market activity from last week to this week. We continue to see lack of supply and tight levels along with a number of issuers funding into January and February. The decrease in outstandings is as expected, as the volume of consumer assets being financed continues to contract along with the overall economy. Additionally, many ABCP program sponsors are sitting on the sidelines as they await the anticipated news from the FFIEC regarding the amount of regulatory capital charge that will be required for ABCP programs. The Fed data for CP came in benign and as expected for the week.

The weekly CP data was as follows:

**Total CP** outstanding decreased by \$6.9 bn to **\$1.169 tn** for the week ending 10/21/09. Corporate CP was the only area that expanded this week, with a \$6.3 bn increase in outstandings.

Money market fund assets decreased by \$31 bn this week to \$3.372 trillion. Taxable (non-gov) assets decreased by \$15 bn to \$1.887 trillion, with a \$5.85 bn drop in retail assets and a \$8.7 bn decline in institutional assets.

Of the total CP market:

- Corporate outstandings increased by \$6.3 bn for the week (\$128.2 bn vs \$121.9 bn last week)
- Financial outstandings decreased by \$4.4 bn for the week (\$570.8 bn vs \$575.1 bn last week)
- ABCP outstandings experienced a weekly decrease of \$8.9 bn (\$482.2 bn vs \$491.1 bn last week).

**CPFF** usage declined by \$702 mn this week to **\$35.1 bn (face value)** vs \$35.8 bn (face value) last week.

**AMLF** usage continued to stay at zero this week.

The **MMIFF** continues to remain unutilized.

The **Fed's exposure** to the total CP market remained at **3.0%** for the week (CPFF outstandings/total CP).

Source: Federal Reserve website, Investment Company Institute website

### Corporate/Financial Commentary

The corporate and financial commercial paper space was lack-luster this week. Many of the issuers have more cash than they know what to do with. This has led to very tight new-issue postings and not many choices for the investor community. So, it is not surprising that many investors opted to stay in the overnight to 1 week market in the hope that term levels will increase with upcoming funding needs. Only time will tell if that pans out. In the meantime, the market continues to hang on to Ben Bernanke's every word in anticipation of some kind of change in monetary policy. Eurodollars have been swinging back and forth from pricing in tightenings to pricing out tightenings with no clear direction in sight.

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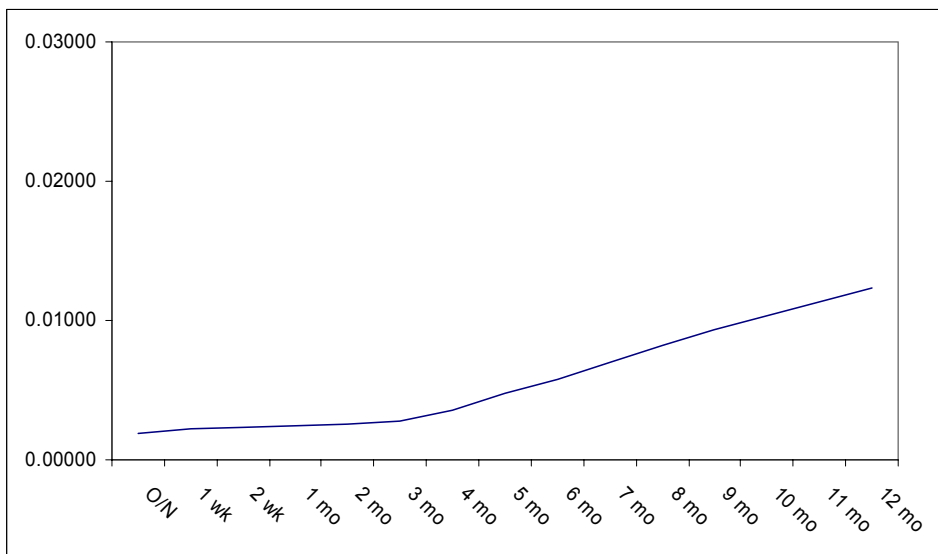
## Short-Term Fed Facility Usage:

All amounts in USD billions (except where noted)

Facility	Current Week (10/21/09)	Prior Week	Peak	Facility Effective Date
AMLF	0	0	152.1 (10/1/08)	9/19/08
CPFF	35.113 (face)	35.815 (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 (10/23/09):

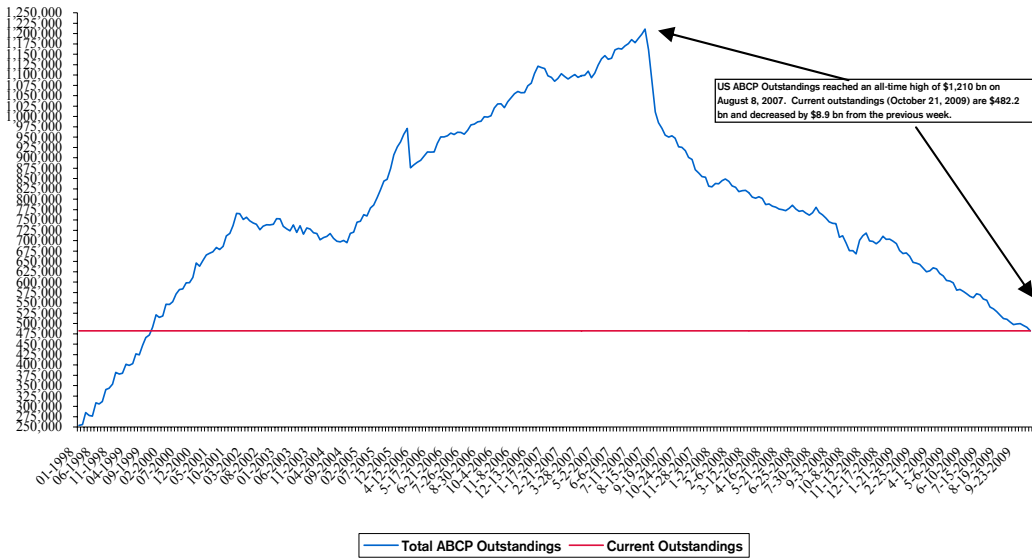


O/N	.18625%
1 wk	.22688%
2 wk	.23719%
1 mo	.24375%
2 mo	.25400%
3 mo	.28188%
4 mo	.36094%
5 mo	.47738%
6 mo	.58063%
7 mo	.70125%
8 mo	.82063%
9 mo	.93688%
10 mo	1.03813%
11 mo	1.13750%
12 mo	1.23500%

## ABCP Outstandings

U.S. ABCP Outstandings decreased by \$8.9 billion for the week ending October 21, 2009 to **\$482.2 bn** outstanding from \$491.1 billion outstanding (Source: Federal Reserve, *Not Seasonally Adjusted data*).

Total US ABCP Outstandings as of Wednesday, October 21, 2009  
(in millions)





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