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ASSET BACKED COMMERCIAL PAPER WEEKLY NEWSLETTER

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

Commentary by Credit Suisse's US ABCP Trading Desk

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ABCP Commentary

As expected, it was another quiet week in the front-end as the market prepares for the first quarter-end statement period for 2010 this coming Wednesday.

Investors kept a considerable amount of their portfolio in the overnight market based on pricing and for liquidity purposes. Maturity spreads continue to remain very tight as issuers are still able to find enough term liquidity and have not had to bump up their prices in order to get done. The market, in general, continues to trade with no clear conviction as to when rates will rise in order for the Fed to contain an economy that is starting to improve. We are not getting much help from Economists either as their predictions are all over the map. The range goes from no move at all to as high as 1.25% on Fed Funds by year end. This is why traders and investors are having a very hard time deciding on the timing of their investments.

We can only hope and continue to do our "rate increase dance" in the front end while waiting for the economy to pick up in order to begin the process of getting interest rates in the short end at least high enough to cover inflation and give investors a decent return on their money. Happy dancing.

The weekly CP data was as follows:

Total CP outstandings decreased by $0.4 bn to **$1.085 tn** for the week.

Of the total CP market:
-**Corporate outstandings** decreased by $8.1 bn for the week **($109.8 bn** vs $117.9 bn last week)
-**Financial outstandings** increased by $1.1 bn for the week **($566.2 bn** vs $565.1 bn last week)
-**ABCP outstandings** experienced a weekly increase of $5.8 bn **($405.6 bn** vs $399.9 bn last week).

Money market fund assets decreased by $4.24 bn this week to $3.013 trillion. Taxable (non-gov) assets increased by $8.4 bn to $1.747 trillion, with a $2.3 bn decrease in retail assets and an $11 bn increase in institutional assets.

Both the AMLF and CPFF expired on February 1, 2010. As of March 24, 2010, the CPFF had $2.966 bn outstanding.

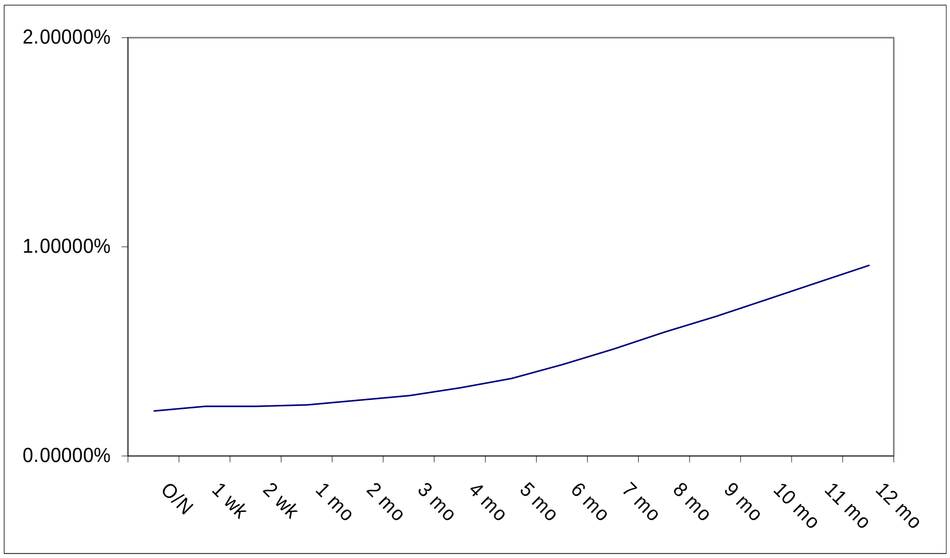
(Source: Federal Reserve website, Investment Company Institute website)

Corporate/Financial Commentary

Not surprisingly, it was a rather light week in the commercial paper market for corporates and banks. Many corporates were long cash and did not need to access the CP market. What was issued was rather short - primarily in overnight to 1 month maturities. On a spread basis, Tier 1 corporates traded around LIBOR less 9 to 10 bps in 1 month. Tier 2 corporate spreads widened slightly, clearing at LIBOR flat to +5 bps.

For financials, new issue spreads widened as demand for term funding continued to be contained. Week over week, spreads widened 2 to 5 bps across the curve. Away from commercial paper, we saw continued interest in 6 month YCD floaters from money market funds in the 1M LIBOR +1 to +3 area. We expect this trend to continue if the yield curve continues to steepen.

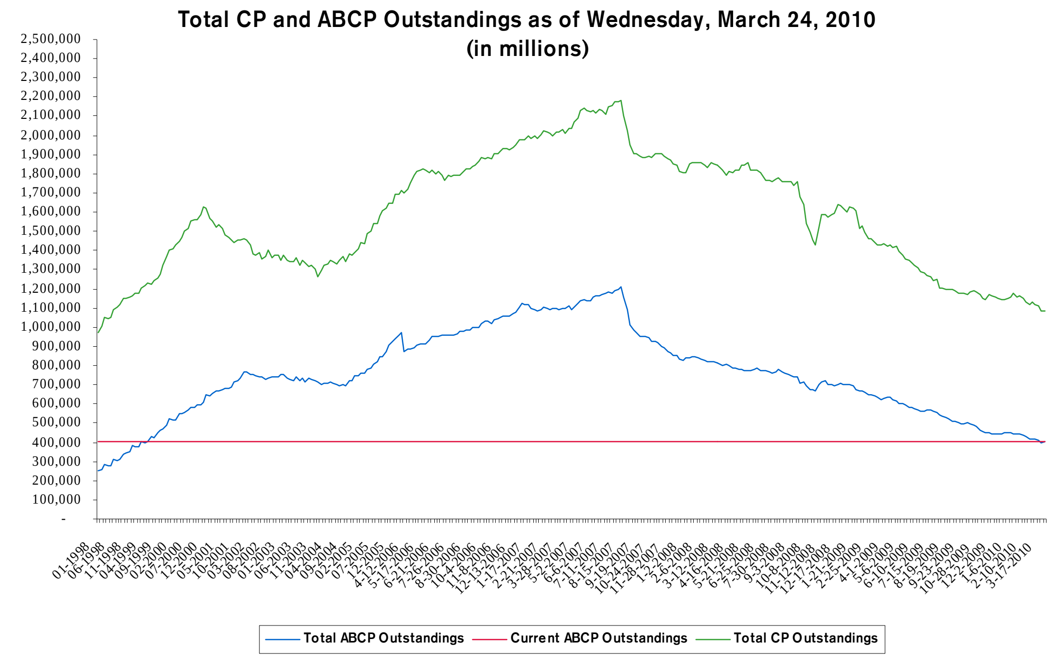
LIBOR Curve (3/26/10):



O/N	.21813%
1 wk	.23500%
2 wk	.23825%
1 mo	.24688%
2 mo	.26469%
3 mo	.28875%
4 mo	.32656%
5 mo	.36938%
6 mo	.43938%
7 mo	.51406%
8 mo	.58906%
9 mo	.66813%
10 mo	.74688%
11 mo	.82938%
12 mo	.90969%

Outstandings

Total US CP Outstanding decreased by $0.4 billion for the week ending March 24, 2010 to **$1.085 trillion**. US ABCP outstanding increased by $5.8 billion to **$405.6 bn** outstanding from $399.9 billion outstanding (Source: Federal Reserve, *Not Seasonally Adjusted data*).



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