



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

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

**ABCP Commentary**

*Short Trading Week and Not Much Activity*

We have been saying over the past few weeks that volume has been low and demand is outpacing supply. We can attribute this recent trend to a few reasons but the most obvious one being that conduits are just not growing in this economic environment. Originally we thought some of the daily volume decrease could be attributed to issuers getting more term issuance done, but the Fed volume statistics did not bear that out. In this new age of financial market scrutiny, the media dissects every little thing that occurs in every market, we would expect to hear that since outstandings are down the market is struggling, but that is not the case. The market is not struggling it is just the effects of a severe recession. LIBOR continues its decent showing a decrease of 2 bps for 1 Mos WoW and 3 bps for 3 Mos WoW. Spreads to LIBOR for most issuers remained unchanged and issuers seem to be keeping pace with the decrease in LIBOR. With a holiday for most of the world on Monday next week, we would expect to get off to a slower start in terms of activity, but hopefully rebound after tax day in the middle of the week.

The weekly CP data had not been released at the time of publication.

**Corporate/Financial Commentary**

With the LIBOR curve softening as the week progressed, bank/financials saw very good flow in 2 to 3 months. Investors did size trades anywhere from \$200MM and up. Even names with some headline risk saw liquidity out to a month. For corporates, both Tier 1 and Tier 2 spreads improved as less product was available (many corporates were long cash this week and did not need to fund). Next week starts the bulk of earnings. With bank/financials still in the limelight, we'll see how earnings affect flows as well as LIBOR.

**Maureen Coen**  
212.325.3531  
[maureen.coen@credit-suisse.com](mailto:maureen.coen@credit-suisse.com)

**Joseph Soave**  
212.325.1802  
[joseph.soave@credit-suisse.com](mailto:joseph.soave@credit-suisse.com)

**Brian Rogers**  
212.325.1802  
[brian.rogers@credit-suisse.com](mailto:brian.rogers@credit-suisse.com)

**Stephanie Gentile**  
212.325.4713  
[stephanie.gentile@credit-suisse.com](mailto:stephanie.gentile@credit-suisse.com)

**Galit Kursman**  
212.325.3358  
[galit.kursman@credit-suisse.com](mailto:galit.kursman@credit-suisse.com)

**Emily Lao Chua**  
212.325.9817  
[emily.laochua@credit-suisse.com](mailto:emily.laochua@credit-suisse.com)

**Danielle Melchione**  
212.325.0943  
[danielle.melchione@credit-suisse.com](mailto:danielle.melchione@credit-suisse.com)

**Headlines Affecting the CP Market (Bloomberg):**

Quiet Week regarding Headlines





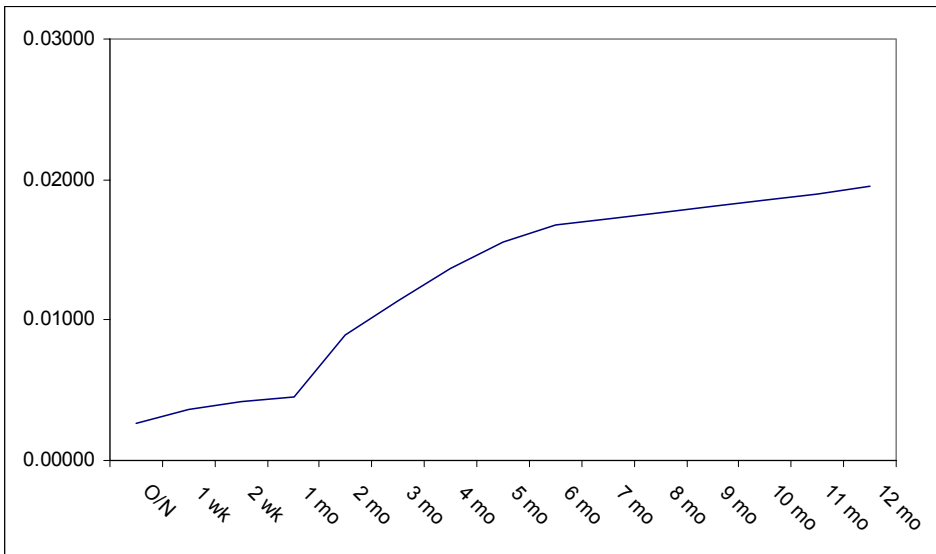
### Short-Term Fed Facility Usage:

All amounts in USD billions (except where noted)

<u>Facility</u>	<u>Current Week (4/3)</u>	<u>Prior Week</u>	<u>Peak</u>	<u>Facility Effective Date</u>
AMLF	6.085	6.845	152.1 (10/1/08)	9/19/08
CPFF	248.2 (face)	239.9 (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>

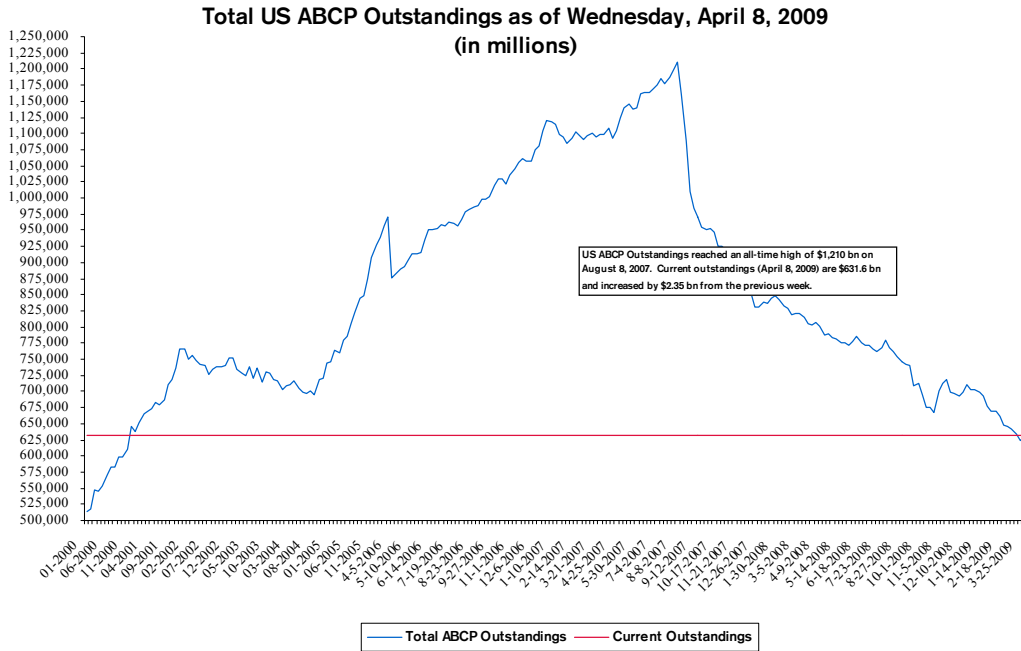
### LIBOR Curve (4/9/09):



O/N	.26125%
1 wk	.36875%
2 wk	.41750%
1 mo	.45125%
2 mo	.89500%
3 mo	1.13125%
4 mo	1.37250%
5 mo	1.55375%
6 mo	1.67625%
7 mo	1.72250%
8 mo	1.76750%
9 mo	1.81250%
10 mo	1.85750%
11 mo	1.90250%
12 mo	1.951258%

## ABCP Outstandings

U.S. ABCP Outstandings decreased by \$2.4 billion for the week ending April 8, 2009 to **\$631.8 billion** outstanding from \$634.2 billion outstanding (Source: Federal Reserve, *Not Seasonally Adjusted data*).



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](http://www.credit-suisse.com)

