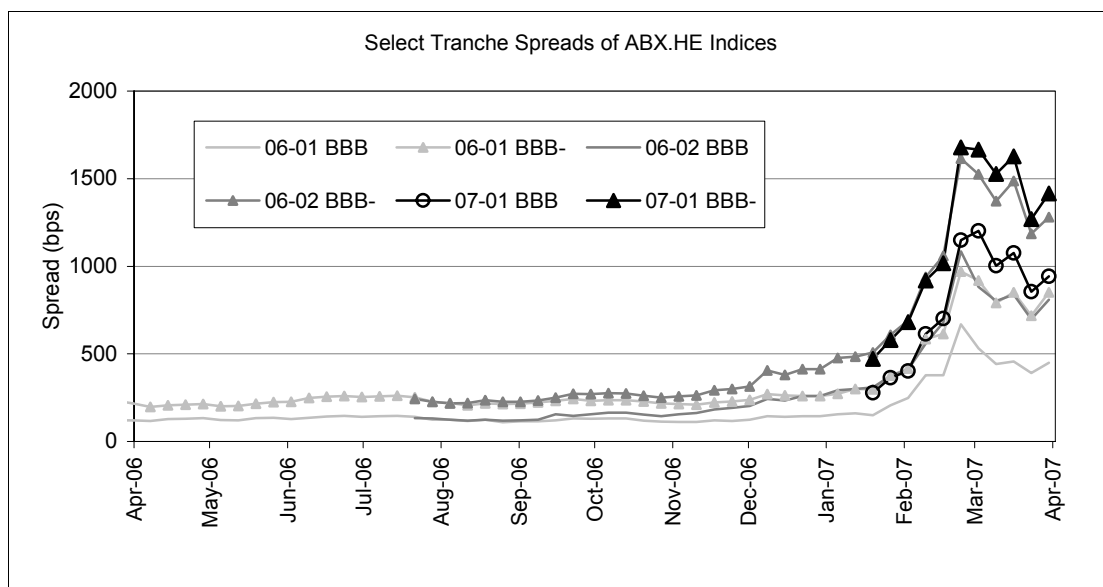


CDO/CDS Update 4/3/07

I. Commentary

This morning the International Council of Shopping Centers (ICSC) reported that the weekly retail sales index increased 0.3% last week, moving the 1-year growth rate from 2.7% to 4.9%. The 1-year growth rate is now at its highest level since the end of January. The Institute for Supply Management (ISM) reported yesterday that its manufacturing index fell to 50.9, below expectations of 51.4 and a decrease from 52.3 the previous month. While manufacturing activity is slower-than-expected it remained above the expansion/contraction threshold of 50. The world will continue to monitor the situation in the Middle East with the latest headline stating that the U.K begins talks with Iran about releasing 15 British hostages. As a result, crude oil prices experienced their largest price drop in three weeks to \$64.43 per barrel as of 11:00am EST. Investors will also continue to focus on commodity prices, the housing market, and employment figures (jobs report due on Friday) in predicting the Federal Reserve's next action. With earnings season scheduled to begin next week we may experience some corporate volatility, as expectations are for the streak of 14 straight profitable quarters to finally come to an end.



Note: Spread data based on 35% CPR assumption.

Source: Markit, Informa Global Markets, and Nomura Securities International

The ABX.HE 2007-1 index continued its volatility as the BBB- index ended last week at a spread of 1,145 bps or a price of \$66.62. Spreads were wider by 145 bps on the week, but were tighter by 212 bps over a two week period. Results were similar for the BBB index which closed on Friday at 942 bps or \$75.62, wider by 87 bps over 1 week but tighter by 133 bps over the past two weeks. The single-A index of the ABX widened 30 bps last week to 278 bps. At the same time the AAA and AA ABX indices were slightly tighter week-over-week to 19 and 34 bps, respectively.

The warning signs raised from the sub-prime mortgage market continue to drive CMBX spreads wider. The CMBX 2006-2 BB index widened almost 25 bps last week to 375 bps; wider almost 57 bps since mid-March. The CMBX BBB and BBB- indices were each wider by roughly 20 bps during

Contacts:

Edward Santevecchi
(212) 667-1314
esantevecchi@us.nomura.com

Mark Adelson
(212) 667-2337
madelson@us.nomura.com

Nomura Securities International, Inc.
Two World Financial Center
Building B
New York, NY 10281-1198
Fax: (212) 667-1046

www.nomura.com/research/s16

Bloomberg NFIR <go>

Please read the important disclosures and analyst certifications appearing on the second to last page.

the week to 138 and 200 bps, respectively. While AAA and AA spreads have traded only 1-2 bps wider since mid-March, single-A index spreads are 4-7 bps wider to 45 bps, as of Friday's close.

Credit results mixed in NA & Europe since the roll. North American credit index spreads have widened since the roll on March 20. The CDX IG 8 index ended its first day of trading at 35.17 bps, before trading down to 33.62 bps on March 22. As of yesterday, the CDX IG 8 index reached a wide of 39.27 bps, wider by about 4 bps week-over-week. The negative sentiment facing the U.S. corporate sector was more pronounced in the other credit indices. The on-the-run high-volatility and crossover indices priced on the March 20 close at a spread of 84 and 151 bps, respectively, before closing yesterday at 95 and 163 bps. The high-yield index rolled into the series 8 index on March 27 with an initial closing spread of 258 bps, since then the high-yield index spread has widened 38 bps to 296 bps. In Europe, corporate credit performance has been the exact opposite since the roll. As of yesterday's levels, the iTraxx Europe series 7 index is 1.5 bps tighter to 24.5 bps. The iTraxx European high volatility index is 2 bps tighter to 49 bps and the iTraxx crossover index is 10 bps tighter, to 230 bps.

RMBS fallout manageable for SF CDOs. Moody's anticipates the woes of the sub-prime RMBS market to have a mild to moderate impact on structured finance (SF) CDOs.¹ However, the agency notes that the average deal will show significant credit deterioration, especially at the lower-investment grade tranches, if the sub-prime market underperforms severely. 2003-2006 SF CDOs have an average collateral exposure to sub-prime RMBS of about 45%. Sub-prime mortgage bonds with ratings that were within four levels of speculative grade made up 41% of 2006 mezzanine structure finance CDO holdings. Moody's also stated that in a situation where 40% of the assets of a SF CDO were sub-prime and consequently downgraded by four levels, the credit ratings on some triple-A rated CDO tranches would be downgraded by two levels. Triple-A rated CDO tranches that are highly exposed to sub-prime RMBS would be downgraded if the underlying collateral were downgraded just two levels. However, Moody's believes that the structural protections built into most SF CDOs will help minimize portfolio deterioration.

S&P compares 2006 RMBS to 2000 performance. According to a recent report, S&P forecasts loss expectations for the 2006 sub-prime vintage to be 5.25%-7.75%, compared to experienced losses of 5.5% for the 2000 vintage.² Overall, the 2000 and 2006 vintages are experiencing similar delinquency results during their first 12-months of seasoning. S&P believes that triple-B and triple-B minus tranches of 2006 sub-prime mortgage ABS deals generally have sufficient credit enhancement to avoid default. However, S&P notes that tranches from deals issued in the first half of 2006 have the greatest risk because S&P raised its credit enhancement levels in the second half of the year.

Moody's to refine ratings methodology, cut 40-50 banks. Moody's announced on Friday that it would alter its bank rating methodology after it raised ratings of 150 banks in countries that it believed would support financial institutions during a crisis.³ Using its joint-default analysis (JDA) Moody's suddenly raised its rating on Iceland biggest bank's (Kaupthing Bank, Glitnir Banki and Landsbanki Islands) 4-5 notches to triple-A, while S&P maintained its single-A rating on those banks. Investors openly scrutinized the new rating process which also increased Hungarian lender OTP Bank Nyrt's rating to 4 notches above Hungary's sovereign rating. The new methodology was based largely on broad assumptions of government support. In response to a backlash from investors, Moody's refined methodology will apply lower support assumptions. Moody's expects to review about 210 banks that were rated using the initial JDA approach and expects rating changes on 40-50 banks, mostly in Europe. The rating downgrades are expected to be announced today with the reviews concluded by April 10.

¹ Park, J. and G. Harris, *The Impact of Subprime Residential Mortgage-Backed Securities on Moody's-Rated Structured Finance Cashflow CDOs: A Preliminary Review* (March 27 2007)

² Stock, M. and S. Mason, *A Comparison Of 2000 And 2006 Subprime RMBS Vintages Sheds Light On Expected Performance* (March 22 2007)

³ Franger, D., J. Fons, and R. Conforte, *Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology* (March 2007).

II. Recent Pricing and Pipeline

Issue	Date	Size (mm)	Collateral Manager	Assets	Lead	Class	Rating (M/S/F)	WAL	Spread
STACK 2007-1	3/30	\$1,500	TCW AM	MZ SF	CITG				
		750.0				A1	Aaa/AAA/-	6.9	
		150.0				A2	Aaa/AAA/-	7.1	
		225.0				A3	Aaa/AAA/-	7.1	
		151.0				A4	Aa2/AA/-	7.1	
		68.0				B	A1/A+/-	7.1	
		46.0				C	A2/A/-	5.0	
		45.0				D	A3/A/-	3.5	
		10.0				E	Baa2/BBB/-	3.5	
55.0	IN	-/-	-						
Jupiter HG CDO VI	3/30	\$1,500	Harding Advisory	HG SF	ML				
		900.0				A1	Aaa/AAA/-	7.5	+18.5/1mL
		375.0				A2	Aaa/AAA/-	7.5	+37.5/1mL
		75.0				A3	Aaa/AAA/-	7.5	+57.5/1mL
		85.5				A4	Aaa/AAA/-	7.5	+62/1mL
		17.0				B	Aa2/AA/-	7.5	+74/1mL
		12.5				C	Aa3/AA/-	7.5	+84/1mL
		12.0				D	A2/A/-	7.5	+225/1mL
		15.0				E	Baa2/BBB/-	7.0	+500/1mL
9.1	Pref	-/-	-	-					
Brookville CDO	3/30	\$499	Petra Capital	MZ SF	ML				
		200.0				A1	Aaa/AAA/-	5.5	+20/1mL
		125.0				A2	Aaa/AAA/-	5.6	+55/1mL
		50.0				A3	Aaa/AAA/-	5.6	+60/1mL
		45.0				B	Aa2/AA/-	5.6	+75/1mL
		28.0				C	A2/A/-	5.6	+300/1mL
		17.0				D	Baa2/BBB/-	5.1	+600/1mL
		15.0				E	Baa3/BBB/-	5.1	+725/1mL
		19.0				Pref	-/-	-	-
Corona Borealis CDO	3/29	\$1,500	NYLIM	RMBS	LB				
		750.0				A1a	Aaa/AAA/-	7.0	-
		150.0				A1b	Aaa/AAA/-	7.0	+65/1mL
		45.0				A1c	Aaa/AAA/-	7.0	+70/1mL
		168.0				A2	Aaa/AAA/-	7.0	+110/1mL
		50.5				S	Aaa/AAA/-	2.6	-
		111.0				B	Aa2/AA/-	7.0	+250/1mL
		111.0				C	A2/A/-	7.0	+550/1mL
		70.0				D	Baa2/BBB/-	6.3	+900/1mL
95.0	PS	-/-	-	-					
Latitude CLO III	3/28	\$300	Lufkin Adv	Loans	BC				
		202.5				A	Aaa/AAA/-	7.4	+24/3mL
		22.5				B	Aa1/AAA/-	9.3	+32/3mL
		16.0				C	Aa2/AA/-	9.9	+40/3mL
		15.0				D	A2/A/-	10.4	+70/3mL
		14.0				E	Baa2/BBB/-	11.0	+150/3mL
		8.0				F	Ba2/BB/-	11.5	+375/3mL
		22.0				SN	-/-	-	-
Madison Park Funding V	3/23	\$650	Credit Suisse Alternative	Loans	CITG				
		447.0				A1a	Aaa/AAA/-	-	+22.25/L
		49.5				A1b	Aa1/AAA/-	-	+27/L
		28.5				A2	Aa2/AA/-	-	+38/L
		43.0				B	A2/A/-	-	+70/L
		22.0				C	Baa2/BBB/-	-	+145/L
		23.5				D	Ba2/BB/-	-	+350/L
		52.0				Inc	-/-	-	-

Issue	Date	Size (mm)	Collateral Manager	Assets	Lead	Class	Rating (M/S/F)	WAL	Spread
PPM Grayhawk CLO	3/23	\$400	PPM America	Bank Loans	CITG				
		64.00				A1	Aaa/AAA/-	-	+22.75/L
		200.00				A2a	Aaa/AAA/-	-	+21.5/L
		50.00				A2b	Aa1/AAA/-	-	+30/L
		16.00				A3	Aa2/AA/-	-	+35/L
		22.00				B	A2/A/-	-	+70/L
		14.00				C	Baa2/BBB/-	-	+140/L
		14.45				D	Ba2/BB/-	-	+360/L
	32.0	Inc	-/-	-	-				
Harch CLO III	3/23	\$400	Hegemony Cpaital	Loans	GS				
		232.0				A1	Aaa/AAA/-	7.2	-
		58.0				A2	Aaa/AAA/-	9.1	-
		26.0				B	Aa2/AA/-	9.8	+40/3mL
		20.0				C	A2/A/-	10.4	+75/3mL
		19.0				D	Baa2/BBB/-	11.0	+175/3mL
		15.0				E	Ba2/BB/-	11.6	+375/3mL
	30.0	Sub	-/-	-	-				
Dutch Hill Funding II	3/26	\$400	TCW	MZ SF	DB				
		206.4				A1	Aaa/AAA/-	3.6	-
		21.2				A2	Aaa/AAA/-	3.9	+75/L
		64.4				B	Aa2/AA/-	3.9	+115/L
		32.0				C	A2/A/-	3.9	+300/L
		15.2				D1	Baa1/BBB+/-	3.9	+400/L
		11.8				D2	Baa2/BBB/-	3.3	+625/L
		11.8				D3	Ba2/BB+/-	3.9	+850/L
	37.2	Sub	-/-	-	-				
CIFC Funding 2007-2	3/23	\$613.5	CIFC	Loans	JPM				
		100.0				A1R	Aaa/AAA/-	8.1	+27/3mL
		236.0				A1S	Aaa/AAA/-	8.1	+23.5/3mL
		84.0				A1J	Aaa/AAA/-	9.9	+34/3mL
		56.5				A2	Aa2/AA/-	10.0	+40/3mL
		35.0				B	A2/A/-	10.0	+75/3mL
		28.0				C	Baa2/BBB/-	10.0	+160/3mL
		24.0				D	Ba2/BB/-	10.0	+390/3mL
	50.0	Sub	-/-	-	-				
Seawall 2007-1	3/22	\$550	-	CMBS	DB				
		385.0				SS	Aaa/AAA/-	9.2	Pre-placed
		55.0				A	Aaa/AAA/-	9.9	+40/L
		27.5				B	Aa2/AA/-	10.0	+60/L
		16.5				C1	A1/A+/-	10.6	+85/L
		11.0				C2	A3/A-	10.6	+95/L
		16.5				D1	Baa2/BBB/-	11.9	+170/L
		13.8				D2	Baa3/BBB/-	12.9	+235/L
		8.3				E1	Ba2/BB/-	13.2	+375/L
		2.8				E2	Ba3/BB-	13.3	+500/L
						13.8	F	-/-	13.4
Jupiter V	3/21	\$1,500	Harding Advisory	RMBS	CS				
		1,290.0				A1	Aaa/AAA/-	6.8	-
		105.5				A2	Aaa/AAA/-	6.8	+50/3mL
		60.0				B	Aa2/AA/-	6.8	+65/3mL
		20.0				C	A2/A/-	6.8	+225/3mL
		15.0				D	Baa2/BBB/-	6.2	+450/3mL
	15.0	Eq	-/-	-	-				

Issue	Date	Size (mm)	Collateral Manager	Assets	Lead	Class	Rating (M/S/F)	WAL	Spread
Halcyon Loan Investors CLO II	3/21	\$411	Halcyon Loan Investors	Loans	JPM				
		270.50				A1a	Aaa/AAA/-	8.4	+22.5/L
		30.25				A1b	Aa1/AAA/-	10.0	+32/L
		23.00				A2	Aa2/AA/-	10.0	+39/L
		18.50				B	A2/A/-	10.0	+68/L
		21.75				C	Baa2/BBB/-	10.0	+140/L
		15.50				D	Ba2/BB/-	10.0	+360/L
		31.50				Sub	-/-	-	-
Tricadia CDO 2007-8	3/20	\$507	Tricadia CDO Mgmt	CDO*2	CIBC				
		328.0				A1 VFN	Aaa/AAA/-	8.0	Not Offered
		7.7				AX	Aaa/AAA/-	4.2	+70/3mL
		65.0				A2	Aaa/AAA/-	8.0	+110/3mL
		43.0				B	Aa2/AA/-	8.0	+200/3mL
		25.0				C	A2/A/-	8.0	+400/3mL
		19.0				D	Baa2/BBB/-	8.0	+825/3mL
		7.2				E	Baa3/BBB/-	8.0	Not Offered
		7.0				F	Ba2/BB/-	8.0	Not Offered
		5.0				SN	-/-	-	Not Offered
Longshore 2007-4	3/20	\$1,300	Structured Asset Inv	HG SF	WS				
		1,131.00				A1	Aaa/AAA/-	6.94	-
		50.00				A2	Aaa/AAA/-	7.02	+40/3mL
		43.60				A3	Aaa/AAA/-	7.02	+60/3mL
		37.70				B	Aa2/AA/-	7.02	+80/3mL
		18.20				C	A2/A/-	7.02	+350/3mL
		9.75				D	Baa2/BBB/-	7.02	+500/3mL
		9.75				S/N	-/-	-	-
Landmark IX	3/20	\$475	Aladdin Capital	Loans	ML				
		274.50				A1	Aaa/AAA/-	7.6	+21.5/3mL
		68.50				A2	Aaa/AAA/-	8.9	+31/3mL
		16.75				B	Aa2/AA/-	9.3	+39/3mL
		35.00				C	A2/A/-	9.5	+70/3mL
		19.00				D	Baa2/BBB/-	9.8	+145/3mL
		18.50				E	Ba2/BB/-	10.0	+350/3mL
42.75	PS	-/-	-	-					
Longport Funding III	3/16	\$750	Delaware Asset Adv	MZ SF	RBC				
		450.00				A1-VF	Aaa/AAA/-	6.6	-
		63.75				A2A	Aaa/AAA/-	7.0	+55/3mL
		45.00				A2B	Aaa/AAA/-	7.0	+75/3mL
		97.50				B	Aa2/AA/-	7.0	+90/3mL
		26.25				C	A2/A/-	7.0	+275/3mL
		26.25				D	Baa2/BBB/-	7.0	+625/3mL
		12.00				E	Baa3/BBB/-	7.0	+950/3mL
		29.25				Sub	-/-	-	-

Issue	Date	Size (mm)	Collateral Manager	Assets	Lead	Class	Rating (M/S/F)	WAL	Spread					
GSC CDO 2007-1r	3/16	\$750	-	MZ ABS	RBSGC									
		375.0				A1LA	Aaa/AAA/-	-	-					
		57.0				A1B	Aaa/AAA/-	3.6	+50/3mL					
		150.0				A1C	Aaa/AAA/-	3.6	+85/3mL					
		57.0				A2L	Aa2/AA/-	3.6	+95/3mL					
		36.0				A3L	A2/A/-	3.6	+310/3mL					
		18.0				B1L	Baa1/BBB+/-	3.6	+625/3mL					
		12.0				B2L	Baa2/BBB/-	3.6	+700/3mL					
		12.0				B3L	Ba3/BBB/-	3.6	+800/3mL					
		6.0				C	Ba1/BB+/-	3.6	+900/3mL					
		27.0				SN	-/-	-	-					
Fourth St Funding	3/16	\$500	NIR Capital	MZ SF	ML									
		200.0				A1	Aaa/AAA/-	5.6	+20/1mL					
		125.0				A2	Aaa/AAA/-	5.7	+55/1mL					
		45.0				A3	Aaa/AAA/-	5.7	+60/1mL					
		37.5				B	Aa2/AA/-	5.7	+75/1mL					
		17.5				C	Aa3/AA/-	5.7	+82/1mL					
		20.0				D	A2/A/-	5.7	+300/1mL					
		20.5				E	Baa2/BBB/-	5.7	+600/1mL					
		15.0				F	Baa3/BBB/-	5.0	+725/1mL					
		20.0				PS	-/-	5.0	-					
		Charles Fort				3/15	\$400	Luminent Mortgage	MZ SF	RBSGC				
220.0	A1		Aaa/AAA/-	3.8	+55/3mL									
60.0	A2		Aaa/AAA/-	4.3	+70/3mL									
50.0	B		Aa2/AA/-	4.6	+98/3mL									
20.0	C		A2/A/-	4.7	+350/3mL									
10.0	D1		Baa1/BBB+/-	4.7	+625/3mL									
8.0	D2		Baa2/BBB/-	4.7	+725/3mL									
15.0	E		Ba1/BB+/-	-	Not Offered									
17.0	SN		-/-	-	Not Offered									
E Trade ABS CDO VI	3/14		\$420	ETGAM	MZ SF		UBS							
			260.0								SS	Aaa/AAA/-	-	-
		60.0	A1J			Aaa/AAA/-		-	+75/3mL					
		31.0	A2			Aa2/AA/-		-	+95/3mL					
		26.0	A3			A2/A/-		-	+375/3mL					
		14.0	B1			Baa2/BBB/-		-	+600/3mL					
		11.0	B2			Baa3/BBB/-		-	+800/3mL					
		18.0	PS			-/-		-	-					
PreTSL XXV	3/14	\$920	-	TruPs	FTN									
		482.6				A1	Aaa/AAA/AAA	-	+29/3mL					
		129.4				A2	Aaa/AAA/AAA	-	+35/3mL					
		61.4				B1	Aa2/-/AA	-	+50/3mL					
		25.0				B2	Aa2/-/AAA	-	+50/5ySwp					
		82.3				C1	A3/-/A-	-	+85/3mL					
		18.5				C2	A3/-/A-	-	+85/5ySw					
		57.0				D	-/BBB	-	+180/3mL					
		64.0				Inc	-/-	-	-					

New Pipeline	Size (mm)	Collateral Manager	Assets	Lead
ABCLO 2007-1	\$350	Alliance Bernstein	Lev Loans	UBS
Alesco Preferred Funding	\$681.5	Cohen & Co.	TruPs	ABN
Archstone Synthetic CDO*	-	Rabobank Int'l	-	GS
Avenue CLO – 6	\$409	Avenue Capital	Lev Loans	MS
Babson Mid-Market CLO 2007-II	\$400	Babson Capital	Loans	WS
Capital Source CLO 2007-1	\$800	(static)	Loans	CITG/JPM
CTX CDO**	\$500	CT Investment	CMBS	WS
Katonah-10	\$500	Katonah Debt Advisors	Lev Loans	GS
Lightpoint VII	\$450	Lightpoint Capital	Sn Sec Loans	CS
Mountain View CLO III	\$508	Seix Advisors	Sn Sec Loans	DB
Point Pleasant 2007-1	\$1,000	Dillon Read	ABS	GS
Rockwall CDO II	\$1,000	Highland Capital	Loans	BS
Stockton CDO	\$1,000	Princeton Advisory Group	MZ SF	Fortis
Tenorite-1	\$1,000	Black Rock	MZ SF	BarCap
TS Income Fund	\$309	TS Advisors	First Lien Loans	ML
West Trade Funding-3	\$2,500	NIR Capital	HG SF	ML
Western Springs CDO	\$495.6	Deerfield Capital	MZ SF	ML
Westwood CDO II	\$350	Alcentra Inc	Loans	GS
Wicker Park CDO	\$1,000	Lehman Brothers AM	Corp	GS

* denotes synthetic; ** denotes hybrid deals.

Source: IFR, MCM, Bloomberg

III. Spreads

Index Constituent	30-Mar	Last week	Moody's Rating	S&P's Rating	5Y CDS Index	30-Mar	Last week	Change
AIG	13	12	Aa2	NR	CDX.NA.IG 8	38.52	34.73	+3.79
Alcoa	25	26	A2	BBB+	CDX.NA.IG HVOL 8	89.72	78.38	+11.34
Altria Group	28	29	Baa1	BBB	CDX.NA.XO 8	159.75	139.31	+20.44
Boeing	8	8	A2	A+	CDX.NA.HY 8	289.56	257.14	+32.42
CIT Group	44	41	A2	A	CDX.EM 7	116.35	116.55	-0.20
Deere & Co	14	14	A2	A	iTraxx Europe 7	24.33	23.88	+0.45
Dow Chemical	34	24	A3	A-	iTraxx Europe HVOL	48.15	48.06	+0.09
Fannie Mae	10	9	Aaa	AAA	iTraxx Europe XO 7	226.60	220.10	+6.50
First Data Corp	99	78	A2	A	iTraxx CJ Japan 7	22.68	22.85	-0.17
Ford Motor Credit	341	314	Caa1	CCC+	iTraxx Asia ex-Japan 7	42.25	47.25	-5.00
GE Capital	13	12	Aaa	AAA	iTraxx Australia 7	30.88	32.26	-1.38
GMAC	183	152	Ba1	BB+	iTraxx SDI-75 4	35.61	35.39	+0.22
IBM	9	8	A1	A+	CDX IG 7 Widest	30-Mar		
McDonalds	11	11	A2	A	Residential Cap LLC	193		
Residential Capital	193	156	Baa3	BBB	EXPEDIA INC	137		
Time Warner	28	25	Baa2	BBB+	Toll Bros Inc	128		
Tyson Foods	86	79	Ba2	BB+	Centex Corp	123		
Viacom	52	46	Baa3	BBB	Pulte Homes Inc	122		
Walt Disney	14	11	A3 /*+	A-	CDX IG 7 Tightest	30-Mar		
AKZO Nobel NV	31	30	A3	A-	Fed Home Ln Mtg Corp	8		
AXA	10	10	A2	A	Boeing Cap Corp	8		
Brit Telecom PLC	37	38	Baa1	BBB+	Lockheed Martin Corp	9		
British Airways	101	90	Ba2	BB- /*+	Intl Business Machs Corp	9		
Cadbury Schweppes PLC	45	45	Baa2 /*	BBB /*	Bristol Myers Squibb Co	9		
Carrefour	27	30	A2	A	iTraxx Europe Widest	30-Mar		
DaimlerChrysler AG	36	34	Baa1	BBB	ALLIANCE BOOTS PLC	173		
Deutsche Telekom AG	27	26	A3	A-	Valeo	118		
France Telecom	23	23	A3	A-	Kingfisher PLC	76		
Koninklijke Ahold NV	68	66	Ba1	BB	Glencore Intl AG	66		
Lafarge	26	25	Baa2	BBB	THOMSON	59		
METRO AG	34	33	Baa2	BBB	iTraxx Europe Tightest	30-Mar		
Renault	23	24	Baa1	BBB+	BNP Paribas	6		
Suez	13	14	A2 /*+	A- /*+	ABN AMRO Bk N V	6		
Telecom Italia SpA	47	49	Baa2	BBB+	Royal Bk Scotland plc	7		
Telenor ASA	23	23	A2	BBB+	Barclays Bk plc	7		
Volkswagen AG	19	19	A3	A-	Intesa Sanpaolo SpA	7		

Single-name CDS spreads are on a "XR" basis (without restructuring) for North America.
Source: Markit and Bloomberg

ABX.HE Index (as of March 30, 2007)					
	Price	Spread* (bps)	1-week change (bps)	2-week change (bps)	Coupon (bps)
ABX.HE.AAA.07-1	99.50	19	-1	-2	9
ABX.HE.AA.07-1	99.25	34	-4	-9	15
ABX.HE.A.07-1	92.42	278	+30	+21	64
ABX.HE.BBB.07-1	75.62	942	+87	-133	224
ABX.HE.BBB-.07-1	66.62	1415	+145	-212	389
CMBX.NA Index (as of March 30, 2007)					
	Spread (bps)	1-week change (bps)	2-week change (bps)	Coupon (bps)	
CMBX.NA.AAA.06-2	6.8	+1.0	+1.3	7	
CMBX.NA.AA.06-2	20.0	+1.5	+0.8	15	
CMBX.NA.A.06-2	44.7	+4.1	+7.2	25	
CMBX.NA.BBB.06-2	137.5	+22.9	+32.5	60	
CMBX.NA.BBB-.06-2	200.0	+19.9	+32.5	87	
CMBX.NA.BB.06-2	375.0	+24.4	+56.3	180	

Note: * assuming 35% CPR,
Source: Markit, Informa Global Markets and Nomura Securities International

I Edward Santevecchi, a research analyst employed by Nomura Securities International, Inc., hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views that I have expressed in this research report, nor is it tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or by any other Nomura Group company or affiliate thereof.

© Copyright 2007 Nomura Securities International, Inc.

This publication contains material that has been prepared by the Nomura entity identified on the banner at the top of page 1 herein and, if applicable, with the contributions of one or more Nomura entities whose employees and their respective affiliations are specified on page 1 herein or elsewhere identified in the publication. Affiliates and subsidiaries of Nomura Holdings, Inc. (collectively, the "Nomura Group") include: Nomura Securities Co., Ltd. ("NSC") and Nomura Research Institute, Ltd., Tokyo, Japan; Nomura International plc and Nomura Research Institute Europe, Limited, United Kingdom; Nomura Securities International, Inc. ("NSI") and Nomura Research Institute America, Inc., New York, NY; Nomura International (Hong Kong) Ltd., Hong Kong; Nomura Singapore Ltd., Singapore; Nomura Australia Ltd., Australia; P.T. Nomura Indonesia, Indonesia; Nomura Malaysia Sdn. Bhd., Malaysia; Nomura International (Hong Kong) Ltd., Taipei Branch, Taiwan; or Nomura International (Hong Kong) Ltd., or Nomura International (Hong Kong) Ltd., Seoul Branch, Korea.

This material is: (i) for your private information, and we are not soliciting any action based upon it; (ii) not to be construed as an offer to sell or a solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal; and (iii) based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.

Opinions expressed are current opinions as of the original publication date appearing on this material only and the information, including the opinions contained herein are subject to change without notice. In addition, other members of the Nomura Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from, companies mentioned herein. Further, the Nomura Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, from time to time, have long or short positions in, and buy or sell (or make a market in), the securities, or derivatives (including options) thereof, of companies mentioned herein, or related securities or derivatives. Fixed income research analysts, including those responsible for the preparation of this report, receive compensation based on various factors, including quality and accuracy of research, firm's overall performance and revenue (including the firm's fixed income department), client feedback and the analyst's seniority, reputation and experience.

NSC and other non-US members of the Nomura Group, their officers, directors and employees may, to the extent it relates to non-US issuers and is permitted by applicable law, have acted upon or used this material, prior to or immediately following its publication.

Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from the investment. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

The securities described herein may not have been registered under the U.S. Securities Act of 1933, and, in such case, may not be offered or sold in the United States or to U.S. persons unless they have been registered under such Act, or except in compliance with an exemption from the registration requirements of such Act. Unless governing law permits otherwise, you must contact a Nomura entity in your home jurisdiction if you want to use our services in effecting a transaction in the securities mentioned in this material.

This publication has been approved for distribution in the United Kingdom and European Union by Nomura International plc ("NIPlc"), which is authorised and regulated by the UK Financial Services Authority ("FSA") and is a member of the London Stock Exchange. It is intended only for investors who are "market counterparties" or "intermediate customers" as defined by FSA, and may not, therefore, be redistributed to other classes of investors. This publication may be distributed in Germany via Nomura Bank (Deutschland) GmbH, which is authorised and regulated in Germany by the Federal Financial Supervisory Authority ("BaFin") This publication has also been approved for distribution in Hong Kong by Nomura International (Hong Kong) Ltd. ("NIHK"), which is regulated by the Hong Kong Securities and Futures Commission ("SFC") under Hong Kong laws. Neither NIPlc nor NIHK hold an Australian financial services licence as both are exempt from the requirement to hold this license in respect of the financial services either provides. NSI accepts responsibility for the contents of this material when distributed in the United States. This publication has also been approved for distribution in Singapore by Nomura Singapore Limited.

No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed without the prior written consent of the Nomura Group member identified in the banner on page 1 of this report. Further information on any of the securities mentioned herein may be obtained upon request. If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Additional information is available upon request.

NIPlc and other Nomura Group entities manage conflicts identified through the following: their Chinese Wall, confidentiality and independence policies, maintenance of a Stop List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from the allocation and pricing of securities and impartial investment research and disclosure to clients via client documentation.

Disclosure information is available at www.nomura.com/research.

NEW YORK

Nomura Securities International
2 World Financial Center, Building B
New York, NY 10281
(212) 667-9300

TOKYO

Nomura Securities Company
2-2-2, Otemachi, Chiyoda-Ku
Tokyo, Japan 100-8130
81 3 3211 1811

LONDON

Nomura International PLC
Nomura House
1 St Martin's-le-grand
London EC1A 4NP
44 207 521 2000

David P. Jacob 212.667.2255 International Head of Research

Nomura U.S. Fixed Income Research

David Resler	212.667.2415	Head of U.S. Economic Research
Mark Adelson	212.667.2337	Securitization/ABS Research
Weimin Jin	212.667.9679	Quantitative Research
James Manzi	212.667.2231	CMBS Research/Strategy
Xiang Long	212.667.9652	Quantitative Analyst
Edward Santevecchi	212.667.1314	Analyst
Diana Berezina	212.667.9054	Analyst
