APPENDIX A

Mid-Year Treasury Management Report 2024/25

East Staffordshire Borough Council

1. Introduction and Background

Treasury Management

Treasury Management is defined by the Chartered Institute of Public Finance Accountancy (CIPFA):

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

This means a key purpose of Treasury Management operations is to manage investments and borrowing to ensure cash flow from the revenue budget, Collection Fund and the Capital Programme is adequately planned and managed. To manage cash flow requires that the Council has sufficient, but not excessive, cash balances (liquidity) in order to deliver its services.

The Council sets a balanced revenue budget. This means in broad terms with the revenue budget, receipts raised will equal cash expenditure during any one financial year. There will be some mismatching of receipts and expenditure where earmarked reserves set aside in one financial year, are used to balance the revenue budget in a following financial year. There will also be a short-term mismatch of expenditure and receipts over the course of the revenue budget year impacting on cash flow, due to timing.

Receipting and distribution of Council Tax and NNDR from the Collection Fund further impacts on the timing of cash flows within and across financial years.

The most significant impact on cash flow management is if a Council borrows to finance the Capital Programme. The Council can borrow for the Capital Programme when it cannot be directly financed from resources such as capital grants or receipts from property sales.

CIPFA's definition, as set out above, also highlights the importance of controlling risks. Controlling risks includes planning for and managing the safety of all cash balances held and any investments made. When investing surplus balances, the Chartered Institute of Public Finance Accountancy (CIPFA) is clear that the priorities are security, liquidity and yield, in that order. Security means that the overriding priority is that the Council gets back the amount that it has invested.

The Council has also adopted the CIPFA Code of Practice on Treasury Management (revised 2021).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.

2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

2. This Mid-Year Treasury Report Covers

This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for 2024/25
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- A review of the Council's investment portfolio for 2024/25
- A review of the Council's borrowing strategy for 2024/25
- A review of compliance with Treasury and Prudential Limits for 2024/25

3. Economic Update

3.1 The main headlines to date for 2024/25 saw:

- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- 10-year gilt yields falling to 4.0% in September.

3.2 Further information in relation to the economic outlook is set out in **Annex 3**.

3.3 **Interest rate forecasts**

The Council's treasury advisor, Link Asset Services, have provided the interest rate forecasts and commentary, which is attached at **Annex 4**.

4. The Treasury Management Strategy and Annual Investment Strategy Update

4.1 Background

The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, was approved by the Council in February 2024. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

Accordingly, the Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. Further, the TMSS for 2024/25 affirmed that in accordance with proper levels of security and liquidity, no more than £5m would be invested for a fixed term period in excess of one year.

4.2 Overview

The Council held £60.6m of investments as at 30 September 2024 (£61.63m at 30 September 2023) and the average investment portfolio yield for the first six months of the year was 5.30% (4.63%, 2023). A breakdown of the Council's investment portfolio at the end of September is shown at **Annex 2** of this report.

The average investment portfolio yield of 5.30% for the first six months of the year is higher than was anticipated when the 2024/25 budget was set. As a result, actual investment income for 2024/25 is forecast to be £0.39m higher than budgeted investment income, as reported in the quarter 2 financial monitoring.

The Chief Financial Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2024/25.

5. Investment Portfolio

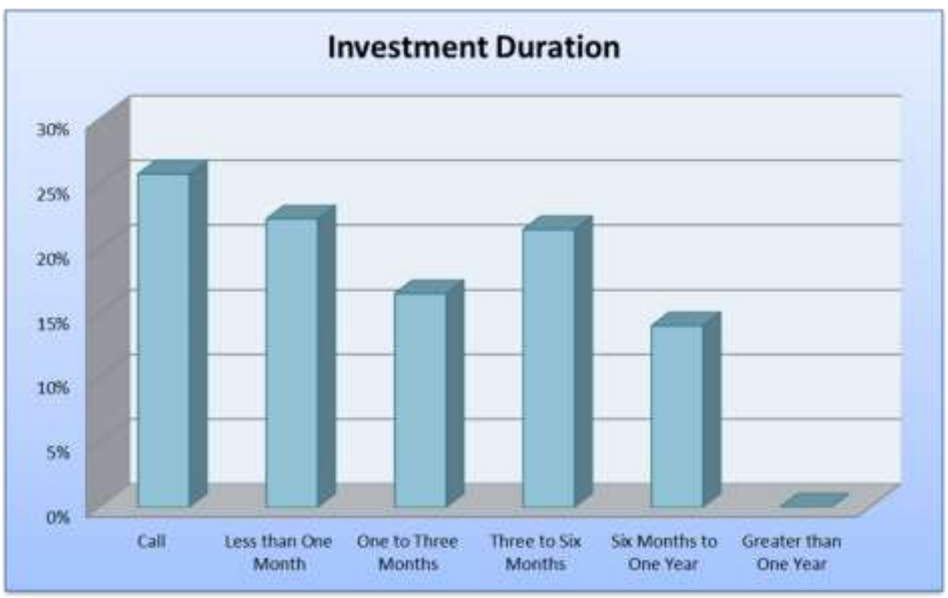
5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

5.2 The investment portfolio yield for the first six months of the year is 5.30%, while the average rate as at 30th September was 5.10%. The Bank of England base rate is 5.00%.*

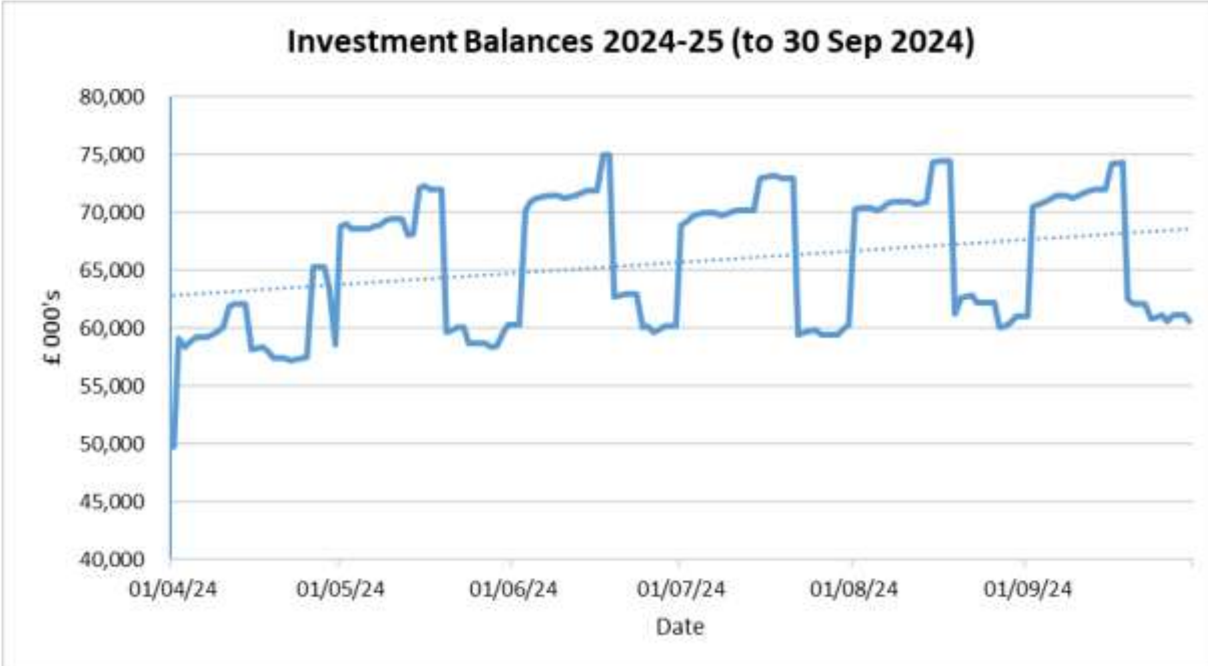
	Average Rate Year to 30/09/24
ESBC average 1 April to 30 Sept 2024	5.30%
ESBC average at 30 Sept 2024	5.10%
Base Rate	5.00%

*N.B. The mid-year report does not take into account the reduction of base rate to 4.75% as at 07/11/2024.

5.3 A full list of investments held as at 30th September 2024, totalling £60.6m is shown in **Annex 2**. The graph below demonstrates the maturity profile of these investments. The investment listing includes fixed deposits, certificates of deposits and call accounts held with a number of UK banks and highly rated foreign banks, as well as UK Government Treasury Bills/Deposit account and AAA rated money market funds. These instruments offer significant counterparty strength as well as diversification of the portfolio.



5.4 Average cash balances in the first six months of 2024/25 were £65.6m (£62.9m Apr to Sept 2024/25). The graph below demonstrates how these balances have fluctuated so far this year which follows the “normal pattern” as Council Tax and NNDR receipts are received and then precept payments are paid out.



5.5 The Council benchmarks against around 80 non-metropolitan district Council, in relation to credit risk (Security), liquidity and yield. The latest results as at September 2024 are detailed in the table below. These results are largely in line with the benchmarking cohort with a better than average rate of return achieved.

	Benchmarking Results
<u>Weighted Average Credit Risk</u>	
East Staffordshire	2.64
Non-Met district	2.29
<u>Weighted Average maturity</u>	
East Staffordshire	84 days
Non-Met district	72 days
<u>Weighted average return at 30 sept</u>	
East Staffordshire	5.09%
Non-Met district	5.00%

6. Borrowing

6.1 It is estimated that the Council's Capital Financing Requirement (CFR) at 31st March 2025 will be £13.603m, as compared to the 2024/25 Treasury Strategy which estimated that it would be £11.132m (see Annex 1). The actual CFR at 31 March 2024 was £13.472m.

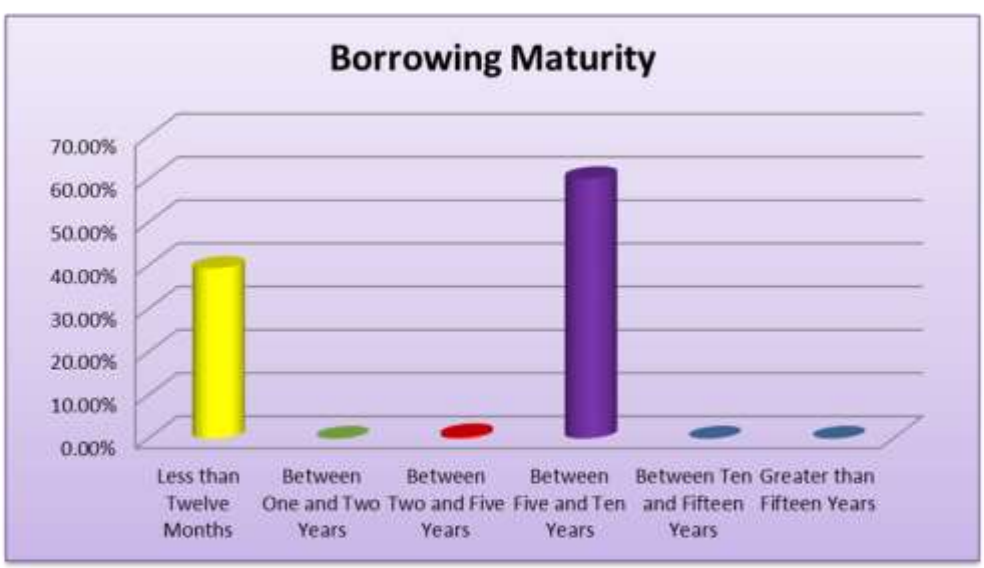
The CFR is therefore forecast to increase from £13.472m at 31 March 2024 to £13.603m at 31 March 2025. This forecast net increase in the year is due to the statutory debt repayment, known as the Minimum Revenue Provision increase and planned voluntary debt repayments reduced from the original forecast, in accordance with the Medium Term Financial Strategy (MTFS). Additionally, new borrowing of £1.338m to fund the Capital Programme is planned in 2024/25, an increase of £134k to that originally planned in the MTFS for 2024/25.

The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the market (external borrowing) or from the Council's own balances, such as earmarked reserves, on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

6.2 Generally, an increase in the CFR denotes a draw on cash balances and a reduction in the CFR increases cash balances. However, when deciding whether to borrow externally, the Council's total cash balances are the key consideration. The Council's total cash balances are determined by the revenue budget, the Collection Fund and the Capital Programme.

The Council's external current borrowing with external bodies alongside the maturity profile of that borrowing is shown in the tables and graph below. The maturity profile means the period over which the fixed rate borrowing is due to be repaid. When repaid, this would be out of the Council's cash balances or from new borrowing.

Maturity Structure - Fixed Rate Borrowing	%	Balance
Less than Twelve Months	39.33%	2,491,521
Between One and Two Years	0.01%	434
Between Two and Five Years	0.56%	35,705
Between Five and Ten Years	60.10%	3,806,637
Between Ten and Fifteen Years	0.00%	-
Greater than Fifteen Years	0.00%	-
	100.00%	6,334,297



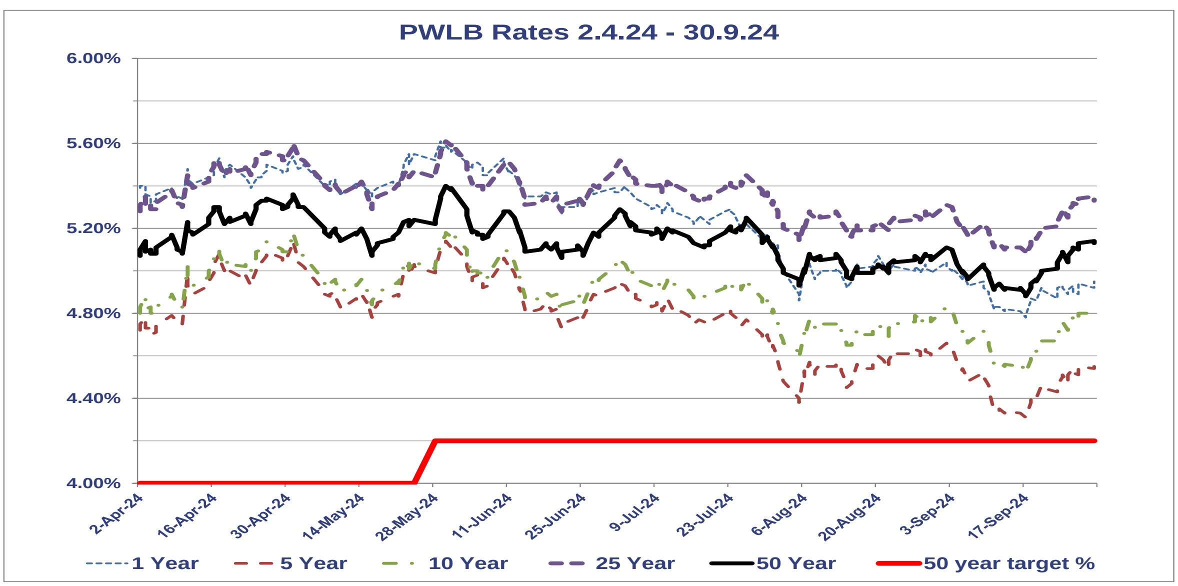
6.3 **PWLB maturity certainty rates year to date to 30th September 2024**

Gilt yields and PWLB certainty rates were less volatile than at this time last year. Overall, the 10, 25 and 50-year part of the curve endured a little volatility but finished September very much as it started in April.

Where there was some movement downwards, this came in the shorter part of the curve as markets positioned themselves for Bank Rate cuts in the second half of 2024 and into 2025, although the continued stickiness of inflation and the prevailing tight labour market is a concern for those looking for more sizeable falls ahead. At the beginning of April, the 5-year certainty rate was the cheapest part of the curve at 4.72% whilst the 25-year rate was relatively expensive at 5.28%. May saw yields at their highest across the whole curve.

Conversely, 17 September saw the low point for the whole curve, with the 5-year certainty rate falling to 4.31% before rebounding to 4.55% by the end of the month. Similarly, the 50-year certainty rate fell to 4.88% but finished the month at 5.13%, slightly higher than at the start of April.

The forecast of the Council's Treasury Management Advisors (Link) is that rates will fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2025, and we forecast 50-year rates to stand at 4.20% by the end of September 2026. However, there is considerable gilt issuance to be digested by the market over the next couple of years, and geo-political uncertainties – which are generally negative for inflation prospects – abound in Eastern Europe and the Middle East, in particular.



6.4 As has already been noted, and in accordance with the Council's Treasury Management Strategy Statement, there are currently no plans for external borrowing to be undertaken in 2024/25. This need will continue to be reviewed throughout the remainder of the year.

7 Debt Re-Scheduling

The Council has not yet undertaken any rescheduling during 2024/25.

8 Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the 2024/25 TMSS. During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in **Annex 1**.

Annex 1: a) Prudential and Treasury Indicators

PRUDENTIAL INDICATOR	2023/24	2024/25	2024/25
	Outturn	Original Estimate	Probable
	£'000	£'000	£'000
Capital Expenditure	9,310	31,624	**17,959***
Ratio of financing costs to net revenue stream	(8.05)%	(1.35)%	**(3.88)%****
Capital Financing Requirement	13,472	12,603	**13,603**
External Debt (including finance leases)	6,365	7,508	**6,292**

* The spend profiles of the capital project are currently being reviewed.
** As per 2023/24, this is a result of increased investment income against budget.

Annex 1: b) Prudential and Treasury Indicators

	2023/24	2024/25	2024/25
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	**Outturn**	**Estimate**	**Probable**
Authorised Limit for external debt			
borrowing	16,000	15,000	15,000
other long term liabilities	1,500	1,500	1,500
TOTAL	**17,500**	**16,500**	**16,500**
Operational Boundary for external debt -			
borrowing	15,000	14,000	14,000
other long term liabilities	500	500	500
TOTAL	**15,500**	**14,500**	**14,500**
Upper limit for total principal sums invested for over 1 year	5,000	5,000	**5,000**

Annex 2: Investments as at 30th September 2024

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Call Accounts & Money Market Funds				
RBS SIBA	51,936	3.00%		
Barclays	-	0.20%		
Santander 95 Day Notice Account	-	0.25%		95 Day Notice
Bank of Scotland 95 Day Notice Account	-	0.05%		95 Day Notice
Lloyds 95 Day Notice Account	-	0.05%		95 Day Notice
Insight MMF	3,550,000	5.00%		Call
Aberdeen MMF	-	4.96%		Call
Federated MMF	6,000,000	5.02%		Call
BlackRock MMF	-	4.90%		Call
CCLA MMF	6,000,000	5.00%		Call
Fixed Deposits/Certificates of Deposit				
Lloyds Bank CD	2,000,000	5.19%	11/04/2024	11/10/2024
Lloyds Bank CD	1,500,000	5.07%	02/08/2024	03/02/2025
National Westminster Bank CD	2,000,000	5.11%	19/01/2024	17/01/2025
National Westminster Bank CD	1,000,000	5.21%	13/06/2024	13/12/2024
National Westminster Bank CD	1,000,000	4.62%	06/08/2024	05/08/2025
National Westminster Bank CD	1,000,000	4.90%	16/08/2024	17/02/2025
Santander CD	2,000,000	5.21%	15/07/2024	15/10/2024
Toronto Dominion Bank CD	1,500,000	5.89%	06/10/2023	04/10/2024
Toronto Dominion Bank CD	1,000,000	5.42%	12/12/2023	12/12/2024
Toronto Dominion Bank CD	1,000,000	5.23%	12/04/2024	13/01/2025
DZ Bank CD	1,500,000	4.77%	27/09/2024	27/03/2025
Rabobank CD	1,500,000	5.48%	01/12/2023	29/11/2024
Rabobank CD	1,000,000	5.20%	05/07/2024	04/07/2025
Rabobank CD	1,000,000	5.13%	23/07/2024	22/07/2025
Commonwealth Bank of Australia (CBA) CD	1,500,000	5.79%	20/10/2023	18/10/2024
Commonwealth Bank of Australia (CBA) CD	500,000	5.20%	02/07/2024	24/03/2025
Commonwealth Bank of Australia (CBA) CD	1,500,000	4.61%	12/09/2024	12/09/2025
UBS CD	1,000,000	5.14%	12/01/2024	10/01/2025
UBS CD	1,500,000	5.24%	17/04/2024	16/04/2025
UBS CD	1,000,000	5.35%	24/05/2024	23/05/2025
Credit Agricole CD	1,000,000	5.31%	03/06/2024	03/12/2024
Credit Agricole CD	2,000,000	4.78%	20/09/2024	20/03/2025
Royal Bank of Canada (RBC) CD	1,500,000	4.35%	20/09/2024	19/09/2025
DNB CD	1,500,000	5.72%	06/11/2023	04/11/2024
Nordea Bank CD	1,000,000	4.91%	12/08/2024	12/12/2024
UK Treasury Bill	1,500,000	5.11%	08/04/2024	07/10/2024
UK Treasury Bill	1,500,000	5.15%	15/04/2024	14/10/2024
UK Treasury Bill	1,500,000	5.17%	29/04/2024	28/10/2024
UK Treasury Bill	1,500,000	5.21%	28/05/2024	25/11/2024
UK Treasury Bill	1,500,000	5.20%	03/06/2024	11/11/2024
UK Treasury Bill	2,000,000	5.15%	10/07/2024	07/10/2024
UK Treasury Bill	1,500,000	4.78%	09/09/2024	10/03/2025
UK Treasury Bill	1,000,000	4.72%	30/09/2024	31/03/2025

Investments Rate of Interest as at 30 Sep 2024	Principal (£)	Interest Rate
Total Investments	60,601,936	5.10%

Average Rate of Interest (Year to Date)	Principal (£)	Interest Rate
Total Investments	65,677,973	5.30%

Annex 3: Economic Update

- The third quarter of 2024 (July to September) saw:
  - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
  - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
  - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
  - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
  - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
  - 10-year gilt yields falling to 4.0% in September.
- The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
- The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
- The government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
- The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis,

average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.

- Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.

- CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.

- The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.

- Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.

- Our forecast is next due to be updated around mid-November following the 30 October Budget, 5 November US presidential election and the 7 November MPC meeting and the release of the Bank of England Quarterly Monetary Policy Report.

- Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.

- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

MPC meetings: 9 May, 20 June, 1 August, 19 September 2024

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- Nonetheless, November still looks most likely to be the next month to see a rate cut to 4.75% but, thereafter, inflation and employment data releases, as well as geo-political events, are likely to be the determinant for what happens in the remainder of 2024/25 and into 2025/26.

Annex 4: Interest Rate Forecasts

Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 28th May sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	28.05.24									
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10