

September 20, 2005

ABS Perspectives

After the Storm: Impact of Hurricanes on Home Equity Loans

Text001

As Securities

Primary Analyst:

AB

Spreads to Treasuries	Close as of 09/15/05	Spread Change (bp)			During the Past Year				
		1 Week	1 Month	3 Months	High	Low	Avg.	Std. Dev.	Deviation from Average
Treasury Yields									
2-yr	3.89	2	-11	21	4.15	2.41	3.39	47	1.1
5-yr	3.99	5	-8	14	4.33	3.24	3.78	27	0.8
10-yr	4.21	7	1	14	4.64	3.89	4.19	15	0.1
Non-Mortgage Product									
Credit Cards									
<i>AAA</i>									
2-yr	34	0	-1	1	41	31	35	2	-0.5
3-yr	38	-1	1	1	49	34	40	4	-0.6
5-yr	45	0	0	2	50	38	45	3	0.0
10-yr	51	0	-2	1	64	46	53	4	-0.5
<i>A Rated</i>									
2-yr	51	0	0	3	58	45	51	3	0.0
3-yr	57	-1	2	3	69	50	58	5	-0.2
5-yr	63	0	-2	2	73	58	63	4	-0.1
<i>BBB Rated</i>									
3-yr	70	0	3	-3	88	67	76	6	-1.0
5-yr	77	0	0	-3	95	74	82	6	-1.0
Automobile Loans									
2-yr	38	0	1	4	48	32	38	3	0.0
3-yr	45	-1	2	4	54	37	45	4	0.0
Student Loans (T-Bill Indexed)									
2-yr	50	0	0	0	50	50	50	0	NA
Rate Reduction Bonds									
2-yr	36	0	-1	2	44	32	37	3	-0.4
5-yr	46	0	-1	2	53	41	46	3	-0.2
10-yr	52	0	-2	1	65	44	54	4	-0.4
Unsecured Corporates (Single-A Rated)									
<i>Financial</i>									
2-yr	49	1	1	-3	64	39	49	5	-0.1
5-yr	63	3	-1	-1	76	55	66	5	-0.7
10-yr	89	1	4	18	98	68	84	9	0.6
<i>Industrial</i>									
2-yr	41	0	2	-3	52	35	42	3	-0.5
5-yr	56	0	2	0	65	46	57	4	-0.1
10-yr	83	0	7	7	84	57	72	6	1.8

¹AAA-rated securities, except as noted.

Source: Morgan Stanley, Bloomberg Financial Markets