

Report to: Audit & Governance Committee Meeting 1 December 2022

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<b>Report Summary</b>	
<b>Report Title</b>	Treasury Management Mid-Year Report 2022/23
<b>Purpose of Report</b>	To provide an update on the Council's Treasury Activity and Prudential Indicators for the first half of 2022/23
<b>Recommendations</b>	That the treasury management activity be noted and recommend to Full Council on 13 December; and  The Prudential Indicators detailed in Section 9 of the report be noted.
<b>Reason for Recommendation</b>	To allow Committee to note Treasury Management Activity and recommend it to Full Council and  To allow Committee to note the Prudential Indicators

## **1.0 Background Information**

- 1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:
- 1.2 Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.  
Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.  
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.  
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.

- 1.3 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 and Governance Committee.
- 1.4 This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:
- An economic update for the first part of the 2022/23 financial year;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators;
  - A review of the Council’s investment portfolio for 2022/23;
  - A review of the Council’s borrowing strategy for 2022/23;
  - A review of any debt rescheduling undertaken during 2022/23;
  - A review of compliance with Treasury and Prudential Limits for 2022/23.
- 1.5 Treasury Management is defined as: “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”.
- 1.6 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

## 2.0 Summary of Treasury Balances as at 30 September 2022

- 2.1 Below is a summary of the Councils borrowing position as at 30 September 2022, further information is available at section 4.

Balance on 01/04/2022 £m		Balance on 30/09/2022 £m
97.070	Total Borrowings	97.537
5.233	Total Other Long Term Liabilities	5.233
<b>102.303</b>	<b>TOTAL EXTERNAL DEBT</b>	<b>102.770</b>

- 2.2 Below is a summary of the Councils investment position as at 30 September 2022, further information is available at section 5.

Balance on 01/04/2022 £m		Balance on 30/09/2022 £m
46.790	Total Short Term Investments	56.470
12.500	Total Long Term Investments	12.500
<b>59.290</b>	<b>TOTAL INVESTMENTS</b>	<b>68.970</b>

2.3 Below is a summary of the Councils capital expenditure position as at 30 September 2022, further information is available at section 3.

Capital Expenditure	2022/23 Initial Capital Budget £m	2022/23 Revised Estimate £m	2022/23 Current Expenditure £m
General Fund Expenditure	57.603	6.368	42.459
HRA Expenditure	29.543	5.502	24.650
<b>Total Capital Expenditure</b>	<b>87.146</b>	<b>11.870</b>	<b>67.109</b>

2.4 **Prudential Indicators**, during the first half of the financial year there was no breach in the prudential indicators. However, there was a breach of a treasury investment strategy limit. The approved strategy sets out that the maximum investment with one organisation is £15m. For a period of 66 days this limit was breached by £2m. This was due to a new Environmental, Social and Governance investment being taken with an existing counterpart. Once the existing investment had come to maturity, this was redeemed in order to return the total group investment to within the limit of £15m.

### **Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy update**

2.5 The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by Full Council on 8 March 2022. There are no suggested policy changes to the TMSS within this report; the details in this report update the position in the light of the updated economic position and capital budget changes approved at Policy and Finance throughout the year.

### **3.0 The Council's Capital Position**

3.1 This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

3.2 The table below shows the revised estimates for capital expenditure and the changes since the Capital Programme was agreed within the Capital budget on 8 March 2022.

Capital Expenditure	2022/23 Original Budget Approved 9 March 2022 £m	2022/23 Revised Budget as at 30 September 2022 £m	Actual Spend as at 30 September 2022 £m
General Fund Expenditure	57.603	42.459	6.368
HRA Expenditure	29.543	24.650	5.502
<b>Total Capital Expenditure</b>	<b>87.146</b>	<b>67.109</b>	<b>11.870</b>
Financed By:			
Capital Receipts	3.643	5.013	
Capital Grants	23.700	23.976	
Capital Reserves	21.194	15.835	
Revenue	3.670	3.795	
<b>Total Financing</b>	<b>52.207</b>	<b>48.619</b>	
<b>Borrowing Requirement</b>	<b>34.939</b>	<b>18.490</b>	

- 3.3 The financing of the Capital Programme will be determined by the S151 Officer at the year-end based on best use of resources.

The decrease from the Budget approved 8 March 2022 relates to approved capital carry forward requests and approved variations to the capital programme as shown in the table below.

<b>Original Capital Budget Approved 22/23</b>	<b>£87.146m</b>
Capital Slippages Carried Forward	£16.696m
Cabinet Approvals 4.10.22	(£13.847m)
Cabinet Variations requested 6.12.22	(£22.885m)
<b>New Revised Budget</b>	<b>£67.109m</b>

#### 4.0 Borrowing Strategy

- 4.1 At 30 September 2022 the Council held £97.761m of loans, as part of its strategy for funding previous years' borrowing within those capital programmes.

#### 4.2 Borrowing Activity in 2022/23

	General Fund		HRA	
	Balance on 01/04/2022 £m	Balance on 30/09/2022 £m	Balance on 01/04/2022 £m	Balance on 30/09/2022 £m
Short Term Borrowing	0.110	0.592	6.491	6.476
Long Term Borrowing	8500	8.500	81.969	81.969
<b>Total Borrowing</b>	<b>8.610</b>	<b>9.092</b>	<b>88.461</b>	<b>88.445</b>
Other Long Term Liabilities	5.233	5.233	0.000	0.000
<b>Total External Debt</b>	<b>13.843</b>	<b>14.325</b>	<b>88.461</b>	<b>88.445</b>
CFR	70.912	72.883	138.162	137.541
<b>Under / (over) borrowing</b>	<b>57.070</b>	<b>58.559</b>	<b>49.701</b>	<b>49.095</b>

- 4.3 As the Council is in a significant under borrowed position, as per the table in 5.2, there may be a requirement during the remainder of the financial year where new borrowing is required. Any new borrowing will be within the approved Treasury Management Borrowing Strategy framework and will have been reviewed by the S151 Officer for cost effectiveness as whether to borrow shorter term or long term in relation to interest rate forecasts.
- 4.4 **LOBOs:** The Council holds £3.5m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the £3.5m of LOBOS had options during the last 6 months, none of which were exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.
- 4.5 **Internal borrowing:** For the Council, the use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding of capital expenditure that has not been funded from grants and other resources. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to longer term as the Council needs to use reserves for the purpose they were set aside for, and external borrowing may need to be undertaken.
- 4.6 **Debt rescheduling:** The premium charge for early repayment of PWLB debt remains relatively expensive for the loans in the Council’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken or is proposed during the rest of the financial year as a consequence.

## 5.0 Investment Activity

- 5.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council’s aim is to achieve a return commensurate with these principles.

### 5.2 Investment Activity in 2022/23

Type of Investment	Balance on 01/04/2022 £m	Balance on 30/09/2022 £m	Average Interest Rate
<b>Short term Investments</b>			
<i>Fixed Term Deposits:</i>			
Santander	5.000	5.000	0.63%
Lloyds 95 Day Notice	5.000	5.000	0.20%
Close Brothers	2.000	2.000	0.75%
Goldman Sachs International Bank	5.000	5.000	1.65%
Standard Chartered Sustainable Deposit	3.000	11.000	6.61%
<i>Money Market Funds:</i>			
Goldman Sachs	7.900	10.000	1.89%

Deutsche Bank	0.000	4.230	1.77%
Invesco	12.000	12.000	1.08%
CCLA	2.240	2.240	1.22%
<i>Bank Call Account:</i>			
Handelsbanken	4.650	0.000	0.07%
<b>Total Short Term Investments</b>			
Long term Investments			
CCLA Property Fund	7.000	7.000	4.00%
CCLA Diversified Income Fund	5.500	5.500	3.00%
<b>Total Long Term Investments</b>			
<b>TOTAL INVESTMENTS</b>			
Increase/ (Decrease) in Investments		9.680	

5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

#### 6.0 Non-Treasury Investments

6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return or regeneration purposes. This is replicated in MLUHC's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return or regeneration purposes.

Breakdown below of current Non-Treasury Investments held;

<b>Counterpart</b>	<b>Balance at 30/09/2022 £m</b>
Growth Investment Fund	0.002
Loans to Housing Associations	0.015
Loans to Parish Councils	0.013
Loans to Arkwood	3.997
Loans to RHH Ltd	0.761

6.2 These investments are due to generate £0.261m of investment income for the Council after taking account of direct costs, representing a rate of return of 5.46%.

**6.3 Maturity Structure of Fixed Rate Borrowing.** This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

	Upper Limit %	Actual at 30/9/22 £m	Actual at 30/9/22 £m	Compliance
Under 12 Months	15%	3.500	24.14%	Yes
12-24 Months	15%	12.500	53.73%	Yes
2-5 Years	30%	4.021	0.00%	Yes
5-10 Years	100%	21.838	0.00%	Yes
Over 10 Years	100%	48.610	0.00%5	Yes

#### **Limits to Investing Activity**

**6.4 Security.** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target	Actual	Compliance
Portfolio average credit rating	A	AA	Yes

**6.5 Liquidity Risk Indicator.** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a banding period, without additional borrowing.

Total Cash Available within;	Limit	Actual 30/09/22
3 Months	100%	78%
3-12 Months	80%	9%
Over 12 Months	40%	13%

**6.6 Principal Sums Invested for over 364 Days.** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments

## 7.0 Limits to Capital Activity

7.1 **Capital Financing Requirement.** The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose.

	<b>2022/23 Original Estimate £m</b>	<b>2022/23 Revised Estimate £m</b>
CFR – non housing	24.233	26.546
CFR – housing	114.004	110.994
<b>Total CFR</b>	<b>138.238</b>	<b>137.541</b>
<b>Estimated Net Movements in CFR</b>		<b>-0.697</b>

7.2 **Capital Financing Costs to Net Revenue Stream.** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	<b>2022/23 Original Estimate £m</b>	<b>2022/23 Revised Estimate £m</b>
General Fund		
Financing Costs	-0.254	-0.767
Proportion of net revenue stream	-1.28%	-3.86%
Housing Revenue Account		
Financing Costs	27.949	28.089
Proportion of net rental stream	57.08%	56.79%

## 8.0 Economic Background/Interest Rate Forecast

8.1 **Appendix A and Appendix B** gives a summarised outlook for the economic background and interest rate forecast from our Treasury Consultants, Link.

### **Background Papers and Published Documents**

Nil.



### 3.1 Economics update

- The second quarter of 2022/23 saw:
  - GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
  - Signs of economic activity losing momentum as production fell due to rising energy prices;
  - CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
  - The unemployment rate fell to a 48-year low of 3.6% due to a large shortfall in labour supply;
  - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
  - Gilt yields surge and sterling fall following the “fiscal event” of the new Prime Minister and Chancellor on 23<sup>rd</sup> September.
- The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households’ bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.
- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there

have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.

- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- During H1 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6<sup>th</sup> November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3<sup>rd</sup> November and the government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23<sup>rd</sup> November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.

- Since the fiscal event on 23<sup>rd</sup> September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.
- Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21<sup>st</sup> June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31<sup>st</sup> October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14<sup>th</sup> October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank's announcement on 28<sup>th</sup> September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- There is a possibility that the Bank continues with QE at the long-end beyond 14<sup>th</sup> October or it decides to delay quantitative tightening beyond 31<sup>st</sup> October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

Appendix B

### 3.2 Interest rate forecasts

### Appendix B

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 1<sup>st</sup> November 2012.

The latest forecast on 27<sup>th</sup> September sets out a view that both short 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, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.

The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.

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 1<sup>st</sup> November 2012.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10