

The ABS market \ a month in review

April 2013

European ABS Market

European ABS Pricing and Sectors

Since the handling of the Italian and Cyprus crises there has been very little volatility in the European ABS market. April saw spreads tightening across all European ABS sectors. Our curves for the most liquid sectors are currently priced at the below levels:

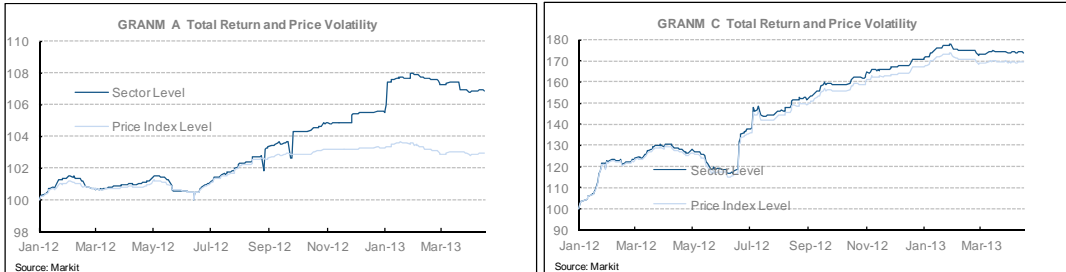
Sector	Spread Mid
ALL Auto Lease AAA Float (1-4)	50
ALL Auto Loan AAA Float (1-4)	40
ALL CMBS AAA Float (3-5)	190
ALL Credit Card AAA Float (1-4)	31
Australia RMBS AAA Float (1-3)	119
Italy RMBS AA Float (3-5)	253
Netherlands RMBS AAA Float (1-3)	54
Spain RMBS AA Float (3-5)	398
United Kingdom PRMBS ex. Granite AAA Float (1-3)	37
United Kingdom PRMBS ex. Granite AAA Float (3-5)	56
United Kingdom PRMBS ex. Granite AAA Float (5-8)	69

However, there are some serious concerns within the region's economy. Auto-manufacturers, retail and super-market chains have all displayed poor sales results within Europe with unemployment/inflation still rising. There have been substantial injections of liquidity from major central banks. The most recent injection came from the Bank of Japan, and was aimed at helping the financial and housing markets to de-correlate their results from the economy.

Eurostat has recently started publishing a quarterly analysis of the European housing market, starting from January 2010. It is evident that Spain, Ireland and Italy are clearly well below 100. This month's highest performers include the UK and Belgium. Overall France remains the best performing country, as it has been for the past two years. The house price index levels for the Netherlands have remained below 100 for more than a year now, despite the Dutch RMBS sector being the second tightest RMBS after the UK Prime RMBS.

European House Price Index (Source: Eurostat)												
	Euro Area	France	Italy	Netherlands	Germany	UK	Belgium	Ireland	Greece	Spain	Hungary	Sweden
Jan-10	98.98	96.81	99.49	100.13	99	98.59	98.22	104.24	100.24	99.91	101.09	97.86
Apr-10	100.17	98.79	100	100.06	100.5	100.11	99.13	100.99	101.26	101.52	100.59	99.27
Jul-10	100.48	101.59	100.33	100.16	100.6	101.77	101.02	98.66	100.35	99.33	100.1	100.61
Oct-10	100.36	102.8	100.19	99.65	99.9	99.53	101.63	96.11	98.15	99.24	98.22	102.26
Jan-11	100.51	103.44	100.07	99.95	102.6	98.65	102.34	91.81	98.06	95.78	97.96	102.54
Apr-11	101.57	105.47	101.19	98.35	103.9	98.28	103.28	87.97	97.91	94.64	97.15	103.16
Jul-11	101.27	107.68	101.2	98.02	103.4	100.17	105.32	84.6	n.a	91.99	95.85	102.94
Oct-11	100.31	106.63	100.51	96.26	104.1	99.06	105.14	80.07	n.a	88.15	95.41	100.48
Jan-12	99.92	105.23	99.93	94.48	104.9	99.08	105.9	76.82	n.a	83.76	96.51	101.93
Apr-12	99.71	105.3	99.14	93.09	n.a	100.2	105.99	75.31	n.a	81.03	92.85	103.07
Jul-12	99	106.05	97.43	89.66	n.a	102.05	107.18	76.47	n.a	77.98	92.13	103.78
Oct-12	98.55	104.79	95.85	90.4	n.a	101.36	106.39	76.47	n.a	76.88	90.08	104.3

There hasn't been a lot of volatility around the Granite tranches during April. The A and B tranches have shown some movement since the first one decreased by 0.25 cents and the second one increased by 1.6 cents. The A, B, M and C tranches are now traded at 98.14, 94.30, 90.75 and 86.34, respectively.



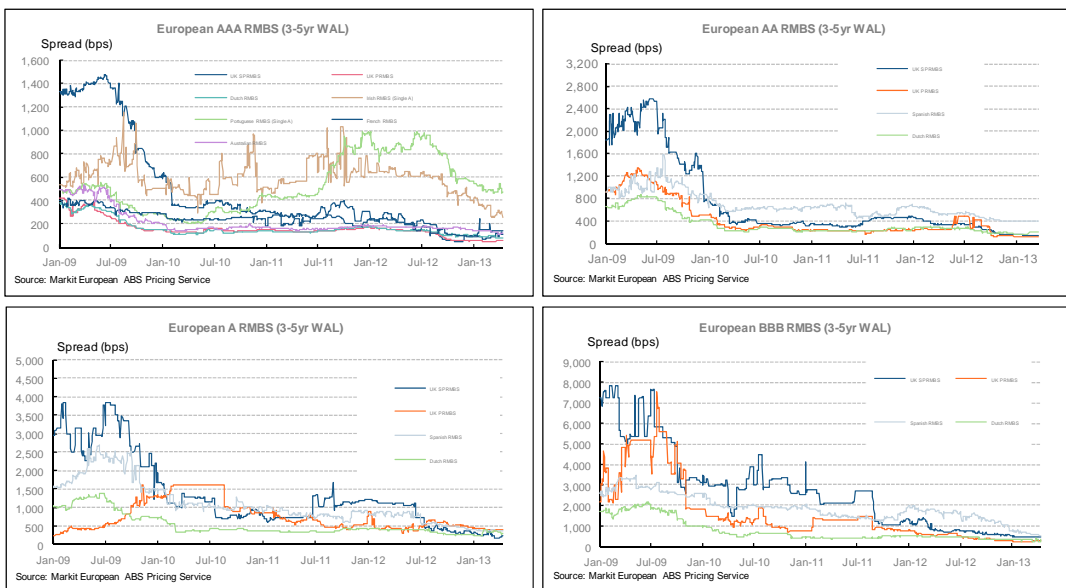
The price matrix for Granite securities and especially the A tranche based on currency and rating will be limited in the coming months. It seems that the coupon difference between Granite deals and tight spreads on the secondary market start to finally have an effect on the cash price and the way investors are trading them.

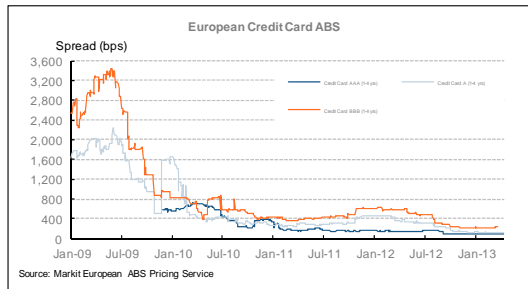
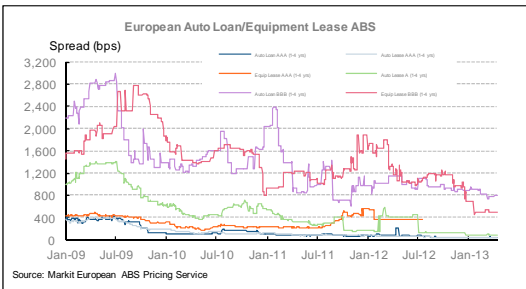
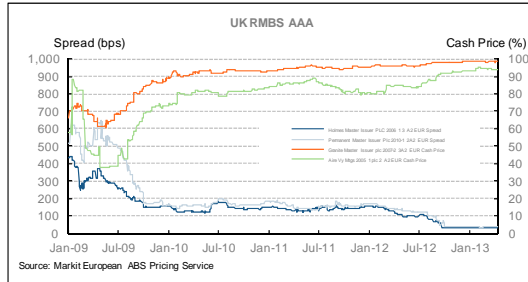
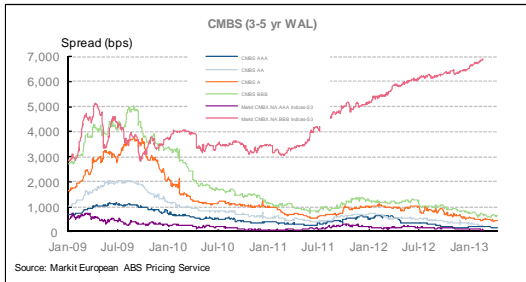
Moreover the Economics Commission of the Spanish Congress changed the mortgage market act this week, allowing more flexibility around four aspects for households in difficulties:

- raising the threshold for maximum earnings in order to qualify for temporary suspension of eviction
- expropriating houses owned by the banks in order to house people who have been evicted
- allowing families who cannot meet their payments to enter a form of insolvency proceedings
- retroactive application of donation in payment, halting evictions from first homes for mortgage delinquency, and allowing households affected by eviction orders to remain in the same home as tenants paying a social rent

This initiative will clearly help the Spanish economy, but will negatively impact Spanish RMBS, since it will increase interest shortfall and decrease principal repayment.

Finally in addition to the daily BWICs, the largest activity remained around the primary market with half a dozen deals priced in April.





Primary Market

The primary market has been fairly active during April with half a dozen deals being priced. Once again the largest issuances came from the Dutch RMBS sector and were represented by Storm 2013-II BV and Saecure 13. Also active was the Auto ABS market.

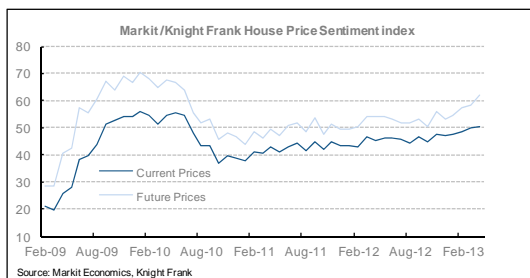
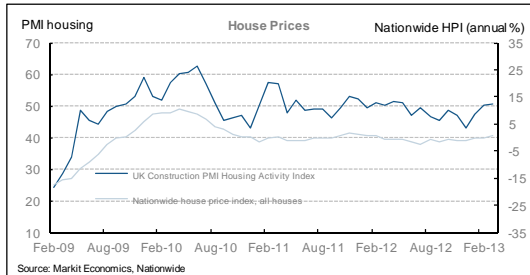
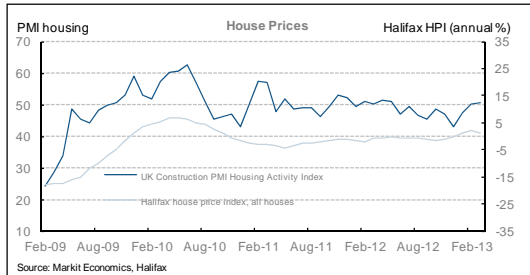
Moreover the primary market welcomed its second European Leveraged loan CLO issuance of this year; Dryden XXVII Euro CLO 2013 was issued last week with eight placed tranches, which include three fixed rate tranches totalling an issue size of €90m. The senior tranches are priced tighter with a margin of +135bps than the previously issued Cairn III senior tranche with a margin of +140bps.

Primary Market (Source: Markit RCD)					
Deal	Country/Sector	Class	Av Rating	Spread (bp)	Amount (€m)
Asset-Backed European Securitisation Transaction Eight Plc	UK/Auto Loan	A	AAA	50	257.80
		B	A	120	48.70
Dryden XXVII Euro CLO 2013	European/CLO	A1A	AAA	2.30% (Fixed)	69.00
		A1B	AAA	135	100.50
		B1A	AA	2.93% (Fixed)	9.40
		B1B	AA	190	21.60
		C1A	A	3.93% (Fixed)	11.60
		C1B	A	290	6.40
SC Germany Auto 2013-1 UG (haftungsbeschränkt)	Germany/Auto Loan	A	AAA	38	549.00
		A1	AAA	40	150.00
STORM 2013-II BV	Netherlands/RMBS	A1	AAA	83	550.00
		A2	AAA	40	275.10
Saecure 13	Netherlands/RMBS	A1	AAA	82	848.30
		A2	AAA		

Economics Data

The Halifax and Nationwide HPI month-on-month increased in March at 0.2% and 0.0%, respectively. The Halifax index now shows a 1.1% increase year-on-year, compared with Nationwide, which is still lower at 0.8%.

The Markit/CIPS UK Construction PMI posted another negative month at 47.2 in March for UK construction activity. As for last month, the decline was mainly due to commercial activity since the housing activity increased again and it is now at 50.8.



Ratings Actions

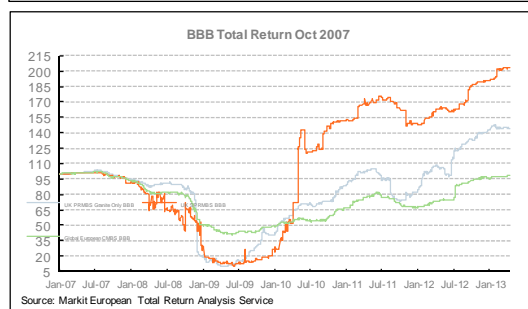
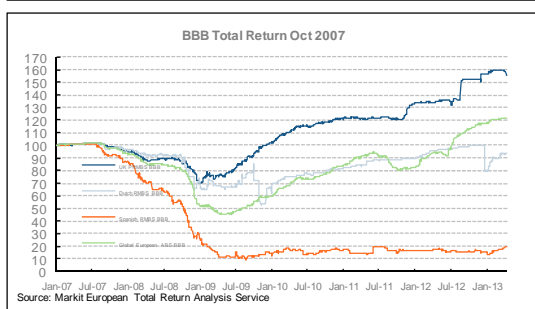
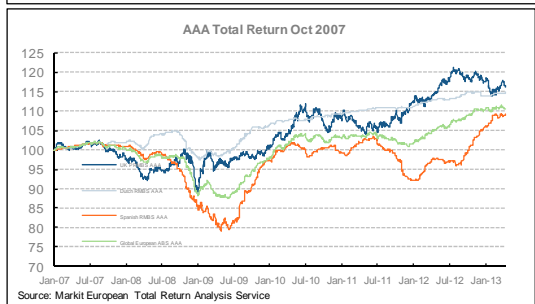
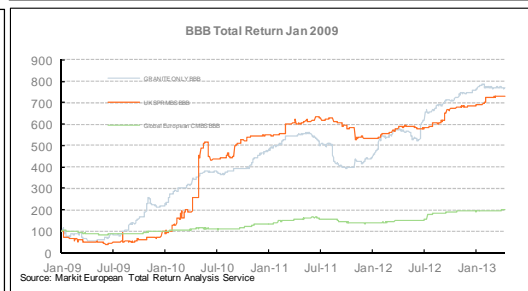
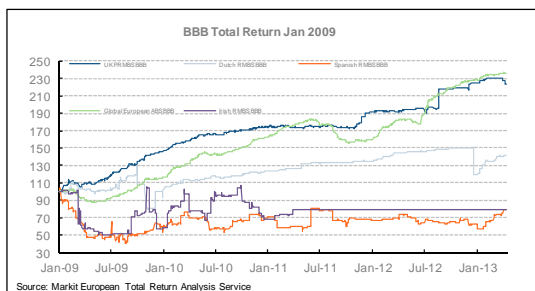
Moody's has downgraded 120 tranches across 45 deals within the Spanish RMBS and small business loan sectors. The majority of affected securities fall within the senior and mezzanine tranches where securities previously rated A3 have been downgraded to Baa1 or Baa2. The downgrade affects six junior notes by one to three notches and six senior notes by one to two notches across the four Spanish RMBS deals - TDA CAM 7, 8, 10 and 11. The rating action reflects the insufficiency of credit enhancement to address counterparty and sovereign risk.

Fitch Ratings has downgraded 14 tranches across the UK CMBS deals, including Business Mortgage Finance 4, 5 & 6 and London and Regional Debt Securities No2 PLC. The downgrade affects the mezzanine and junior tranches. Securities previously rated B have been downgraded to CCC and securities rated A have been downgraded to BBB-.

Markit Structured Finance Research

Deals Affected by Rating Actions (Source: Markit European ABS)		
Deal	Country/Sector	Action
Alexandria Cap Plc	Ireland/CDO	Downgrade
Annington Fin No 1	UK/CMBS	Downgrade
Atlantes Mtg No 1 plc	Portugal/RMBS	Downgrade
Atlantes Mtg No 1 plc	Portugal/RMBS	Upgrade
AyT Cédulas Cajas Glob Fondo Titul Activos	Spain/CDO	Downgrade
AyT Cédulas Cajas Fondo Titul Activos V & VI	Spain/CDO	Upgrade
AYT CEDULAS CAJAS X FONDO TITULIZACION ACTIVOS	Spain/CDO	Downgrade
AyT GENOVA Hipo IV	Spain/RMBS	Downgrade
AyT Genova Hipo IX Fondo Titul Hipo	Spain/RMBS	Downgrade
AyT Hipo III Fondo de Titul Hipo	Spain/RMBS	Downgrade
Bancaja - BVA VPO 1, Fondo de Titulizacion de Activos	Spain/RMBS	Downgrade
BANCAJA Fondo Titul Activos 3, 5, 6, 7, 8, 9, 10 & 11	Spain/RMBS	Downgrade
Bancaja Leasing 1,FTA	Spain/Equip Lease	Upgrade
Bankinter Fondo de Titul de Activos 10, 11 & 13	Spain/RMBS	Downgrade
Bankinter 2 PYME Fondo Titul Activos	Spain/Small Business Loan	Downgrade
BANKINTER FTPYME FTA 3 & 4	Spain/Other	Downgrade
BBVA FTPYME FONDO Titul ACTIVOS 3 & 6	Spain/Small Business Loan	Downgrade
BBVA Consumo Fondo de Titul de Activos 1, 2 & 4	Spain/Other Consumer Loan	Upgrade
BBVA Hipo 3 FONDO Titul ACTIVOS	Spain/CMBS	Downgrade
BBVA RMBS Fondo Titul Activos 1, 2 & 5	Spain/RMBS	Downgrade
BELLATRIX ECLIPSE 2005 2 plc	UK/CMBS	Downgrade
BUSINESS MORTGAGE FINANCE PLC 4, 5, 6 & 7	UK/CMBS	Downgrade
Cédulas TDA 2 Fondo de Titulizacion de Activos	Spain/CDO	Upgrade
Cédulas Tda 3, 5, 6 & 7	Spain/CDO	Downgrade
Celf Ln Partners BV	Netherlands/CDO	Downgrade
Citadel 2010-II B.V.	Netherlands/RMBS	Downgrade
CLOVERIE PLC	Ireland/CDO	Downgrade
CM Bancaja1 Fondo de Titul de Activos	Spain/CDO	Downgrade
Cornerstone Titan 2005 1 plc	UK/CMBS	Downgrade
Curzon Fdg Ltd	European/CDO	Downgrade
DECO 2011-CSPK Limited	Ireland/CMBS	Upgrade
Dryden X Euro CLO 2005 plc	European/CLO	Downgrade
Dryden X Euro CLO 2005 plc	European/CLO	Upgrade
Epic Drummond Ltd 1	European/CMBS	Downgrade
EQUINOX ECLIPSE 2006 1 plc	UK/CMBS	Downgrade
European Ppty Cap 3 plc	European/CMBS	Downgrade
EuroProp EMC SA	European/CMBS	Downgrade
Fermat Ltd	European/CDO	Downgrade
Fondo de Titul de Activos FTPYME Santander 2	Spain/Small Business Loan	Downgrade
Fondo de Titul de Activos PYMES Banesto 2	Spain/Small Business Loan	Downgrade
Fondo De Titulizacion De Activos Santander Consumer Spain Auto 10-1	Spain/Auto Loan	Upgrade
Forest Fin plc	Austria/CMBS	Downgrade
Forest Fin plc	Austria/CMBS	Upgrade
FTYME Bancaja Fondo de Titul de Activos 2 & 3	Spain/Small Business Loan	Downgrade
GC FTPYME PASTOR 4 Fondo de Titul de Activos	Spain/Small Business Loan	Downgrade
GC FTPYME SABADELL 6 FONDO DE TITULIZACION DE ACTIVOS	Spain/Small Business Loan	Downgrade
GC PASTOR HIPOTECARIO 5 FTA	Spain/RMBS	Downgrade
GSC European CDO I R SA	European/CLO	Upgrade
Hipocot Fondo Titul Activos 8, 9, 10, 11, 16 & 17	Spain/RMBS	Downgrade
HipoTotta No. 7 Limited	Portugal/RMBS	Downgrade
Im Bco Popular Ftpyme 1 Fondo de Titul de Activos	Spain/CDO	Downgrade
IM Caja Laboral Fondo Titul Activos 1 & 2	Spain/RMBS	Downgrade
IM Cajamar Empresas 2 FTPYME	Spain/Other	Upgrade
IM CEDULAS 4 FONDO Titul ACTIVOS	Spain/CDO	Downgrade
IM GRUPO BANCO POPULAR FTPYME IIFTA	Spain/Other	Upgrade
IM Grupo Bco Popular Empresas 1 Fondo de Titul de Activos	Spain/Small Business Loan	Upgrade
IM Grupo Bco Popular FTPYME I Fondo Titul Activos	Spain/Small Business Loan	Downgrade
Im Pastor Fondo de Titul Hipo 3 & 4	Spain/RMBS	Downgrade
Infinity 2006 1 Classico	Italy/CMBS	Downgrade
Jubilee CDO V BV	European/CDO	Downgrade
LIGHTPOINT PANEUROPEAN CLO 2006 PLC	USA/CLO	Downgrade
LOCAT Secn Veh 3 SRL	Italy/Equip Lease	Downgrade
London & Regional Debt Secn No2 PLC	UK/CMBS	Downgrade
London Wall 2006 1 Ltd	European/CLO	Downgrade
LUSITANO MORTGAGES NO 6 LTD	Portugal/RMBS	Downgrade
Lusitano Mtgs No 5 plc	Portugal/RMBS	Downgrade
MADRID RMBS III FONDO DE TITULIZACION DE ACTIVOS	Spain/RMBS	Downgrade
OCI EURO FUND I BV	Netherlands/CDO	Downgrade
PHARMA FINANCE 3 SRL	Italy/Equip Lease	Downgrade
Programa Cédulas TDA Fondo Titul Activos	Spain/CDO	Downgrade
Promise I Mobility 2008-1 Plc	Germany/CDO (Synthetic)	Downgrade
PYME BANCAJA 5 Fondo Titul Activos	Spain/Small Business Loan	Downgrade
RMF Euro CDO V PLC	European/CDO	Downgrade
Ruralpyme Ftpyme Fondo de Titul de Activos 1 & 2	Spain/Small Business Loan	Upgrade
Selecta CDO Ltd	European/CDO	Downgrade
Sestante Fin Srl 4	Italy/RMBS	Downgrade
Sestante Finance S.r.l. 3	Italy/RMBS	Downgrade
Silenus European Ln Conduit No25 Ltd	European/CMBS	Downgrade
Taurus CMBS Pan Europe 2006 3 PLC	UK/CMBS	Downgrade
TDA Bancaja 4 Hipotecaria	Spain/RMBS	Downgrade
Tda Cam Fondo de Titul de Activos 1, 3, 4, 5, 6, 9 & 12	Spain/RMBS	Downgrade
TDA CAM 12, Fondo de Titulizacion de Activos	Spain/RMBS	Upgrade
TDA CAM 2	Spain/RMBS	Downgrade
TdA CAM 6 Fondo Titul Activos	Spain/RMBS	Upgrade
TDA PASTOR 1	Spain/RMBS	Downgrade
TDA Pastor Consumo 1 Fondo Titul Activos	Spain/Other Consumer Loan	Downgrade
TDA Pastor Consumo 1 Fondo Titul Activos	Spain/Other Consumer Loan	Upgrade
VB DPR Finance Company 2006-1	European/Auto Loan	Downgrade
Versailles CLO ME 1 plc	European/CLO	Downgrade
Windemere VII CMBS plc	UK/CMBS	Downgrade
Windemere VII CMBS plc	UK/CMBS	Upgrade

European Total Return



US ABS Market

Despite the volatility seen in the broader markets, specifically gold and equities, spreads across structured products remained relatively unchanged over the past month. Given the low interest rate environment and the likelihood of it continuing for the foreseeable future, we feel interest in the space will remain strong as investors seek higher alpha.

CMBS

In newer vintage paper, spreads were relatively unchanged, however, legacy paper saw some decent compression month over month. Attention continues to be focused in the AM / AJ parts of the capital structure as investors look to pick up some extra basis points in this sector. AM's were in almost 20bps on both 2006 and 2007 vintages.

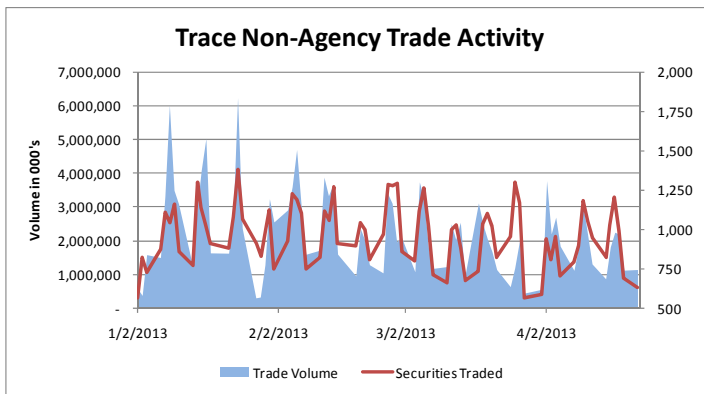
Generic Markets (Spread to Swaps)		
Vintage	Senior	AM
2005 (CD1)	70 (A4)	70
2006 (CD3)	87 (A5)	95
2007 (GG10)	129 (A4)	475
2011 (LC1)	87 (A3)	
2012 (LC3)	80 (A4)	

Non Agency RMBS

Unlike March, which saw slight spread compression, April gave way to a decent rally across the Non-Agency RMBS space. The majority of sectors experienced a multiple point increase since the beginning of the month.

Whereas previous rallies had Subprime lagging a bit, there was significant interest in the sector this time around. This was noticeable in both the cash and synthetic (ABX) markets. Contrary to March, bids wanted in competition (BWIC) activity has been somewhat subdued in April, as accounts are less willing to part with an asset class that appears to continue to grind tighter. This is evidenced by TRACE data below, which shows a gradual slowdown in activity throughout the month and average levels are similar to March with a slight up-tick in daily trade volume, but fewer bonds trading.

Non-Agency RMBS Sector Yield Analysis										
Product Vintage	Prime						Legend			
	30 Year Fixed			Hybrid Prime						
Structure	06/07	Yield	2005	Yield	06/07	Yield	2005	Yield	Collateral Types: Fixed (FRM) Floating (ARM)	
60+ DQ %*	SS		SS		SEN		SEN			
	<10	3.117	>0 <05	2.863	<10	4.130	<08	3.483	Structure: SS Super Senior SUP Support NAS Non Accel Snr PAC Planned Amort Class LCF Last Cash Flow 1/2/3rd Original Pmt Priority FLT Floater PT Pass Through	
	>10 <20	3.639	>05 <13	3.315	>10 <20	5.036	>08 <15	3.917		
	>20	3.670	>13	3.711	>20	5.811	>15	5.163		
	SUP		SUP		SUP		SUP		60+ DQ All structures are broken out by collateral performance as defined by 60+ Delinquency Ex: <10 >10 <20 >20	
	<10	5.524	>0 <05	4.250	<10	6.725	<08	4.629		
	>10 <20	4.770	>05 <13	5.226	>10 <20	7.123	>08 <15	4.682		
	>20	5.833	>13	4.960	>20	8.978	>15	10.781	Option ARM 06/07 Yield 2005 Yield	
	PT		PT							
	<10	3.428	>0 <05	3.068						
	>10 <20	3.774	>05 <13	3.668					Subprime 06/07 Yield 2005 Yield	
	>20	3.758	>13	4.170						
	Float		Float							
	<10	3.983	>0 <05	3.000	Fixed		Fixed		Pro-Rata 1st Pay 4.425 1st Pay 4.016 2nd/3rd Pay 5.399 2nd/3rd Pay 5.230 LCF 5.832 LCF 4.000	
	>10 <20	4.241	>05 <13	3.342	<05	3.293	<03	2.795		
	>20	4.740	>13	3.909	>05	3.602	>03	3.530		
	NAS/PAC				Float		Float		Sequential 1st Pay 3.794 1st Pay 4.300 2nd/3rd Pay 4.721 2nd/3rd Pay 3.911 LCF 5.803	
	>0 <10	3.936			<05	3.000	<03	3.500		
					>05	5.000	>03	3.407		
	Alt-A						Hybrids			
	Fixed			Hybrids						
	06/07	Yield	2005	Yield	06/07	Yield	2005	Yield	Yield	
	Fixed		Fixed		SS		SS			
	<20	4.202	<10	4.399	>0 <30	4.188	<20	3.517		
	>20 - 30	4.216	>10 - 20	4.568	>30 <40	4.137	>20 - 30	3.875		
	>30 - 40	3.740	>20	3.829	>40 <50	4.882	>30 - 40	3.921		
	>40	3.523			>50	6.161	>40	4.943		
	Float		Float		SUP		SUP			
	<20	5.383	<10	5.122	>0 <30	7.328	<20	4.929		
	>20 - 30	4.183	>10 - 20	3.809	>30 <40	9.277	>20 - 30	6.956		
	>30 - 40	4.025	>20	3.545	>40 <50	8.812	>30 - 40	7.381		
	>40	2.921			>50	11.000	>40	9.451		
	Monolines				PT					
	Insurer	Bps (ex. MBI, ABK)	Insurer	LsAdj %	>0 <30	4.263				
	Ambac	81.5/83.5 (SUR)	Ambac	6.136	>30 <40	4.464				
	MBIA (AAA)	38.25/39.25	MBIA	6.493	>40 <50	4.951				
	Assured (5yr)	410/430	Assured	6.095	>50	6.383				
	FSA (5yr)	390/410	FSA	5.880						



Month	Volume	Securities
January	2,512,219.16	981
February	2,552,618.53	1,037
March	1,848,472.12	937
April	1,867,401.63	889

New issuance deals:

Similar to March, the beginning of the month did not see much in the way of origination, but the latter half of the month saw two deals come to market from Redwood Trust (Sequoia) bringing this year's total to 6 deals. The first deal is Sequoia Mortgage Trust 2013-5, which is \$463 million in size; the pool is backed by 609 prime fixed rate mortgage loans, with a 772 FICO, 65.9% CLTV and is mostly California dominated (37.6%).

The second Redwood Trust deal of the month is Sequoia Mortgage Trust 2013-6, which is \$424.9m in size; the pool is backed by 545 prime fixed rate mortgage loans, with a 771 FICO, 66% CLTV with a heavy California concentration (37.1%).

The two new Sequoia deals bring US RMBS origination to about \$6.5 billion year to date with the Sequoia shelf making up a bulk of it with \$3.1bn. At this pace we would reach close to \$20bn in origination year; but we expect the number to be a little higher as we believe some of the larger banks may begin to reenter the market later this year, as we saw with JP Morgan last month.

Regulatory/Legal:

On April 17th, Bank of America's Countrywide unit reached a record \$500m settlement with investors over mortgage backed securities that were downgraded to below investment grade. Bank of America said the settlement resolves claims on about 80% of the unpaid balance (UPB) of Countrywide-issued residential mortgage-backed securities, and 70% of similar claims against the bank overall.

The settlement is separate from the \$8.5bn Bank of America settlement over Countrywide securities which is scheduled for hearing on May 30, 2013. At the hearing, the Court will determine, among other things, whether to approve the settlement and make it binding on all certificate holders, and will consider other important matters. Investors are still expecting payouts will be more than 12 months out.

Ocwen continues to expand its mortgage service with the acquisition of Liberty Home Equity from Genworth Financial for a total of \$22m on April 3rd. Liberty was the 3rd largest lender in reverse mortgages in the US. In another transaction, Ocwen purchased approximately \$115bn in UPB of agency mortgage servicing rights from Ally Bank.

Consumer ABS

Consumer ABS spreads were generally stable into March month-end and throughout April as positive technicals and fundamentals persisted. Trading activity was focused around the usual top-tier names, FFELP subordinate bonds, but the market experienced an increase interest in higher yielding asset classes like franchise and containers, with the later seeing some drastic price changes as some dealers are predicting these deals will be called on their actual call dates.

According to our generic spread matrix, auto and credit card spreads leaked out slightly wider; about +2 and +3bps for prime/subprime auto and credit card seniors, respectively. Subordinate spread movements were

mixed, however, fixed-rate credit cards, with 3+ year paper, saw the largest movement (approximately +5bps wider). Student loan spread movements were generally positive, with most benchmark WAL bands tightening about 1 to 2bps. The matrix below shows a breakdown of the spreads for each asset class:

Generic Spreads by Sector			
Prime Auto Loan		WAL	Spread
Class A	FIX	0-2	6
		2+	14
Class B	FIX	0-2	32
		2+	46

Subprime Auto Loan			
Subprime Auto Loan		WAL	Spread
Class A	FIX	0-1	12
		1+	28
Class B	FIX	0-2	42
		2+	68

Credit Card			
Class A	FIX	0-3	10
		3+	31
Class A	FLT	0-3	8
		3+	21

Credit Card			
Class B	FIX	0-3	46
		3+	101
Class B	FLT	0-3	33
		3+	54

FFELP Student Loan			
Class A	FLT	0-5	30
		5+	65
Class B	FLT	5+	262

Private Student Loan			
Class A	FLT	0-2	67
		2-5	201
		5-10	343

Secondary BWIC volume was slightly down month-over-month, with approximately \$3.8bn of consumer ABS bonds out for the bid, as investors appeared to be focused on the new issue pipeline. Auto-related collateral accounted for about 45% of the volume, with equipment ABS being the only asset class to have an up-tick in volume month-over-month. The table below shows a full breakdown across all asset classes:

US New Issue ABS*	
Asset Class	Amount (mm)
Auto	8,450.00
Card	630.00
Equipment	1,680.00
Floorplan	550.00
Student Loan (FFELP)	1,460.00
Student Loan (Private)	-
Total	12,770.00

*March 18 - April 23

The ABS new issue market was robust once again this month, with about \$12.7bn of consumer ABS hitting the market. Auto issuance is up over 15% month-over-month and has once again accounted for the lion's share of the volume. Please see the table below for the full breakdown across all asset classes:

ABS Approximate BWIC Volume*		
Asset Class	Original	Current
Auto Lease	350.00	310.00
Auto Loan	1,240.00	940.00
Credit Card	620.00	610.00
Equipment	430.00	360.00
Floorplan	110.00	110.00
Motorcycle	10.00	10.00
Receivables	30.00	20.00
Student Loan	1,020.00	900.00
Total	3,810.00	3,260.00

*March 26 - April 23

Agency

FHFA decided to extend the HARP program to 2015, which caused the spreads on higher coupon collateral to widen. Month to date flows in to the CMO sector have been 13.5bn. Investors have been interested in the front end of the CMO curve leading to buying of short PACS and stripped coupons backed by 15- and 20-year collateral. PAC and sequential spreads have tightened slightly over the last month.

There has recently been an increased demand in lower coupon agency pass-through from money managers in the wake of unusually light trading activity and steady supply. Investors continue to opportunistically buy at any instances of widening, so spreads have been holding relatively firm. The prevailing belief from investors is that the Fed will maintain its accommodative Quantitative Easing policy for at least the remainder of 2013, which will bode well for the broader MBS market.

Ginnie Mae recently proposed merging their GN and G2 pass-through programs in an attempt to improve liquidity. They have proposed ending GN issuance, with all new originations to be pooled into G2s. However, the existing GN shelf would still exist, and there is the possibility that GNMA will provide a tender mechanism to give holders of GN the option to convert into G2.

CLO

Throughout the first few weeks of April CLO spreads experienced sideways movement, with some tightening in the lower part of the capital structure and EUR paper, reversing the movement seen in March. However, of late, spreads across the stack on this side of the Atlantic have seen a distinct move tighter. Prepayment assumptions on US CLO's also continue to move higher as well, reflecting the strong re-financing currently going on in the corporate loan space.

Generic Markets (DM)		
Vintage	1.0	2.0
AAA	80-115	110-125
AA	150-190	175-200
A	250-290	275-315
BBB	365-425	400-500
BB	550-650	600-700

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