

Fixed Interest Schedule

Market Comment

27 July 2010

 Bonds assumed to settle: **1 Aug 10**

(All rates are BEFORE brokerage, indicative and subject to availability).

New Zealand Government Bonds

Maturity	15/11/11	15/4/13	15/4/15	15/2/16	15/12/17	15/5/21
Current Yield	3.66%	4.15%	4.61%	2.75%	5.02%	5.29%

US Treasury bonds were little changed in a quiet trading session last night. The 2 and 30yr were up 1bp and the 10yr was flat. Trading volume were half the 3mth daily average of 246bill ahead of the 38bill of 2yr Treasury's to be issued tomorrow. Equity markets kicked on from the positive European stress tests and were the main focus of the day. In the US New Home Sales for June jumped and came out at 330k v's a forecast 310k.

Domestically swaps are up about 1bp across the curve this morning.

S&P Credit Rating	Issuer	Security Code	Coupon % p.a.	Maturity/Election Date	Coupons p.a.	Yield / Margin % p.a.	Price per \$100	Minimum Holding (\$)	Security Type
-------------------	--------	---------------	---------------	------------------------	--------------	-----------------------	-----------------	----------------------	---------------

Corporate Bonds

n/r	PGG Wrightson Finance	PWFO30	8.25%	08/10/10	4	7.50%	\$100.56	5,000	Senior Secured Bond, Crown guaranteed
B-	South Canterbury Finance	SCFO30	8.00%	08/10/10	4	11.50%	\$100.00	5,000	Senior Secured Bond, Crown guaranteed
n/r	Quayside Holdings	QHLHA^	10.00%	13/3/11	4	2.42%	\$97.50	5,000	Perpetual Preference Share reset every three years
B-	South Canterbury Finance	SCFO20	10.50%	15/6/11	4	10.50%	\$101.19	5,000	Senior Secured Bond, Crown guaranteed
A-	Auckland Int'l Airport	AIAQ050	6.83%	29/7/11	2	4.73%	\$105.39	10,000	Senior Bond
AA-	ANZ	ANB040	7.16%	15/9/11	2	5.82%	\$104.03	10,000	Subordinated Bond with official maturity of 15/09/16
AA	BNZ	BNZ070	7.50%	15/9/11	2	4.68%	\$105.77	10,000	Senior Bond
AA-	BNZ	BNZ080	8.42%	15/6/12	2	6.05%	\$105.09	10,000	Subordinated Bond with official maturity of 15/06/17
AA-	ANZ	ANB050	7.60%	02/3/12	2	5.95%	\$105.49	10,000	Subordinated Bond with official maturity of 02/03/17
AA-	ANZ	ANB060	8.23%	23/7/12	2	6.10%	\$104.00	10,000	Subordinated Bond with official maturity of 23/7/17
AA	BNZ	BNZ060	7.50%	15/9/12	2	5.07%	\$107.56	10,000	Senior Bond
BBB-	Works	WKS020	9.65%	15/9/12	4	7.75%	\$104.78	3,000	Senior Bond
AA-	ASB	ABBO20	8.77%	15/11/12	2	6.10%	\$107.35	10,000	Subordinated Bond with official maturity of 15/11/17
B-	South Canterbury Finance	SCFO10	10.43%	15/12/12	4	25.00%	\$75.68	5,000	Senior Secured Bond
A	Telecom	TCN480	6.92%	22/3/13	2	5.40%	\$106.08	5,000	Senior Bond
BB+	MARAC Finance	MAR010	10.50%	15/7/13	4	10.25%	\$100.97	5,000	Senior Secured Bond
AA	Westpac	WBC11137045	7.05%	28/11/13	2	5.50%	\$105.77	10,000	Senior Bond
AA-	Auck City	ACC010	6.42%	24/3/14	2	5.70%	\$104.51	10,000	Senior Bond
A-	AMP	AQN010	9.80%	15/5/14	4	6.60%	\$112.60	10,000	Subordinated Bond with official maturity of 01/04/19
BBB-	Tower	TWC010	8.50%	15/4/14	4	7.00%	\$105.13	10,000	Senior Bond
BBB	Contact	CEN010	8.00%	15/5/14	4	6.10%	\$107.97	10,000	Senior Bond
AA	ASB	ABB050	8.22%	17/9/14	2	5.79%	\$111.74	10,000	Senior Bond
BBB+	Vector	VCT050	7.80%	15/10/14	2	6.10%	\$108.40	10,000	Senior Bond
n/r	Trustpower	TPWO80	7.60%	15/12/14	4	6.70%	\$104.25	5,000	Senior Bond
A+	Fonterra	FCG010	7.75%	10/3/15	4	6.00%	\$107.99	10,000	Senior Bond
AA-	Auck City	ACC020	6.28%	24/3/15	2	5.85%	\$103.85	10,000	Senior Bond
BBB+	Meridian Energy	MEL010	7.15%	16/3/15	2	6.05%	\$106.95	10,000	Senior Bond
AA	ANZ	ANB200	6.60%	31/3/15	2	6.22%	\$103.62	10,000	Senior Bond
BBB	Powerco	PWC060	6.53%	29/6/15	4	7.20%	\$97.74	10,000	Credit Wrapped Bond
AA	ANZ	ANB300	6.51%	13/7/15	2	6.32%	\$101.05	10,000	Senior Bond
A+	Fonterra	FCG020	6.83%	04/3/16	2	6.10%	\$106.10	10,000	Senior Bond
A	Telecom	TCN490	7.04%	22/3/16	2	6.02%	\$107.23	10,000	Senior Bond
A-	Credit Agricole	CASHA^	10.03%	19/12/17	4	4.40%	\$89.40	5,000	Perpetual Deeply Subordinated Notes reset every five years
A+	BNZ Income Securities	BISHA^	9.89%	31/3/18	4	2.53%	\$107.00	5,000	Perpetual non-cumulative shares reset every five years PIE
A+	ANZ Callable Bonds	ANBHA^^	9.66%	18/4/13	2	7.98%	\$106.50	10,000	Perpetual Callable subordinated bonds, reset 2013, step-up 2018
AA-	Rabobank Nederland	RCSHA^	8.79%	15/6/19	4	3.08%	\$107.50	5,000	Perpetual non-cumulative shares reset every five years PIE
A+	BNZ Income Securities	BNSPA^	9.10%	28/6/19	4	3.15%	\$108.50	5,000	Perpetual non-cumulative shares reset every five years PIE
AA	Transpower	TRA010	6.95%	16/6/20	2	6.40%	\$104.75	10,000	Senior Bond

Capital Notes/Bonds + Redeemable Prefs

n/r	Silver Fern Farms	SFF030	10.25%	15/12/10	4	14.00%	\$98.65	5,000	Subordinated Bond
n/r	Hellaby Holdings	HBYO10	8.50%	15/6/11	4	9.00%	\$99.58	5,000	Capital note
n/r	Works	WKS010	9.80%	15/6/12	4	14.50%	\$92.40	5,000	Redeemable Preference Shares - imputed dividend paid
n/r	Nuplex	NPX020	9.30%	15/9/12	4	7.75%	\$103.00	5,000	Capital note
n/r	Guinness Peat Group	GFN030	8.30%	15/11/12	4	9.65%	\$97.25	5,000	Capital note
n/r	Fletcher Building Finance	FBF040	8.90%	15/3/13	2	7.00%	\$104.45	5,000	Capital note
n/r	Guinness Peat Group	GFN020	9.00%	15/12/13	4	9.25%	\$99.27	5,000	Capital note
n/r	Infratil	IFT070	8.50%	15/11/15	4	8.75%	\$98.94	5,000	Capital note
n/r	Infratil	IFT090	8.50%	15/2/20	4	9.10%	\$96.19	5,000	Capital note

Annual Reset Securities

n/r	Motor Trade Finances	MTFHC	5.67%	Perpetual	4	7.31%	\$65.00	5,000	Perpetual PS-Dividend reset annually at 240bp over 1 yr swap
A	Fonterra	FCGHA	5.30%	Perpetual	4	2.05%	\$90.00	5,000	Perpetual Cap- Note reset annually at 180bp over 1 yr Govt
A+	ASB	ASBPA	4.75%	Perpetual	4	2.87%	\$82.00	5,000	Perpetual PS-Dividend reset annually at 130bp over 1 yr swap PIE
A+	ASB	ASBPB	3.86%	Perpetual	4	2.99%	\$77.00	5,000	Perpetual PS-Dividend reset annually at 100bp over 1 yr swap PIE
n/r	Infratil	IFTHA	4.97%	Perpetual	4	5.15%	\$69.00	5,000	Perpetual Bond reset annually at 150bp over 1 year swap
n/r	South Canterbury Finance	SCFHA	5.61%	Perpetual	4	40.00%	\$19.00	5,000	Perpetual PS-Dividend reset annually at 230bp over 1 yr swap
AA-	Rabobank Nederland	RBOHA^	4.12%	Perpetual	4	3.78%	\$81.00	5,000	Perpetual PS-Annually reset security at 76bp over 1 year swap
BBB-	Origin Energy	OCFAHA	4.95%	Perpetual	2	4.18%	\$73.50	5,000	Perpetual PS-Dividend reset annually at 150bp over 1 yr swap
AA-	CBA	CBAFA	4.19%	15/4/15	4	2.25%	\$94.50	5,000	Redeemable Pref Share reset annually at 75bp over 1 yr swap
n/r	Sky TV	SKTFA	4.01%	16/10/16	2	3.36%	\$88.00	5,000	Unsec, Unsubord bond reset annually at 65bp over 1 yr swap

^RBOHA & RCSHA & BISHA & BNSPA & QHLHA & CASHA valued as a perpetual
^^ Expressed as a yield to reset 2013.

Disclosure: The comments in this publication are for general information purposes only. This publication is not intended to constitute investment advice under the Securities Markets Act 1988. If you wish to receive specific investment advice, please contact your Investment Advisor. Forsyth Barr Limited and its related companies (and their respective officers, agents and employees) may own or have an interest in securities or other products referred to in this publication, and may be directors or officers of, or provide investment banking services to, the issuer of those securities or products, and may receive fees for acting in any such capacity in relation to that issuer. Further, they may buy or sell securities as principal or agent, and as such may undertake transactions that are not consistent with any recommendations contained in this publication. Forsyth Barr Limited and its related companies (and their respective officers, agents and employees) confirms no inducement has been accepted from the researched/ recommended entity, whether pecuniary or otherwise, in connection with making any recommendation contained in this publication or on our website.

This is a private communication to Forsyth Barr clients and is not for reproduction, public circulation or the use of any third party (whether in whole or in part) without the prior written consent of Forsyth Barr Limited.

Disclaimer: This publication has been prepared in good faith based on information obtained from sources believed to be reliable and accurate. However, that information has not been independently verified or investigated by Forsyth Barr Limited. Accordingly, Forsyth Barr Limited:

(a) does not make any representation or warranty (express or implied) that the information is accurate, complete or current; and
(b) excludes and disclaims (to the maximum extent permitted by law) any liability for any loss which may be incurred by any person as a result of that information being inaccurate or incomplete in any way or for any reason.

The information, analyses and recommendations contained in this publication are confidential to the intended recipient(s) and are statements of opinion only. Whilst every care has been taken in their preparation, no warranty or representation is given (express or implied) as to their accuracy or completeness. Nothing in this publication should be construed as a solicitation to buy or sell any security or other product, or to engage in or refrain from doing so or engaging in any other transaction. This publication should not be used as a substitute for specific advice. This publication is intended to provide general securities advice only, and has been prepared without taking account of your objectives, financial situation or needs, and therefore prior to acting on any information, analysis or recommendation contained in this publication, you should seek advice from your usual investment advisor. Forsyth Barr Limited and its related companies (and their respective officers, agents and employees) will not be liable for any loss whatsoever suffered by any person relying upon any such information, analysis or recommendation. This publication is not intended to be distributed or made available to any person in any jurisdiction where doing so would constitute a breach of any applicable laws or regulations.