



CDIAC

**CALIFORNIA
DEBT AND
INVESTMENT
ADVISORY
COMMISSION**

SESSION ONE

EXAMINING BOND TRADING TODAY: ADDRESSING TRANSPARENCY, EFFICIENCY, AND FAIRNESS 10/21/2015



Blue Rose Capital Advisors - Johan Rosenberg

100% of Premium **Not** Explained By Market 1-30 Days after Issue



Date 02/15/2011

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Market Adjusted Price Calculation

Issuer: [REDACTED]	Series Name: [REDACTED]	Tax Status: Tax Exempt
Bond Name: GO Bonds	Sale Date: [REDACTED]	Monitor End Date: 02/15/11
Par Amount: [REDACTED]		
Closing Date: 02/15/11		

User Defined Threshold											
Bond Information				Trade Detail - Threshold Trades			Market Adjusted Statistics				
CUSIP	Maturity	Original Yield	Original Issue Price	Trade Date / Time	Trade Price	Trade Yield	Change in Market Index Yield	Market Adjusted Issue Yield	Market Adjusted Issue Price	Market Adjusted Trade Price*	% of Premium Not Explained By Market
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	02/07/11 09:51 AM	107.056%	4.356%	0.090%	4.800%	103.476%	107.770%	100.000%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	02/07/11 09:51 AM	105.556%	4.540%	0.090%	4.800%	103.476%	106.270%	100.000%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	02/07/11 08:57 AM	104.670%	4.650%	0.090%	4.800%	103.476%	105.384%	100.000%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	02/04/11 05:04 PM	106.043%	4.480%	0.050%	4.760%	103.793%	106.440%	100.000%

Do changes in MMD explain secondary price changes?



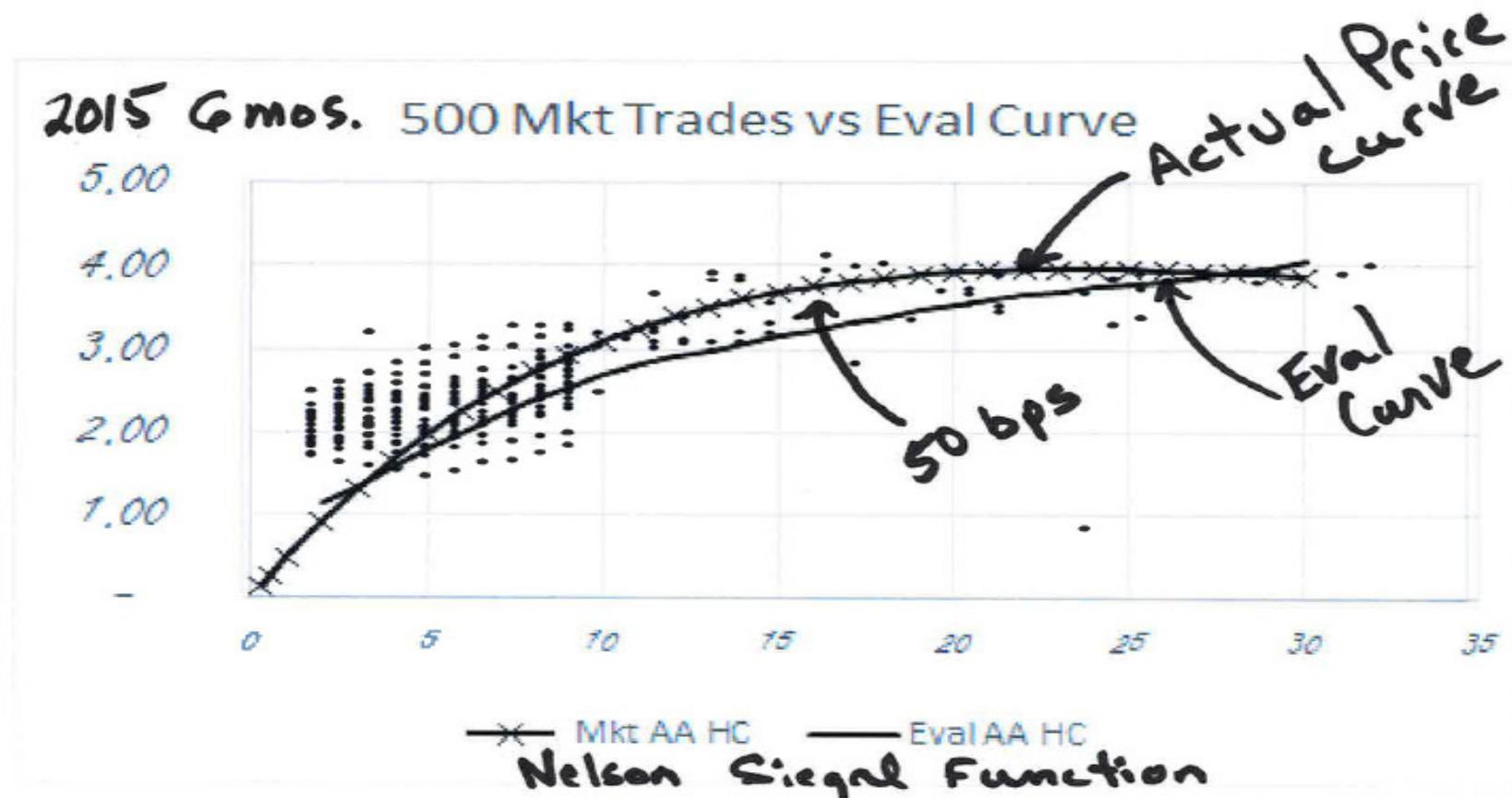
Sum of Unexplained Premium are de-facto additional distribution costs

User Defined Threshold									
Trade Detail - Market Adjusted Threshold Trades					Bond Information	Market Adjusted Price Calculation*			
Trade Date / Time	Trade Price	Trade Yield	Trade Par Amount	Trade Type	Original Issue Price	Market Adjusted Issue Price	Total Trade Price Premium	% of Premium Not Explained By Market	Unexplained Issue Premium
02/02/11 01:21 PM	114.858%	2.250%	\$35,000	Customer bought	114.682%	114.682%	\$62	100.000%	\$62
02/14/11 03:41 PM	108.073%	4.233%	\$25,000	Customer bought	104.190%	103.632%	\$971	100.000%	\$971
02/14/11 03:27 PM	105.862%	4.502%	\$20,000	Customer bought	104.190%	103.632%	\$334	100.000%	\$334
02/14/11 10:47 AM	107.620%	4.288%	\$10,000	Customer bought	104.190%	103.632%	\$343	100.000%	\$343
02/14/11 10:47 AM	105.395%	4.560%	\$10,000	Inter-dealer Trade	104.190%	103.634%	\$121	100.000%	\$121
02/11/11 04:02 PM	108.073%	4.233%	\$10,000	Customer bought	104.190%	103.554%	\$388	100.000%	\$388
02/11/11 03:27 PM	107.113%	4.349%	\$25,000	Customer bought	104.190%	103.554%	\$731	100.000%	\$731

How should we think about these amounts?

Evaluation Curves

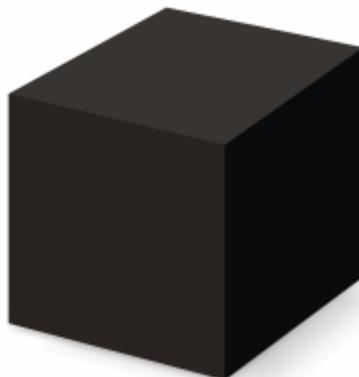
Another way to see B/O Spreads



MMD is Proprietary

What goes in?

1. Primary Market
2. Secondary Market
3. Institutional Opinions
4. Retail Market
5. Evaluation Curves
6. Trades
7. Statistics
8. ?
9. ?



Who uses it?

1. Dealers
2. Advisors
3. Issuers
4. Investors
5. Evaluation Services
6. Everybody

Contact Info

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- More than 610 clients in 35 states

