

Long-Term Advances

March 2021



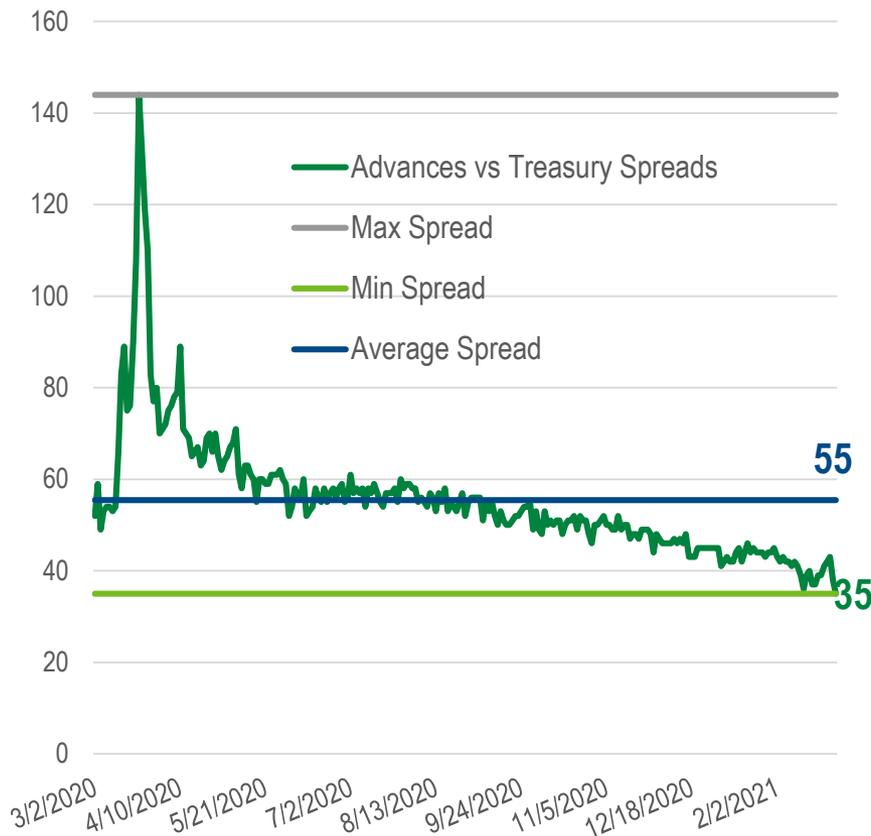
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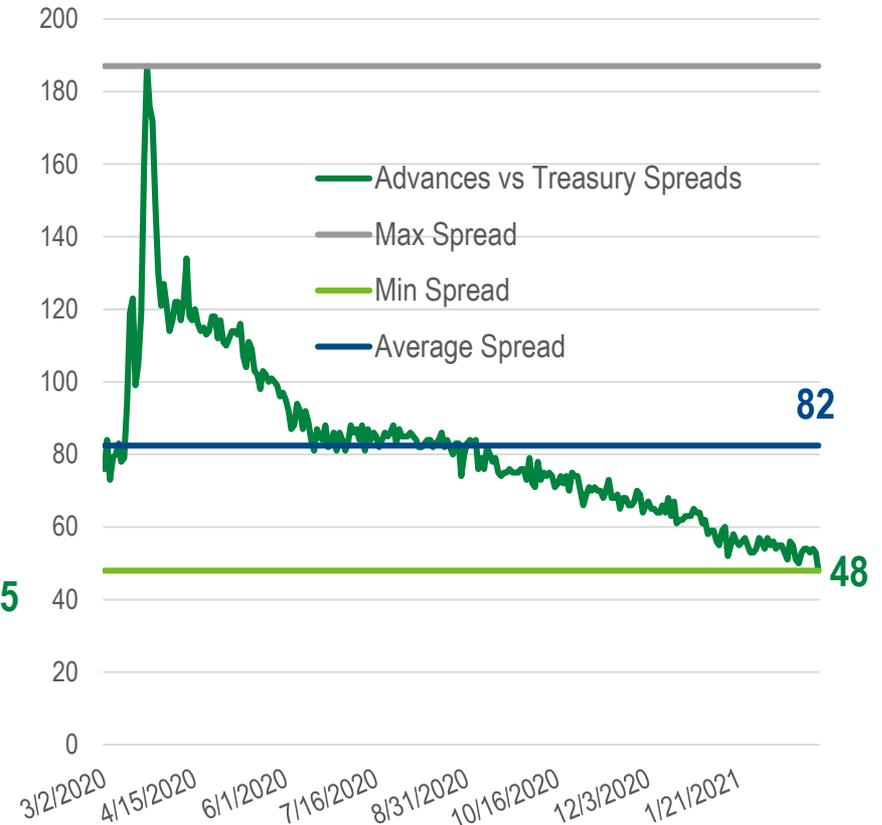
Advance Spreads

Long-term advance rates have been tightening as compared to Treasury yields.

5-Year Spread: Classic Advance vs. Treasuries



10-Year Spread: Classic Advance vs. Treasuries



Source: Federal Reserve Bank of St. Louis, FHLBank Boston

Long-Term Special Offering

10-basis point discount on long-term advances for the month of March.

Extended Long-Term Specials for March

Long-term advances continue to offer an excellent value, providing members the opportunity to lock in low fixed rates and hedge against future rate increases.

Starting today and running through March 31, 2021, we will offer a **10-basis point discount** off our posted rates for [Classic Advances](#) based on the following conditions:

- Terms of two years or greater
- \$25 million per transaction minimum
- Available daily from 10:00 a.m. to 3:00 p.m.
- Two-day forward settlement (Same- and next-day settlement may be available upon request; *Requests for same-day settlement must occur before noon*)

Please Note: FHLBank Boston reserves the right to discontinue this offering at its sole discretion.

Please contact the Member Funding Desk at 800-357-FHLB(3452) with any interest or questions. This offering will not be available via Online Banking.

Improved Spread Lending Opportunities

Funding cost reduction improves net spread, just as asset spread widening would.

ICE BofA Single-A Corporate Index Option-Adjusted Spread Spread Movements by Percentage of Instances since 2011

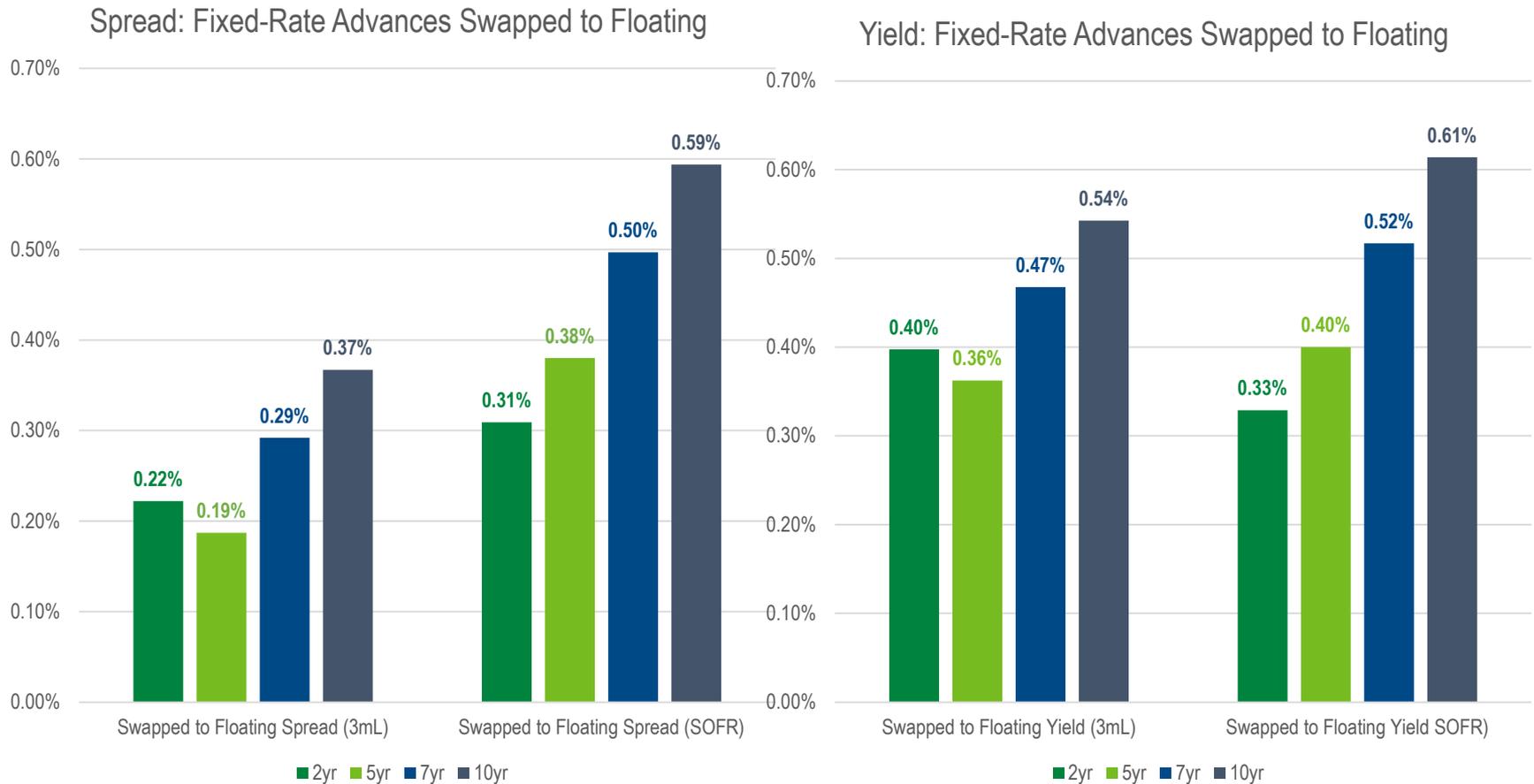
	Spread Tightened	Unchanged	Spread Wider by 0-5 bps	Spread Wider by 5-10 bps	Spread Wider by 10 bps
Rolling Weekly Basis	46%	18%	30%	3%	2%
Rolling Monthly Basis	55%	5%	20%	11%	10%

Rare to see asset spreads move by the magnitude of the advance discount

Source: Federal Reserve Bank of St. Louis, FHLBank Boston

Convert Fixed-Rate Funding into Floating

Retain liquidity benefits of long-term advance but make interest-rate exposure short-term.



Source: Federal Reserve Bank of St. Louis, ERIS Futures, FHLBank Boston

For More Information

Please contact the Member Funding Desk at
800-357-FHLB(3452)