

## Comments:

- Last week muni volume was \$6.3 billion and little more than 50% of what had been projected. This week volume is expected to be \$7.2 billion. The negotiated market is led by \$676.0 million tax-exempt and taxable GO bonds for the State of Hawaii. The competitive market is led by \$200.0 million GO bonds for Mecklenburg County, North Carolina on Thursday.
- Last week credit spreads were unchanged.
- Weekly reporting muni bond mutual funds experienced inflows of \$517.6 million for the week ending September 21 after inflows of \$485.5 million the previous week.
- From Friday to Friday, MMD yields increased 8 bps in 1 year as we get closer to the new money market fund regulations which continue to pressure the short end and decreased 3-5 bps in 7 to 20 years and 1 bp in 25 to 30 years. Muni/Treasury ratios for 10 and 30 year maturities ended the week at 94.1% and 98.3%, respectively, both higher than the week before.
- The 2 to 30 year spread was 150 on Friday, 6 bps flatter than the previous Friday as the short end moved higher and the long end lower.
- Last week munis spent most of the week focused on central banks, BOJ and the Fed, which made announcements on Wednesday. BOJ announced support for a steeper curve as expected and focused QE on JGB 10 year, FOMC, no change in rates although 3 voting members dissented. Muni ratios increased over the week as munis were not able to follow treasuries to lower rates after the central bank actions. The short end is still under pressure from the upcoming changes for money market funds that kick in Oct 14, 2016. 1 year muni rates are up 24 bps since the end of August.

Selected Deals for the Week Ending 9/30/16			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>			
State of Hawaii, GO (Te & Tx)	676.00	Aa1/AA+/AA	Citi
State Public Works Board of the State of CA, Lease Rev	527.54	A1/AA+/A+	Wells
Commonwealth of Massachusetts, Comm. Tramp. Fund (Rail Enhanc. & Accel Bridge Prog)	430.28	Aa1/AAA/	MS
Anaheim Housing & Public Improve. Auth, CA, Electric Rev (Te & Tx)	290.44	/AA-/AA-	GS
Foothill-De Anza Comm. College Dist, CA, GO	225.89	//	MS
Palomar Health, CA, GO	210.00	A2/A/AAA	Citi
State of California, GO, (Index Floating Rate)	200.00	Aa3/AA-/AA-	Wells
Greater Orlando Aviation Authority, FL, Aviation Rev (Te & AMT)	189.00	Aa3/AA-/AA-	BAML
Oklahoma Capitol Improve. Auth, OK, Highway Rev	181.03	/AA/AA	Wells
Los Angeles Community College Dist, CA, GO	171.69	Aa1/AA+/	Ramirez
City of Norfolk, VA, GO	167.00	Aa2/AA+/AA+	BAML
Harris County Hospital Dist, TX, Sr. Lien Rev.	158.35	A2/A/AA	JPM
Lehigh University, PA, (Tx)	150.00	Aa2/AA-/NR	JPM
Commonwealth of Massachusetts, Federal Hiway Grant Antic Notes (Accel Bridge Prog)	127.17	Aa2/AAA/	MS
Board of Irvine Ranch Water Dist, CA	106.00	/AAA/AAA	BAML
Corona-Norco Unified School Dist, CA, GO	102.00	Aa2/AA-/	BAML
State of Ohio, Lease Appropriation	100.00	Aa2/AA/AA	KeyBanc
<b>Competitive</b>			
<b>Tues, 9/27</b>			
Hennepin County, MN, GO (2 bids)	155.32	//AAA	'17-'36
<b>Wed, 9/28</b>			
Galena Park ISD, TX, GO (PSF Gty)	102.71	/AAA/AAA	'17-'41
<b>Thurs, 9/29</b>			
Mecklenburg County, NC, GO	200.00	Aaa/AAA/AAA	'17-'35
Sources: Bond Buyer and IPREO			
<b>Bold=Mischler</b>			

