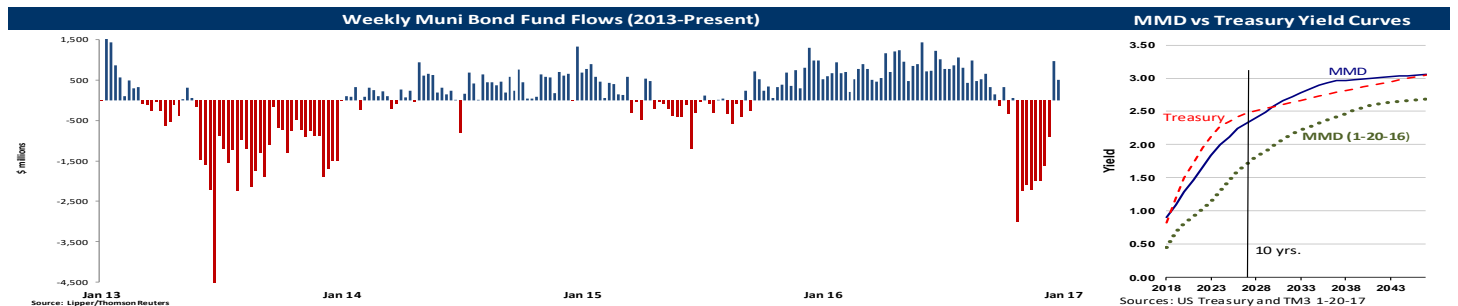
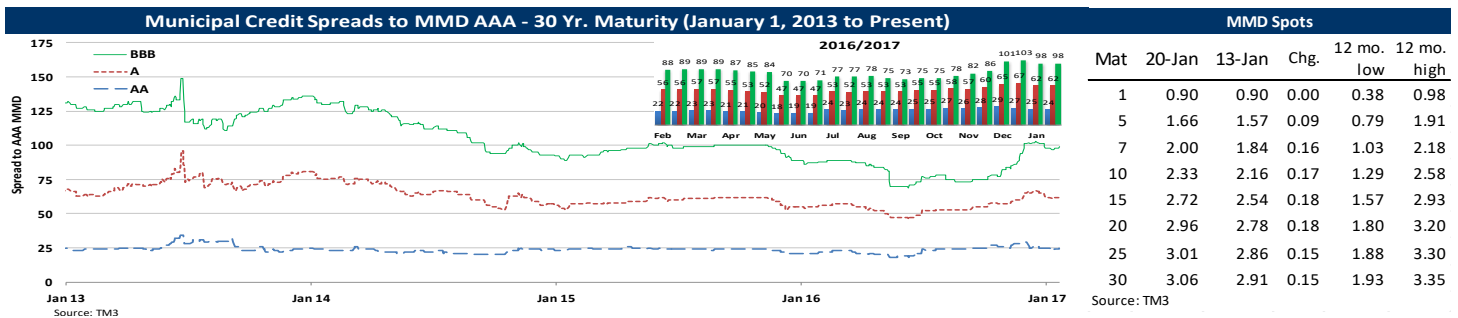


Comments:

- Last week muni volume was about \$4.8 billion. This week volume is expected to be \$6.8 billion. The negotiated market is led by \$486 million water and wastewater revenue bonds for the Mayor and City Council of Baltimore, Maryland and \$450 million for Bay Area Toll Authority, California. The competitive market is led by \$457.3 million for Los Angeles County Metropolitan Transportation Authority, California on Tuesday and \$455.7 million for Los Angeles Co. Metro Transport. Auth, CA, Sales Tax on Wednesday.
- Last week credit spreads widened 1 bp for AA, A and BBB.
- Weekly reporting muni bond mutual funds reported an inflow of \$511.7 million for the week ending January 18 after an inflow of \$974.2 million for the week before. The eight week moving average is *negative* \$1.17 billion.
- From Friday to Friday, MMD yields were flat in 1 year and increased 9 bps in 5 years and 15 to 18 bps in 7 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 94.5% and 100.5%, respectively, higher than the week before as munis were off almost 2-3 times what Treasuries were.
- The 2 to 30 year MMD spread was 197 on Friday, 13 bps steeper than the previous Friday.
- Last week munis started off the holiday shortened week feeling stronger than the Friday before. The weak dollar, reacting to Trump's statements, caused stocks to sell off. On Wednesday, bonds reversed their direction as the dollar appreciated. The muni curve steepened as the long end was off 3-4 bps while the short end held in. After Yellen turned hawkish late Wednesday, on Thursday munis saw lots of selling pressure and many negotiated deals saw price cuts. January reinvestment seemed to help munis avoid falling as much as Treasuries. Friday, the markets were somewhat caught off guard as Trump did not mention fiscal or tax issues in his inaugural address. Munis did not bounce with Treasuries in spite of relatively low volume for next week.

| Selected Deals for the Week Ending 1/27/17 | | | | |
|--|-------------|---------------------|-----------|---------|
| Issuer | Par (\$mil) | Ratings (M/S&P/F/K) | U/W | Mat |
| Negotiated | | | | |
| Mayor & City Council of Baltimore, MD, Water & Wastewater Rev (Sr & Sub) | 486.00 | Aa2(Aa3)/AA(AA-)/ | Citi | |
| Bay Area Toll Auth, CA, San Francisco Bay Area Toll Bridge Rev | 450.00 | Aa3/AA/AA | BAML | |
| The Children's Hospital Corp, MA, (Boston's Children's Hospital) (Tx) | 350.00 | Aa2/AA/ | GS | |
| Trustees of Boston College, MA, (Tx) | 287.12 | Aa3/AA-/ | Barclays | |
| The City of Philadelphia, PA, GO | 279.99 | A2/A+/A- | RBC | |
| Texas Public Finance Auth, (Tx) | 275.00 | Aaa/AAA/ | Jefferies | |
| The Rector & Visitors of the Univ. of Virginia, Rev | 229.93 | Aaa/AAA/AAA | JPM | |
| Commonwealth of Kentucky State Property & Buildings Comm, Rev | 224.00 | Aa3/A/A+ | Citi | |
| Spring ISD (Harris Co.), TX, ULT GO | 198.08 | // | RBC | |
| Eagle Co. School Dist. RE50, CO, GO | 144.00 | // | Baum | |
| Ascension Health Credit Group, CT & IN, Rev | 125.00 | Aa2/AA+/AA+ | BAML | |
| Mass. Development Finance Ag., Rev (Boston College) | 122.89 | Aa3/AA-/ | Barclays | |
| California Public Finance Auth, Rev (Henry Mayo Newhall Hosp.) | 110.21 | NR/BBB-/BBB- | Ziegler | |
| Arizona Industrial Development Auth, Rev (Basis Schools) | 108.18 | //BB/ | RBC | |
| The Medical Center Hosp. Auth, GA, Rev (Columbus Regional Healthcare)(Tx) | 105.35 | NR/BBB-/BB+ | Barclays | |
| Competitive | | | | |
| Tue, 1/24 | | | | |
| The Metro. Govt. of Nashville & Davidson Co., TN, GO | 457.25 | Aa2/AA/ | | '18-'36 |
| Fairfax Co., VA, Go | 234.02 | Aaa/AAA/AAA | | '17-'36 |
| Wed, 1/25 | | | | |
| Los Angeles Co. Metro Transport. Auth, CA, Sales Tax | 455.71 | Aa2/AA+/ | | '18-'42 |
| Thurs, 1/26 | | | | |
| Sheldon ISD (Harris County), TX, ULTGO (PSF Gty) | 100.71 | Aaa// | | '18-'42 |
| Sources: Bond Buyer and IPREO Bold-Mischler | | | | |



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