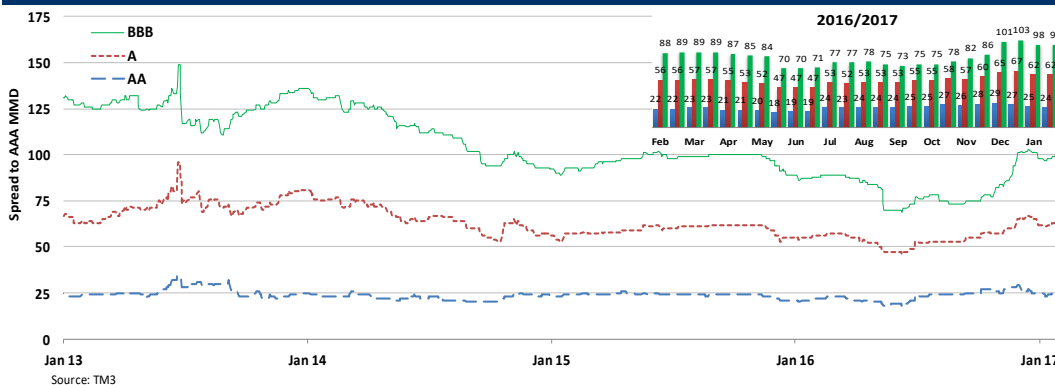


Comments:

- Last week muni volume was about \$6.2 billion. This week volume is expected to be \$4.0 billion. The negotiated market is led by \$478.5 million for the Oklahoma Turnpike Authority. The competitive market is led by \$167.3 million for University System of Maryland on Tuesday.
- Last week credit spreads widened 1 bp for AA, A and BBB.
- Weekly reporting muni bond mutual funds reported an inflow of \$7 million for the week ending January 25 after an inflow of \$511.7 million for the week before. The eight week moving average is *negative* \$905.9 million.
- From Friday to Friday, MMD yields were flat in 1 to 5 and 10 years, decreased 1 bp in 7 years and increased 2 to 3 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 94.0% and 100.7%, respectively, about the same as last week.
- The 2 to 30 year MMD spread was 199 on Friday, 2 bps steeper than the previous Friday.
- Last week munis saw up and down movement. Monday saw munis steady but reluctant to move too far without getting some word from Trump about tax policies but seemed firmer in the afternoon. Tuesday saw stocks move higher on Trump's support for the gas pipelines. Munis seemed to hold steady, while Treasuries gave back much of Monday's gains. New issues had a hard time bumping on final pricing with several having to cut preliminary prices. Later in the week, munis gained some when Trump did not mention much in the way of fiscal or tax plans at the Republican Retreat. Economic data seemed to be more front and center at the end of the week with initial claims higher than expected and weak 4Q GDP. Munis finished on a positive note as the market was encouraged by the lower new issue volume for this week.

Selected Deals for the Week Ending 2/3/17			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	
Negotiated			
Oklahoma Turnpike Authority, Rev	478.50	Aa3/AA-/AA-	U/W
Board of Regents of Texas Tech Univ. Sys, (Tx)	381.19	Aa1/AA+/AA+	RayJay
New York City Municipal Water Finance Auth, NY, Water & Sewer 2nd Resol.	330.00	Aa1/AA+/AA+	Barclays
University of Colorado Hospital Auth, Rev (Put Bonds)	300.00	Aa3/AA-/AA-	Citi
District of Columbia Water & Sewer Auth, Sr Lien Rev (Green)	300.00	Aa1/AAA/	GS
North Clackamas SD No. 12, OR, GO	185.75	Aa1/AA-/	Piper
North Clackamas SD No. 12, OR, GO DIB	137.89	//	Piper
School District of Manatee Co., FL, Sales Tax Rev	132.49	/A/A-	RayJay
City of Royal Oak, MI, LTGO (Tx)	126.61	NR/AA+/AA	JPM
Aldine ISD, TX, ULTGO (PSF Gty)	124.11	Aaa/AAA/	RayJay
Competitive			
Tue, 1/31			
University System of Maryland, Rev (2 bids)	167.26	Aa1/AA+/	'18-'38
Westchester County, NY, Tax Anticipation Notes	140.00		'17
Thurs, 1/26			
Wyandotte Co. Unified Government, GO (4 bids)	103.93	//	'18-'37
Sources: Bond Buyer and IPREO			
Bold=Mischler			

Municipal Credit Spreads to MMD AAA - 30 Yr. Maturity (January 1, 2013 to Present)

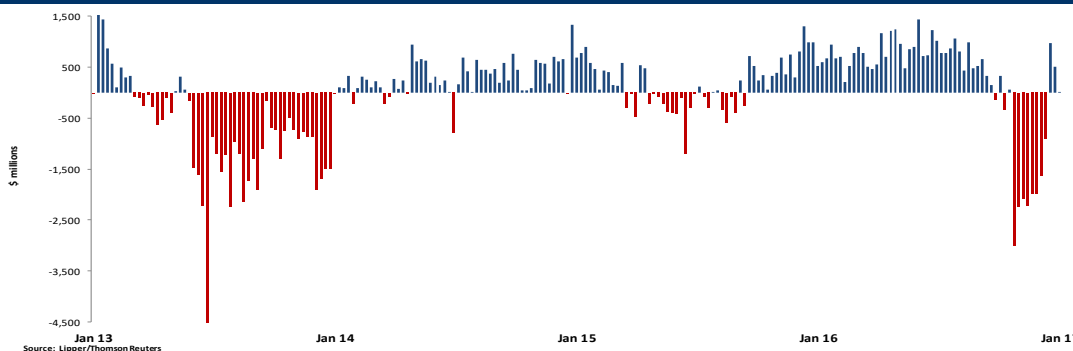


MMD Spots

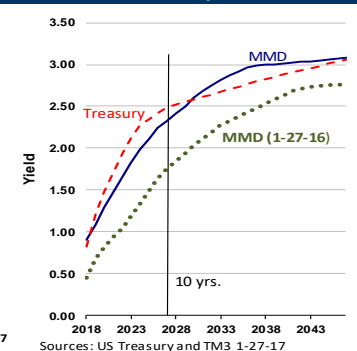
Mat	27-Jan	20-Jan	Chg.	12 mo. low	12 mo. high
1	0.90	0.90	0.00	0.38	0.98
5	1.66	1.66	0.00	0.79	1.91
7	1.99	2.00	-0.01	1.03	2.18
10	2.33	2.33	0.00	1.29	2.58
15	2.75	2.72	0.03	1.57	2.93
20	2.99	2.96	0.03	1.80	3.20
25	3.03	3.01	0.02	1.88	3.30
30	3.08	3.06	0.02	1.93	3.35

Source: TM3

Weekly Muni Bond Fund Flows (2013-Present)



MMD vs Treasury Yield Curves



Disclaimer – Mischler Financial Group, Inc. has obtained this information from sources considered to be reliable, but does not guarantee its accuracy and/or completeness. Neither the information nor any opinions expressed constitute a solicitation for the purchase or sale of any security referred to herein.