

## Comments:

- Last week muni volume was about \$8.4 billion. This week volume is expected to be \$7.0 billion with an early close on Friday. The negotiated market is led by \$2.15 billion for Hudson Yards Infrastructure Corporation, New York. The competitive market is led by \$173.1 million for San Francisco Municipal Transportation Agency, California on Wednesday.
- Last Friday credit spreads were unchanged compared with the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$426.7 million for the week ending May 17 after an inflow of \$605.7 million for the week before. The eight week moving average was positive \$400.1 million.
- From Friday to Friday, MMD yields were decreased 3 bps in 1 year, 8 to 9 bps in 5 to 7 years and 10 to 12 bps in 10 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 89.6% and 98.8%, respectively, slightly lower than the previous Friday.
- The 2 to 30 year MMD spread was 195 on Friday, 6 bps flatter than the previous Friday.
- Last week munis continued to handle the volume with most deals able to bump final pricings, in some cases as much as 10-11 bps. The markets are still waiting for more focus on the Trump economic agenda as the White House is bogged down with investigations into various issues, mostly related to Russia or intelligence related to Russia. Special Prosecutor appointment may continue to make it difficult for the economic plans to get into focus. Munis seemed to stay focused on the job at hand and moved lower in rate each day with the biggest gains in the long serial and dollar bond range. This week has volume of \$7 billion with an early close on Friday ahead of the Memorial Day holiday next Monday. The market should be able to handle this as funds are still flowing into the bond funds. The curve flattened 6 bps as the long end outperformed the short end.

Selected Deals for the Week Ending 5/26/17			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>			
<b>Hudson Yards Infrastructure Corp, NY, Second Indenture</b>	<b>2,154.97</b>	<b>Aa3/AA-/A+</b>	<b>GS</b>
NYU Hospital Center, NY, (Tx)	600.00	A3/A-/A-	BAML
Kankakee School Dist. Number 111, IL, LTGO (Tx)	380.00	A2/ /	Fifth 3rd
Mayor & City Council of Baltimore, MD, Convention Center Hotel Rev	285.37	/BBB-/	Piper
Tarrant Co. Cultural Edu Facilities Fin Corp, TX, Rev (Buckner Sr. Living-Ventana)	238.38	NR/NR/	Ziegler
California Municipal Finance Auth, Rev (Eisenhower Medical Center)	236.38	Baa2/ /BBB	BAML
California Pollution Control Fin Auth, Solid Waste Rev (Calplant 1 Proj.) (Green)	220.00	NR/NR/NR	Stifel
Philadelphia Auth for Industrial Develop., PA, Rev (Children's Hosp. of Phila.)	177.00	Aa2/AA/NR	JPM
Metro Government of Nashville & Davidson Co, TN, Electric Rev	174.51	/AA+/AA+	RayJay
Clark County, NV, Highway Rev	150.00	Aa3/AA-/	Wells
Virginia Housing Development Auth, Pass-Through (Tx)	100.41	Aaa/AAA/	Wells
Northside ISD, TX, ULTGO (Variable Rate) (PSF Gty)	100.00	Aaa/AAA/	Citi
Chaffey Joint Union High School Dist, CA, GO	100.00	Aa1/AA-/	RBC
<b>Competitive</b>			
<b>Mon, 5/22</b>			
Milwaukee Metro Sewerage Dist, WI, GO	80.00	Aa1/AA+/AAA	'18-'37
<b>Tue, 5/23</b>			
City of Fort Worth, TX, Water & Sewer Rev	111.67	Aa1/AA+/AAA	'18-'47
Hudson Yards Infra. Corp, NY, Second Indenture (Tx)	33.36	Aa3/A+/A+	'38
<b>Wed, 5/23</b>			
San Francisco Municipal Transportation Agy, CA, Rev	173.10	Aa2/AA/	'18-'47
Sources: Bond Buyer and IPREO			

Source: TM3

