

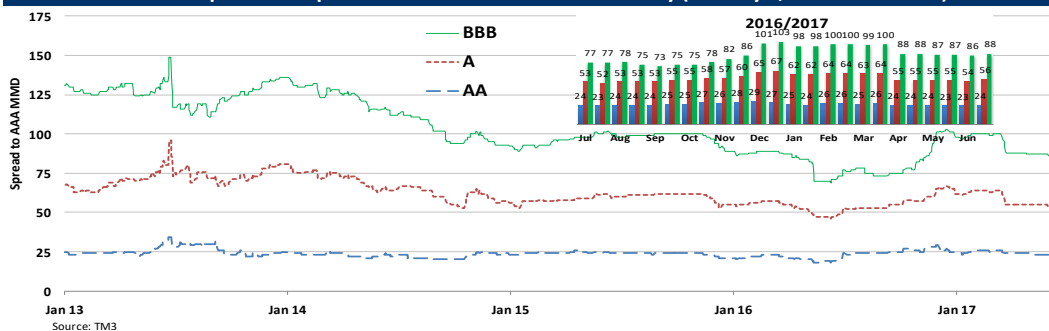
Comments:

- Last week muni volume was about \$3.5 billion. This week volume is expected to be \$11.8 billion. The negotiated market is led by \$850 million Future Tax Secured Subordinate Bonds for New York City Transitional Finance Authority, NY. The competitive market is led by \$1.4 billion General Obligation Bonds for the State of Georgia in 4 bids on Tuesday.
- Last Friday credit spreads increased 1 bp for AA, A and BBB compared with the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$384.9 million for the week ending June 14 after an inflow of \$985.1 million for the week before. The eight week moving average was positive \$378.6 million.
- From Friday to Friday, MMD yields increased 2-3 bps in 1 to 7 years, decreased 1 bp in 10 and 20 to 30 years and were unchanged in 15 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.3% and 97.1%, respectively, higher than the previous Friday.
- The 2 to 30 year MMD spread was 174 on Friday, 7 bps flatter than the previous Friday. Since the beginning of March this spread has flattened by 46 bps.
- Last week munis retreated some on the short end as the Fed raised rates 25 bps as expected and indicated it would sell \$10 billion per month before the end of the year rising quarterly to a \$50 billion per month cap. Muni new issues had difficulty bumping deals on final pricing. Towards the end of last week, munis focused on the \$11 billion of new issues this week. 10 year and 30 year muni/treasury ratios increased as munis underperformed treasuries last week.

Selected Deals for the Week Ending 6/23/17			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	
Negotiated			
New York City Transitional Finance Auth, NY, Future Tax Subordinate	850.00	Aa1/AAA/AAA	U/W
City of Chicago, O'Hare Int'l Airport, Gen'l Airport Senior Lien Rev (Te & AMT)	825.13	NR/A/A	Loop
Public Fin. Auth, Limited Obliga. PILOT Rev (American Dream@Meadowlands, NJ)	800.00	NR/NR/NR	GS
Alabama Federal Aid Highway Fin. Auth, Special Obliga. Rev	551.00	Aa1/AAA/	Citi
California Health Facilities Finance Auth, (Sutter Health)	442.14	//	MS
Maryland Health & Higher Educational Facilities Auth, (Medstar Health)	395.88	A2/A/A	JPM
Public Fin. Auth, Limited Obliga. Grant Rev (American Dream@Meadowlands, NJ)	300.00	NR/NR/NR	GS
California Housing Finance Agency, Mortgage Rev	278.00	A1/AA-/	BAML
Port of Oakland, CA, Intermediate Lien Rev (Te, Tx & AMT)	259.00	A2/A/A	BAML
City of Fort Worth, TX, Special Tax Rev (Te & Tx)	227.37	A1//AA+	JPM
The Atlanta Development Auth, GA, Sr Health Care Rev (GA Proton Treatment Ctr)	224.00	//	Citi
The Metropolitan Water Dist. of Southern California, Subordinate Water Rev	188.00	/AA+/AA+	Citi
USD No. 385 Butler Co., KA, GO	175.69	Aa3/AA-/	Baum
California School Cash Reserve Program Auth, TRANS	159.91	/SP-1+/	Piper
Fremont Union High School Dist., CA, GO (Green)	145.98	Aa3/AAA/NR	MS
County of Hawaii, HI, GO	136.00	Aa2//AA+	BAML
State of New York Mortgage Agy, Homeowner Mortgage Rev (Te & AMT)	117.99	//	Citi
Chester County Health & Education Facilities Auth, PA, Rev (Main Line Health Sys)	105.00	Aa3/AA/AA	Citi
Michigan State Housing Develop. Auth, Rental Housing Rev	100.18	NR/AA/NR	JPM
Competitive			
Tue, 6/20			
State of Georgia, GO (Te & Tx) (4 bids)	1,414.54	Aaa/AAA/AAA	'18-'37
Commonwealth of Massachusetts, GO (3 bids)	784.85	Aa1/AA/AA+	'22-'47
Wed, 6/21			
New York City Transitional Fin. Auth, NY, Future Tax Subordinate (Tx) (2 bids)	250.00	Aa1/AAA/AAA	'20-'29
Rhode Island Health & Ed. Bldg. Corp, Rev (Brown University)	140.81	Aa1/AA+/	'22-'47
Thur, 6/22			
City & County of San Francisco, CA, Cert. of Participation	397.05	Aa2/AA/AA	'19-'42
Sources: Bond Buyer and IPREO			

Bold=Mischler

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

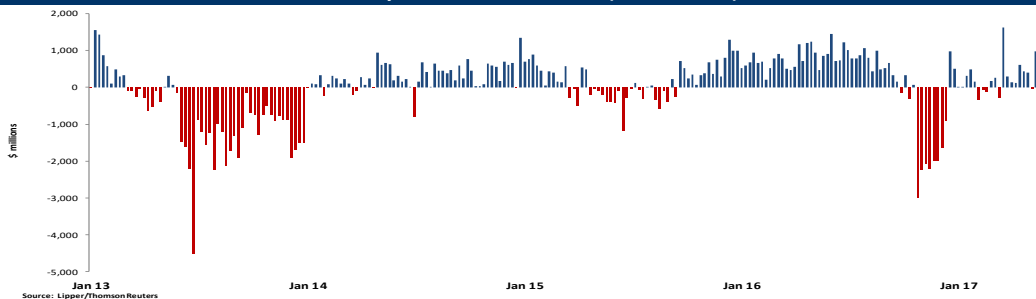


MMD Spots

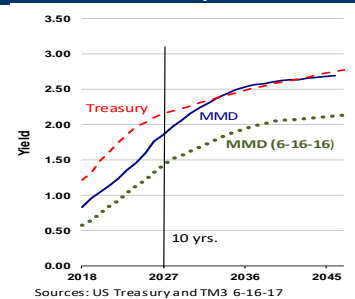
Mat	16-Jun	9-Jun	Chg.	12 mo. low	12 mo. high
1	0.83	0.80	0.03	0.46	0.98
5	1.24	1.21	0.03	0.84	1.91
7	1.46	1.44	0.02	1.03	2.18
10	1.86	1.87	-0.01	1.29	2.58
15	2.31	2.31	0.00	1.57	2.93
20	2.56	2.57	-0.01	1.80	3.20
25	2.64	2.65	-0.01	1.88	3.30
30	2.70	2.71	-0.01	1.93	3.35

Source: TM3

Weekly Muni Bond Fund Flows (2013-Present)



MMD vs Treasury Yield Curves



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