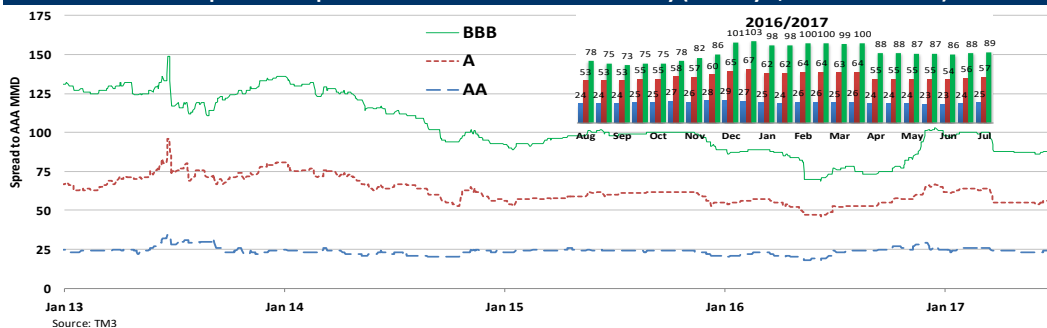


Comments:

- Last week muni volume was about \$0.3 billion. This week volume is expected to be \$9.3 billion. The negotiated market is led by \$1.0 billion Building Aid Revenue Bonds for New York City Transitional Finance Authority, NY. The competitive market is led by \$202.5 million for Lewisville Independent School District, Texas.
- Last Friday credit spreads for AA, A and BBB were unchanged compared with the previous Friday.
- Weekly reporting muni bond mutual funds reported an **outflow of \$458.3 million** for the week ending July 5 after an inflow of \$496.4 million for the week before. The eight week moving average was positive \$162.2 million.
- From Friday to Friday, MMD yields were unchanged in 1 year, and increased 2 to 4 bps in 5 to 7 years and 6 to 7 bps in 10 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 85.7% and 97.1%, respectively, slightly lower than the previous Friday.
- The 2 to 30 year MMD spread was 178 on Friday, 5 bps steeper than the previous Friday. Since the beginning of March this spread has flattened by 42 bps.
- Last week munis had a slow week with very little volume due to the holiday. Much of the focus on the week was the Fed minutes and other central banks continuing to talk about less QE and tapering of existing positions. Market is expecting Fed tapering to begin in September with a rate rise in December. Munis are holding in against Treasuries as reflected in the low muni/treasury ratios. The 10 year ratio is about 10 ratios below both its 5 year and 10 year averages and the 30 year ratio is 5 ratios less than its 5 year average and 7 ratios less than its 10 year average. Fund flows were negative this week (second time in last three weeks) and could add to pressure for higher muni rates as Treasuries continue to rise in yield.

Selected Deals for the Week Ending 7/14/17			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
New York City Transitional Finance Auth, NY, Building Aid Rev.	1,000.00	Aa2/AA/AA	BAML
The Port Auth of New York & New Jersey, Consolidated Bonds (Te & AMT)	828.63	Aa3/AA-/AA-	GS
Pennsylvania Turnpike Commission, Tpk Subordin Rev & Motor License Fund Rev	770.00	A2(A3)/ /	Citi
Wellstar Composite Issue, GA, Hosp Rev (4 Issuers) (Wellstar Health System)	547.12	A2/A/	BAML
Aldine ISD, TX, ULTGO (PSF Gty)	378.54	Aaa/AAA/	JPM
City of Philadelphia, PA, GO	348.00	A2/A+/A-	Citi
Jefferson County, AL, Limited Obligation Warrants	344.15	NAF/AA/A	RayJay
Department of Airports of the City of Los Angeles, CA, LAX Subord. Rev (Te & AMT)	320.00	A1/AA-/AA-	BAML
State of Hawaii, Airport Sys Customer Facility (Tx)	251.00	A2/A+/A-	BAML
Chicago Transit Auth, IL, Capital Grant Receipts Rev.	230.09	/A/BBB	MS
San Diego USD, CA, TRAN's	195.00	/SP-1+/	JPM
Massachusetts Port Auth, Rev.	172.79	Aa2/AA/AA	Barclays
City of Dallas, TX, Waterworks & Sewer Sys Rev.	168.13	/AAA/AA+	Loop
Riverside County Transportation Commission, CA, Sales Tax Rev (LT tax)	159.00	/AA+/AA	BAML
Greater Albany School Dist. No. 8, OR, GO	159.00	Aa1/AA+/	Piper
The Health & Educational Facilities Board, TN, Rev (Vanderbilt University)	121.00	A3/ /	BAML
Vanderbilt University Medical Center, TN, (Tx)	100.00	A3/ /	BAML
Bozeman High School Dist. #7, MT, ULT GO	100.00	Aa2/ /	Davidson
Competitive			
Mat			
Tue, 7/11			
Lewisville ISD, TX, ULT GO (PSF Gty)	202.53	/ /	'18-'37
South Carolina Transportation Infrastructure Bank, Rev	188.62	A1/ /A	'34-'40
Wed, 7/12			
Maryland Transportation Auth, Rev	164.30	Aa3/AA-/AA-	'18-'40
Sources: Bond Buyer and IPREO		Bold=Mischler	

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

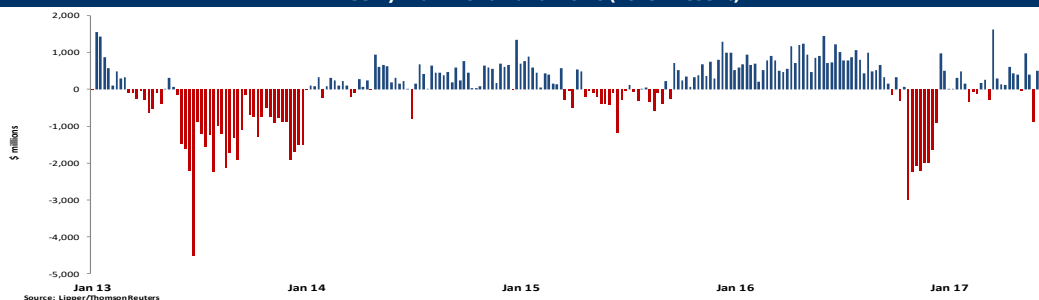


MMD Spots

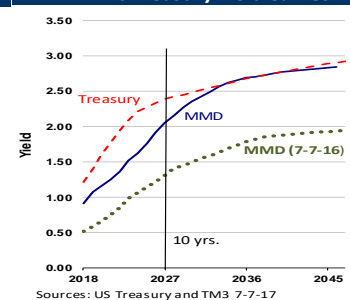
Mat	7-Jul	30-Jun	Chg.	12 mo. low	12 mo. high
1	0.91	0.91	0.00	0.46	0.98
5	1.37	1.35	0.02	0.84	1.91
7	1.62	1.58	0.04	1.06	2.18
10	2.05	1.99	0.06	1.31	2.58
15	2.50	2.44	0.06	1.59	2.93
20	2.71	2.65	0.06	1.82	3.20
25	2.80	2.73	0.07	1.90	3.30
30	2.85	2.79	0.06	1.95	3.35

Source: TM3

Weekly Muni Bond Fund Flows (2013-Present)



MMD vs Treasury Yield Curves



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