

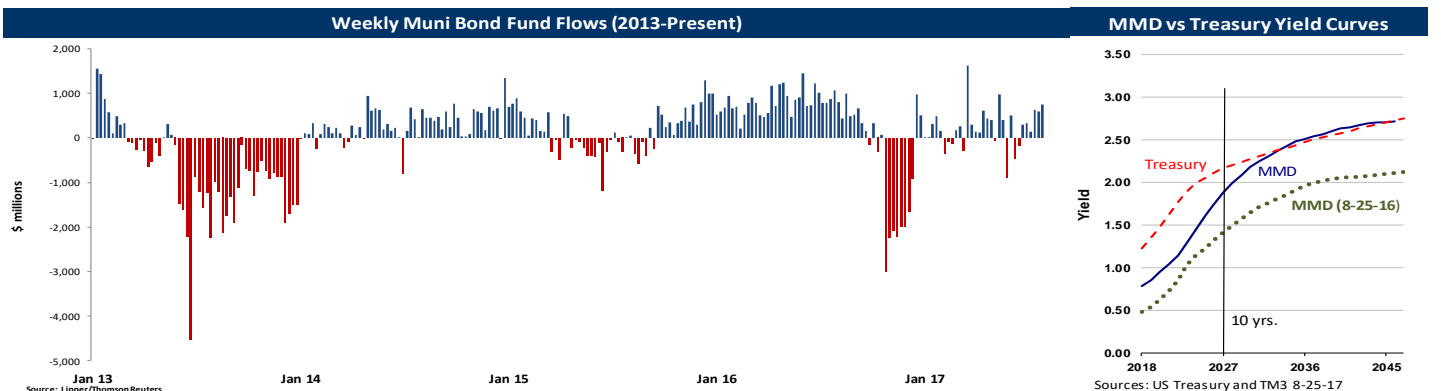
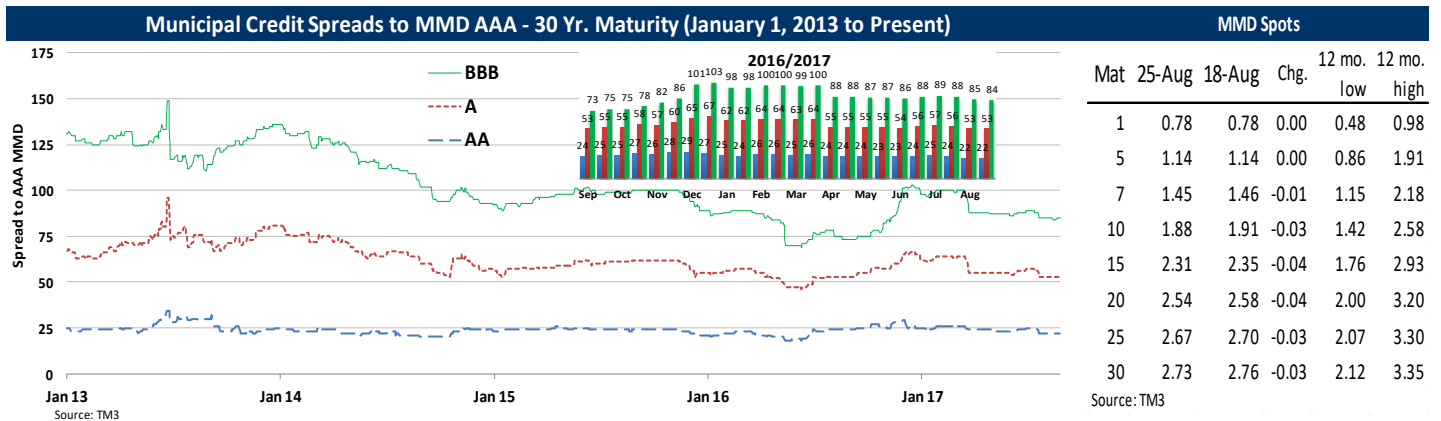
## Comments:

- Last week muni volume was about \$4.4 billion. This week volume is expected to be \$6.9 billion. The negotiated market is led by \$2.5 billion general obligation bonds for the State of California. The competitive market has only two bond issues more than \$100 million, and is led by \$480.9 million for Prince George's County, Maryland in 2 bids on Tuesday.
- Last Friday credit spreads were unchanged for AA and A, as they have been for over five weeks, and increased 1 bp for BBB compared with the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$750.5 million for the week ending August 23 after an inflow of \$586.8 million for the week before. The eight week moving average was positive \$262.9 million.
- From Friday to Friday, MMD yields were unchanged in 1 to 5 years, and decreased 1 bp in 7 years and 3-4 bps in 10 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.7% and 99.2%, respectively, slightly lower than the previous Friday and still well below their 5 and 10 year averages.
- The 2 to 30 year MMD spread was 187 bps on Friday, 3 bps flatter than the previous Friday. Since the beginning of March this spread has flattened by 33 bps.
- Last week munis started out with some risk off sentiment as geopolitical (N Korea and US/S Korea war games) was the focus, but also felt pressure from volume building for this week, especially \$2.5 billion Cal GO's. Talk of focus on tax reform in Washington positive for stocks, but munis seemed able to hold on with several deals showing bumps on final pricing. As last week progressed, focus turned to the Jackson Hole Symposium and what Fed Chair Yellen and ECB President Draghi would say. Yellen's focus only on banking regulation with nothing on rate hike or tapering helped bonds but this week's \$6.9 billion volume meant that the Labor Day slow down might not be as pronounced as in previous years.

Selected Deals for the Week Ending 9/1/17			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>			
State of California, Various Purpose GO	2,500.00	Aa3/AA-/AA-	GS
Greater Orlando Aviation Auth, FL, Priority Subordin. Airport Facilit. Rev (AMT)	950.00	A1/A+/A+	RBC
Illinois Finance Auth, State of IL Clean Water SRF	558.00	/AAA/AAA	BAML
Wisconsin Health & Educational Facilities Auth, (Marshfield Clinic) Rev	308.00	/A-/A-	BAML
Southern California Public Power Auth, CA, (Magnolia Power Proj. A) Rev	107.86	/AA-/	GS
State of Oregon, Housing & Community Serv. Dept., Single Family (Te & AMT)	107.00	Aa2/ /	BAML
<b>Competitive</b>			
<b>Tue, 8/29</b>			
Prince George's County, MD, GO (2 bids)	480.85	Aaa/AAA/AAA	'18-'31
Beaumont ISD, TX, GO (PSF Gty)	113.94		'18-'38
<b>Wed, 8/30</b>			
South Carolina Assoc. of Governmental Organizations, Certif. of Particip. (Te & Tx)	132.10	Aa1/ /	'18

Sources: Bond Buyer and IPREO

Bold=Mischler



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