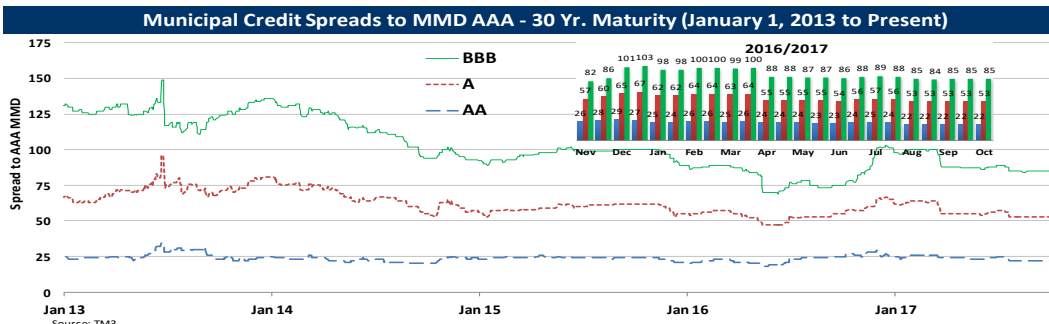


## Comments:

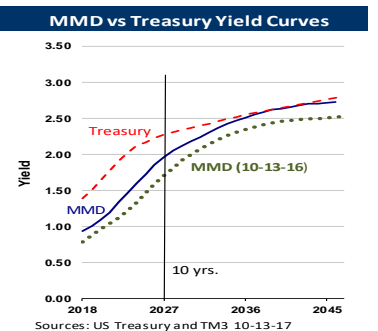
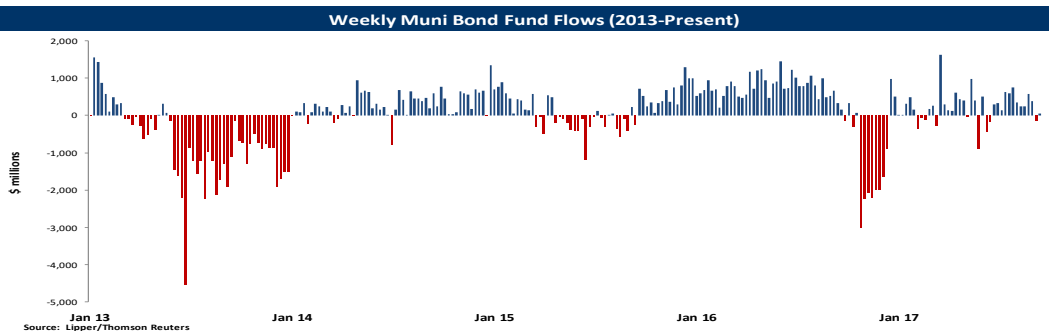
- Last week muni volume was about \$4.2 billion. This week volume is expected to be \$9.9 billion. The negotiated market is led by \$850 million Future Tax Bonds for New York City Transitional Finance Authority, New York. The competitive market is led by \$1.59 billion General Obligation Bonds for the State of California and \$1.50 billion GO's for the State of Illinois on Tuesday.
- Last Friday credit spreads were unchanged for AA, A and BBB compared with the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$43.6 million for the week ending October 11 after an **outflow of \$140.3 million** for the week before. The eight week moving average was positive \$305.3 million.
- From Friday to Friday, MMD yields were unchanged in 1 year and decreased 3-4 bps in 5 to 7 years, 6 bps in 10 years and 8-9 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.0% and 97.2%, respectively, very slightly higher on the 10 year and lower on the 30 year than the week before.
- The 2 to 30 year MMD spread was 174 bps on Friday, 9 bps flatter than the previous Friday. Since the beginning of March this spread has flattened by 46 bps.
- Last week munis focused on geopolitical most of the week, Catalan independence and N Korea as Sec Mattis suggested troops to "stand ready". Fed minutes showed discussion about inflation and suggest next rate hike to come in December. Many of the muni deals were able to show meaningful bumps in final pricing (North Texas Toll 4-10bps, Indiana Finance SRF 1-5 bps). Munis ended the week on a strong note after softer inflation and ECB slowing down the tapering of its QE. This week volume is back up with more than 50% in the competitive market. Muni curve showed significant bull flattening last week.

Selected Deals for the Week Ending 10/20/17				
	Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>				
	New York City Transitional Finance Auth, NY, Future Tax Subordinate	850.00	Aa1/AAA/AAA	GS
	Berks County Industrial Development Auth, PA, ; (Tower Health System)	575.00	A3/A/A	Citi
	San Diego Unified School District, CA, GO (Green Bonds)	500.00	Aa2/ /AAA	Citi
	State of West Virginia, Surface Transp. Improvements, Special Obligation	219.70	A2/AA/	Citi
	San Diego Association of Gov'ts, CA, South Bay Expressway Toll Rev	204.51	NR/A/A-	JPM
	New York State Environmental Facilities Corp, SRF (Green) Te & Tx	158.42	Aaa/AAA/AAA	Siebert
	Metropolitan Transit Auth of Harris Co, TX, Sales Tax	133.72	Aa2/AA+/	GS
	St. Louis Industrial Develop. Auth, MO, Rev (Ballpark Village Develop. Auth)	104.50	NR/NR/	Stifel
	State of Ohio, Lease Appropriation (Adult Correctional Building Fund)	100.00	Aa2/AA/AA	Fifth 3rd
<b>Competitive</b>				
<b>Mat</b>				
<b>Tue, 10/17</b>				
	State of California, GO, (Te & Tx) (3 bids)	1,588.32	Aa3/AA-/AA-	'18-'32
	State of Illinois, GO (3 bids)	1,500.00	Baa3/BBB-/BBB	'18, '19 & '29
	Virginia Public School Auth, VA, Rev	116.01	Aa1/AA+/AA+	'18-'47
	State of Nevada, GO (6 bids)	114.96	Aa2/AA/AA+	'18-'37
<b>Wed, 10/18</b>				
	Commonwealth of Massachusetts, GO (3 bids)	818.13	Aa1/AA/AA+	'18-'46
	New York City Transitional Finance Auth, NY, Future Tax Subordinate (Tx)	140.00	Aa1/AAA/AAA	'20-'29
	Douglas Co. School Dist. 001(Omaha Public Schools), NE, GO	114.61	Aa2/AA+/	'26-'40
<b>Thur, 10/19</b>				
	San Francisco Co. Transportation Auth, CA, Sales Tax	248.54	/AA+/AAA	'20-'34
Sources: Bond Buyer and IPREO		Bold=Mischler		



		MMD Spots				
Mat	13-Oct	6-Oct	Chg.	12 mo. low	12 mo. high	
1	0.94	0.94	0.00	0.68	0.98	
5	1.34	1.37	-0.03	1.09	1.91	
7	1.60	1.64	-0.04	1.18	2.18	
10	1.96	2.02	-0.06	1.47	2.58	
15	2.31	2.39	-0.08	1.92	2.93	
20	2.55	2.64	-0.09	2.34	3.20	
25	2.68	2.77	-0.09	2.47	3.30	
30	2.74	2.83	-0.09	2.52	3.35	

Source: TM3



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