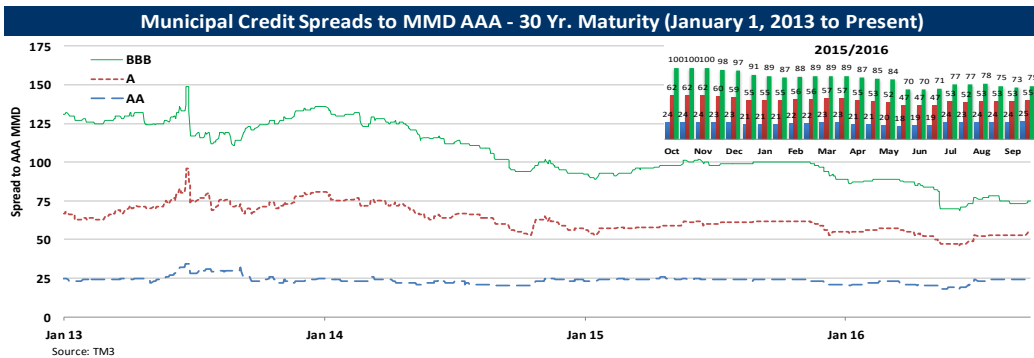


## Comments:

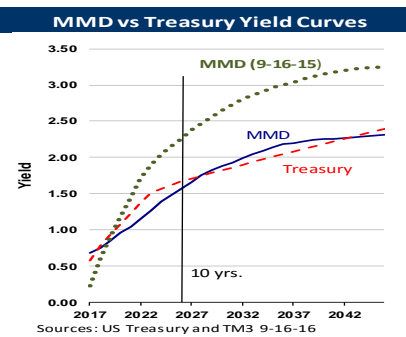
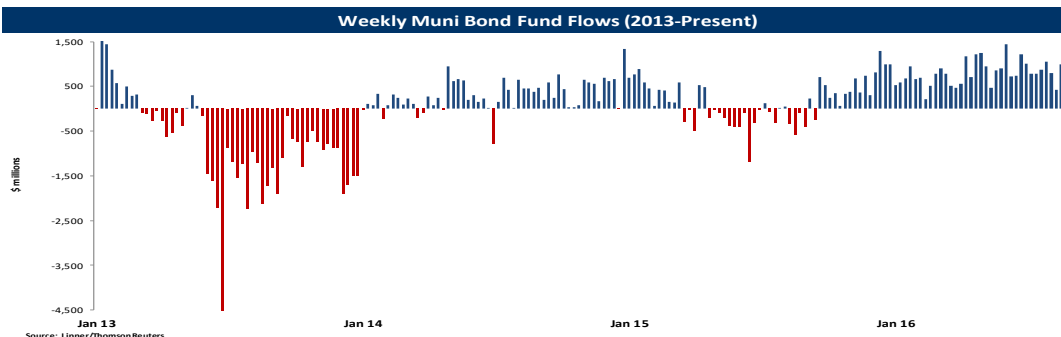
- Last week muni volume was \$11.3 billion. This week volume is expected to be \$8.5 billion. The negotiated market is led by \$700.0 million taxable bonds for Providence St. Joseph Health Obligated Group and \$649.9 million tax-exempt and taxable bonds for Pennsylvania Turnpike Commission. The competitive market is led by \$1.1 billion bonds for Dormitory Authority of the State of New York in 3 bids on Thursday.
- Last week credit spreads widened 1 bp for AA, and 2 bps for A and BBB.
- Weekly reporting muni bond mutual funds experienced inflows of \$485.5 million for the week ending September 14 after inflows of \$985.8 million the previous week.
- From Friday to Friday, MMD yields increased 5-8 bps in 1-10 years and 10-11 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year maturities ended the week at 92.5% and 94.4%, respectively, both higher than the week before.
- The 2 to 30 year spread was 156 on Friday, 6 bps steeper than the previous Friday as the long end moved higher at the end of last week.
- Last week munis felt pressure from an increase in volume and weakness in the Treasury market as it focused on central bank actions both at the Fed and overseas. International focus was on BOE, ECB and BOJ which seemed less sure of their future QE programs. A Fed hike in September was on again off again depending upon the latest statement from various Fed Presidents. Short munis continued to feel pressure from the money market rule changes effective October 14. SIFMA municipal swap index, which had been running 1-2 bps through early March, last week hit 70 bps as many money market funds felt withdrawal pressure causing dealers to have to maintain significant inventories. The increase in SIFMA is causing short fixed rate munis to feel upward pressure.

Selected Deals for the Week Ending 9/23/16				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)		
<b>Negotiated</b>				
Providence St. Joseph Health Oblig. Grp, (Tx)	700.00	Aa3/AA-/AA-	BAML	U/W
Pennsylvania Turnpike Comm. Sub & Mtr License Fund (Te & Tx)	649.89	Aa3(Aa2)/ / A-	GS	
Texas Water Development Board, Rev	575.00	/AAA/AAA	BAML	
Northwell Health, (Tx)	500.00	A3/A-/	Citi	
Central Florida Expressway Auth, Sr Lien Rev	425.00	A2/A/A	BAML	
Private Colleges & Univ. Auth, GA, (Emory Univ)	328.78	Aa2/AA/AA+	Barclays	
Turlock Irrigation Dist & Tuolumne Wind Proj Auth, Rev	320.00	/A+(AA-)/A+	Citi	
Indiana Finance Auth, State Revolving Fund (Green Bonds)	284.97	Aaa/AAA/AAA	RBC	
Pennsylvania Econ. Develop Financing Auth, (Univ of Pitt Med Ctr)	233.00	Aa3/A+/AA-	RBC	
New Jersey Health Care Facil. Auth, (Atlantic Health Corp)	228.35	A1/AA-/	GS	
American Municipal Power, Inc., OH, Hydro Proj Rev (Green Bonds)	206.61	A2/A/A-	RBC	
Wisconsin Health & Educational Facil Auth, (Marshfield Clinic)	193.00	/A-/A-	BAML	
USD No. 512 Johnson Co., KS, GO	152.25	Aaa / /	Baum	
Wisconsin Housing & Econ. Develop. Auth, Homeownership (Te & AMT)	141.44	Aa2/AA/NR	JPM	
Rhode Island Health & Educat'l Building Corp, (Care New England Hosp)	139.00	/BB/BBB-	BAML	
Centinela Union High School Dist, CA, GO	137.00	/AA-/	Cabrera	
Erie Co. Industrial Develop Agency, NY, Buffalo Sch Rev	133.00	Aa2/AA/	Citi	
Health & Educational Facilities Auth, MO, (Children's Mercy Hosp.)	125.34	/A+	GS	
Rancho Calif. Water Dist Financing Auth, Rev (Te & Tx)	115.00	/AA+/	BAML	
City of Farmington, NM, PCRB (Pub Service of NM-San Juan & Four Corners)	100.00	Baa2/BBB+/NR	JPM	
<b>Competitive</b>				
<b>Tues, 9/20</b>				
New York City Municipal Water Finance Auth, NY, 2nd Resolu.Rev (4 blocks)	200.00	Aa1/AA+/AA+		'46
<b>Wed, 9/21</b>				
PalM Beach Co. School Dist, FL, TAN's	115.00	MIG1/ /		'17
<b>Thurs, 9/22</b>				
Dormitory Auth of the State of NY, Sales Tax Rev (3 bids)	1,116.93	Aa2/AAA/AA		'19-'36
Sources: Bond Buyer and IPREO <b>Bold=Mischler</b>				



Mat	MMD Spots				
	16-Sep	9-Sep	Chg.	12 mo. low	12 mo. high
1	0.68	0.62	0.06	0.23	0.68
5	1.04	0.98	0.06	0.79	1.42
7	1.27	1.22	0.05	1.03	1.84
10	1.57	1.49	0.08	1.29	2.22
15	1.93	1.83	0.10	1.57	2.70
20	2.18	2.08	0.10	1.80	2.97
25	2.26	2.15	0.11	1.88	3.15
30	2.31	2.20	0.11	1.93	3.22

Source: TM3



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