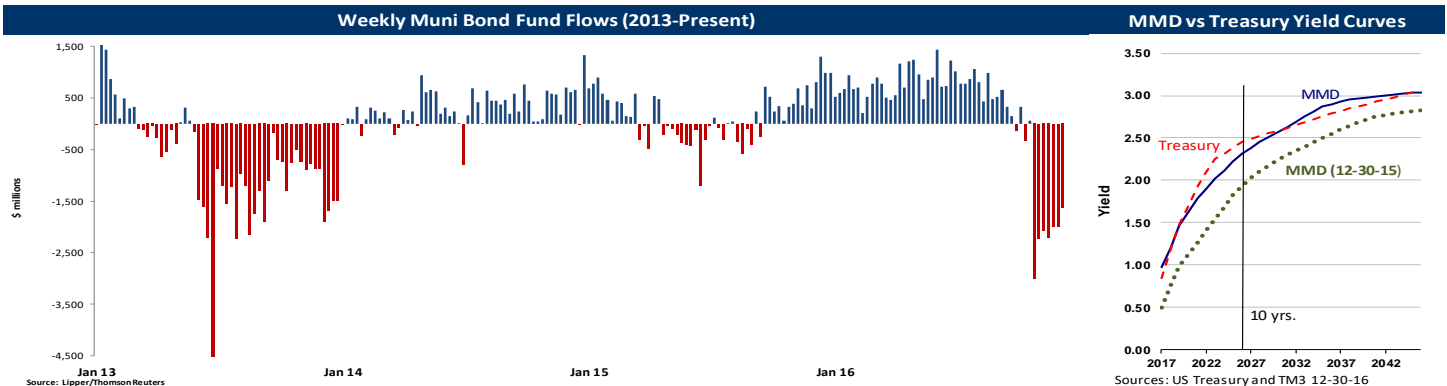
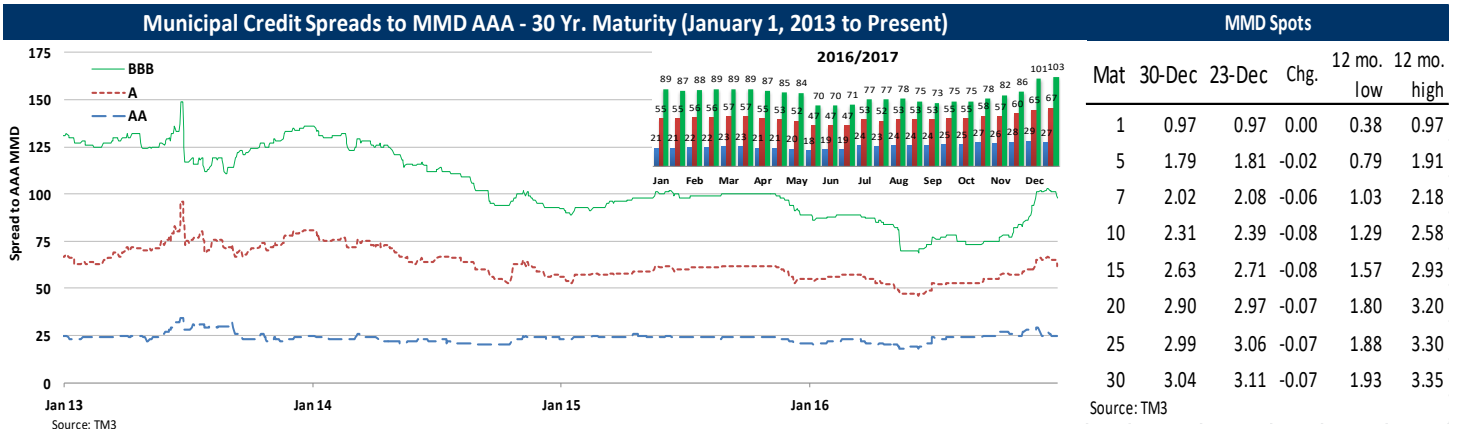


## Comments:

- Last week muni volume was about \$40.0 million. There is still almost \$4.0 billion on The Bond Buyer's day-to-day calendar. This week volume is expected to be \$3.0 billion. The negotiated market is led by \$570.0 million for the Board of Regents, Texas State University System. The competitive market has no sales in excess of \$100 million except for \$375.0 million TRAN's for the State of Colorado on Thursday.
- Last week credit spreads were unchanged for Aa and tightened 3 bps for A and Baa.
- Weekly reporting muni bond mutual funds reported an outflow of \$1,636.6 million for the week ending December 28 after an outflow of \$1,988.0 million for the week before. The eight week moving average is *negative* \$1,886.2million.
- From Friday to Friday, MMD yields decreased 2 bps in 5 years and 6-8 bps in 7 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 94.6% and 99.3%, respectively.
- The 2 to 30 year MMD spread was 183 on Friday, 6 bps flatter than the previous Friday. The curve has flattened 31 bps since Dec 1 mostly reflecting lower rates on the long end of the curve.
- Last week munis seemed to spend the week tracking along with Treasuries as 3 auctions met with good support. Muni traders were few in number with many out for the holidays, but the market did manage to see fairly steady trading with the longer end offering the firmest area. With limited new issue supply this week and January reinvestment starting to kick in, expectations are for a reasonably strong start to 2017. The Bond Buyer announced that total volume for 2016 was \$445 billion, a record amount mostly related to mid-year refunding volume. 2016 volume was just about 50/50 between new money and refunding. Estimates for 2017 seem to range in the \$360-\$390 billion range with new money constituting a more significant percentage. However, there is still some uncertainty about how the new administration's programs will impact munis.

Selected Deals for the Week Ending 1/6/17			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>			
Board of Regents, Texas State Univ Sys	570.83	Aa2/NR/AA	Barclays
Univ of Pittsburgh of the Commonwealth Sys of Higher Ed., PA, (Tx)	525.00	Aa1/AA+	Wells
Board of Regents of the Univ of North Texas Sys. (Te & Tx)	379.91	Aa2/NR/AA	JPM
District of Columbia, (Georgetown University)	311.52	A2/A/	Wells
El Paso ISD, TX, ULT GO	184.09	Aaa//	Piper
Ysleta ISD, TX, ULT GO	171.38	Aaa/AAA/	Piper
NYS Housing Finance Agy, Affordable Housing (Climate Certified/Green)	120.00	//	Citi
Arizona Industrial Develop. Auth, (Basis Schools Project)	108.18	/BB/	RBC
<b>Competitive</b>			
<b>Thurs, 1/5</b>			
State of Colorado, TRAN's	375.00	MIG1/SP-1+/ Sources: Bond Buyer and IPREO	'17
<b>Bold=Mischler</b>			



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