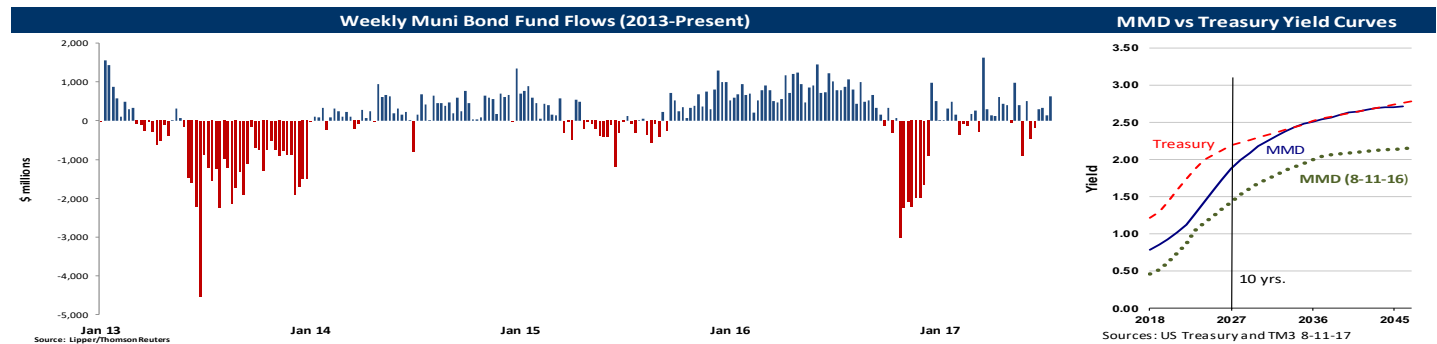
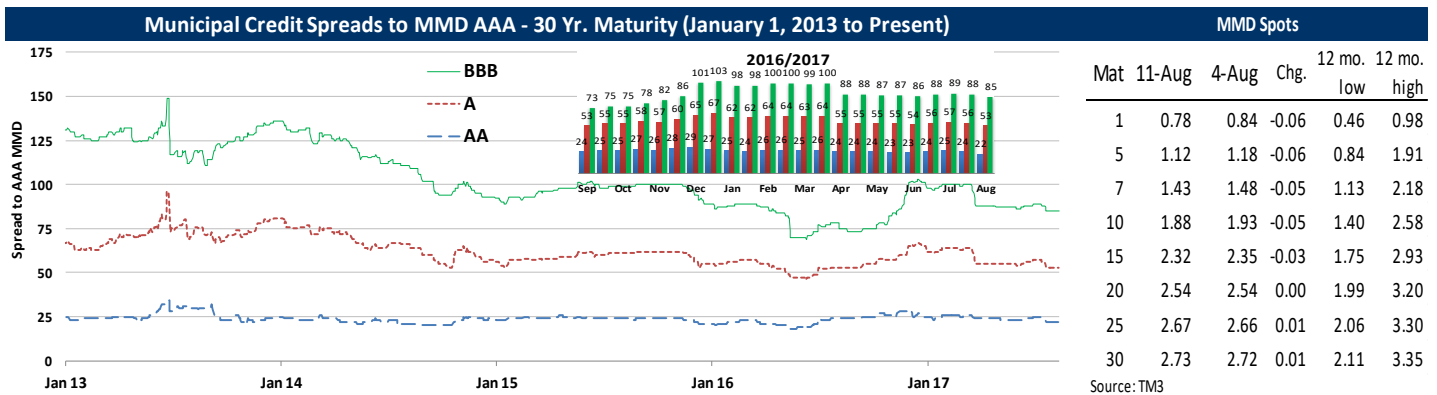


## Comments:

- Last week muni volume was about \$5.6 billion. This week volume is expected to be \$6.7 billion. The negotiated market is led by \$411.0 million tax-exempt and taxable general obligation bonds for the City and County of Honolulu, Hawaii. The competitive market is led by \$1.3 billion general obligation bonds for the State of Maryland on Wednesday.
- As they have been for over three weeks, 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 \$631.2 million for the week ending August 9 after an inflow of \$143.8 million for the week before. The eight week moving average was positive \$46.4 million.
- From Friday to Friday, MMD yields decreased 5 to 6 bps in 1 to 10 years and 3 bps in 15 years, were unchanged in 20 years and increased 1 bp in 25 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.0% and 98.0%, respectively, slightly higher than the previous Friday and still well below their 5 and 10 year averages.
- The 2 to 30 year MMD spread was 188 bps on Friday, 8 bps steeper than the previous Friday as short rates decreased. Since the beginning of March this spread has flattened by 32 bps.
- Last week munis had to contend with an uptick in geopolitical focus as US and North Korea continued their war of words and Russia and China reportedly working on a fix. Munis were firm on the short end causing the 2-30 year MMD spread to widen 8 bps as the curve steepened. Flight to safety (N. Korea) and weak inflation numbers (y/y PPI 1.8% and CPI 1.7%, below the Fed 2% target) helped support the bond markets. Volume for last week was manageable and this week is about average for 2017. Money flowing into bond funds for 4<sup>th</sup> week also supports the muni market.

Selected Deals for the Week Ending 8/18/17				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)		
<b>Negotiated</b>				
City & County of Honolulu, HI, GO (Te & Tx) (Green)	411.00	Aa1/ /AA+	BAML	
State of Louisiana, First & Second Lien Gas & Fuel Tax Rev.	368.00	Aa2(Aa3)/ /	Citi	
Commonwealth of Kentucky Prop. & Building Comm., Rev (Te & Tx)	233.50	A1/ /A+	Citi	
Colorado Health Facilities Auth, Rev (Evangelical Lutheran Good Samaritan Soc.)	226.00	/BBB/	Citi	
Clifton Higher Education Finance Corp, TX, Ed. Rev (Idea Public Schools) (PSF Gty)	171.84	/AAA/	Baird	
The County of Cook, IL, Sales Tax Rev	165.00	/AAA/	Citi	
Lake Oswego SD No.71, OR, GO	160.00	Aa1/AA+/	Wells	
State Board of Regents of the State of Utah, Gen'l Rev (Univ. of Utah)	156.45	Aa1/AA+/	GS	
State of Mississippi, GO (Tx)	101.00	Aa2/AA/	Piper	
Massachusetts Development Finance Agy, Rev (Emerson College)	100.00	Baa2/BBB+/NR	Barclays	
<b>Village of Elk Grove Village, IL, GO</b>	<b>53.60</b>	<b>/AA+/</b>	<b>RBC</b>	
<b>Competitive</b>				
<b>Tue, 8/15</b>				
County of Mecklenburg, NC, GO	225.00	Aaa/AAA/AAA	'20-'37	
The Board of Trustees of the Univ. of Alabama, Gen'l Rev, (Te & Tx)	199.35	Aa2/AA/	'18-'47	
Hennepin County, MN, GO	100.00	Aaa/AAA/AAA	'20-'37	
<b>Wed, 8/16</b>				
State of Maryland, GO (2 bids)	1,342.83	Aaa/AAA/AAA	'19-'32	
Sources: Bond Buyer and IPREO				

Bold=Mischler



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