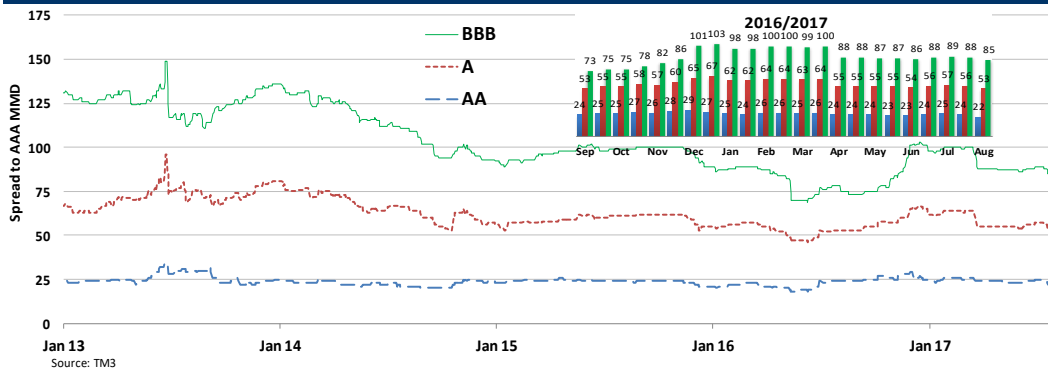


Comments:

- Last week muni volume was about \$7.0 billion. This week volume is expected to be \$7.3 billion. The negotiated market is led by \$1.1 billion tax-exempt and taxable bonds for Cleveland Clinic Health System issued by the State of Ohio. The competitive market is led by \$1.5 billion tax-exempt and taxable bonds for New York City Transitional Finance Authority, New York, 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 \$143.8 million for the week ending August 2 after an inflow of \$323.0 million for the week before. The eight week moving average was positive \$16.9 million.
- From Friday to Friday, MMD yields decreased 1 bp in 1 year, 3 bps in 5 years and 2 to 4 bps in 10 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 85.1% and 95.6%, respectively, about the same as the previous Friday and still well below their 5 and 10 year averages.
- The 2 to 30 year MMD spread was 180 on Friday, the same as the previous Friday. Since the beginning of March this spread has flattened by 40 bps on the strength of the long end (bull flattening).
- Last week munis handled the volume and ended lower in yield on the week in spite of mixed economic data and stronger payroll data on Friday. On Tuesday, Greenspan suggested bonds may face a bubble instead of stocks. Then on Thursday, Bank of England kept rates unchanged and downgraded inflation and economic data. Another damper on the muni market is the consistently low muni/treasury ratios, both about 10 ratios below their 5 and 10 year averages. Higher July payrolls on Friday (209 versus 185) pressured bonds, including munis, and heightened likelihood of another Fed funds hike this year.

Selected Deals for the Week Ending 8/11/17				
	Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	
Negotiated				
	State of Ohio, Hosp. Rev (Cleveland Clinic Health Sys. Oblig. Grp) (Te & Tx)	1,000.00	Aa2/AA/NR	JPM
	Miami-Dade County, FL, Aviation Rev (AMT & Tx)	647.79	/A/A/AA-	GS
	City of Philadelphia, PA, Gas Works Rev	278.24	A3/A/BB+	MS
	Ohio Water Development Auth, Water Poll. Control	250.00	Aaa/AAA/	BAML
	Hays Consolidated ISD, TX, ULT GO (PSF Gty)	250.00	Aaa/ /AAA	RayJay
	Lehigh Co. IDA, PA, Pollution Control (PPL Electric Util. Corp)	223.75	/ /	MS
	Housing & Redevelopment Auth. of the City of Saint Paul, MN, (Fairview Health)	197.00	A2/A+/	Citi
	City of San Antonio, TX, Electric & Gas Sys Rev	196.02	Aa1/AA/AA+	Siebert
	California Statewide Comm. Develop. Auth, Student Housing Rev (UC Irving Apts.)	155.11	Baa1/ /	Barclays
	City of Yonkers, NY, GO	149.61	A2/A/	Roosevelt
	Issaquah SD No. 411, WA, ULT GO	100.00	Aaa/AA+/	Piper
Competitive				
Tue, 8/8				
	New York City Transitional Finance Auth, NY, Future Tax Subord. (6 bids) (Te & Tx)	1,512.12	Aa1/AAA/AAA	'19-'45
	Louisville & Jefferson Co. Metro. Sewer Dist, KY, Rev (2 bids)	215.53	Aa3/AA	'18-'48
	Virginia Public School Auth, School Financing	103.44	Aa1/AA+/AA+	'18-'36
Sources: Bond Buyer and IPREO		Bold=Mischler		

Municipal Credit Spreads to MMD AAA - 30 Yr. Maturity (January 1, 2013 to Present)

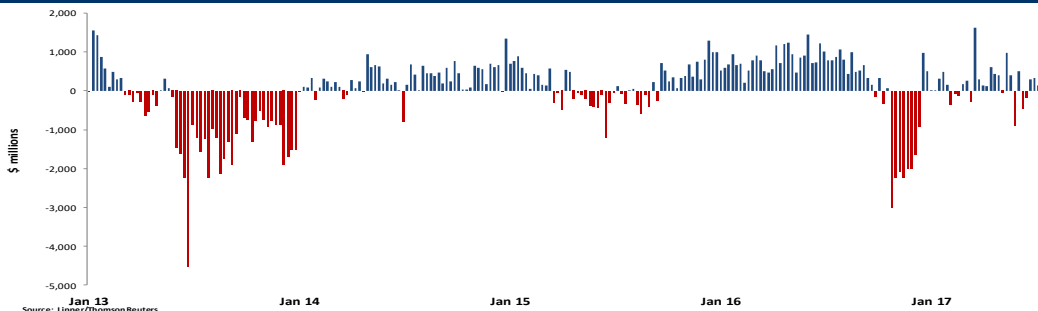


MMD Spots

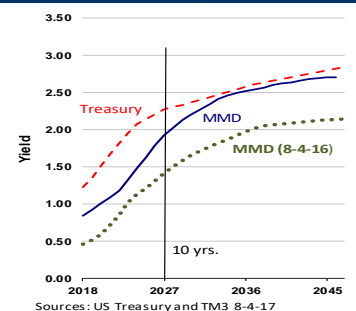
Mat	4-Aug	28-Jul	Chg.	12 mo. low	12 mo. high
1	0.84	0.85	-0.01	0.46	0.98
5	1.18	1.21	-0.03	0.84	1.91
7	1.48	1.50	-0.02	1.13	2.18
10	1.93	1.95	-0.02	1.40	2.58
15	2.35	2.39	-0.04	1.75	2.93
20	2.54	2.58	-0.04	1.99	3.20
25	2.66	2.68	-0.02	2.06	3.30
30	2.72	2.74	-0.02	2.11	3.35

Source: TM3

Weekly Muni Bond Fund Flows (2013-Present)



MMD vs Treasury Yield Curves



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