

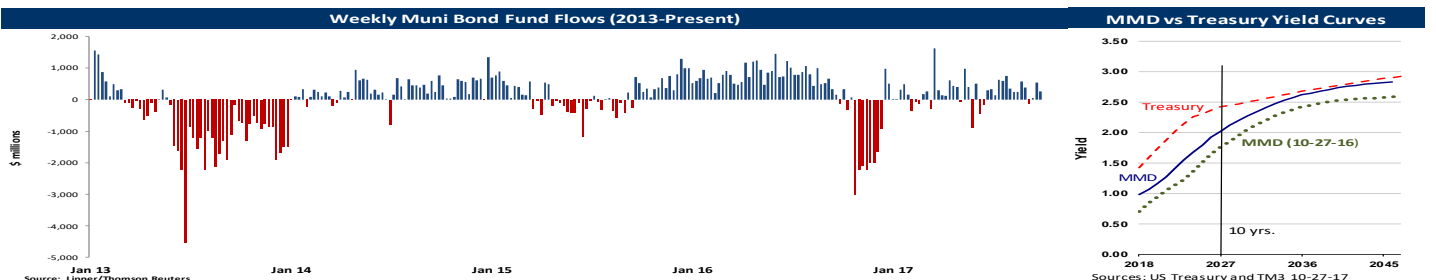
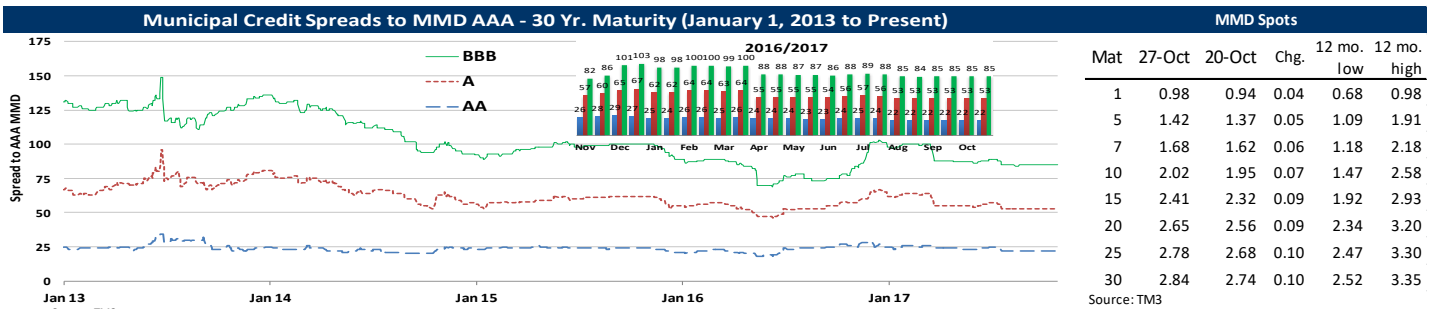
Comments:

- Last week muni volume was about \$10.2 billion. This week volume is expected to be \$6.7 billion. The negotiated market is led by \$737.0 million P3 private activity bonds for Virginia Small Business Financing Authority. The competitive market is led by \$684.3 million general obligation bonds for Montgomery County, Maryland in 4 bids on Tuesday.
- Last Friday credit spreads were unchanged for AA, A and BBB compared with the previous Friday. Credit spreads have been virtually unchanged for about 14 weeks and moved within a 3 bps range since mid-March 2017.
- Weekly reporting muni bond mutual funds reported an inflow of \$262.0 million for the week ending October 25 after an inflow of \$536.2 million for the week before. The eight week moving average was positive \$268.2 million.
- From Friday to Friday, MMD yields increased 4-5 bps in 1 to 5 years, 6-7 bps in 7 to 10 years and 9-10 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 83.2% and 96.7%, respectively, an increase of 1.3 ratios in 10 years and 2.0 ratios in 30 years from the week before.
- The 2 to 30 year MMD spread was 178 bps on Friday, 6 bps steeper than the previous Friday. Since the beginning of March this spread has flattened by 42 bps almost entirely due to lower 30 year rates.
- Last week munis saw the second week of \$10 billion supply. Economic data was stronger than expected mid-week, PMI, durable goods, new home sales (up 18.9% largest 1 month increase since 1992) and 3Q GDP which pressured bonds. On Friday, PCE inflation (only 1.3%), Catalonia and Trump leaning towards Powell for Fed Chair seemed to provide some positive sentiment for bonds. Deal of the week was \$4.5 billion State of Illinois GO's which priced on Wednesday with final spreads +138 in 2020, +182 in 2024 and 2025 and +166 in 2028. Many of the other new issues were able to bump final pricings in spite of stronger economic data mid-week. This week's volume is manageable and flows positive for bond funds.

Selected Deals for the Week Ending 11/3/17				
	Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	
Negotiated				
	Virginia Small Business Financing Auth, PAB Rev (Te) (Transform 66- P3)	737.00	Baa3/ /BBB	BAML
	City of Phoenix Civic Improve. Corp, AZ, Sr. Airport Rev (Te, AMT & Tx)	401.00	Aa3/AA-	Citi
	Pennsylvania Turnpike Commission, Subordinate Rev & Motor License Fund	346.72	A3(A2)/ /A-(AA-)/A+(AA-)	Siebert
	Massachusetts Development Finance Agy, Rev ((The Broad Institute)	234.39	Aa3/AA-	MS
	Mayor & City Council of Baltimore, MD, (Tx)	227.00	Aa2/AA-	BAML
	San Diego Association of Gov'ts, CA, Toll Rev (South Bay Expressway)	204.51	NR/A/A-	JPM
	City of Columbus, OH, ULT GO	188.00	Aaa/AAA/AAA	BAML
	County of Guilford, NC, GO	178.64	Aaa/AAA/AAA	Wells
	Connecticut Housing Finance Auth, Housing Mortgage Finance (Te & AMT)	128.98	Aaa/AAA/	RBC
	San Marcos USD (San Diego Co.), CA, GO	120.26	Aa3/AA-	RBC
	Maryland Health & Higher Educational Facilities Auth, Rev (Lifebridge Health)	119.00	A1/A+	BAML
	School Board of Hillsborough Co., FL, Master Lease Program	113.87	Aa2/AA-/AA	JPM
Competitive				
Tue, 10/31				
	Montgomery County, MD, GO (4 bids)	684.31	Aaa/ /AAA	'18-'31
Wed, 11/1				
	Charleston County SD, SC, GO Bonds & BANs (2 bids) (State School Intercept)	143.37	Aa1(MIG1)/ /	'18
	Commonwealth of Massachusetts, Fed Highway GANs (Accel Bridge Prog)	142.64	Aa2/AAA/	'21-'27
	Williamson Co., TN, GO (2 bids)	125.00	Aaa/ /	'21-'38
	Spokane SD No. 81, WA, ULT GO (3 bids) (State School Credit Enhancement Prog)	104.05	Aa1/AA+ /	'18-'35
Thur, 11/2				
	County of Santa Clara, CA, GO (Tx)	250.00	/AAA/AA+	
	School Dist. No. 7 of Spartanburg Co., SC, GO BANs	141.25		'18

Sources: Bond Buyer and IPREO

Bold=Mischler



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