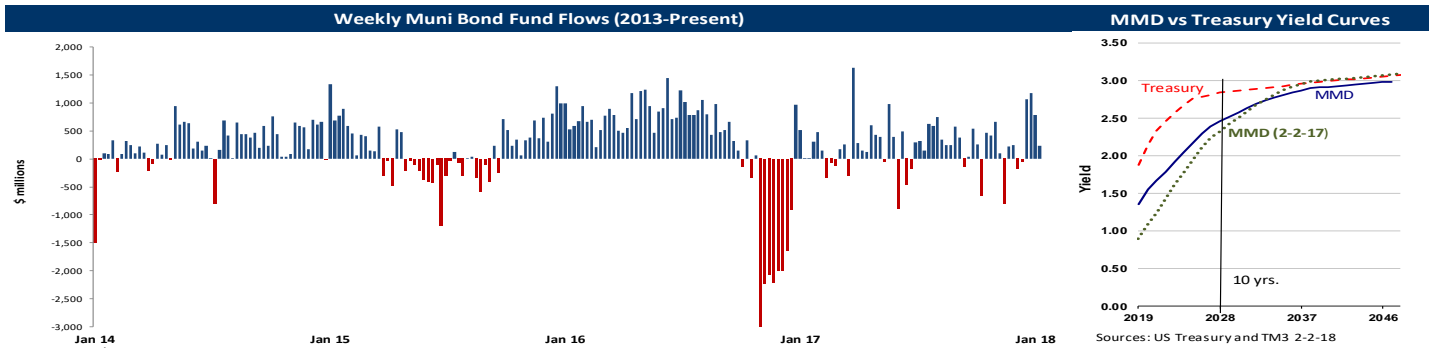
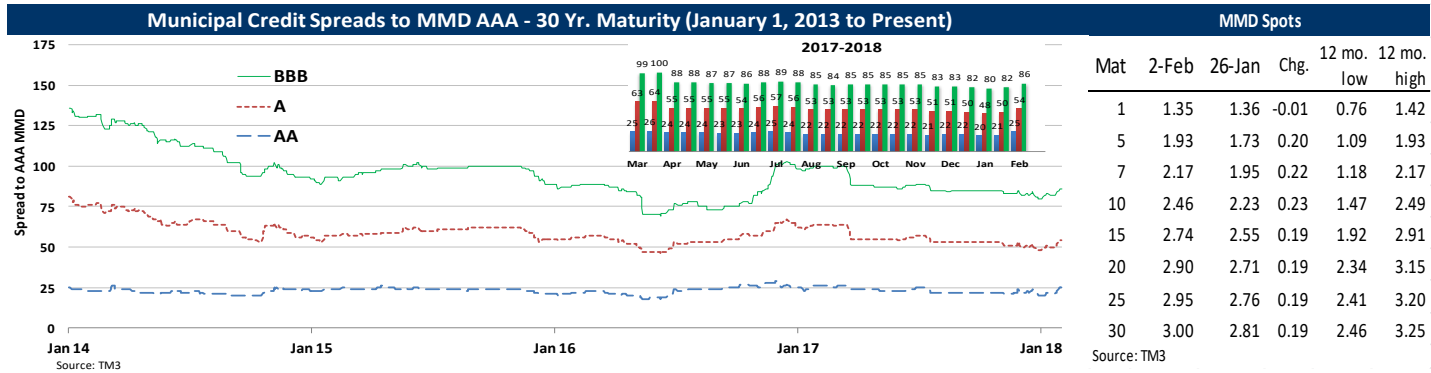


**Comments:**

- Last week muni volume was about \$3.6 billion. This week volume is expected to be about \$3.8 billion. The negotiated market is led by \$567.2 million of toll road revenue bonds for Harris County, Texas. The competitive market is led by \$180.1 million of water and sewer bonds for the City of Ft. Lauderdale, Florida on Tuesday.
- Last Friday credit spreads were 2 bps wider for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$235.9 million for the week ending January 31 after an inflow of \$781.2 million for the week before. The eight week moving average was positive \$437.5 million.
- From Friday to Friday, MMD yields decreased 1 bp in 1 year, and increased 20 bps in 5 years, 22 bps in 7 years, 23 bps in 10 years and 19 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.5% and 97.2%, respectively, 2.8 ratios higher in 10 years and 0.8 higher in 30 years as 10 year munis felt more pressure than Treasuries.
- The 2 to 30 year MMD spread was 145 bps on Friday, 16 bps steeper than the previous Friday. Since the end of 2017, this spread has steepened by 47bps while Treasuries have only steepened by 8 bps.
- Last week munis felt pressure as Treasuries broke higher in rate. Stronger economic data, multiple bid lists and the Atlanta Fed looking for 5% 1Q GDP growth caused munis rates to rise significantly along with Treasuries. While new issue volume has been light since the beginning of the year, sizeable bid lists kept pressure on rates as new issues faced pressures and final pricings were a mix of bumps and cuts with maturity size a factor as many dealers felt pressure to offer concessions to clean up long positions from bid lists. This week volume is manageable and the flows are positive for muni bond funds. Muni yield curve is steepening while Treasuries flatten.

Selected Deals for the Week Ending 2/9/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>			
Harris County, TX, Sr. Lien Toll Road Rev	567.20	Aa2/ /AA	GS
State of Utah, GO	326.43	Aaa/AAA/AAA	JPM
Dartmouth-Hitchcock Health, NH, (Tx)	302.00	/A/A	Citi
The State of Delaware, GO, (Te & Tx)	250.00	Aaa/AAA/AAA	Citi
Department of Water & Power of the City of Los Angeles, CA, Water Rev	231.00	Aa2/AA+/AA	MS
City of Houston, TX, Spec. Facilit. Rev (United Airlines) (AMT)	134.00	/BB-/	Citi
Sherman ISD, TX, ULT GO, (PSF Gty)	121.34	Aaa/AAA/	RayJay
Connecticut Housing Finance Auth, CT, Housing Mortgage (Te & AMT)	118.00	Aaa/AAA/	BAML
<b>Competitive</b>			
<b>Mon, 2/5</b>			
ISD No. 280 (Richfield Public Schools), MN, GO (MN SD Credit Enhance. Prog)	115.20	/AA+/	'20-'43
<b>Tue, 2/6</b>			
City of Ft. Lauderdale, FL, Water and Sewer Rev	180.08	Aa1/AA+/	'37-'48
Richland County, SC, GO BAN's (Transport. Sales & Use Tax)	250.00	MIG 1/SP-1+/	'19
<b>Wed, 2/7</b>			
University System of Maryland, Aux Facil. & Tuition Rev	115.00	Aa1/AA+/AA+	'19-'38
<b>Thur, 2/8</b>			
Silicon Valley Clean Water, CA, Wastewater Rev	137.67	Aa2/AA/	'18-'48
Sources: Bond Buyer and IPREO		Bold=Mischler	



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