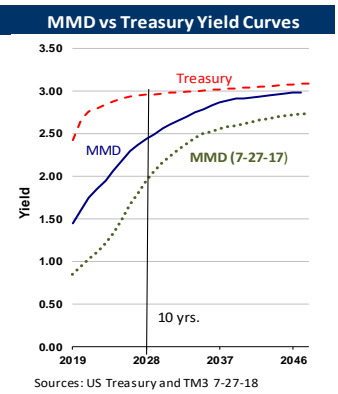
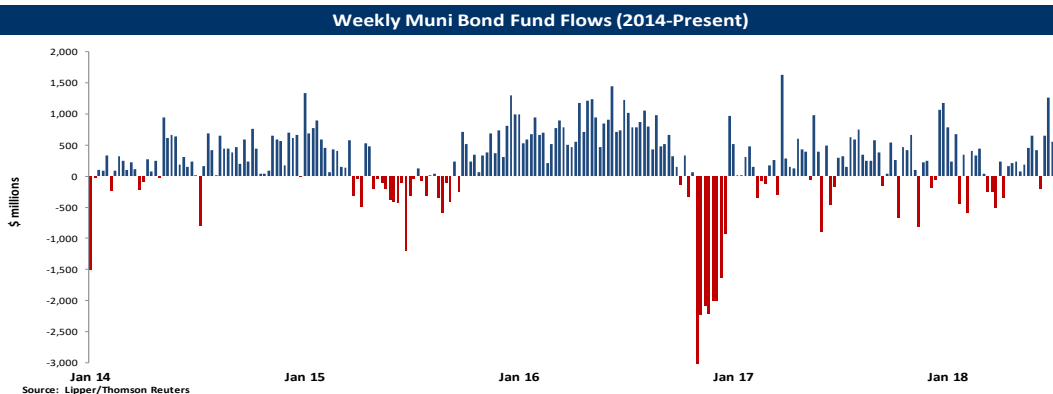
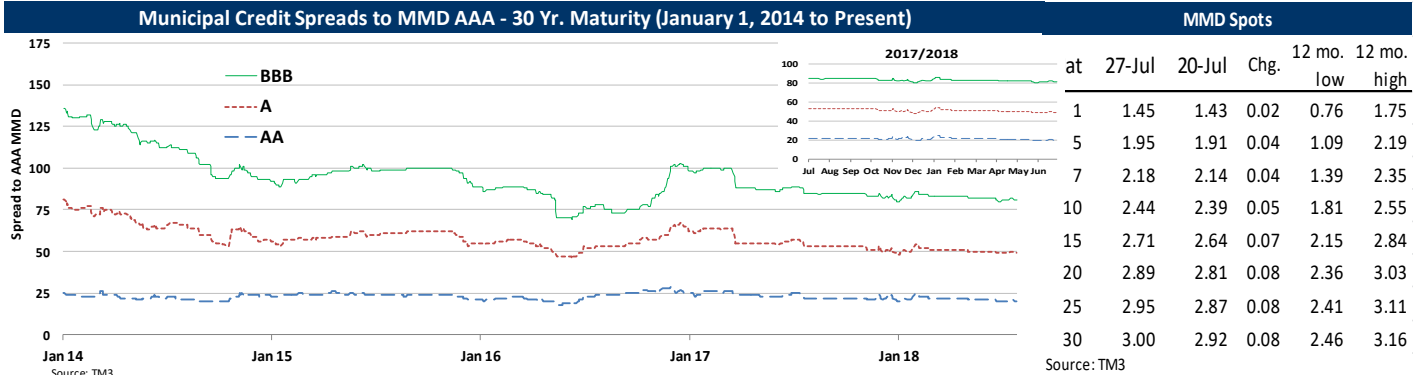


Comments:

- Last week muni volume was about \$6.6 billion. This week volume is expected to be \$4.4 billion. The negotiated market is led by \$974.0 million Lodging Tax Revenue Bonds for Washington State Convention Center Public Facilities District. The competitive market is led by \$510.0 million general obligation bonds for the State of Maryland on Wednesday.
- Last Friday credit spreads decreased 1 bp for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$550.0 million for the week ending July 25 after an inflow of \$1.3 billion for the week before. The eight week moving average was positive \$497.1 million.
- From Friday to Friday, MMD yields increased 2 bps in 1 year, 4 bps in 5 to 7 years, 5 bps in 10 years and 7-8 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 82.4% and 97.2%, respectively, about 0.3 ratios lower in 10 years and 0.9 ratios higher in 30 years compared with the week before.
- The 2 to 30 year MMD spread was 134 bps on Friday, 4 bps steeper than the previous Friday. Since the end of 2017, munis have steepened by 36 bps while Treasuries have flattened by 49 bps, although munis have flattened 20 bps since mid-March.
- Last week munis felt pressure as the focus was on the ECB and pending BOJ policy statements with concern as to whether and when they might institute rate hikes and whether they will change their plans for QE. ECB, following the trade agreement with the EU on Wednesday, indicated no changes to rates through summer of 2019 and no change to scheduled reduction of QE. While the ECB statement was favorable for interest rates, the announced trade agreement put pressure back on interest rates as stocks improved. Munis were pulled higher in rate as Treasuries moved up. Current volume and flow to the funds are helping keep munis from pushing higher. This week volume is down. While still low, 20 year and 30 year MMD rates are close to their 5 year averages.

Selected Deals for the Week Ending 8/3/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
Washington State Convention Center Public Facilities Dist., Lodging Tax (Sr. & Sub.)	974.00	Aa3(A1)/A+(A-)/	Citi
City of San Antonio, TX, Combination Tax & Rev Certif. of Obligation (Te & Tx)	330.27	Aaa/AAA/AAA	JPM
Louisiana Public Facilities Auth, Rev (Louisiana Children's Medical Center)	305.00	/A+/	BAML
Killeen ISD, TX, ULTGO (PSF Gty) (Underlying Aa2/AA-/)	273.85	Aaa/AAA	Wells
Michigan Finance Auth, State Aid Rev Notes	219.46	NR/A-1+/NR	JPM
City of New Haven, CT, GO (Te & Tx)	218.03	/BBB+/	Loop
Nebraska Investment Finance Auth, Single Family	171.05	NR/AA+/NR	JPM
West Virginia Parkways Auth, Senior Lien Turnpike Rev	160.72	/AA-/AA-	Wells
Forsyth County SD, GA, GO	147.00	Aaa/AAA/	Citi
Texas Dept. of Housing & Community Affairs, Single Family	144.33	Aa1/AA+/NR	RBC
Competitive			
Wed, 8/1			
State of Maryland, GO (2 bids)	510.00	Aaa/AAA/AAA	'21-'33
Sources: Bond Buyer and IPREO		Bold=Mischler	



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