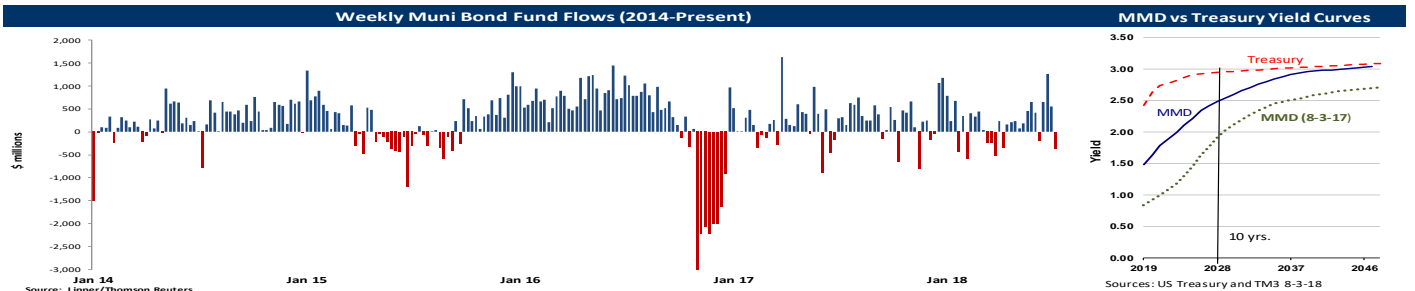
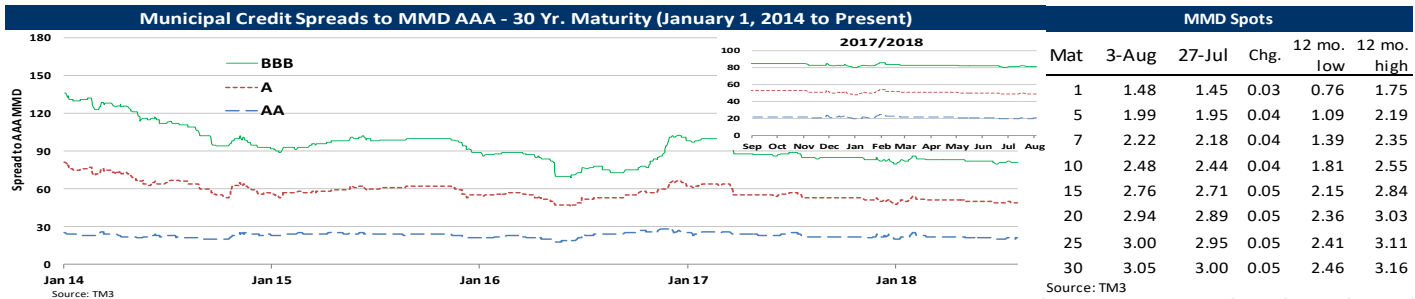


Comments:

- Last week muni volume was about \$4.1 billion. This week volume is expected to be \$7.5 billion. The negotiated market is led by \$1.2 billion for Wisconsin Health and Educational Facilities Authority. The competitive market is led by \$619.4 million general obligation bonds for the State of Minnesota on Tuesday.
- Last Friday credit spreads increased 1 bp for AA and were unchanged for A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an **outflow of \$368.4 million** for the week ending August 1 after an inflow of \$550.0 million for the week before. The eight week moving average was positive \$427.4 million.
- From Friday to Friday, MMD yields increased 3 bps in 1 year, 4 bps in 5 to 10 years and 5 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 84.0% and 98.6%, respectively, about 1.6 ratios higher in 10 years and 1.4 ratios higher in 30 years compared with the week before.
- The 2 to 30 year MMD spread was 136 bps on Friday, 2 bps steeper than the previous Friday. Since the end of 2017, munis have steepened by 38 bps while Treasuries have flattened by 39 bps, although munis have flattened 18 bps since mid-March.
- Last week munis felt pressure from geopolitical and central banks as the tariff war continued with China and the BOJ, Fed and BOE all issued statements. China tariffs started the week looking like there would be an agreement, but ended with the President threatening \$200 billion more to be subject to 25% tariff (from 10%). China threatened retaliation. Central banks showed mixed forecast with Japan widening the collar on 10 year JGB (+-.20 from +-.10), Fed pretty much unchanged and BOE leaving rates unchanged. Munis saw outflows from the bond funds, but are expecting strong redemptions in August to hopefully turn the flows positive. This week volume increases to more like the average for 2018.

Selected Deals for the Week Ending 8/10/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
Wisconsin Health & Educational Facil Auth, (AuroraHealth) (fixed, floating, put) (Te & Tx)	1,230.00	Aa3/AA/AA	JPM
The City of New York, NY, GO	809.56	Aa2/AA/AA	RBC
Houston, TX, Combined Utility Rev (First Lien) (Te & Tx)	535.00	Aa2/AA	Piper
State of Hawaii, Airports Sys Rev (Te & AMT)	413.62	A1/AA-/A+	MS
California Statewide Communities Develop. Auth, Rev (Loma Linda Univ Med Ctr)	366.00	/BB-/BB	BAML
The Industrial Develop Auth of the City of Chandler, AZ, IDRB (Intel Corp)	281.00	A1/A+	BAML
Michigan Finance Authority, Sr Lien State Aid Rev (Wayne Criminal Justice Ctr.)	279.90	Aa3/NAF/NAF	GS
Triborough Bridge & Tunnel Auth, General Rev	270.00	Aa3/AA-/AA-/AA	Jefferies
State of Colorado, (Building Excell. Schools) COP	172.17	Aa2/AA-/	Stifel
Iowa Finance Auth & Palm Beach Co Health Facil Auth, Rev (Lifespace Communities)	166.88	NR/NR/BBB	Ziegler
Cypress Fairbanks ISD, TX, ULTGO (variable rate)	160.26	Aaa/AAA/AAA	JPM
Cook County, IL, Sales Tax Rev	150.16	/AAA/AAA	Loop
Tennessee Housing Develop. Agcy, Residential Finance,	150.00	Aa1/AA+/	Citi
State of Oregon Business Develop Commission, (Intel) (Recovery Zone Facility)	142.00	A1/A+/	BAML
Auburn School Dist No. 408, WA, (Wash. Sch Bd Gty) (Underlying Aa2//)	135.05	Aa1//	Davidson
Kentucky Econ Develop Finance Auth, Rev (Baptist Healthcare Sys) (Tx)	129.00	Baa1//A	BAML
City & County of Denver, CO, COP (Colorado Convention Center Expansion)	129.00	Aa2/AA+/AA+	Baum
North Dakota Housing Finance Agcy, Home Mortgage Fin	125.00	Aa1/NR/NR	RBC
California Educational Facilit Auth, Rev (Art Center College of Design)	100.00	Baa1//	Wells
Competitive			
Tue, 8/7			
State of Minnesota, GO (3 bids) (Te & Tx)	619.37	Aa1/AAA/AAA	'19-'38
State of Michigan, GO	149.20	Aa1/AA/AA	'27-'33
Wed, 8/8			
Public Building Commission of Johnson Co., KS, Lease Rev	163.93	/AAA/	'19-'27
Thur, 8/9			
Township of Woodbridge, NJ, BAN's	152.61	//	'19
Sources: Bond Buyer and IPREO		Bold=Mischler	



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