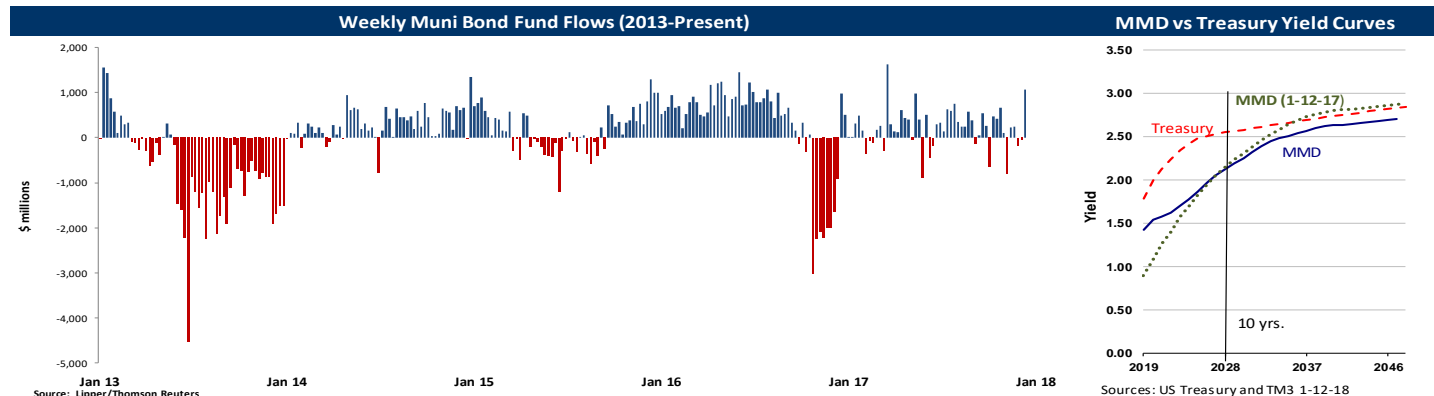
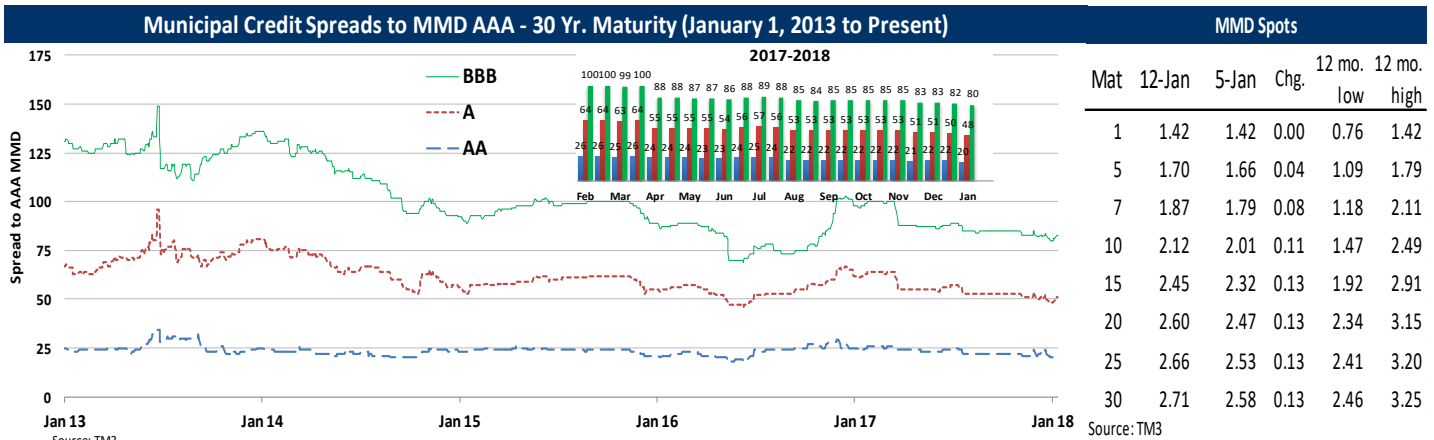


Comments:

- Last week muni volume was about \$3.1 billion. This holiday shortened week volume is expected to be about \$3.4 billion. The negotiated market is led by \$898.1 million for the Sales Tax Securitization Corporation, Illinois. The competitive market is led by \$220.7 million tax-exempt and taxable bonds for the University of Kentucky on Wednesday.
- 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 \$1.7 billion for the week ending January 10 after an **outflow of \$47.9 million** for the week before. The eight week moving average was positive \$157.1 million.
- From Friday to Friday, MMD yields were unchanged in 1 year, and increased 4 bps in 5 years, 8 bp in 7 years, 11 bps in 10 years, and 13 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 83.2% and 95.0%, respectively, higher than the previous Friday.
- The 2 to 30 year MMD spread was 117 bps on Friday, 13 bps steeper than the previous Friday. Since the beginning of March 2017 this spread has flattened by 103 bps.
- Last week muni volume was light at only \$3.1 billion, well below the \$7+ billion weekly 2017 average. Munis lost ground to Treasuries as ratios increased. Markets were impacted most on Wednesday as BOJ announced tapering of QE and Bloomberg reported that China was cutting back on Treasury purchases (China stated this was not true on Thursday). Also, ECB indicated it would focus on interest rates, indicating possible halt to QE in 2018. Munis traded off with Treasuries on Wednesday and only recovered slightly on Thursday and Friday. This short week muni volume is slightly higher than last week.

Selected Deals for the Week Ending 1/19/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
Sales Tax Securitization Corporation, IL Sales Tax	898.07	/AA/AAA/AAA	GS
School Dist. No.1 in the City and Co. of Denver and State of Colorado, GO (Te & Tx)	211.99	Aa2/AA+/AA+	Stifel
Orlando Utilities Commission, FL, Rev	150.18	Aa2/AA/AA	JPM
Pasadena ISD, TX, ULT GO (PSF Gty)	122.21	Aaa/AAA/	Piper
The County of Cook, IL, GO	103.15	A2/AA-/A+	Loop
Competitive			
Tue, 1/16			
Sheldon ISD, TX, ULT GO (PSF Gty)	100.71		'19-'48
Wed, 1/17			
University of Kentucky, Gen'l Receipts (Te & Tx) (2 bids)	220.69	Aa2/AA/	'21-'45
Thur, 1/18			
Prior Lake ISD #719, MN, GO	120.37		'22-'38
Sources: Bond Buyer and IPREO			
Bold=Mischler			



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