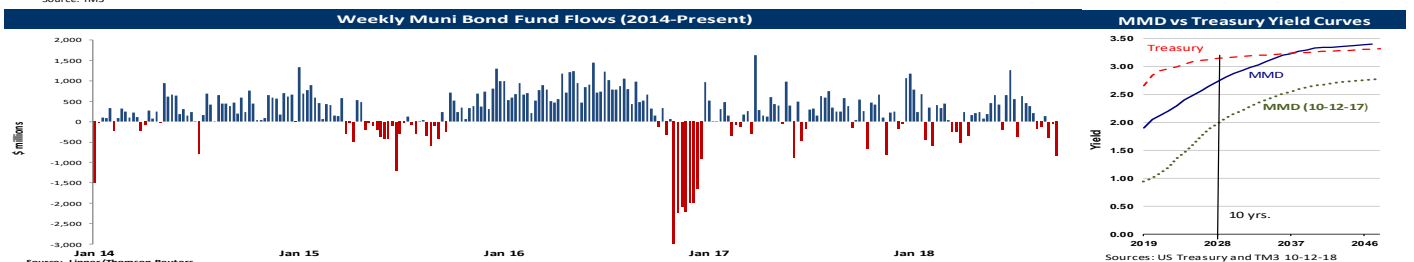
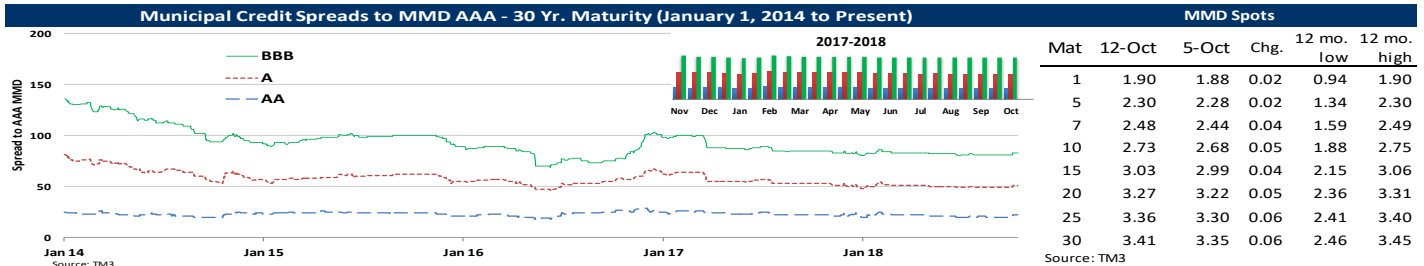


**Comments:**

- Last week muni volume was about \$3.0 billion. This week volume is expected to be \$10.8 billion. The negotiated market is led by \$1.2 billion taxable bonds for The Toledo Hospital, Ohio and \$1.2 billion building aid revenue bonds for New York City Transitional Finance Authority, New York. The competitive market is led by \$866.0 million general obligation bonds for the State of California on Wednesday.
- Last Friday credit spreads were unchanged for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an **outflow of \$847.9 million** for the week ending October 10 after an **outflow of \$43.6 million** for the week before. The eight week moving average was **negative \$107.9 million**; the first time this average has been negative since the end of May.
- From Friday to Friday, MMD yields increased 2 bps in 1 to 5 years, 4-5 bps in 10 to 20 years and 6 bps in 25 to 30 years. *For the third week in a row all key maturities set latest twelve month highs last week.* Since the beginning of September rates are up by 24 to 38 bps. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 87.2% and 102.7%, respectively, each about 4.3 ratios higher as munis did not keep up with Treasuries.
- The 2 to 30 year MMD spread was 136 bps on Friday, 4 bps steeper than the previous Friday. Since the end of 2017, munis have steepened by 38 bps, while Treasuries have flattened by 38 bps, although munis have flattened 18 bps since early March.
- Last week munis started out the week under pressure with over \$300 million in bid lists which kept pressure on rates continuing from the week before. As the week progressed, on Thursday, munis finally experience the first decrease in rates since late September from 7 years and out. Short maturities held pretty much steady on the week as stocks had a wild ride being down over 1,400 points at one point and finishing the week down over 1,100 points. This week muni volume is the highest since mid-August at \$10.8 billion. Ratios increased significantly as munis were not able to keep up with the improvement in Treasuries late last week.

Selected Deals for the Week Ending 10/19/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
<b>Negotiated</b>			
The Toledo Hospital, OH, (Tx) (Promedica Healthcare)	1,221.13	Baa1/BBB/BBB+	Barclays
<b>New York City Transitional Finance Auth, NY, Building Aid Revenue</b>	<b>1,192.75</b>	<b>Aa2/AA/AA</b>	<b>Ramirez</b>
<b>State of Connecticut, Special Tax Obligation-Transport. Infra</b>	<b>850.00</b>	<b>NR/AA/A+/AA+</b>	<b>RayJay</b>
Salt Lake City, UT, Airport Rev (AMT)	845.00	A2/A+/NR	GS
Duluth Econ Develop Auth, MN & Cass Co., ND, Rev (Essentia Health Obligated Grp.)	700.00	NR/A-/A-	BAML
Long Island Power Auth, NY, Electric Sys Rev	430.00	A3/A-/A-	Wells
New Jersey Economic Develop, Auth, Lease Rev (Te & Tx)	335.44	Baa1/BBB+/A-	RBC
Oklahoma Turnpike Auth, Second Senior Rev	328.78	Aa3/AA-/AA-	JPM
City of Sacramento, CA, Transient Occup. Tax (Convention Ctr Complex) (Sr/Sub) (Te & Tx)	282.23	A1(A2)/ /	MS
County of Lucas, OH, Rev (Promedica Healthcare)	245.64	Baa1/BBB/BBB+	Barclays
State of Mississippi, GO	210.00	Aa/AA/	Piper
Cypress-Fairbanks ISD, TX, ULT GO (PSF Gty) (Underlying Aa1/AA-/)	175.25	Aaa/AAA/	Wells
State of Mississippi, GO (Tx)	152.98	Aa2/AA/AA	RayJay
Illinois Finance Auth, Rev (Edward-Elmhurst Healthcare)	120.00	NR/A/A	BAML
Virginia Commonwealth Univ, General Rev (Te & Tx)	102.00	Aa2/AA-/	BAML
Arlington Higher Education Finance Corp, TX, Rev (Kipp Texas, Inc.) (PFS Gty) (Under BBB+)	100.00	/AAA/	RBC
<b>Competitive</b>			
<b>Tue, 10/16</b>			
The Metro. Govt. of Nashville & Davidson Co., TN, GO	724.39	Aa2/AA/	'19-'32
State of Illinois, Sales Tax (Build Illinois) (Te & Tx)	250.00	NR/AA-/A-/AA+	'19-'43
City of Minneapolis, MN, GO	112.60	/AAA/AA+	'19-'46
Virginia Public School Auth, Rev	110.02	Aa1/AA+/AA+	'19-'38
<b>Wed, 10/17</b>			
State of California, GO	866.02	Aa3/AA-/AA-	'19-'48
New York City Transitional Finance Auth, NY, Building Aid Rev (Tx)	199.57	Aa2/AA/AA	'19-'23
Williamson County, TN, GO	136.00	Aaa/ /	'20-'39
South Broward Hospital Dist, FL, Rev	100.00	Aa3/AA/	'45-'48
<b>Thur, 10/18</b>			
Clark County SD, NV, LT GO	234.84	A1/A+/	'19-'38
Sources: Bond Buyer and IPREC			

Bold=Mischler



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