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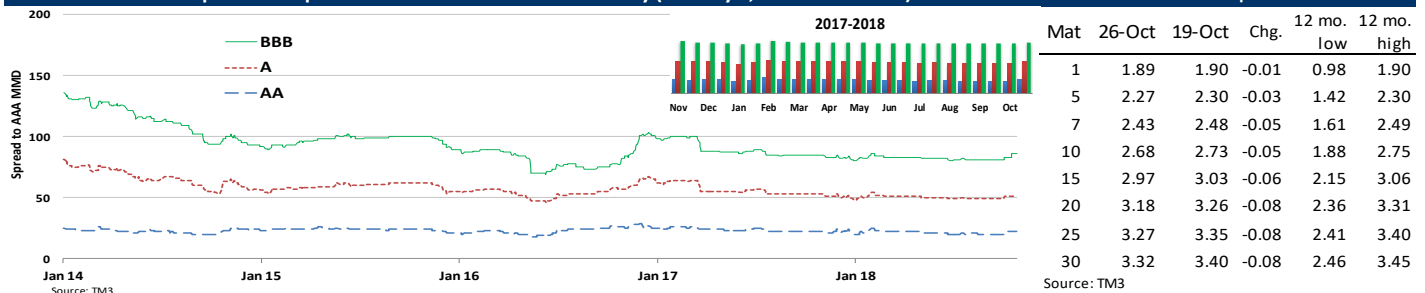
- Last week muni volume was about \$5.7 billion. This week volume is expected to be \$7.8 billion. The negotiated market is led by \$1.3 billion for Sales Tax Securitization Corporation (Chicago), Illinois. The competitive market is led by \$102.1 million of notes for Orange County Sanitation District, California on Thursday.
- 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 \$494.9 million** for the week ending October 24 after an **outflow of \$642.0 million** for the week before. This is the 7th outflow in the last 8 weeks. The eight week moving average was **negative \$323.8 million**.
- From Friday to Friday, MMD yields decreased 1 bp in 1 year, 3 bps in 5 years, 5-6 bps in 7 to 15 years and 8 bps in 20 to 30 years. Even with the improvement this week, since the beginning of September rates are up by 19 to 33 bps across the curve. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 87.3% and 100.3%, respectively, about 1.7 ratios higher in 10 years and 0.6 ratios lower in 30 years.
- The 2 to 30 year MMD spread was 128 bps on Friday, 7 bps flatter than the previous Friday. Since the end of 2017, munis have steepened by 30 bps, while Treasuries have flattened by 34 bps, although munis have flattened 26 bps since early March.
- Last week munis were able to show steady yield decreases as the markets were mostly driven by a multitude of geopolitical issues, Brexit, Italy, US/China trade and US/Saudi relations, which resulted in a risk off trend for most of the week. Weaker earnings early in the week helped push rates lower. Mid-week, soft housing numbers continued to pressure stocks and lower yields as risk off and flight to quality continued with the Dow off about 600 on Wednesday, up on Thursday and off again on Friday finishing lower than it opened at the beginning of 2018. This week muni volume is about average for the year. Muni/Treasury ratios showed the 10 year at the highest for the latest quarter, while the 30 year is at its average level for this period. With Mid-Term elections only a week away, the markets are likely be sensitive to the potential control of Congress as well as the various geopolitical issues that have been driving it for the last couple of weeks.

Selected Deals for the Week Ending 11/2/18				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W	
Negotiated				
Sales Tax Securitization Corp (Chicago), IL, Sales Tax, (Te & Tx)	1,306.20	NR/Aa-/AAA/AAA	Loop	
Dept. of Airports of the City of Los Angeles, CA, LAX Subordinate Rev. (Te & AMT)	714.43	Aa3/AA-/AA-	JPM	
City of Los Angeles, CA, Wastewater Subordinate Rev, (Green)	362.04	/AA/AA	Siebert	
The Charlotte-Mecklenberg Hospital Auth, NC, Rev, Fixed/Variable Rate (Atrium Health)	362.00	Aa3/AA-/	Citi	
Mission Economic Develop. Corp, TX, Senior Lien Rev (Natgasoline Proj.)	335.00	/BB-/	Citi	
San Mateo Community College Dist, CA, GO	317.00	Aaa/AAA/	MS	
San Mateo Co. Joint Powers Financing Auth, CA, Lease Rev, (New Money & Forward Ref)	260.00	Aa1/AA+/	Barclays	
Wayne County Airport Auth, MI, Airport Rev (Detroit Metro/Wayne Co.) (Te & AMT)	240.00	A2/A/A	Siebert	
California Educational Facilities Auth, Rev (Univ. of San Francisco) (Te & Tx)	170.00	A2/NR/NR	Barclays	
State of Ohio, Lease Appropriation (Te & Tx)	170.00	Aa2/AA/AA	RayJay	
University of Wisconsin Hosp. & Clinics Auth, Rev	165.68	Aa3/AA-/NR	JPM	
City of Riverside, CA, Sewer Rev	158.00	A1/AA-/	BAML	
Capital Trust Agency, FL, Senior Living Rev (American Eagle Proj.)	131.37	/BBB+/	Piper	
Massachusetts Develop. Finance Agy, Rev (Umass Dartmouth Student Housing)	130.00	Baa3/BB-/	Citi	
Capital Trust Agency, FL, Senior Rev, (Provision Cares Proton Therapy Ctr, Orlando)	124.30	NR/NR/NR	MS	
Competitive				
Thur, 11/1				
Orange County Sanitation Dist, CA, Certificate Anticipation Notes	102.13	Aaa/ /AAA(F1+)		'21
Sources: Bond Buyer and IPREO				

Bold=Mischler

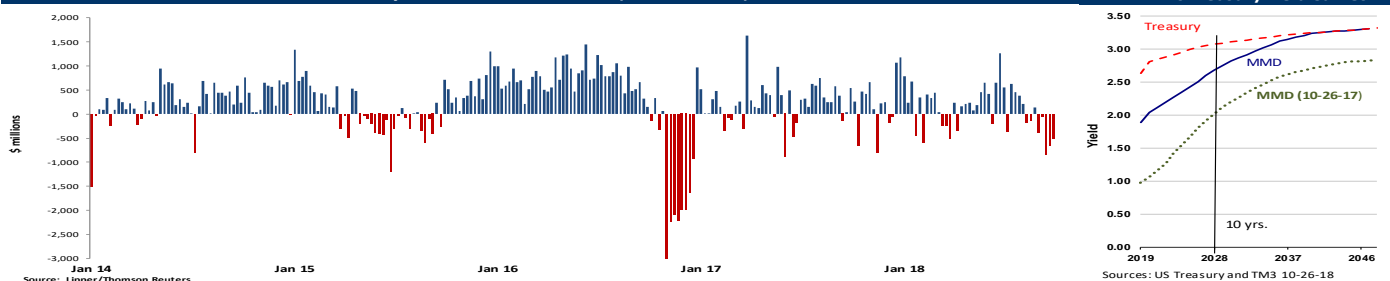
Municipal Credit Spreads to MMD AAA - 30 Yr. Maturity (January 1, 2014 to Present)

MMD Spots



Weekly Muni Bond Fund Flows (2014-Present)

MMD vs Treasury Yield Curves



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