

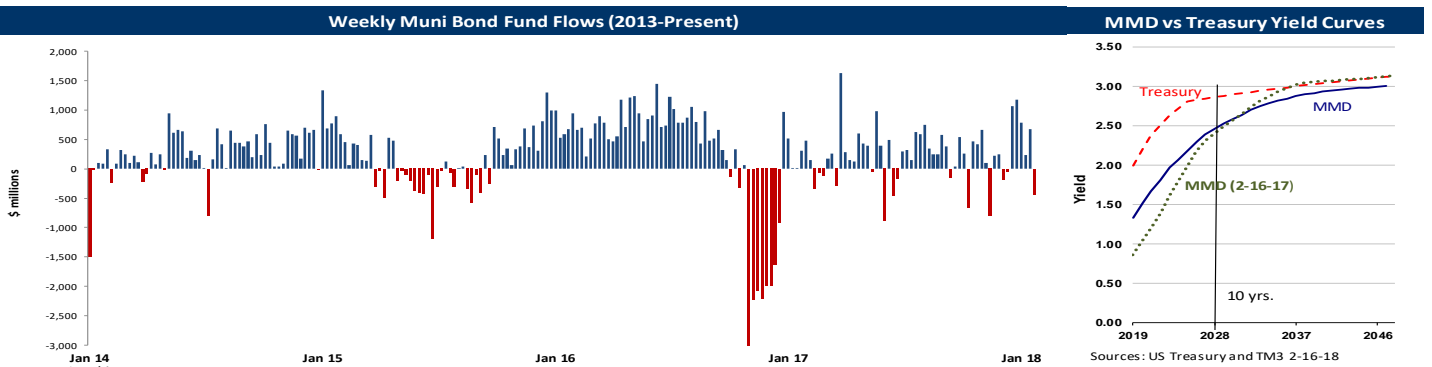
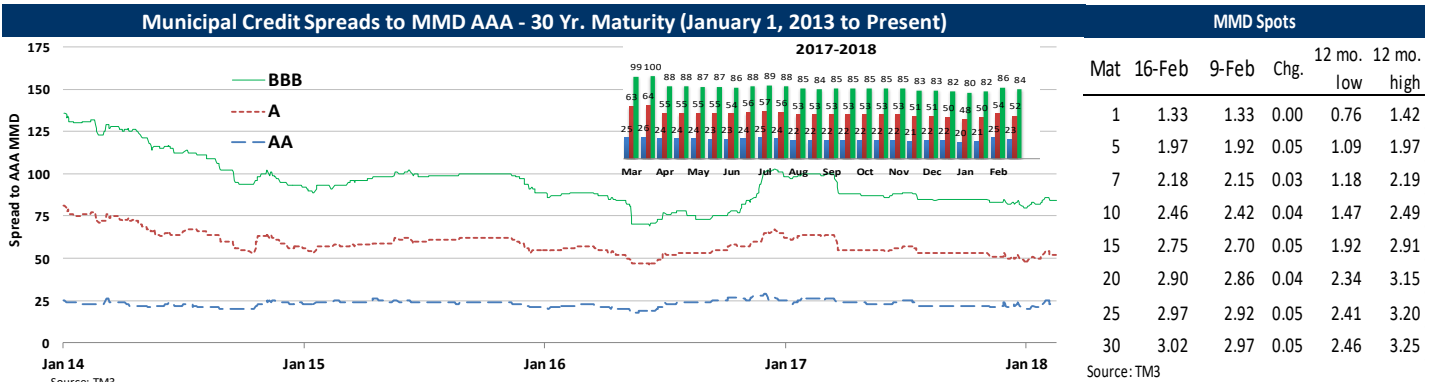
Comments:

- Last week muni volume was about \$3.9 billion. This holiday shortened week volume is expected to be about \$5.8 billion. The negotiated market is led by \$1.4 billion of for Los Angeles Unified School District, California. The competitive market is led by \$250.0 million taxable general obligation bonds for The City of New York 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 \$443.4 million** for the week ending February 14 after an inflow of \$674.9 million for the week before. The eight week moving average was positive \$408.0 million.
- From Friday to Friday, MMD yields were unchanged in 1 year and increased 3-5bp in 5 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 85.6% and 96.3%, respectively, unchanged in 10 years and 1.6 higher in 30 years.
- The 2 to 30 year MMD spread was 150 bps on Friday, 4 bps steeper than the previous Friday. Since the end of 2017, this spread has steepened by 52 bps while Treasuries have only steepened by 7 bps.
- Last week munis felt pressure from economic data and bid lists. CPI and PPI both came in slightly higher than expected both monthly and yoy. Large bid lists hit earlier in the week, but not all items traded. Trump released Infrastructure Plan with preliminary budget with Federal support for infrastructure \$200 billion. Increased pressure on deficit and Treasury borrowing will continue to pressure interest rates. Munis may start to feel pressure after lagging Treasury rise in rates of late.

Selected Deals for the Week Ending 2/23/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
Los Angeles Unified School District, CA, GO (Te & Tx-2018)	1,350.00	Aa2/ /AAA (F1+)	BAML
The City of New York, NY, GO	892.25	Aa2/AA/AA	Jefferies
California Infrastructure & Economic Develop Bank, Clean Water SRF (Green)	447.00	Aaa/AAA/AAA	BAML
Washington Convention & Sports Auth, DC, Sr Lien Dedicated Tax (Te & Tx)	337.11	Aa3/A+/AA+	GS
Energy Northwest, WA, Columbia Generating Station Rev (Te & Tx)	322.00	A1/AA-/AA	BAML
Utah Transit Auth, Sr. & Sub. Sales Tax	200.74	Aa2(A1)/AAA(A+)/AA(AA)	Wells
Illinois Finance Auth, Rev (University of Chicago) (Te & Tx)	164.50	Aa2/AA-/AA+	Barclays
The School Board of Palm Beach County, FL, COP's	121.00	Aa3/ /AA-	Citi
Intermountain Power Agency, UT, Subordinate Power Supply Rev	105.00	A1/A+/AA-	BAML
Competitive			
Tue, 2/20			
Frederick County, MD, GO	107.12	Aaa/AAA/AAA	'18-'37
Wed, 2/21			
Wake County, NC, GO,	191.49	Aaa/AAA/AAA	'19-'37
New Mexico Finance Auth, NM, Rev	125.68	Aa1/AAA/	'18-'42
Huntsville, AL, Warrents (current & forward) (2 bids)	114.90	Aaa/AAA/	'18-'38
Thur, 2/22			
The City of New York, NY, GO (Tx) (2 bids)	250.00	Aa2/AA/AA	'21-'30
North Texas Muni Water District, TX, Wastewater Rev (2 bids)	113.84	Aa1/AAA/	'18-'47

Sources: Bond Buyer and IPREO

Bold=Mischler



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