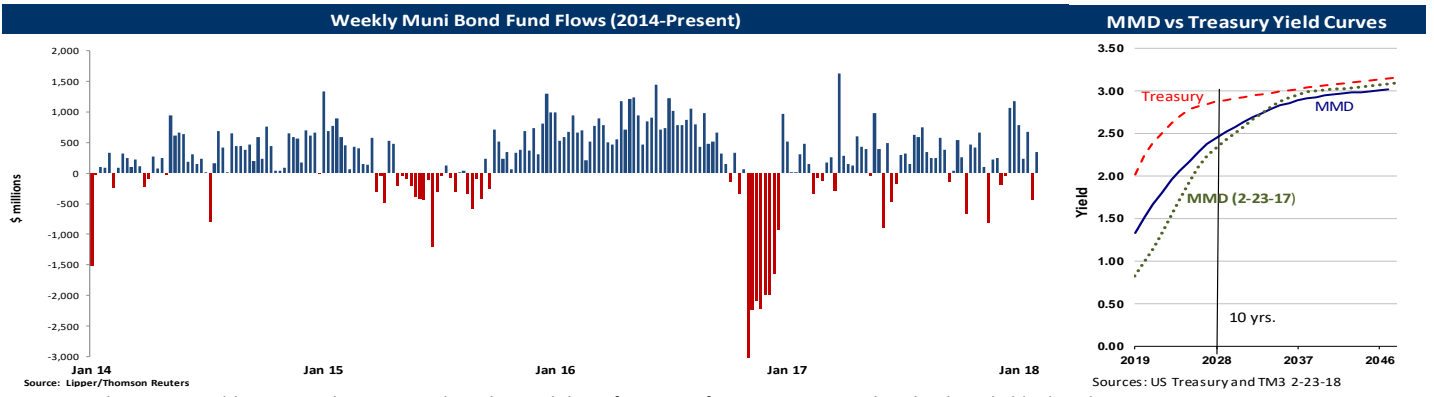
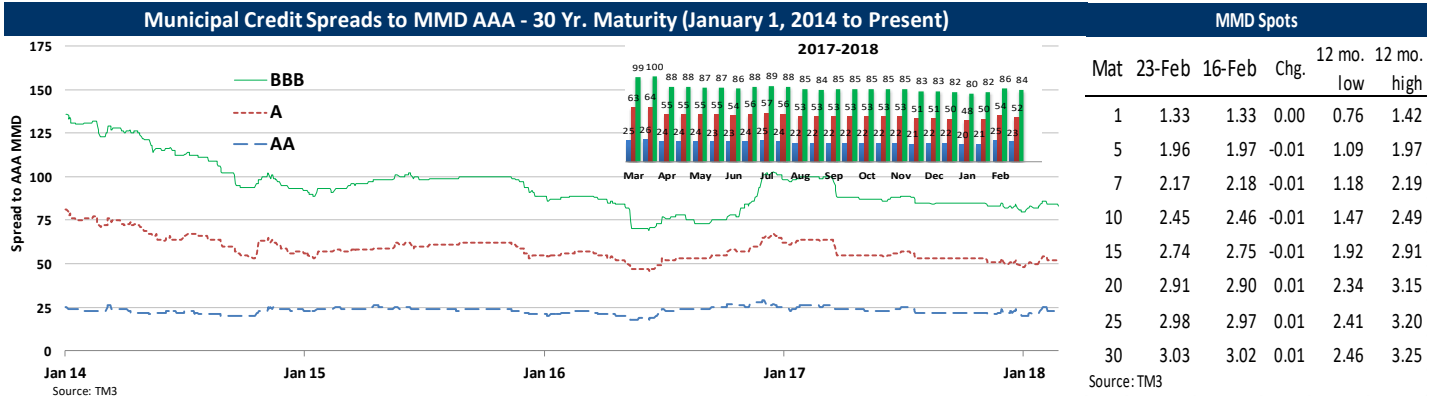


Comments:

- Last week muni volume was about \$5.3 billion. This week volume is expected to be about \$4.8 billion. The negotiated market is led by \$650.0 million for The Black Belt Energy Gas District, Alabama. The competitive market is led by \$837.0 million general obligations for Baltimore County, Maryland, \$346.0 million bonds in 2 bids on Wednesday and \$491.0 million BAN's in 2 bids on Thursday.
- Last Friday credit spreads were 1 bp tighter for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$347.4 million for the week ending February 21 after an **outflow of \$443.4 million** for the week before. The eight week moving average was positive \$473.9 million.
- From Friday to Friday, MMD yields were unchanged in 1 year, decreased 1 bp in 5 to 15 years and increased 1 bp in 20 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 85.3% and 95.9%, respectively, slightly lower than the week before.
- The 2 to 30 year MMD spread was 151 bps on Friday, 1 bp steeper than the previous Friday. Since the end of 2017, this spread has steepened by 53 bps while Treasuries have only steepened by 6 bps.
- Last week munis started off the week with a softer feel than the Friday before when stronger Euro sovereign trading helped lead Treasuries and munis higher in price. Mid-week, preliminary pricings for several deals (LAUSD and NYC) showed cuts from earlier retail pricings with cuts and bumps for final pricings. FOMC January meeting minutes released on Wednesday afternoon indicated stronger near term growth which caused Treasury 10-year to hit 2.95%, high for the year. On Thursday, lack of hawkish statement from ECB seemed to help Treasuries. Muni/Treasury ratios improved slightly from the week before and are considered a little rich which could produce pressure on muni rates if flows decrease or volume picks up.

Selected Deals for the Week Ending 3/2/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
The Black Belt Energy Gas District, AL, Gas Prepay Rev	650.00	A3/ /A	GS
New York State Thruway Auth, NY, Rev	600.00	//	RBC
City of Houston, TX, Airport Sys, Subordin Lien Rev (Te & AMT)	417.00	//	BAML
Dept of Airports of the City of Los Angeles, CA, LAX Subordinate Rev (AMT)	375.88	A1/AA-/AA-	Barclays
State of New York Mortgage Agy, NY, Homeowner Mortgage Rev (Te & AMT)	127.04	Aa1/NR/NR	JPM
Maricopa County, AZ, COPS	106.67	Aa1/AA+/AA+	JPM
Competitive			
Wed, 2/28			
Baltimore County, MD, GO (2 bids)	346.00	/AAA/	'20-'48
State of Wisconsin, GO,	286.84	Aa1/AA/AA+/AA+	'19-'36
Bentonville SD No. 6 of Benton Co., AR, LTGO (AR SD Intercept Prog.)	198.00	Aa2/ /	'18-'48
Thur, 2/29			
Baltimore County, MD, GO, BAN's (2 bids)	491.00	/SP-1+/	'19
Sources: Bond Buyer and IPREO		Bold=Mischler	



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