

Comments:

- Last week muni volume was about \$8.0 billion. This week volume is expected to be about \$6.1 billion. The negotiated market is led by \$1.0 billion building aid revenue bonds for New York City Transitional Finance Authority, New York. The competitive market is led by \$1.33 billion state sales tax bonds issued by Dormitory Authority of the State of New York in 5 bids on Tuesday.
- Last Friday credit spreads were unchanged for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an inflow of \$406.8 million for the week ending March 7 after an **outflow of \$590.9 million** for the week before. The eight week moving average was positive \$323.8 million.
- From Friday to Friday, MMD yields increased 5 bps in 1 year, 2 bps in 5 to 7 years and 4 bps in 10 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.1% and 97.2%, respectively, slightly higher than the week before.
- The 2 to 30 year MMD spread was 151 bps on Friday, 1 bp flatter than the previous Friday. Since the end of 2017, this spread has steepened by 53 bps while Treasuries have only steepened by 4 bps.
- Last week munis felt pressure from an increase in volume to about \$8 billion from the \$4.5 billion average in January and February. Additional pressures came from Trump's announcing steel and aluminum tariffs, Economic Advisor Gary Cohn resigning and an unexpectedly large increase in employment. In spite of these factors, technicals seemed to keep muni's from increasing more than 3-4 bps over the course of the week. Bonds funds have been experiencing inflows and outflows over the last couple of months and are likely to be an important factor, especially if volume picks up.

Selected Deals for the Week Ending 3/16/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	
Negotiated			
New York City Transitional Finance Auth, NY, Building Aid Rev.	1,000.92	Aa2/AA/AA	U/W
County of Alameda, CA, ULT GO (Tx)	240.00	Aaa/AAA/AAA	Jefferies
Miami-Dade County Educational Facilities Auth, FL, Rev (Univ of Miami) (Tx)	232.93	A3/A-	BAML
The Jackson Laboratory, ME (Tx)	160.00	A1//	MS
Public Finance Auth, WI, (Hawaii Pacific Health) (Tx)	154.91	A1//AA-	Barclays
University of Connecticut, Spec Oblig. Student Fee Rev	152.00	Aa2/AA-	Jefferies
State of Colorado, COP's (Nat'l Western Center Lease Purchase Prog) (Te & Tx)	132.46	Aa2/AA-	Wells
Miami Valley Career Technology Center, OH, ULT GO	130.00	Aa3//	Stifel
Golden State Tobacco Securitization Corp, CA, Enhanced Tobacco Settlement Rev	110.78	A1/A+/A+	Jefferies
Village of Bolingbrook, IL, GO (AGM Bond Ins.)	37.07	A2/AA/	Ray Jay
Competitive			
Tue, 3/13			
Dormitory Auth of the State of New York, State Sales Tax (Te & Tx) (5 bids)	1,334.52	Aa2/AAA/	'20-'48
Wed, 3/14			
Clark County, NV, GO	200.00	Aa1/AA+/	'21-'47
New York City Transitional Finance Auth, NY, Building Aid Rev (Tx)	73.12	Aa2/AA/AA	'18-'22
Thur, 3/15			
New York Local Government Assistance Corp, NY, State Sales Tax (Sr.Lien)	257.82	Aa1//	'19-'21
Sources: Bond Buyer and IPREO		Bold=Mischler	

