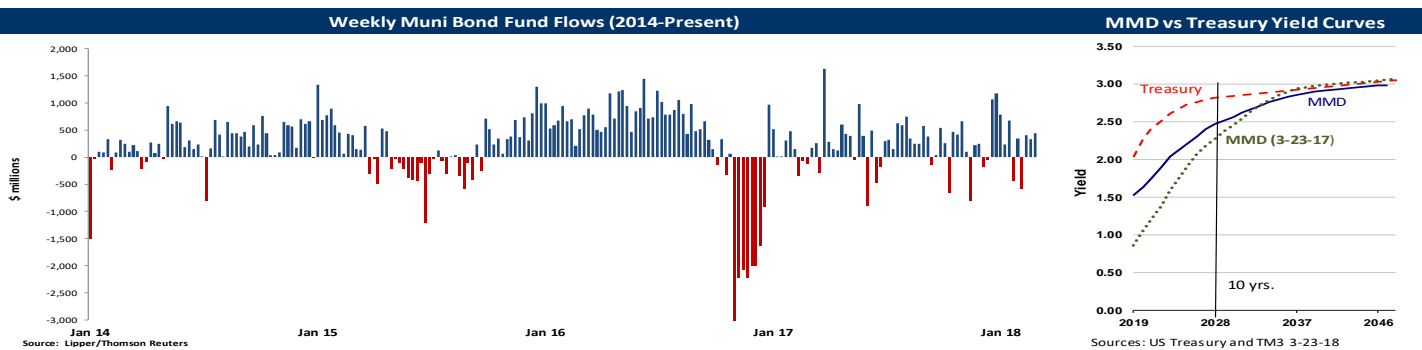
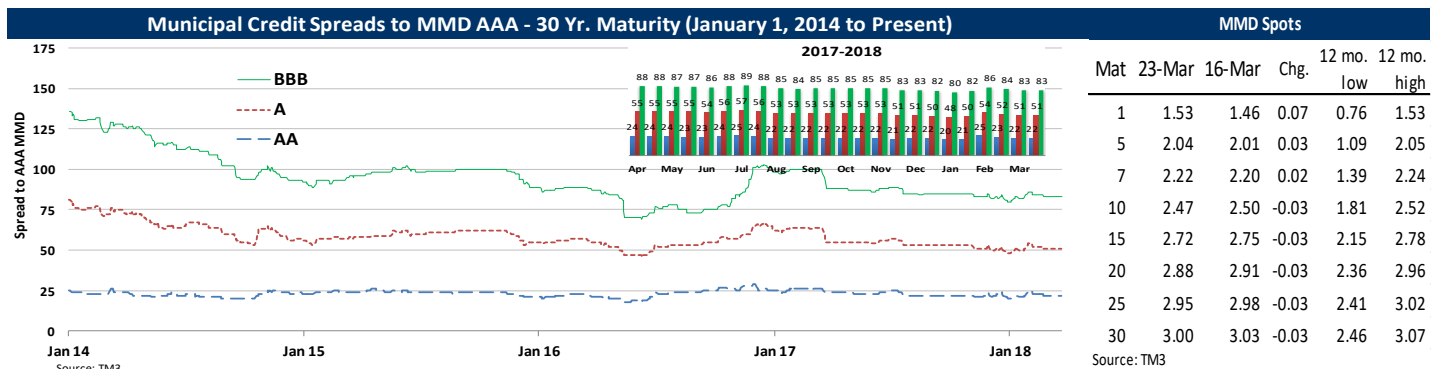


Comments:

- Last week muni volume was about \$2.1 billion. This week volume is expected to be about \$3.7 billion. The negotiated market is led by \$1.5 billion for two taxable financings for George Washington University and Sutter Health and \$617 million of general obligation bonds for the State of Connecticut. The competitive market is led by \$123.7 million tax-exempt and taxable general obligation bonds in two bids for the City of Oklahoma City, Oklahoma 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 \$445.5 million for the week ending March 21 after an inflow of \$339.1 million for the week before. The eight week moving average was positive \$176.9 million.
- From Friday to Friday, MMD yields increased 7 bps in 1 year, 3 bps in 5 years, 2 bps in 7 years and decreased 3 bps in 10 to 30 years. All but the 20 year spot MMD yields set new 12 month highs over the last two weeks. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 87.6% and 97.8%, respectively, slightly lower than the week before.
- The 2 to 30 year MMD spread was 136 bps on Friday, 9 bps flatter than the previous Friday. Since the end of 2017, this spread is steeper by 38 bps while Treasuries is flatter by 7 bps. The MMD spread has flattened by about 15 bps over the last four weeks.
- Last week munis had manageable volume, but felt pressure from the FOMC rate increase and projections for three increases in 2019. Additional factors influencing the market last week were President Trump announcing tariffs on China and threatening to veto the spending bill potentially shutting down the government, both of which were mitigated by: only \$50 billion in tariffs vs \$60 billion expected and signing the spending bill. While volume has been manageable and bond funds still show positive inflows, over the last two weeks MMD maturities have hit latest twelve month highs for all spot maturities except the 20 year and the curve has flattened about 15 bps with short maturities higher by 1-7bps and long maturities lower by 4-7 bps. This week has manageable volume at about \$3.7 billion with no bids over \$100 million in the competitive market. Approximately 40% of new issues are taxable.

Selected Deals for the Week Ending 3/30/18				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W	
Negotiated				
The George Washington University, DC, (Tx)	793.00	A1/A+	Barclays	
Sutter Health, CA, (Tx)	684.48	Aa3/AA-/A+	MS	
State of Connecticut, GO				
California Health Facilities Financing Auth, CA, Rev, (Sutter Health)	617.00	A1/A+/A+/AA-	Loop	
State of Ohio, Rev (State Infra Proj)	369.57	Aa2/AA/	RBC	
Dept. of Water & Power of the City of Los Angeles, CA, Power Rev	358.53	Aa2/AA/AA	Siebert	
Prosper ISD, TX, ULT GO (PSF Gty)	200.00	Aaa/AAA/	Piper	
City of Chicago, IL, O'Hare Int'l Airport, Spec. Facilities (Trips Oblig. Grp)	125.00	NR/BBB/NR	GS	
Competitive				
Tue, 3/27				
City of Oklahoma City, OK, GO (Te & Tx) (2 bids)	123.74	Aaa/AAA/		'20-'38
Sources: Bond Buyer and IPREO Bold=Mischler				



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