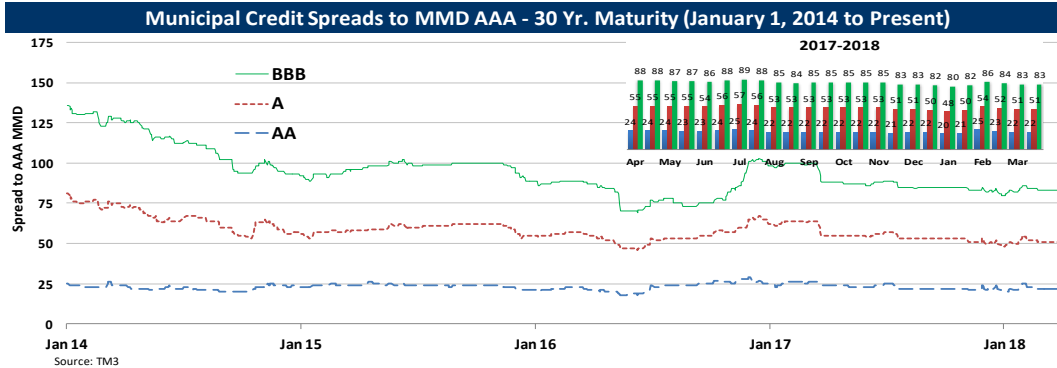


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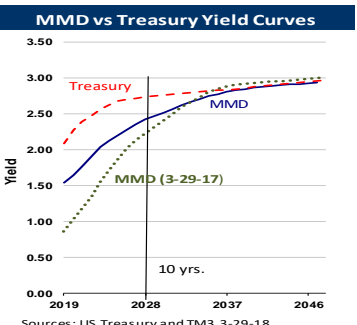
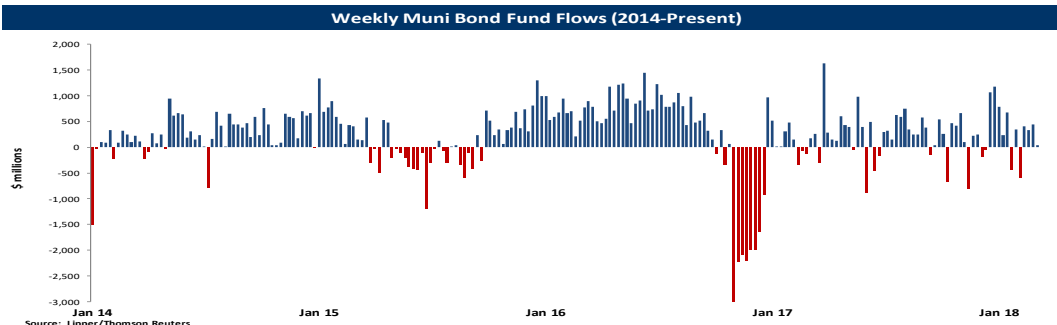
- Last week muni volume was about \$3.4 billion. This week volume is expected to be about \$7.9 billion. The negotiated market is led by \$3.2 billion for the Tobacco Settlement Financing Corporation, New Jersey. The competitive market is led by \$171.8 million tax-exempt and taxable general obligation bonds in three bids for Howard County, Maryland on Tuesday.
- Last Friday credit spreads were unchanged for AA, A and BBB from the previous Friday. This marks the fifth week with no change to credit spreads.
- Weekly reporting muni bond mutual funds reported an inflow of \$36.8 million for the week ending March 28 after an inflow of \$445.5 million for the week before. The eight week moving average was positive \$152.0 million.
- From Friday to Thursday, MMD yields increased 1 bp in 1 year, were unchanged in 5 years, and decreased 1 bp in 7 years and 5 bps in 10 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 88.2% and 99.2%, respectively, slightly higher in 10 years and 1.4 ratios higher in 30 years than the week before.
- The 2 to 30 year MMD spread was 130 bps on Friday, 6 bps flatter than the previous Friday. Since the end of 2017, this spread is steeper by 32 bps while Treasuries is flatter by 15 bps. The MMD spread has flattened by about 23 bps over the last five weeks as short rates increased (+13 bps) while long rates are lower (-10 bps).
- Last week munis started out under some pressure as the stock market zagged back up after falling over 1,000 pts the week before. Part of this recovery reflected a reduction in the concern of a trade war with China which pressured bonds. Munis held up better in the intermediate to long end of the curve. Several muni deals were able to show meaningful bumps on final pricing (Cal Health-Sutter Health +4/+12 and LADWP +5/+6). At the end of the week, positive economic data and month end and quarter end buying helped to keep munis with a positive tone. This week volume jumps, but almost half of it is NJ tobacco. Funds flows were also off last week.

Selected Deals for the Week Ending 4/6/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W
Negotiated			
Tobacco Settlement Financing Corp, NJ, (Sr. & Sub.)	3,216.94	/A,A-,BBB+(BBB+,BBB)(sf)/	Jefferies
San Diego County Regional Transportation Commission, CA, Sub Sales Tax	537.50	/AA/AA	Citi
New York City Municipal Water Finance Auth, NY, 2nd Resolu. Water & Sewer Rev	425.00	Aa1/AA+/AA+	Siebert
Bexar County Hospital District, TX, Certif. of Obligation	308.00	Aa1/NR/AA+	Siebert
Santa Monica Community College Dist, CA, GO	250.00	Aa2/AA+/	RBC
University of Delaware, (Tx)	200.00	Aa1/AA+/	Barclays
Little Elm ISD, TX, ULT GO (PSF Gty)	133.67	/AAA/AAA/	Wells
Corona-Norco USD, CA, GO	121.00	Aa2/ /AAA	Citi
Competitive			
Tue, 4/3			
County of Albany, NY, GO	151.82	Aa3/AA/	'19-'29
State of Rhode Island & Providence Plantations, GO, (Te & Tx) (2 bids)	149.38	Aa2/AA/AA	'19-'38
State Public Works Board of the State of California, Lease Rev	140.02	A1/A+/A+	'19-'33
Wed, 4/4			
Howard County, MD, GO (Te & Tx) (3 bids)	171.78	Aaa/AAA/AAA	'19-'48
The Board of Trustee of the Univ. of Illinois, Rev (2 bids)	143.50	A1/A-/	'19-'48
Sources: Bond Buyer and IPREO			
Bold=Mischler			



Mat	MMD Spots		Chg.	12 mo.	12 mo.
	29-Mar	23-Mar		low	high
1	1.54	1.53	0.01	0.76	1.54
5	2.04	2.04	0.00	1.09	2.05
7	2.21	2.22	-0.01	1.39	2.24
10	2.42	2.47	-0.05	1.81	2.52
15	2.67	2.72	-0.05	2.15	2.78
20	2.83	2.88	-0.05	2.36	2.95
25	2.90	2.95	-0.05	2.41	3.02
30	2.95	3.00	-0.05	2.46	3.07

Source: TM3



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