

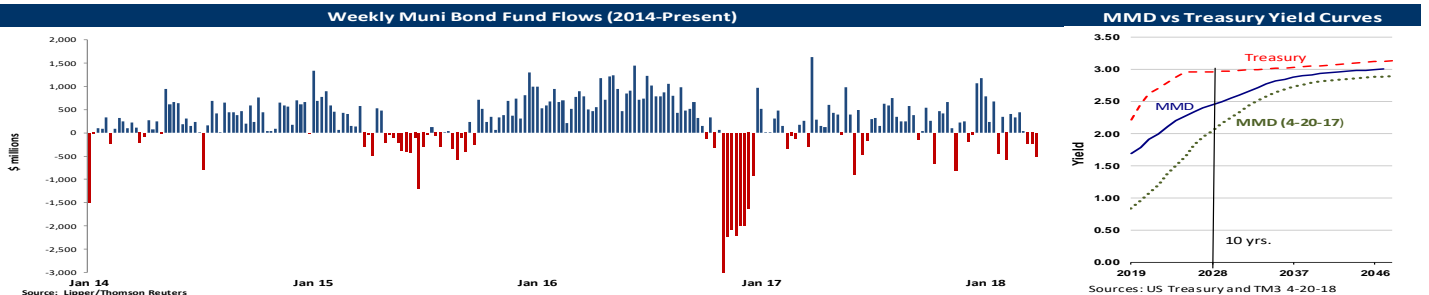
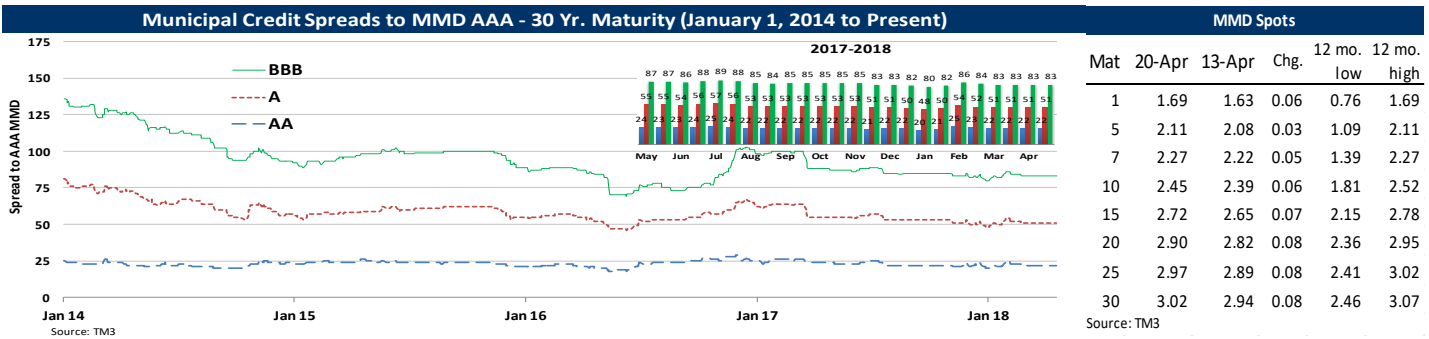
Comments:

- Last week muni volume was about \$6.9 billion. This week volume is expected to be about \$7.8 billion. The negotiated market is led by \$1.4 billion bonds for Delta Airlines LaGuardia Facilities issued by New York Transportation Development Corporation. The competitive market is led by a pair of \$500.0 million general obligation financings for the Commonwealth of Massachusetts (Tuesday) and the State of Illinois (Wednesday).
- Last Friday credit spreads were unchanged for AA, A and BBB from the previous Friday. This marks the 8th week with no change to credit spreads.
- Weekly reporting muni bond mutual funds reported an **outflow of \$515.2 million** for the week ending April 18 after an **outflow of \$245.7 million** for the week before. The eight week moving average was **negative \$46.2 million**.
- From Friday to Friday, MMD yields increased 6 bps in 1 year, 3 bps in 5 years, 5- 6 bps in 7 to 10 years and 7-8 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 83.1% and 96.2%, respectively, 1.7 ratios lower in 10 years and 1.2 ratios lower in 30 years compared with the week before.
- The 2 to 30 year MMD spread was 118 bps on Friday, 2 bps steeper than the previous Friday. Since the end of 2017, this spread is steeper by 20 bps while Treasuries are flatter by 18 bps. However, the MMD spread has flattened by about 36 bps since early March.
- Last week, while muni volume was up (\$7 billion vs 2018 average of about \$5 billion) the main pressure on muni rates was weakness in Treasuries caused by higher stocks as stronger earnings were announced and Saudi Arabia indicated it would like to see oil at \$80-\$100/barrel (mid \$60's/barrel prior to announcement). While bond funds have seen 3 weeks of outflows, this is fairly typical for tax time. Muni/treasury ratios are still lower than both their 3 month and 1 year averages. This week volume is up and the market will be watching to see whether bond fund flows turn positive or continue outflows.

Selected Deals for the Week Ending 4/27/18				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)		
Negotiated				
New York Transportation Develop. Corp, NY, Special Facilities Rev (Delta Air) (AMT)	1,400.00	Baa3/ /BBB-	Citi	U/W
Texas Water Development Board, Rev	803.68	NR/AAA/AAA	JPM	
Main Street Natural Gas, Inc., GA, Gas Supply Rev	750.00	A1/ /AA	RBC	
The Port Authority of NY & NJ, Consolidated Bonds	412.07	Aa3/AA-/AA-	Ramirez	
SSM Healthcare Corp, Taxable (2 year bullet)	347.60	A1/A+/AA-	Citi	
City of San Antonio, TX, Junior Lien Water Rev	208.20	Aa2/AA/AA	JPM	
The Rector and Visitors of the Univ. of Virginia, Gen'l Rev	200.00	Aaa/AAA/AAA	JPM	
Putnam County Develop. Auth, FL, PCRB (Seminole Electric Coop.)	125.25	A3/A-/	GS	
Connecticut Housing Finance Auth, (Te & AMT)	118.31	Aaa/AAA/	MS	
Unified School Dist. No. 260 Sedgwick County, KS, GO	114.02	Aa3/ /	Baum	
Competitive				
Tue, 4/24				
Commonwealth of Massachusetts, GO (2 bids)	500.00	Aa1/AA/AA+		'29-'48
City of Portland, OR, Second Lien Sewer Rev	189.11	Aa2/AA/		'19-'38
West Contra Costa USD, CA, GO	125.00	Aa3/AA-/AAA		'20-'47
Wed, 4/25				
State of Illinois, GO (2 bids)	500.00	Baa3/BBB-/BBB		'19-'43
Metro. Council (Minneapolis-St. Paul Metro. Area), MN, GO (Te & Tx)	157.30	Aaa/AAA/		'19-'38
Thur, 4/26				
North Carolina Turnpike Auth, Appropriation Rev	150.00	Aa1/AA+/		'33-'39

Sources: Bond Buyer and IPREO

Bold=Mischler



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