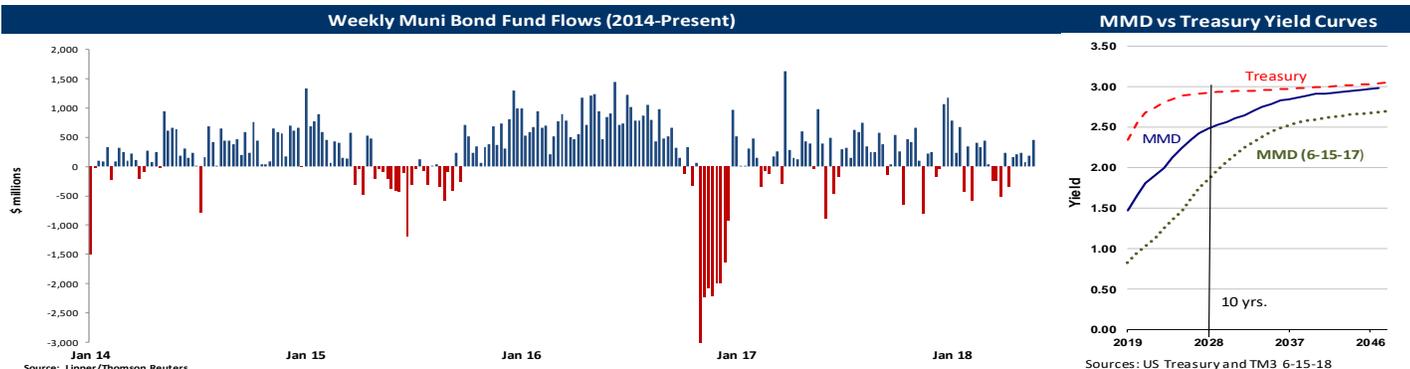
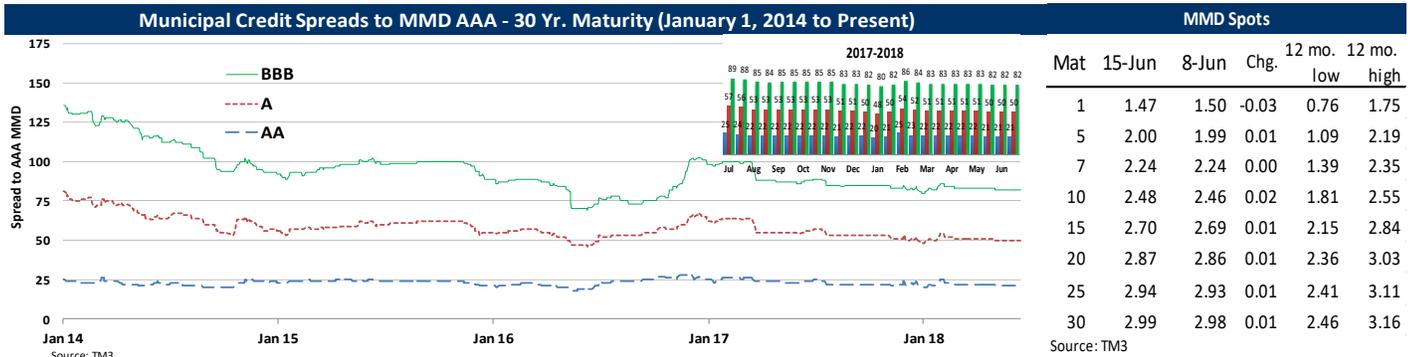


Comments:

- Last week muni volume was about \$6.8 billion. This week volume is expected to be about \$7.0 billion. The negotiated market is led by \$1.7 billion asset-backed tobacco bonds for Golden State Tobacco Securitization Corporation, California. The competitive market is led by \$1.2 billion for the State of Georgia 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 \$449.6 million for the week ending June 13 after an inflow of \$189.5 million for the week before. The eight week moving average was positive \$152.3 million.
- From Friday to Friday, MMD yields decreased 3 bps in 1 year, increased 1 bp in 5 years, were unchanged in 7 years and increased 2 bps in 10 years and 1 bp in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 84.8% and 98.1%, respectively, about 0.9 ratios higher in 10 years and 1.4 ratios higher in 30 years compared with the week before.
- The 2 to 30 year MMD spread was 133 bps on Friday, 4 bps steeper than the previous Friday as the short end was lower and the long end slightly higher. Since the end of 2017, munis have steepened by 35 bps while Treasuries have flattened by 35 bps.
- Last week munis, together with the rest of the fixed income market, focused on the central bank announcements, Fed, ECB and BOJ. These announcements were: Fed increased fed funds 25 bps as expected and indicated 2 more adjustments in 2018, ECB indicated terminating QE by the end of the year and rate adjustments late in 2019 (later than expected) and BOJ kept rates unchanged. Muni deals saw a mix of bumps and cuts mostly focused on the maturity range, short bumps long cuts. Late in the week, the Chinese tariffs pushed in the risk off direction moving Treasuries and munis to lower rates. The muni curve continues to steepen as short rates trend lower.

Selected Deals for the Week Ending 6/22/18			
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	
Negotiated			
Golden State Tobacco Securitization Corporation, CA, Tobacco Asset-Backed	1,700.00	/BBB(BBB-)/	Citi
Pennsylvania Turnpike Commission, Rev	490.00	A1/ /A+/AA-	BAML
Colorado Health Facilities Auth, Rev (Adventist Health System/Sunbelt)	330.17	Aa2/AA/AA	JPM
McLaren Health Care, (Tx)	300.00	Aa3/NR/AA-	JPM
The Commonwealth of Massachusetts, CTF Rev (RE & ABT)	225.00	Aa1/AAA/ /AAA	BAML
Auburn University, Rev	220.25	Aa2/AA-/	Wells
Grossmont-Cuyamaca Community College Dist, CA, GO	209.00	Aa2/AA/	RBC
New York State Housing Finance Agy, Affordable Housing (Climate Bnd Certif./Green Bds)	201.00	Aa2/ /	Citi
Port of Houston Auth. of Harris Co., TX, ULTGO (AMT)	175.17	Aaa/AAA/NR	JPM
State of Kansas DOT, Highway Rev Index	147.00	Aa2/AAA/AA-	MS
Arkansas River Power Auth, CO, Power Supply Rev	101.25	/BBB/BBB-	GS
Competitive			
Tue, 6/19			
State of Georgia, GO, (4 bids) (Te & Tx)	1,229.71	Aaa/AAA/AAA	'19-'38
City and County of Denver, CO, GO (2 bids)	264.74	/ /AAA	'18-'33
State of New Mexico, Severance Tax	123.45	Aa2/AA-/	'19-'28



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