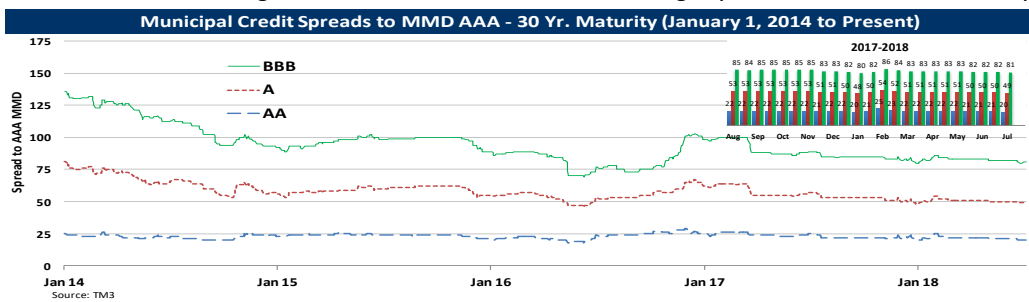


Comments:

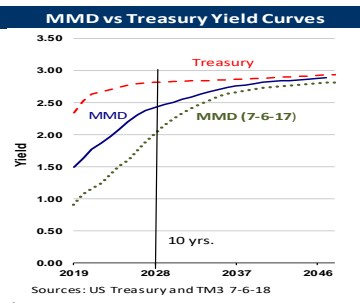
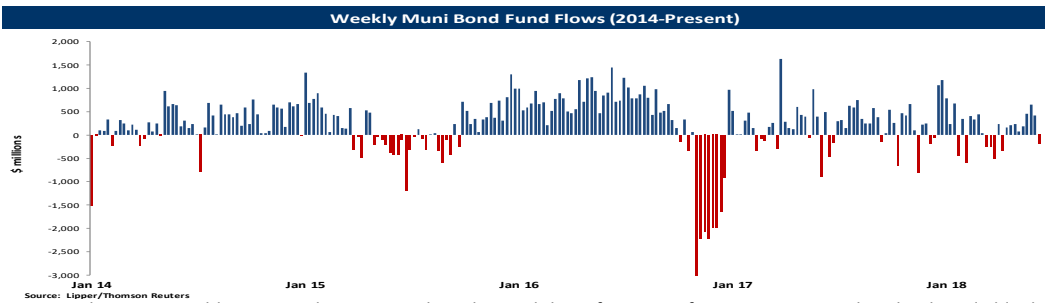
- Last week muni volume was about \$0.2 billion. This week volume is expected to be \$8.4 billion. The negotiated market is led by \$668.7 million tax-exempt and taxable bonds for Trustees of the California State University. The competitive market is led by \$1.8 billion tax-exempt and taxable state sales tax bonds for Dormitory Authority of the State of New York on Wednesday.
- Last Friday credit spreads were unchanged for AA and A and increased 1 bp for BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an **outflow of \$189.2 million** for the week ending July 4 after an inflow of \$421.4 million for the week before. The eight week moving average was positive \$254.3 million.
- From Friday to Friday, MMD yields were unchanged in 1 year and decreased 2 bps in 5 years, 3 bps in 7 to 10 years and 4 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 86.0% and 98.7%, respectively, about 0.3 ratios lower in 10 years and 0.4 ratios higher in 30 years compared with the week before.
- The 2 to 30 year MMD spread was 121 bps on Friday, 9 bps flatter than the previous Friday. Since the end of 2017, munis have steepened by 23 bps while Treasuries have flattened by 44 bps, although munis have flattened 33 bps since mid-March.
- Last week munis were able to move lower in rate as the market was very light in volume. Geopolitical, tariff and economic data caused some back and forth, but by Friday, both the fixed income and stock markets had advanced on the week. Fed minutes on Thursday did not seem to offer much clarity on tariffs as focus still appeared to be inflation and normalization. This week the muni market gets back to a more normal volume, slightly more than the 2018 weekly average.

Selected Deals for the Week Ending 7/13/18				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W	
Negotiated				
Trustees of the California State Univ., Rev. (Te & Tx)	668.74	Aa2/AA-/	MS	
Department of Airports of the City of Los Angeles, CA, Rev (AMT)	424.00	A1/AA-/AA-	Siebert	
Salem-Keizer SD No. 24J, OR, GO (OR School Bond Gty)	391.29	Aa1/AA+/	Piper	
Los Angeles County Facili. Inc., CA, Lease Rev (Vermont Corridor Co. Admin Bldg) (Te & Tx)	301.86	NR/AA/AA-	Barclays	
City of Atlanta, GA, Water & Wastewater Rev	279.00	Aa2/AA-/	Citi	
City of Houston, TX, Comb. Utility Sys 1st Lien Rev	249.08	Aa2/ /AA	BAML	
San Diego USD, CA, TRAN's	200.00	/SP-1+/	Citi	
Maine Health & Higher Educa. Facil Auth, Rev (Maine Health) (Te & Tx)	183.87	A1/A+/	MS	
Aldine ISD, TX, ULT GO (PSF Gty)	148.00	Aaa/AAA/	Piper	
Texas Water Development Board, GO Water	144.29	Aaa/AAA/	Piper	
Town of Davie, FL, Educa. Facilities Rev (Nova Southeastern Univ.)	140.87	Baa1/A-/BBB+	MS	
West Rankin Utility Auth, MS, Utility Rev (Assured Gty Muni- Insured) (Underly A2/A+/)	135.00	/AA/	RayJay	
State of New York Mortgage Agy, Homeower Mortgage Rev (Te & AMT)	125.00	Aa1/ /	BAML	
Mesquite ISD, TX, GO (PSF Gty) (Underlying /AA/AA+)	125.00	/AAA/AAA	Citi	
Connecticut Housing Finance Auth, Housing Mortgage Finance (Te & AMT)	117.84	Aaa/AAA/NR	JPM	
Lewisville ISD, TX, ULT GO	114.86	NR/AAA/AAA	JPM	
County of Chatham, NC, Limited Obligation	107.85	Aa2/AA+/	BAML	
North Carolina Capital Facil Finance Agy, Rev (Wake Forest Univ)	101.21	Aa3/AA/	Wells	
Competitive				
Tue, 7/10				
Massachusetts School Building Auth, Sales Tax	200.00	Aa3/AA/AA+		'39-'48
State of Colorado, Education Loan Program TRAN's	310.00	MIG1/SP-1+/		'19
Wed, 7/11				
Dormitory Authority of the State of New York, State Sales Tax (Te & Tx) (5 bids)	1,806.32	/AAA/AA+		'19-'42
Metropolitan Atlanta Rapid Transit Authority, GA, Sales Tax	168.25	Aa2/AA+/		'19-'25
Thur, 7/12				
State of Colorado, General Fund TRAN's	600.00	MIG1/SP-1+/		'19



Mat	MMD Spots			
	6-Jul	29-Jun	Chg.	12 mo. low high
1	1.49	1.49	0.00	0.76 1.75
5	1.97	1.99	-0.02	1.09 2.19
7	2.20	2.23	-0.03	1.39 2.35
10	2.43	2.46	-0.03	1.81 2.55
15	2.63	2.67	-0.04	2.15 2.84
20	2.78	2.82	-0.04	2.36 3.03
25	2.85	2.89	-0.04	2.41 3.11
30	2.90	2.94	-0.04	2.46 3.16

Source: TM3



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