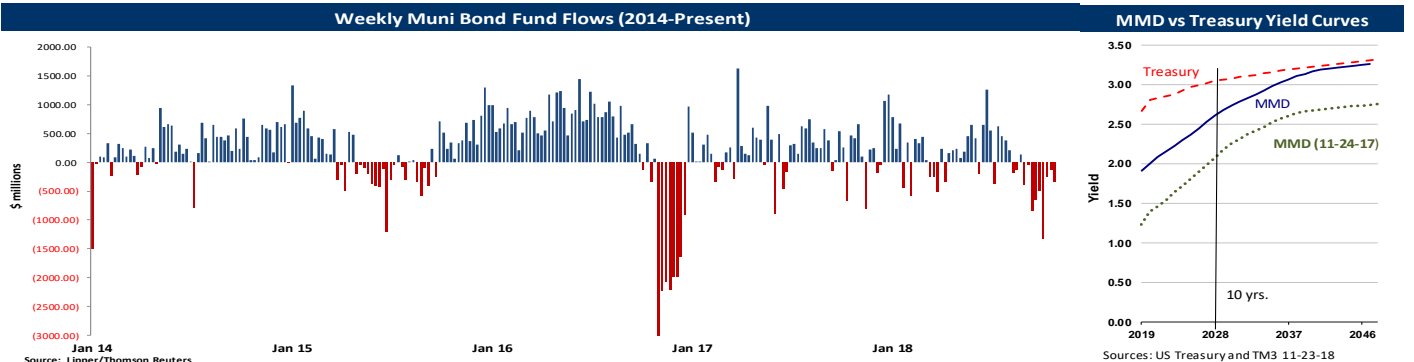
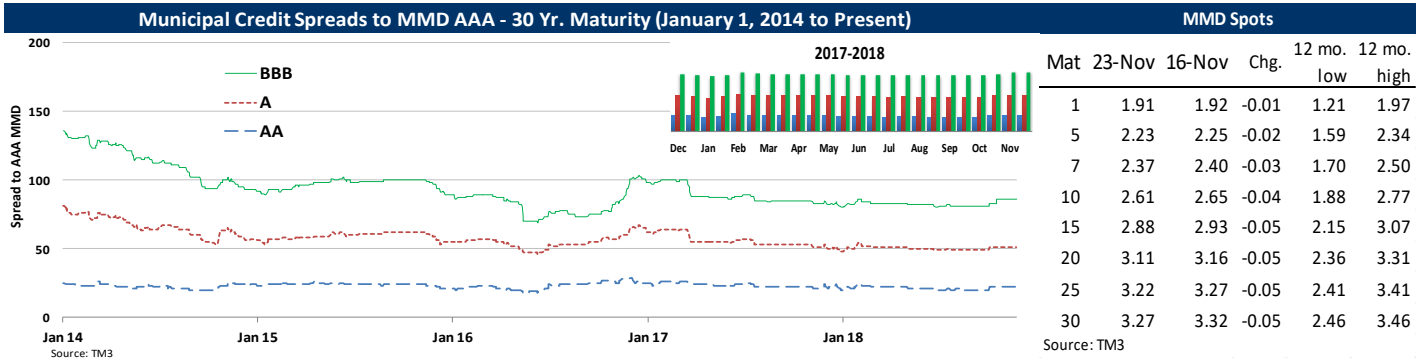


**Comments:**

- Last week muni volume was about \$0.9 billion. This week volume is expected to be \$6.0 billion. The negotiated market is led by \$856.0 million general obligation bonds for The City of New York, New York. The competitive market is led by \$202.6 million general obligation bonds for the County of Westchester, New York on Thursday.
- Last Friday credit spreads were unchanged for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds reported an **outflow of \$332.2 million** for the week ending November 21 after an **outflow of \$131.1 million** for the week before. This is the 9<sup>th</sup> outflow in a row and the 11<sup>th</sup> outflow in the last 12 weeks. The eight week moving average was **negative \$508.5 million**.
- From Friday to Friday, MMD yields decreased 1 bp in 1 year, 2-4 bps in 5 to 10 years and 5 bps in 15 to 30 years. Since the beginning of September rates are up by 13 to 30 bps across the curve. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 85.5% and 98.8%, respectively, about 0.7 ratios lower in 10 years and 1.0 ratio lower in 30 years.
- The 2 to 30 year MMD spread was 126 bps on Friday, 3 bps flatter than the previous Friday. Since the end of 2017, munis have steepened by 28 bps, while Treasuries have flattened by 34 bps, although munis have flattened 28 bps since early March.
- Last week munis managed to hold on to improved yields early in the week as the markets fell into "risk off" early as stocks were off and there was some back and forth on Chinese trade tariffs. Economic data was mixed mid-week and stocks made a comeback, particularly technology (FAANG down 20% from 52 week high on Tuesday) and sentiment turned to "risk on". Munis were able to hold on to early yield levels and started to look forward to this week with volume back to more normal level (\$6.0 B). Only a couple of active weeks left for new issue activity unlike last year when volume exploded in December. Likely to see new issue activity pretty much over by 2<sup>nd</sup> week of December. Bond funds continue to bleed.

Selected Deals for the Week Ending 11/30/18				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W	
<b>Negotiated</b>				
The City of New York, NY, GO	856.00	Aa2/AA/AA	BAML	
Board of Education of the City of Chicago, ULT GO (Dedicated Revs.)	763.31	/B+/BB-	JPM	
Washington Metropolitan Area Transit Auth, DC, Rev	245.00	/AA-/AA-	Citi	
The State of Ohio, GO	188.80	Aa1/AAA/AAA	GS	
Allentown Neighborhood Improv. Zone Develop. Auth, PA, Rev (City Center Project)	149.00	NR/NR/NR	Citi	
The Metropolitan Water Dist. of Southern California, Water Rev	139.00	/AAA/AA+	BAML	
Unified SD No. 283 Riley County, KS, GO	129.50	Aa2/NR/`	Piper	
Metropolitan Transit Auth of Harris Co., TX, Sales Tax	121.90	Aa2/AAA/NR	JPM	
City of Atlantic Beach, FL, Rev (Fleet Landing Project)	118.99	NR/NR/BBB	Ziegler	
Henry County SD, GA, GO	110.75	Aa1/AA+/`	RayJay	
Stanwood Camaro SD No. 401, WA, ULT GO (Wash St. Cr. Enhance. Prog.) (Underlying Aa3)	107.50	Aa1//`	Piper	
King County Public Hospital Dist. No. 1, WA, LTGO	104.50	A2/NR/`	Piper	
<b>Competitive</b>				
<b>Wed, 11/28</b>				
State of Alabama, GO (3 bids) (Te & Tx)	163.78	Aa1/AA/AA+	'19-'38	
<b>Thur, 11/29</b>				
County of Westchester, NY, GO (3 bids) (Te & Tx)	202.56	Aa1/AAA/AAA	'19-'36	

Sources: Bond Buyer and IPREO Bold=Mischler



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