

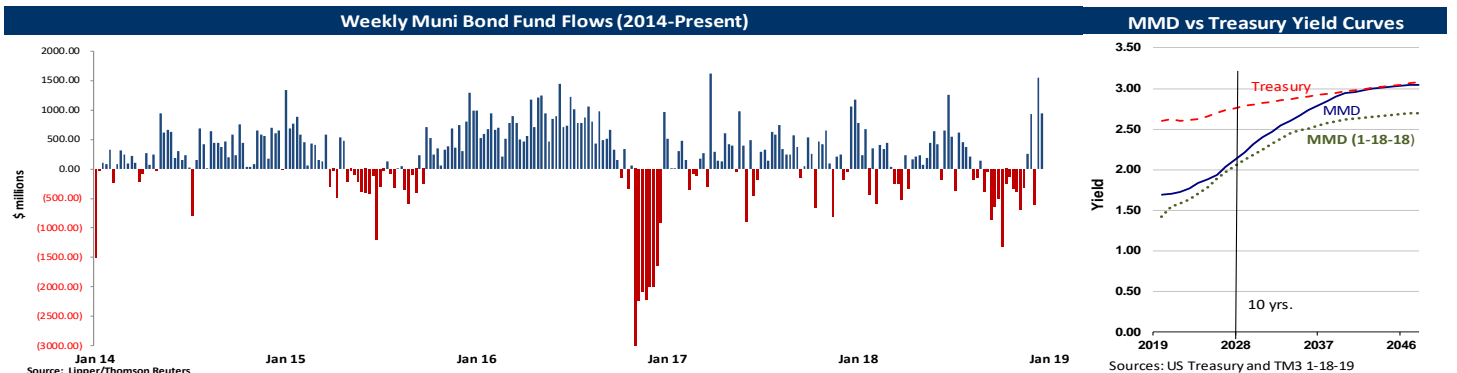
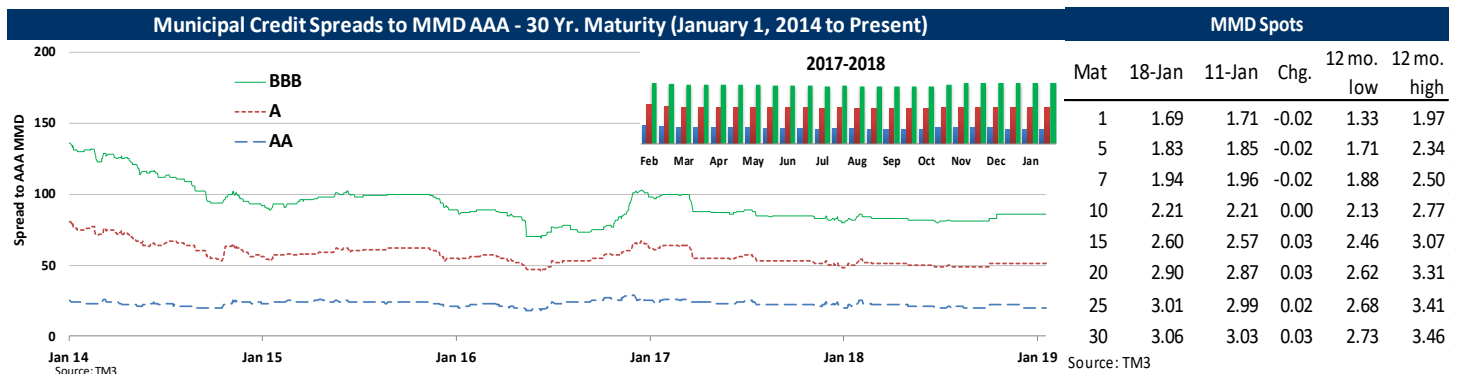
Comments:

- Last week muni volume was about \$6.6 billion. This week volume is \$5.1 billion. The negotiated market is led by \$535.9 million bonds for Yale University issued by the State of Connecticut Health and Educational Facilities Authority.

Selected Deals for the Week Ending 1/21/19				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)	U/W	
Negotiated				
State of Connecticut Health & Ed. Facilities Auth, Rev (Yale University)	535.87	Aaa/AAA/	JPM	
New Jersey Turnpike Auth, Rev	423.00	A2/A+/A	Citi	
Iowa Finance Auth, SRF (Te & Tx) (Green)	258.97	Aaa/AAA/AAA	RBC	
City & County of Honolulu, HI, GO (Honolulu Rail Transit Project)	250.34	Aa1/ /AA+	BAML	
County of Miami, OH, Rev (Kettering Health Network)	198.98	A2/A+/	RBC	
Ohio Housing Finance Agy,	150.00	Aaa/ /	Citi	
Abilene ISD, TX, ULT GO (PSF Gty) (Underlying Aa2/AA)	133.39	Aaa/AAA/	Frost	
Board of Regents of Stephen F. Austin State Univ, TX (Te & Tx)	109.39	A1/ /AA	UBS	
Lake Travis ISD, OK, ULT GO	100.00	/ /	BOK	
Competitive				
Wed, 1/9				
Boulder Valley SD #RE-2, CO, GO, (2 bids)	301.02	/AA+/		'19-'48
City of Norfolk, VA, GO	138.21	Aa2/AA+/AA+		'19-'48
Sources: Bond Buyer and IPREO				

The competitive market is led by \$301.0 million of general obligation bonds for Boulder Valley School District #RE-2, Colorado on Wednesday.

- Spreads were unchanged for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds saw an inflow of \$945.9 million for the week ending January 16 for an inflow of \$1.6 billion for the week before. The eight week moving average was positive \$212.45 million.
- From Friday to Friday, MMD yields decreased 2 bps in 1 to 7 years, were unchanged in 10 years and increased 2 to 3 bps in 15 to 30 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 79.4% and 99.0%, respectively, 2.6 ratios lower in 10 years and 0.1 ratios lower in 30 years.
- The 2 to 30 year MMD spread was 136 bps on Friday, 5 bps steeper than the previous Friday. Since the end of 2017, munis have steepened by 38 bps while Treasuries flattened about 45 bps over the same period. From March 2018, munis did flatten 18 bps to date.
- Last week munis continue to show strength up front thru 10 years as the \$2.5 billion of inflows to the funds over the last two weeks were put to work. The markets spent much of the week focused on China and Brexit. China reported weak trade data and Brexit was not passed in Parliament. US bank earnings were mixed and economic data reflected a slowing economy with PPI down 0.1% vs expectations of +0.2% and yoy 2.7% vs 2.9%. This week's volume should be manageable, particularly if the flows continue positive to the bond funds. The 2-30 MMD spread has steepened 12 bps since the end of 2018.



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