

**Comments:**

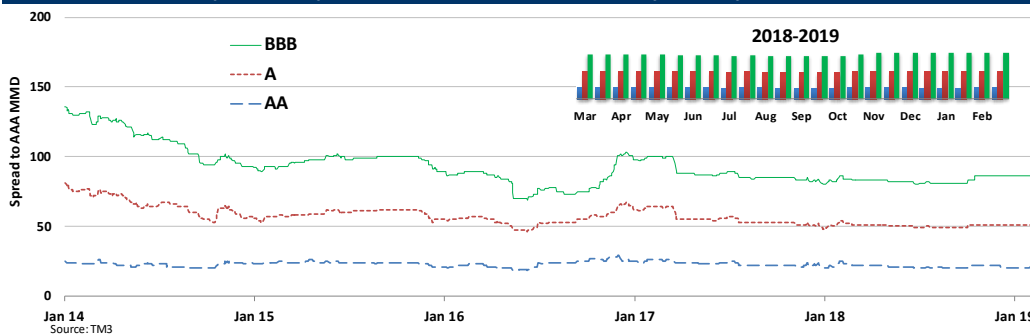
- Last week muni volume was about \$2.0 billion. This week volume is expected to be \$4.9 billion. The negotiated market is led by \$650 million economic development revenue bonds for Intel Corporation issued by the Industrial Development Authority of the City of Chandler, Arizona and the Oregon Business Development Commission.

The competitive market is led by \$390.4 million water and sewer revenue bonds for New York City Municipal Water Finance Authority, New York, on Wednesday.

- Credit spreads were unchanged for AA, A and BBB from the previous Friday.
- Weekly reporting muni bond mutual funds saw an inflow of \$1.5 billion for the week ending February 20 after an inflow of \$1.5 billion for the week before. The eight week moving average was positive \$983.5 million.
- From Friday to Friday, MMD yields were unchanged in 1 to 5 years and decreased 1 bp in 7 to 10 and 20 to 30 years and 2 bps in 15 years. Muni/Treasury ratios for 10 and 30 year MMD maturities ended the week at 79.1% and 98.9%, respectively, 0.1 ratios lower in 10 years and 1.2 ratios lower in 30 years.
- The 2 to 30 year MMD spread was 134 bps on Friday, 6 bps flatter than the previous Friday. Since the end of 2017, munis have steepened by 36 bps while Treasuries flattened about 31 bps over the same period. Since March 2018, munis did flatten 20 bps to date.
- Last week munis maintained a status quo mostly due to market technicals, continued strong bond fund inflows and relatively low volume. Most MMD maturities ended the week one or two bps lower in rate with the 2 to 15 year maturities either equaling or setting new twelve month lows. Since the end of 2018, muni maturities from 1 to 10 years are lower by 18-25 bps while beyond 10 years rates are only 3-6 bps lower. Treasuries on the other hand are lower by only 0 to 8 bps across the curve. Much of last week was focused on the Fed with FOMC minutes and balance sheet runoff. This week, Chairman Powell will be doing his Humphrey-Hawkins testimony in the US Senate and House on Tuesday and Wednesday.

Selected Deals for the Week Ending 3/1/19				
Issuer	Par (\$mil)	Ratings (M/S&P/F/K)		
<b>Negotiated</b>				
Industrial Development Auth of the City of Chandler, AZ, Rev (Intel Corp. Project)	500.00	//		U/W
Oregon Business Development Comm., Rev, (Intel Corp. Project)	150.00	//		BAML
Dept of Airports of the City of Los Angeles, CA, Subordinate Rev (Te & AMT)	437.84	Aa3/AA-/AA-		Ramirez
Ohio Water Development Auth, Water Pollution Control Loan Fund Rev	400.00	Aaa/AAA/		BAML
Hayward Unified School Dist., CA, GO (Green) (BAM Insurance)	233.38	/AA/		RBC
Community Development Admin, MD Dept of Housing & Community Devel., Resident. Rev	140.00	Aa2/NR/AA		RBC
State of New York Mortgage Agy, Homeowner Mtg Rev (Te, AMT & Tx)	125.00	Aa1//		BAML
Wisconsin Housing & Economic Develop. Auth., Home Ownership Rev	100.00	Aa2/AA/NR		RBC
<b>Competitive</b>				
<b>Mon, 2/25</b>				
Middleton-Cross Plains Area School Dist, WI, GO	138.90	Aaa//		'20-'39
<b>Tue, 2/26</b>				
Clark County, NV, GO	100.00	Aa1/AA+/		'19-'38
<b>Wed, 2/27</b>				
NYC Municipal Water Finance Auth, NY, 2nd Gen'l Resol. Water & Sewer Rev (2 bids)	390.41	Aa1/AA+/AA+		'39-'40
Sources: Bond Buyer and IPREO		Bold=Mischler		

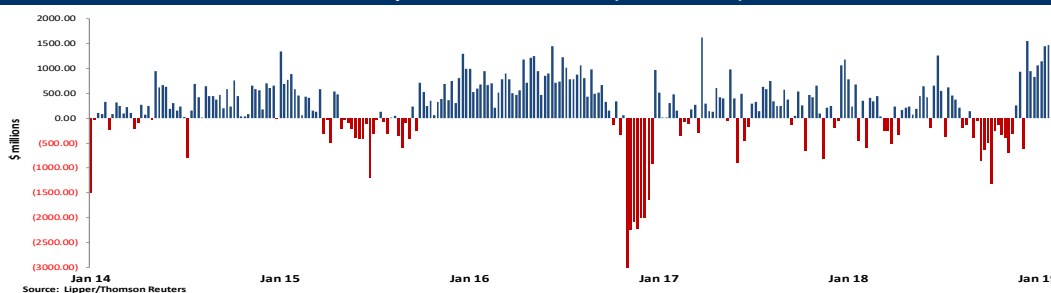
Municipal Credit Spreads to MMD AAA - 30 Yr. Maturity (January 1, 2014 to Present)



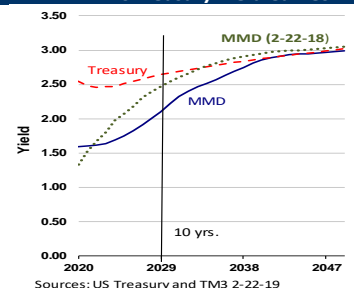
MMD Spots

Mat	22-Feb	15-Feb	Chg.	12 mo. low	12 mo. high
1	1.59	1.59	0.00	1.33	1.97
5	1.69	1.69	0.00	1.68	2.34
7	1.82	1.83	-0.01	1.82	2.50
10	2.10	2.11	-0.01	2.10	2.77
15	2.51	2.53	-0.02	2.51	3.07
20	2.81	2.82	-0.01	2.77	3.31
25	2.94	2.95	-0.01	2.82	3.41
30	2.99	3.00	-0.01	2.87	3.46

Weekly Muni Bond Fund Flows (2014-Present)



MMD vs Treasury Yield Curves



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