

# Municipal Market Snapshot

## Current Market

### Tax-Exempt Market

- Municipal bond yields followed Treasuries with yields sharply increasing across the yield curve by as much as 12 basis points from the prior week on the long-end of the yield curve for the week ending April 28<sup>th</sup>.
- U.S. municipal bond funds reported \$144.5 million of net inflows in the week ended April 26<sup>th</sup>, compared with \$290.2 million in inflows in the previous week, according to data released by Lipper on Thursday.
- Ipreo estimates volume will decrease to \$7.02 billion, from a revised total of \$7.87 billion in the past week, according to Thomson Reuters. The calendar for the week ahead is composed of \$5.96 billion of negotiated deals and \$1.06 billion of competitive sales.

### Economy & Taxable Market

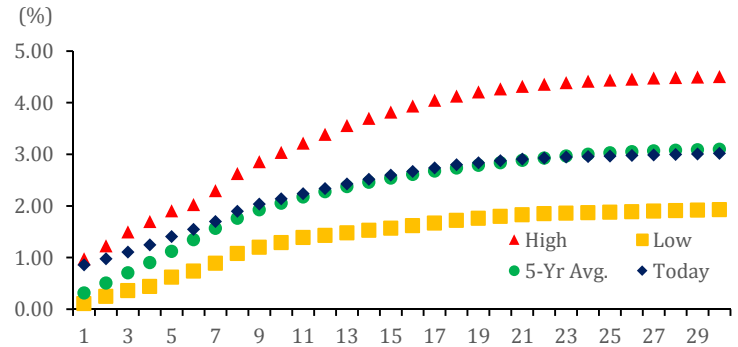
- The U.S. economy stumbled during the first quarter of the year, as consumers cut spending despite a rise in household confidence and a surge in stock prices. Gross domestic product grew at a 0.7% annual rate in January through March, the slowest pace of expansion in three years, the Commerce Department said Friday. Americans sharply cut back spending on big-ticket items like cars, causing overall consumer purchases to grow at the slowest pace since late 2009.
- Consumer sentiment about the economy remained high in April, even as the Commerce Department said U.S. economic output increased at the slowest pace in three years. The University of Michigan said Friday that its final reading of consumer sentiment was 97 in April, compared with March's final reading of 96.9. Consumer Sentiment is up 9% from year-over-year.
- In the week ending April 22<sup>nd</sup>, jobless claims were 257,000, an increase of 14,000 from the prior week's revised level. The previous week's level was revised down by 1,000 from 244,000 to 243,000.
- New orders for manufactured durable goods in March increased \$1.6 billion or 0.7% to \$238.7 billion, according to the U.S. Census Bureau. This increase, up three consecutive months, followed a 2.3% February increase.
- Treasury bond yields increased for the week ending April 28<sup>th</sup>. Yields increased by as much as 8 basis points on the front-end of the curve and by 7 basis points on the long-end of their curve.

## Current Municipal Market Rates

Short Term Market	4/28/2017	4/21/2017	5 Yr. Avg.
SIFMA Index (%)	0.90	0.92	0.19
1-Month LIBOR (%)	0.99	0.99	0.29
SIFMA/1M-LIBOR Ratio	0.91	0.93	0.64
Long Term Market	4/28/2017	4/21/2017	5 Yr. Avg.
AAA MMD (2Yr) (%)	0.98	0.95	0.51
AAA MMD (5Yr) (%)	1.41	1.37	1.12
AAA MMD (10Yr) (%)	2.14	2.05	2.06
AAA MMD (30Yr) (%)	3.02	2.90	3.10
Bond Buyer 20 Bond Index (GO) (%)	3.82	3.71	3.83
Bond Buyer Revenue Bond Index (%)	4.02	3.91	4.35
BB-30 Day Visible Supply	\$12.33bn	\$14.30bn	\$9.58bn
All Muni Fund Flows	\$0.14bn	\$0.29bn	

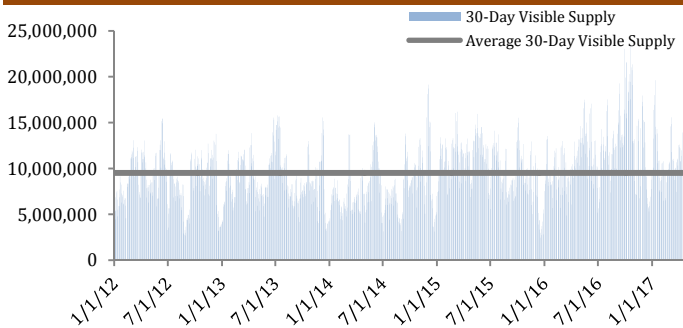
Source: TM3, the Bond Buyer, Bloomberg

## Municipal Yield Curve Since 2012



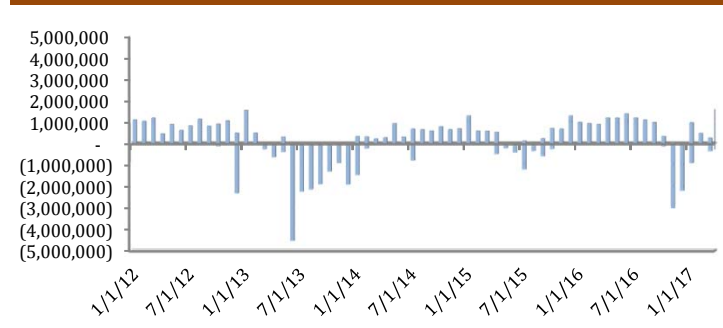
Source: TM3

## 30-Day Visible Supply Since 2012 (\$000)



Source: The Bond Buyer

## Net Inflows and Outflows (\$000's)



Source: TM3

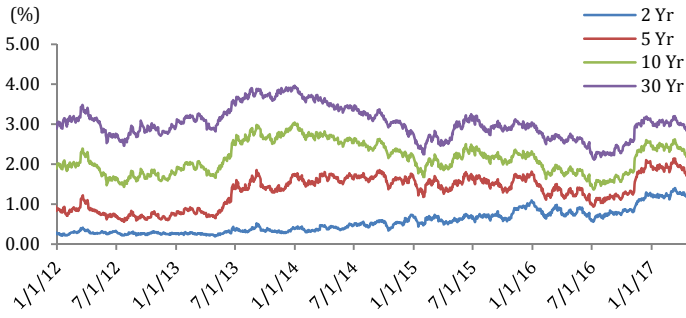
## Largest Fixed Rate Deals Priced During the Week Ending April 28, 2017

Issuer	Award Date	Size \$Mn	Rating Mdys/S&P/Fitch/Kroll	Coupon	Spread To MMD	Yield	Final Mty
California Health Facilities Financing Authority	4/25	\$1,747.015	NR/AA-/A+/NR	4.000%	103 Bps	4.030%	2051
Port Auth. of NY and NJ Ser. 200	4/26	\$804.730	Aa3/AA-/AA-/NR	5.00%/5.25%	59/49 Bps	3.60%/3.50%	2057
Dept. of Wtr. and Pwr. of the City of Los Angeles	4/26	\$530.270	Aa2/AA+/AA/NR	4.000%	59 Bps	3.600%	2047
Beaverton School District No. 48J (OR)	4/27	\$297.850	Aa1/AA+/NR/NR	5.000%	25 Bps	3.040%	2035
Chino Valley Unified School District	4/25	\$262.555	Aa2/AA-/NR/NR	4.000%	95 Bps	3.950%	2055

Source: TM3

# Municipal Market Snapshot

## Taxable Yield Curves Since 2012



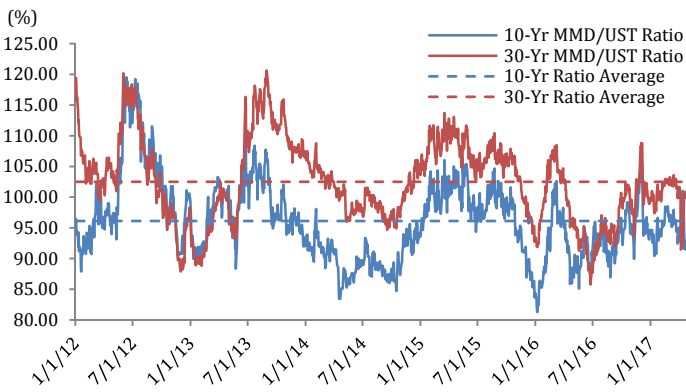
Source: U.S. Department of Treasury

## U.S. Treasury Rates

Security	4/28/2017	4/21/2017	5 Yr. Avg.
Effective Fed Funds	0.83	0.91	0.20
2 Yr Note	1.28	1.20	0.57
5 Yr Note	1.81	1.77	1.34
10 Yr Note	2.29	2.24	2.16
30 Yr Bond	2.96	2.89	3.03

Source: U.S. Department of Treasury

## Tax-Exempt/Taxable Ratios Since 2012



Source: TM3, U.S. Department of Treasury

## Municipal to U.S. Treasury Ratios

Current Yield Curve	2 Yr	5 Yr	10 Yr	30 Yr
MMD (%)	0.98	1.41	2.14	3.02
UST (%)	1.28	1.81	2.29	2.96
MMD/ UST Ratio	76.56	77.90	93.45	102.03

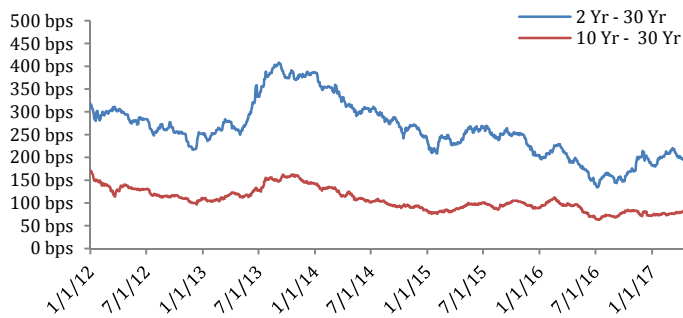
Source: TM3, U.S. Department of Treasury

## Economic Calendar

Date	Time	Event	Period	Survey	Prior
5/1/2017	8:30	Personal Income	Mar	0.30%	0.40%
5/1/2017	8:30	Personal Spending	Mar	0.20%	0.10%
5/1/2017	8:30	Real Personal Spending	Mar	0.50%	-0.10%
5/1/2017	8:30	PCE Deflator MoM	Mar	-0.20%	0.10%
5/1/2017	8:30	PCE Deflator YoY	Mar	1.90%	2.10%
5/1/2017	8:30	PCE Core MoM	Mar	-0.10%	0.20%
5/1/2017	8:30	PCE Core YoY	Mar	1.60%	1.80%
5/1/2017	9:45	Markit US Manufacturing PMI	Apr F	52.8	52.8
5/1/2017	10:00	ISM Manufacturing	Apr	56.5	57.2
5/1/2017	10:00	ISM Prices Paid	Apr	--	70.5
5/1/2017	10:00	ISM New Orders	Apr	--	64.5
5/1/2017	10:00	ISM Employment	Apr	--	58.9
5/1/2017	10:00	Construction Spending MoM	Mar	0.40%	0.80%
5/2/2017		Wards Total Vehicle Sales	Apr	17.20m	16.53m
5/2/2017		Wards Domestic Vehicle Sales	Apr	13.35m	12.97m
5/3/2017	7:00	MBA Mortgage Applications	28-Apr	--	2.70%
5/3/2017	8:15	ADP Employment Change	Apr	175k	263k
5/3/2017	9:45	Markit US Services PMI	Apr F	--	52.5
5/3/2017	9:45	Markit US Composite PMI	Apr F	--	52.7
5/3/2017	10:00	ISM Non-Manf. Composite	Apr	55.9	55.2
5/3/2017	14:00	FOMC Rate Decision (Upper Bound)	3-May	1.00%	1.00%
5/3/2017	14:00	FOMC Rate Decision (Lower Bound)	3-May	0.75%	0.75%
5/4/2017	7:30	Challenger Job Cuts YoY	Apr	--	-2.00%
5/4/2017	8:30	Nonfarm Productivity	1Q P	0.00%	1.30%
5/4/2017	8:30	Trade Balance	Mar	-\$44.9b	-\$43.6b
5/4/2017	8:30	Unit Labor Costs	1Q P	2.50%	1.70%
5/4/2017	8:30	Initial Jobless Claims	29-Apr	246k	257k
5/4/2017	8:30	Continuing Claims	22-Apr	--	1988k
5/4/2017	9:45	Bloomberg Consumer Comfort	30-Apr	--	50.8
5/4/2017	10:00	Factory Orders	Mar	0.50%	1.00%
5/4/2017	10:00	Factory Orders Ex Trans	Mar	--	0.40%
5/4/2017	10:00	Durable Goods Orders	Mar F	--	0.70%
5/4/2017	10:00	Durables Ex Transportation	Mar F	--	-0.20%
5/4/2017	10:00	Cap Goods Orders Nondef Ex Air	Mar F	--	0.20%
5/4/2017	10:00	Cap Goods Ship Nondef Ex Air	Mar F	--	0.40%
5/5/2017	8:30	Change in Nonfarm Payrolls	Apr	193k	98k
5/5/2017	8:30	Two-Month Payroll Net Revision	Apr	--	--
5/5/2017	8:30	Change in Private Payrolls	Apr	190k	89k
5/5/2017	8:30	Change in Manufact. Payrolls	Apr	10k	11k
5/5/2017	8:30	Unemployment Rate	Apr	4.60%	4.50%
5/5/2017	8:30	Average Hourly Earnings MoM	Apr	0.30%	0.20%
5/5/2017	8:30	Average Hourly Earnings YoY	Apr	2.70%	2.70%
5/5/2017	8:30	Average Weekly Hours All Employees	Apr	34.4	34.3
5/5/2017	8:30	Labor Force Participation Rate	Apr	--	63.00%
5/5/2017	8:30	Underemployment Rate	Apr	--	8.90%
5/5/2017	15:00	Consumer Credit	Mar	\$15.000b	\$15.206b

Source: Bloomberg L.P.

## MMD Benchmark Yield Curve Steepness Since 2012



Source: TM3

## Forward Calendar (Week of May 1<sup>st</sup>)

Size (\$Mn)	Issuer	Bid State	Type	Available Ratings (Mdy/S&P/Fitch/Kroll)
1,134.055	The Regents of the University of California	CA	Negt.	Aa2/Undef/Undef/Undef
326.610	Massachusetts Water Resources Authority	MA	Negt.	Aa1/AA+/Undef/Undef
300.115	New Mexico Hospital Equipment Loan Council	NM	Negt.	Undef/Undef/Undef/Undef
278.485	Trinity River Authority of Texas	TX	Negt.	Undef/AAA/Undef/Undef
132.225	City of Milwaukee	WI	Comp.	Undef/AA/AA/Undef
125.000	Riverside Unified School District	CA	Negt.	Undef/Undef/Undef/Undef
123.875	City of Mesa	AZ	Comp.	Aa2/AA-/Undef/Undef
119.910	City of Maple Grove	MN	Negt.	Undef/Undef/Undef/Undef
111.415	Franklin County Health & Educational Facilities Board	TN	Negt.	Undef/Undef/Undef/Undef
107.760	New Castle County	DE	Comp.	Aaa/AAA/AAA/Undef

Source: Ipreo, Bloomberg L.P.

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