

# Municipal Market Snapshot

## Current Market

### Tax-Exempt Market

- Municipal bond yields ended lower on the week. The 2-year and 5-year declined by 4 and 6 basis points, respectively, while the 10-year and 30-year declined by 5 and 6 basis points.
- The slope of the municipal curve remained close to in-tact, with negligible flattening as yields fell proportionally along the curve. The long end of the curve flattened by 1 basis point as the slope of the 10-year to 30-year at 79 basis points.
- U.S. municipal bond funds reported \$173 million of net outflows, the week prior saw outflows of \$496 million, as reported by Lipper.
- The 10-year Muni-to-Treasury ratio increased over the week to end at 86.3%, compared with 85.9% for the prior week, the 30-year Muni-to-Treasury ratio fell to 95.9% from 97.2% for the same time period.
- Estimated volume this week is \$7.66 billion, up from a revised total of \$7.42 billion last week. This week's calendar is composed of \$3.99 billion of negotiated deals and \$3.67 billion of competitive sales. The largest negotiated deal is under \$600 million this week compared to several deals last week over \$600 million; however, there are around 20 sales of \$100 million or greater this week.

### Economy & Taxable Market

- Treasury yields also fell for the week. The 2-year and 5-year declined by 5 and 9 basis points, respectively, while the 10-year and 30-year declined by 7 and 2 basis points.
- Initial claims for U.S. state unemployment benefits rose 3,000 to 247,000 last week. The estimate for the previous week was increased 2,000 to 250,000, which was the most claims since the end of May.
- Jefferson County, Alabama priced \$341.35 million of limited obligation refunding warrants last week. The deal was the first for the County since it emerged from bankruptcy. The transaction received more than \$1.7 billion of orders.
- All 12 Federal Reserve Districts had economic growth in June. Consumer spending appeared to be rising, led by increase in nonauto retail sales and tourism. Manufacturing and nonfinancial services expanded at a modest to moderate pace.

## Current Municipal Market Rates

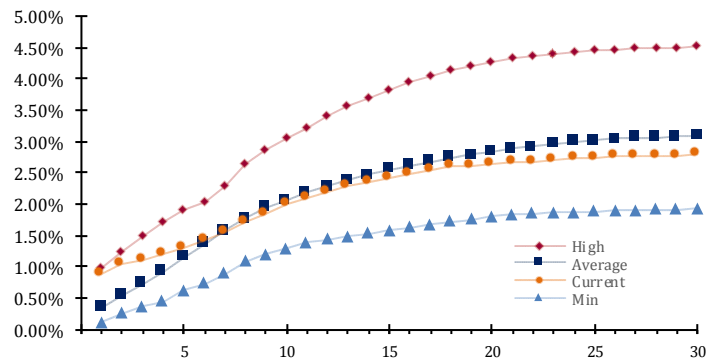
Short Term Rates (%)	Current	1-Wk Chg	5Yr Avg	5Yr High	5Yr Low
SIFMA Index	0.91	+4 bps	0.22	0.92	0.01
1-Month LIBOR	1.22	+1 bps	0.33	1.22	0.15
SIFMA/LIBOR Ratio	74.36	+3%	51.61	165.50	2.31
Federal Funds Target (Mid)	1.13	+0 bps	0.26	1.13	0.13

Long Term Rates (%)	Current	1-Wk Chg	5Yr Avg	5Yr High	5Yr Low
AAA 2 Year	1.03	-4 bps	0.54	1.23	0.25
AAA 5 Year	1.31	-6 bps	1.15	1.91	0.62
AAA 10 Year	2.00	-5 bps	2.06	3.04	1.29
AAA 30 Year	2.79	-6 bps	3.09	4.51	1.93
Bond Buyer Index 20 GO	3.61	+1 bps	3.82	5.03	2.80
Bond Buyer Revenue Index	3.77	+1 bps	4.31	5.40	2.98
30-Day Visible Supply (\$mm)	11,599	-3,745	9,076	23,748	2,234
Municipal Bond Fund Flow (\$mm)	-173	+286	62	1,600	-4,533

AAA Municipal Slope (bps)	Current	1-Wk Chg	5Yr Avg	5Yr High	5Yr Low
Short End (2yr - 10yr)	+97 bps	-1 bps	+94 bps	+261 bps	+68 bps
Long End (10yr - 30yr)	+79 bps	-1 bps	+102 bps	+162 bps	+63 bps
Full Curve (2yr - 30yr)	+176 bps	-2 bps	+255 bps	+408 bps	+134 bps

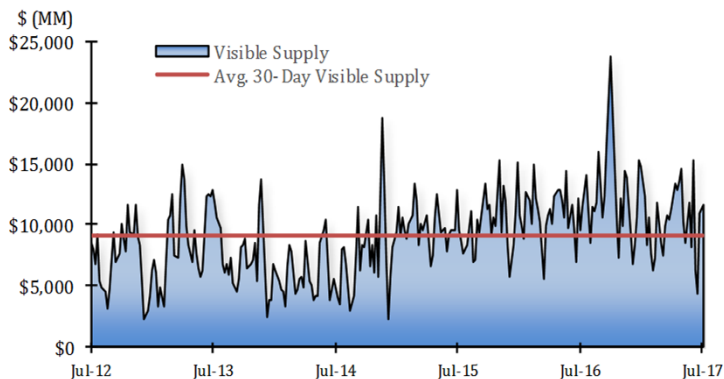
Source: TM3, Bond Buyer, Bloomberg L.P.

## Five Year Historical - Municipal AAA GO Yields



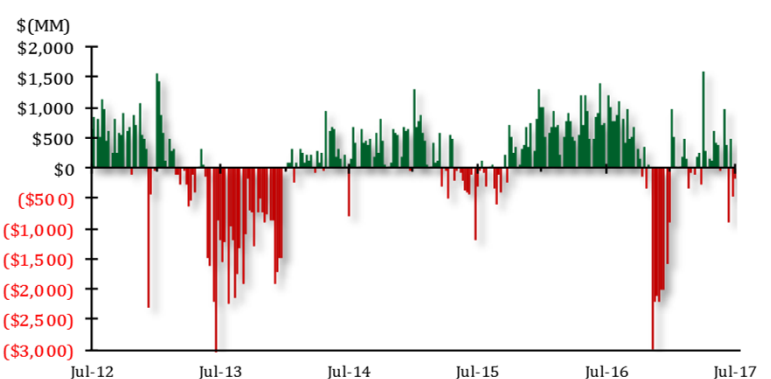
Source: TM3

## Five Year Historical 30-Day Visible Supply (\$mm)



Source: Bloomberg L.P.

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



Source: TM3

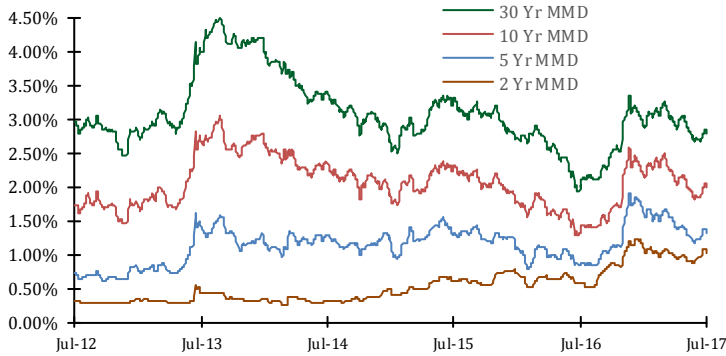
## New Issue Calendar - Week of July 17th

Par (\$000s)	Issuer	State	Description	Ratings (M,S,F)
600,000	New Jersey Turnpike Authority	NJ	Turnpike Revenue Bonds, Series 2017B	A2/A+/A
353,000	Georgia State Road and Tollway Authority	GA	Federal Highway Grant Anticipation	A2/AA/A-
310,425	San Diego County Regional Airport Authority	CA	Subordinate Airport Revenue Bonds, Series 2017A	A2/A/A
244,735	Virginia Small Business Financing Authority	VA	Senior Lien Revenue Bonds, Series 2017	NR/*/BBB
230,090	Chicago Transit Authority	IL	Capital Grant Receipts Revenue Bonds, Refunding	NR/A/BBB
200,000	The Commonwealth of Massachusetts (MA)	MA	General Obligation Bonds Consolidated Loan of 2014	Aa1/AAA/NR
142,960	Alaska Housing Finance Corporation	AK	State Capital Project Bonds II	NR/AA+/AA+
125,000	Monroe County Industrial Development Agency	NY	School Facility Revenue Bonds, Series 2017	Aa2/AA/AA
123,055	California Educational Facilities Authority	CA	Revenue Bonds, Series 2016A (Taxable)	Aa3/*/*

\* Indicates rating unavailable at time of print

# Municipal Market Snapshot

## Five Year Historical Municipal Spot Rates



Source: Bloomberg L.P.

## U.S. Treasury Rates

Long Term Taxable (%)	Current	1-Wk Chg	5Yr Avg	5Yr High	5Yr Low
US Treasury 2 Year Note	1.35	-5 bps	0.61	1.41	0.20
US Treasury 5 Year Note	1.86	-9 bps	1.39	2.14	0.54
US Treasury 10 Year Note	2.32	-7 bps	2.06	3.04	1.29
US Treasury 30 Year Bond	2.91	-2 bps	3.02	3.97	2.11

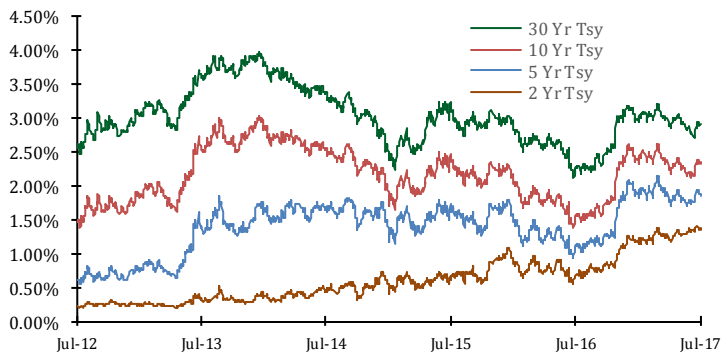
Source: Bloomberg L.P.

## Municipal to U.S. Treasury Ratios

MMD / Treasury Ratios (%)	Current	1-Wk Chg	5Yr Avg	5Yr High	5Yr Low
2 Year Spot	76.21	-0%	94.16	153.85	55.85
5 Year Spot	70.45	+0%	84.31	120.27	62.50
10 Year Spot	86.30	+0%	95.21	117.50	81.56
30 Year Spot	95.90	-1%	101.74	120.29	85.84

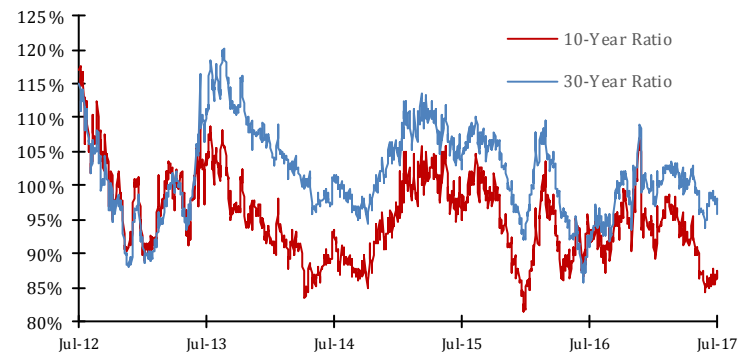
Source: Bloomberg L.P.

## Five Year Historical Treasury Spot Rates



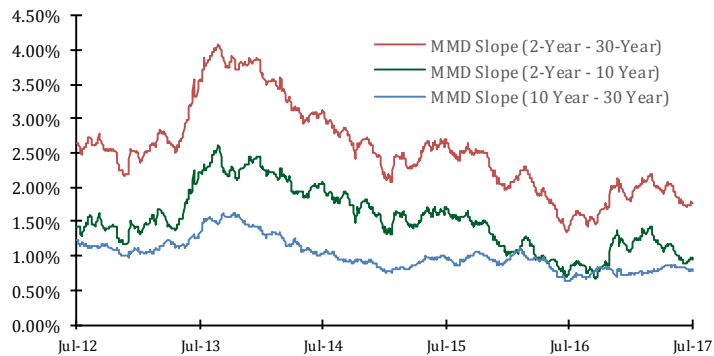
Source: Bloomberg L.P.

## Municipal to U.S. Treasury Ratios



Source: Bloomberg L.P.

## Municipal AAA GO Yield Curve Slope



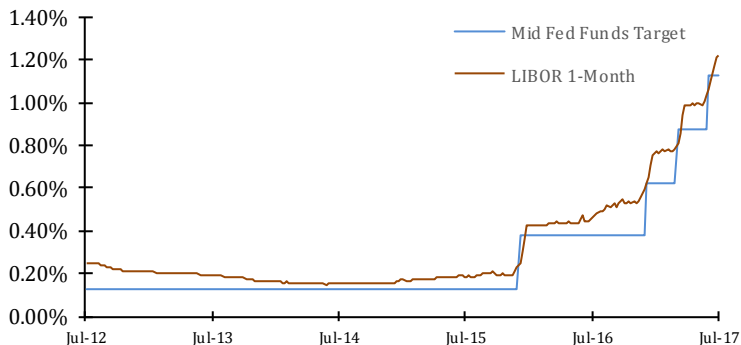
Source: TM3

## Economic Calendar

Day	Time	Event	Period	Surv(M)	Prior
7/17/2017	7:30 AM	Consumer Credit	Jul	15	19.8
7/18/2017	7:30 AM	NFIB Small Business Optimism	Jun	-0.20%	-0.30%
7/18/2017	7:30 AM	Wholesale Inventories MoM	Jun	0.10%	-0.70%
7/18/2017	3:00 PM	Wholesale Trade Sales MoM	May	--	\$65.8b
7/18/2017	3:00 PM	MBA Mortgage Applications	May	--	\$1.8b
7/19/2017	6:00 AM	PPI Final Demand MoM	14-Jul	--	-7.40%
7/19/2017	7:30 AM	PPI Ex Food and Energy MoM	Jun	1160k	1092k
7/19/2017	7:30 AM	PPI Ex Food, Energy, Trade MoM	Jun	1201k	1168k
7/20/2017	7:30 AM	PPI Final Demand YoY	15-Jul	245k	247k
7/20/2017	7:30 AM	PPI Ex Food and Energy YoY	8-Jul	1950k	1945k
7/20/2017	7:30 AM	Initial Jobless Claims	Jul	23.7	27.6
7/20/2017	8:45 AM	Continuing Claims	16-Jul	--	47
7/20/2017	9:00 AM	CPI MoM	Jun	0.40%	0.30%
7/24/2017	8:45 AM	CPI Ex Food and Energy MoM	Jul P	--	52
7/24/2017	9:00 AM	CPI YoY	Jun	5.61m	5.62m

Source: Bloomberg L.P.

## Fed Funds Target vs. 1-Month LIBOR



Source: Bloomberg L.P.

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