

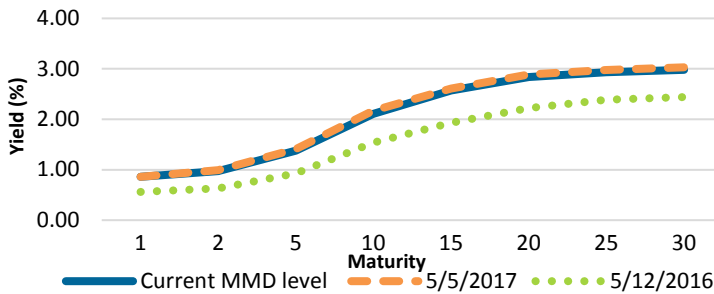
UPDATE ON CURRENT CONDITIONS IN THE MUNICIPAL BOND MARKET (MAY 15, 2017)

SUMMARY OF MUNICIPAL BOND MARKET ACTIVITY

The municipal market turned in an impressive performance last week as it powered through a heavy calendar to out-perform treasuries and move to lower yields throughout the curve. The positive technicals from future calls and redemptions are responsible for the strong market. New issue supply for the week of May 15th, will again be fairly large with a tax-exempt calendar approaching \$8 billion.

CURRENT AAA MMD AND SIFMA RATES				CURRENT U.S. TREASURY AND LIBOR RATES				AAA MMD VS. U.S. TREASURY RATIO					
Maturity	Close on 5/12 (%)	Close on 5/5 (%)	Week Over Week Change	Maturity	Close on 5/12 (%)	Close on 5/5 (%)	Week Over Week Change	Maturity	MMD to UST % on 5/12 (%)	MMD to UST % on 5/5 (%)	Week Over Week Change (%)	1-mo. Average (%)	1-year Average (%)
SIFMA	0.79	0.85	-6 bps	1-Month LIBOR	0.99	0.99	0 bps						
1-year MMD	0.86	0.86	0 bps	1-year UST	1.10	1.10	0 bps	1-year	78.18	78.18	0.00	81.12	102.61
5-year MMD	1.38	1.41	-3 bps	5-year UST	1.85	1.88	-3 bps	5-year	74.59	75.00	-0.54	76.82	83.30
10-year MMD	2.11	2.17	-6 bps	10-year UST	2.33	2.35	-2 bps	10-year	90.56	92.34	-1.93	92.13	93.82
30-year MMD	2.98	3.03	-5 bps	30-year UST	2.99	2.99	0 bps	30-year	99.67	101.34	-1.65	100.71	97.89

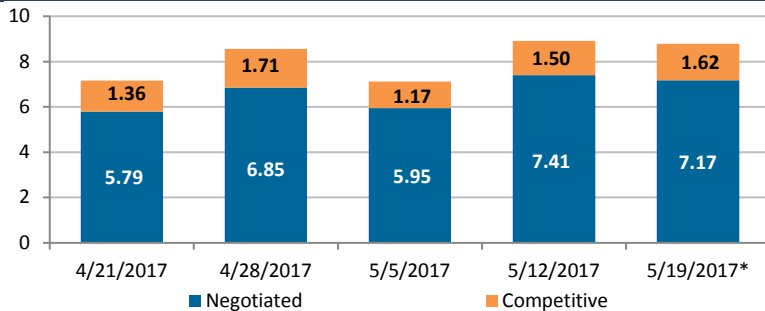
AAA MMD AND U.S. TREASURY YIELD CURVE



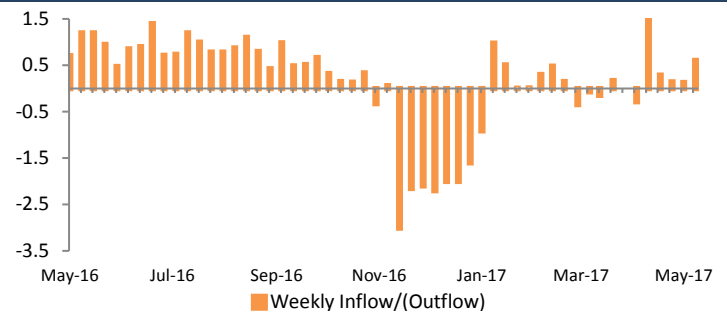
HISTORICAL MMD LOWS

Maturity	Historical MMD Low (%)	Date of Most Recent Low	Current MMD (%)	Difference
1-year	0.11	6/25/2014	0.86	+ 75 bps
5-year	0.62	9/27/2012	1.38	+ 76 bps
10-year	1.29	6/28/2016	2.11	+ 82 bps
30-year	1.93	7/7/2016	2.98	+ 105 bps

NEW ISSUE SUPPLY (\$ IN BILLIONS)



2016-2017 MUNICIPAL BOND MUTUAL FUND INFLOWS AND OUTFLOWS



SELECT LARGE NEGOTIATED MUNICIPAL TRANSACTIONS OF THE WEEK*

Amt (\$MM)	Issuer	ST	Description	Cpn ⁽¹⁾	Tax ⁽²⁾
1,089.815	Los Angeles Unified School District	CA	2017 GO Refunding Bonds, Series A	F	E
665.000	Dormitory Authority of the State of NY	NY	New York University Rev. Bonds	F	E/T
576.415	District of Columbia	DC	GO Refunding Bonds, Series 2017A	F	E
337.000	Oregon Department of Transportation	OR	Highway User Tax Rev. Bonds	F	E
312.375	City of Charlotte	NC	Charlotte Douglas Intl. Airport	F	E/A
296.000	Baptist Healthcare Systems	KY	Health Facilities Revenue Bonds	F	E
281.715	CA Health Facilities Financing Authority	CA	Rev. Bonds (Children's Hospital LA)	F	E
255.560	North Carolina Housing Finance Agency	NC	Home Ownership Rev. Ref. Bonds	F	A
250.000	Higher Educ. Student Assistance Authority	NJ	Senior Student Loan Rev. Bonds	F	E
238.380	Tarrant Cnty Cultural Educ. Fac. Fin. Corp.	TX	Retirement Facility Rev. Bonds	F	E/T
157.405	Econ. Dev. Growth Engine Indust. Dev. Brd.	TN	TDZ Revenue Refunding Bonds	F	E/T

ECONOMIC CALENDAR (WEEK OF 5/15)

Mon. (5/15)	Tue. (5/16)	Wed. (5/17)	Thu. (5/18)	Fri. (5/19)
<ul style="list-style-type: none"> Empire Manufacturing 	<ul style="list-style-type: none"> Housing Starts Building Permits Industrial Production MoM Capacity Utilization 	<ul style="list-style-type: none"> MBA Mortgage Applications 	<ul style="list-style-type: none"> Initial Jobless Claims Philadelphia Fed Business Outlook 	

Data Source: Bloomberg, Thomson Reuter's Securities Data Corporation ("SDC"), and Bond Buyer

*Preliminary, Subject to Change

⁽¹⁾ Coupon: F = Fixed, V = Variable

⁽²⁾ Tax Status: E = Exempt, A = AMT, T = Taxable

Color Key: Senior=Green, Co-Senior=Orange, Co-Manager=Blue, Selling Group = Purple

Data Source: Thomson Reuter's Securities Data Corporation ("SDC"), IPREO and Bond Buyer

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