



Ramirez Municipal Strategy

June 10, 2019

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Municipal Market Weekly

Credit & Market Strategy

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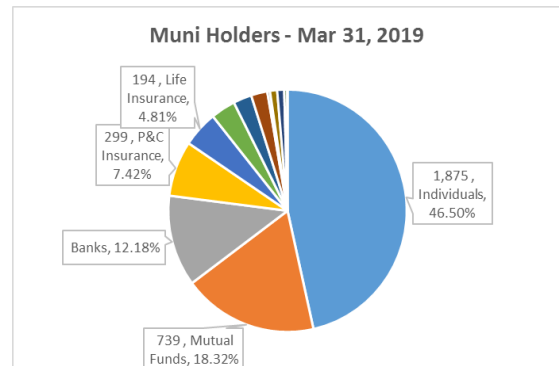
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Muni Recap. Munis gained on the week and handily outperformed Treasuries due to continued overwhelming demand for the tax-exempt product amidst a relatively firm Treasury market. Muni outperformance averaged -3.80 ratios across the MMD curve and was in stark contrast to the prior week when tax-exempts underperformed Treasuries by +5.80 ratios (avg) due to plunging Treasury yields caused by Trump's Mexico tariff threat (largely resolved). The most dramatic outperformance was in the 2yr and 5yr spots, which ended last week richer by -4.70 and -4.56 ratios at 69.6% and 70.7%, respectively. The 10yr and 30yr spots, while outperforming to a lesser degree (-2.93 and -3.02 ratios, respectively) turned "rich" on both a 1yr and 3yr basis at 75.2% and 87.6%, respectively. The MMD scale was bumped across the curve by an average of -4.71 bps, including -7 bps in 1yr through 5yrs (1.35%), -4 bps in 10yrs (1.61%) and -2 bps in 30yrs (2.30%) causing all curve spreads to bull steepen vs Treasury curves which bear steepened. SIFMA was bumped +2 bps to 1.40%, or 101% of 1yr MMD and 58% of 1mL. The S&P Main Muni index returned +20 bps on the week, +135 bps in May, and +471 bps YTD. Long-intermediate duration led Muni returns at +23 bps on the week (+505 bps YTD). New issuance of \$7.8 bil. was +24% higher than the 12wk average and was very well subscribed, which is no surprise at this point given excess demand from reinvestment peaks through Aug and fund inflows continue unabated at +\$793 mil. last week (+\$26 bil. YTD). The Fed last week reported Muni holdings for the broad market as of Mar 31, 2019. The report indicates retail holdings (indiv, funds, ETF, CEF) increased +4.4%, or +\$126 bil. over the prior 12 months, to \$2.876 tril., while banks and property/casualty insurance companies' holdings declined -13.1% (-\$34 bil. to \$299 bil.) and -11.4% (-\$34 bil., to \$299 bil.) respectively, over the same period. All of these net changes were a result of TCJA of 2017 incentives to own tax-exempts that favor individuals over corporations.

Category	3/31/2019		2018		3/31/18	
	\$(bil.)	%	\$ Chg	% Chg.	\$(bil.)	%
Individuals	1,875	46.50%	66	4%	1,809	45.03%
Mutual Funds	739	18.32%	48	7%	690	17.19%
Banks	491	12.18%	-85	-12%	556	13.83%
P&C Insurance	299	7.42%	-34	-10%	333	8.29%
Life Insurance	194	4.81%	-4	-2%	198	4.94%
Money Mkt Funds	135	3.35%	3	2%	132	3.28%
Institutional Inv.	101	2.49%	-1	-1%	101	2.52%
CEFs	89	2.21%	1	1%	88	2.19%
Corporations	15	0.37%	-1	-5%	15	0.39%
Government	39	0.97%	3	8%	36	0.90%
ETFs	38	0.95%	8	25%	31	0.76%
Dealers	16	0.41%	-9	-36%	26	0.64%
Other	1	0.03%	0	-3%	1	0.03%
	4,032	100%	15	0.4%	4,017	100%



Market Recap. Last week's markets were driven by weak jobs reports, dovish ECB and Fed comments, and trade tensions. Treasuries were relatively firm for most of the week until Friday when yields began to rise after the May employment report broadly missed estimates at 75,000 new jobs (vs 175k expected). The March and April employment figures were also revised down and the unemployment rate held steady at 3.6%. The 10yr Treasury yield fell as low as 2.06% on Monday, but finished +3 bps higher at 2.14% on COB Friday. Treasury 2s30s bear steepened by +4 bps to +73 bps after the 2yr yield rose by +3 bps to 1.90% and the 30yr yield rose +6 bps to 2.63%. The Treasury index finished higher by +33 bps to 457 bps YTD. A weak ADP private sector report on Tues initially sparked the equity market rally on higher probabilities of Fed rate cuts in 2019. Powell largely confirmed as much on Tues, stating that the Fed "will act as appropriate to sustain expansion." Fed fund futures now indicate close to 90% probability of a Fed rate cut in July and at least one more by year-end. Investors continued to buy equities on ECB policy to keep key interest rates steady and signals that the board will stay on hold through at least the first half of 2020. Trumps' Mexico tariff threat also subsided much to the market's relief. Equities rallied with the S&P 500 index surging +441 bps to end at +14.62% YTD.

This Week. Another important data week with PPI on Tues, CPI on Wed, Jobless Claims on Thurs, and Retail Sales, Ind'l Production, Capacity Utilization, and the Univ of Michigan's Consumer Sentiment Index on Friday. The Fed is in a quiet period between now and next week's meeting on June 18-19th. Treasury is auctioning \$78 bil., including 3yr (\$38 bil.), 10yr (\$24 bil.) and 30yr (\$16 bil.). Trump v The Fed. Justin Bieber v Tom Cruise.

Supply. Gross supply for this week ramps up significantly to +\$10.3 bil. or +62% vs 12w average, including \$6.7 bil. negotiated and \$3.6 bil. competitive. The negotiated slate is led by \$851 mil. Kansas City Airport on Wed, \$661 mil. NYC Hsg on Wed, \$575 mil. McLaren Health on Tues, and \$434 mil. Los Angeles Airport on Tues. Competitives are led by \$900 mil. PA, \$300 mil. OH, \$265 mil. Santa Clara, CA, and \$226 mil. Penn St Univ. Gross supply YTD is +\$139.0 bil., or +2% YoY and -12% vs the 5yr average. YTD gross supply remains relatively in-line with our full year 2019 projection of +8% YoY (\$341.8 bil.). The 30-day visible net supply is -\$34.3 bil., comprised of +\$12.3 bil. new issue, against -\$46.6 bil. of maturing (-\$34.1 bil.) and called bonds (-\$12.5 bil.). The states that stand to experience the largest change in outstanding debt include CA (-\$7.8 bil.), NY (-\$5.9 bil.) NJ (-\$4 bil.), FL (-\$2.5 bil.), and AZ (-\$2.1 bil.). The chronic supply-demand imbalance should maintain tight absolute levels through at least year-end. We expect reinvestment (maturities, calls, some cpn) to add to the supply deficit as reinvestment peaks during this period. We estimate significant positive "net" reinvestment flows (e.g. surplus demand) totaling ~+\$67 bil. in June through Aug (+\$17 bil. in June, +\$21 bil. in July, and +\$28 bil. in August).

Trade Ideas.

Intermediate-Long Strategy (11yr-30yr): Sell Short Calls, Buy Long Calls; capture between 70-90% of the yield curve and incremental spread. We like high-quality ('AAA' and 'AA') tax-exempts with long calls (6-10yrs) vs short calls (1yr-2yr), which are trading virtually on top of the MMD scale mostly due to the relentless flattening of 2s10s by ~21 bps since Jan 1 to only +29 bps. Longer calls generate meaningful yield pickup given MMD 10s20s has been largely range-bound since Jan 1 at ~50 bps.

Strategy

- 50/50 barbell posture (50% 1-2 yrs; 50% 10-20+ yrs); eff duration of 8-10 yrs.
- 6-10yr calls
- 5% coupons
- Credit: 'AA-' or better GO; 'A' or better Revenue (select names)
- Capture up to ~90% of curve, fast reinvestment, optimal roll-down
- Best rolldown is historically 7-13yrs but has recently shifted to 10yrs-20yrs.

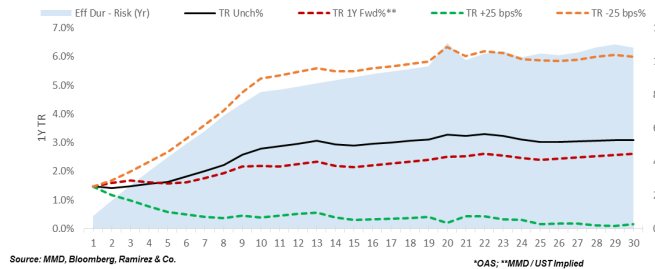
Scenarios (1Y)				
Scenario	Bear	Base	Bull	
Strategy	Ladder	Ladder	Barbell	Ladder
Crv Shft (avg bps)*	25	5	-25	-25
Quality	AA GO / A Rev	AA GO / A Rev	AA GO / A Rev	
Tot Rtrn % (Proj)	0.94%	3.45%	6.04%	6.79%
OAS (bps)*	19	61	51	56
Eff Dur (yrs)	2.8	10.6	9.9	10.4
WAM	3.6	25.5	22.3	23.5
Cnvx	0.29	-1.13	-0.77	-0.93

*W.A. bps shift = implied by FWD rates =

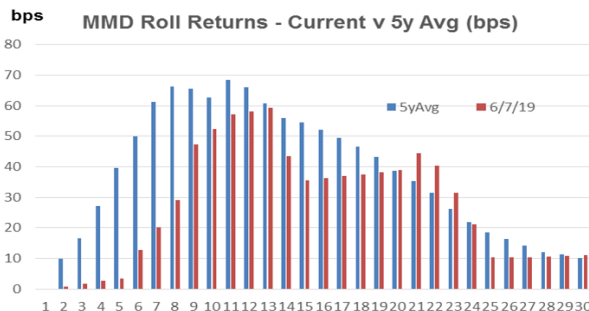
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*OAS Vol = 20

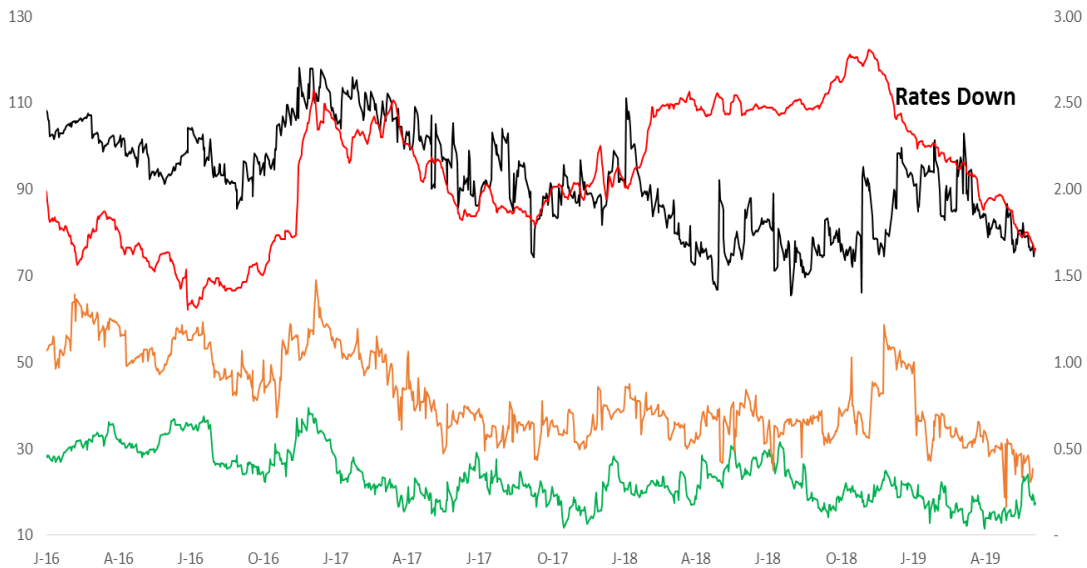
MMD Callable Curve (5% Cpn) - 12M FWD Total Return Projections*



MMD Callable Curve (5% Cpn) - 12M FWD Total Return Projections*								
M ty	1-30y	1-5y	6-10y	11-15y	16-20y	21-25y	26-30y	
Eff Dur	8.2	3.1	6.9	8.7	9.8	10.4	10.7	
Scenarios	Unch	2.89%	1.54%	2.34%	2.95%	3.09%	3.17%	3.06%
	1Y Fwd Rates	2.31%	1.60%	1.96%	2.22%	2.35%	2.51%	2.52%
	Parallel +25 bps	0.34%	0.84%	0.41%	0.44%	0.33%	0.32%	0.14%
	Parallel -25 bps	5.44%	2.24%	4.30%	5.48%	5.85%	6.02%	5.96%



As Muni rates have declined, spreads have compressed...



Source: Bloomberg

— AA 10Y — A 10Y — BBB 10Y — AAA 10Y Muni

SECTOR CREDIT SPREADS (10Y)									
1/1/16-Current									
Sector	Rating	6/7/19	Avg	Min	Max	SD	Z-Scr	Value	Sharpe
GO	AA	17	23	11	40	6	-1.00	Rich	0.0
	A	25	51	16	86	13	-1.96	Rich	0.5
HOSP	AA	24	35	17	60	7	-1.49	Rich	0.9
	A	49	63	42	102	8	-1.71	Rich	4.0
HI ED	AA	13	22	4	40	8	-1.10	Rich	-0.6
	A	38	49	29	94	11	-1.02	Rich	1.9
TRANS	AA	15	23	10	47	8	-1.09	Rich	-0.4
	A	40	43	23	87	10	-0.34	Fair	2.2
POWER	AA	15	16	3	39	6	-0.11	Fair	-0.4
	A	30	44	25	72	8	-1.79	Rich	1.6
WTR / SWR	AA	18	21	5	41	6	-0.61	Fair	0.0
	A	31	54	26	104	16	-1.38	Rich	0.8
HY	<BBB-	206	264	159	472	74	-0.78	Fair	2.5

Source: Bloomberg

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Market Performance

WEEK ENDING: 6/7/19

INDEX	TOTAL RETURN (%)											YIELD (%)									
	WTD	Jun '19	2Q19	1Q19	2019	12M	12M adj	2018	2017	2016	3Y	5Y	6/7/19	WTD Δ	YTD Δ	Lo 12M	Hi 12M	Mean 12M	Vol 12M	Z-score 12M	Z-score 3Y
TREASURY - TERM																					
TREASURY - ALL	0.33	0.33	2.40	2.11	4.57	7.23	2.23	0.86	2.31	0.63	1.50	2.63	2.01	-0.07	-0.59	2.01	3.12	2.70	0.23	-2.92	-0.32
SHORT	0.21	0.21	1.14	1.22	2.37	4.06	4.29	1.60	0.87	1.25	1.62	1.46	2.11	-0.09	-0.65	2.10	3.14	2.75	0.22	-2.97	0.11
SHORT-INT	0.32	0.32	1.69	2.14	3.86	6.23	3.08	1.14	1.75	1.84	1.98	2.42	2.41	-0.05	-0.57	2.39	3.40	2.99	0.23	-2.56	-0.08
INTRMD	0.35	0.35	1.88	2.59	4.52	7.18	2.84	0.90	2.59	1.78	2.18	2.83	2.66	-0.08	-0.60	2.66	3.61	3.26	0.20	-2.97	-0.42
LONG-INT	0.54	0.54	2.39	3.08	5.55	8.37	2.69	0.16	3.51	2.20	2.07	3.45	2.79	-0.07	-0.66	2.79	3.88	3.45	0.24	-2.72	-0.78
LONG	0.53	0.53	4.26	6.45	10.98	12.34	1.76	-4.55	10.47	5.77	3.78	6.25	3.45	-0.03	-0.58	3.45	4.29	3.95	0.18	-2.90	-1.30
MUNICIPAL - TERM																					
SHORT	0.12	0.12	0.67	1.11	1.79	2.95	7.14	1.78	1.16	0.39	1.46	1.29	1.44	-0.06	-0.49	1.44	2.24	1.85	0.19	-2.15	-0.15
SHORT-INT	0.17	0.17	1.12	1.84	2.97	4.60	6.46	1.78	2.39	0.12	1.95	2.12	1.54	-0.05	-0.57	1.54	2.48	2.05	0.26	-2.21	-0.60
INTRMD	0.21	0.21	1.81	2.74	4.59	6.75	5.58	1.55	4.74	0.28	2.85	3.59	1.83	-0.04	-0.66	1.83	2.90	2.44	0.26	-2.30	-1.18
LONG-INT	0.23	0.23	2.01	2.99	5.05	7.38	5.44	1.46	5.42	0.38	3.12	4.05	1.91	-0.04	-0.69	1.91	3.02	2.54	0.27	-2.32	-1.33
LONG	0.16	0.16	2.80	3.85	6.76	8.18	3.59	0.34	8.19	0.97	3.60	5.80	2.66	-0.02	-0.74	2.66	3.79	3.33	0.27	-2.49	-1.25
MUNICIPAL - QUALITY																					
MUNI-EXEMPT	0.20	0.20	1.89	2.76	4.71	6.47	4.99	1.36	4.95	0.90	2.98	3.94	2.09	-0.03	-0.63	2.09	3.08	2.64	0.23	-2.35	-1.04
MUNI-TAXABLE	0.27	0.27	3.04	3.52	6.67	9.21	2.47	0.95	6.81	4.16	4.02	5.95	3.50	-0.05	-0.54	3.50	4.38	4.05	0.18	-3.03	-1.50
HIGH-GRADE	0.21	0.21	1.72	2.65	4.42	6.50	5.22	1.28	4.22	-0.09	2.45	3.21	1.65	-0.04	-0.64	1.65	2.72	2.25	0.27	-2.25	-0.89
'A' RATED	0.21	0.21	1.95	2.83	4.83	6.61	5.05	1.18	5.40	0.82	2.90	4.25	2.09	-0.03	-0.67	2.09	3.11	2.67	0.24	-2.36	-0.98
'BBB' RATED	0.26	0.26	2.57	3.30	5.95	7.83	5.57	1.54	7.97	0.94	4.01	5.46	2.60	-0.03	-0.76	2.60	3.63	3.22	0.24	-2.62	-1.54
HIGH YIELD	0.22	0.22	2.42	3.83	6.34	8.22	3.96	4.76	9.69	3.52	6.12	6.64	4.44	-0.01	-0.56	4.44	5.19	4.86	0.18	-2.40	-1.68
MUNICIPAL - SECTOR																					
PRE-RE	0.12	0.12	0.61	1.12	1.74	2.92	6.57	1.64	1.07	0.32	1.35	1.28	1.39	-0.06	-0.45	1.39	2.14	1.77	0.18	-2.06	-0.02
GO	0.20	0.20	1.87	2.68	4.60	6.48	4.79	1.14	4.56	0.08	2.60	3.40	1.89	-0.03	-0.63	1.89	2.93	2.48	0.25	-2.33	-0.82
DED TAX	0.25	0.25	2.17	3.12	5.36	7.31	5.29	1.92	3.73	1.92	2.93	3.70	2.25	0.00	-0.59	2.25	3.20	2.78	0.23	-2.33	-1.44
WTR-SWR	0.21	0.21	1.93	2.79	4.77	6.60	4.57	1.01	5.31	0.53	2.79	4.16	1.93	-0.03	-0.66	1.93	3.01	2.54	0.26	-2.34	-1.10
PUB PWR	0.21	0.21	1.73	2.48	4.25	6.09	5.42	1.38	3.20	1.18	2.47	3.47	1.85	-0.04	-0.63	1.85	2.85	2.42	0.24	-2.39	-1.64
HEALTH CARE	0.22	0.22	2.19	3.18	5.44	7.09	4.55	1.23	7.00	1.24	3.80	5.30	2.63	-0.04	-0.70	2.63	3.67	3.23	0.24	-2.47	-1.02
HIGHER ED	0.22	0.22	2.13	3.01	5.20	7.07	4.64	1.18	6.20	0.62	3.11	4.57	2.30	-0.03	-0.66	2.30	3.33	2.89	0.24	-2.43	-1.11
TRANSPORT	0.21	0.21	2.18	3.11	5.36	7.15	5.12	0.95	6.25	0.93	3.31	4.62	2.12	-0.03	-0.73	2.12	3.22	2.75	0.26	-2.41	-1.13
HOUSING	0.25	0.25	1.79	2.86	4.70	6.09	3.64	1.13	5.59	1.52	3.53	4.38	2.65	-0.05	-0.54	2.65	3.55	3.15	0.20	-2.41	-1.67
TOBACCO	0.09	0.09	1.48	3.92	5.46	3.41	1.00	3.60	17.82	6.17	7.57	11.56	4.42	0.04	-0.43	3.18	5.09	4.29	0.62	0.21	-0.42
IDB	0.20	0.20	1.99	3.04	5.09	6.26	5.44	1.56	6.41	1.53	3.53	5.01	2.62	-0.05	-0.65	2.62	3.53	3.13	0.22	-2.35	-1.44
GLOBAL / CORP / EQUITY																					
S&P 500	4.41	4.41	1.37	13.07	14.62	4.51	0.29	-6.24	19.42	10.77	12.85	9.78	2.11	-0.09	-0.27	1.84	2.35	2.01	0.11	0.16	-0.08
GLOBAL AGG	1.20	1.20	2.27	2.20	4.52	4.75	1.64	-1.20	7.39	1.77	1.61	1.29	1.57	-0.07	-0.45	1.57	2.27	2.00	0.16	-2.78	-0.50
US CORP-IG	0.54	0.54	2.53	5.14	7.81	8.74	2.63	-2.51	6.42	5.84	3.72	4.19	3.37	-0.07	-0.84	3.37	4.37	3.97	0.24	-2.51	-0.32
US CORP-HY	0.91	0.91	1.13	7.26	8.47	5.91	1.85	-2.08	7.50	18.37	7.51	4.92	6.24	-0.33	-1.71	6.10	8.12	6.62	0.45	-0.84	0.07

Rich Fair Cheap
Rich/Cheap +/- 100 Z-scr

Rates & Ratios

	This Wk	Last Wk	End Qtr	End Yr	Mean	Value	WTD	MTD	QTD	YTD	
	6/7/19	5/31/19	3/29/19	12/31/18	12M	3Y	Perf	Perf	Perf	Perf	
AAA MMD / UST							Ratios	Ratios	Ratios	Ratios	
2 Yr	70%	74%	65%	71%	67%	75%	Fair Fair	-4.7 Out	-4.7 Out	4.5 Under	-1.9 Out
5 Yr	71%	75%	69%	78%	72%	76%	Fair Fair	-4.6 Out	-4.6 Out	1.5 Under	-7.3 Out
10 Yr	75%	78%	76%	86%	82%	87%	Rich Rich	-2.9 Out	-2.9 Out	-0.9 Out	-10.9 Out
30 Yr	88%	91%	92%	101%	97%	97%	Rich Rich	-3.0 Out	-3.0 Out	-4.0 Out	-13.6 Out
UST							BPS	BPS	BPS	BPS	
2 Yr	1.90	1.87	2.29	2.49	2.56	1.81	Rich Fair	2.6	2.6	-39.3	-59.2
5 Yr	1.91	1.89	2.27	2.49	2.63	2.15	Rich Fair	2.3	2.3	-36.1	-57.7
10 Yr	2.14	2.11	2.44	2.65	2.79	2.46	Rich Fair	2.9	2.9	-30.3	-50.7
30 Yr	2.63	2.56	2.84	2.98	3.06	2.91	Rich Rich	6.5	6.5	-21.1	-35.8
AAA MMD							BPS	BPS	BPS	BPS	
2 Yr	1.32	1.39	1.49	1.78	1.71	1.31	Rich Fair	-7.0	-7.0	-17.0	-46.0
5 Yr	1.35	1.42	1.57	1.94	1.90	1.61	Rich Fair	-7.0	-7.0	-22.0	-59.0
10 Yr	1.61	1.65	1.86	2.28	2.29	2.12	Rich Rich	-4.0	-4.0	-25.0	-67.0
30 Yr	2.30	2.32	2.60	3.02	2.97	2.83	Rich Rich	-2.0	-2.0	-30.0	-72.0

*Rich/Cheap: +/- 1.0 Z-Score

Muni Primary Market

Gross Supply (\$ in millions)

	As of 6/7/19
Last Week	7,864.8
12wk Moving Avg.	6,332.2
YTD	138,986.5

Source: Bloomberg

Weekly Visible Supply (\$ in millions)

	Week of 6/10/19
Total	10,276.4
Comp.	3,578.9
Neg.	6,697.5

Source: Bloomberg, Ramirez

30-Day Visible Supply (\$ in millions)

	Current Total	2019 High		2019 Low	
		\$	Date	\$	Date
Total	12,721.9	12,721.9	(6/7)	4,339.1	(2/14)
Comp.	5,708.9	6,392.8	(6/3)	1,791.7	(2/5)
Neg.	7,013.0	7,151.7	(2/1)	1,482.4	(3/6)

Source: Bond Buyer

Top Competitive Issuances Coming to Market

Issuer	State	Amount (\$ 000's)
Pennsylvania Cmwlth	PA	900,490
Ohio St	OH	300,000
Santa Clara Co Fin Auth	CA	265,370
Pennsylvania St Univ	PA	226,000
Beverly Hills Unif SD	CA	160,000

Source: Bloomberg

Top Negotiated Issuances Coming to Market

Issuer	State	Amount (\$ 000's)
Kansas City Arpt Indl	MO	851,335
NY City Hsg Dev Corp	NY	660,560
MI Fin Auth (McLaren Health Care Corp)	MI	574,915
Los Angeles Dept Arpts	CA	433,910
Lansing Brd Wtr & Light	MI	325,065

Source: Bloomberg

Ramirez Negotiated Issuances Coming to Market

Underwriters will attempt to market \$10.3 bil. of munis in the week of 6/10, led in the negotiated space by \$851 mil. Kansas City Airport, \$661 mil. NYC HDC, and \$575 mil. McLaren Health. The competitive calendar is highlighted by \$900 mil. Pennsylvania, \$300 mil. Ohio, and \$265 mil. Santa Clara Co.

Issuer	State	Amount (\$ 000's)	Senior Manager	Ramirez Role
Municipal Improvement	CA	180,935	MS	Co-Senior
NY City Hsg Dev Corp	NY	660,560	JPM/MS	Co-Manager
MA Hsg Fin Agy	MA	70,855	BAML	Co-Manager
Azusa	CA	29,005	Stifel	Co-Manager

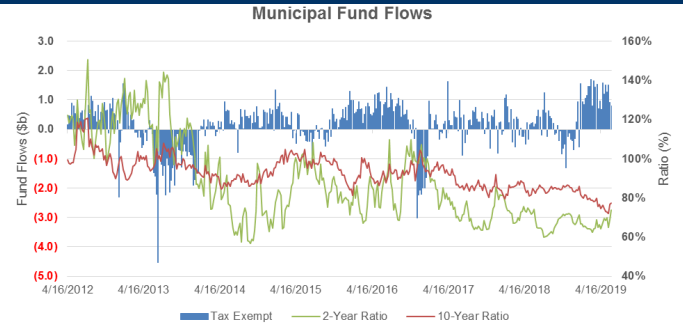
Economic Calendar

Monday (6/10)	Tuesday (6/11)	Wednesday (6/12)	Thursday (6/13)	Friday (6/14)
U.S. to Sell USD36 Bln 3-Month Bills	NFIB Small Business Optimism	MBA Mortgage Applications	Import Price Index MoM	Retail Sales Advance MoM
U.S. to Sell USD36 Bln 6-Month Bills	PPI Final Demand MoM	CPI MoM	Initial/Continuing Jobless Claims	Retail Sales Ex Auto MoM
	PPI Ex Food and Energy MoM	CPI Ex Food and Energy MoM	Bloomberg Consumer Comfort	Retail Sales Ex Auto and Gas
	PPI Final Demand YoY	CPI YoY	U.S. to Sell 4-Week Bills	Industrial Production MoM
	PPI Ex Food and Energy YoY	Monthly Budget Statement	U.S. to Sell 8-Week Bills	Capacity Utilization
	U.S. to Sell USD38 Bln 3-Year Notes	U.S. to Sell USD24 Bln 10-Year Notes Reopening	U.S. to Sell USD16 Bln 30-Year Bonds Reopening	U. of Mich. Sentiment

Source: Bloomberg

Muni Market Demand

Tax-exempt mutual funds reported inflows for the 22nd consecutive week with inflows of \$793 mil. for the week ended June 5th. This compares to the 12-week moving average of a \$1.17 billion inflow.

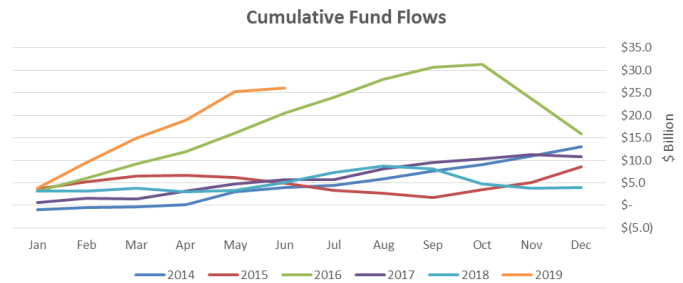


Source: Lipper Fund Flows

US Lipper Fund Flows

Sector	Flow Change (\$B)	YTD (\$B)
Tax-Exempt	Inflow; 0.793	Inflow: 26.077
Money Market	Inflow: 5.868	Inflow: 99.624
Taxable	Inflow: 4.932	Inflow: 50.932
Equities	Outflow: -12.215	Outflow: -93.309

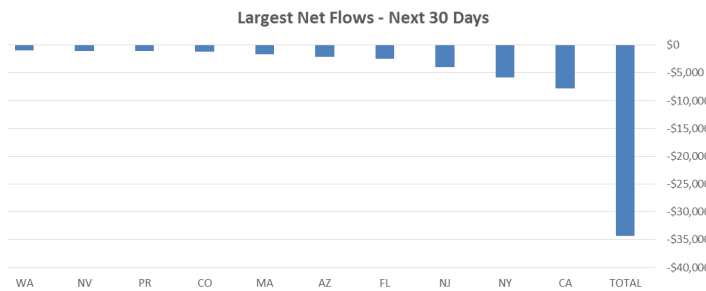
Source: Lipper Fund Flows



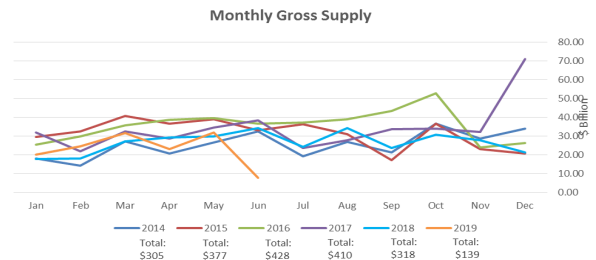
Source: Bloomberg

Muni Market Supply

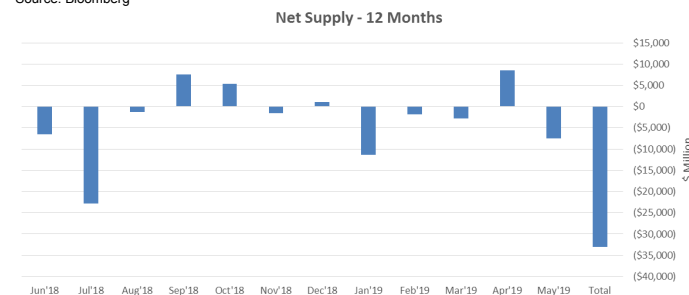
Over the next 30 days, we see net muni market supply at -\$34.32 bil., comprised of \$12.29 bil. new issues, \$34.12 bil. maturing, and \$12.48 bil. announced calls. The states that stand to experience the largest change in outstanding debt include California (-\$7.79 bil.), New York (-\$5.85 bil.), New Jersey (-\$3.98 bil.), Florida (-\$2.48 bil.), and Arizona (-\$2.12 bil.).



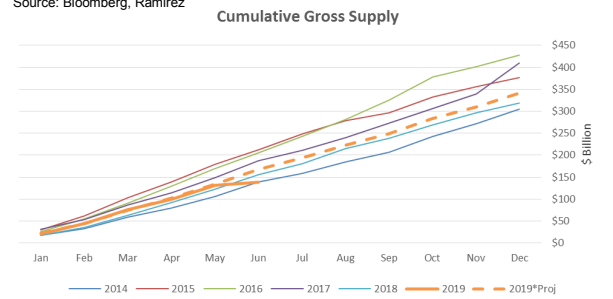
Source: Bloomberg



Source: Bloomberg, Ramirez



Source: Bloomberg



Source: Bloomberg, Ramirez

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¹ For purposes of the debt Rule FINRA 2242, a "debt security" excludes any equity security, municipal security and security-based swap (each as defined under the Exchange Act) and any US Treasury (as defined in FINRA Rule 6710 (p)).