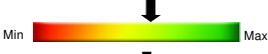
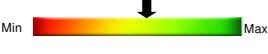
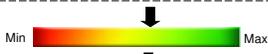
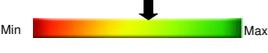
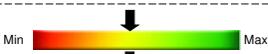
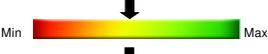
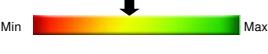


## Trading Desk Commentary

With a shortened holiday trading week for most US/European desks, all eyes were on this morning's Nonfarm Payrolls number. Employers added only 126,000 workers in March, significantly below the expected 245,000 survey. The increase was the lowest since December 2013. Adding to the disappointment, January and February numbers were revised down a net 69,000. Treasuries rallied on the news and markets, as of this writing, are showing 10s down 9 bps to a 1.83% and 30s down 6 bps to a 2.47%. Additional economic releases this week were mixed. A weaker than expected ADP Employment Change number on Wednesday was partially offset by a surprising slight decrease in Initial Jobless Claims on Thursday. Sovereign bonds are extending their rally as global markets continue to digest the ECB's quantitative easing measures. We are seeing more and more countries forced to issue debt at record lows. Both Italy and France auctioned 10Y debt this week at 1.34% and .47% respectively, levels that keep pressure on Treasury yields as they remain an attractive investment for foreign money. This week's softer data coupled with low sovereign yields supports our thesis that interest rates should remain suppressed, backing our slightly longer than benchmark duration positioning.

Muni market dynamics were more of the same this week with heavy secondary volume trailing off into a thinly staffed, early Friday close. We believe the smaller primary market calendar over the next couple of weeks will help clear some dealer balances. Until then we are continuing to find in new issues some marginal value over secondary offerings. Intermediate munis continue to trade at or greater than 100% of treasuries, and the healthcare sector was highlighted as a top performer in March. The MSRB is not transmitting trades today so munis will have to wait till next week to find their post-Nonfarm report price discovery. The treasury rally spurred by the jobs miss will be the headline carried through the weekend and we expect some volatility to start off next week's trading.

## Caprin Strategy Summary

Name	Target Duration Position	Target Maturity Range	Highlights
Short Maturity Muni			Prefer Hlth, Hsg, Pwr to G.O.'s for Yield
Low Duration Taxable			Prefer Corporates and Taxable Munis
Intermediate Muni			Prefer Hlth, Hsg, Pwr to G.O.'s for Yield
Intermediate Taxable			Prefer Corporates and Taxable Munis
Tactical Muni ETF			Overweight to CA
Core Plus ETF			Slight Overweight to Corporates
Tactical Opportunity ETF			Neutral Munis to Taxables

## Market Overview

Muni Rates	Current Wk	Yld Change	Prior Wk	Muni to UST
2 Year	0.51	0.02	0.49	109%
5 Year	1.23	-0.01	1.24	98%
10 Year	1.93	-0.03	1.96	105%
30 Year	2.80	0.00	2.80	113%

UST Rates			
2 Year	0.47	-0.12	0.59
5 Year	1.25	-0.18	1.43
10 Year	1.84	-0.12	1.96
30 Year	2.48	-0.06	2.54

	Current Wk	Prior Wk
<b>Weekly Municipal Supply (\$ Bln)</b>		
Negotiated	\$4.79	\$6.05
Competitive	\$1.93	\$0.93
<b>TOTAL</b>	<b>\$6.72</b>	<b>\$6.98</b>

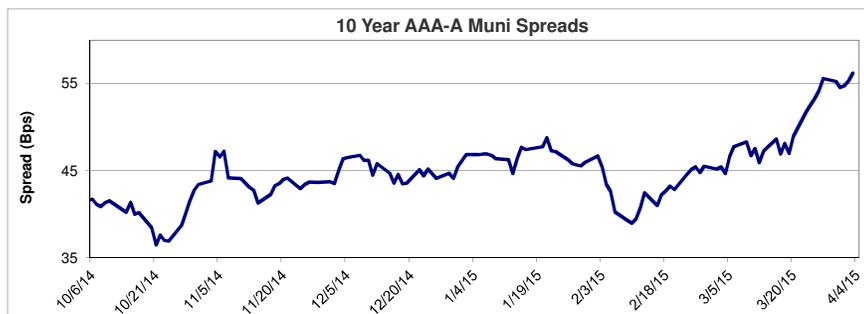
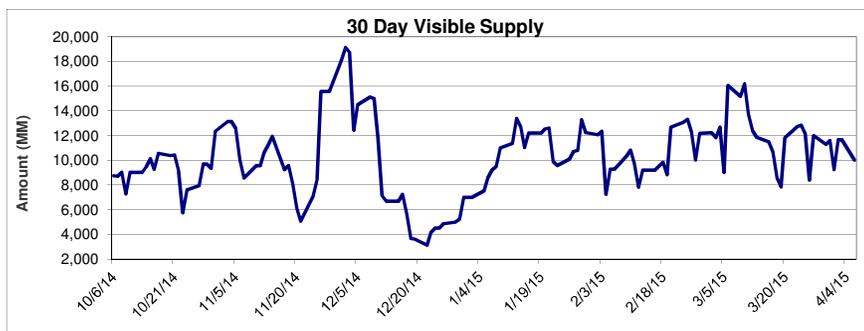
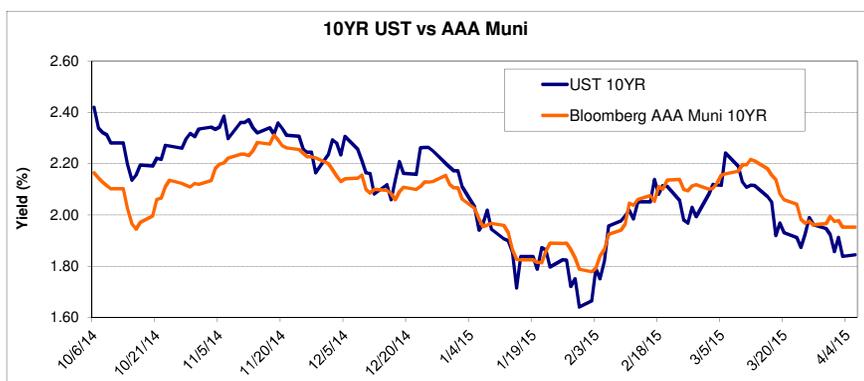
<b>Municipal 30 Day Visible Supply (\$ Bln)</b>	<b>\$11.65</b>	<b>\$11.99</b>
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<b>Bloomberg Muni PICK Offerings (\$ Bln)</b>	<b>\$3.69</b>	<b>\$4.66</b>
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<b>Bond Buyer 20 Municipal G.O. Index</b>	<b>3.49%</b>	<b>3.52%</b>
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### Select Economic Releases

Date	Event	Period	Survey	Prior
4/6	Markit US Services PMI	Mar F	58.60	58.60
4/6	ISM Non-Manf. Composite	Mar	56.50	56.90
4/8	MBA Mortgage Applications	3-Apr	--	4.60%
4/9	Initial Jobless Claims	4-Apr	284K	268K
4/9	Wholesale Inventories MoM	Feb	0.20%	0.30%
4/10	Import Price Index MoM	Mar	-0.40%	0.40%
4/10	Monthly Budget Statement	Mar	-\$43.0B	--



**Explanation of Key Measures :**

**Weekly Municipal Supply** - The total dollar volume of municipal securities expected to be offered during the upcoming week, broken down by deal type. This helps gauge near term supply and momentum along with the 30 day visible figure.

**30 Day Visible Supply** - The total dollar volume of municipal securities expected to be offered over the next 30 days. The visible supply, which is compiled and published by The Bond Buyer, indicates the near-term activity in the municipal market.

**Bloomberg PICK Offerings** - The total dollar amount of offerings listed on Bloomberg's dealer offerings system. The figure helps gauge secondary supply in the market.

**AAA-A Muni Spreads** - The difference in yield, as expressed in basis points (.01%), between the Bloomberg BVAL AAA 10 Year Benchmark Muni Index and the BVAL A Revenue 10 Year Muni Index.

**Bond Buyer 20 G.O. Index** - Index published weekly representing the average yield of 20 G.O. bonds with 20 year maturities, rated AA2 by Moody's.

**Sources:** Weekly municipal supply figures, and municipal rates are produced by Thompson Reuter (Municipal Market Data). 30 day visible figures are obtained through The MuniCenter, and produced by The Bond Buyer. The 20 G.O. index yield is obtained through Bloomberg, and produced by The Bond Buyer. Pick offerings par value, UST supply, economic releases, and UST rates are obtained through Bloomberg Professional Service. Information obtained from these sources is believed to be reliable but is not guaranteed.

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