

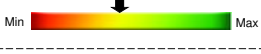







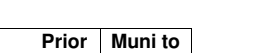


Trading Desk Commentary

With the holiday shortened week and a thin economic calendar, fixed income trading flows were noticeably light across the board with benchmark US interest rates largely unchanged week over week. Treasuries and comparable euro debt rallied early in the week following the terrorist attack in Brussels but the risk off trade did not sustain itself. The markets received their third and final look at US GDP for Q4 15 that printed a 1.4%, slightly higher than the 1.0% survey number. Due to the US markets Good Friday closure, reaction was delayed until Monday and we don't expect much of an adjustment to rates given it was only a slight surprise to the upside. As volatility in Oil continues to drop, on a weekly rolling basis, prices have found footing around \$39-\$41/barrel with levels continuing to be propped up by dollar weakness. Heading into the end of Q1 2016 we don't expect increased fixed income trading flow or volatility given seasonal balance sheet consolidation and squaring up for quarter end.

Most of the week's muni new issue loans priced Tuesday and Wednesday with the early close and subsequent holiday. Muni yields, in line with their taxable counterparts, were largely unchanged with slight bumps out in the longer dated maturities. Specialty state Mid-Atlantic new issues remained a priority as we focused on two primary loans in North and South Carolina - the \$34.59M Durham NC Refunding Revenue (Aa1/AA+) loan and the \$17.95M Beaufort County SC GO (Aa1/AA+). Fund flows remain positive for the 25th consecutive week showcasing steady demand throughout the sector. Munis have underperformed their taxable equivalents year to date due to technical weakness on seasonal new issuance but this will likely not persist as we end Q1 and push further into the year. On the credit front, the Detroit Public School system continues to face difficulties as the state senate is about to vote on legislation that would address a complete system overhaul. Light economic and forecasted new issuance calendars should result in a relatively quiet week ahead. We hope everyone had a good long holiday weekend with friends and family.

Caprin Strategy Summary

Name	Target Duration Position	Target Maturity Range	Highlights
Short Maturity Muni		0 YRS  5 YRS	Prefer Hlth, Hsg, Pwr to G.O.'s for Yield
Low Duration Taxable		0 YRS  5 YRS	Slightly Shorter Positioning Given Volatility
Intermediate Muni		0 YRS  17 YRS	Neutral Positioning Given Global Weakness
Intermediate Taxable		0 YRS  12 YRS	Neutral Positioning Given Global Weakness
Tactical Muni ETF			Neutral Duration, Overweight to CA
Core Plus ETF			Neutral Duration, Overweight to Treasuries
Tactical Opportunity ETF			Neutral Duration, Neutral Munis to Taxables

Market Overview

Muni Rates	Current Wk	Yld Change	Prior Wk	Muni to UST
2 Year	0.67	0.00	0.67	77%
5 Year	1.12	0.00	1.12	81%
10 Year	1.82	-0.01	1.83	96%
30 Year	2.76	-0.03	2.79	103%

UST Rates

2 Year	0.87	0.03	0.84
5 Year	1.38	0.05	1.33
10 Year	1.90	0.03	1.87
30 Year	2.67	0.00	2.68

	Current Wk	Prior Wk
Weekly Municipal Supply (\$ Bln)		
Negotiated	\$4.27	\$4.80
Competitive	\$1.65	\$0.80
TOTAL	\$5.92	\$5.60

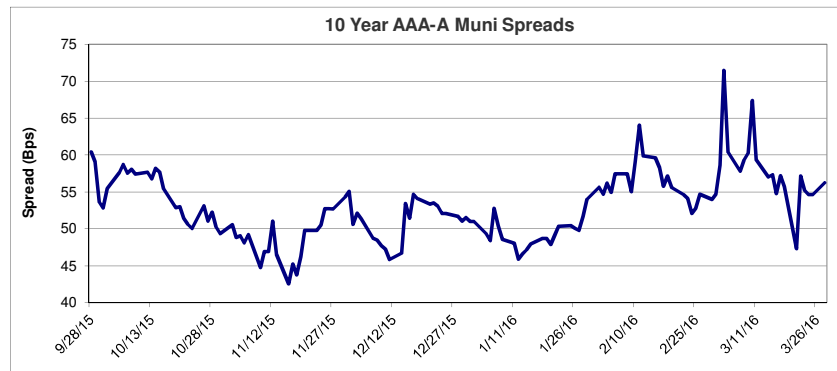
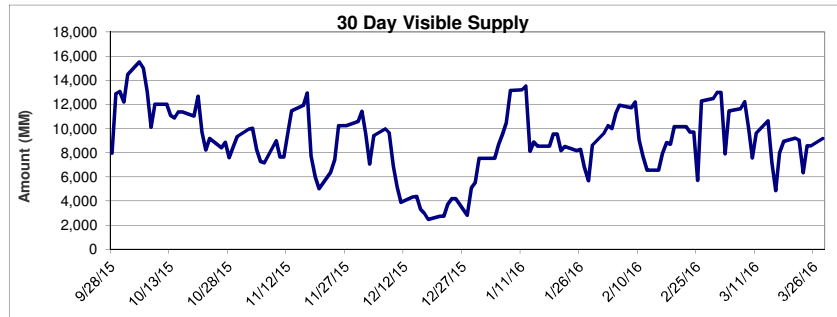
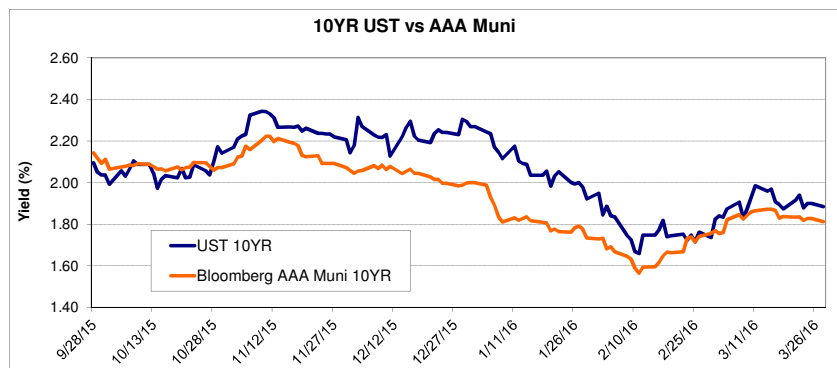
Municipal 30 Day Visible Supply (\$ Bln)	\$8.58	\$8.93
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Bloomberg Muni PICK Offerings (\$ Bln)	\$13.69	\$13.39
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Bond Buyer 20 Municipal G.O. Index	3.40%	3.40%
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Select Economic Releases

Date	Event	Period	Survey	Prior
3/28	Personal Income	Feb	0.10%	0.50%
3/28	Personal Spending	Feb	0.10%	0.50%
3/29	Consumer Confidence Index	Mar	94	92.2
3/30	MBA Mortgage Applications	25-Mar	--	-3.30%
3/30	ADP Employment Change	Mar	195k	214k
3/31	Initial Jobless Claims	26-Mar	265k	265k
4/1	Change in Nonfarm Payrolls	Mar	210k	242k
4/1	ISM Manufacturing	Mar	50.7	49.5
4/1	U. of Mich. Sentiment	Mar F	90.5	90.0
4/1	Markit US Manufacturing PMI	Mar F	51.5	51.4
4/1	Unemployment Rate	Mar	4.90%	4.90%



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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