












Trading Desk Commentary

In what has become the new norm of 'stop and go' trading, this week had no shortage of events to exacerbate that trend. The market repriced the odds of a republican president taking office in January after the FBI re-opened the case against former Secretary Clinton regarding her private email servers and questionable handling of classified info. After promising a rapid response before the election on November 8th, late Sunday the 6th Director Comey and Co released a statement reaffirming their original conclusion recommending that no charges be filed. Global equity markets reacted well snapping losing streaks on all major US indices and starting the week strongly. Rates continued to soften and furthered the upward trajectory that had taken hold of the markets last week. As expected, the FOMC did not adjust their Fed Funds bands higher at last week's meeting, but they definitely set the stage for a December hike barring any unforeseen, tumultuous 'financial conditions' (i.e a volatile overreaction to the US election outcome). What investors are recognizing at this point, with regard to near term strategy, is that the outcome of the election takes a backseat to how global financial markets react to the result, and that is what we will be watching closely.

Although there are hints that the heavy muni supply calendar will lighten, secondary traders remain unconvinced and are slow to hit down bids. Primary issuance has remained our focus as solid credits are being priced very competitively and the relative value is abundantly clear. This is particularly true in the specialty mid-Atlantic states where we focus much effort. Although the upcoming week's primary calendar is hardly small, given the election we expect an uptick as underwriters attempt to avoid unwanted market volatility.

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, Overweight to Taxables

Market Overview

Muni Rates	Current Wk	Yld Change	Prior Wk	Muni to UST
2 Year	0.82	-0.02	0.84	99%
5 Year	1.12	-0.02	1.14	91%
10 Year	1.70	-0.04	1.74	96%
30 Year	2.53	-0.04	2.57	99%

UST Rates			
2 Year	0.83	-0.03	0.85
5 Year	1.23	-0.09	1.32
10 Year	1.78	-0.07	1.85
30 Year	2.56	-0.05	2.62

	Current Wk	Prior Wk
Weekly Municipal Supply (\$ Bln)		
Negotiated	\$2.87	\$6.73
Competitive	\$2.13	\$1.75
TOTAL	\$5.00	\$8.48

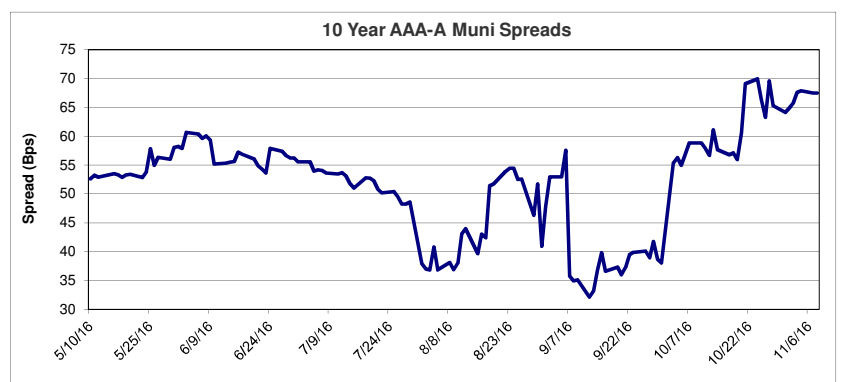
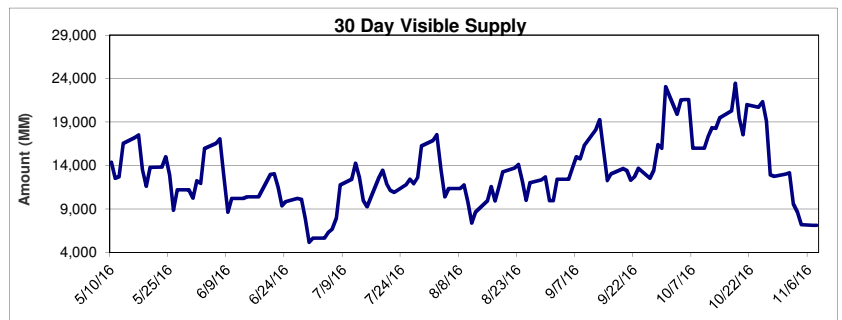
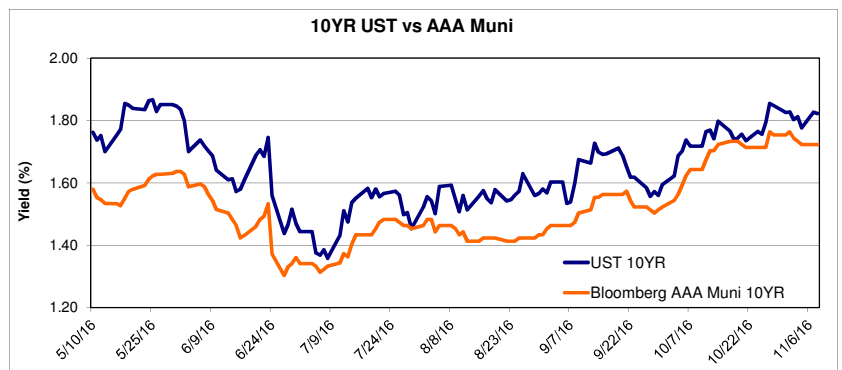
Municipal 30 Day Visible Supply (\$ Bln)	\$7.21	\$12.76
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Bloomberg Muni PICK Offerings (\$ Bln)	\$19.28	\$17.58
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Bond Buyer 20 Municipal G.O. Index	3.27%	3.32%
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Select Economic Releases

Date	Event	Period	Survey	Prior
11/7	Consumer Credit	Sep	\$17.500b	\$25.873b
11/8	NFIB Small Business Optimism	Oct	94.1	94.1
11/8	JOLTS Job Openings	Sep	5488	5443
11/9	MBA Mortgage Applications	4-Nov	--	-1.20%
11/9	Wholesale Inventories MoM	Sep F	0.20%	0.20%
11/9	Mortgage Delinquencies	3Q	--	4.66%
11/10	Initial Jobless Claims	5-Nov	260k	265k
11/10	Monthly Budget Statement	Oct	-\$75.0b	-\$136.6b
11/10	Continuing Claims	29-Oct	2025k	2026k
11/10	Bloomberg Consumer Comfort	6-Nov	--	44.6
11/11	U. of Mich. Sentiment	Nov P	88	87.2



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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