

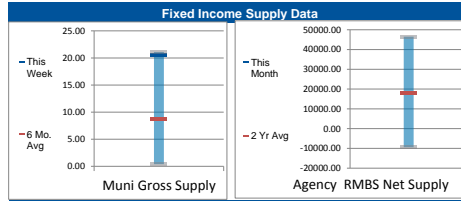
Market Facts, News, and Commentary

12/11/2017

Yields

Year	UST		Muni Taxable		Muni Gen. Mkt.		Muni BQ	
	Yield	Change 4-Dec	Yield	Change 4-Dec	Yield	Change 4-Dec	Yield	Change 4-Dec
2018	1.65	0.04	1.33	0.01	1.21	-0.04	1.31	-0.04
2019	1.78	-0.02	1.99	0.02	1.43	-0.10	1.53	-0.10
2020	1.90	-0.02	2.16	0.03	1.47	-0.09	1.57	-0.09
2021	2.05	-0.02	2.32	0.03	1.53	-0.11	1.63	-0.11
2022	2.12	-0.03	2.49	0.04	1.61	-0.11	1.71	-0.11
2023	2.15	-0.02	2.59	0.03	1.68	-0.11	1.78	-0.11
2024	2.21	-0.02	2.69	0.02	1.74	-0.12	1.84	-0.12
2025	2.24	-0.04	2.78	0.02	1.80	-0.13	1.90	-0.13
2026	2.29	-0.04	2.88	0.02	1.87	-0.13	2.02	-0.13
2027	2.36	-0.04	2.98	0.01	1.95	-0.12	2.15	-0.12
2028	2.37	-0.04	3.04	0.01	2.04	-0.10	2.24	-0.10
2029	2.37	-0.04	3.10	0.01	2.10	-0.11	2.30	-0.11
2030	2.38	-0.04	3.16	0.01	2.16	-0.10	2.41	-0.10
2031	2.39	-0.04	3.22	0.01	2.21	-0.10	2.46	-0.10
2032	2.40	-0.04	3.28	0.01	2.26	-0.10	2.56	-0.10
2033	2.43	-0.04	3.31	0.01	2.31	-0.10	2.61	-0.10
2034	2.45	-0.04	3.35	0.01	2.35	-0.11	2.65	-0.11
2035	2.47	-0.04	3.39	0.01	2.39	-0.12	2.69	-0.12
2036	2.50	-0.04	3.43	0.01	2.42	-0.12	2.72	-0.12
2037	2.52	-0.05	3.47	0.01	2.45	-0.12	2.75	-0.12
2047	2.74	-0.05	3.57	0.01	2.56	-0.12		

Sector Snapshot

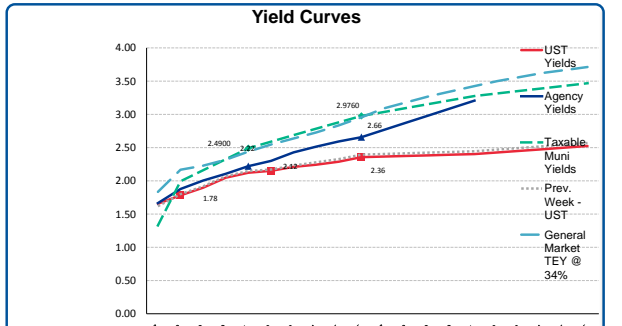
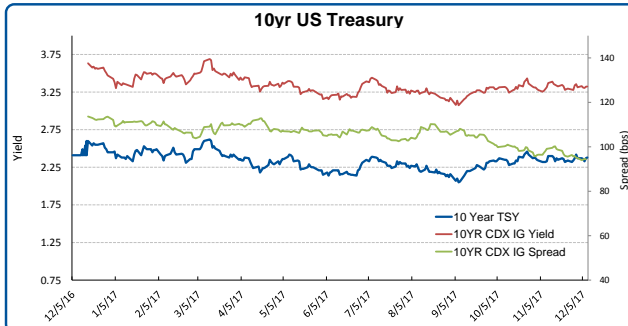
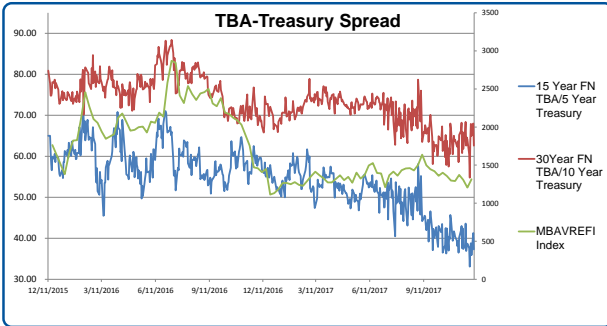


Term	Cpn	All-In
2 Yr/NC 3mo.	2.05%	2.25%
3 Yr/NC 3mo.	2.15%	2.33%
4 Yr/NC 3mo.	2.30%	2.48%
5 Yr/NC 3mo.	2.45%	2.62%
7 Yr/NC 3mo.	2.65%	2.81%
10 Yr/NC 3mo.	2.90%	3.06%

Floating Rate Products		Agency Issuance			
Short/Long SBA	1.71%	3yr NC1	2.07%		
Bankrate 7/1 ARM		5yr NC1	2.45%		
Post Reset ARM	1.90%	7yr NC1	2.80%		
		10yr NC1	3.24%		
Mortgage Rates		New Prod Payup - Loan Balance			
Bankrate 30 Year	3.80%	30yr	85k	110k	150k
Bankrate 15 Year	3.14%	3.50	34	30	23
Freddie Survey Mtge Rate	3.94%	4.00	65	55	44
		4.50	96	82	66
Current Coupons		CMBS 2.0/3.0 10 Year Spread (bps)			
FNMA 30-YR	3.01%	Time Lag	Today	1 Month	6 Month
GNMA 30-YR	2.87%	CMBS AAA	87	84	95
FHLMC 30-YR	3.03%	CMBS BBB-	415	415	480

Spreads

Year	Swap-UST Spreads		Agency Spread		Taxable Spreads		Gen. Mkt. TEY @ 34%	
	(bps)	Change 4-Dec	(bps)	(bps)	(bps)	(bps)	(bps)	(bps)
2018	17	0	1	-33	18			
2019	20	4	9	21	38			
2020	18	0	11	26	33			
2021	13	0	6	28	27			
2022	6	-2	10	37	32			
2023	3	0	15	44	40			
2024	0	-1	22	48	43			
2025	1	1	27	54	48			
2026	0	1	30	59	55			
2027	1	1	30	62	60			
2028	4	1		67	73			
2029	6	1		72	81			
2030	16	8		77	89			
2031	19	9		82	96			
2032	3	3		87	102			
2033	2	2		89	107			
2034	1	2		90	111			
2035	0	2		92	115			
2036	-2	2		93	117			
2037	-2	0		94	119			
2047	-20	0		83	120			



Debt	Close	5 Day Change (bp)	
		Close	Change (%)
1-Month Libor	1.43	4.71	
3-Month Libor	1.54	3.62	
Fed Funds - 30	1.29		
Fed Funds - 90	1.40		
Equity	Close	5 Day Change (%)	
		Close	Change (%)
DJIA	24,329	0.24	
S&P 500	2,652	0.51	
NASDAQ	6,840	1.21	
Commodity	Close	5 Day Change	
		Close	Change
Gold	1,249	(28.94)	
Crude Oil	57.36	0.20	
Heating Oil	192.88	5.43	

Economic Calendar

Date	Event	Period	Survey	Prior	Revised
12/12/2017	Initial Jobless Claims	9-Dec	239k	236k	--
12/12/2017	FOMC Rate Decision (Upper Bound)	13-Dec	1.50%	1.25%	--
12/12/2017	CPI MoM	Nov	0.40%	0.10%	--
12/12/2017	MBA Mortgage Applications	8-Dec	--	--	--
12/12/2017	Retail Sales Advance MoM	Nov	0.30%	0.20%	--
12/13/2017	Markit US Manufacturing PMI	Dec P	53.6	53.9	--
12/13/2017	Industrial Production MoM	Nov	0.30%	0.90%	--
12/13/2017	PPI Final Demand MoM	Nov	0.30%	0.40%	--
12/13/2017	Empire Manufacturing	Dec	18.3	19.4	--
12/13/2017	Import Price Index MoM	Nov	0.70%	0.20%	--
12/14/2017	CPI Ex Food and Energy MoM	Nov	0.20%	0.20%	--
12/14/2017	Monthly Budget Statement	Nov	-\$134.5b	-\$136.7b	--
12/14/2017	Net Long-term TIC Flows	Oct	--	\$80.9b	--
12/14/2017	Markit US Services PMI	Dec P	54.2	54.5	--
12/14/2017	Markit US Composite PMI	Dec P	--	54.5	--
12/14/2017	PPI Final Demand YoY	Nov	2.90%	2.80%	--

Commentary

U.S. stock-index futures traded modestly higher Monday, with the main equity benchmarks poised to hit fresh records ahead of Wednesday's Federal Reserve meeting and important inflation data.

Bitcoin Futures surged as much as 26% in their debut session (opening \$15,000) on CBOE Global Markets Inc.'s exchange, triggering two temporary trading halts designed to calm the market.

This week, central banks around the world will make their final monetary policy decisions of 2017, with the Federal Reserve beginning its two-day policy meeting on Tuesday of this week. Officials have signaled they are likely to vote to raise their benchmark short-term interest rate by 0.25%.

Oil futures bounced back from lower levels this morning even as the U.S. drilling activity pointed to a further increase in American production, countering OPEC-led output cuts. Brent and WTI settled more than 1% higher on Friday, and prices have gained well over a third from 2017 lows.

Spain's economy minister has dismissed the prospect of any adverse economic fallout from the crisis in Catalonia, sticking to the government's end-of-year growth forecast of 3.1 percent from a year earlier. During the height of the political unrest in October, retail sales dropped and almost 3,000 companies moved their headquarters out of Catalonia.

Notes: (1) General Market Yields are quoted for 5% coupon assumption (2) BQ yields assume par-ish coupons to soft premiums (3) Floating rate yields are quoted at base case speed assumptions (4) CMBS spreads have a 1 week time delay.