

Advisors to Secure CUSIPS on Competitive Issues

Effective June 19, 2018, the Municipal Securities Rulemaking Board (MSRB) amended its Rule G-34, with regard to the application of CUSIP numbers. CUSIP is an acronym that refers to the Committee on Uniform Security Identification Procedures and the nine-digit, alphanumeric CUSIP numbers that are used to identify securities, including municipal bonds. A CUSIP number is assigned to each maturity of a municipal security issue. Among other things, the amendments to Rule G-34 place a requirement on municipal advisors to obtain a CUSIP number when advising an issuer on a competitive sale of notes or bonds. Prior to the change in the rule, underwriters applied for CUSIPs in connection with submitting their bids. The new rule requires a municipal advisor advising an issuer with respect to a competitive sale of a new issue of municipal securities to make an application by no later than one business day after the dissemination of a Notice of Sale or other such request for bids. Such application for the CUSIP number assignment shall be made at a time sufficient to ensure final CUSIP number assignment occurs prior to the award of the issue. The amendment to Rule G-34 now puts the responsibility on the municipal advisor to ensure that CUSIP numbers are applied for in a timely manner.

FOMC Raises Rates for 3rd Time in 2018

The Federal Reserve raised interest rates at its September meeting for the third time in 2018. The decision, which was expected, is a sign of increased confidence in the US economy. Policymakers were unanimous in their agreement to raise the federal funds rate a quarter percentage point, to a range of 2% to 2.25%. The rate helps determine rates for mortgages, credit cards and other consumer borrowing and trickles through the economy, eventually impacting the municipal securities market. The Fed also raised expectations for a fourth rate hike in December, with a majority of its members now in favor of such a move. In June, policymakers were split on whether the Fed should raise rates three times this year or four. Looking ahead to 2019, Fed officials expect at least three rate hikes will be necessary, and one more in 2020. The Fed raised its expectations for economic growth this year to 3.1% from 2.8%, based upon strength in the second and third quarters. However, for 2019, Fed officials expect growth to slow to 2.5% amid worries about the growing trade rift between the United States and China.

MMD GENERAL OBLIGATION INTEREST RATES

	Today - October 1, 2018					1 Month Ago - August 31, 2018					1 Year Ago - October 2, 2017				
Term	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	1.89%	1.90%	1.98%	2.08%	2.35%	1.60%	1.61%	1.69%	1.79%	2.06%	0.94%	0.97%	1.05%	1.15%	1.42%
5	2.21	2.28	2.47	2.59	2.91	2.02	2.09	2.28	2.40	2.72	1.37	1.48	1.68	1.78	2.09
10	2.58	2.75	2.92	3.05	3.40	2.44	2.61	2.78	2.91	3.26	2.01	2.21	2.44	2.54	2.89
15	2.85	3.05	3.21	3.34	3.70	2.71	2.91	3.07	3.20	3.56	2.38	2.60	2.82	2.92	3.28
20	3.09	3.29	3.43	3.58	3.92	2.90	3.1	3.24	3.39	3.73	2.65	2.87	3.07	3.18	3.51

RECENT CMA CLIENT SALE RESULTS

<u>Issuer</u>	<u>Issue Type</u>	<u>Par Amount</u>	<u>Sale Date</u>	<u>Term</u>	<u>Rate</u>	<u>Purchaser</u>
Grand Island Town	BAN	\$ 23,775,325	27-Sep	12 mos.	2.04%	Jefferies LLC
Islip UFSD	TAN	\$ 19,000,000	26-Sep	8 mos.	2.00%	TD Securities (USA) LLC
Niagara County	Bonds	\$ 5,438,800	20-Sep	10 yrs.	2.46%	FTN Financial Capital Markets
Massapequa UFSD	TAN	\$ 10,600,000	19-Sep	9 mos.	1.93%	TD Securities (USA) LLC
Ossining Village	Ref. Bonds	\$ 6,125,000	13-Sep	20 yrs.	2.50%	FTN Financial Capital Markets
Pelham Village	BAN	\$ 3,617,600	11-Sep	12 mos.	2.18%	Jefferies LLC
White Plains City	Bonds	\$ 22,270,350	11-Sep	20 yrs.	3.05%	UBS Financial Services Inc.