

HIGHER EDUCATION MARKET UPDATE

Market Commentary

• Last week in the higher education sector, 13 tax-exempt issues priced with a total par amount of \$625 million.

• Last week, the market had two key events to focus on including the FOMC meeting and the October employment report, but uncertainty over the upcoming election stole the headlines and created anxiety for the markets. Friday's employment report was less than the market was expecting, but it still showed gains and built upon the foundation for the Fed to tighten in December.

• This week all eyes will be on the election on Tuesday and any surprises the outcome might bring. Markets are anticipating a Democratic win, and if that happens, then we could have a "Brexit"-type move in the markets where traders get caught flat footed.

• Municipal bond funds reported \$323 million of outflows versus the previous week's inflows total of \$335 million. The 4-week moving average is a positive \$6 million.

Key Interest Rates (%)

Description	Last Close	1mth ago	1yr ago	5yrs ago
Prime Rate	3.50	3.50	3.25	3.25
1-month LIBOR	0.54	0.53	0.19	0.25
3-month LIBOR	0.88	0.87	0.34	0.44
SIFMA Index	0.56	0.87	0.01	0.13
12-month Treasury Note	0.60	0.63	0.43	0.08
2-year Treasury Bond	0.78	0.85	0.89	0.23
3-year Treasury Bond	0.94	0.99	1.22	0.38
5-year Treasury Bond	1.23	1.28	1.73	0.90
10-year Treasury Bond	1.78	1.74	2.33	2.04
30-year Treasury Bond	2.56	2.45	3.09	3.10

Source: Bloomberg

Tax-Exempt AAA General Obligation Yields (%)

Index	Last Close	1mth ago	1yr ago	5yrs ago
1-year AAA G.O. Rate	0.68	0.78	0.27	0.25
2-year AAA G.O. Rate	0.82	0.86	0.67	0.42
3-year AAA G.O. Rate	0.93	0.93	0.87	0.64
5-year AAA G.O. Rate	1.12	1.08	1.29	1.19
10-year AAA G.O. Rate	1.69	1.64	2.16	2.29
30-year AAA G.O. Rate	2.52	2.45	3.17	3.70

Source: Thomson Reuters

11/7/2016

Recent Higher Education Pricings

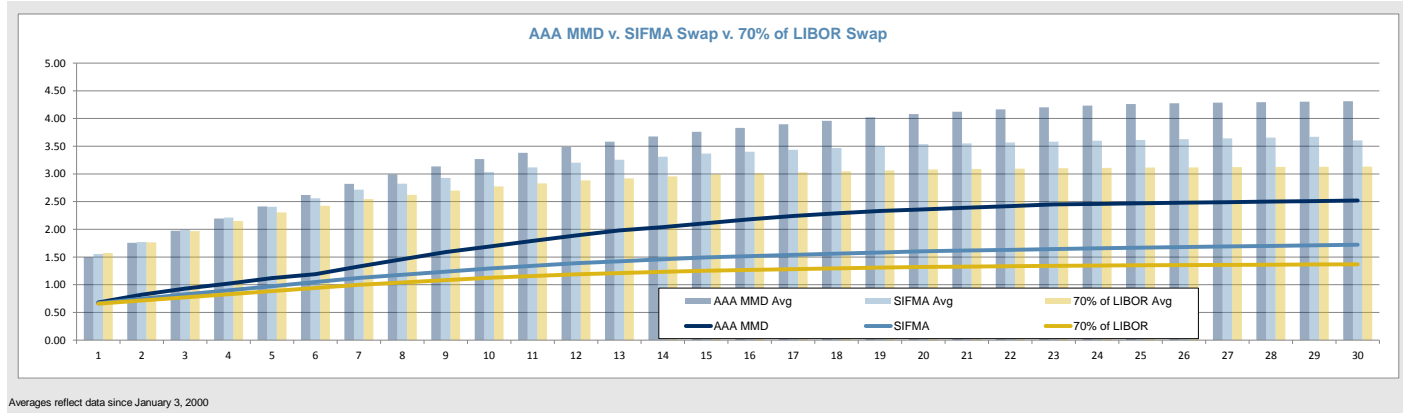
Borrower (State)	State	Description	Par (000s)	Maturity	Spread	Ratings
Arkansas State University Board of Trustees	AR	Student Fee Revenue Refunding Bonds, Series 2016 (Jonesboro Campus)	13,870	3/1/2037	85.9	A1 / NR / NR
Board of Regents of the University of Oklahoma	OK	General Revenue and Refunding Bonds, Series 2016B	65,970	7/1/2046	65.9	NR / AA- / AA-
Board of Trustees of Southern Arkansas University	AR	Revenue Refunding Bonds, Series 2016	6,465	10/1/2040	113.7	NR / NR / NR
California Municipal Finance Authority	CA	Revenue Bonds, Series 2016A (California Baptist University)	78,620	11/1/2046	219.2	NR / NR / NR
City of Erie Higher Education Building Authority	PA	Revenue Bonds, Series 2016 (Gannon University Project)	29,560	5/1/2046	150.1	Baa2 / BBB+ / NR
Coastal Carolina University	SC	Revenue Bonds, Series 2016	22,415	6/1/2041	75.9	A1 / NR / A+
Downtown Development Authority of the City of Dalton	GA	Revenue Bonds (University of North Georgia Parking and Recreation Project), Series 2016A	6,870	7/1/2046	103.9	NR / AA- / NR
Downtown Development Authority of the City of Dalton	GA	Revenue Refunding Bonds (University of North Georgia Parking and Recreation Project), Series 2016B	24,075	7/1/2037	88.7	NR / AA- / NR
Louisiana Public Facilities Authority	LA	Revenue and Refunding Bonds (Tulane University of Louisiana Project) Series 2016A	173,295	12/15/2046	91.0	A2 / A / NR
Louisiana State University Board of Supervisors	LA	Auxiliary Revenue Refunding Bonds, Series 2016A	137,000	7/1/2040	88.0	A2 / NR / A+
Minnesota Higher Education Facilities Authority	MN	Revenue Bonds, Series 2016A (Augsburg College)	32,240	5/1/2046	139.8	Baa3 / NR / NR
Minnesota Higher Education Facilities Authority	MN	Revenue Bonds, Series 2016B (Augsburg College)	13,860	5/1/2040	182.7	Baa3 / NR / NR
Shawnee State University	OH	General Receipts Bonds, Series 2016	20,845	6/1/2041	103.0	Baa1 / AA- / NR

Source: Thomson Reuters; Spread is the weighted average spread over the AAA G.O. MMD curve

Upcoming Higher Education Pricings

Borrower (State)	State	Description	Sale Date	Par (000s)	Ratings
Univ of Alabama BOT	AL	University of Alabama at Birmingham General Revenue Bonds, Series 2016-B	11/15/2016	93,730	Aa2/-/-

Source: Thomson Reuters



Averages reflect data since January 3, 2000

Source: MMD data from Thomson Reuters; SIFMA and LIBOR data from Bloomberg

Raymond James Contacts

Chuck Ellingsworth 901-579-3575 chuck.ellingsworth@raymondjames.com	Hugh Tanner 615-665-6922 hugh.tanner@raymondjames.com	John Poche 225-388-2644 john.poche@raymondjames.com	Lindsey Rea 901-578-4709 lindsey.rea@raymondjames.com	Jim Johnson 804-225-1104 jim.johnson@raymondjames.com
Amanda Del Bene 212-906-3711 amanda.delbene@raymondjames.com	Gavin Murrey 901-579-4283 gavin.murrey@raymondjames.com	Rob Nickell 214-365-5551 robert.nickell@raymondjames.com	Alex Theissen 617-897-8974 alexander.theissen@raymondjames.com	Chad Myers 901-579-4923 chad.myers@raymondjames.com

Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. The information contained herein is based on sources which we believe reliable but is not guaranteed by us and is not to be considered all inclusive. It is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This firm and/or its affiliates and/or its individual shareholders and/or members of their families may have position in the securities mentioned and may make purchases and/or sales of these securities from time to time in the open market or otherwise. Opinions expressed are present opinions only and are subject to change without notice. Raymond James may also perform or seek to perform investment banking for entities referred herein. The securities and other investment products described herein are: 1) Not insured by the FDIC, 2) Subject to investment risks, including possible loss of the principal amount invested, 3) Not deposits or other obligations of, nor guaranteed by Raymond James or any of their affiliates. For institutional use only.