



The Treasury market was strong again in February as headline risk persists related to global and domestic growth as well as geopolitical issues. The two- and 10-year yields each dropped around 10 basis points throughout the month to around 2.48% and 2.64%, respectively. Investment grade credit spreads have tightened significantly since the beginning of the year, and corporate bonds continue to perform well despite increased new issue activity this month.

Municipal bond yields continue to ratchet lower during 2019, although the pace of descent has slowed relative to the downward movement of late 2018. Ten-year tax-exempt yields are approximately 70 basis points lower since reaching their five-year peak in early November. The market continues to be supported by over \$16 billion in net cash inflows to tax-exempt bond funds through the first two months of the year, according to data provided by the Investment Company Institute. Currently, the 10-year tax-exempt AAA benchmark yield stands at 2.00%, while longer dated AAA rated tax-exempt bonds are trading near 3.00%, based on data provided by Bloomberg.

### Maryland Municipal Bond Offerings

Ratings	Par Value	Descriptions	Price	YTM*/YTC*	TEY*
Aa1/AA+	110M	Maryland State Dept. of Transportation Certificates of Participation 5.00% due 6/15/2021, AMT, Subject to extraordinary redemption	107.59	1.61%	2.70%
A1/NR	100M	Montgomery Co., MD Transportation Fund Lease Rev.-Montgomery College Fdn 5.00% due 11/1/2023, Subject to extraordinary redemption	114.77	1.69%	2.85%
Aaa/AAA	295M	Rockville, MD G.O. 5.00% due 6/1/2024	117.45	1.53%	2.57%
Aa1/AAA	150M	Maryland State Dept. of Transportation Consolidated Trans. Rev. 3.25% due 5/1/2032	104.03	2.88% 2.54%	4.85% 4.28%
Aaa/AAA	100M	Maryland State National Capital Park & Planning Commission Park Acquisition & Dev. G.O. 3.50% due 11/1/2036, Callable 11/1/28 @100	104.82	3.14% 2.92%	5.29% 4.92%
Aa1/AAA	195M	Anne Arundel Co., MD G.O. 5.00% due 10/1/2038, Callable 10/1/25 @100	116.26	3.81% 2.32%	6.42% 3.91%

\*YTM — Yield to Maturity \*YTC — Yield to Call \*\*After Tax Yield (ATY)

\*TEY — Tax Equivalent Yield calculated using the 37% federal tax bracket. Bond prices, yields and availability are subject to change based upon market conditions. Please review this information carefully with your Financial Advisor to assure it meets your investment objectives. If bonds are sold prior to maturity they are subject to market and interest rate risk, and you may receive more or less than your initial investment. Moody's Investors Services, Standard & Poor's and Fitch provide ratings. Municipal securities may be subject to Federal Alternative Minimum Tax (AMT). Please contact your tax advisor regarding suitability of tax-exempt investments for your portfolio. Davenport may have a position in the bonds presented above and may buy or sell such securities in the course of our regular business.

### Corporate Bond Offerings

Ratings	Par Value	Descriptions	Price	Yield
Baa1/BBB+	500M	Ryder Systems 2.45% due 9/3/2019, Make-whole call @+15bps until 8/3/19; callable @100 thereafter	99.87	2.71%
Ba1/BBB	430M	Becton Dickinson 2.675% due 12/15/2019, Make-whole call @20bps	99.82	2.90%
Baa3/BBB	285M	Dominion Energy 2.579% due 7/1/2020	99.43	3.01%
Baa1/BBB	100M	Capital One Financial 4.75% due 7/15/2021	103.85	3.06%
A3/BBB	100M	Altria Group 4.40% due 2/14/2026, Make-whole call @+30bps until 12/14/25; callable @100 thereafter	102.17	4.03%
Baa3/NR	150M	Fairfax Financial Holdings 4.85% due 4/17/2028, Make-whole call @+30bps until 1/17/28; callable @100 thereafter	98.86	5.00%