



# NW CAPITAL MARKETS INC.

FINRA/ SIPC

## STARTING OFF STRONG IN 2018!

NW Capital is a full-service investment banking firm specializing in public finance. The firm has been a major presence in New Jersey public finance since its founding in 1996 by a group of public finance professionals. We are a registered broker dealer with the Securities and Exchange Commission, regulated by FINRA/SIPC.

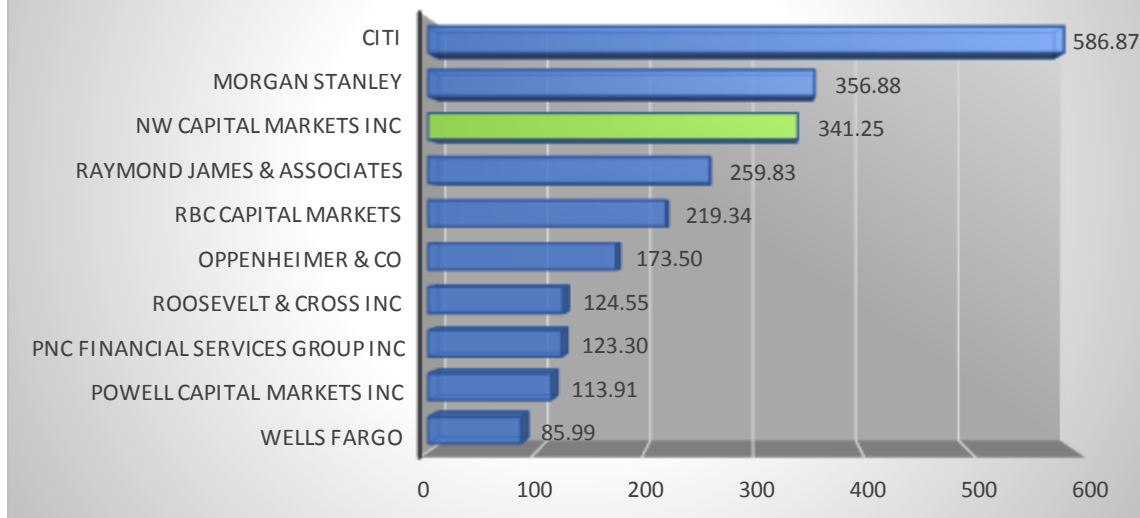
NW Capital has **ranked among the top municipal underwriters in the Northeast Region since our inception**. We ended 2017 as one of the top #3 Senior Managing Underwriters on negotiated issues in the State of New Jersey. In previous years we've maintained our status of being in the top 10.

In 2016, we were ranked the #1 Lead Underwriter in New Jersey for local and county governments on negotiated issues according to Thomson Reuters. In 2015, the Bond Buyer ranked NW Capital as the #3 underwriting firm in the State of New Jersey. Further, from 2013-2010, our firm ranked as the #2 underwriting firm in New Jersey. Additionally, we were ranked as #2 in 2009 in Pennsylvania according to Thomas Reuters.

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### 2017 NJ State and Local Government Negotiated Issues Senior Managing Underwriter



Source: Bloomberg; does not include board of education or state issues

## NW IN THE NEWS!

On April 3, 2018, NW Financial was recently featured in the Bond Buyer article titled "Why retail is no longer king of muni investors" written by Christine Albano. Our very own Managing Director, Howard Mackey, was quoted on his expert opinion of the decline of direct ownership of munis.

To read more [Click Here](#) or go to [www.bondbuyer.com](http://www.bondbuyer.com)

## DENNIS ENRIGHT, SPEAKING AT THE KNOWLEDGE GROUP WEBCAST

On April 19, 2018 from 3pm—5pm Eastern time, Dennis J. Enright, Principal of NW Capital Markets Inc. will be speaking at The Knowledge Group's upcoming webcast. Mr. Enright will be discussing the 2017 Guidance on Public-Private Partnerships (P3 or PPP) Contract Provisions: Key Issues and Considerations Explored.



**Dennis J. Enright**  
Principal

Mr. Enright brings over 35 years of experience in all aspects of financial advisory and investment banking and specializes in complex infrastructure, governmental and real estate transactions. He is a nationally recognized expert in toll road asset monetization and has appeared before the U.S. Congress to deliver expert testimony on public private partnerships.

His leadership in the innovative restructuring of a public facility to a public private partnership led to a "Deal of the Year" Award for the \$360 million Union County Utility Authority bond financing in 1998. His transportation expertise resulted in another "Deal of the Year" Award for the \$2.4 billion New Jersey Turnpike Authority transaction which merged the New Jersey Turnpike and the Garden State Parkway.

Mr. Enright has authored detailed analyses and provided transparency to the underlying economics of both the Chicago Skyway and Indiana Toll Road P3 transaction deals.

## HOWARD MACKEY TO HEAD THE NW TRADING DESK

Howard Mackey joined NW Capital Market's Inc. in October 2016. Mr. Mackey is currently a Managing Director at the firm and manages the underwriting, sales and trading activities for NW Capital in addition to some municipal advisory assignments for our affiliate NW Financial Group, LLC.



**Howard Mackey**  
Managing Director

Prior to NW, Mr. Mackey served as Vice Chairman at Rice Securities, LLC for several years, managing municipal bond sales trading and underwriting. He served as the book-running senior manager for numerous transactions totaling over \$8 billion and served as the senior manager on issues ranging from \$643 million to as small as \$4 million.

Notable Book-Runner Issues: New York City, the State of Connecticut, the Dormitory Authority for the State of New York, Washington D.C., Houston Texas, the State of Ohio, Jackson Mississippi, Chicago Illinois Park District, Alameda County California, the Baltimore Maryland Tax Increment Financing program, Prince Georges County Maryland Housing Authority, Inglewood California, Howard University, the Mid-Town Redevelopment Agency in Houston Texas, and the Virgin Islands Water and Power Authority. Mr. Mackey also has sold private placements for conduit issuers in Sullivan County New York and New York City.

Mr. Mackey is currently the Chairman of the Board (Vice President) for the Diocesan Investment Trust for the Episcopal Diocese of Newark, New Jersey. In addition, he has recently been elected as a Trustee for the Diocese.

## FIXED INCOME MARKET ANALYSIS FOR THE FIRST QUARTER

Written by: Howard Mackey, Managing Director

The U.S. Treasury and municipal bond markets experienced a decline during the first quarter. The primary factors were tax reform policies resulting in earlier strength in the equity markets and rising short-term rates due to the implementation of Fed tightening initiatives.

Significant corporate tax reductions led to expectations of increased corporate earnings. Until recently, the stock market's strong performance caused investors to shift out of fixed income products into equities.

These events coupled with the Federal Reserve's announcements that there will be several interest rate hikes over the next two years, caused deterioration in the Treasury and municipal bond markets. Fed Chairman Jerome Powell announced that the Fed expects inflation, as measured by the core PCE (Personal Consumption Expenditures) index, to rise to 2%, which is the upper limit of the Fed's inflation target. The current PCE rose .2% in February (up .1% year-over-year) to a level of 1.6%.

Since the beginning of the quarter, 5-year Treasury note rates have increased by 36 basis points to end the quarter at 2.56%. Rates on municipal bonds maturing in five years also rose by 36 basis points to 2.04%. One positive aspect of these rate changes is the 5-year AAA muni to Treasury ratio narrowed by four percentage points from 76% to 80%, making munis more attractive than Treasuries on a relative basis.

Ten year treasury rates increased 34 basis points to 2.74% during the quarter, while 10-year munis rates rose 44 basis points from 1.98% to 2.42%. The weaker performance in munis in this part of the yield curve caused the 10-year ratio to narrow from 83% to 88%.

At the long end of the curve (30 years), Treasuries performed better than munis, primarily due to major selling programs on the part large institutional holders of long-term muni debt. Thirty-year rates, during the quarter, rose 23 basis points to 2.97%, versus a 40-basis point rise in muni yields to 2.94%. The silver lining for munis at this point is that AAA 30-year munis are very attractive versus Treasuries, with the ratio narrowing from 93% to 99% as of the end of the quarter.

### Recent NW Capital Transactions

NW Capital is proud to have served the following Issuer's on these transactions:

<p><b>\$250,000,000</b></p> <p>State of Connecticut General Obligation Bonds, Series A</p> <p><i>Co- Manager</i> NW Capital</p>	<p><b>\$276,440,000</b></p> <p>State of Connecticut General Obligation Refunding Bonds, Series B</p> <p><i>Co- Manager</i> NW Capital</p>	<p><b>\$141,725,000</b></p> <p>University of Connecticut Special Obligation Student Fee Revenue Bonds, Series A</p> <p><i>Co- Manager</i> NW Capital</p>	<p><b>\$14,930,000</b></p> <p>Passaic County Utilities Authority Solid Waste Disposal Revenue Bonds, Refunding Series 2018</p> <p><i>Sole Manager</i> NW Capital</p>
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## MARK YOUR CALENDARS!



*Join us at these events this Spring and Summer...*



**April 25-27th**  
**NJ Conference of Mayors**

The Borgata  
Atlantic City, NJ



**May 9-11th**  
**NJ Association of Counties**

Caesar's Hotel  
Atlantic City, NJ



**May 21 - 23rd**  
**NJ NAHRO**

Tropicana  
Atlantic City, NJ



**June 6-8th**  
**NJ Association of School Business Officials**

The Borgata  
Atlantic City, NJ

### Contact Us



**NW CAPITAL MARKETS INC.**  
*Members FINRA/SIPC*

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**Visit us on the Web!**  
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**Please submit questions and comments to**  
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**or email us to join our mailing list!**

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