



FLORIDA LOCAL GOVERNMENT FINANCE COMMISSION

Historic Commercial Paper Rate Comparison and Municipal Market Update

February 2016

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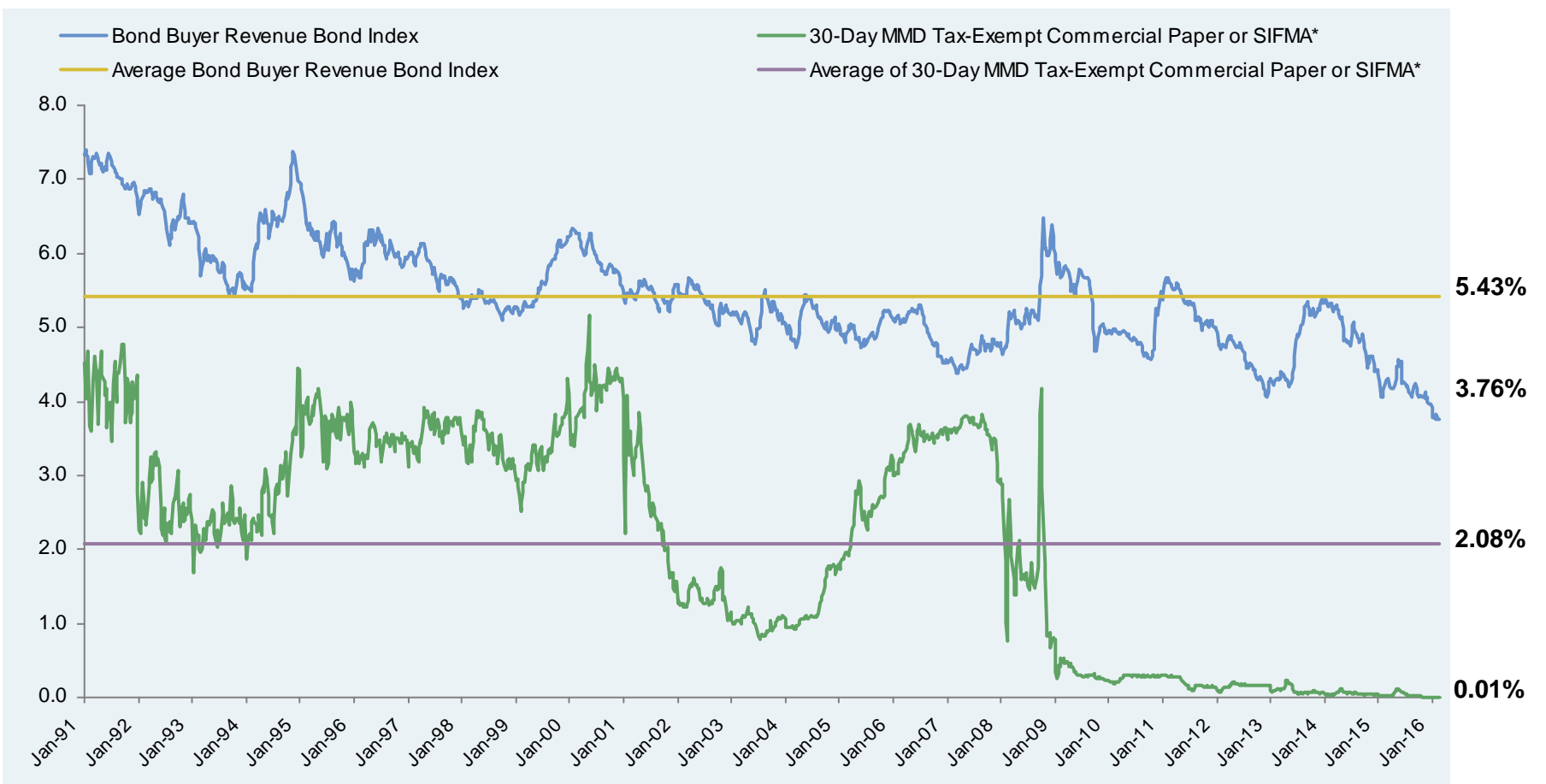
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Municipal Short Term Rates vs. Bond Buyer Revenue Bond Index

January 1, 1991 – February 18, 2016



Source: BondBuyer; Thompson Reuter TM3

* As of December 31, 2012 Thompson Reuter no longer reports the 30-Day MMD Tax-exempt Commercial Paper.

Agenda

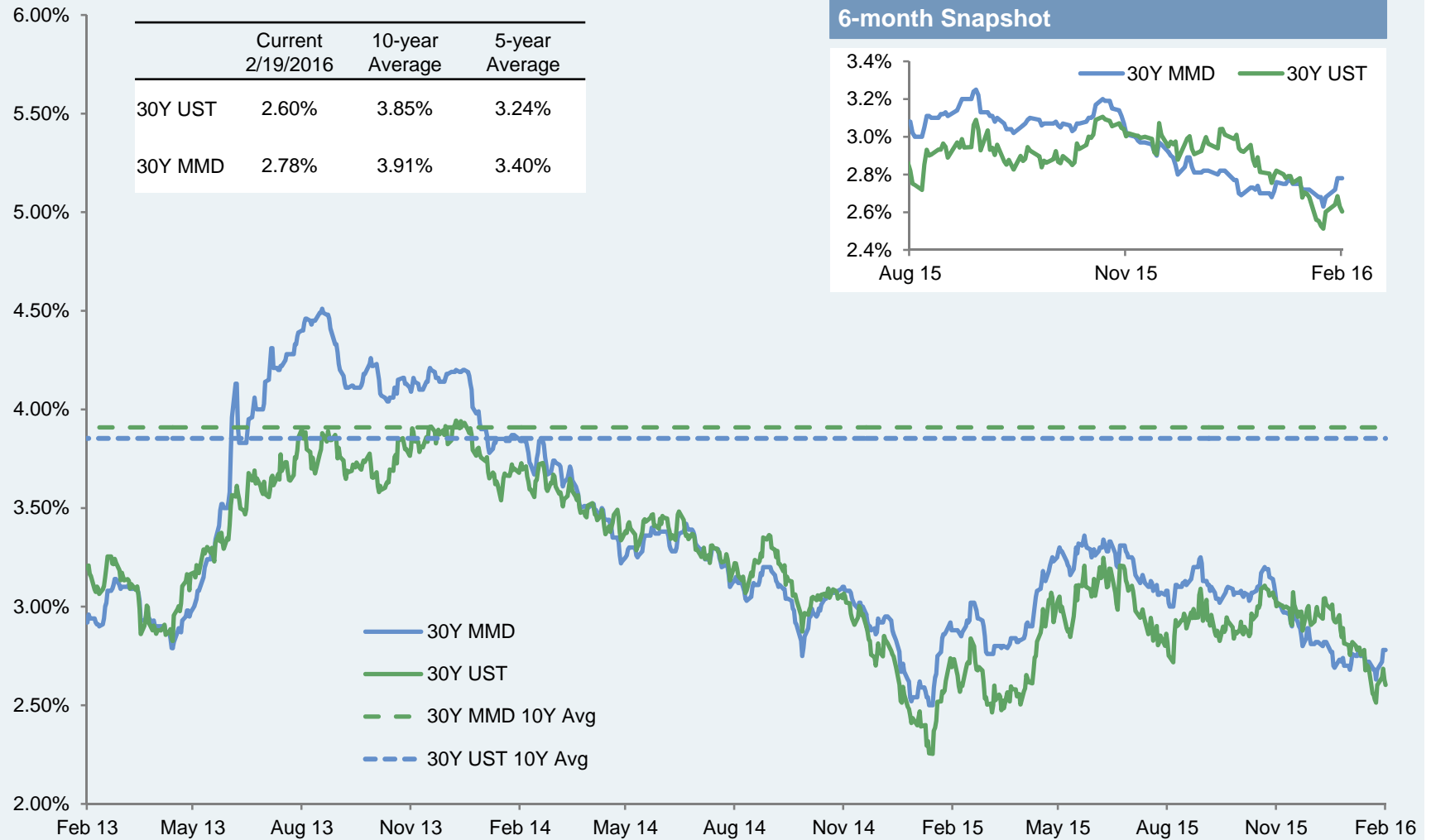
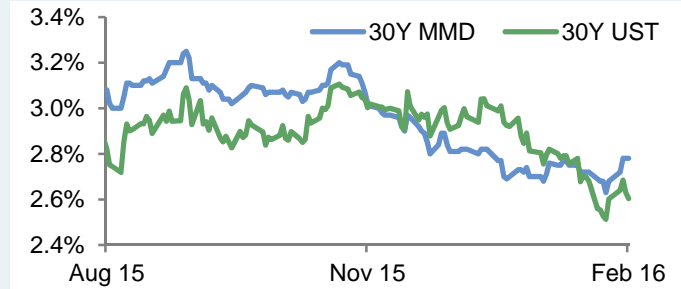
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After peaking in September 2013, long-term tax-exempt yields have declined

30-year MMD yields have been volatile year-to-date

	Current 2/19/2016	10-year Average	5-year Average
30Y UST	2.60%	3.85%	3.24%
30Y MMD	2.78%	3.91%	3.40%

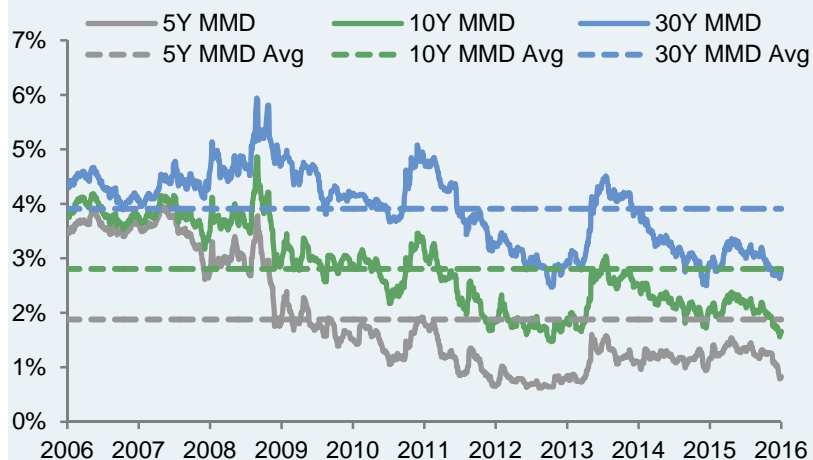
6-month Snapshot



Source: Thomson Reuters Municipal Market Data, J.P. Morgan; as of 2/19/2016

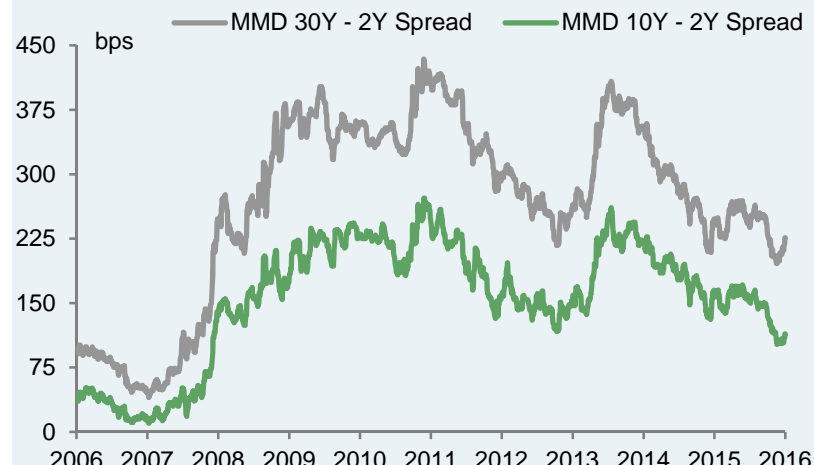
Tax-exempt yields are below their historical averages

MMD yields over the last 10 years



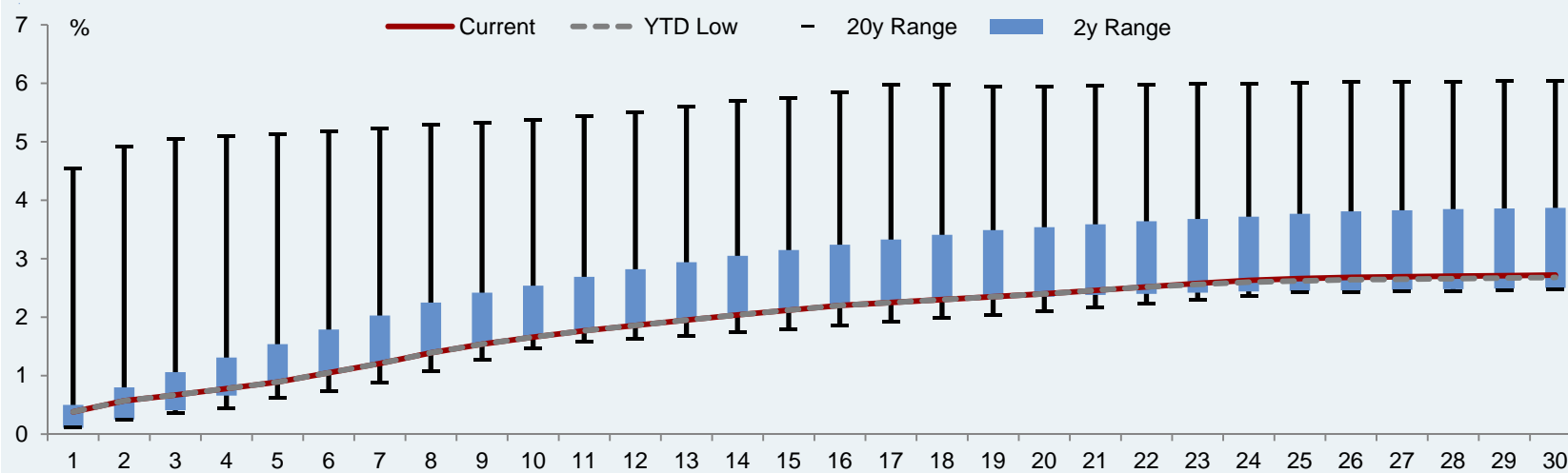
Source: Thomson Reuters Municipal Market Data, J.P. Morgan; as of 2/19/2016
Dashed lines represent 10-Year averages

AAA MMD curve steepness



Source: Thomson Reuters Municipal Market Data, J.P. Morgan; as of 2/19/2016

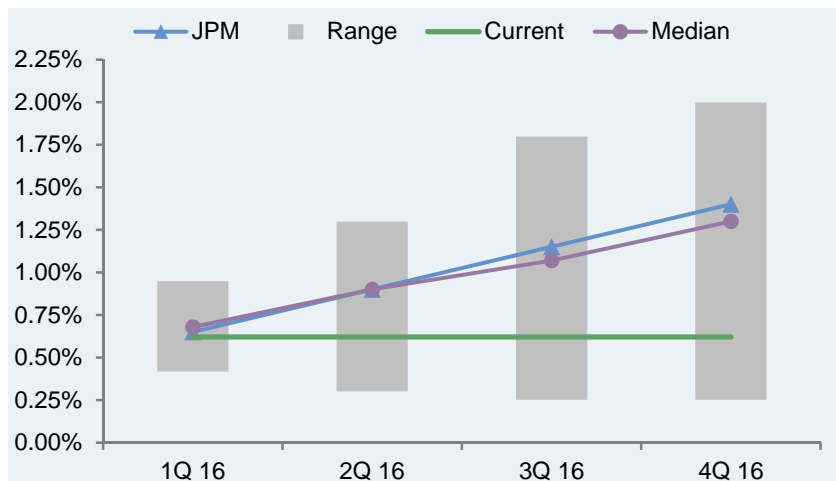
Intermediate MMD yields are at or near their 2-year lows



Source: Thomson Reuters Municipal Market Data, J.P. Morgan; as of 2/19/2016

J.P. Morgan Research expects the UST curve to flatten in 2016

The Street's 3-Month LIBOR Forecast



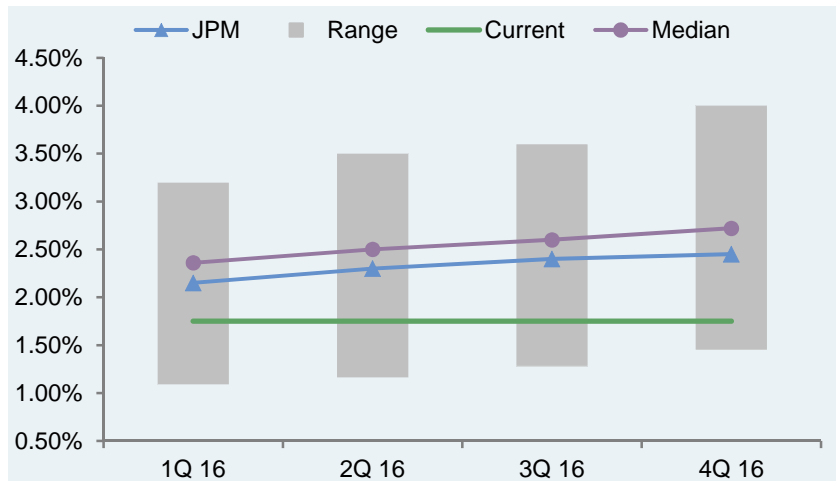
Source: Bloomberg as of 2/19/2016. Includes the forecasts of 41 institutions

JPM U.S. Treasury Interest Rate Forecast (%)

	2/19/16	3/31/16	6/30/16	9/30/16	12/31/16
	Current	1Q16 Forecast	2Q16 Forecast	3Q16 Forecast	4Q16 Forecast
Fed Funds	0.38	0.36	0.65	0.90	1.15
3M LIBOR	0.62	0.65	0.90	1.15	1.40
2Y UST	0.74	0.75	1.15	1.35	1.45
5Y UST	1.23	1.25	1.80	1.95	2.00
10Y UST	1.75	1.80	2.30	2.40	2.45
30Y UST	2.60	2.65	3.05	3.10	3.10

Source: J.P. Morgan Research, *US Fixed Income Strategy, US Interest Rate Forecast*, 2/19/2016, jpm.com

The Street's 10-Year Treasury Forecast



Source: Bloomberg as of 2/19/2016. Includes the forecasts of 68 institutions

JPM Tax-Exempt Yield Forecast (%)

	2/19/16	3/31/16	6/30/16	9/30/16	12/31/16
AAA MMD	Current	1Q16 Forecast	2Q16 Forecast	3Q16 Forecast	4Q16 Forecast
2Y	0.52	0.54	0.85	1.01	1.07
5Y	0.83	0.93	1.37	1.50	1.52
10Y	1.66	1.75	2.07	2.22	2.10
30Y	2.78	2.84	2.91	3.05	3.00
10Y MMD/UST Ratio	95.0%	97.2%	90.0%	92.5%	85.7%
30Y MMD/UST Ratio	106.8%	107.2%	95.4%	98.4%	96.8%

Source: Thomson Reuters Municipal Market Data; J.P. Morgan Research, *J.P. Morgan Fixed Income Strategy, US Fixed Income Markets Weekly - Municipals*, 2/19/2016, jpm.com

Historical short-term tax-exempt market trends

MUNICIPAL MARKET UPDATE

