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Muni Market Recap: It Was All About G-7 and Central Bank Governance Meetings.

G-7 and Central Bank Governance meetings dominated the headlines this week.

Here's what the Central Banks did:

- US Federal Reserve raised rates by 25 basis points from 1.75 to 2 percent and had a Hawkish tone
- Bank of China did not raise rates and the recent economic data is pointing towards slower growth
- European Central Bank did not change rates but laid out further steps to reduce Quantitative Easing (QE) measures in December of this year
- Bank of Japan did not raise rates and given their low inflation plans to continue with their quantitative easing policy

Elsewhere, the Trump Administration tariffs aimed at Chinese high tech industries — such as robotics, aerospace, industrial machinery, and automobiles — are driving continuing fears of a trade war between the United States and China.

Municipal bonds were just along for the ride and activity was light as the potential shifts for global interest rates continues to be digested.

Neighborly was focused and stayed the course towards giving communities the ability to borrow money they need, when they need it. Neighborly Securities brought to market $19.8MM of tax-exempt Municipal bonds for the City of Salinas, CA for the new El Gabilan Library Project. The Library complex will be a center of a community based in Agriculture and Government services. The bonds are supported by the Measure E Sales Tax initiative.

The new library is designed with a community focus that features an outdoor children's zone, a teen area, a homework help area and an outdoor patio and amphitheater.

The project was unanimously approved by the Salinas City Council in May of 2018. Construction on the project is expected to take 16 months and will begin in July 2018.

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Neighborly Insights

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