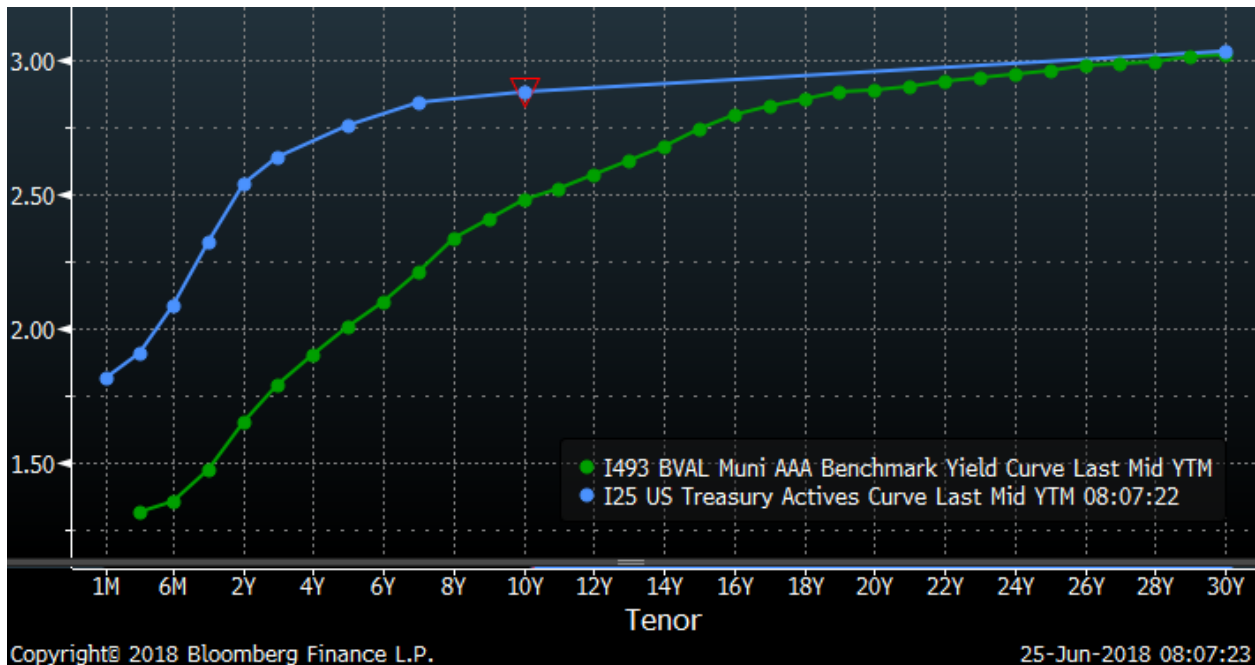




## Credit Positives for U.S. States

- On Thursday the U.S. Supreme Court ruled states could levy a sales tax on internet transactions without the necessity of a vendor having a physical presence in a specific state. States with a high reliance on sales taxes such as Washington, South Dakota, Florida, and Texas will benefit the most.
- Florida was upgraded to Aaa las week becoming the tenth state to hold the gilded rating across all three agencies. Moody's cited the state's sustained recovery since the recession which has outpaced the national average for the past five years.
- With 46 states closing their fiscal year this week, this year's budget process is proving to be less contentious than prior years due to a combination of supportive economic conditions, stock market performance, the 2018 election cycle, and tax reform which led to a non-recurring jump in state revenues in December.

## Muni vs. Treasury Yield Curve



Source: Bloomberg

Please note: The opinions contained in the preceding commentary reflect those of Sterling Capital Management LLC. The stated opinions are for general information only and not meant to be predictions or an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. Any type of investing involves risk and there are no guarantees. Sterling Capital Management does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through Sterling Capital Management LLC, a separate subsidiary of BB&T Corporation. Sterling Capital Management LLC manages customized investment portfolios, provides asset allocation analysis and offers other investment-related services to affluent individuals and businesses. Securities and other investments held in investment management or investment advisory accounts at Sterling Capital Management LLC are not deposits or other obligations of BB&T Corporation, Branch Banking and Trust Company or any affiliate, are not guaranteed by Branch Banking and Trust Company or any other bank, are not insured by the FDIC or any other government agency, and are subject to investment risk, including possible loss of principal invested.