



**CABRERA CAPITAL
MARKETS**

MUNICIPAL MARKET UPDATE

Public Finance

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While the FOMC will meet this week, the market implied probability of any interest rate cut is negligible, however supply is subdued with a negotiated calendar of less than \$4 billion.

Last week saw significant yield hikes on the long end of the MMD curve compared with mid hikes on the short to mid-section of the curve. This further steepened the yield curve, with the 30-year now 163 basis points over the 10-year, more than double the 10-year average. This same ratio has increased by 19 basis points since the start of December.

Change in the Shape of the Yield Curve				
Steepness (bps)				
Range (yr)	Current	1/9/26	1 yrs ago	10 yr avg
1-30	208	192	126	134
2-30	208	194	124	131
3-30	208	199	121	128
5-30	201	194	114	118
10-30	163	154	91	80

Lipper reported \$994 million in fund inflows for the week ending January 23, down from \$1.80 billion the prior week as demand continued to be supportive of the market. The SIFMA Municipal Swap Index reset to 1.31%, up 3 basis points from the previous week of 1.28%.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	23-Jan	16-Jan	Change (bps)	Term	23-Jan	16-Jan	Change (bps)
2-Year	2.21%	2.20%	+1	2-Year	3.60%	3.59%	+1
5-Year	2.28%	2.24%	+4	5-Year	3.84%	3.82%	+2
10-Year	2.66%	2.63%	+3	10-Year	4.24%	4.24%	-
20-Year	3.98%	3.91%	+7	20-Year	4.78%	4.79%	-1
30-Year	4.29%	4.21%	+8	30-Year	4.82%	4.83%	-1

Municipal bond issuance is projected to reach approximately \$3.7 billion this week, a decrease from \$11.2 billion last week. Cabrera will serve as Co-Manager on the City of Yonkers' General Obligation Series 2026A (A2/A+/NR/NR)

Some of the week's largest transactions include the following:

- \$675.0 million The Black Belt Energy Gas District Gas Project Revenue Bonds, 2026 Series B (NR/NR/NR/NR)
- \$269.7 million Connecticut Housing Finance Authority Housing Mortgage Finance Program Bonds 2026 Subseries A-2 Federally Taxable Social Bonds (Aaa/AAA/NR/NR)
- \$245.9 million Miami-Dade County Industrial Development Authority Student Housing Revenue Bonds (PRG - Casa Properties LLC Project) (NR/BB+/NR/NR)





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NOTABLE DEALS LAST WEEK

- The Department of Water and Power of the City of Los Angeles (Aa2/NR/AA-/AA) (Cabrera Co-Manager) priced \$544 million of Power System Revenue Bonds. The transaction was structured to 30 years with a 10-year par call. After garnering \$85 million in retail orders, the transaction entered the institutional order period with spreads mostly unchanged, excluding the 2052 maturity, which was widened 4 basis points, and the 2056 maturity restructured to a 5.25% coupon. The transaction was upsized by nearly \$230 million following the institutional order period and spreads were reduced by 1-3 basis points in 2027-2032.
- New York City Municipal Water Finance Authority (Aa2/AA+/AA+/NR) priced \$800 million of Water and Sewer System Second General Resolution Revenue Bonds. The transaction was structured from 2047-2056. After garnering \$45 million in retail orders, spreads were cheapened 2-5 basis points 2049 and longer, excluding 2050 where the yield was unchanged, but spreads were tightened 7 basis points due to the movement in MMD. Following the institutional order period, the scale remained mostly unchanged aside from a 4-basis point spread reduction in 2049. The transaction was upsized by \$25 million with the discount 2051 maturity being cut in half and the 5% and 5.5% coupon maturities being upsized.
- Massachusetts Clean Water Trust (Aaa/AAA/AAA/NR) priced \$702 million State Revolving Fund Bonds. The transaction was structured to 30 years with a 10-year par call. Following the retail order period on Wednesday, the transaction received \$45 million in orders and spreads were tightened by 1-2 basis points 2029-2041 and cheapened by 1 basis points 2048-2056. The transaction received significant demand during the institutional order period and was bumped 2-9 basis points throughout excluding 2029 and 2056.
- CPS Energy (Aa3/A+/AA-/NR) priced \$672 million of Variable Rate Junior Lien Electric Gas System Bonds. The transaction was structured as 3 par puts: a 1-year put, 2-year put, and 5-year put with 3%, 3.05%, and 3.20% coupons, respectively. After garnering approximately \$3 billion in orders, the 1-year put received the most demand, with spreads tightened by 10 basis points into the final pricing. The 2 and 5-year puts were tightened by 5 basis points each.
- Hays County, Texas (NR/AA+/AA+/NR) priced \$94 million Combination Tax and Revenue Certificates of Obligation and \$38 million of Limited Tax Refunding Bonds. Spreads remained unchanged from premarketing to preliminary pricing. The transactions were well subscribed throughout and spreads were lowered 1-6 basis points.



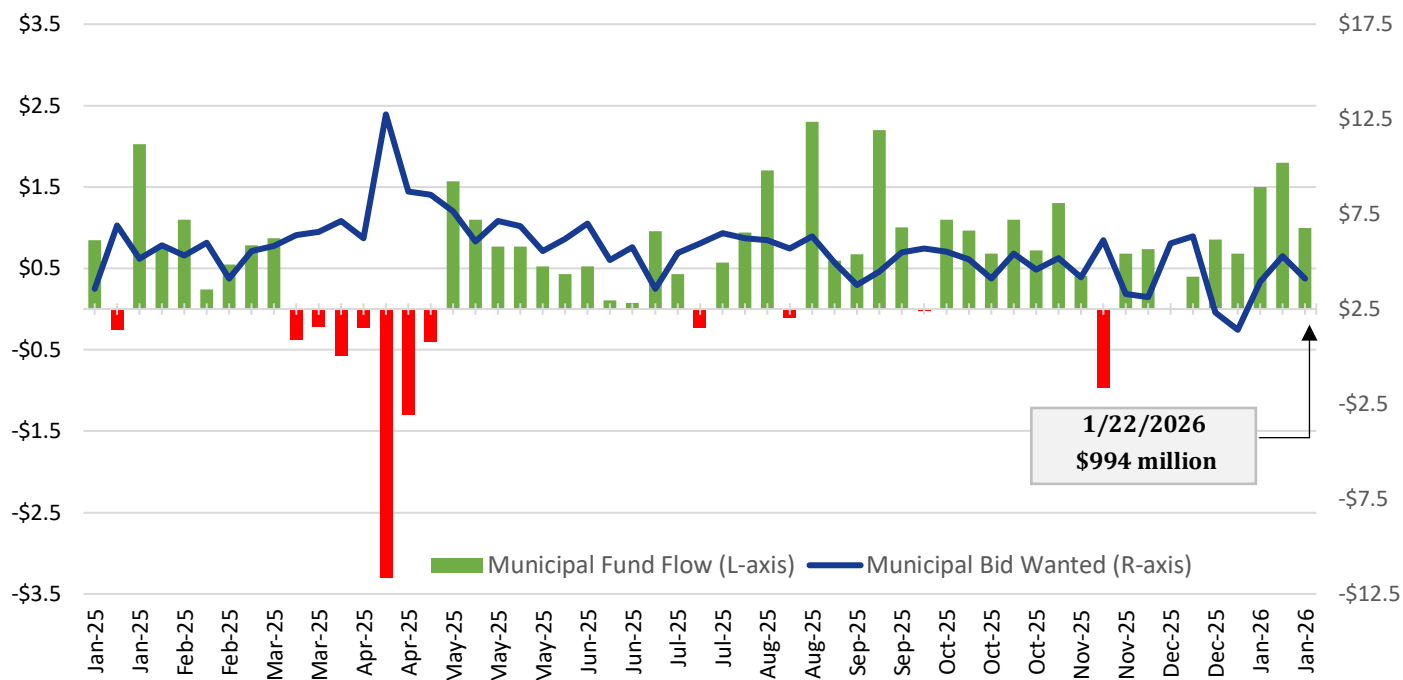


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MUNICIPAL FUND FLOWS

Week 1/15/2026 - 1/22/2026 saw inflows of \$994 million

Source: Lipper, Bloomberg



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NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

Dept. of Water and Power of the City of Los Angeles Call Date 7/1/2035 Tax-Exempt \$722,035,000 Aa2/NR/AA-/AA <i>Cabrera served as Co-Manager</i>				Hays County TX Call Date 2/1/2035 Tax-Exempt \$94,860,000 NR/AA+/AA+/NR				New York City Municipal Water Finance Auth. Call Date 6/15/2036 Tax-Exempt \$825,000,000 Aa2/AA+/AA+/NR			
Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield
2026	5.00	14	2.36								
2027	5.00	13	2.35	2027	5.00	14	2.36				
2028	5.00	14	2.36	2028	5.00	18	2.40				
2029	5.00	17	2.38	2029	5.00	22	2.43				
2030	5.00	18	2.44	2030	5.00	24	2.49				
2031	5.00	20	2.51	2031	5.00	26	2.55				
2032	5.00	21	2.60	2032	5.00	27	2.62				
2033	5.00	25	2.70	2033	5.00	29	2.73				
2034	5.00	27	2.79	2034	5.00	31	2.81				
2035	5.00	28	2.92	2035	5.00	31	2.92				
2036	5.00	28	3.02	2036	5.00	29	2.98				
2037	5.00	30	3.15	2037	5.00	31	3.14				
2038	5.00	31	3.27	2038	5.00	31	3.25				
2039	5.00	32	3.40	2039	5.00	34	3.38				
2040	5.00	33	3.49	2040	5.00	31	3.47				
2041	5.00	33	3.65	2041	5.00	31	3.63				
2042	5.00	33	3.78	2042	5.00	32	3.77				
2043	5.00	33	3.92	2043	5.00	32	3.91				
2044	5.00	33	4.06	2044	5.00	31	4.04				
2045	5.00	33	4.20	2045	5.00	30	4.17				
2046	5.00	33	4.31	2046	5.00	29	4.27				
2047	5.00	34	4.40					2047	5.00	35	4.41
								2048	5.00	37	4.48
2049	5.00	36	4.51					2049	5.00	36	4.51
				2051	4.50	43	4.653	2051	4.50	38	4.60
2052	5.00	39	4.63								
								2056	5.00	45	4.73
2056	5.25	35	4.63					2056	5.25	40	4.68
								2056	5.50	33	4.61

Hays County priced two series of Bonds
aggregating \$133 Million in par
simultaneously with the Series listed above



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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
675.000	The Black Belt Energy Gas District	AL	Gas Project Revenue Bonds
369.295	Florida Development Finance Corporation	FL	Healthcare Facilities Rev Bonds (Tampa General Hospital Project)
269.760	Connecticut Housing Finance Authority	CT	Housing Mortgage Finance Program Bonds
245.990	Miami-Dade County Industrial Dev Auth	FL	Student Housing Revenue Bonds
176.700	City of Yonkers*	NY	General Obligation Bonds
107.110	Maine State Housing Authority	ME	Mortgage Purchase Bonds
100.000	Public Finance Authority	WI	Revenue Bonds
92.470	Pasco County	FL	Solid Waste Disposal and Resource Recovery System Bonds
89.620	The Industrial Dev Auth of the City of Phoenix	AZ	Taxable Educational Facilities Revenue Bonds
76.695	Twin Rivers Unified School District	CA	General Obligation Bonds
50.000	Dougherty County School District	GA	General Obligation Bonds
46.350	Oakwood City School District	GA	General Obligation Bonds
45.430	Rockwall County	TX	Limited Tax Permanent Improvement Bonds
42.775	Pine View Public Infrastructure District No. 2	UT	Special Assessment Bonds
31.210	California Statewide Communities Dev Auth	CA	Statewide Community Infrastructure Program Refi Rev Bonds
30.000	Mount Diablo Unified School District	CA	2026 Certificates of Participation
26.510	Lincoln Consolidated School District	MI	General Obligation Bonds
24.665	City of Brownsville	TX	General Obligation Bonds
23.500	Chippewa Falls Area School District	WI	General Obligation Bonds
23.255	Laper Community Schools	MI	General Obligation Bonds

*Cabrera will serve as Co-Manager



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ECONOMIC CALENDAR (ALL TIMES IN EST)

Monday	Tuesday	Wednesday	Thursday	Friday
26-Jan	27-Jan	28-Jan	29-Jan	30-Jan
8:30 AM Durable-goods orders (delayed report) and Durable-goods minus transportation	10:00 AM Consumer confidence	2:00 PM FOMC interest-rate decision	8:30 AM Initial jobless claims, U.S. trade deficit (delayed report), and U.S. productivity (revised)	8:30 AM Producer price index (delayed report), Core PPI, PPI year over year, and Core PPI year over year
		2:30 PM Fed Chair Powell press conference	10:00 AM Wholesale inventories (delayed report) and Factory orders (delayed report)	
2-Feb	3-Feb	4-Feb	5-Feb	6-Feb
10:00 AM ISM manufacturing	10:00 AM Job openings and ISM services	8:15 AM ADP employment	8:30 AM Initial jobless claims	8:30 AM U.S. employment report, U.S. unemployment rate, U.S. hourly wages and Hourly wages year over year
			10:50 AM Atlanta Fed President Raphael Bostic speaks	3:00 PM Consumer credit

