



CABRERA CAPITAL
MARKETS

Municipal Market Update

Public Finance

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Municipals outperformed Treasuries last week as ETF and crossover buying in the latter half of the week offset early outflows and bid wanteds. The AAA MMD scale was cut by as much as 15 basis points on Monday, before rallying in each of the final three sessions. Treasuries remained under pressure from elevated oil prices and the conflict with Iran, with the 30-year yield reaching 5.62% on Tuesday, its highest level since 2002, before a weak September jobs report (+29,000 vs. +90,000 expected) provided some relief. On the week, MMD yields fell 8 basis points in both 2 and 10 years and rose 2 basis points in 30 years. Conversely, Treasury yields rose 2 to 14 basis points, leaving the 2-year and 10-year municipal-to-Treasury ratios near 70% and 75%, respectively.

This week, primary-market supply is expected to increase to approximately \$16 billion, well above the year-to-date weekly average of \$11.0 billion. Cabrera will serve as Co-Manager on the State of California's \$1.745 billion, City of New York's \$1.5 billion, State of Connecticut's \$1.042 billion, CPS Energy's \$493 million, and Illinois Housing Development Authority's \$200 million issues. The three largest transactions on this week's calendar include:

- **\$1.745 billion State of California** Various Purpose General Obligation & Refunding Bonds
- **\$1.500 billion City of New York** General Obligation Bonds
- **\$1.490 billion California Community Choice Financing Authority** Clean Energy Project Revenue Bonds (Green Bonds)

Interest Rate Snapshot

MMD 1-Week Change			
Term	25-Sep	2-Oct	Change
2-Year	3.46%	3.38%	-8 bps
5-Year	3.66%	3.56%	-10 bps
10-Year	4.05%	3.97%	-8 bps
20-Year	4.78%	4.76%	-2 bps
30-Year	5.05%	5.07%	+2 bps

UST 1-Week Change			
Term	25-Sep	2-Oct	Change
2-Year	4.81%	4.83%	+2 bps
5-Year	4.98%	5.06%	+8 bps
10-Year	5.17%	5.28%	+11 bps
20-Year	5.54%	5.67%	+13 bps
30-Year	5.49%	5.63%	+14 bps



Notable Deals Last Week

Cabrera's Deals

- **Sales Tax Securitization Corporation, Illinois (NR/A+/A/AA-) (Cabrera Co-Manager) priced \$479 million Tax-Exempt and Taxable Third Lien Sales Tax Securitization Refunding Bonds.** The transaction was structured 2027-2037 for the Tax-Exempt Series and as a 2030 bullet for the Taxable Series. With the market under pressure, spreads were widened by 12-20 basis points before entering the market, and the 2037 Tax-Exempt maturity utilized BAM insurance. The transaction did well, with yields lowered by as much as 9 basis points. The insured maturity performed the best. The Taxable maturity was unchanged.

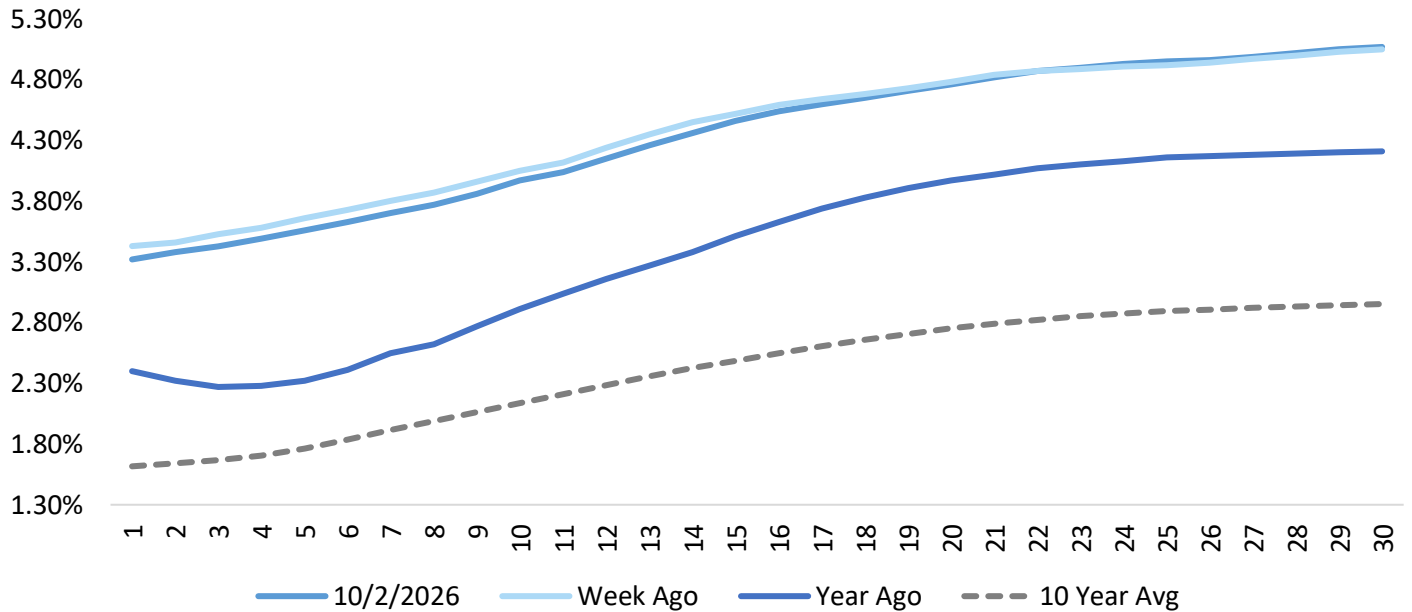
Other Notable Deals

- **The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County Tourism, Tennessee (Aa3/A+/NR/NR) priced \$780 million in Tax Revenue Refunding and Improvement Bonds.** The deal was structured 2027-2058 and utilized BAM insurance on the 2056 maturity. The deal did extremely well, with yields bumped 7-15 basis points.
- **Department of Water and Power of the City of Los Angeles, California (Aa3/NR/AA-/AA-) priced \$340 million Tax-Exempt Power System Revenue Bonds.** The deal was structured 2038-2056. The deal was well received, with yields lowered 3-12 basis points.
- **Spring Branch Independent School District, Texas (Aa1/AA-/NR/NR, Aaa/AAA/NR/NR – PSF) priced \$212 million Unlimited Tax Schoolhouse Revenue Bonds.** The release was delayed because of market weakness but entered the market on Thursday with the market rally. The deal was structured 2027-2050. The deal did exceptionally well, with bumps ranging from 7-25 basis points and the best performance in the 2036-2041 maturities.



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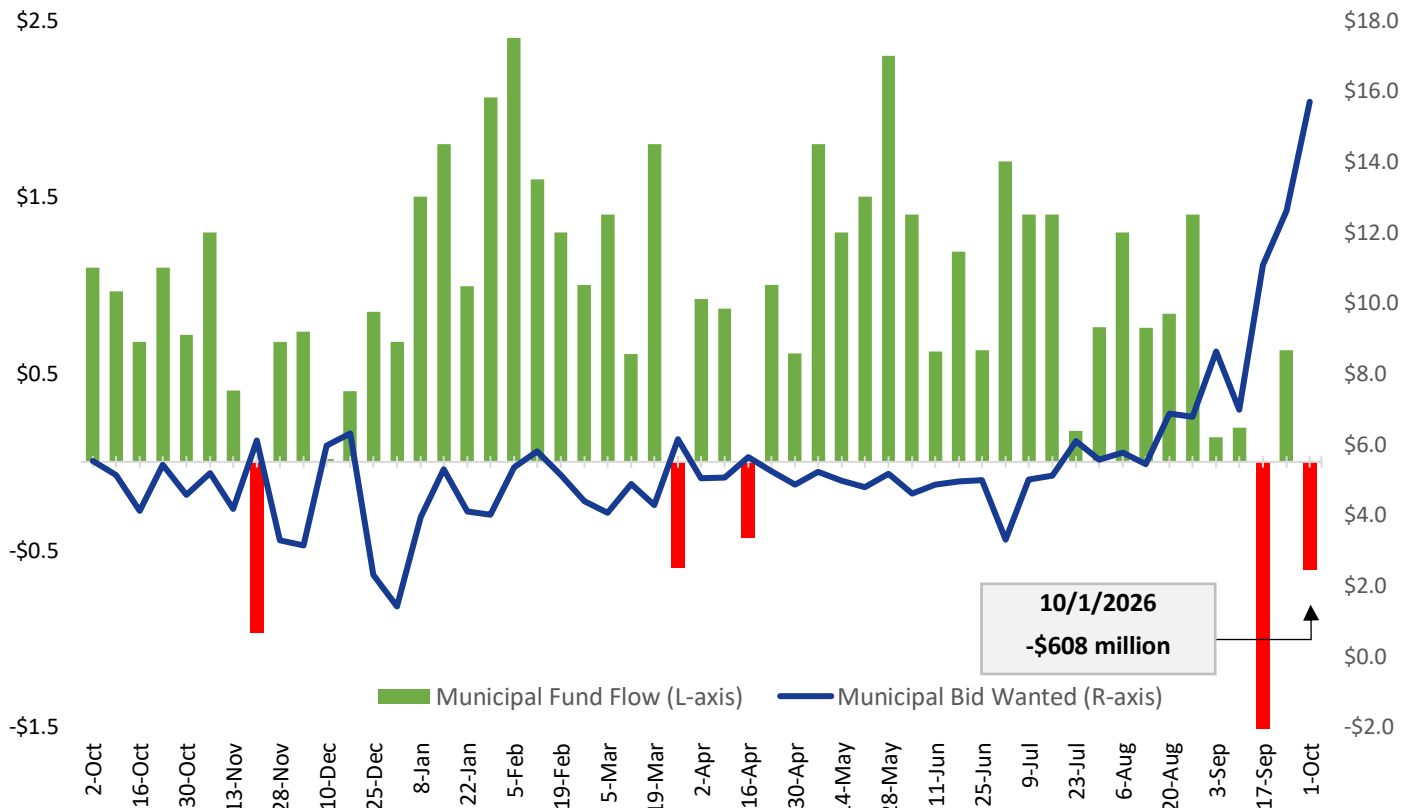
AAA MMD Curves



Municipal Fund Flows

Week 9/24/2026 – 10/01/2026 saw outflows of \$608 million

Source: Lipper, Bloomberg



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Notable Fixed Rate New Issue Results from Last Week

Sales Tax Securitization Corporation IL				The Convention Center Authority of the Met. Gov. of Nashville & Davidson Co. TN				Spring Branch Independent School District TX			
Make Whole Call Tax-Exempt \$429,720,000 NR/A+/A/AA- 2037 is BAM Insured <i>Cabrera served as Co-Manager</i>				Optional call 12/01/36 @ 100.00 Tax-Exempt \$782,155,000 Aa3/A+/NR/NR 2056 is BAM Insured				Optional call 02/01/36 @ 100.00 Tax-Exempt \$204,650,000 Aa1/AA-/NR/NR PSF Enhanced: Aaa/AAA/NR/NR			
Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield
				2027	5.00	41	4.04	2027	5.50	3	3.51
2028	5.00	75	4.32	2028	5.00	43	4.08	2028	5.50	1	3.54
2029	5.00	82	4.45	2029	5.00	45	4.17	2029	5.50	5	3.63
2030	5.00	87	4.55	2030	5.00	47	4.25	2030	5.50	5	3.68
2031	5.00	95	4.71	2031	5.00	48	4.33	2031	5.50	4	3.75
2032	5.00	98	4.78	2032	5.00	49	4.41	2032	5.50	8	3.83
2033	5.00	98	4.90	2033	5.00	50	4.49	2033	5.50	4	3.88
				2034	5.00	50	4.56	2034	5.50	9	3.96
2035	5.25	97	5.00	2035	5.00	48	4.63	2035	5.50	5	4.01
2036	5.25	100	5.12	2036	5.00	48	4.73	2036	5.50	3	4.08
2037	5.25	84	5.05	2037	5.25	48	4.80	2037	5.25	6	4.19
				2038	5.25	48	4.91	2038	5.25	2	4.27
				2039	5.50	42	4.96	2039	5.25	9	4.43
				2040	5.50	42	5.05	2040	5.25	10	4.60
				2041	5.50	42	5.14	2041	5.25	10	4.69
				2042	5.50	48	5.27	2042	5.25	17	4.83
				2043	5.75	43	5.27	2043	5.25	20	4.91
				2044	5.75	43	5.31	2044	5.25	19	4.95
				2045	5.75	43	5.35	2045	5.25	20	5.01
				2046	5.75	40	5.37	2046	5.25	17	5.03
								2047	5.25	13	5.05
								2050	5.13	15	5.15
				2051	6.00	37	5.45				
				2056	5.25	40	5.60				
				2058	6.00	38	5.58				





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Upcoming Negotiated Calendar

Size (\$mm)	Issuer	State	Description
1,745,270	State of California*	CA	Various Purpose General Obligation & Refunding Bonds
1,500,000	City of New York*	NY	General Obligation Bonds
1,490,000	California Community Choice Financing Auth.	CA	Clean Energy Project Revenue Bonds (Green Bonds)
1,041,960	State of Connecticut*	CT	General Obligation & Refunding Bonds
1,000,000	Black Belt Energy Gas Dist.	AL	Gas Project Revenue Bonds
795,000	San Diego Unified School Dist.	CA	General Obligation Bonds (Dedicated Unlimited Ad Valorem Property Tax Bonds)
492,625	City of San Antonio*	TX	Electric & Gas Systems Revenue & Refunding Bonds
479,810	City of Philadelphia	PA	General Obligation Bonds
446,035	Ohio Water Dev. Auth.	OH	State Revolving Fund Revenue & Refunding Revenue Bonds
410,000	Maryland Dept. of Transportation	MD	Consolidated Transportation Bonds
400,000	Kansas Dept. of Transportation	KS	Highway Revenue Bonds
400,000	Clark County School Dist.	NV	General Obligation (Limited Tax) Building Bonds
353,505	Hamilton County	OH	Hospital Facilities Improvement & Refunding Revenue Bonds
302,940	New York State Housing Finance Agency	NY	Affordable Housing Revenue Bonds (Sustainability Bonds)
300,000	Maryland Dept. of Transportation	MD	Consolidated Transportation Bonds
300,000	Texas Public Finance Auth.	TX	Lease Revenue Refunding Bonds / Lease Revenue Refunding Put Bonds
300,000	City of Corpus Christi	TX	Utility System Senior Lien Revenue Improvement Bonds
300,000	State of Connecticut	CT	General Obligation Bonds (Taxable)
100,000	Illinois Housing Dev. Auth.*	IL	Revenue Bonds (Non-AMT)
100,000	Illinois Housing Dev. Auth.*	IL	Revenue Bonds (Taxable)

*Cabrera will serve as Co-Manager



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Economic Calendar (ET)

Monday	Tuesday	Wednesday	Thursday	Friday
5-Oct	6-Oct	7-Oct	8-Oct	9-Oct
9:45 AM	8:30 AM	2:00 PM	8:30 AM	9:30 AM
US Services PMI	U.S. Trade Balance	Federal Open Market Committee meeting minutes	Weekly Jobless Claims	FRB Kansas City President Jeffrey Schmid speaks at Kansas City Economic Outlook event
10:00 AM	6:00 PM	3:00 PM	10:00 AM	10:00 AM
ISM Report On Business Services PMI	FRB Dallas President Lorie Logan participates in Global Perspectives event	Consumer Credit	Monthly Wholesale Trade	U. Michigan Prelim Consumer Survey
12-Oct	13-Oct	14-Oct	15-Oct	16-Oct
	10:00 AM	8:30 AM	8:30 AM	8:30 AM
No Events Scheduled	Existing Home Sales	CPI	Retail Sales, Weekly Jobless Claims, and PPI	Import Prices
	2:00 PM	2:00 PM	10:00 AM	10:00 AM
	Monthly Treasury Balance	Federal Reserve Beige Book	Manufacturing & Trade: Inventories	Industrial Production, and Capacity Utilization

