



**CABRERA CAPITAL  
MARKETS**

**MUNICIPAL MARKET UPDATE**

**Public Finance**

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**Tuesday, February 16, 2026**

Inflation data were the primary focus last week, as January’s Consumer Price Index came in softer than expected, reinforcing signs that price pressures continue to moderate. Both headline and core readings showed continued cooling on a month-over-month basis, supporting the view that restrictive monetary policy is having its intended effect. The delayed January Employment Report, released midweek following last week’s government shutdown, showed better-than-expected nonfarm payrolls and a decline in the unemployment rate to 4.3%. Taken together, the inflation and jobs data reduced near-term inflation concerns, signals that rate cuts may happen in June or sooner.

Primary municipal issuance remained light last week. Both municipal and Treasury yield curves moved lower over the course of the week, with treasuries outperforming in response to inflation data. The municipal market continued to see strong inflows: Lipper reported \$1.6 billion in fund inflows for the week ending February 12, representing the twelfth consecutive week of inflows. The SIFMA Municipal Swap Index reset to 2.52%, up from the previous week of 2.17%.

The President’s Day-shortened week presents a light calendar for economic releases, and attention will center on the PCE Price Index for further insight into the state of inflation and the FOMC’s trajectory.

**INTEREST RATE SNAPSHOT**

Term	MMD 1-Week Change		
	13-Feb	6-Feb	Change (bps)
2-year	2.07	2.11	-4
5-year	2.14	2.18	-4
10-year	2.53	2.60	-7
20-year	3.91	3.97	-6
30-year	4.26	4.29	-3

Term	UST 1-Week Change		
	13-Feb	6-Feb	Change (bps)
2-year	3.40	3.50	-10
5-year	3.61	3.76	-15
10-year	4.04	4.22	-18
20-year	4.64	4.80	-16
30-year	4.69	4.85	-16

Municipal bond issuance is projected to reach approximately \$7 billion this week. Cabrera is an underwriter for two of the week’s largest transactions, serving as Co-Senior Manager for Chicago O’Hare International Airport and Co-Manager for the Bay Area Toll Authority (CA).

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

- \$475.83 million Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2026A (-/A+/A+/A+)
- \$452.90 million Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds, 2026 Series A & F-1 (-/AA/AA/-)
- \$447.17 million South Carolian Public Service Authority Revenue Obligations, Series A, B & C (Aa3/A-/A/-)



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NOTABLE DEALS LAST WEEK

- The Ontario Public Financing Authority (NR/AA-/AA-/NR) (**Cabrera co-manager**) priced \$161 million taxable and \$35 million tax-exempt Lease Revenue Bonds. The taxable bonds were structured to 30 years with a 10-year par call. The pricing timeline was shortened to one day with indications of interest and launch both on Tuesday. From premarketing to final pricing, spreads were lowered 5-15 basis points excluding 2051 where spreads were unchanged. The tax-exempts also met with good demand and spreads were tightened 2-8 basis points throughout, excluding 2040.
- State of California Department of Water Resources (Aa1/AA+/NR/NR) priced \$548 million Central Valley Project Water System Revenue Bonds. The final maturity was 30 years with a 10-year par call, with all 5% coupons. Following the retail order period on Monday, spreads were tightened 1-5 basis points excluding 2040, 2043, 2044, and 2047-2051 which were unchanged. The transaction had strong demand and tightened further 1-9 basis points after the institutional order period.
- Round Rock Independent School District (PSF Aaa/NR/NR/NR, Underlying Aa1/NR/NR/AAA) priced \$181 million Fixed Rate Unlimited Tax School Building Bonds and \$90 million Variable Rate Unlimited Tax School Building Bonds (**Cabrera co-manager**). The fixed rate series priced on Wednesday. It was structured to 2046 and was strongly subscribed for with spreads tightened 1-11 basis points after the order period. The variable rate series was a 5-year premium put bond priced on Thursday, priced at +43 total spread. Approximately half of the put bond remained unsold at the end of the order period, and the spread was cheapened by 1 basis point to +44.
- State of Wisconsin (Aa1/AA+/NR/AAA) priced \$333 million General Obligation Refunding Bonds and \$128 million Forward Delivery General Obligation Refunding Bonds. Both series were structured short with the standard delivery maturing in 2040 and the forward maturity in 2033. The forward had a 2/2/2027 delivery and entered the market with approximately a 4-basis point per month premium, which received significant interest and was bumped 4-11 basis points. The standard delivery series was slower, and spreads remained mostly unchanged except for 2-3 basis point bumps in 2027, 2036, and 2040.



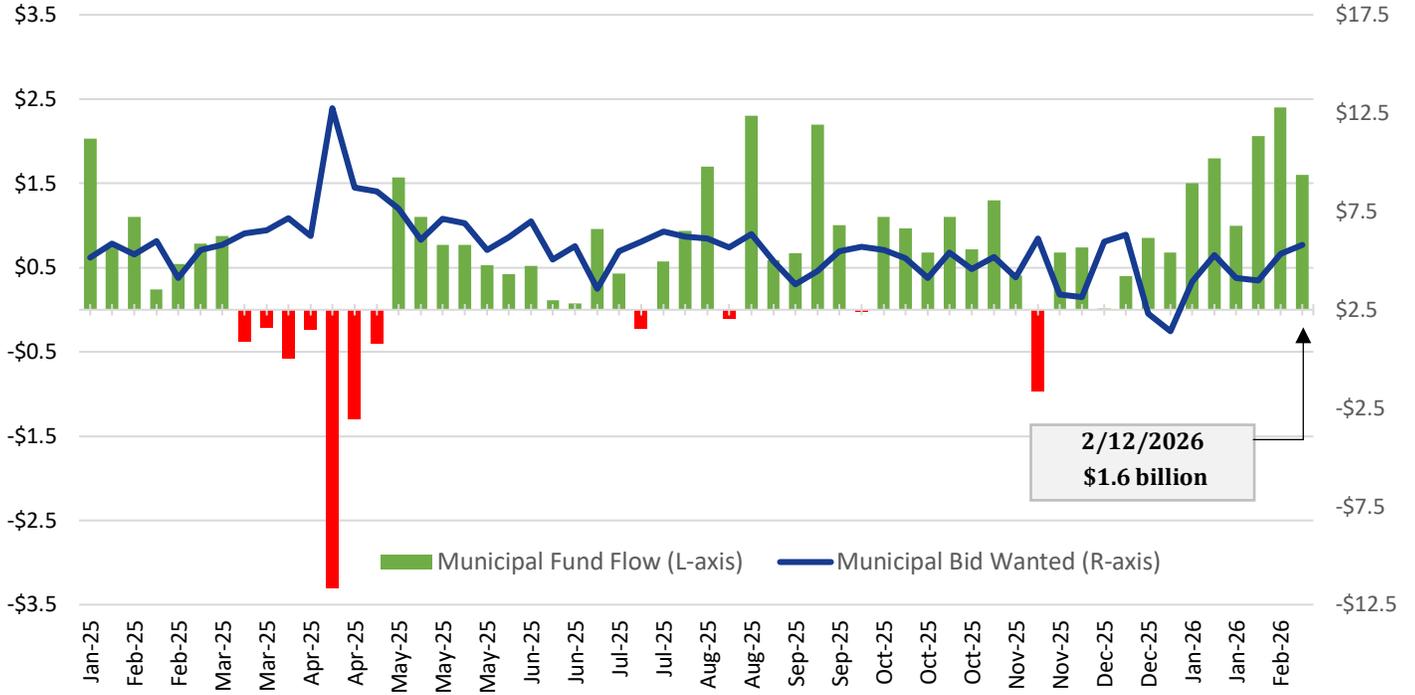


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MUNICIPAL FUND FLOWS

Week 2/5/2026 – 2/12/2026 saw inflows of \$1.6 billion

Source: Lipper, Bloomberg





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**NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK**

Round Rock ISD				Ontario Public Financing Authority				State of California Dept. Of Water Resources			
TX				CA				CA			
Call Date 8/1/2035				Call Date 10/1/2036				Call Date 12/1/2035			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
\$181,830,000				\$34,415,000				\$548,030,000			
Underlying Aa1/NR/NR/AAA				NR/AA-/AA-/NR				Aa1/AA+/NR/NR			
PSF Aaa (Moody's)											
<i>Cabrera served as Co-Manager</i>				<i>Cabrera served as Co-Manager</i>							
Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield
								2027	5.00	(40)	1.71
								2028	5.00	(42)	1.7
								2029	5.00	(41)	1.72
2030	5.00	14	2.26					2030	5.00	(40)	1.76
2031	5.00	15	2.32					2031	5.00	(43)	1.79
2032	5.00	15	2.42					2032	5.00	(43)	1.90
2033	5.00	17	2.49					2033	5.00	(41)	1.94
2034	5.00	20	2.61					2034	5.00	(40)	2.08
2035	5.00	19	2.72					2035	5.00	(40)	2.19
2036	5.00	20	2.83					2036	5.00	(38)	2.31
2037	5.00	23	2.96	2037	5.00	(13)	2.65	2037	5.00	(34)	2.45
2038	5.00	21	3.07	2038	5.00	(10)	2.79	2038	5.00	(32)	2.58
2039	5.00	19	3.20	2039	5.00	(6)	3.00	2039	5.00	(26)	2.82
2040	5.00	21	3.27	2040	5.00	(2)	3.07	2040	5.00	(21)	2.88
2041	5.00	17	3.38	2041	5.00	(4)	3.19	2041	5.00	(21)	3.02
2042	5.00	17	3.51	2042	5.00	(2)	3.34	2042	5.00	(16)	3.20
2043	5.00	14	3.63	2043	5.00	0	3.51	2043	5.00	(14)	3.37
2044	5.00	14	3.78					2044	5.00	(13)	3.53
2045	5.00	14	3.94					2045	5.00	(13)	3.69
2046	5.00	12	4.07					2046	5.00	(15)	3.82
								2047	5.00	(10)	3.96
								2048	5.00	(8)	4.04
								2051	5.00	(6)	4.17
								2056	5.00	(4)	4.27
Round Rock ISD priced two series of Bonds aggregating \$272 Million in par simultaneously with the Series listed above.				Ontario Public Financing Authority priced two series of Bonds aggregating \$195 Million in par simultaneously with the Series listed above.							





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**UPCOMING NEGOTIATED CALENDAR**

Size (\$mm)	Issuer	State	Description
900.000	California Community Choice Financing Authority	CA	Clean Energy Project Revenue Bonds (Green Bonds)
<b>475.830</b>	<b>City of Chicago O'Hare International Airport**</b>	<b>IL</b>	<b>General Airport Senior Lien Revenue Bonds (Non-AMT)</b>
<b>452.905</b>	<b>Bay Area Toll Authority*</b>	<b>CA</b>	<b>Toll Bridge Revenue Bonds</b>
447.175	South Carolina Public Service Authority	SC	Revenue Obligations
211.840	Pennsylvania Housing Finance Agency	PA	Single Family Mortgage Revenue Bonds
205.000	South Carolina State Housing Finance and Development Authority	SC	Mortgage Revenue Bonds
179.455	Build NYC Resource Corporation	NY	Tax Exempt Revenue Bonds
162.150	Sarasota County Public Hospital District	FL	Hospital Revenue and Revenue Refunding Bonds
132.385	Public Finance Authority	WI	Revenue Bonds
111.035	Collier County Industrial Development Authority	FL	Healthcare Revenue and Revenue Refunding Bonds
110.000	Missouri Housing Development Commission	MO	Single Family Mortgage Revenue Bonds
99.170	Westchester County Local Development Corporation	NY	Revenue Bonds
83.500	Midway Independent School District	TX	Unlimited Tax School Building Bonds
78.855	Virginia College Building Authority	VA	Educational Facilities Revenue Refunding Bonds
65.865	El Monte City School District	CA	General Obligation Refunding Bonds
56.875	Arizona Board of Regents	AZ	Speed Revenue Bonds
50.000	Capital Area Finance Authority	LA	Single Family Mortgage Revenue Bonds
46.835	Byron Center Public Schools	MI	General Obligation Unlimited Tax
38.000	Lucia Mar Unified School District	CA	General Obligation Bonds
37.875	Brenham Independent School	TX	Unlimited Tax School Building Bonds

\*Cabrera will serve as Co-Manager

\*\*Cabrera will serve as Co-Senior Manager





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**ECONOMIC CALENDAR (ALL TIMES IN EST)**

<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>16-Feb</b>	<b>17-Feb</b>	<b>18-Feb</b>	<b>19-Feb</b>	<b>20-Feb</b>
None scheduled, President's Day	8:30 AM Empire State manufacturing survey	8:30 AM Housing starts, Building permits, Durable-goods orders, and Advanced U.S. trade balance in goods	8:30 AM Initial jobless claims, U.S. trade deficit, and Philadelphia Fed manufacturing survey	8:30 AM GDP, Personal income and spending, PCE index
	10:00 AM Home builder confidence index	2:00 PM Minutes of Fed's January FOMC meeting	10:00 AM Leading economic index	10:00 AM New home sales and Consumer sentiment
<b>23-Feb</b>	<b>24-Feb</b>	<b>25-Feb</b>	<b>26-Feb</b>	<b>27-Feb</b>
10:00 AM Factory orders	9:00 AM Case-Shiller home price index	None scheduled	8:30 AM Initial jobless claims	8:30 AM Core PPI
	10:00 AM Wholesale inventories and Consumer confidence			10:00 AM Construction spending

