



**CABRERA CAPITAL
MARKETS**

MUNICIPAL MARKET UPDATE

Public Finance

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Monday, February 23, 2026

January’s Personal Consumption Expenditures (PCE) Price Index indicated that inflation pressures firmed at the start of the year, with both headline and core readings accelerating relative to the prior month. The report suggested that while disinflation progress has been made in recent months, underlying price pressures remain persistent. The firmer reading tempered some of the optimism generated by earlier CPI data and reinforced the Federal Reserve’s cautious approach toward policy easing. As a result, markets reassessed the timing and magnitude of potential rate cuts later in 2026. Notably, the recent Supreme Court ruling striking down certain tariff measures, and the President’s subsequent response, did not appear to disrupt the strong technical backdrop in the municipal market, where demand conditions remained constructive despite the broader policy headlines.

Municipals outperformed Treasuries last week. The municipal market continued to see strong inflows: Lipper reported \$1.3 billion in fund inflows for the week ending February 19, representing the thirteenth consecutive week of inflows. The SIFMA Municipal Swap Index reset to 2.22%, down from the previous week of 2.52%.

This week’s most important economic releases include Initial Jobless Claims and Producer Price Index.

INTEREST RATE SNAPSHOT

Term	MMD 1-Week Change		
	20-Feb	13-Feb	Change (bps)
2-year	2.06	2.07	-1
5-year	2.13	2.14	-1
10-year	2.52	2.53	-1
20-year	3.89	3.91	-2
30-year	4.23	4.26	-3

Term	UST 1-Week Change		
	20-Feb	13-Feb	Change (bps)
2-year	3.48	3.40	8
5-year	3.65	3.61	4
10-year	4.08	4.04	4
20-year	4.66	4.64	2
30-year	4.72	4.69	3

Municipal bond issuance is projected to reach approximately \$10 billion this week. Cabrera will serve as co-manager on the largest deal of the week, a \$1.93 billion Regents of the University of California sale.

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

- \$1.93 billion Regents of the University of California General Revenue Bonds, 2026 Series CE & CF (Aa2/AA/AA/-)
- \$1.10 billion The Black Belt Energy Gas District Gas Project Revenue Bonds, 2026 Series E (A2/-/-)
- \$681.31 million Lee County, Florida Airport Revenue Bonds, Series 2026A-1, A-2, & B (A2/-/A/AA-)



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NOTABLE DEALS LAST WEEK

- The Bay Area Toll Authority (NR/AA/AA/NR) (Cabrera Co-Manager) priced \$166 million Toll Bridge Revenue Put Bonds and \$387 million Toll Bridge Revenue Fixed Rate Bonds. The put was structured as a 7-year premium put and entered the preliminary order period with a +5 total spread. The put was oversubscribed for, and spreads were lowered 2 basis points. The fixed transaction received very strong demand, especially in the 2042-2044 range. Spreads were lowered 2-13 basis points.
- The City of Chicago priced \$475 million Chicago O'Hare International Airport Non-AMT General Airport Senior Lien Revenue Bonds (NR/A+/A+/A+) (Cabrera Co-Senior Manager). The transaction was structured on the long-end with bonds 2043-2061. Receiving strong demand from 70 different investors, the transaction was bumped 2-13 basis points for all maturities excluding 2056 and upsized by \$140 million. The 2043-2046 range of the curve was the most subscribed for whereas the longer terms were slower. The 2061 term had to get 3 basis points cheaper entering the preliminary order period.
- Richardson Independent School District priced \$180 million Unlimited Tax Refunding Bonds (PSF Aaa/AAA, Underlying Aaa/AA+/NR/NR). The transaction was structured out to 2041 with a 10-year call. The short end received the most demand with spreads tightened 2-6 basis points from 2027-2032. The rest of the amortization was mostly unchanged excluding a 1 basis point bump in 2035 and 2041.

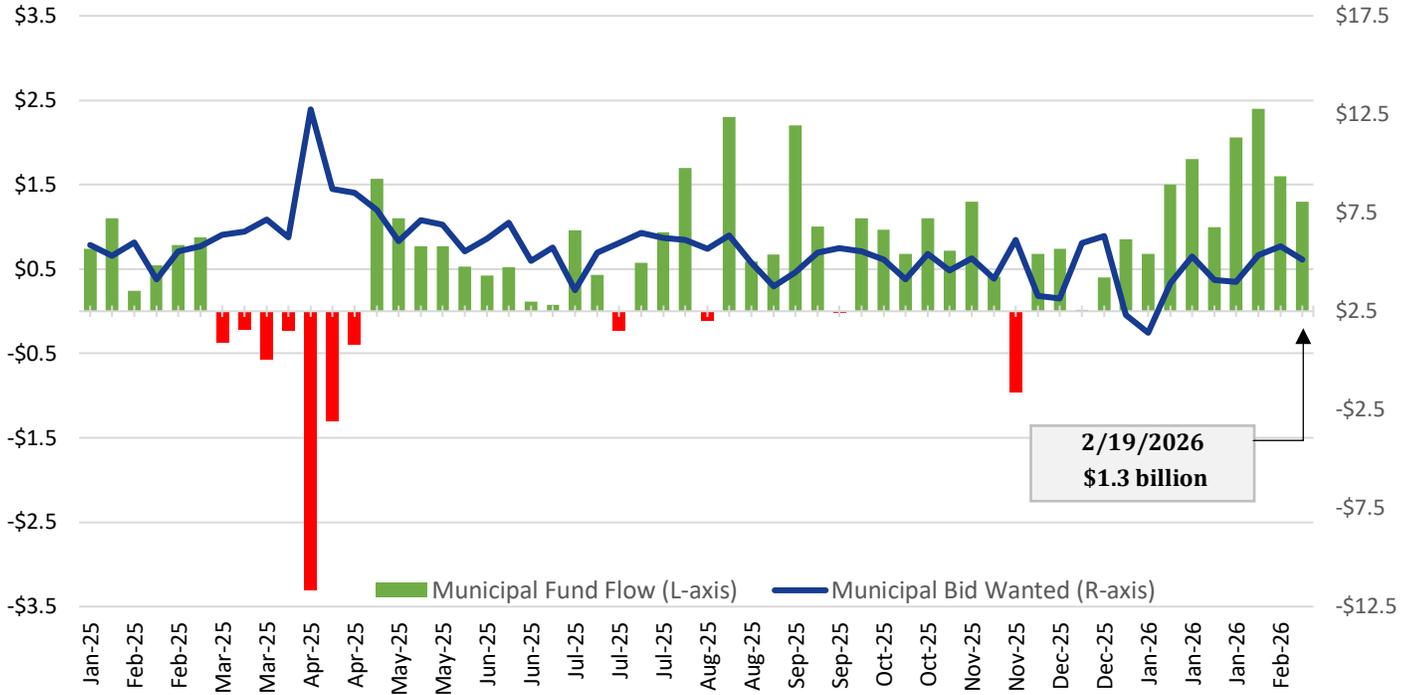


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MUNICIPAL FUND FLOWS

Week 2/12/2026 - 2/19/2026 saw inflows of \$1.3 billion

Source: Lipper, Bloomberg





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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,938.545	Regents of the University of California*	CA	General Revenue Bonds
1,100.000	The Black Belt Energy Gas District	AL	Gas Project Revenue Bonds
681.315	Lee County, Florida	FL	Airport Revenue Bonds
268.810	Arizona Board of Regents	AZ	System Revenue Bonds
251.219	The Monmouth County Improvement Authority	NJ	Governmental Pooled Loan Project Notes
234.395	New York State Environmental Facilities Corporation	NY	State Clean Water and Drinking Water Revolving Funds Revenue Bonds
223.545	Western Maricopa Education Center	AZ	General Obligation
200.225	City of Orlando, Florida	FL	Capital Improvement Refunding Special Revenue Bonds
179.455	Build NYC Resource Corporation	NY	Tax-Exempt Revenue Bonds
132.385	Public Finance Authority	WI	Tax-Exempt Revenue Bonds Employee Housing Project
126.295	The Pittsburgh Water & Sewer Authority	PA	Water and Sewer System First Lien Revenue Bonds
108.510	Cuyahoga Community College District, Ohio	OH	Facilities Construction and Improvement Refunding Bonds
94.375	Michigan Finance Authority	MI	Hospital Revenue Refunding Bonds
88.010	Board of Trustees of Oakland University	MI	General Revenue Refunding Bonds
70.625	Jonathan Alder Local School District	OH	Unlimited Tax General Obligation School Facilities Bonds
67.505	Avondale School District	MI	School Building and Site Bonds
64.840	Washington State University	WA	General Revenue and Refunding Bonds
46.460	Cleburne Independent School District	TX	Unlimited Tax Refunding Bonds
42.090	City of Raleigh, North Carolina	NC	General Obligation Refunding Bonds
38.675	Romeo Community Schools	MI	Unlimited Tax General Obligation Refunding Bonds

*Cabrera will serve as Co-Manager



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ECONOMIC CALENDAR (ALL TIMES IN EST)

Monday	Tuesday	Wednesday	Thursday	Friday
23-Feb	24-Feb	25-Feb	26-Feb	27-Feb
8:00 AM Fed governor Christopher Waller speaks	9:15 AM Fed governor Christopher Waller speaks and Fed governor Lisa Cook speak	9:30 AM Richmond Fed President Tom Barkin speaks	8:30 AM Initial jobless claims	8:30 AM Core PPI
10:00 AM Factory orders	10:00 AM Wholesale inventories and Consumer confidence			10:00 AM Construction spending
2-Mar	3-Mar	4-Mar	5-Mar	6-Mar
9:45 AM U.S. manufacturing PMI	None scheduled	8:15 AM ADP employment	8:30 AM Initial jobless claims, U.S. productivity, and Import price index	8:30 AM U.S. employment report, unemployment rate, and hourly wages
10:00 AM ISM manufacturing		2:00 PM Fed Beige Book		