



**CABRERA CAPITAL  
MARKETS**

**MUNICIPAL MARKET UPDATE**

**Public Finance**

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In a widely expected decision, the FOMC held its benchmark interest rates steady as policymakers weighed hotter-than-expected inflation readings, mixed labor market signals, and the evolving conflict with Iran. While the median fed funds rate projection in the closely watched dot plot was unchanged from year-end 2025, the distribution shifted in a more hawkish direction, with more members now expecting only one rate cut in 2026 rather than two, followed by another in 2027, though the timing of those reductions remains uncertain. A key driver behind the Fed’s more cautious tone is the war with Iran, as the conflict escalates, uncertainty over its duration and its impact on global energy markets have pushed up near-term inflation expectations. Adding to that backdrop, February producer price index (PPI) rose 0.7% month-over-month and 3.4% year-over-year on a seasonally adjusted basis, coming in well above expectations.

The markets responded with another week of sell-offs across equities, U.S. Treasuries, and Municipals. Over the week, U.S. Treasury yields rose by as much as 15 basis points, with the largest moves on the front end. MMD yields followed in tandem, rising by up to 13 basis points across the curve, particularly on the front end. On the supply side, the municipal market is expecting a heavy week with \$12.5 billion to be priced. Much of that volume is being driven by the week’s three largest deals, all exceeding \$1 billion, including a \$2.60 billion New York City GO bond sale, a \$1.40 State of Illinois GO bond sale, and a \$1.16 billion PA Economic Development Financing Authority revenue bond sale. Investors continued to add another \$1.8 billion to municipal funds, representing the seventeenth consecutive week of inflows and bringing the total inflows for 2026 to over \$17 billion. The SIFMA Municipal Swap Index reset to 2.41%, slightly down from 2.43% last week.

**INTEREST RATE SNAPSHOT**

MMD 1-Week Change				UST 1-Week Change			
Term	20-Mar	13-Mar	Change (bps)	Term	20-Mar	13-Mar	Change (bps)
2-year	2.29	2.17	+12	2-year	3.88	3.73	+15
5-year	2.51	2.38	+13	5-year	4.01	3.87	+14
10-year	3.00	2.87	+13	10-year	4.39	4.28	+11
20-year	4.10	4.01	+9	20-year	4.97	4.89	+8
30-year	4.45	4.37	+8	30-year	4.96	4.90	+6

This week’s three largest transactions include:

- \$2.60 billion New York City General Obligation Bonds (Aa2/AA/AA/AA+)
- \$1.40 billion State of Illinois General Obligation Bonds (A2/A-/A-/)
- \$1.16 billion Pennsylvania Economic Development Financing Authority UPMC Revenue Bonds (A2/A/A/-)



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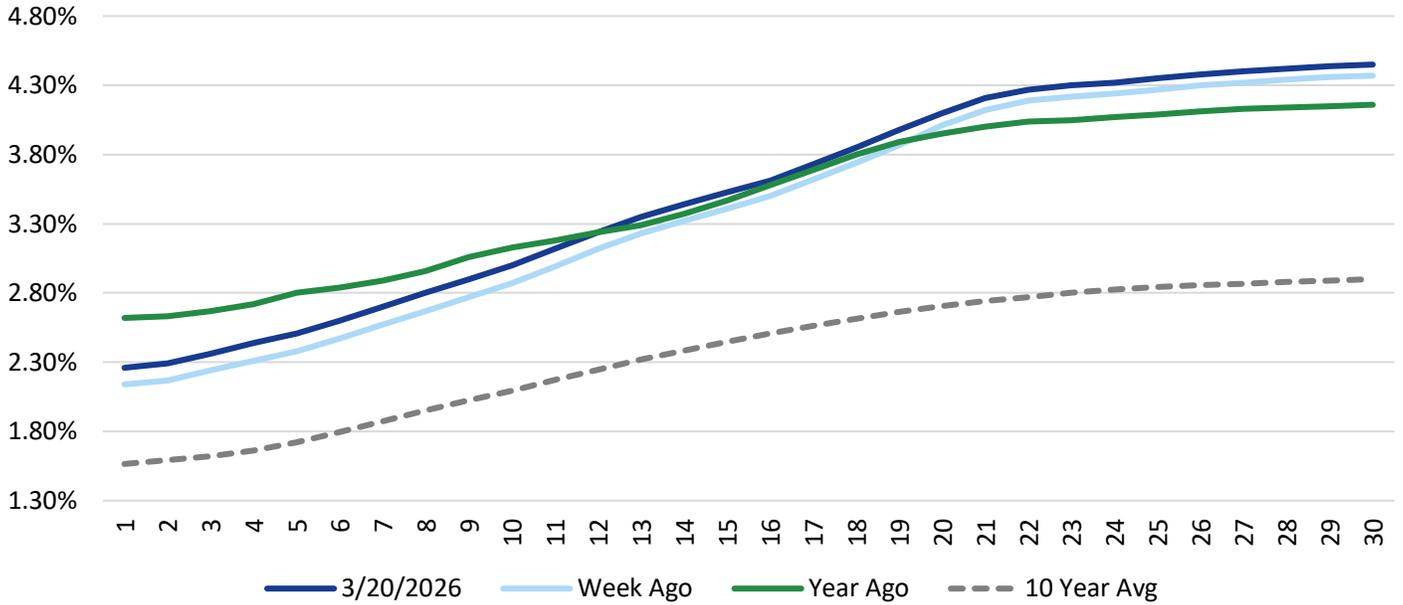
**NOTABLE DEALS LAST WEEK**

- **The City Colleges of Chicago** (Underlying NR/NR/AA-/A+, BAM insured AA) (Cabrera Co-Senior manager) priced \$90 million Unlimited Tax General Obligation Bonds. The transaction was structured as two term bonds in 2051 and 2055 with a 9-year call. Following premarketing, the transaction entered the market with spreads unchanged but adjusted for the movement in MMD. The transaction received very strong demand during the order period and ended up oversubscribed by seven times. Spreads were lowered by 6-7 basis points.
- **The Pennsylvania Turnpike Commission** (A2/A+/A/A+) priced \$482 million of Turnpike Subordinate Revenue Refunding Bonds. The transaction was structured out to 2039 with a 10-year call. The transaction struggled 2028-2031 during the order period and had to get 1 basis point cheaper. Longer in the amortization, 2034-2039, was oversubscribed for and bumped 1-6 basis points.
- **New York City Municipal Water Finance Authority** (Aa1/AA+/AA+/NR) priced \$907 million Water and Sewer System Second General Resolution Revenue Bonds. The transaction was structured out 20-years with a 10-year call. The Authority also included two Make-Whole Call maturities which were 7 basis points cheaper. After garnering \$725 million in retail orders, spreads were tightened 2-3 basis points 2027-2030. During the institutional order period, the transaction received demand throughout and was bumped 1-5 basis points excluding 2032.



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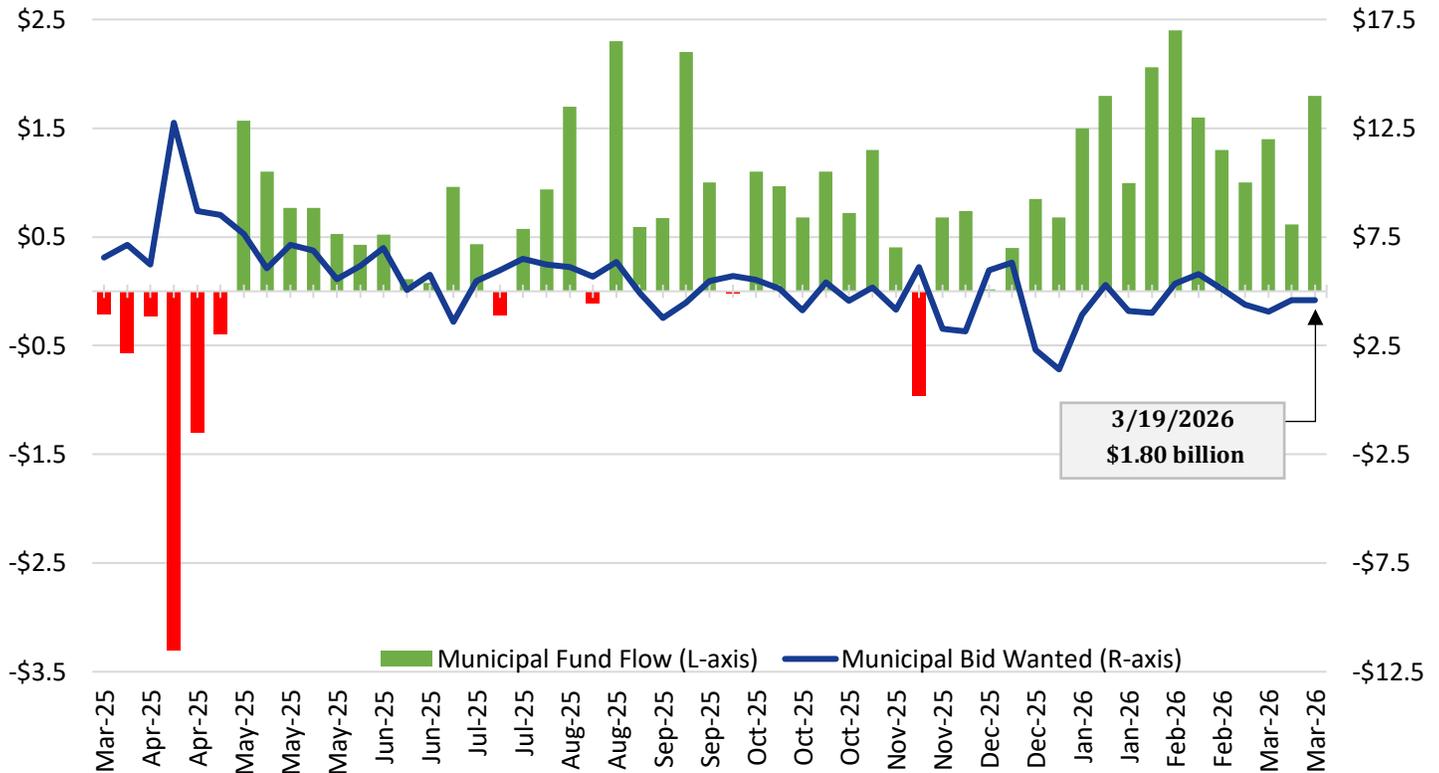
## AAA MMD CURVE



## MUNICIPAL FUND FLOWS

Week 3/12/2026 - 3/19/2026 saw inflows of \$1.80 billion

Source: Lipper, Bloomberg





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

NYC Muni. Water Finance Authority NY Optional Call: 6/15/2036 <i>*Make Whole Call on 2037 and 2038</i> Tax-Exempt \$903,580,000 Aa1/AA+/AA+/NR				Pennsylvania Turnpike Commission PA Optional Call: 12/1/2035  Tax-Exempt \$482,130,000 A2/A+/A/A+				City Colleges of Chicago IL Optional Call: 12/1/2035  Tax-Exempt \$90,000,000 -/AA/-/ (BAM Insured) -/AA-/A+ (Underlying) <i>Cabrera served as Co-Senior Manager</i>			
Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield
2027	5.00	2	2.16	2027	5.00	26	2.40				
2028	5.00	3	2.20	2028	5.00	30	2.47				
				2029	5.00	33	2.57				
2030	5.00	6	2.38	2030	5.00	35	2.67				
				2031	5.00	37	2.76				
2032	5.00	18	2.69	2032	5.00	38	2.89				
				2033	5.00	40	2.98				
2034	5.00	17	2.85	2034	5.00	41	3.09				
2035	5.00	20	3.00	2035	5.00	40	3.20				
2036	5.00	21	3.13	2036	5.00	39	3.31				
2037	* 5.00	26	3.26								
2038	5.00	27	3.40								
2038	* 5.00	32	3.45								
2039	5.00	24	3.50	2039	5.00	37	3.63				
2046	5.00	23	4.21								
								2051	5.50	53	4.77
								2055	5.50	54	4.87



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**UPCOMING NEGOTIATED CALENDAR**

Size (\$mm)	Issuer	State	Description
<b>2,239.025</b>	<b>City of New York*</b>	<b>NY</b>	<b>General Obligation Bonds, Series F-1 &amp; G</b>
1,200.000	State of Illinois	IL	General Obligation Bonds, Series 2026B & C
903.200	PA Economic Dev. Financing Auth.	PA	UPMC Revenue Bonds, Series 2026A
<b>720.100</b>	<b>CA State Public Works Board**</b>	<b>CA</b>	<b>Lease Revenue Bonds, 2026 Series A&amp;B</b>
626.520	CA Health Facilities Financing Auth.	CA	Revenue Bonds (Rady Children's Health)
529.310	City of Austin	TX	Water & Wastewater System Revenue Bonds
502.305	Nashville & Davidson County Metro Gov't	TN	GO Refunding Bonds
417.400	Univ. of Kansas Hospital Auth.	KS	Health Facilities Revenue Bonds
<b>410.940</b>	<b>City of New York*</b>	<b>NY</b>	<b>General Obligation Bonds, Series F-2</b>
367.050	Oakland Unified School Dist.	CA	General Obligation Bonds
318.025	Aldine Independent School Dist.	TX	Unlimited Tax School Building & Refunding Bonds
313.090	City of El Paso	TX	Water & Sewer Revenue Refunding Bonds
301.565	OK Capitol Improv. Auth.	OK	State Highways Revenue & Refunding Bonds
258.980	PA Economic Dev. Financing Auth.	PA	UPMC Revenue Bonds, Series 2026B & D
210.000	State of Illinois	IL	General Obligation Bonds, Series 2026A
189.270	Trinity River Auth. of TX	TX	Regional Wastewater System Revenue Bonds
172.000	San Jacinto Community College Dist.	TX	Limited Tax GO Refunding Bonds
163.290	National Finance Auth.	NH	Special Revenue Bonds
136.275	Columbus	GA	Water & Sewerage Revenue Bonds
<b>101.340</b>	<b>City of Lubbock***</b>	<b>TX</b>	<b>GO Improv. &amp; Refunding Bonds</b>

\*Cabrera will serve as Co-Manager

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

\*\*\*Cabrera will serve as 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>23-Mar</b>	<b>24-Mar</b>	<b>25-Mar</b>	<b>26-Mar</b>	<b>27-Mar</b>
10:00 AM	8:30 AM	8:30 AM	8:30 AM	10:00 AM
Construction spending (delayed report)	U.S. productivity	Import price index minus fuel	Initial jobless claims	Consumer sentiment
	9:45 AM	4:10 PM	4:00 PM - 7:10 PM	
	S&P flash U.S. services PMI	Federal Reserve governor Stephen Miran speaks	(4 PM) Federal Reserve governor Lisa Cook speaks, (6:30 PM) FR gov. Stephen Miran, (7 PM) FR Vice Chair Philip Jefferson, (7:10 PM) FR gov. Michael Barr	
<b>30-Mar</b>	<b>31-Mar</b>	<b>1-Apr</b>	<b>2-Apr</b>	<b>3-Apr</b>
	10:00 AM	8:30 AM	8:30 AM	8:30 AM
None scheduled	Consumer confidence	U.S. retail sales (delayed report)	Initial jobless claims and U.S. trade deficit	U.S. employment report, unemployment rate, and Hourly wages year over year
	12:00 PM	9:45 AM		9:45 AM
	Chicago Fed President Austan Goolsbee speaks	U.S. manufacturing PMI		Final U.S. services PMI