CABRERA CAPITAL MARKETS

MUNICIPAL MARKET UPDATE

Public Finance
Mario Carrasco
Head of Investment Banking – Public Finance
(210) 857-8517
mcarrasco@cabreracapital.com

Underwriting
Merita Kulpinski
Director – Lead Municipal Underwriter
(312) 931-6654
mkulpinski@cabreracapital.com

Monday, April 6, 2026

The municipal market found firmer footing last week as geopolitical tensions surrounding the U.S.-Iran conflict showed intermittent signs of easing through Thursday. Early-week optimism was shaped by constructive headlines and comments from Fed Chair Powell, who noted that policy is "in a very good place to observe the effects of the Iran conflict on the Fed's dual mandate," signaling that the central bank is closely monitoring economic conditions but is not expected to change its stance in the near term. The March jobs report released on Friday showed stronger-than-expected payroll growth and a lower unemployment rate, underscoring a resilient labor market. Overall, municipals outperformed Treasuries across much of the curve for the week, with the MMD AAA scale seeing steady gains led by the belly and long end.

March was a challenging month for Treasuries and municipal bonds alike, marked by heavy supply, rising oil prices, and broader inflation pressures pushing all rates higher. However, municipal yields rose more than Treasuries, leaving MMD/UST ratios at attractive levels heading into the new month. This was reflected in fund flows, as investors allocated $923 million to municipal bond funds last week. Meanwhile, the SIFMA Municipal Swap Index reset lower to 2.37% from 2.42%. Looking ahead, investors will continue to weigh geopolitical developments alongside key economic data, including PCE, CPI, and GDP growth. This data will provide a key read on inflation and economic growth amid ongoing Middle East uncertainties.

INTEREST RATE SNAPSHOT

MMD 1-Week Change*			
Term	**2-Apr**	**27-Mar**	**Change (bps)**
2-year	2.39	2.45	**-6**
5-year	2.64	2.70	**-6**
10-year	3.08	3.18	**-10**
20-year	4.07	4.19	**-12**
30-year	4.44	4.54	**-10**

UST 1-Week Change			
Term	**3-Apr**	**27-Mar**	**Change (bps)**
2-year	3.84	3.88	**-4**
5-year	3.99	4.06	**-7**
10-year	4.35	4.44	**-9**
20-year	4.91	4.99	**-8**
30-year	4.91	4.98	**-7**

This week Cabrera will serve as senior manager for the State of Rhode Island's $221 million General Obligation bonds ($149 million Tax-Exempt, $72 million Taxable) and as co-manager for Bexar County Hospital District' $119 million Limited Tax refunding bonds. The three largest transactions of this week include:

- $894 billion Nashville & Davidson County Health & Ed. Facilities Board Revenue Bonds (-/A/A/-)
- $742 million California Municipal Finance Authority Revenue Bonds (A2/-/ -/-)
- $507 million City of Rochester Health Care Facilities Revenue Bonds (Aa2/AA/-/-)

**Municipal market was closed on Friday, April 3rd in observance of Good Friday*

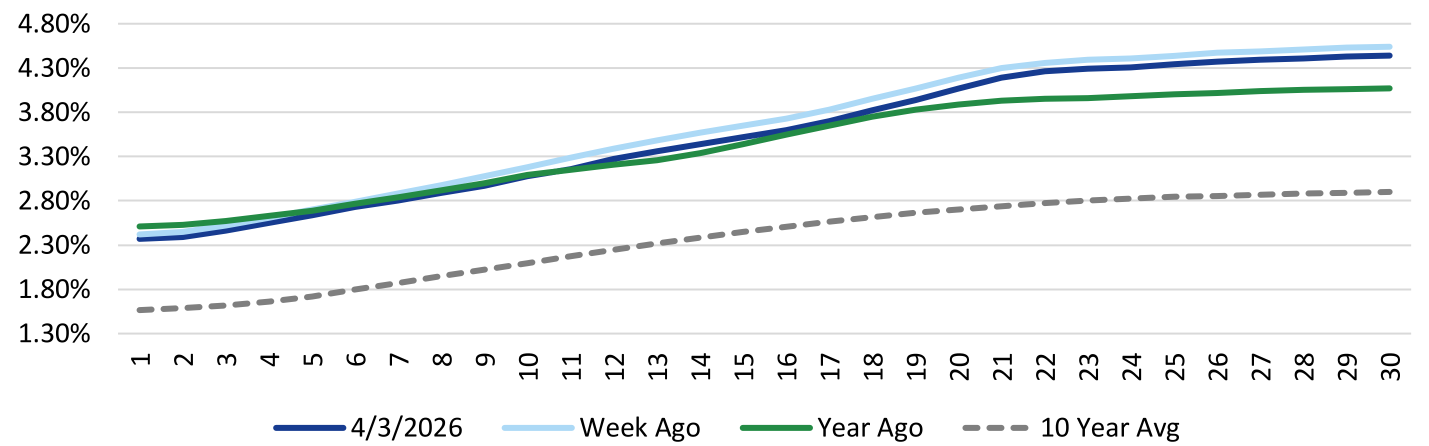
CABRERA CAPITAL MARKETS

Notable Deals Last Week

- **Los Angeles Department of Water and Power** (Aa3/NR/AA-/AA-) **(Cabrera Co-Manager)** priced $400 million of Power System Revenue Bonds. The bonds were structured out 30-years with a 10-year call. The Department insured the 2030 maturity, resulting in a 10 basis point benefit entering the order period. Following the retail order period on Tuesday, spreads were cheapened 2 basis points entering the institutional order period. The transaction ended up well subscribed for and spreads were lowered 1-6 basis points throughout, excluding 2053.

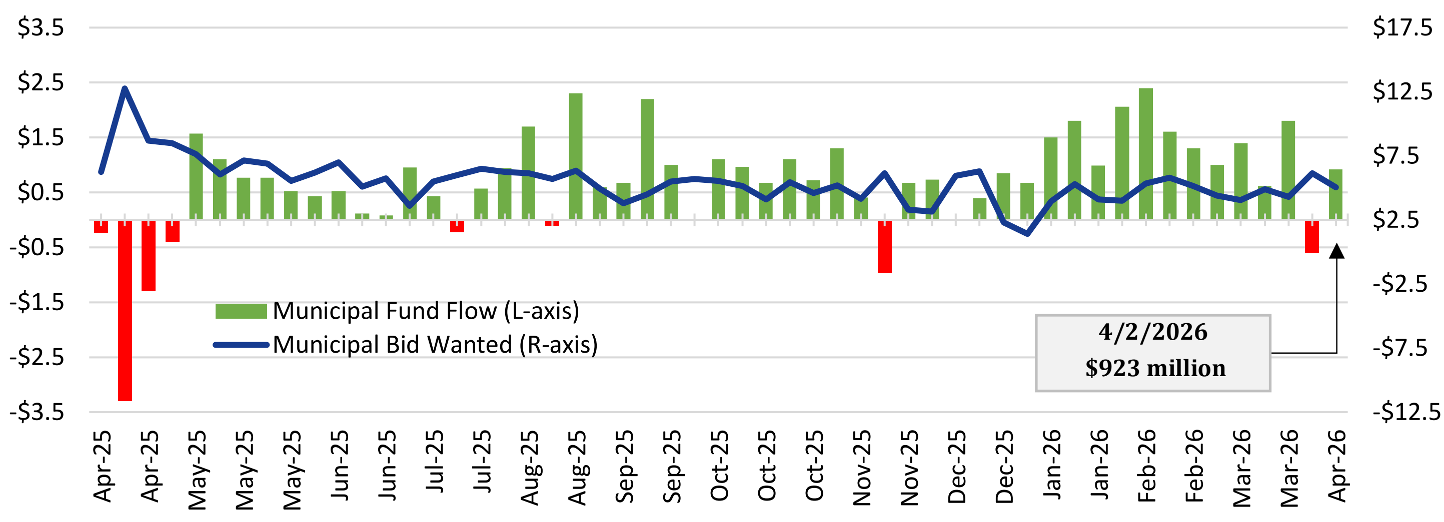
- **East Bay Municipal Utility District** (Aaa/AAA/NR/NR) priced $694 million of Water System Revenue Bonds across two series. Aggregated across the two series, the transactions went out 30-years with a 10-year call. Demand was strongest on the long end where the spread on the terms were lowered 8-10 basis points. For the remaining of the amortization, spreads were lowered 2-3 basis points in 2031, 2038-2040, and 2043-2046.

AAA MMD Curve



Municipal Fund Flows

Week 3/26/2026 – 4/2/2026 saw inflows of $923 million
Source: Lipper, Bloomberg



cabreracapital.com (800) 291-2388 227 West Monroe Street, Suite 3000, Chicago, IL 60606
Chicago · Dallas · Houston · Los Angeles · New York · Philadelphia · San Antonio · Tampa

CABRERA CAPITAL MARKETS

Upcoming Negotiated Calendar

Size ($mm)	Issuer	State	Description
894.555	Nashville & Davidson County Health & Ed. Facilities Board	TN	Revenue Bonds (Vanderbilt Univ. Medical Center), Series B
742.615	CA Municipal Finance Auth.	CA	Revenue Bonds (SFMTA Potrero Yard)
507.240	City of Rochester	MN	Health Care Facilities Revenue Bonds (Mayo Clinic)
309.760	City of Palm Coast	FL	Utility System Refunding & Revenue Bonds
254.765	NYC Housing Dev. Corp.	NY	Multi-Family Housing Revenue Bonds
221.360	**State of Rhode Island***	**RI**	**General Obligation Bonds, Series A (Tax-Exempt), Series B (Taxable)**
200.000	Nashville & Davidson County Health & Ed. Facilities Board	TN	Revenue Bonds (Vanderbilt Univ. Medical Center), Series C
145.000	IL Housing Dev. Auth.	IL	Revenue Bonds (Social Bonds)
136.700	Tucson Unified School Dist. No. 1	AZ	School Improv. Bonds
134.915	Ohlone Community College Dist.	CA	GO Refunding Bonds
130.000	West Linn-Wilsonville School Dist.	OR	General Obligation Bonds
124.695	City of Durham	NC	Limited Obligation Bonds
119.555	**Bexar County Hospital District****	**TX**	**Limited Tax Refunding Bonds**
118.590	Cedar Rapids Community School Dist.	IA	School Infrastructure Revenue Bonds
107.395	Town of Hempstead LDC	NY	Revenue Bonds (Adelphi Univ.)
107.000	Metropolitan Atlanta Rapid Transit Auth.	GA	Sales Tax Revenue Refunding Bonds (Green Bonds)
106.915	ME State Housing Auth.	ME	Mortgage Purchase Bonds (Social Bonds)
101.915	NYC Municipal Water Finance Auth.	NY	Water & Sewer System Revenue Bonds, Subseries FF-1
101.915	NYC Municipal Water Finance Auth.	NY	Water & Sewer System Revenue Bonds, Subseries FF-2
100.000	DE State Housing Auth.	DE	Single Family Mortgage Revenue Bonds

*Cabrera will serve as Senior Manager

**Cabrera will serve as Co-Manager

CABRERA CAPITAL MARKETS

Economic Calendar (All Times in EST)

Monday	Tuesday	Wednesday	Thursday	Friday
6-Apr	**7-Apr**	**8-Apr**	**9-Apr**	**10-Apr**
10:00 AM	8:30 AM	1:00 PM	8:30 AM	8:30 AM
ISM Services	Durable-goods orders	San Francisco President Mary Daly speaks	GDP, Personal income and spending, PCE index, and Initial jobless claims	Consumer price index
	5:45 PM	2:00 PM	10:00 AM	10:00 AM
	Fed Vice Chair Philip Jefferson speaks	Minutes of Fed's May FOMC meeting	Wholesale inventories	Factory orders and Consumer sentiment (prelim)
13-Apr	**14-Apr**	**15-Apr**	**16-Apr**	**17-Apr**
10:00 AM	6:00 AM	8:30 AM	8:30 AM	8:30 AM
Existing home sales	NFIB optimism index	Import price index	Initial jobless claims	Housing starts and Building permits
	8:30 AM	2:00 PM	9:15 AM	
	Producer price index	Fed Beige Book	Industrial production and Capacity utilization	