



**CABRERA CAPITAL
MARKETS**

MUNICIPAL MARKET UPDATE

Public Finance

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Economic data last week reflected continued resilience in the U.S. economy, as April payrolls exceeded expectations with 115,000 jobs added, unemployment remained steady, productivity continued to improve, and unemployment claims stayed historically low, signaling that layoffs remain muted despite broader economic uncertainty. At the same time, the U.S. trade deficit widened modestly due to strong consumer and business demand driving imports higher. In Washington, White House officials firmly rejected any notion of restructuring U.S. Treasury securities, emphasizing that the administration would never support actions resembling a debt default. In New York, debate continues over Governor Kathy Hochul’s proposed pied-à-terre tax on high-value second homes in New York City as lawmakers seek ways to address the city’s growing budget deficit. Within the municipal market, investors continued pouring money into municipal bond funds at the fastest pace in five years, attracted by favorable yields and relative market stability, while electronic trading of municipal bonds reached a record share of overall trading volume, highlighting the asset class’s continued modernization and growing adoption of digital platforms.

Municipal bond funds recorded \$1.8 billion of inflows in the latest weekly data. The SIFMA Municipal SWAP Index reset to 2.38%, 71 basis points below the prior week.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	8-May	1-May	Change (bps)	Term	8-May	1-May	Change (bps)
2-year	2.45	2.47	-2	2-year	3.90	3.88	2
5-year	2.60	2.60	0	5-year	4.02	4.02	0
10-year	2.96	2.98	-2	10-year	4.38	4.39	-1
20-year	3.93	3.95	-2	20-year	4.93	4.96	-3
30-year	4.31	4.33	-2	30-year	4.95	4.97	-2

The three largest transactions of this week include:

- \$1.178 billion San Francisco Airport Commission, Revenue Refunding Bonds, Series 2026A/B (Aa3/AA-/NR/ NR)
- \$1.174 billion Dormitory Authority of the State of New York, School Districts Revenue Bond Financing Program Revenue Bonds, Series 2026A/B/C (Aa3/NR/AA-/NR)
- \$1.102 billion City of Atlanta, Water & Wastewater Subordinate Lien Revenue and Revenue Refunding Bonds, Series 2026 (Sustainability Bonds)(Aa3/AA-/NR/AA-)



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NOTABLE DEALS LAST WEEK

- **Houston Independent School District (PSF Aaa/AAA/NR/NR, Underlying Aaa/AA+/NR/NR) (Cabrera Bookrunning Senior Manager)** priced \$342 million Limited Tax Refunding Bonds. The transaction was structured short, 2026-2030 with most of the par structured in 2027. Following premarketing on Friday, the transaction entered the market Monday morning with spreads unchanged. After receiving strong demand during the order period, especially in 2026 and 2027, spreads were lowered 6 basis points in the first two maturities and unchanged the remainder of the curve.
- **Texas State University System (Aa2/NR/AA/NR)** priced \$27 million taxable Revenue Financing System Refunding Bonds (**Cabrera Bookrunning Senior Manager**) and \$727 million tax-exempt bonds (Cabrera Co-Manager). The taxable series was structured out to 2046 with a 10-year call and a Make-Whole Call. Following price whispers on Monday, the transaction entered Indications of Interest with spreads unchanged. With moderate subscription levels throughout, spreads were lowered 2-5 basis points for all maturities excluding 2035. The tax-exempt series had a regular settlement series and a forward delivery of 7-months with a 3.5 basis point penalty per month. Both series received very strong demand and were bumped 2-11 basis points.
- **The City of Chicago priced \$943 million of Water Revenue Bonds (NR/A/A+/AA) (Cabrera Co-Manager)**. The transaction was priced across three series, one of which was 3-month forward with a 10 basis point penalty. Following premarketing, most of the amortization was unchanged excluding the 2051 maturity changing to BAM insured and tightened 10 basis points. The regular settlement series was met with strong demand, especially in the 45-47 range where spreads were tightened 10-13 basis points. The forward delivery series received slower demand and spreads remained unchanged from premarketing to final pricing.
- **Fort Bend Independent School District (PSF NR/AAA/AAA/NR, Underlying NR/AA+/AA+/NR)** priced \$318 million Unlimited Tax School Building Bonds and \$176 million Variable Rate Unlimited Tax Refunding Bonds. The fixed rate bonds were structured out 30 years with two discount terms. The series received strongest demand in the 19-22 year range where spreads were lowered by 4-8 basis points. The variable rate series was structured as a 3-year par put with a 7% stepped rate. After premarket 3.25% par put, spreads were tightened by final pricing 14.5 basis points to 3.125%.



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NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

<i>Cabrera served as Senior Manager</i>				<i>Cabrera served as Senior Manager</i>			<i>Cabrera served as Co-Senior Manager</i>			
Maturity	Coupon	Spread	Yield	Maturity	Spread	Yield	Maturity	Coupon	Spread	Yield
8/15/2026	5.00	16	2.71							
2027	5.00	14	2.69	2027	22	4.154				
2028	5.00	22	2.69	2028	25	4.184				
2029	5.00	24	2.71	2029	25	4.207				
2030	5.00	25	2.76	2030	20	4.264				
				2031	30	4.364				
				2032	28	4.517				
				2033	37	4.607				
				2034	37	4.782				
				2035	50	4.912				
				2036	53	4.942				
				2037	65	5.062				
				2038	75	5.162				
				2039	85	5.262				
				2040	90	5.312				
				2041	95	5.362				
							2041	5.00	56	3.94
							2042	5.00	54	4.00
							2043	5.00	54	4.10
							2044	5.00	52	4.21
							2045	5.00	50	4.32
				2046	71	5.696	2046	5.00	47	4.42
							2047	5.00	47	4.54
							2048	5.00	54	4.69
							2051	5.00	59	4.82
							2061	* 5.25	53	4.86
							2063	5.00	73	5.06
							2066	5.50	61	4.94

Board of Regents, Texas State University System priced three series of Bonds aggregating \$755 Million in par simultaneously with the Series listed above. Cabrera served as Co-Senior Manager for Series A&C.

**BAM Insured*

City of Chicago priced three series of Bonds aggregating \$973 Million in par simultaneously with the Series listed above.



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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,178.625	SF Airport Commission	CA	Revenue Refunding Bonds
1,173.975	NY Dormitory Auth.*	NY	School Districts Revenue Bond Financing Program Bonds
1,102.160	City of Atlanta	GA	W&WW Subordinate Lien Rev. Bonds (Sustainability Bonds)
1,120.000	State of Connecticut*	CT	General Obligation Bonds & Refunding Bonds
609.250	City of Boston	MA	General Obligation Bonds & Refunding Bonds
375.360	City of Georgetown	TX	Utility System Revenue Bonds
295.805	City of New Braunfels	TX	Utility System Revenue & Refunding Bonds
286.885	NY Dormitory Auth.	NY	Revenue Bonds (Columbia Univ.)
223.055	NJ Higher Ed. Student Assistance Auth.	NJ	Student Loan Revenue Refunding Bonds
203.880	Johnson County USD No. 233	KS	GO Refunding & Improv. Bonds
200.000	Cerritos Community College Dist.	CA	Election of 2022 GO Bonds
199.955	CO Housing & Finance Auth.	CO	Single Family Mortgage Bonds
199.030	Middlesex County Improv. Auth.	NJ	Lease Revenue & Revenue Bonds (NJ Health + Life Science)
190.565	Richardson Independent School Dist.	TX	Unlimited Tax School Building Bonds
150.115	City of Houston	TX	Airport System Special Facilities Rev. Bonds (United Airlines)
142.080	MA Housing Finance Agency	MA	Single Family Housing Revenue Bonds (Social Bonds)
140.500	City of Celina	TX	Tax & Waterworks/Sewer System Rev. Certs. of Obligation
128.000	Hamilton County	OH	Healthcare Facil. Improv. & Ref. Rev. Bonds (Christ Hospital)
127.600	Utah City West Public Infrastructure Dist. No. 1	UT	Special Assessment Bonds
120.000	Town of Barrington	RI	General Obligation Bond Anticipation Notes

*Cabrera will serve as Co-Manager



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ECONOMIC CALENDAR (ALL TIMES IN EST)

Monday	Tuesday	Wednesday	Thursday	Friday
11-May	12-May	13-May	14-May	15-May
10:00 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM
Existing home sales	CPI year over year	Core PPI year over year	Initial jobless claims, Import price index, and U.S. retail sales	Empire State manufacturing survey
	2:00 PM	11:30 AM	10:00 AM	9:15 AM
	Monthly U.S. federal budget	Boston Fed President Susan Collins speech	Business inventories	Industrial production
18-May	19-May	20-May	21-May	22-May
	10:00 AM	2:00 PM	8:30 AM	10:00 AM
None scheduled	Pending home sales	Minutes of Fed's May FOMC meeting	Initial jobless claims, Building permits, and Philadelphia Fed manufacturing survey	Consumer sentiment and U.S. leading economic indicators
			9:45 AM	
			U.S. services PMI and U.S. manufacturing PMI	