



**CABRERA CAPITAL  
MARKETS**

**MUNICIPAL MARKET UPDATE**

**Public Finance**

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The municipal market continues to evolve as investors increasingly focus on essential infrastructure assets with durable revenue streams and strong implicit government support, rather than relying solely on traditional legal repayment structures. Sectors such as water, public power, and transportation are being viewed as strategically important assets that governments are unlikely to allow to fail, potentially creating opportunities for investors who prioritize essentiality and long-term revenue stability. At the same time, the market continues to attract new participants, highlighted by Flagstar Bank announcing plans to begin underwriting municipal bond transactions. Broader macroeconomic conditions remain challenging as Federal Reserve Governor Christopher Waller signaled that future interest-rate hikes remain possible if inflation persists following energy-related price pressures tied to the Iran conflict. Higher rates are already impacting other sectors, with 30-year mortgage rates climbing to 6.51%, the highest level since August, potentially slowing housing activity. Despite these headwinds, the municipal market continues to modernize, with electronic trading volumes reaching 19% of total muni trading activity in February, nearly double 2023 levels, contributing to improved liquidity and market efficiency.

Municipal bond funds recorded \$1.5 billion of inflows in the latest weekly data. The SIFMA Municipal SWAP Index reset to 1.64%, 69 basis points below the prior week.

**INTEREST RATE SNAPSHOT**

MMD 1-Week Change				UST 1-Week Change			
Term	22-May	15-May	Change (bps)	Term	22-May	15-May	Change (bps)
2-year	2.57	2.57	0	2-year	4.13	4.09	4
5-year	2.77	2.73	4	5-year	4.27	4.26	1
10-year	3.14	3.09	5	10-year	4.56	4.59	-3
20-year	4.08	4.02	6	20-year	5.06	5.14	-8
30-year	4.50	4.46	4	30-year	5.07	5.12	-5

The three largest transactions of this week include:

- \$2.147 billion New York City Transitional Finance Authority, Future Tax Secured Subordinate Bonds, Fiscal 2026 Series G, G-1, G-2, I, & H (Aa1/AAA/AAA/NR)
- \$329.645 million Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2026 (Aa1/NR/NR/NR)
- \$317.26 million Medical University Hospital Authority, Hospital Mortgage Revenue Bonds, Series 2026 (Aa2/AA+/NR/NR)



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**NOTABLE DEALS LAST WEEK**

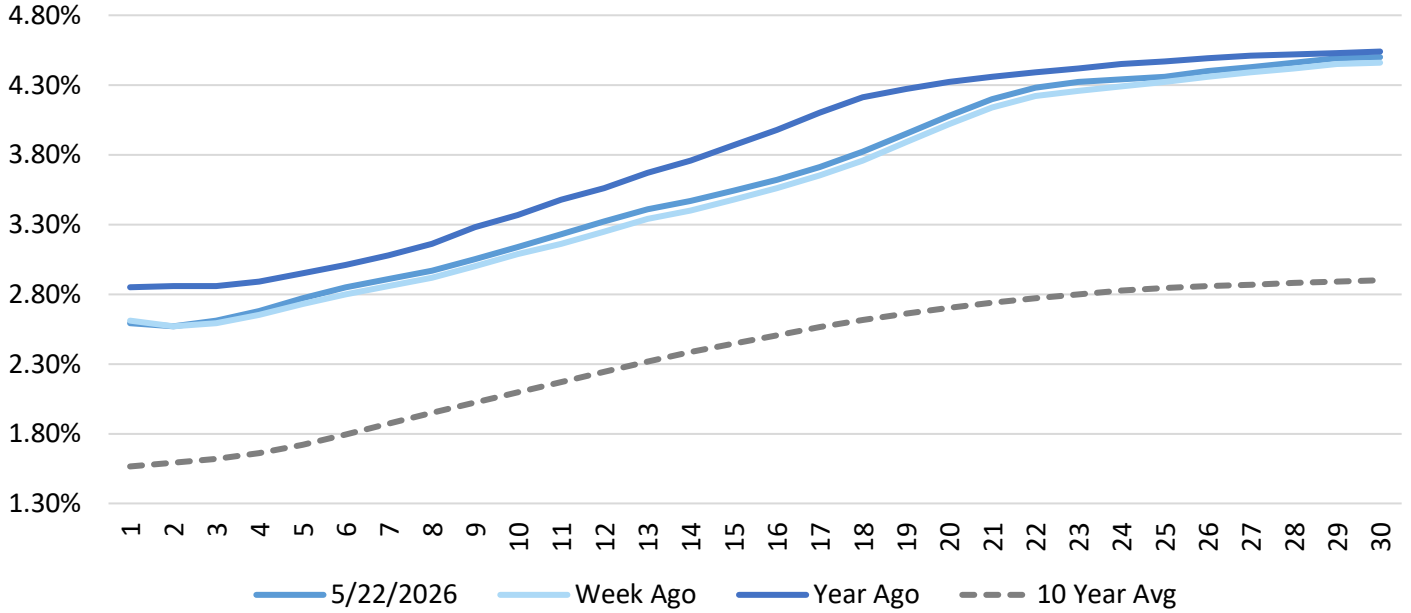
- **City of Charlotte, North Carolina (Aa3/NR/AA-/NR)** priced a \$195MM Tax-Exempt Airport Revenue Bond for the Charlotte-Douglas Airport. The transaction had a 30-year amortization that was oversubscribed throughout. Yields were bumped 3-18 basis points, with the largest oversubscription being on the term bonds in 2051 and 2056.
- **School District of Philadelphia, Pennsylvania (Aa3/NR/AA-/NR State Aid Intercept, Baa1, NR, BBB-, NR-Underlying)** priced \$797MM Tax-Exempt General Obligation and General Obligation Refunding Bonds. The deal was oversubscribed, with bumps as much as 16 basis points. The deal saw double digit bumps 2044-2051.
- **Triborough Bridge and Tunnel Authority, New York (NR/AA-/AA-/AA)** priced \$893MM General Revenue Bonds. The deal garnered \$449MM in retail orders. The deal was oversubscribed after the institutional order period, and yields were lowered 2-7 basis points.
- **Trinity River Authority, Texas (NR/AAA/NR/NR)** priced \$70MM General Obligation Bonds. The deal struggled 2037-2043 and spreads were widened by 2-3 basis points.





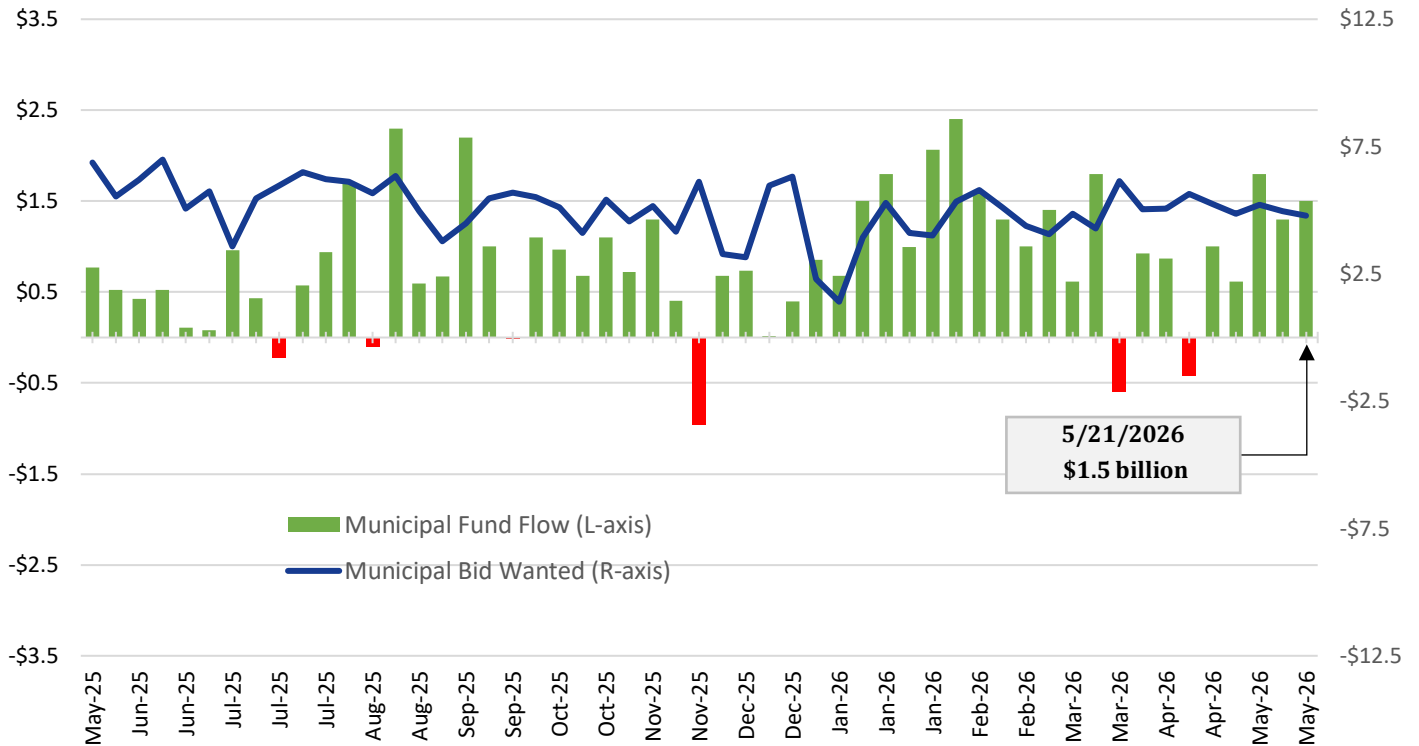
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## AAA MMD CURVE



## MUNICIPAL FUND FLOWS

Week 5/15/2026 – 5/21/2026 saw inflows of \$1.5 billion  
Source: Lipper, Bloomberg





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

Triborough Bridge and Tunnel Authority NY				School District of Philadelphia PA				Great Lakes Water Authority MI			
Call Date 11/15/2036				Call Date 9/1/2036				Non-Callable			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
\$525,000,000				\$363,710,000				\$179,565,000			
NR/AA-/AA-/AA				Aa3/Baa1/AA-/BBB- (PA State Aid Intercept Insured)				A1/A+/AA-/NR			
Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield
				2027	5.00	36	2.97				
				2028	5.00	40	2.99				
				2029	5.00	47	3.11				
				2030	5.00	45	3.16	2030	5.00	41	3.06
				2031	5.00	50	3.30				
				2032	5.00	53	3.41				
				2033	5.00	51	3.45	2033	5.00	43	3.29
				2034	5.00	52	3.52	2034	5.00	44	3.36
2035	5.00	25	3.38	2035	5.00	51	3.59	2035	5.00	45	3.45
2036	5.00	24	3.45	2036	5.00	49	3.66	2036	5.00	46	3.55
2037	5.00	27	3.57	2037	5.00	51	3.77				
2038	5.00	31	3.69	2038	5.00	51	3.86				
2039	5.00	31	3.79								
2040	5.00	31	3.81								
2041	5.00	31	3.89								
2042	5.00	31	3.97								
2043	5.00	31	4.06								
2044	5.00	29	4.15								
2045	5.00	25	4.24								
2046	5.00	26	4.38								
2047	5.25	20	4.44								
2048	5.25	23	4.55								
2051	5.25	29	4.69								
2054	5.25	27	4.77								
2056	5.50	16	4.70								

Triborough Bridge and Tunnel Authority priced two series of Bonds aggregating \$895 Million in par simultaneously with the Series listed above.

The School District of Philadelphia priced three series of Bonds aggregating \$801 Million in par simultaneously with the Series listed above.

The Great Lakes Water Authority priced three series of Bonds aggregating \$239 Million in par simultaneously with the Series listed above.



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**UPCOMING NEGOTIATED CALENDAR**

Size (\$mm)	Issuer	State	Description
<b>2,147.495</b>	<b>NYC Transitional Finance Auth.**</b>	<b>NY</b>	<b>Future Tax Secured Subordinate Bonds</b>
329.645	PA Housing Finance Agency	PA	Single Family Mortgage Rev Bonds (Non-AMT) (Social Bonds)
317.260	Medical Univ. Hospital Auth.	SC	FHA-Insured Hospital Mortgage Revenue Bonds (Nexton)
288.420	CT Housing Finance Auth.	CT	Housing Mortgage Finance Program Bonds (Social Bonds)
178.945	City of New Orleans	LA	Public Improvement Bonds & Tax Public Improvement Bonds
175.000	Platte River Power Auth.	CO	Power Revenue Bonds
163.300	State of CT	CT	Refunding General Revenue Bonds (Green Bonds)
142.855	Issaquah School Dist. No. 411	WA	Unlimited Tax General Obligation Refunding Bonds
120.205	Johnston County Finance Corp.	NC	Limited Obligation Bonds
112.996	Hudson County Improvement Auth.	NJ	County-Guaranteed Pooled Notes (Local Unit Loan Program)
106.490	Public Power Generation Agency	NE	Whelan Energy Center Unit 2 Revenue Refunding Bonds
105.510	Coppell ISD	TX	Unlimited Tax School Building & Refunding Bonds
94.200	City of Baytown	TX	GO Bonds & Combination Tax & Revenue Certificates of Obligation
89.000	Lee County IDA	FL	Healthcare Facilities Refunding Revenue Bonds (Cypress Cove)
87.485	NY State Housing Finance Agency	NY	Affordable Housing Revenue Bonds (Sustainability Bonds)
69.940	University of AZ	AZ	System Revenue Bonds
<b>52.500</b>	<b>Alum Rock Union Elementary School Dist.*</b>	<b>CA</b>	<b>Election of 2022 GO Bonds</b>
52.150	Sulphur Springs ISD	TX	Unlimited Tax School Building Bonds
<b>52.000</b>	<b>Denton County**</b>	<b>TX</b>	<b>Permanent Improvement Refunding Bonds</b>
51.185	City of Avondale	AZ	Wastewater System Revenue & Revenue Refunding Obligations

\*Cabrera will serve as Sole Manager

\*\*Cabrera will serve as Co-Manager





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ECONOMIC CALENDAR (ALL TIMES IN EST)

Monday	Tuesday	Wednesday	Thursday	Friday
25-May	26-May	27-May	28-May	29-May
	9:00 AM		8:30 AM	8:30 AM
Memorial Day	S&P Case-Shiller home price index (20 cities)	None scheduled	Initial jobless claims and Durable-goods orders	Personal income, Personal spending, Core PCE index and Advanced U.S. trade balance in goods
	10:00 AM		10:00 AM	
	Consumer confidence		New home sales	
1-Jun	2-Jun	3-Jun	4-Jun	5-Jun
10:00 AM	10:00 AM	8:15 AM	8:30 AM	8:30 AM
ISM manufacturing & Construction spending	Job openings	ADP employment	Initial jobless claims and U.S. productivity	U.S. unemployment rate
		2:00 PM		3:00 PM
		Fed Beige Book		Consumer credit

