



**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

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Volatility persisted last week as the market reacted to the release of economic data and continued geopolitical developments. Core CPI came in as expected at 4.20%, while PPI came in lower than expected at 6.40%. Treasuries saw a modest sell-off into Friday. Headlines surrounding U.S.–Iran tensions continued to drive intraday changes, with treasuries rallying late in the week after comments indicating potential de-escalation. Over the weekend, the U.S. and Iran agreed to a framework aimed at ending the conflict, reopening the Strait of Hormuz, and initiating a 60-day negotiation period regarding Iran’s nuclear program. The easing of supply concerns pressured oil prices lower, with WTI crude falling to approximately \$80 per barrel, helping support a rally in Treasuries and pushing yields lower.

Attention now turns to this week’s Federal Reserve meeting awaiting signals on policy direction under new Chair Kevin Warsh. The widely expected result is the federal funds rate will be held steady at a range of 3.50% to 3.75%. Market resilience continues and investor demand for municipals remains strong with Lipper reporting an eighth consecutive week of inflows. However, this is the first week below \$1 billion following five consecutive weeks exceeding \$1 billion. Supply continues to remain elevated but shows a decline compared to the prior week.

The SIFMA Municipal SWAP Index reset to 2.89%, 75 basis points above the prior week.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	5-June	12-June	Change (BPs)	Term	5-June	12-June	Change (BPs)
2-Year	2.38%	2.39%	+1	2-Year	4.17%	4.09%	-8
5-Year	2.58%	2.64%	+6	5-Year	4.29%	4.21%	-8
10-Year	2.95%	2.99%	+4	10-Year	4.55%	4.48%	-7
20-Year	3.86%	3.88%	+2	20-Year	5.03%	4.98%	-5
30-Year	4.30%	4.32%	+2	30-Year	5.01%	4.97%	-4

The three largest transactions of this week include the following:

- \$637.865 million Miami-Dade County Aviation Revenue Refunding Bonds, Series 2026A & B (NR/A+/A+/AA-)
- \$509.620 million New York State Housing Finance Agency Affordable Housing Revenue Bonds, 2026 Series D-1, D-2, 2026E, & F (Aa2/NR/NR/NR)
- \$366.900 million State of Louisiana General Obligation Refunding Bonds, Series 2026-B (Aa2/AA/NR/AA)



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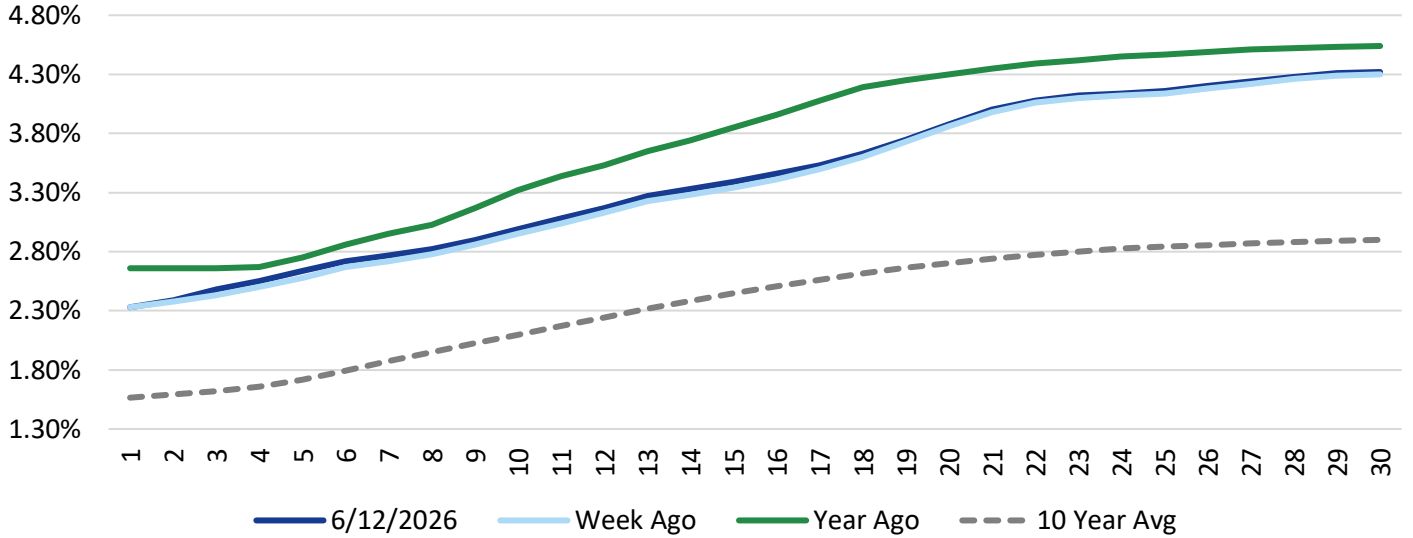
NOTABLE DEALS LAST WEEK

- **The State of Illinois for the Build Illinois Bonds (NR/A/A+/AA+) (Cabrera Bookrunning Senior Manager)** priced \$485 million Junior Obligation Sales Tax Revenue Bonds. The transaction was structured across two series: a \$300 million new money series structured out 20-years and \$185 million refunding series structured out 6-years. Following premarketing on Monday, the transaction entered the market with spreads unchanged. Throughout the amortization, both series received strong demand, subscribed in aggregate around 4 times. Spreads were tightened 2-8 basis points throughout, excluding 2042 where it was just subscribed for.
- **Pennsylvania Turnpike Commission priced two series: \$174 million Turnpike Subordinate Revenue Refunding Bonds (A2/A+/A/A+) and \$114 million Motor License Fund-Enhanced Turnpike Subordinate Special Revenue Bonds (Aa3/NR/AA-/AA-) (Cabrera Co-Manager).** From premarketing to final pricing, both series' spreads were unchanged.
- **The City of El Paso, Texas (NR/AA/NR/AA+) priced \$307 million General Obligation Refunding and Improvement Bonds (Cabrera Co-Manager).** The transaction was structured out 25-years with a 9-year call. Following premarketing, spreads remained unchanged entering the order period, excluding the term bond which was restructured from a discount to a premium structure with a 5% coupon. Spreads remained mostly unchanged excluding 1-3 basis point bump 2027-2028, 2030-2032, 2036, and 2051.
- **Los Angeles Community College District (Aaa/AA+/NR/NR) priced \$560 million General Obligation Refunding Bonds.** The transaction was structured short out to 2042 with a 10-year call and 4 noncallable maturities (2039-2042). Demand was mixed throughout the amortization, but the 2036-2039 range struggled and had to get 2-5 cheaper with balances remaining.
- **Midlothian Independent School District (PSF Aaa/AAA/NR/NR, Underlying Aa3/AA-/NR/NR) priced \$144 million Unlimited Tax School Building Bonds.** The transaction was structured out 30-years with a 10-year call. Following premarketing, spreads were cheapened 3 basis points throughout, excluding the 30-year term bond. The short end and long end received stronger demand, but price adjustments were minimal. Spreads were tightened 1-5 basis points 2027-2028, 2030, 2033, 2036-2037, 2046, 2048, and 2056.



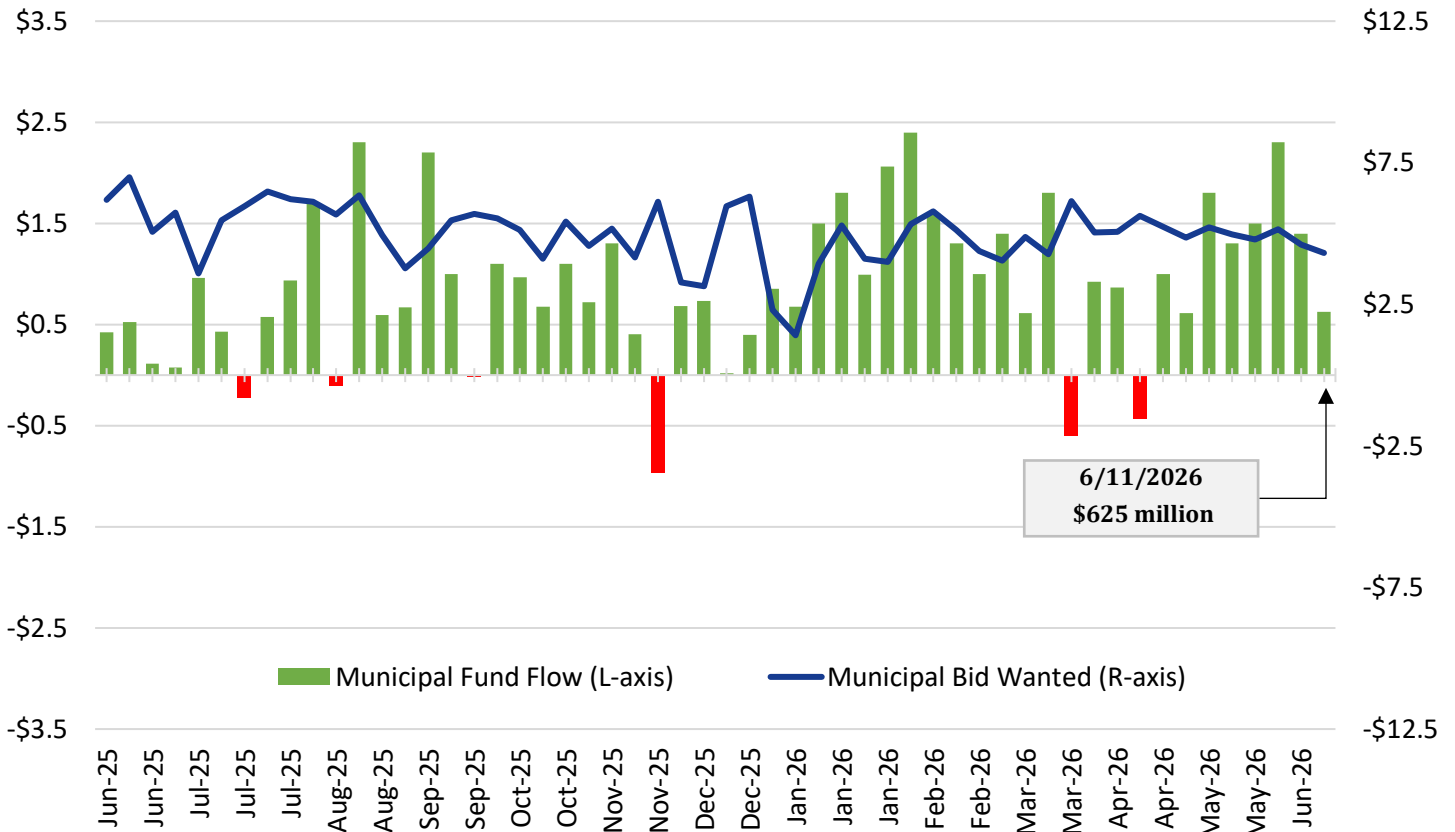
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AAA MMD CURVE



MUNICIPAL FUND FLOWS

Week 6/4/2026 - 6/11/2026 saw inflows of \$625 million
 Source: Lipper, Bloomberg





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NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

State of Illinois IL				Pennsylvania Turnpike Commission PA				City of El Paso TX			
Optional call 6/15/2036				Optional call 12/01/2036				Optional call 8/15/2035			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
\$300,000,000				\$174,315,000				\$307,035,000			
NR/A/A+/AA+				A2/A+/A/A+				NR/AA/NR/AA+			
<i>Cabrera served as Senior Manager</i>				<i>Cabrera served as Co-Manager</i>				<i>Cabrera served as Co-Manager</i>			
Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield	Maturity	Coupon	Spread	Yield
2027	5.00	27	2.60					2026	5.00	20	2.53
2028	5.00	33	2.71					2027	5.00	17	2.50
2029	5.00	37	2.80					2028	5.00	22	2.60
2030	5.00	39	2.89	12/01/30	5.00	26	2.79	2029	5.00	28	2.72
2031	5.00	40	2.98	12/01/31	5.00	28	2.89	2030	5.00	29	2.80
2032	5.00	41	3.08	06/01/32	5.00	30	2.97	2031	5.00	30	2.89
2033	5.00	42	3.14	12/01/33	5.00	34	3.08	2032	5.00	32	3.00
2034	5.00	45	3.23					2033	5.00	36	3.09
2035	5.00	47	3.33	12/01/35	5.00	36	3.27	2034	5.00	38	3.18
2036	5.00	45	3.40	12/01/36	5.00	38	3.38	2035	5.00	38	3.26
2037	5.00	47	3.51	12/01/37	5.00	38	3.47	2036	5.00	36	3.33
2038	5.00	49	3.62	06/01/38	5.00	40	3.53	2037	5.00	40	3.46
2039	5.00	50	3.73	12/01/38	5.00	40	3.56	2038	5.00	40	3.54
2040	5.00	52	3.80	06/01/39	5.00	40	3.63	2039	5.00	40	3.64
2041	5.00	53	3.87	12/01/40	5.00	38	3.66	2040	5.00	40	3.68
2042	5.00	54	3.95	12/01/41	5.00	38	3.72	2041	5.00	40	3.74
2043	5.00	50	4.00	12/01/42	5.00	38	3.79	2042	5.00	40	3.81
2044	5.00	47	4.07	06/01/43	5.00	38	3.88	2043	5.00	40	3.90
2045	5.00	45	4.18					2044	5.00	39	3.99
2046	5.00	44	4.30					2045	5.00	38	4.11
								2046	5.00	37	4.23
								2051	5.00	38	4.52

The State of Illinois priced two series of Bonds aggregating \$489.9 Million in par simultaneously with the Series listed above.

Pennsylvania Turnpike Commission priced two series of Bonds aggregating \$288.4 Million in par simultaneously with the Series listed above.



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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
637.865	Miami-Dade County	FL	Aviation Revenue Refunding Bonds
509.620	NY State Housing Finance Agency	NY	Affordable Housing Revenue & Refunding Bonds
366.900	State of LA	LA	General Obligation Refunding Bonds
356.340	VA Housing Dev. Auth.	VA	Commonwealth Mortgage Bonds
350.000	Riverside County	CA	Tax & Revenue Anticipation Notes
306.845	VA Small Business Financing Auth.	VA	Senior Revenue Bonds
292.415	Wasatch County	UT	Special Assessment Bonds
280.385	AZ Industrial Dev. Auth.	AZ	Student Housing Revenue Bonds (Univ. of Arizona)
230.100	AR Development Finance Auth.	AR	Industrial Development Revenue Bonds
225.000	VA Housing Dev. Auth.	VA	Commonwealth Mortgage Bonds
190.570	Lake Washington School Dist. No. 414	WA	Refunding Bonds
175.000	San Francisco Airport Commission	CA	Second Series Variable Rate Revenue Bonds
159.998	Akron-Summit County Public Library	OH	General Obligation Library Improvement Bonds
149.460	Fulton County Dev. Auth.	GA	Student Housing Revenue Bonds
145.727	Public Finance Auth.	WI	Municipal Certificates
135.625	Northern California Sanitation Agencies Fin. Auth.	CA	Refunding Revenue Bonds (Sacramento Area Sewer Dist.)
124.595	Port of Greater Cincinnati Dev. Auth.	OH	Special Obligation Development Revenue & Refunding Bonds (Convention Center Hotel) (Senior Lien)
121.195	Public Finance Auth.	WI	Revenue Bonds
115.000	City of Corpus Christi	TX	General Improvement Bonds
101.860	California Municipal Finance Auth.	CA	Affordable Housing Certificates





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ECONOMIC CALENDAR (ALL TIMES IN EST)

Monday	Tuesday	Wednesday	Thursday	Friday
15-Jun	16-Jun	17-Jun	18-Jun	19-Jun
9:15 AM	8:30 AM	10:00 AM	8:30 AM	
Industrial Production and Capacity Utilization	Housing Starts and Import Prices	Manufacturing and Trade: Inventories and Sales, and Pending Home Sales Index	Weekly Jobless Claims, and Philadelphia Fed Business Outlook Survey	No events scheduled
		2:00 PM	10:00 AM	
		U.S. interest rate decision	Leading Indicators	
22-Jun	23-Jun	24-Jun	25-Jun	26-Jun
	9:45 AM	10:00 AM	8:30 AM	8:30 AM
No events scheduled	US Flash Manufacturing PMI US Flash Services PMI	New Home Sales	Durable Goods, 3rd estimate GDP, Weekly Jobless Claims, Weekly Jobless Claims, and PCE Core Price Idx	Advance Economic Indicators Report, Wholesale Inventories, and Retail Inventories
				10:00 AM
				U. Michigan Final Consumer Survey