CABRERA CAPITAL MARKETS

Municipal Market Update

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Munis underperformed Treasuries this week, with the MMD curve weakening 16–22 basis points as the market corrected following a period of very rich ratios, while Treasury yields also backed up by approximately 10–15 basis points across the curve. The move reflected a broad repricing in munis relative to Treasuries after ratios had reached unusually rich levels earlier in the month, prompting the sector to give back a meaningful portion of its recent outperformance.

MMD/UST ratios have continued to normalize off their recent rich levels. Current ratios now sit above their 5-year averages on the 5- and 10-year, while the 30-year remains modestly rich, holding roughly 1 percentage point below its 5-year average. Since July 9, the UST/MMD ratio has jumped 5 percentage points on both the 5- and 10-year and 3 percentage points on the 30-year, underscoring how quickly the front and intermediate portions of the curve have cheapened relative to Treasuries.

Municipal technicals help explain the outsized swings seen this week. The market logged its 15th consecutive week of inflows, though at just $174 million — the weakest of the entire streak. At the same time, muni bid-wanteds climbed to their highest level in 18 weeks, producing the lowest ratio of bids wanted to inflows for any positive-inflow week year-to-date. This combination of limited demand meeting heavy selling pressure set the backdrop for the massive MMD moves witnessed this week. Visible supply stands at $8.68 billion.

Energy prices added to the week's inflationary tone, with Brent crude opening the week near $89/bbl, reaching a weekly high of $102/bbl on Thursday amid escalating Middle East tensions, before easing to settle at $98.70/bbl on Friday. The SIFMA Municipal Swap Index reset to 1.74%, 36 basis points lower than the prior week.

Interest Rate Snapshot

MMD 1-Week Change

Term	24-July	17-July	Change (BPs)
2-Year	2.61%	2.43%	+18
5-Year	2.92%	2.73%	+19
10-Year	3.36%	3.14%	+22
20-Year	4.12%	3.93%	+19
30-Year	4.52%	4.33%	+19

UST 1-Week Change

Term	24-July	17-July	Change (BPs)
2-Year	4.33%	4.18%	+15
5-Year	4.43%	4.28%	+15
10-Year	4.69%	4.55%	+14
20-Year	5.18%	5.07%	+11
30-Year	5.16%	5.06%	+10

Cabrera will serve as Co-manager on The Long Island Power Authority's $946.12 million Electric System General Revenue Bonds, Series 2026B and Series 2026C (Fixed Rate Mandatory Tender Bonds). The three largest transactions of this week include the following:

- $1.03 billion Colorado Health Facilities Authority Hospital Revenue Bonds, Series 2026 (AdventHealth Obligated Group) (Tax-Exempt) (Aa2/AA/AA/NR)
- $946.12 million Long Island Power Authority Electric System General Revenue Bonds, Series 2026B and Series 2026C (Fixed Rate Mandatory Tender Bonds) (Tax-Exempt) (NR/NR/NR/NR)
- $628.95 million Harris County, Texas Permanent Improvement Refunding Bonds, Series 2026A, Unlimited Tax Road Refunding Bonds, Series 2026A, and Permanent Improvement Tax and Revenue Certificates of Obligation, Series 2026A/2026B (Tax-Exempt) (Aaa/NR/NR/AAA)

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NOTABLE DEALS LAST WEEK

Cabrera's Notable Senior Managed Deals

- **Magnolia Independent School District (PSF Aaa/NR/NR/NR, Underlying Aa2/NR/NR/NR) (Cabrera Bookrunning Senior Manager) priced $461 million Unlimited Tax School Building Bonds. The transaction was structured out 29 years with a 9-year call. The morning of pricing, both Treasuries and Municpals were significantly weaker.** The deal entered the market 2-7 basis points wider from premarketing and restructured to include more discount coupons. By the end of the order period, $200 million in balances remained as MMD was projecting a 12-basis point cut. Spreads were adjusted 2-5 basis points higher 2034 and longer and 5.25% coupons were added. Over 40 investors participated in the MISD transaction. By the end of the day, just under $8 million in balances remained.

Cabrera's Notable Co-managed Deals

- **New York City Transitional Finance Authority (Aa1/AAA/AAA/NR) (Cabrera Co-Manager) priced $1.5 billion Future Tax Secured Subordinate Bonds**. Following a light Retail Order Period with around $270 million in retail orders, spreads were cheapened 1-5 basis points and additional 5.25 and 5.50% coupons were added. The transaction struggled during the order period and with a large portion of the deal unsold and a second order period began with spreads 2-5 basis points wider. By the end of the second order period, spreads were widened an additional 1-8 basis points in the 2037-2046 range where demand was lightest.
- **The City of San Antonio, Texas priced $866 million AMT Airport System Revenue and Refunding Bonds (A2/A+/A+/NR) (Cabrera Co-Manager).** The transaction was structured out 30 years with BAM insurance in 2056 and the bifurcated 2060 terms. The transaction entered the market with spreads unchanged following premarketing. Demand was strong especially on the short end and long end of the amortization where spreads were tightened 3-10 basis points.
- **The University of Pennsylvania Health System priced $232 million Health System Refunding Revenue Bonds through Pennsylvania Higher Education Facilities Authority and $116 million Refunding Revenue Bonds through New Jersey Health Care Facilities Financing Authority (Aa3/AA/NR/NR) (Cabrera Co-Manager).** Notably, the series issued through the Pennsylvania Higher Education Facilities Authority featured a 9-month forward which was penalized by over 5 basis points per month. The forward received the strongest demand, and spreads were tightened 5-13 basis points.
- **Mesquite Independent School District (PSF NR/AAA/AAA/NR, Underlying NR/AA/AA+/NR) (Cabrera Co-Manager) priced $125 million Unlimited Tax Refunding Bonds.** The transaction was structured short out to 2042 with a 9-year call. Following premarketing on Tuesday, spreads were cheapened 2 basis points 2038 and longer. Around $16 million in balances remained following the order period in 2029, 2031, 2035, 2038, and 2040-2041. Spreads remained unchanged.

Other Notable Deals

- **District of Columbia (Aa1/AAA/NR/NR) priced $752 million tax-exempt and $426 million taxable Income Tax Secured Revenue Bonds. The tax-exempt series was structured from 2039-2051 with a bifurcated 2051 term including 5% and 5.25% coupons.** Following premarketing on Monday, spreads were cheapened 2 basis points 2039-2043. The series struggled during the order period and had to get a further 1-5 basis points cheaper 2040-2049 where large balances remained. The taxable series performed well, spreads were tightened 1-6 basis points from Indications of Interest to Final Pricing throughout excluding 2030 and 2033-2035.

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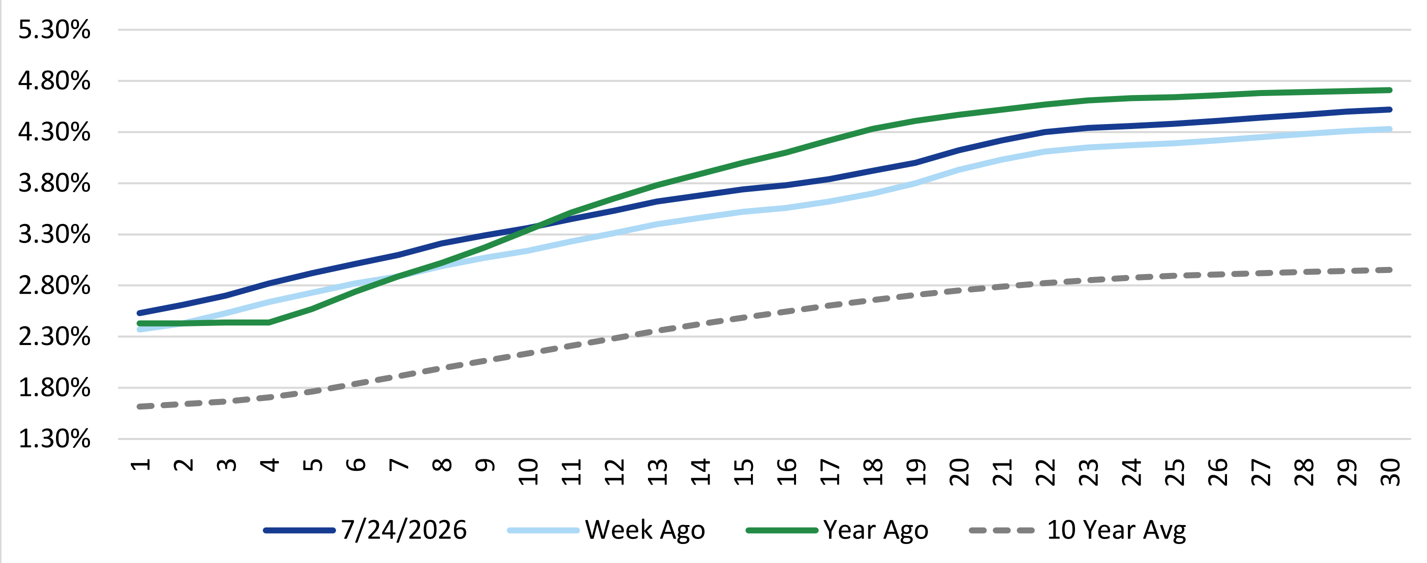
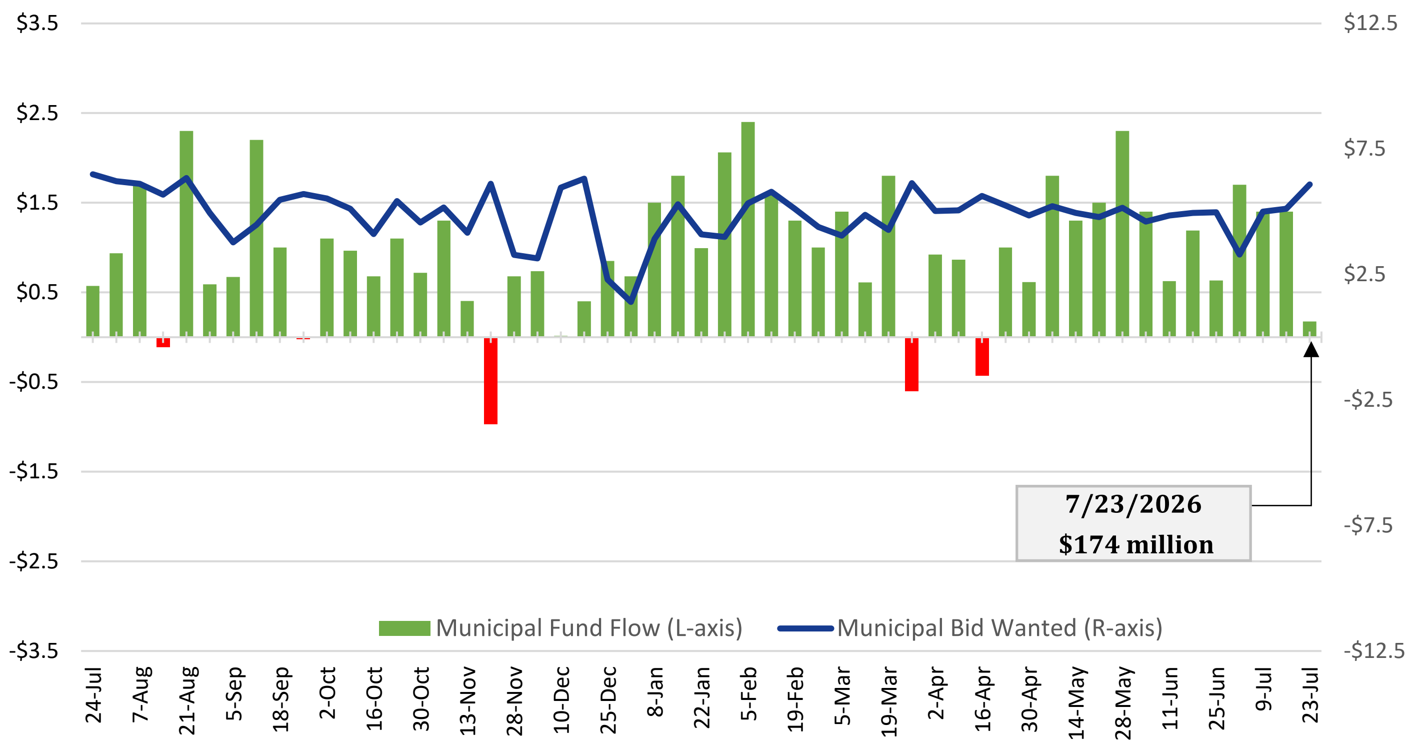
AAA MMD Curve



Municipal Fund Flows

Week 7/16/2026 – 7/23/2026 saw inflows of $174 million
Source: Lipper, Bloomberg



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Notable Fixed-Rate New Issue Results From Last Week

New York City Transitional Finance Authority
NY
Optional call 11/1/2036
Tax-Exempt
$1,500,000,000
Aa1/AAA/AAA/NR

Cabrera served as Co-Manager

Maturity	Coupon	Spread	Yield
2027	5.00	18	2.59
2028	5.00	20	2.71
2029	5.00	20	2.79
2030	5.00	23	2.93
2031	5.00	25	3.04
2032	5.00	29	3.17
2033	5.00	30	3.24
2034	5.00	30	3.35
2035	5.00	32	3.45
2036	5.00	33	3.54
2037	5.00	35	3.65
2038	5.00	40	3.77
2039	5.00	43	3.89
2040	5.00	47	3.97
2041	5.00	50	4.06
2042	5.00	50	4.10
2043	5.00	50	4.16
2044	5.00	50	4.24
2045	5.00	50	4.33
2046	5.25	40	4.36
2047	5.25	40	4.46
2048	5.25	40	4.54
2051	5.50	35	4.57
2054	5.25	40	4.71
2056	5.00	45	4.81

City Of San Antonio - Airport System
TX
Optional call 7/1/2036
Tax-Exempt
$866,440,000
A2/A+/A+/NR
BAM insured*

Cabrera served as Co-Manager

Maturity	Coupon	Spread	Yield
2027	5.00	60	2.97
2028	5.00	61	3.06
2029	5.00	63	3.16
2030	5.00	64	3.28
2031	5.00	66	3.39
2032	5.00	69	3.51
2033	5.00	69	3.58
2034	5.00	68	3.67
2035	5.00	68	3.75
2036	5.00	68	3.82
2037	5.25	67	3.90
2038	5.25	67	3.98
2039	5.25	69	4.09
2040	5.25	72	4.18
2041	5.25	71	4.23
2042	5.25	69	4.25
2043	5.25	68	4.30
2044	5.25	67	4.37
2045	5.25	65	4.45
2046	5.25	60	4.53
2047	5.25	62	4.65
2048	5.25	63	4.74
2051	5.50	60	4.79
2056*	5.50	52	4.85
2060*	5.00	68	5.01
2060*	5.500	54	4.87

Magnolia Independent School District
TX
Optional call 8/15/2035
Tax-Exempt
$460,730,000
PSF Aaa/NR/NR/NR,
Underlying Aa2/NR/NR/AA

Cabrera served as Senior Manager

Maturity	Coupon	Spread	Yield
2027	5.00	17	2.58
2028	5.00	20	2.69
2029	5.00	22	2.80
2030	5.00	25	2.95
2031	5.00	27	3.07
2032	5.00	29	3.18
2033	5.00	31	3.29
2034	5.00	34	3.44
2035	5.00	39	3.57
2036	5.00	40	3.65
2037	5.00	42	3.76
2038	5.00	42	3.83
2039	5.00	42	3.93
2040	5.00	42	3.98
2041	5.00	42	4.04
2042	5.00	42	4.08
2043	5.00	42	4.14
2044	5.00	42	4.22
2045	4.25	59	4.47
2046	4.375	58	4.59
2048	4.50	50	4.69
2051	4.625	50	4.77
2052	5.25	35	4.65
2055	5.25	35	4.74
2055	5.00	40	4.79
2055	4.50	50	4.89

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UPCOMING NEGOTIATED CALENDAR

Size ($mm)	Issuer	State	Description
1,028.580	CO Health Facilities Auth.	CO	Hospital Revenue Bonds (AdventHealth Obligated Group)
946.120	**Long Island Power Auth.***	**NY**	**Electric System General Revenue Bonds (Fixed Rate Mandatory Tender)**
628.950	Harris County	TX	Permanent Improvement & Unlimited Tax Road Refunding Bonds / Certificates of Obligation
612.510	NJ Economic Dev. Auth.	NJ	Revenue Bonds (QCF Advantage Behavioral Health) (Social Bonds)
483.940	Board of Regents, Univ. of Texas System	TX	Revenue Financing System Bonds
250.000	OH Housing Finance Agency	OH	Residential Mortgage Revenue Bonds (MBS Program) (Non-AMT)
227.740	Kettering City School Dist.	OH	General Obligation Bonds (Unlimited Tax)
222.760	Univ. of South Carolina	SC	Higher Education Revenue Bonds
204.360	Central Puget Sound Regional Transit Auth.	WA	Sales Tax & Motor Vehicle Excise Tax Refunding Bonds (Green Bonds)
172.630	Birdville Indep. School Dist.	TX	Unlimited Tax School Building & Refunding Bonds
152.720	Royal Indep. School Dist.	TX	Unlimited Tax School Building Bonds
141.815	**Alamo Community College Dist.***	**TX**	**Limited Tax Bonds**
130.000	CO Housing & Finance Auth.	CO	Single Family Mortgage Bonds, Class 1 (Federally Taxable) (Social Bonds)
120.615	National Finance Auth.	NH	Revenue Bonds (Maine Sustainable Energy Partners) (incl. Taxable)
119.485	Cook County	IL	Sales Tax Revenue Bonds
118.695	MI Finance Auth.	MI	State Aid Revenue Notes
108.045	MA Dev. Finance Agency	MA	Refunding Revenue Bonds (Berklee College of Music)
96.305	Harris County Flood Control Dist.	TX	Improvement Refunding Bonds
93.040	Friendswood Indep. School Dist.	TX	Unlimited Tax School Building & Refunding Bonds

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

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Economic Calendar (All Times in EST)

Monday	Tuesday	Wednesday	Thursday	Friday
27-Jul	**28-Jul**	**29-Jul**	**30-Jul**	**31-Jul**
8:30 AM	8:30 AM		8:30 AM	8:30 AM
Durable Goods	Advance Economic Indicators Report, Wholesale Inventories, and Retail Inventories		Advance estimate GDP, Weekly Jobless Claims, and PCE Price Index	Employment Cost Index
	10:00 AM	2:00 PM		9:45 AM
	Consumer Confidence	FOMC - U.S. interest rate decision		Chicago Business Barometer - ISM-Chicago Business Survey - Chicago PMI
3-Aug	**4-Aug**	**5-Aug**	**6-Aug**	**7-Aug**
9:45 AM	8:30 AM	8:15 AM	8:30 AM	8:30 AM
US Manufacturing PMI	Trade	ADP National Employment Report	Preliminary Productivity and Costs and Weekly Jobless Claims	Employment Report, Unemployment Rate, and Avg Hourly Earnings
10:00 AM	10:00 AM	9:45 AM	10:00 AM	3:00 PM
Construction Spending	Job Openings & Labor Turnover Survey, and Factory Orders	US Services PMI	Monthly Wholesale Trade	Consumer Credit