CABRERA CAPITAL MARKETS

Municipal Market Update

Public Finance
Tom Rasmussen
Head of Capital Markets & Public Finance
(646) 914-8928
trasmussen@cabreracapital.com

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

Monday, August 3, 2026

Municipal bonds outperformed U.S. Treasuries this week, with yields relatively unchanged even as Treasuries sold off across the intermediate and long end of the curve. Municipals began the week on strong demand, supported by a light summer new-issue calendar, improved municipal-to-Treasury ratios, and the approach of August reinvestment monies. Buying eased midweek as the market followed Treasuries lower in the wake of the Fed, before steadying into month-end. With municipal yields largely steady while Treasuries cheapened, municipal-to-Treasury ratios became richer on the week.

The Federal Reserve left its policy rate unchanged at 3.50%–3.75%, with three dissents in favor of a hike. Chairman Warsh did strike a firm tone on inflation while declining to offer forward guidance. Treasuries sold off in response, with the 30-year yield closing above 5.20% for the first time since 2007. The economic data offered a mixed picture: Second-quarter GDP came in soft at 1.5%, below expectations, while core PCE eased to 3.3% year-over-year but remained well above the Fed's target.

Energy prices were volatile throughout the week and kept an inflationary undertone in the market. Oil fell roughly 8% early in the week as the U.S. and Iran paused missile and drone attacks, then reversed higher midweek as tensions reignited around the Strait of Hormuz and the Red Sea.

Municipal technicals remain supportive. Lipper reported inflows of $761 million for the week, extending the streak of consecutive inflows to 15 weeks, though high-yield funds saw modest outflows. The SIFMA Municipal Swap Index reset to 2.16%, 39 basis points lower than the prior week. Looking ahead, supply is set to increase meaningfully, with next week's tax-exempt calendar climbing to roughly $16.7 billion from $7.3 billion last week, a technical headwind after several weeks of light summer issuance.

Interest Rate Snapshot

MMD 1-Week Change			
Term	**31-Jul**	**24-Jul**	**Change (bps)**
2-Year	2.63%	2.61%	2
5-Year	2.91%	2.92%	-1
10-Year	3.37%	3.36%	1
20-Year	4.11%	4.12%	-1
30-Year	4.51%	4.52%	-1

UST 1-Week Change			
Term	**31-Jul**	**24-Jul**	**Change (bps)**
2-Year	4.28%	4.33%	-5
5-Year	4.45%	4.43%	2
10-Year	4.75%	4.69%	6
20-Year	5.28%	5.18%	10
30-Year	5.27%	5.16%	11

Cabrera will serve as Senior Manager on Temple College District's $48.6 million Limited Tax Bonds, Series 2026, and as Co-Manager on six additional transactions, including the City of New York's $1.5 billion General Obligation Bonds, Fiscal 2027 Series A, the Lower Colorado River Authority's $447.1 million Transmission Contract Refunding and Improvement Revenue Bonds, and the San Francisco Public Utilities Commission's $406.3 million Wastewater Revenue Bonds. The three largest transactions of this week include the following:

- **$1.5 billion City of New York** General Obligation Bonds, Fiscal 2027 Series A (Tax-Exempt) (Cabrera Co-Manager)
- **$1.3 billion Michigan Finance Authority** Hospital Revenue and Revenue Refunding Bonds (Henry Ford Health), Series 2026A (Tax-Exempt) (A2/NR/A+/NR)
- **$1.1 billion Colorado Health Facilities Authority** Revenue Bonds (Intermountain Health), Series 2026A (Tax-Exempt) (Aa1/AA+/NR/NR)

CABRERA CAPITAL MARKETS

NOTABLE DEALS LAST WEEK

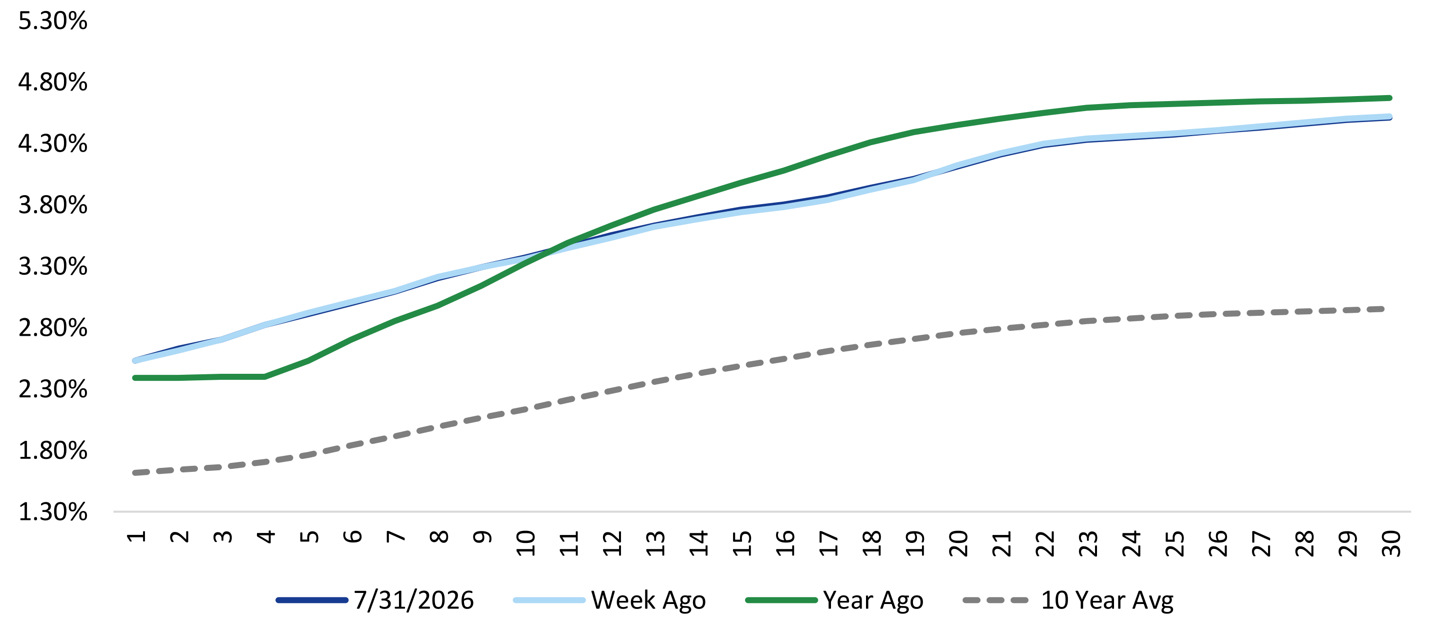
Cabrera's Notable Co-managed Deals

- **Long Island Power Authority (A2/A/A+/NR) (Cabrera Co-Manager) priced $776 million Electric System General Revenue Bonds.** The transaction was structured out 30 years with a 10-year call. Following premarketing on Monday, 2047 and 2051 were insured with a 7 basis point benefit. After receiving very strong demand during the order period, spreads were tightened 1-16 basis points.
- **Alamo Community College District (Aaa/AAA/NR/NR) (Cabrera Co-Manager) priced $146 million Limited Tax Bonds.** Following weakness in the market on Thursday, spreads were cheapened by 1-3 basis points from premarketing levels. Demand was slow in 2039 and longer where spreads were cheapened an additional 1-5 basis points following the order period. Twelve years and in, spreads were bumped 1-3 basis points.

Other Notable Deals

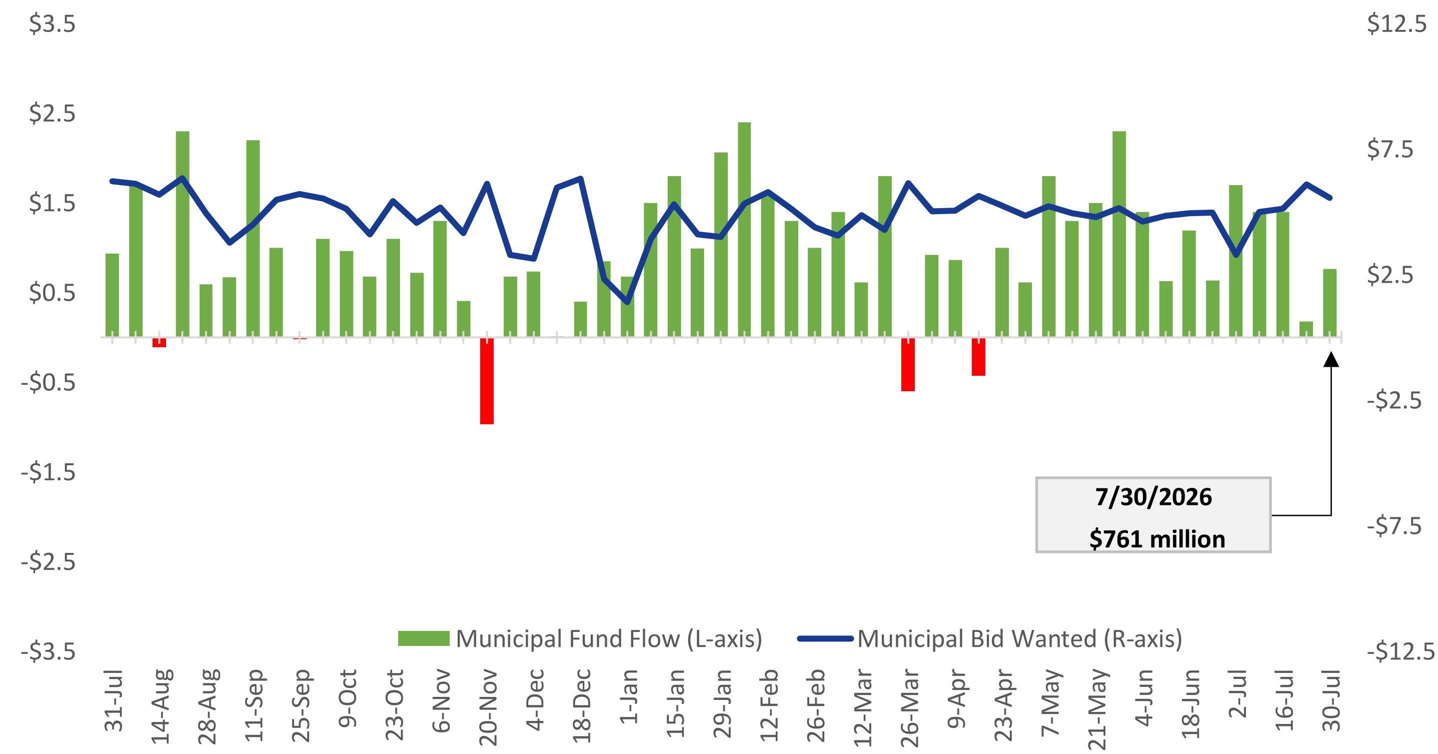
- **Harris County, Texas (Aaa/NR/NR/AAA) priced $735 million across 5 series of Permanent Improvement Refunding Bonds, Unlimited Tax Road Refunding Bonds, Permanent Improvement Certificates of Obligation, and Improvement Refunding Revenue Bonds.** All series received very strong demand on Tuesday and spreads were lowered 3-10 basis points throughout, excluding 2028-2030 and 2032-2033.
- **Birdville Independent School District (PSF Aaa/AAA/NR/NR, Underlying Aa2/AA/NR/NR) priced $175 million Unlimited Tax School Building and Refunding Bonds.** With the market weakness on Thursday, the transaction struggled with significant balances remaining 2038 and longer. Spreads were cheapened 1-4 basis points and coupons were restructured 2045-2047 from discounts to 5% premiums.

AAA MMD Curve



Municipal Fund Flows

Week 7/23/2026 – 7/30/2026 saw inflows of $761 million
Source: Lipper, Bloomberg



CABRERA CAPITAL MARKETS

NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

Long Island Power Authority				**Alamo Community College District**				**Harris County, Flood Control District**			
NY				**TX**				**TX**			
Optional call 9/1/2036				**Optional call 8/15/2035**				**Optional call 9/15/2036**			
Tax-Exempt				**Tax-Exempt**				**Tax-Exempt**			
$776,290,000				**$146,000,000**				**$9,773,500**			
A2/A/A+/NR				**Aaa/AAA/NR/NR**				**Aaa/NR/NR/AAA**			
Cabrera served as Co-Manager				***Cabrera served as Co-Manager***							
Maturity	**Coupon**	**Spread**	**Yield**	**Maturity**	**Coupon**	**Spread**	**Yield**	**Maturity**	**Coupon**	**Spread**	**Yield**
2027	5.00	(3)	2.48	2027	5.00	15	2.64	2027	5.00	12	2.63
2028	5.00	7	2.67					2028	5.00	17	2.77
2029	5.00	12	2.81					2029	5.00	19	2.88
2030	5.00	15	2.95					2030	5.00	22	3.02
2031	5.00	14	3.04	2031	5.00	21	3.08	2031	5.00	21	3.11
2032	5.00	15	3.14	2032	5.00	23	3.19	2032	5.00	25	3.24
2033	5.00	18	3.24	2033	5.00	26	3.30	2033	5.00	26	3.32
2034	5.00	17	3.34	2034	5.00	27	3.41	2034	5.00	23	3.40
2035	5.00	15	3.40	2035	5.00	28	3.51	2035	5.00	24	3.49
2036	5.00	13	3.46	2036	5.00	29	3.60	2036	5.00	25	3.58
2037	5.00	12	3.54	2037	5.00	30	3.70	2037	5.00	29	3.71
2038	5.00	19	3.68	2038	5.00	32	3.79	2038	5.00	30	3.79
2039	5.00	22	3.80	2039	5.00	34	3.90	2039	5.00	31	3.89
2040	5.00	27	3.90	2040	5.00	36	3.98	2040	5.00	32	3.95
2041	5.00	27	3.96	2041	5.00	37	4.05	2041	5.00	32	4.01
2042	5.00	29	4.02	2042	5.00	38	4.10	2042	5.00	33	4.06
2043	5.00	29	4.08	2043	5.00	38	4.16	2043	5.00	31	4.10
2044	5.00	29	4.16	2044	5.00	38	4.24	2044	5.00	30	4.17
2045	5.00	26	4.21	2045	5.00	37	4.30	2045	5.00	30	4.25
2046	5.00	19	4.26	2046	5.00	36	4.39	2046	5.00	26	4.33
2047	5.00	15	4.32	2046	4.75	55	4.58	2047	5.00	24	4.41
2048	5.00	19	4.44	2047	5.00	36	4.49	2048	5.00	25	4.50
				2048	5.00	36	4.57	2049	5.00	28	4.57
				2049	5.00	36	4.61				
2051	5.00	19	4.52	2050	4.50	53	4.80	2051	5.00	25	4.58
				2051	5.00	36	4.65				
2056	5.25	21	4.68								

Harris County priced 5 series of bonds aggregating $735 million in par simultaneously with the series listed above.

CABRERA CAPITAL MARKETS

UPCOMING NEGOTIATED CALENDAR

Size ($mm)	Issuer	State	Description
1,500.000	**City of New York****	**NY**	**General Obligation Bonds (Tax-Exempt)**
1,301.075	MI Finance Auth.	MI	Hospital Revenue and Revenue Refunding Bonds (Henry Ford Health)
1,109.825	CO Health Facilities Auth.	CO	Revenue Bonds (Intermountain Health)
793.490	Black Belt Energy Gas Dist.	AL	Gas Project Revenue Bonds
663.010	City of Austin	TX	General Obligation (see note)
613.720	NJ Economic Dev. Auth.	NJ	Revenue Bonds (QCF Advantage Behavioral Health) (Social Bonds)
514.525	CPS Energy	TX	Variable Rate Junior Lien Revenue and Refunding Bonds
482.565	San Antonio Electric & Gas Systems	TX	Revenue Refunding Bonds
447.100	**Lower Colorado River Auth.****	**TX**	**Transmission Contract Refunding and Improvement Revenue Bonds**
428.145	OK Water Resources Board	OK	State Loan Program Revenue Bonds
408.780	City & County of San Francisco	CA	Wastewater Revenue Bonds (Refunding)
406.270	**SF Public Utilities Commission****	**CA**	**Wastewater Revenue Bonds (Federally Taxable)**
357.120	Tampa Bay Water Auth.	FL	Utility System Revenue Bonds
349.915	SC Public Service Auth.	SC	Revenue Obligations (Santee Cooper) (Improvement & Refunding)
298.500	TX Public Finance Auth.	TX	General Obligation Refunding Bonds (Taxable)
295.325	Virginia Polytechnic Inst. & State Univ.	VA	General Revenue Pledge Bonds
143.550	**Taylor Indep. School Dist.****	**TX**	**Unlimited Tax School Building Bonds**
72.935	**Illinois State Univ.****	**IL**	**Certificates of Participation (Capital Improvement Projects)**
48.570	**Temple College Dist***	**TX**	**Limited Tax Bonds**
26.885	**Trinity River Auth.****	**TX**	**Revenue Improvement Bonds (Denton Creek)**

*Cabrera will serve as Senior Manager

**Cabrera will serve as Co-Manager

CABRERA CAPITAL MARKETS

Economic Calendar (All Times in EST)

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

10-Aug	11-Aug	12-Aug	13-Aug	14-Aug
	6:00 AM	8:30 AM	8:15 AM	8:30 AM
No events scheduled	NFIB Index of Small Business Optimism	Core CPI	Federal Reserve Bank of Cleveland President Beth Hammack speaks at the Dayton Area Chamber of Commerce Government Affairs Breakfast series	Retail Sales
	10:00 AM	2:00 PM	10:00 AM	10:00 AM
	Existing Home Sales	Monthly Treasury Balance	Weekly Jobless Claims and PPI	Manufacturing & Trade: Inventories and U. Michigan Prelim Consumer Survey