CABRERA CAPITAL MARKETS

Municipal Market Update

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Last week, the municipal market confronted numerous headwinds, including escalating tensions with Iran, reignited inflation fears, heavy new-issue supply, and weak technicals. Coming off the long Labor Day weekend, the $17 billion in supply recalibrated yields and ratios as issuers rushed to price deals ahead of this week's FOMC meeting.

As the week advanced a renewed wave of tanker strikes in the Middle East beginning late Tuesday sparked tensions that persisted throughout the week, sending crude oil prices over $100 per barrel on Wednesday, a level not seen since May. Inflation concerns were reignited further on Thursday, as the August PPI release came in as expected at 0.4% for the month, though the year-over-year figure came in at 5.4% - 0.1 percentage point above expectations and well above the Fed's 2% target. Markets sold off sharply in response: Treasury yields rose as much as 14 basis points across the curve on the day, with the 30-year hitting 5.37%, its highest since 2007, and MMD followed suit, weakening up to 15 basis points. Friday brought a partial reversal as oil eased, and CPI came in as expected at 3.4%, calming sentiment somewhat, though the week's weakness remained evident. The short-end continued selling off, but long-dated yields came down in both MMD and UST, by 5 and 2 basis points, respectively. As of Friday's close, CME FedWatch showed an 86.2% probability of a rate hike at the September FOMC meeting.

Technical factors remain soft as we enter this week. Investor bond fund flows of $193 million are significantly below the 6-week moving average of $771 million and national reinvestment dollars are scant, following the summer high. Secondary-market bid-wanted lists continued to swell, easing to roughly $7 billion from last week’s $8 billion high, as investors raised cash to fund purchases of new issuance.

With the September FOMC meeting scheduled for this week, supply is light at $10 billion. Only one marquee negotiated deal surpasses $1 billion — the $1.67 billion New Jersey Transportation Trust Fund Authority issuance. Other notable deals include the $734.63 million Dormitory Authority of the State of New York issuance and the $623.36 million Hillsborough County (FL) issuance.

Interest Rate Snapshot

MMD 1-Week Change

Term	4-Sep	11-Sep	Change
2-Year	2.62%	2.82%	+20 bps
5-Year	2.93%	3.15%	+22 bps
10-Year	3.47%	3.70%	+23 bps
20-Year	4.35%	4.54%	+19 bps
30-Year	4.70%	4.87%	+17 bps

UST 1-Week Change

Term	4-Sep	11-Sep	Change
2-Year	4.37%	4.63%	+26 bps
5-Year	4.54%	4.78%	+24 bps
10-Year	4.78%	4.96%	+18 bps
20-Year	5.25%	5.38%	+13 bps
30-Year	5.24%	5.35%	+11 bps

The three largest transactions on this week's calendar include the following:

- **$1.67 billion New Jersey Transportation Trust Fund Authority** Transportation Program Bonds, 2026 Series AA
- **$734.63 million Dormitory Authority of the State of New York** Northwell Health Obligated Group, Revenue Bonds, Series 2026A
- **$623.36 million Hillsborough County (Florida)** Utility Revenue and Refunding Revenue Bonds

Notable Deals Last Week

Cabrera's Deals

- **City of New York (Aa2//AA/AA/AA+) (Cabrera Co-Manager) priced $1.3 billion Tax-Exempt General Obligation Bonds and $97 million Taxable General Obligation Bonds.** The Tax-Exempt transaction was structured 2-15 years with a MWC call, as well as an 11-year call. The Retail order period garnered $635 million in orders. Prior to entering the Institutional order period, spreads were widened 2 basis points 2028-2035 and tightened by 1 basis point in 2041. With continued market volatility, the transaction was cheapened again by as much as 4 basis points. The Taxable series was all due in 2027 and was unchanged throughout pricing process.

Other Notable Deals

- **Alabama Toll Road, Bridge and Tunnel Authority (Baa2/NR/BBB/NR, Baa3/NR/BBB/NR, and Aa3/NR/AA-/NR) priced $3.6 billion in First, Second, and Enhanced Third Lien Toll Revenue Bonds.** The deal had mixed results, with the First Lien bumped as much as 14 basis points, the Second Lien (the largest series) was unchanged, and the Enhanced Third Lien cheapened by as much as 15 basis points. There was about $200 million in balances.
- **Midland Independent School District, Texas (Aaa/AAA/NR/NR – PSF, Aaa/AA/NR/NR) priced $508 million Tax-Exempt and Taxable Unlimited Tax School Building Bonds.** On the Tax- Exempt series, spreads were widened as much as 7 basis points after premarketing on market weakness. The deal was subscribed and most maturities remained unchanged, but the 2054 maturity was bumped 3 basis points. The Taxable series, all due in 2027, was oversubscribed and the yield was lowered by 3 basis points.
- **Pennsylvania Turnpike Commission (Aa3/AA-/NR/AA-) priced $ 289 million Oil Franchise Tax Revenue Bonds.** The deal did not change spreads from premarketing into institutional pricing. The deal was oversubscribed in a couple of maturities, and those maturities were bumped as much as 3 basis points.

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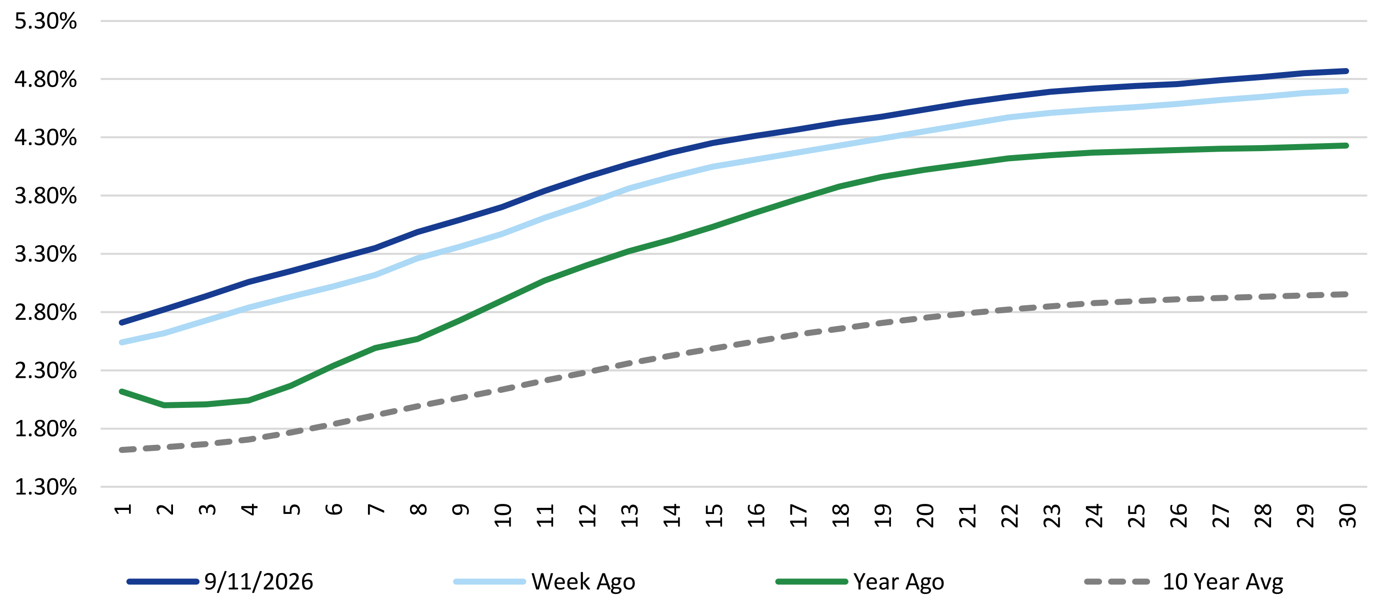
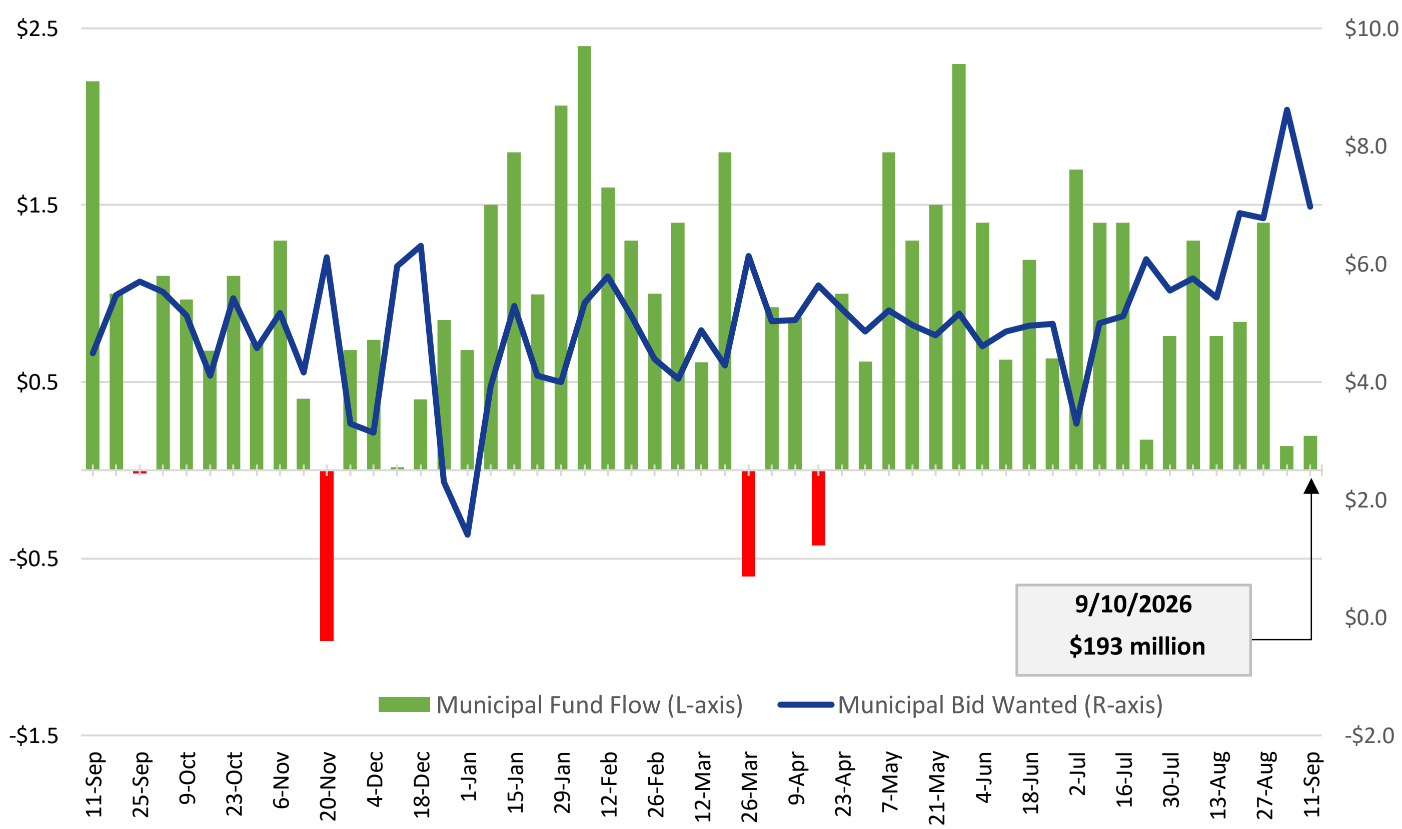
AAA MMD Curves



Municipal Fund Flows

Week 9/3/2026 – 9/11/2026 saw inflows of $193 million **Source: Lipper, Bloomberg**



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Notable Fixed Rate New Issue Results from Last Week

The City of New York
NY
Optional call 02/01/37 @ 100.00
MWC bonds maturing on or prior to 08/01/36
Tax-Exempt
$883,285,000
Aa2/AA/AA/AA+
Cabrera served as Co-Manager

Maturity	Coupon	Spread	Yield
2028	5.00	33	2.95
2029	5.00	38	3.11
2030	5.00	43	3.27
2031	5.00	44	3.38
2032	5.00	48	3.51
2033	5.00	49	3.63
2034	5.00	49	3.76
2035	5.00	51	3.88
2036	5.00	48	3.96
2037	5.00	48	4.10
2038	5.00	48	4.22
2039	5.00	47	4.34
2040	5.00	47	4.45
2041	5.00	46	4.52

The City of New York
priced four series of Bonds aggregating
$1.5 Billion in par simultaneously
with the Series listed above.

Midland Independent School District
TX
Optional call 02/15/35 @ 100.00
02/15/56: optional call in 02/15/30
Tax-Exempt
$454,970,000
Aaa/AA/NR/NR
Enhanced: Aaa/AAA/NR/NR

Maturity	Coupon	Spread	Yield
2029	5.00	28	3.04
2030	5.00	31	3.18
2031	5.00	33	3.31
2032	5.00	34	3.40
2033	5.00	35	3.56
2034	5.00	37	3.68
2035	5.00	39	3.80
2036	5.00	40	3.92
2037	5.00	41	4.08
2038	5.00	41	4.20
2039	5.00	41	4.31
2040	5.00	41	4.47
2041	4.75	62	4.76
2042	4.75	60	4.80
2043	4.75	58	4.84
2044	5.00	42	4.74
2045	5.00	41	4.79
2046	5.00	40	4.84
2047	5.00	40	4.90
2048	5.00	40	4.96
2049	5.25	35	4.95
2051	5.25	35	5.00
2054	5.25	32	5.06
2056	5.125	43	5.22

City of Fort Worth
TX
Optional call 03/01/36 @ 100.00
MWC redemption prior to 03/01/36
Tax-Exempt
$497,120,000
A2/NR/AA-/NR

Maturity	Coupon	Spread	Yield
2027	5.00	35	2.89
2028	5.00	37	2.97
2029	5.00	39	3.10
2030	5.00	43	3.24
2031	5.00	41	3.33
2032	5.00	43	3.42
2033	5.00	46	3.59
2034	5.00	50	3.73
2035	5.00	54	3.87
2036	5.00	53	3.97
2037	5.00	54	4.13
2038	5.00	55	4.27
2039	5.00	54	4.37
2040	5.00	55	4.53
2041	5.00	59	4.65
2042	5.25	55	4.67
2043	5.25	57	4.75
2044	5.25	57	4.81
2045	5.25	54	4.84
2046	5.25	53	4.89
2051	5.50	50	5.07
2056	5.50	52	5.23

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Upcoming Negotiated Calendar

Size ($mm)	Issuer	State	Description
1,667.740	New Jersey Transportation Trust Fund Auth.	NJ	Transportation Program Bonds
734.625	Dormitory Auth. of the State of New York	NY	Revenue Bonds
623.360	Hillsborough County	FL	Utility Revenue & Refunding Revenue Bonds
431.140	North Carolina Medical Care Commission	NC	Health Care Facilities Revenue Bonds
384.435	New York City Municipal Water Finance Auth.	NY	Water & Sewer System Second General Resolution Revenue Bonds
378.977	National Finance Auth.	NH	Municipal Certificates
254.405	California Infrastructure & Economic Dev. Bank	CA	Refunding Revenue Bonds
240.000	Hudson County Improvement Auth.	NJ	Charter School Revenue Bonds
239.060	Tohopekaliga Water Auth.	FL	Utility System Revenue & Revenue Refunding Bonds
234.820	Business Finance Auth. of the State of New Hampshire	NH	Education Loan Revenue Bonds
185.845	Washington Township Health Care Dist.	CA	General Obligation & Refunding Bonds
175.000	Spartanburg Regional Health Services Dist., Inc.	SC	Hospital Revenue Bonds
160.105	Ohio Water Dev. Auth.	OH	Water Development Revenue & Refunding Revenue Bonds
150.000	Massachusetts Housing Finance Agency	MA	Single Family Housing Revenue Bonds (Federally Taxable)
149.340	Industrial Dev. Auth. of the City of Sierra Vista	AZ	Education Facility Revenue Bonds (Tax-Exempt / Taxable)
146.160	Tarrant County Cultural Education Facilities Finance Corp.	TX	Hospital Revenue Bonds
110.000	Galena Park Indep. School Dist.	TX	Unlimited Tax School Building Bonds, Series 2026
102.025	Board of Education of Madison County	AL	Tax Anticipation Warrants / Refunding Tax Anticipation Warrants
100.345	Maricopa County Pollution Control Corp.	AZ	Pollution Control Revenue Refunding Bonds
100.000	State of Ohio	OH	Hospital Facilities Revenue Bonds

Economic Calendar (EST)

Monday	Tuesday	Wednesday	Thursday	Friday
14-Sep	**15-Sep**	**16-Sep**	**17-Sep**	**18-Sep**
No events scheduled	8:15 AM ADP Weekly Employment Change	8:30 AM Retail Sales Advance MoM Import & Export Price Index	8:30 AM Initial Jobless Claims Housing Starts & Building Permits	9:15 AM Industrial Production
	8:30 AM Empire Manufacturing	2:00 PM **FOMC Rate Decision**	10:00 AM Pending Home Sales	
21-Sep	**22-Sep**	**23-Sep**	**24-Sep**	**25-Sep**
8:30 AM Chicago Fed. National Activity Index	8:15 AM ADP Weekly Employment Change	9:45 AM S&P Global U.S. Manufacturing, Services & Composite PMI	8:30 AM Initial Jobless Claims Continuing Claims	10:00 AM University of Michigan Consumer Sentiment
	10:00 AM Richmond Fed Manufacturing Index		10:00 AM New Home Sales	