



**CABRERA CAPITAL
MARKETS**

MUNICIPAL MARKET UPDATE

Public Finance

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Reversing last week's trend, MMD saw a significant increase in yields, especially on the long-end, while treasury yields were mixed week-over-week. The market was caught off guard on Wednesday as reporting indicated that President Trump had penned a letter to fire Jerome Powell. Trump quickly walked this back as the market regained its composure.

Change in the Shape of the Yield Curve					
Steepness (bps)					
Range (yr)	Current	7/11	1 yr avg	10 yr avg	10 yrs ago
1-30	231	209	157	138	297
2-30	231	209	155	133	263
3-30	230	208	151	129	235
5-30	217	200	140	117	195
10-30	142	133	100	77	96

The MMD Yield curve continued to steepen to well over the 1 and 10-year averages. The current MMD 1 to 30-year spread is 22bps higher than 1 week ago, 74bps higher than the 1-year average, and 93 bps higher than the 10-year average, as investors continue to expect short-term rate cuts balanced against long-term uncertainty due to the potential for heavy deficit spending.

The MMD/UST ratio remains split, with the 5-year remaining well below historical levels. The 10-year remains at the 1-year average but below the 10- and 14-year averages. The 30-year remains at or above historical averages.

Key MMD/UST Ratios				
Maturity	Current	1 yr avg	10 yr avg	14 yr avg
5 Yr	66%	69%	75%	79%
10 Yr	75%	73%	83%	87%
30 Yr	95%	90%	90%	97%

Municipal bond fund inflows turned negative after 10 consecutive weeks of positive inflows, with an outflow of \$225 million. Negotiated supply is expected to exceed \$12.4 billion this week, \$ 200 million above last week, and estimated reinvestment dollars remain high at \$52.89 billion before dropping again to \$27.6 billion in September. CPI came in slightly over expectation at 2.7% vs 2.6% Y-o-Y. PPI was slightly below expectations at 2.3% vs 2.6% Y-o-Y. University of Michigan Sentiment came in below expectations at 61.8 vs 61.5, and jobless claims printed at 221K, less than the expected 233K. While inflationary metrics remain sticky, it's hard to tell if this will have any effect on the Fed's future rate cuts. The SIFMA municipal swap index rose to 2.46% vs 1.63% the previous week.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	11-Jul	17-Jul	Change (BPs)	Term	11-Jul	17-Jul	Change (BPs)
2-Year	2.46%	2.46%	0	2-Year	3.90%	3.88%	-2
5-Year	2.55%	2.60%	5	5-Year	3.99%	3.96%	-3
10-Year	3.22%	3.35%	13	10-Year	4.43%	4.44%	1
20-Year	4.31%	4.50%	19	20-Year	4.96%	4.99%	3
30-Year	4.55%	4.77%	22	30-Year	4.96%	5.00%	4

Approximately \$12 billion of municipal bonds are expected to be priced this week. Cabrera will serve as the sole manager on El Monte Union HSD (CA) \$35million bond issuance this week.

- \$1.500 billion New York Transitional Finance Authority, Series 2026A-1 (Aa1/AAA/AAA/NR) *
- \$719.5 million City of Houston Airport System Subordinate Revenue bonds, Series 2025A&B (NR/A+/AA-/NR) *
- Tarrant County Cultural Education Facilities Finance Corporation Texas Health Resources System Revenue Bonds Series 2025A,B, &C (Aa2/AA/NR/NR)

* Cabrera co-manager



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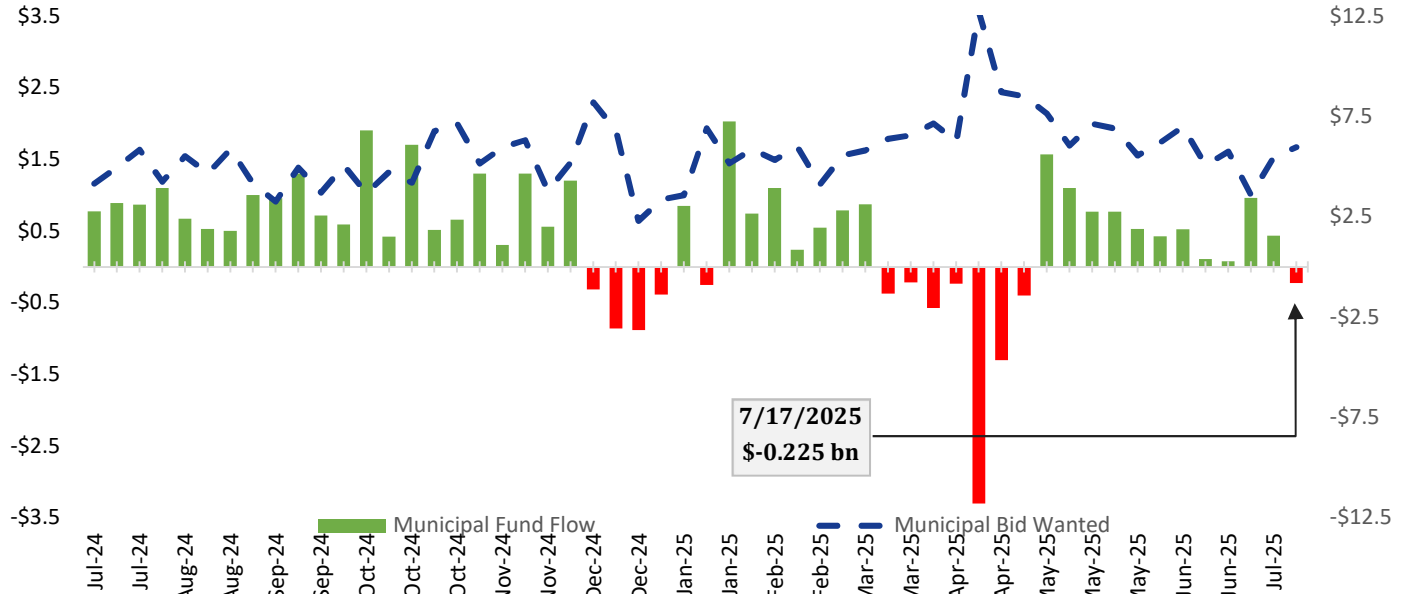
NOTABLE DEALS LAST WEEK

- The New York Transportation Development Corporation (Baa3/BBB-/BBB-/NR) priced \$1.37 billion of Special Facilities Revenue Bonds for JFK Airport New Terminal One Project. The transaction was structured from 2037 to 2060 with a 9-year call. The corporation insured select maturities throughout the amortization. The transaction did very well with high oversubscription levels, especially 2042-2044. Spreads were bumped 2-12 basis points throughout excluding 2037 and the uninsured 2055 and 2059 maturities.
- Salt Lake City Airport (A1/A+/NR/NR) priced \$553 million AMT Airport Revenue Bonds and \$51 million Non-AMT Revenue Bonds. Both transactions were unchanged entering the preliminary order period following premarketing, excluding the Non-AMT series' terms were bumped 4 basis points. Both series were moderately subscribed for and bumped 2-6 basis points, excluding a few spots throughout.
- The City and County of Honolulu, Hawaii (NR/AA+/AA+/NR) priced \$700 million of General Obligation Bonds across six series. All series got 1-3 basis points cheaper following the retail order period, excluding a 1-2 basis point bump in 2049-2050 on Series C. Following the institutional order period, the transaction had mixed results overall and had to get 2-6 basis points cheaper on the short end, but had small bumps 1-3 basis points on the long end.
- Carrollton-Farmers Branch Independent School District (PSF Aaa/AAA/NR/NR, Underlying Aa1/AA+/NR/NR) priced \$311 million Unlimited Tax School Building Bonds. The transaction was structured through 30 years with a 10 year call. Following premarketing, the scale remained unchanged excluding the terms; 2055 term was cheapened 2 basis points and the 2050 term was restructured to a 4.75% from a 5.25% and getting 16 basis points cheaper. The transaction was mostly unchanged following the preliminary pricing, except for small bumps 2029-2030, 2037, and 2039-2045. The 2055 term was bifurcated with 5.25% and 5% coupons. Approximately \$17 million in balances remained after pricing.
- Dripping Springs Independent School District (PSF Aaa/AAA, Underlying Aa2/AA/NR/NR) priced \$325 million of Unlimited Tax School Building Bonds. Entering the preliminary order Tuesday morning, spreads were cheapened 1-2 bps from 2039-2055 and the 2046 coupon was changed to 4.5% from 5% with a 12 basis point spread increase. The transaction was moderately subscribed for following the order period and the scale was bumped 1-3 basis points in 2026, 2031-2033, 2040, and 2042-2043. The 2046 coupon was reverted to the original 5% and the spread was lowered 10 basis points. Additionally, the 2050 term was restructured from a 5.25% to a 5% coupon and the spread was increased by 14 bps.

MUNICIPAL FUND FLOWS

Week 7/11/2025 – 7/17/2025 saw Outflow of \$225 million

Source: Lipper, Bloomberg



UPCOMING NEGOTIATED CALENDAR

1,500.000	New York City Transitional Finance Authority*	NY	Future Tax Secured Tax-Exempt Subordinate Bonds
719.510	City of Houston Airport System*	TX	Subordinate Lien Revenue Bonds
703.465	Tarrant County Cultural Education Facilities Finance Corporation	TX	Texas Health Resources System Revenue Bonds
387.545	Public Utilities District No.1 Of Snohomish County	WA	Electric System Revenue and Refunding Bonds
369.710	Peace River/Manasota Regional Water Supply Authority	FL	Utility System Revenue Bonds
323.920	Spring Branch Independent School District	TX	Unlimited Tax School Building Bonds
300.000	Trustees of Dartmouth College	NH	Taxable Bonds
267.075	Guam Waterworks Authority		Water and Wastewater System Revenue Bonds
249.695	San Antonio Independent School District	TX	Unlimited Tax School and Refunding Building Bonds
226.290	Sherman Independent School District	TX	Unlimited Tax School Building Bonds
216.335	District of Columbia Water and Sewer Authority	DC	Public Utility Sub Lien Revenue and Refunding Bonds
204.725	Forney Independent School District	TX	Unlimited Tax School and Refunding Building Bonds
202.595	Florida Local Government Finance Commission	FL	Senior Living Revenue Bonds
188.920	Cobb-Marietta Coliseum and Exhibit Hall Authority	GA	Revenue Bonds
175.000	Oklahoma Water Resources Board	OK	Revolving Fund Revenue Bonds
165.822	San Bernardino Community College District	CA	General Obligation Bonds
126.245	City of Charlotte	NC	Taxable Certificates of Participation
120.000	Southwestern Community College District	CA	General Obligation Bonds
103.160	Alvin Independent School District*	TX	Unlimited Tax Schoolhouse Bonds
34.465	El Monte Union High School District**	CA	General Obligation Bonds

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NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

New York Transportation Development Corp.* NY				Red Oak Independent School District TX				City of Charlotte NC			
Call date 6/30/2034 Tax-Exempt 1,367.075 Baa3 / BBB- / BBB-				Call Date 2/15/2035 Tax-Exempt 171.060 PSF Aaa, Underlying Aa2 (Moody's)				Call date 7/1/2035 Tax-Exempt 146.110 Aaa, AAA (Moody's/S&P)			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2037-2045	5.500-6.000	4.800-5.420	86-125	2027-2047	5.000	2.600-4.770	14-35	2026-2040	5.000	2.480-4.040	2-16
2050	6.000	5.390	84	2050	5.250	4.850	35				
2050	6.000	5.650	110	2050	4.275	5.030	53				
2055	6.000	5.440	82	2055	5.250	4.920	35				
2055	6.000	5.720	110								
2059	5.500	5.620	100								
2059	6.000	5.800	118								
2060	6.000	5.530	91								

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ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
21-Jul	22-Jul	23-Jul	24-Jul	25-Jul
10:00 AM	8:30 AM	10:00 AM	8:30 AM	8:30 AM
U.S. leading economic indicators	Fed Chair Powell opening remarks at banking conference	Existing home sales	Initial jobless claims	Durable-goods minus transportation
			9:45 AM	
			PMI	
28-Jul	29-Jul	30-Jul	31-Jul	1-Aug
10:00 AM	8:30 AM	8:15 AM	8:30 AM	8:30 AM
None scheduled	Advanced U.S. trade balance in goods	ADP Employment	Initial jobless claims	U.S. unemployment rate
	10:00 AM	2:00 PM	8:30 AM	10:00 AM
	Consumer confidence	FOMC Interest-Rate Decision	PCE index	Consumer sentiment
	10:00 AM	2:30 PM		
	Job openings	Fed Chair Powell Press Conference		



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