



CABRERA CAPITAL  
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## Municipal Market Update

### Public Finance

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### Monday, October 19, 2026

Treasuries rallied across the curve last week despite a hotter-than-expected September CPI print of 3.7% year-over-year; Thursday's surging PPI and Retail Sales data briefly paused the rally, while Fed speakers including Williams and Daly signaled further hikes are likely but not urgent. A late-Friday surge in oil, with Brent reaching \$110 per barrel, cheapened the long end into the close. Municipals outperformed, with the AAA MMD scale richening through the week and Thursday's session delivering the largest one-day decline in muni yields in 18 months. Municipal funds reported roughly \$1.6 billion of inflows as the market absorbed roughly \$8.7 billion of holiday-shortened supply. Secondary trading was mixed, with heavy bid-wanted lists competing for capital as the market adjusted to rate volatility. On the week, MMD yields fell 17-23 basis points, with the 2-, 5- and 10-year each down 23 basis points and the 30-year down 17 basis points. Treasury yields also declined, with the 2-year down 8 basis points, the 5-year down 15, the 10-year down 16 and the 30-year down 17. This left municipal-to-Treasury ratios near 65% on the 2-year, 67% on the 5-year, 73% on the 10-year and 91% on the 30-year.

This week, primary-market supply is expected to rise to approximately \$13.4 billion, with \$8.5 billion negotiated and \$4.8 billion competitive. Cabrera will serve as Co-Manager on the Los Angeles Unified School District's \$1.4 billion issue. Economic data this week includes Housing Starts and Pending Home Sales on Tuesday, Weekly Jobless Claims and Leading Indicators on Thursday, and the flash PMIs and final University of Michigan consumer survey on Friday. The three largest negotiated transactions this week include:

- **\$1.4 billion Los Angeles Unified School District** General Obligation Bonds, Series QRRUS (2026) (Dedicated Unlimited Ad Valorem Property Tax Bonds)
- **\$741.5 million Metropolitan Transportation Authority** Transportation Revenue Refunding Green Bonds, Series 2026A (Climate Bond Certified)
- **\$583.9 million Commonwealth of Massachusetts** Dedicated Transportation Revenue Bonds, 2026 Series

## Interest Rate Snapshot

| MMD 1-Week Change |       |        |         |
|-------------------|-------|--------|---------|
| Term              | 9-Oct | 16-Oct | Change  |
| 2-Year            | 3.30% | 3.07%  | -23 bps |
| 5-Year            | 3.53% | 3.30%  | -23 bps |
| 10-Year           | 3.98% | 3.75%  | -23 bps |
| 20-Year           | 4.85% | 4.67%  | -18 bps |
| 30-Year           | 5.12% | 4.95%  | -17 bps |

| UST 1-Week Change |       |        |         |
|-------------------|-------|--------|---------|
| Term              | 9-Oct | 16-Oct | Change  |
| 2-Year            | 4.79% | 4.71%  | -8 bps  |
| 5-Year            | 5.02% | 4.87%  | -15 bps |
| 10-Year           | 5.24% | 5.08%  | -16 bps |
| 20-Year           | 5.65% | 5.47%  | -18 bps |
| 30-Year           | 5.60% | 5.43%  | -17 bps |



## Notable Deals Last Week

### Cabrera's Deals

- **City of New York (Aa2/AA/AA/AA+) (Cabrera Co-Manager) priced \$1.5 billion Taxable General Obligation Bonds.** The transaction was structured through 2056. The short end of the deal did well with spreads tightened as much as 8 basis points, while the 2038-2043 part of the curve struggled, and spreads were widened 3-5 basis points. The 30-year part of the curve was structured with a Make Whole Call. The differential between a Make Whole Call and a 10-year call is 35-40 basis points out long.
- **New Jersey Economic Development Authority (A1/A/A/NR) (Cabrera Co-Manager) priced \$785 million Tax-Exempt and Taxable School Facilities Construction Refunding Bonds.** The \$636 million Tax-Exempt series was structured 2029-2032. Even with market weakness, spreads remained unchanged from premarketing. The deal was oversubscribed with bumps ranging from 0-3 basis points. The \$149 million Taxable series was all structured in the 2028 maturity and spreads remained unchanged from premarketing to final pricing.
- **City of Bridgeport, Connecticut (NR/A+/A+/NR) (Cabrera Co-Manager) priced \$138 million Tax-Exempt General Obligation Bonds.** The deal was structured through 20 years. Prior to entering the market, spreads were tightened 2 basis points on market strength. The deal did well throughout, with yields bumped as much as 8 basis points.
- **City of Garland, Texas (A1/AA/AA-/NR) (Cabrera Co-Manager) priced \$71.9 million in Tax-Exempt Electric Utility System Revenue Refunding Bonds.** The deal was structured through 30 years. Spreads were tightened by 5 basis points amid market strength. The deal was oversubscribed throughout and bumped 5-13 basis points.

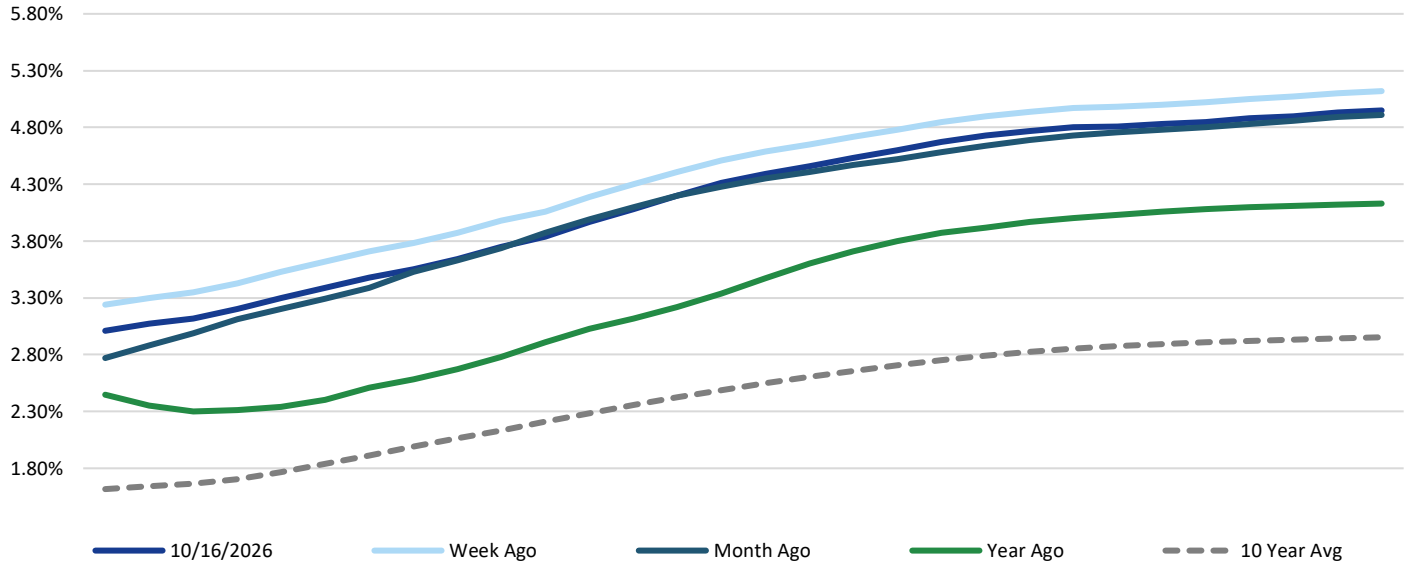
### Other Notable Deals

- **San Diego County Water Authority, California (Aa3/NR/AA+/AA+) priced \$90 million in Tax-Exempt Subordinate Lien Water Revenue Refunding Bonds.** The deal was all structured in 10 years. The deal was heavily oversubscribed and bumped 8 basis points.
- **Rhode Island Health and Educational Building Corporation (Town of Middletown Issue) (Aa1/NR/NR/NR) priced \$105 million Tax-Exempt Public School Revenue Bonds.** The deal was structured through 30 years. It was heavily oversubscribed throughout and bumped 1-15 basis points.



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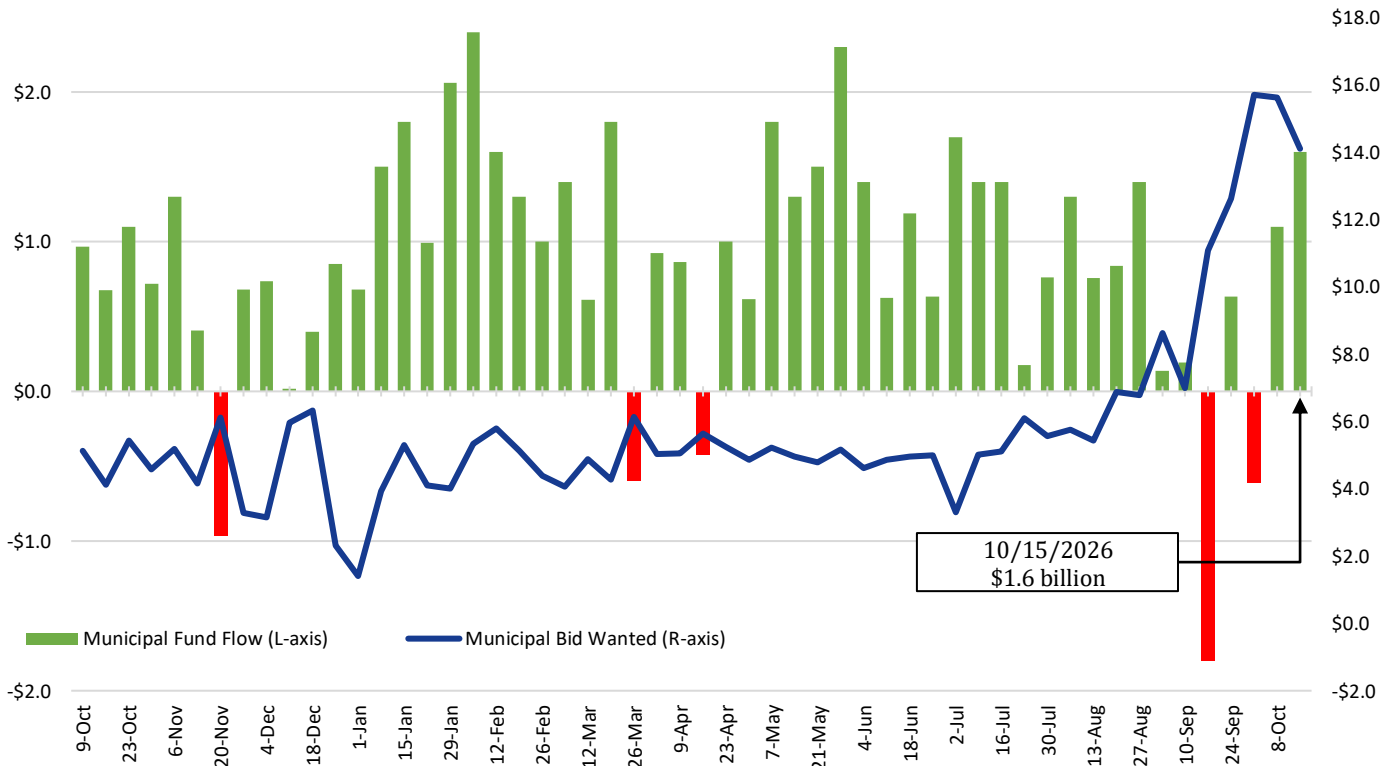
## AAA MMD Curves



## Municipal Fund Flows

Week of 10/8/2026-10/15/2026 saw inflows of \$1.6 billion

Source: Lipper, Bloomberg



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**Notable Fixed Rate New Issue Results from Last Week**

| <b>The City of New York (Fiscal 2027 Series G)</b><br><br><b>NY</b><br><b>Optional call 10/01/36 @ 100.00*</b><br><b>Taxable</b><br><b>\$1,500,000,000</b><br><b>Aa2/AA/AA/AA+</b><br><i>Cabrera served as Co-Manager</i> |         |               |       | <b>New Jersey Economic Development Authority (Series TTT)</b><br><br><b>NJ</b><br><b>Non-Callable</b><br><b>Tax-Exempt</b><br><b>\$636,095,000</b><br><b>A1/A/A/NR</b><br><i>Cabrera served as Co-Manager</i> |        |        |       | <b>City of Garland Electric Utility System</b><br><br><b>TX</b><br><b>Optional call 03/01/36 @ 100.00</b><br><b>Tax-Exempt</b><br><b>\$71,915,000</b><br><b>A1/AA/AA-/NR</b><br><i>Cabrera served as Co-Manager</i> |        |        |       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|-------|
| Maturity                                                                                                                                                                                                                  | UST Cpn | Spread to UST | Yield | Maturity                                                                                                                                                                                                      | Coupon | Spread | Yield | Maturity                                                                                                                                                                                                            | Coupon | Spread | Yield |
| 2028                                                                                                                                                                                                                      | 4.750   | +32           | 5.134 |                                                                                                                                                                                                               |        |        |       | 2028                                                                                                                                                                                                                | 5.00   | 12     | 3.31  |
| 2029                                                                                                                                                                                                                      | 4.875   | +38           | 5.302 | 2029                                                                                                                                                                                                          | 5.00   | 35     | 3.61  | 2029                                                                                                                                                                                                                | 5.00   | 14     | 3.39  |
| 2030                                                                                                                                                                                                                      | 5.000   | +43           | 5.429 | 2030                                                                                                                                                                                                          | 5.00   | 37     | 3.69  | 2030                                                                                                                                                                                                                | 5.00   | 16     | 3.47  |
| 2031                                                                                                                                                                                                                      | 5.000   | +53           | 5.529 | 2031                                                                                                                                                                                                          | 5.00   | 36     | 3.80  | 2031                                                                                                                                                                                                                | 5.00   | 17     | 3.62  |
| 2032                                                                                                                                                                                                                      | 5.000   | +50           | 5.598 | 2032                                                                                                                                                                                                          | 5.00   | 37     | 3.89  | 2032                                                                                                                                                                                                                | 5.00   | 16     | 3.69  |
| 2033                                                                                                                                                                                                                      | 5.000   | +60           | 5.698 |                                                                                                                                                                                                               |        |        |       | 2033                                                                                                                                                                                                                | 5.00   | 18     | 3.82  |
| 2034                                                                                                                                                                                                                      | 4.625   | +57           | 5.768 |                                                                                                                                                                                                               |        |        |       | 2034                                                                                                                                                                                                                | 5.00   | 18     | 3.86  |
| 2035                                                                                                                                                                                                                      | 4.625   | +65           | 5.848 |                                                                                                                                                                                                               |        |        |       | 2035                                                                                                                                                                                                                | 5.00   | 19     | 3.95  |
| 2036                                                                                                                                                                                                                      | 4.625   | +70           | 5.898 |                                                                                                                                                                                                               |        |        |       | 2036                                                                                                                                                                                                                | 5.00   | 21     | 4.07  |
| 2037                                                                                                                                                                                                                      | 4.625   | +85           | 6.048 |                                                                                                                                                                                                               |        |        |       | 2037                                                                                                                                                                                                                | 5.25   | 23     | 4.19  |
| 2038                                                                                                                                                                                                                      | 4.625   | +98           | 6.178 |                                                                                                                                                                                                               |        |        |       | 2038                                                                                                                                                                                                                | 5.25   | 24     | 4.35  |
| 2039                                                                                                                                                                                                                      | 4.625   | +108          | 6.278 |                                                                                                                                                                                                               |        |        |       | 2039                                                                                                                                                                                                                | 5.25   | 25     | 4.45  |
| 2040                                                                                                                                                                                                                      | 4.625   | +120          | 6.398 |                                                                                                                                                                                                               |        |        |       | 2040                                                                                                                                                                                                                | 5.25   | 26     | 4.63  |
| 2041                                                                                                                                                                                                                      | 4.625   | +125          | 6.448 |                                                                                                                                                                                                               |        |        |       | 2041                                                                                                                                                                                                                | 5.25   | 27     | 4.74  |
| 2042                                                                                                                                                                                                                      | 4.625   | +135          | 6.548 |                                                                                                                                                                                                               |        |        |       | 2042                                                                                                                                                                                                                | 5.25   | 29     | 4.84  |
| 2043                                                                                                                                                                                                                      | 4.625   | +145          | 6.648 |                                                                                                                                                                                                               |        |        |       | 2043                                                                                                                                                                                                                | 5.25   | 32     | 4.93  |
|                                                                                                                                                                                                                           |         |               |       |                                                                                                                                                                                                               |        |        |       | 2044                                                                                                                                                                                                                | 5.25   | 32     | 5.00  |
|                                                                                                                                                                                                                           |         |               |       |                                                                                                                                                                                                               |        |        |       | 2045                                                                                                                                                                                                                | 5.25   | 32     | 5.07  |
|                                                                                                                                                                                                                           |         |               |       |                                                                                                                                                                                                               |        |        |       | 2046                                                                                                                                                                                                                | 5.00   | 28     | 5.10  |
| 2050                                                                                                                                                                                                                      | 5.000   | +120          | 6.729 |                                                                                                                                                                                                               |        |        |       | 2047                                                                                                                                                                                                                | 5.00   | 27     | 5.15  |
|                                                                                                                                                                                                                           |         |               |       |                                                                                                                                                                                                               |        |        |       | 2051                                                                                                                                                                                                                | 5.00   | 20     | 5.18  |
| 2056*                                                                                                                                                                                                                     | 5.000   | +88           | 6.409 |                                                                                                                                                                                                               |        |        |       | 2056                                                                                                                                                                                                                | 5.125  | 20     | 5.30  |

\*10/01/56 maturity subject to make-whole call @ T+20, not par call.





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## Upcoming Negotiated Calendar

| Size (\$mm)      | Issuer                                    | State     | Description                                                     |
|------------------|-------------------------------------------|-----------|-----------------------------------------------------------------|
| <b>1,400.000</b> | <b>Los Angeles Unified School Dist. *</b> | <b>CA</b> | <b>Unlimited Tax General Obligation Bonds</b>                   |
| 741.455          | Metropolitan Transportation Auth.         | NY        | Transportation Revenue Refunding Bonds (Green Bonds)            |
| 583.890          | Commonwealth of Massachusetts             | MA        | Dedicated Transportation Revenue Bonds                          |
| 496.995          | Las Vegas Valley Water Dist.              | NV        | Limited Tax General Obligation Water Improvement Bonds          |
| 488.350          | CA State Public Works Board               | CA        | Lease Revenue Bonds (Various Capital Projects)                  |
| 369.800          | Harris County                             | TX        | Toll Road First Lien Revenue Refunding Bonds                    |
| 368.275          | Macon-Bibb County Urban Dev. Auth.        | GA        | Revenue Bonds (Taxable)                                         |
| 320.799          | Pennsylvania Turnpike Commission          | PA        | Turnpike Revenue Bonds                                          |
| 220.000          | Eagle Mountain City                       | UT        | Water & Sewer Revenue Bonds                                     |
| 182.205          | Guam Waterworks Auth.                     | GU        | Water & Wastewater System Revenue & Refunding Bonds             |
| 180.000          | SC State Housing Finance & Dev. Auth.     | SC        | Mortgage Revenue Bonds (Non-AMT)                                |
| 179.000          | Village Community Dev. Dist. No. 16       | FL        | Special Assessment Revenue Bonds                                |
| 174.080          | Ontario International Airport Auth.       | CA        | Revenue Bonds (AMT / Non-AMT)                                   |
| 164.295          | OH Public Facilities Commission           | OH        | Conservation General Obligation Bonds                           |
| 149.835          | Brazoria County Toll Road Auth.           | TX        | Limited Contract Tax & Subordinate Lien Toll Road Revenue Bonds |
| 143.560          | North Slope Borough                       | AK        | General Obligation Bonds                                        |
| 138.480          | SC Jobs-Economic Dev. Auth.               | SC        | Educational Facilities Revenue Bonds                            |
| 133.890          | Moreno Valley Public Financing Auth.      | CA        | Lease Revenue Bonds                                             |
| 124.780          | Naperville Park Dist.                     | IL        | General Obligation Park Bonds                                   |
| 123.000          | Sweetwater Union High School Dist.        | CA        | General Obligation Bonds                                        |

\*Cabrera will serve as Co-Manager



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## Economic Calendar (ET)

| Monday                    | Tuesday                                    | Wednesday                                                                     | Thursday                                                                               | Friday                                |
|---------------------------|--------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------|
| 19-Oct                    | 20-Oct                                     | 21-Oct                                                                        | 22-Oct                                                                                 | 23-Oct                                |
| 10:00 AM                  | 8:30 AM                                    |                                                                               | 8:30 AM                                                                                | 9:45 AM                               |
| NAHB Housing Market Index | Housing Starts                             | No Events Scheduled                                                           | Weekly Jobless Claims                                                                  | US Flash Manufacturing & Services PMI |
|                           | 10:00 AM                                   |                                                                               | 10:00 AM                                                                               | 10:00 AM                              |
|                           | Pending Home Sales Index                   |                                                                               | Leading Indicators                                                                     | U. Michigan Final Consumer Survey     |
|                           |                                            |                                                                               | 11:00 AM                                                                               |                                       |
|                           |                                            |                                                                               | Kansas City Fed Survey                                                                 |                                       |
| 26-Oct                    | 27-Oct                                     | 28-Oct                                                                        | 29-Oct                                                                                 | 30-Oct                                |
|                           | 8:30 AM                                    | 8:30 AM                                                                       | 8:30 AM                                                                                | 8:30 AM                               |
| No Events Scheduled       | Durable Goods                              | Advance Trade Balance in Goods, Wholesale Inventories, and Retail Inventories | Advance Q3 GDP, Weekly Jobless Claims, Personal Income & Spending, and PCE Price Index | Employment Cost Index                 |
|                           | 9:00 AM                                    | 2:00 PM                                                                       |                                                                                        | 9:45 AM                               |
|                           | S&P Cotality Case-Shiller Home Price Index | FOMC Interest Rate Decision                                                   |                                                                                        | Chicago PMI                           |
|                           | 10:00 AM                                   |                                                                               |                                                                                        |                                       |
|                           | New Home Sales and Consumer Confidence     |                                                                               |                                                                                        |                                       |
|                           | TBA                                        |                                                                               |                                                                                        |                                       |
|                           | FOMC Meeting Begins                        |                                                                               |                                                                                        |                                       |

