CABRERA CAPITAL MARKETS

Municipal Market Update

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Tuesday, September 8, 2026

Last week, the municipal market came under pressure as heavy new-issue supply, persistent inflation, and stronger-than-expected nonfarm payrolls pushed yields higher. The 10-year Treasury yield briefly touched a fresh multi-year high Wednesday on inflation and debt concerns, with MMD feeling that pressure too. Yields eased Thursday after Fed Governor Waller signaled a lean toward holding rates steady, before Friday's payrolls beat pushed them higher again. On the week, MMD underperformed Treasuries by roughly 10 basis points across the curve, though both primary and secondary markets stayed orderly as underwriters adjusted scales to reflect the weaker tone. MMD/UST ratios rose to 64%, 73%, and 90% in the 5-, 10-, and 30-year, respectively.

This week's economic calendar is full as jobless claims, PPI, CPI, and University of Michigan sentiment are scheduled to release. PPI is expected to rise 5.3% year-over-year, up from 4.7%, while CPI is expected to come in unchanged at 3.4%. Combined with last week's payrolls beat, these releases have sharpened focus on the Fed's path, with markets pricing a 58% probability of a quarter-point move next week. Higher energy prices are also pressuring yields amid the ongoing Middle East war, with Brent crude around $98 a barrel.

Investors continue to support the municipal market, adding $138 million last week. This marks the 20th consecutive week of inflows this year, bringing the total past $22 billion, but well below the six-week average of $865 million. SMA reinvestment needs are also expected to be lighter, at $40 billion versus the $58 billion June–August average.

Supply is forecast at $17 billion this week despite the holiday shortening, above the $11 billion YTD weekly average, as issuers look to squeeze in deals ahead of the September FOMC meeting. Marquee negotiated deals include the $3.7 billion Alabama Toll Road Revenue Bond, the $1.8 billion City of New York GO Bonds, and the $797 million North Texas Tollway Authority Revenue Bonds — Cabrera is mandated as co-manager on the latter two. In the competitive market, Wisconsin, Minnesota, and Massachusetts are all scheduled to sell, with multiple deals over $200mm.

Interest Rate Snapshot

MMD 1-Week Change			
Term	**28-Aug**	**4-Sep**	**Change**
2-Year	2.51%	2.62%	+11 bps
5-Year	2.80%	2.93%	+13 bps
10-Year	3.33%	3.47%	+14 bps
20-Year	4.19%	4.35%	+16 bps
30-Year	4.55%	4.70%	+15 bps

UST 1-Week Change			
Term	**28-Aug**	**4-Sep**	**Change**
2-Year	4.34%	4.37%	+3 bps
5-Year	4.48%	4.54%	+6 bps
10-Year	4.73%	4.78%	+5 bps
20-Year	5.21%	5.25%	+4 bps
30-Year	5.22%	5.24%	+2 bps

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

- **$3.71 billion Alabama Toll Road, Bridge & Tunnel Authority** Toll Revenue Bonds & Bond Anticipation Notes
- **$1.81 billion City of New York** General Obligation Bonds
- **$797.02 million North Texas Tollway Authority** System Revenue & Refunding Bonds

Notable Deals Last Week

Cabrera's Deals

- **Texas Transportation Commission (Aaa//NR/NR/AAA)(Cabrera Co-Manager) priced $791 million General Obligation Mobility Fund and Refunding Bonds.** The transaction was structured 1-2 years and 10-19 years with a 10-year call. Following premarketing on Monday, spreads were widened 3-5 basis points because of market weakness. The transaction received good demand with the deal upsized by $140 million from premarketing and spreads were tightened 2 basis points in 2037.
- **The City of Chicago Chicago O'Hare Airport priced $1.3 billion General Airport Revenue Bonds AMT (NR/A+/A+/A+) (Cabrera Co-Senior).** The transaction was structured out to 2061 with a 10-year call. The transaction entered the market with spreads wider by 5 basis points from premarketing. The 2056 maturity did utilize Assured Guaranty insurance. The transaction did well with bumps as much as 8 basis points.

Other Notable Deals

- **The Salt River Project Agricultural Improvement and Power District, Arizona (Aa1/AA+/NR/NR) priced $1.2 billion Electric System Revenue Bonds.** The deal did very well, as the market stabilized later in the week when this was priced. The deal was bumped 3-12 basis points.
- **The Regents of the University of Michigan (Aaa/NR/NR/AAA) priced $576 million Tax-Exempt and $250 million Taxable General Revenue Bonds.** The Tax-Exempt and Taxable deals were oversubscribed throughout. The Tax-Exempt deal was bumped 3-11 basis points throughout and spreads were tightened on the Taxable deal by 5-10 basis points.
- **Fresno Unified School District, California (Aa3/NA/NA/NA) priced General Obligation Refunding Bonds.** The deal did not change spreads from premarketing into institutional pricing. The deal was oversubscribed throughout and was bumped as much as 5 basis points.

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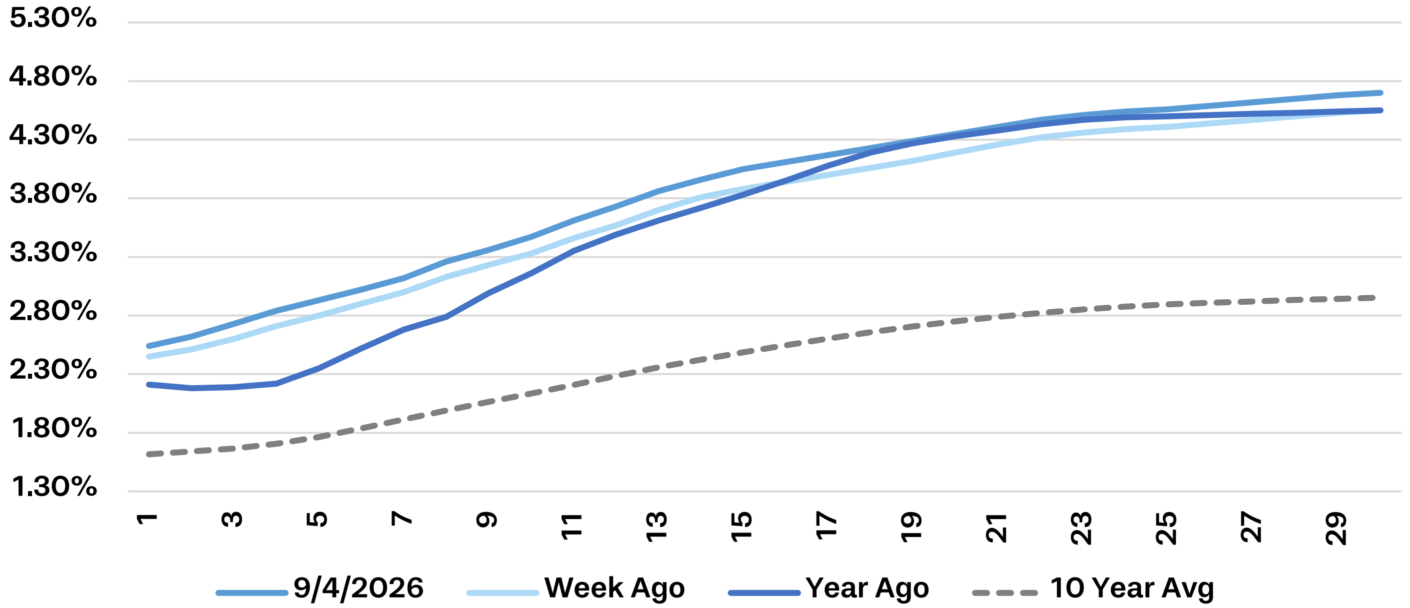
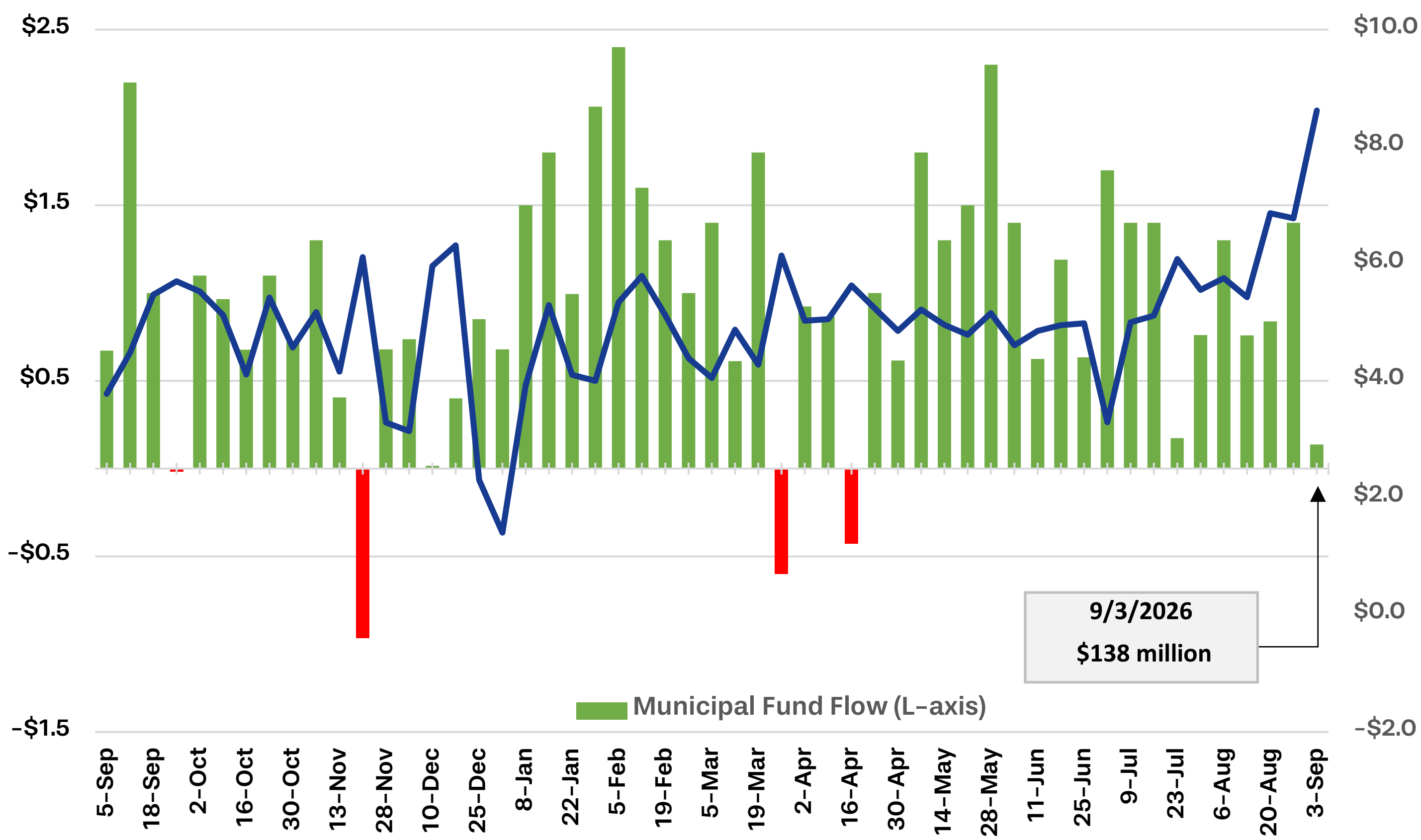
AAA MMD Curves



Municipal Fund Flows

Week 8/27/2026 – 9/3/2026 saw inflows of $138 million **Source: Lipper, Bloomberg**



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Notable Fixed Rate New Issue Results from Last Week

City of Chicago: O'Hare Intl. Airport

IL

Optional call 7/1/2036 @ 100.00

Tax-Exempt

$1,302,255,000

NR/A+/A+/A+ (S&P AA+ 2056 AGM Insured)

Cabrera served as Co-Senior

Maturity	Coupon	Spread	Yield
2027	5	52	3.03
2028	5	57	3.14
2029	5	61	3.27
2030	5	65	3.4
2031	5	69	3.56
2032	5	75	3.68
2033	5	75	3.84
2034	5	75	3.93
2034	5	75	4.03
2035	5	75	4.14
2036	5.25	72	4.27
2037	5.25	72	4.39
2038	5.25	72	4.49
2039	5.25	67	4.61
2040	5.25	70	4.71
2041	5.25	75	4.82
2042	5.25	75	4.88
2043	5.25	75	4.94
2044	5.25	73	4.98
2045	5.5	66	4.98
2046	5.5	63	5.02
2047	5.5	63	5.08
2051	5.5	65	5.19
2056	5	58	5.26
2061	5.75	58	5.26

Salt River Project Agricultural Improvement & Power District

AZ

Optional call 1/1/2037 @ 100.00

Tax Exempt

$1,259,270,000

Aa1/AA+/NR/NR

Maturity	Coupon	Spread	Yield
2028	5	12	2.69
2029	5	15	2.81
2030	5	15	2.9
2031	5	15	3.02
2032	5	18	3.11
2033	5	17	3.26
2034	5	19	3.37
2036	5	17	3.56
2037	5	15	3.7
2038	5.25	17	3.84
2039	5.25	19	3.96
2040	5.25	18	4.12
2041	5.25	20	4.21
2042	5.25	17	4.24
2043	5.25	21	4.34
2044	5.25	19	4.38
2045	5.25	19	4.44
2046	5.25	14	4.46
2047	5.25	13	4.52
2048	5.25	16	4.61
2049	5.25	19	4.68
2050	5.25	18	4.7
2051	5.25	21	4.75
2057	5	24	4.92
2057	5.5	11	4.79

Texas Transportation Commission

TX

Optional call 10/1/2036 @ 100.00

Tax Exempt

$934,815,000

Aaa/NR/NR/AAA

Cabrera served as Co-Manager

Maturity	Coupon	Spread	Yield
2027	5	15	2.61
2028	5	18	2.72
2036	5	25	3.64
2037	5	25	3.77
2039	5	32	4.08
2040	5	32	4.18
2041	5	32	4.25
2042	5	32	4.31
2043	5	32	4.37
2044	5	32	4.43

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Upcoming Negotiated Calendar

Size ($mm)	Issuer	State	Description
3,710.050	Alabama Toll Road, Bridge & Tunnel Auth.	AL	Toll Revenue Bonds / Bond Anticipation Notes
1,813.980	City of New York*	NY	General Obligation Bonds (Tax-Exempt)
797.015	North Texas Tollway Auth.*	TX	System Revenue & Refunding Bonds (First / Second Tier)
785.000	Triborough Bridge & Tunnel Auth.	NY	Real Estate Transfer Tax Revenue Bonds
595.965	Pennsylvania Turnpike Commission	PA	Oil Franchise Tax Revenue Bonds
503.915	Midland Independent School Dist.	TX	Unlimited Tax School Building & Refunding Bonds (incl. Taxable)
498.685	City of Fort Worth	TX	Special Tax Revenue Bonds (Convention Center Venue Project)
414.620	City of Jacksonville	FL	Special Revenue & Refunding Bonds
364.115	Minneapolis-St. Paul Metropolitan Airports Commission	MN	Senior Airport Revenue Refunding Bonds
363.210	Port of Morrow	OR	Full Faith & Credit Obligations (Tax-Exempt / Taxable)
359.085	Indiana Finance Auth.	IN	Health System Revenue Bonds (Deaconess Health)
200.222	City of Quincy	MA	General Obligation Bond Anticipation Notes
200.000	North Dakota Housing Finance Agency	ND	Housing Finance Program Bonds
154.100	Clackamas County Hospital Facility Auth.	OR	Senior Living Revenue Bonds (Willamette View)
110.760	Lake Stevens School Dist. No. 4	WA	Unlimited Tax General Obligation & Refunding Bonds
100.000	Charlotte-Mecklenburg Hospital Auth.	NC	Variable Rate Health Care Revenue Bonds (Atrium Health)
99.795	Clifton Higher Education Finance Corp.	TX	Education Revenue Bonds (Vanguard Academy)
89.150	City of New York	NY	General Obligation Bonds (Taxable)
72.100	City of Memphis	TN	General Obligation Refunding Bonds
69.360	Orangeburg County Facilities Corp.	SC	Installment Purchase Revenue Bonds

*Cabrera will serve as Co-Manager

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Economic Calendar (EST)

Monday	Tuesday	Wednesday	Thursday	Friday
7-Sep	8-Sep	9-Sep	10-Sep	11-Sep
Labor Day Holiday	6:00 AM NFIB Index of Small Business Optimism	No events scheduled	8:30 AM Weekly jobless claims and PPI	8:30 AM Core CPI
No events scheduled	3:00 PM Consumer Credit		10:00 AM Monthly Wholesale Trade and Existing Home Sales	2:00 PM Monthly Treasury Balance
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	