CABRERA CAPITAL MARKETS

Municipal Market Update

Public Finance	Underwriting
Mario Carrasco	**Merita Kulpinski**
Head of Investment Banking – Public Finance	**Director – Lead Municipal Underwriter**
(210) 857-8517	**(312) 931-6654**
mcarrasco@cabreracapital.com	**mkulpinski@cabreracapital.com**

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Market activity is decreasing ahead of the Federal Reserve's December 10 rate decision and the upcoming holidays. Refundings account for 32% of the negotiated calendar this week. Lipper reported $736.2 million in fund inflows for the week ending December 3, up from $682.2 million the prior week, with a 4-week moving average of $520.9 million. The steep municipal yield curve offers attractive opportunities for investors, as extending from 5-year to 20-year maturities provides an additional 178 basis points of yield pickup. In comparison, the same move along the Treasury curve delivers only 107 basis points, highlighting a relative advantage for municipals. President Trump confirmed a decision has been made on the next Fed chair, with an announcement expected early next year. Inflation remains high as indicated by the Core PCE price index for September at 2.8%, 0.8% above the 2% target. Private-sector payrolls fell by 32,000, leaving Fed officials divided between curbing inflation and supporting employment. The probability of a 25-basis point cut to the federal funds rate hovers around 87% which would mark a third cut this year if taken into effect. Key economic data delayed by the 43-day government shutdown—including nonfarm payrolls, unemployment rate and average earnings—is expected to be released December 16.

The SIFMA Municipal Swap Index reset to 1.92%, down 87 basis points from the previous week at 2.79%.

Interest Rate Snapshot

MMD 1-Week Change					UST 1-Week Change			
Term	28-Nov	5-Dec	Change (BPs)		Term	28-Nov	5-Dec	Change (BPs)
2-Year	2.44%	2.43%	-1		2-Year	3.47%	3.56%	+9
5-Year	2.41%	2.43%	+2		5-Year	3.59%	3.72%	+13
10-Year	2.75%	2.77%	+2		10-Year	4.02%	4.14%	+12
20-Year	3.87%	3.91%	+4		20-Year	4.62%	4.75%	+13
30-Year	4.16%	4.21%	+5		30-Year	4.67%	4.79%	+12

Municipal bond issuance is projected to reach approximately $11.4 billion this week, a decrease from $16.1 billion last week. Cabrera will be serving as co-manager on $972.180 million City of Chicago - Chicago O'Hare International Airport Series C & D (NR/A+/A+/A+) highlighted below as one of the top three largest national transactions.

The week's largest transactions include the following:

- $2 billion Regents of the University of California General Revenue Bonds, 2025 Series CD (Aa2/AA/AA/NR)
- $972.180 million City of Chicago - Chicago O'Hare International Airport Series C & D (NR/A+/A+/A+)
- $730 million Alabama Highway Authority Special Obligation Revenue Bonds, Series 2025 (Aa2/NR/NR/NR)

NOTABLE DEALS LAST WEEK

- Jarrell Independent School District (Underlying A1/A+/NR/NR, PSF Insured Aaa/AAA/NR/NR) (Cabrera Bookrunning Senior Manager) priced $55 million of Unlimited Tax School Building Bonds. The transaction was structured through 30 years with a 10-year call. The District premarketed the 2050 term with a 5.25% coupon and a 4.375% coupon priced at $97. Following premarketing, spreads remained unchanged excluding a 3 basis point bump in 2050 to keep the discount term priced to $97 dollar price following the cuts in MMD. The transaction was subscribed for throughout 1-4 times and up to 9 times on the discount term. Spreads were lowered 1-7 basis points, excluding 2029-2034, 2036, and 2055 where each maturity was just 1x subscribed. With the bumps, the discount term in 2050 priced at $98.

- The Commonwealth of Massachusetts (Aa1/AA+/AA+/NR) priced $1 billion General Obligation Bonds across to series. After garnering $835 million of orders during the retail order period, spreads were tightened 2-9 basis points between the two series 2041 and shorter. Both series received significant subscription levels, especially in the 20-year range during the institutional order period. Spreads were tightened 1-10 basis points throughout excluding 2027.

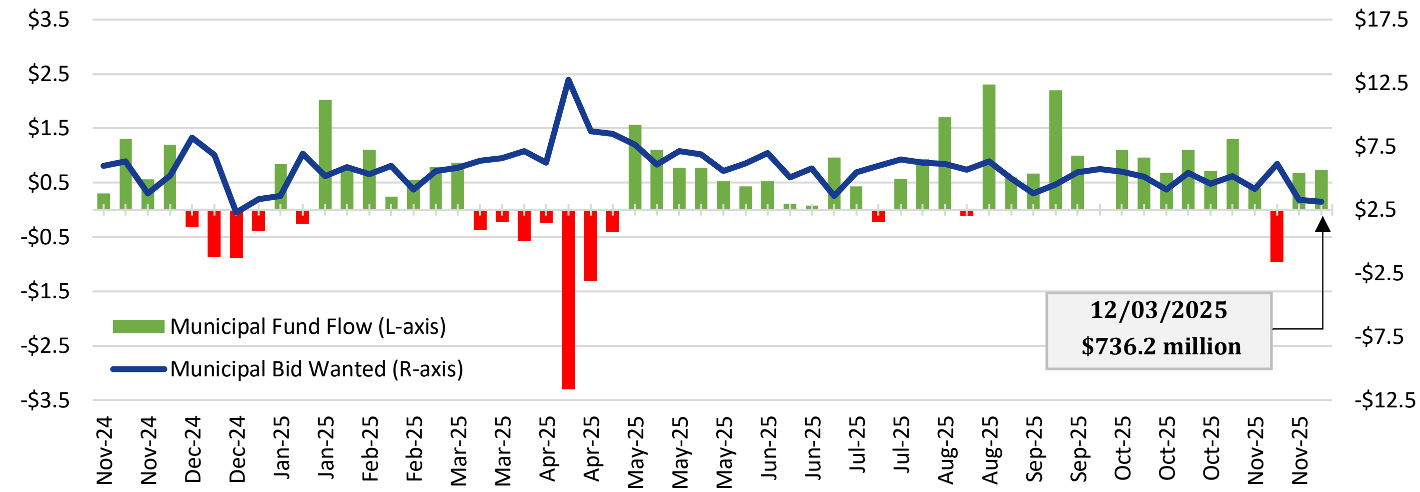
- Pasadena Unified School District (Aa3/NR/NR/NR) (Cabrera Co-Manager) priced $300 million of General Obligation Bonds across two series. The larger $250 million series was structured 25 years with a 10-year call. Following premarketing on Monday, spreads were tightened 1-3 basis points 2045 and shorter entering the order period. The transaction was met with significant demand and was up to 10 times oversubscribed in 2033-2035. Spreads were lowered 1-10 basis points throughout excluding 2039-2040 and 2042-2043.

- The State of Connecticut (Aa2/AA/AA/AAA) priced $1.5 billion of Special Tax Obligation Bonds for Transportation Infrastructure Purposes. The transaction was structured to 2046 with a 10-year call. After garnering over $600 million of retail orders, spreads were tightened 1-3 basis points in 2026-2028 and 2046. Following the institutional order period, spreads were lowered 2-7 basis points throughout excluding 2029-2034 where subscription levels were the lowest.

- The Pennsylvania Turnpike Commission (A1/AA-/AA-/NR) priced $206 million of Registration Free Revenue Refunding Bonds. The transaction was structured from 2030-2041 with a 10-year call, excluding maturities 2036 and 2037 which were noncallable. Entering the preliminary order period, the noncallable maturities were 3-6 basis points cheaper than the callable maturities. The transaction was oversubscribed throughout, especially in the non-callable maturities where spreads were lowered 8 basis points.

Municipal Fund Flows

Week 11/27/2025 - 12/03/2025 saw inflows of $736.2 million **Source: Lipper, Bloomberg**



Upcoming Negotiated Calendar

Size ($mm)	Issuer	State	Description
2,000.000	The Regents of the University of California	CA	General Revenue Bonds
972.180	**City of Chicago O'Hare International Airport***	**IL**	**Revenue Bonds**
730.000	Alabama Highway Authority	AL	Special Obligation Revenue Bonds
627.885	Wisconsin Health and Educational Facilities Authority	WI	Refunding Revenue Bonds (Mercy Health Corporation)
560.000	California Infrastructure and Economic Development Bank	CA	Revenue Bonds (Brightline West Passenger Rail Project)
535.930	New York City Housing Development Corporation	NY	Multi-Family Housing Revenue Bonds
448.730	Virgin Islands Hotel Development Financing Corporation		Hotel Revenue Bonds
277.395	Board of Regents of the Texas A&M University System	TX	Revenue Financing System Bonds
248.925	Public Finance Authority	WI	Multi-Family Housing Revenue Bonds
244.475	State of Ohio	OH	General Obligation Bonds
241.625	Maryland Stadium Authority	MD	Taxable Revenue Bonds
229.750	Humble Independent School District	TX	Unlimited Tax School Building Bonds
225.000	New York City Housing Development Corporation	NY	Multi-Family Housing Revenue Bonds (Taxable)
196.830	New York City Housing Development Corporation	NY	Multi-Family Housing Revenue Bonds (Taxable)
140.000	Director of the State of Nevada	NV	Revenue Bonds (Brightline West Passenger Rail Project)
125.205	Mida Mountain Village Public Infrastructure District	UT	Tax Allocation Revenue Bonds
120.657	Aurora Crossroads Metropolitan District	CO	General Obligation Bonds
105.570	Illinois Finance Authority	IL	Revenue Bonds (The Moorings of Arlington Heights)
98.415	USF Financing Corporation	FL	Capital Improvement Refunding Revenue Bonds
94.344	Maryland Health and Higher Educational Facilities Authority	MD	Revenue Bonds Kennedy Krieger Issue

*Cabrera will serve as Co-Manager

CABRERA CAPITAL MARKETS

NOTABLE FIXED-RATE NEW ISSUE RESULTS FROM LAST WEEK

Jarrell Independent School District
TX
Call Date 2/15/2035
Tax-Exempt
$55,000,000
Underlying A1/A+, PSF Aaa/AAA
Cabrera served as Senior Manager

Maturity	Coupon	Spread	Yield
2028	5.00	24	2.68
2029	5.00	27	2.69
2030	5.00	30	2.70
2031	5.00	31	2.73
2032	5.00	32	2.79
2033	5.00	33	2.90
2034	5.00	34	2.92
2035	5.00	33	2.99
2036	5.00	35	3.13
2037	5.00	33	3.25
2038	5.00	32	3.35
2039	5.00	31	3.47
2040	5.00	32	3.62
2041	5.00	34	3.78
2042	5.00	34	3.91
2043	5.00	34	4.03
2044	5.00	32	4.13
2045	5.00	31	4.20
2050	4.375	39	4.511*
***			
2055	5.25	30	4.49

* Priced to $98.00

Pasadena Unified School District
CA
Call Date 8/1/2035
Tax-Exempt
$250,000,000
Aa3/NR/NR/NR
Cabrera served as Co-Manager

Maturity	Coupon	Spread	Yield
2027	5.00	(32)	2.13
2028	5.00	(30)	2.14
2030	5.00	(36)	2.04
2031	5.00	(35)	2.09
2032	5.00	(37)	2.14
2033	5.00	(38)	2.20
2034	5.00	(38)	2.23
2035	5.00	(38)	2.34
2036	5.00	(29)	2.54
2037	5.00	(24)	2.70
2038	5.00	(18)	2.87
2039	5.00	(12)	3.04
2040	5.00	(10)	3.20
2041	5.00	(6)	3.38
2042	5.00	(3)	3.54
2043	5.00	0	3.69
2044	5.00	1	3.82
2045	5.25	(2)	3.87
2046	5.25	(1)	3.95
2047	5.25	2	4.03
2050	5.25	5	4.17

Pasadena Unified School District priced an additional series of Bonds totaling $300 Million in par simultaneously with the Series listed above.

Commonwealth of Massachusetts
MA
Call Date 12/1/2035
Tax-Exempt
$750,000,000
Aa1/AA+/AA+/NR

Maturity	Coupon	Spread	Yield
2028	5.00	6	2.50
2029	5.00	6	2.48
2030	5.00	6	2.49
2031	5.00	8	2.56
2032	5.00	11	2.67
2033	5.00	12	2.73
2034	5.00	13	2.81
2035	5.00	12	2.89
2039	5.00	16	3.34
2040	5.00	16	3.48
2041	5.00	17	3.63
2042	5.00	17	3.76
2043	5.00	16	3.87
2044	5.00	15	3.98
2045	5.00	15	4.06
2046	5.00	19	4.17
2047	5.00	19	4.22
2050	5.00	25	4.39
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2055	5.00	28	4.49

Commonwealth of Massachusetts priced two series of Bonds totaling $1.01 Billion in par simultaneously with the Series listed above.

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Economic Calendar (All Times in EST)

Monday	Tuesday	Wednesday	Thursday	Friday
8-Dec	**9-Dec**	**10-Dec**	**11-Dec**	**12-Dec**
None scheduled	6:00 AM NFIB optimism index	2:00 PM Monthly U.S. federal budget, and FOMC interest-rate decision	8:30 AM Initial jobless claims and U.S. trade deficit	10:00 AM Wholesale inventories
	10:00 AM Job openings	2:30 PM Fed Chair Powell press conference		
15-Dec	**16-Dec**	**17-Dec**	**18-Dec**	**19-Dec**
10:00 AM Home builder confidence index	8:30 AM U.S. employment report, U.S. unemployment rate, Hourly wages year over year, and U.S. retail sales	None scheduled	8:30 AM Initial jobless claims and Consumer price index	10:00 AM Existing home sales and Consumer sentiment (final)
	9:45 AM U.S. services PMI and U.S. manufacturing PMI			