CABRERA CAPITAL MARKETS

MUNICIPAL MARKET UPDATE

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The heavy calendar last week was well received, and supply continues to decrease as we transition into the upcoming holiday weeks. Lipper reported $16 million in fund inflows for the week ending December 11, down from $736 million the prior week, with a 4-week moving average of $385 million. The municipal yield curve remains stable even as the U.S. Treasury curve continues to steepen. Munis outperformed the Treasury curve on the long end. The steepening is due to market realization that rates will be higher for longer. The market is currently pricing in two cuts for 2026 but the Fed is telegraphing one cut. As expected, the Federal Reserve implemented its third consecutive 25 basis point cut to the federal funds rate since September. While signaling a continued easing stance, this cut was already anticipated by the markets and coupled with heavy supply, continuing uncertainty of future policy and municipal rate increases over the last ten years. Key economic indicators to be released this week include unemployment data for October and November, along with October CPI and retail sales, which will provide insight into labor market strength and inflation trends. Looking ahead, Bloomberg forecasts municipal bond supply for 2026 in the range of $625–$650 billion, representing a $25–$50 billion increase over 2025, with refundings expected to comprise a significant portion of issuance.

The SIFMA Municipal Swap Index reset to 3.11%, up 119 basis points from the previous week at 1.92%.

INTEREST RATE SNAPSHOT

MMD 1-Week Change				UST 1-Week Change			
Term	**5-Dec**	**12-Dec**	**Change (BPs)**	**Term**	**5-Dec**	**12-Dec**	**Change (BPs)**
2-Year	2.43%	2.43%		2-Year	3.56%	3.52%	-4
5-Year	2.43%	2.43%		5-Year	3.72%	3.75%	+3
10-Year	2.77%	2.76%	-1	10-Year	4.14%	4.19%	+5
20-Year	3.91%	3.93%	+2	20-Year	4.75%	4.82%	+7
30-Year	4.21%	4.24%	+3	30-Year	4.79%	4.85%	+6

Municipal bond issuance is projected to reach approximately $6.2 billion this week, a decrease from $11.4 billion last week. Cabrera will be serving as co-manager for two issues including the largest national transaction this week of $1.832 billion New York City Transitional Finance Authority Future Tax Secured Subordinate Bonds Fiscal 2026 Series C, D Subseries D-1 & E (Aa1/AAA/AAA/NR) highlighted below and $167.420 million New York City Transitional Finance Authority Future Tax Secured Subordinate Bonds, Fiscal 2026 Series D, Subseries D-2 (Aa1/AAA/AAA/NR).

The week's largest transactions include the following:

- $1.832 billion New York City Transitional Finance Authority Future Tax Secured Subordinate Bonds Fiscal 2026 Series C, D Subseries D-1 & E (Aa1/AAA/AAA/NR)
- $1.038 billion The Black Belt Energy Gas District Gas Project Revenue Bonds, 2025 Series G (A2/NR/NR/NR)
- $562 million The Ohio State University General Receipts Refunding Bonds Series 2026 A (Aa1/AA+/AA+/NR)

Notable Deals Last Week

- The City of Chicago O'Hare International Airport (NR/A+/A+/A+) (Cabrera Co-Manager) priced $950 million Non-AMT General Airport Senior Lien Revenue Refunding Bonds. The bonds were priced across two series; the larger series D began premarketing with 3 AGM insured maturities 2037-2039 which were priced with a 7 basis point benefit. Following premarketing, spreads were cheapened 2-8 basis points 2032 and longer the insured maturities were bifurcated to include an uninsured maturity. Both the short end and long end received significant demand and were bumped 3-7 basis points, 2033-2040 received the lowest subscription levels and 2034 was cheapened 1 basis point. The 2037 and 2038 AGM insured maturities were eliminated.

- The Regents of the University of California (Aa2/AA/AA/NR) priced $2 billion of General Revenue Bonds. The transaction was structured through 2040 with a trifurcated term in 2040 with 5%, 5.25% and 5.5% coupons. The 2036 and 2040 5.25% maturities were noncallable. The transaction was oversubscribed for and upsized by $200 million. Spreads were lowered 1-5 basis points throughout excluding 2030.

- The Board of Regents of the Texas A&M University System (Aaa/AAA/AAA/NR) priced $223 million of Revenue Financing System Bonds. The transaction was structured out to 30-years with serials out to 2050 and a 2055 term bond. Following the preliminary order period, the transaction was met with significant demand and spreads were lowered 2-10 basis points throughout excluding 2030 and 2033-2035. The 20-year range received the most demand where spreads were lowered 10 basis points.

- Humble Independent School District (Underlying Aa1/AA/NR/NR, PSF Aaa/AAA/NR/NR) priced $184 million Unlimited Tax School Building and Refunding Bonds and $43 million Non-PSF Unlimited Tax Refunding Bonds. The PSF series was structured out 30 years and the Non-PSF was structured to 2033. Entering the preliminary order period, the Non-PSF series had a 5 basis point spread penalty. Following the preliminary order period, spreads were tightened 1-9 basis points on the PSF series 2027-2030, 2032, 2041-2042, and 2044. The Non-PSF series was tightened 2-3 basis points 2027-2028 while the remainder of the scale was unchanged.

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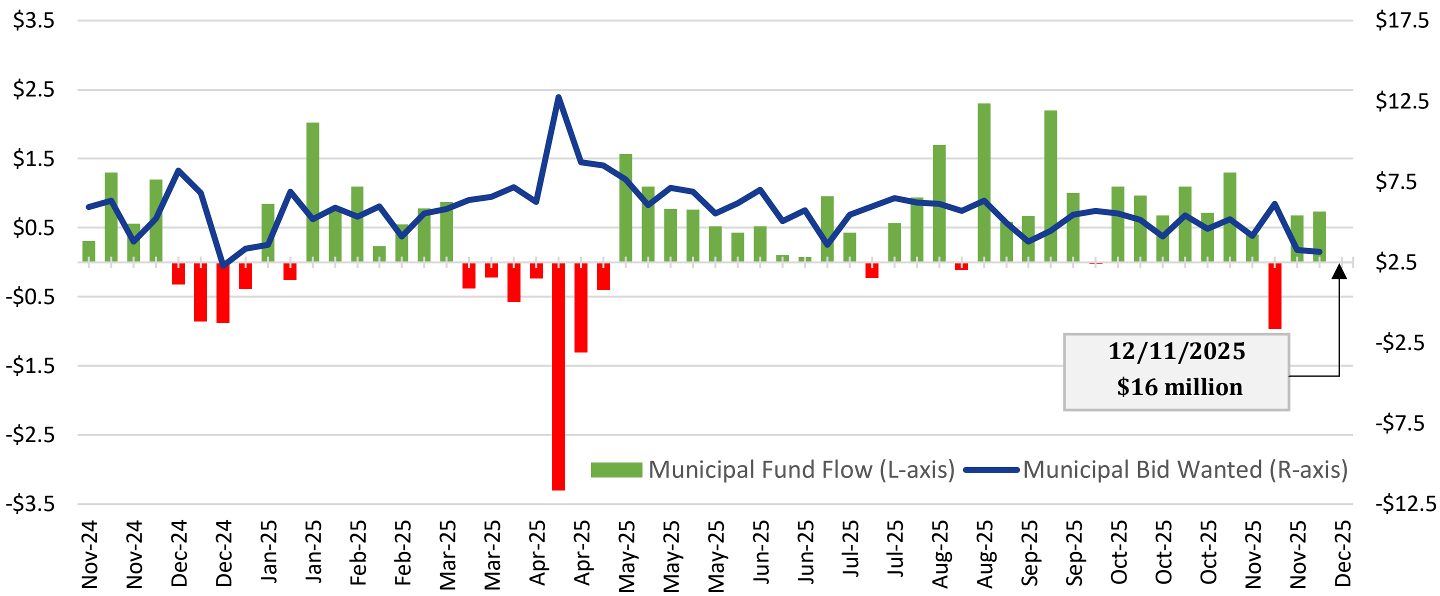
Municipal Fund Flows

Week 12/04/2025 - 12/11/2025 saw inflows of $16 million **Source: Lipper, Bloomberg**



Upcoming Negotiated Calendar

Size ($mm)	Issuer	State	Description
1,832.580	**New York City Transitional Finance Authority***	**NY**	**Future Tax Secured Subordinate Bonds**
562.000	The Ohio State University	OH	General Receipts Refunding Bonds
313.535	North Carolina Medical Care Commission	NC	Retirement Facilities First Mortgage Revenue Bonds
279.895	Prosper Independent School District	TX	Unlimited Tax School Building Bonds
236.340	Cypress-Fairbanks Independent School District	TX	Unlimited Tax Refunding Bonds
200.000	Glendale Community College District	CA	General Obligation Bonds
190.500	Georgia Higher Education Facilities Authority	GA	Revenue Bonds
184.225	The Metropolitan Water District of Southern California	CA	Special Variable Rate Water Revenue Refunding Bonds
183.530	Build NYC Resource Corporation	NY	Revenue Bonds
181.170	New York City Housing Development Corporation	NY	Housing Impact Bonds
167.420	**New York City Transitional Finance Authority***	**NY**	**Future Tax Secured Subordinate Bonds (Taxable)**
150.000	EHOVE Joint Vocational School District	OH	General Obligation School Improvement Bonds
115.400	Tulsa County Industrial Authority	OK	Educational Facilities Lease Revenue Bonds
86.275	City of Gainesville	GA	Water and Sewerage Revenue Bonds
85.000	Housing Authority of the City and County of Denver	CO	Multifamily Housing Revenue Bonds
84.500	Cumberland County Municipal Authority	PA	Revenue Bonds
64.740	City of Omaha	NE	Various Purpose Bonds
64.340	Hudson County Improvement Authority	NJ	Revenue Bonds
62.410	Centinela Valley Union High School District	CA	2026 General Obligation Refunding Bonds
62.100	New York State Housing Finance Agency	NY	Affordable Housing Revenue Bonds

***Cabrera will serve as Co-Manager**

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Notable Fixed-Rate New Issue Results From Last Week

City of Chicago O'Hare International Airport

IL

Call Date 1/1/2036

Non-AMT

$429,575,000

NR/A+/A+/A+

Cabrera served as Co-Manager

Maturity	Coupon	Spread	Yield
2027	5.00	24	2.71
2028	5.00	25	2.68
2029	5.00	32	2.73
2030	5.00	31	2.73
2031	5.00	34	2.78
2032	5.00	37	2.85
2033	5.00	42	3.02
2034	5.00	45	3.06
2035	5.00	45	3.13
2036	5.00	46	3.25
2037	5.00	47	3.41
2038	5.00	48	3.53
2039	5.00	48	3.66
2040	5.00	48	3.80
2041	5.00	44	3.90
2049	5.25	46	4.57
2054	5.25	46	4.66

City of Chicago O'Hare International Airport priced two series of Bonds totaling $952.37 million in par simultaneously with the Series listed above.

The Regents of the University of California

CA

Call Date 11/15/2035* No Optional Call**

Tax-Exempt

$2,200,000,000

Aa2/AA/AA/NR

Maturity		Coupon	Spread	Yield
2030		5.00	0	2.42
2031		5.00	(3)	2.42
2032		5.00	(5)	2.46
2033		5.00	(2)	2.59
2034		5.00	3	2.65
2035		5.00	2	2.73
2036	**	5.00	9	2.92
2040	*	5.00	12	3.44
2040	**	5.50	6	3.38
2040	**	5.25	18	3.50

Board of Regents of the Texas A&M University System

TX

Call Date 5/15/2035

Tax-Exempt

$223,225,000

Aaa/AAA/AAA/NR

Maturity	Coupon	Spread	Yield
2026	5.00	4	2.50
2027	5.00	7	2.52
2028	5.00	9	2.52
2029	5.00	11	2.52
2030	5.00	15	2.57
2031	5.00	15	2.60
2032	5.00	16	2.67
2033	5.00	19	2.80
2034	5.00	20	2.82
2035	5.00	21	2.92
2036	5.00	18	3.01
2037	5.00	19	3.14
2038	5.00	20	3.27
2039	5.00	21	3.39
2040	5.00	20	3.52
2041	5.00	18	3.64
2042	5.00	18	3.77
2043	5.00	18	3.89
2044	5.00	17	4.00
2045	5.00	13	4.04
2046	5.00	18	4.16
2047	5.00	22	4.25
2048	5.00	22	4.30
2049	5.00	23	4.34
2050	5.00	22	4.36
2055	4.375	34	4.55

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ECONOMIC CALENDAR (ALL TIMES IN EST)

Monday	Tuesday	Wednesday	Thursday	Friday
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	8:15 AM Fed governor Chris Waller speaks	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			
22-Dec	**23-Dec**	**24-Dec**	**25-Dec**	**26-Dec**
None scheduled	8:30 AM GDP (delayed report), and Durable-goods orders (delayed report)	8:30 AM Initial jobless claims	None scheduled, Christmas holiday	None scheduled
	10:00 AM Consumer confidence			