



CABRERA CAPITAL  
MARKETS

## MUNICIPAL MARKET UPDATE

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## PRIMARY MARKET ACTIVITY

This past week the municipal primary market showed stability with rates decreasing 6-8 basis points in the short end as the curve slowly continuing to steepen. The 1 year, 5 year, 10 year, 20 year and 30 year benchmark rates ended the week at 2.72%, 2.84%, 3.07%, 3.79% and 3.98%, respectively. Municipal fund flows supported the positive tone last week, with inflows of approximately \$2 billion, a number not seen in over two years. Throughout the week, the President stated that he would both “demand that interest rates drop immediately” and simultaneously had a much lighter tone on tariffs than originally stated on the campaign trail. The market is seemingly less reactionary to such statements, as Treasuries remained largely steady throughout the week with the 5 year, 10 year and 30 year at 4.43%, 4.63% and 4.85%, respectively. Muni/Treasury ratios hovered in a narrow band and closed the week at 64%, 66% and 83%. Treasury notes remain status quo in a range of 4.17%-4.45%. The SIFMA index was up 42 basis points to 2.96% and up 113 basis points from two weeks ago. Primary market volume will be much lighter this week in anticipation of the Federal Open Market Committee meeting. Conventional wisdom is rates remain steady (4.25%-4.50%), however future political and economic unknowns add uncertainty, and we will continue to keep you posted. Deals this week include Oklahoma Turnpike Authority \$1 billion, Columbus Regional Airport \$1 billion, Orlando Utilities Commission \$272 million, City of Grand Prairie Certificates of Participation \$48 million (Cabrera Capital Co-Manager), City of Grand Prairie Water & Waste Water \$19 million (Cabrera Capital Co-Manager) and Elgin School District (IL) #46 (Cabrera Capital Co-Manager).

Deals last week:

- ✦ The Regents of the University of California (Aa2/AA/AA/NR) priced \$2 billion of General Revenue Bonds (Cabrera Co-Manager). The retail order period on Wednesday secured \$590 million in orders, leaving significant balances in the 2035-2040 area. Going into the institutional order period, the scale was cheapened to 2 basis points 2028-2039 and yields were lowered 2 basis points 2042-2050. Maturities 2035-2040 bifurcated coupons (5.00% and 5.25%) to gain additional investor interest. Ultimately, the transaction had over \$600 million in unsold balances and was downsized from \$2 billion to \$1.5 billion and cheapened 3-7 basis points 2026-2041.
- ✦ School District No. 1 of the City and County of Denver, Colorado (Underlying Rating Aa2/AA+/NR/NR Colorado State Intercept Program Insured Aaa/AA+/NR/NR) priced \$500 million of General Obligation Bonds across two series. Both series did very well in the preliminary order period and were heavily oversubscribed with yields lowered 3-16 basis points throughout the amortization.
- ✦ Massachusetts Clean Water Trust (Aaa/AAA/AAA/NR) priced \$541 million of State Revolving Fund Bonds across three series. The retail order period was held on Tuesday but was terminated in the afternoon, and the institutional order period was accelerated to the same day. As they entered the institutional



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order period, yields were lowered by 3 basis points. The transaction did very well and was further bumped 3-7 basis points throughout the scale, excluding 2027-2028.

- ✦ The City of Portland, Oregon (Aa2/AA/NR/NR) priced \$428 million of Second Lien Sewer System Refunding Bonds. The transaction was heavily oversubscribed following the preliminary order period and yields were lowered 2-12 basis points throughout the amortization excluding 2025-2027.
- ✦ The City of San Antonio Water System (Aa1/NR/AAA/NR) priced \$90 million of Water System Revenue Refunding Bonds. The transaction was fully subscribed following the order period and yields were lowered 2-6 basis points throughout the amortization on repricing.

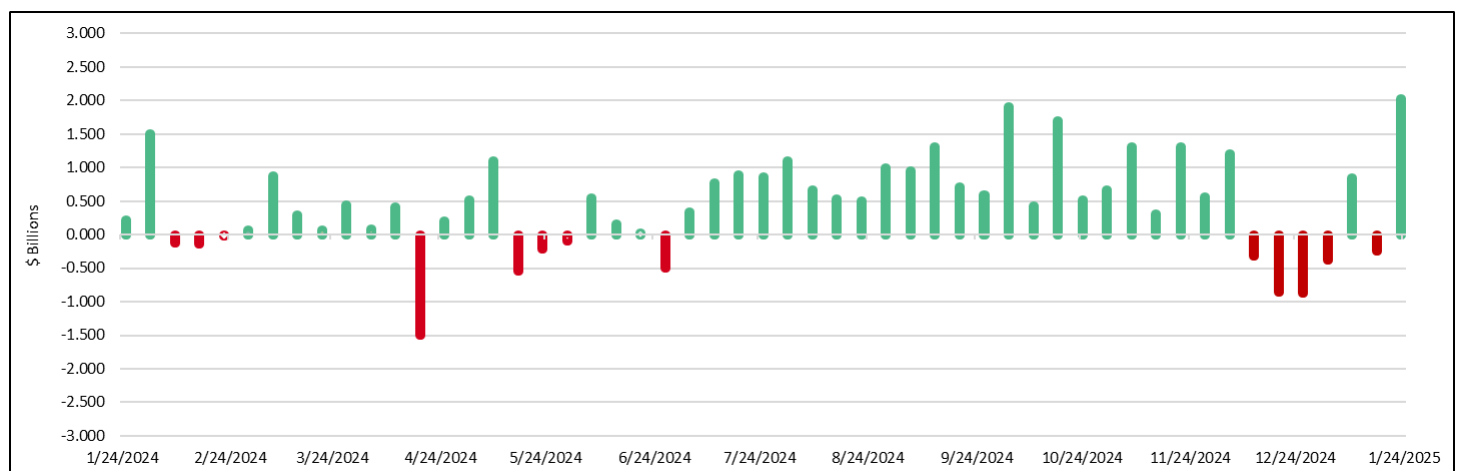
### INTEREST RATE SNAPSHOT

Benchmark	Maturity	1/24/2025 AAA MMD	Change from Last Week (bps)	1/24/2025 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2026	2.72	-8	4.17	-4	65.23%	1/24/2025	2.96	\$2,028
2	2027	2.74	-8	4.27	-	64.17%	1/17/2025	2.54	(\$251)
3	2028	2.77	-8	4.33	-	63.97%	1/10/2025	1.83	\$849
5	2030	2.84	-8	4.43	+1	64.11%	1/3/2025	2.72	(\$387)
10	2035	3.07	-8	4.63	+2	66.31%	12/27/2024	3.62	(\$879)
20	2045	3.82	-3	4.91	-	77.80%	12/20/2024	3.60	(\$857)
30	2055	4.02	-2	4.85	+1	82.89%	12/13/2024	2.91	(\$316)

### MUNICIPAL FUND FLOWS

Week Ended 1/24/2025 saw inflows of \$2,028 million

Source: Lipper





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**UPCOMING NEGOTIATED CALENDAR**

Size (\$mm)	Issuer	State	Description
1,087.870	Oklahoma Turnpike Authority	OK	Second Senior Revenue
1,027.920	Columbus Regional Airport Authority	OH	Airport Revenue Bonds
272.255	Orlando Utilities Commission	FL	Utility System Revenue Bonds
249.250	Sumter Landing Community Development District	FL	Taxable Recreational Revenue Bonds
223.315	Oklahoma Turnpike Authority	OK	Turnpike System Refunding Second Senior Revenue Bonds
219.475	Temple University of the Commonwealth System of Higher Education	PA	Revenue Bonds
190.000	Mesa County Valley School District No. 51	CO	General Obligation Bonds
160.000	Colorado Housing and Finance Authority	CO	Single Family Mortgage Bonds
150.000	Virginia Housing Development Authority	VA	Commonwealth Mortgage Bonds
140.000	Missouri Housing Development Commission	MO	Single Family Mortgage Revenue Bonds
133.495	Highline School District No. 401	WA	General Obligation Bonds
132.245	New York State Environmental Facilities Corporation	NY	State Revolving Funds Revenue Bonds
119.120	California Public Finance Authority	CA	Senior Living Rental Housing Revenue Bonds
<b>55.995</b>	<b>School District No. 46 Kane, Cook and Du Page Counties (Elgin)*</b>	<b>IL</b>	<b>General Obligation School Bonds</b>
<b>48.325</b>	<b>City of Grand Prairie*</b>	<b>TX</b>	<b>Combination Tax and Revenue Certificates of Obligation</b>
25.560	Union Grove Union High School District	WI	General Obligation Promissory Notes
24.475	Westfield School District	WI	General Obligation Promissory Notes
<b>18.755</b>	<b>City of Grand Prairie*</b>	<b>TX</b>	<b>Water and Wastewater System Revenue Bonds</b>

\*Cabrera will serve as Co-Manager

**NOTABLE FIXED DEALS FROM LAST WEEK**

**Notable Fixed-Rate Negotiated Municipal New Issue Results from Last Week**

The Regents of the University of California*				City of San Antonio, Texas				Massachusetts Clean Water Trust			
CA				SAWS							
5/15/2035				5/15/2035				2/1/2035			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
1,500.000				89.160				132.775			
Aa2/AA/AA/NR				Aa1/NR/AAA/NR				Aaa/AAA/AAA/NR			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2025-2035	5.000	2.570-3.160	26-38	2025-2040	5.000	2.890-3.590	10-19	2036-2045	5.000	2.700-3.260	(6)-6
2036-2040	5.250	3.200-3.460	7-10								
2036-2040	5.000	3.220-3.430	9-14								
2040-2042	5.000	3.500-3.600	3-14								
2045-2050	5.000	3.820-3.940	3								

\*Cabrera served as Co-Manager

**ECONOMIC CALENDAR (ALL TIMES IN ET)**

Monday	Tuesday	Wednesday	Thursday	Friday
<b>27-Jan</b>	<b>28-Jan</b>	<b>29-Jan</b>	<b>30-Jan</b>	<b>31-Jan</b>
10:00 AM New home sales	8:30 AM Durable-goods orders	2:00 PM FOMC interest-rate decision	8:30 AM GDP	8:30 AM PCE (year-over-year)
	10:00 AM Consumer confidence	2:30 PM Fed Chair Powell press conference	8:30 AM Initial Jobless Claims	8:30 AM Core PCE (year-over-year)
<b>3-Feb</b>	<b>4-Feb</b>	<b>5-Feb</b>	<b>6-Feb</b>	<b>7-Feb</b>
9:45 AM S&P final U.S. manufacturing PMI	10:00 AM Job openings	8:30 AM U.S. trade deficit	8:30 AM Initial Jobless Claims	8:30 AM U.S. employment rate
	10:00 AM Factory orders	9:45 AM S&P final U.S. services PMI	8:30 AM U.S. productivity	8:30 AM U.S. unemployment rate
				3:00 PM Consumer credit