



**CABRERA CAPITAL  
MARKETS**

## MUNICIPAL MARKET UPDATE

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## PRIMARY MARKET ACTIVITY

Municipals have continued to outperform Treasuries by a decent margin post-election. Primary market transactions have done very well as we returned to an efficient, albeit light muni calendar. The day after the election rates spiked, which was swiftly followed by a sizable drop in rates from the Thursday after the election through last Friday; since November 7th muni benchmark rates have dropped by 13-21 basis points. Last week ended with the 1 year, 5 year, 10 year, 20 year and 30 year municipal benchmark closing on Friday at 2.79%, 2.64%, 2.94%, 3.50% and 3.79% respectively; for context we are 13-16 basis points higher than a month ago and 11-51 basis points lower from a year ago – however nowhere near the curve inversion we saw a year ago. Future Republican policies prompted the market to react initially foreseeing higher rates, however the day after the Fed Chair Jerome Powell made it very clear when asked if he would resign if the President elect asked him to, Powell immediately stated “No”. Powell later stated to a similar question that it would “not be permitted by the law”, the tone of his answers were stern and to the point. Chairman Powell’s term expires in May 2026. Last week, CPI released on par with expectations, up 0.2% to settle at 2.6% for October. Deals we followed in the primary performed very well including a Cabrera Capital Markets Lead Managed \$100 million transaction for Jarrell ISD that had over 50 institutions participate, received spread decreases in almost every maturity and Cabrera Capital worked with the municipal advisor/Jarrell ISD to meet minimum requirements (\$100 million in par) so multiple exchange traded funds (ETFs) could participate, which helped push pricing. Muni fund inflows once again continued for the 20th straight week at \$305 million.

5 year, 10 year and 30 year Treasuries were weaker, contrary to tax exempt municipals; yields were up 10-13 basis points settling at 4.30%, 4.43% and 4.60% respectively. The muni/treasury ratios ended the week at those same maturities at 62%, 67% and 82%. The 1 month to 1 year Treasury bills remains in their narrow range 4.31%-4.70%. Deals in the market this week include a Cabrera Capital Lead Managed City of Chicago \$130 million transaction, Conroe ISD \$129 million (Cabrera Capital Co-Managed), City of Houston Special Facilities Bonds \$1 billion, State of Connecticut \$605 million (Cabrera Co-Managed), Omaha Airport \$314 million, City of Austin \$245 million, Katy ISD \$220 million, Garland Power and Light \$109 million, Montgomery ISD \$92 million and Tucson Water \$75 million among others.



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- ✦ The Los Angeles Department of Water and Power sold \$508 million of Power System Bonds (Aa2/AA-/NR/AA). The transaction was bumped 1-3 bps 2028, 2029, 2032, 2036, and 2039 following the retail order period. During the institutional order period, the transaction performed very well and was bumped 2-8 bps throughout excluding 2030-2031. Going into the reprice, the transaction was upsized by almost \$63 million.
- ✦ Jarrell Independent School District (PSF NR/AAA/NR/NR, Underlying NR/A+/NR/NR) sold \$100 million in Unlimited Tax School Building Bonds. The transaction priced the morning of the CPI release contributing to investors being wary during the premarketing period the day prior. Going into the preliminary order period, the scale remained unchanged except for adjustments for MMD bumps 2027-2029. The transaction performed very well in the primary market and was oversubscribed 5.5x. Spreads were bumped 1-7 bps throughout, excluding 2042-2043 where subscription levels were lighter.
- ✦ Omaha Public Power District (Aa2/AA/NR/NR) priced \$376 million of Electric System Revenue Bonds across two series. Both the transactions did very well during the preliminary order period and were oversubscribed throughout. The transactions were bumped 2-8 bps through the amortization.
- ✦ The Los Angeles Community College District (Aaa/AA+/NR/NR) priced \$300 million of General Obligation Bonds. Both transactions were structured short within 10 years and noncallable. Following the preliminary order period, both transactions remained mostly unchanged, except for a 1 bps bump in 2025.
- ✦ Lamar Consolidated Independent School District (PSF Aaa/AAA/NR/NR, Underlying Aa3/AA-/NR/NR) priced \$195 million of Unlimited Tax Refunding Bonds. The transaction was put on day to day status previously as the municipal market experienced volatility surrounding the presidential election. They began premarketing the transaction with the option to accelerate Monday morning. The transaction entered the primary market on Monday following a brief premarketing period with no adjustments to the scale. The transaction struggled and was cheapened 1 bps 2025-2029 and 2044. The rest of the amortization remained mostly unchanged excluding a 2 bps bump 2038-2040.

**INTEREST RATE SNAPSHOT**

Benchmark	Maturity	11/15/2024 AAA MMD	Change from Last Week (bps)	11/15/2024 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2025	2.79	- 4	4.34	+ 2	64.29%	11/15/2024	3.59	\$305
2	2026	2.63	- 4	4.31	+ 5	61.02%	11/8/2024	2.68	\$1,300
3	2027	2.56	- 4	4.27	+ 9	59.95%	11/1/2024	3.24	\$659
5	2029	2.64	- 4	4.30	+ 10	61.40%	10/25/2024	3.51	\$515
10	2034	2.94	- 2	4.43	+ 13	66.37%	10/18/2024	4.02	\$1,700
20	2044	3.50	-	4.70	+ 12	74.47%	10/11/2024	3.03	\$419
30	2054	3.79	-	4.60	+ 13	82.39%	10/4/2024	3.00	\$1,900

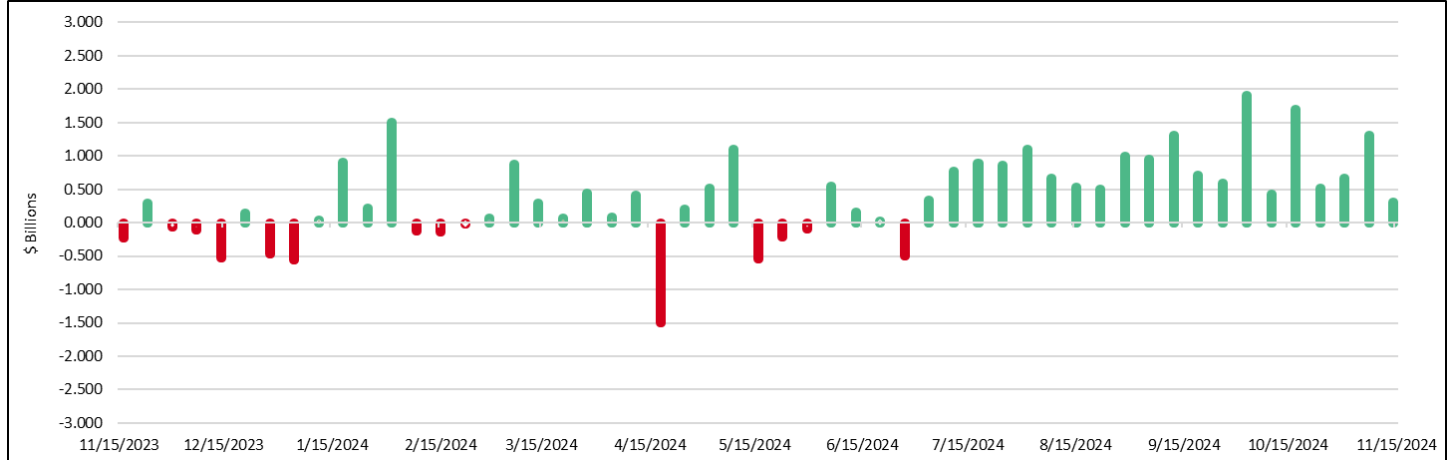


## CABRERA CAPITAL MARKETS

### MUNICIPAL FUND FLOWS

Week Ended 11/15/2024 saw inflows of \$305 million

Source: Lipper



### UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
1,000.000	City of Houston	TX	Airport System Special Facilities Revenue Bonds
725.000	California Community Choice Financing Authority	CA	Clean Energy Project Revenue Bonds, Series 2024G (Green Bonds)
725.000	Main Street Natural Gas, Inc.	GA	Gas Supply Revenue Bonds
<b>605.970</b>	<b>State of Connecticut*</b>	<b>CT</b>	<b>Special Tax Obligation Bonds</b>
319.450	Omaha Airport Authority	NE	Airport Facilities Revenue Bonds
318.765	Ector County	TX	Certificates of Obligation
250.000	Prosper Independent School District	TX	School Building Bonds
248.560	Pennsylvania Housing Finance Agency	PA	Single Family Mortgage Revenue Bonds
245.940	City of Austin	TX	Electric Utility System Revenue Refunding Bonds
239.655	Wisconsin Health and Educational Facilities Authority	WI	Senior Living Revenue Bonds
224.275	Tennessee Housing Development Agency	TN	Residential Finance Program Bonds
220.280	Katy Independent School District	TX	Refunding Bonds
215.000	Wisconsin Housing and Economic Development Authority	WI	Home Ownership Revenue Bonds
199.275	National Finance Authority	NH	Special Revenue Capital Appreciation Bonds
195.000	North Dakota Housing Finance Agency	ND	Housing Finance Program Bonds
165.520	East Montgomery County Improvement District	TX	Sales Tax Revenue Bonds
<b>139.490</b>	<b>City of Chicago**</b>	<b>IL</b>	<b>Second Lien Wastewater Transmission Revenue Bonds</b>
<b>129.490</b>	<b>Conroe Independent School District*</b>	<b>TX</b>	<b>Refunding Bonds</b>

\*Cabrera will serve as Co-Manager

\*\*Cabrera will serve as Senior Manager



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**NOTABLE FIXED DEALS FROM LAST WEEK**

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

Jarrell ISD*				City of Lubbock**				Board of Trustees of Northern Illinois University			
TX				TX							
2/15/2034				2/15/2034				4/1/2034			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
100.000				57.560				58.605			
PSF NR/AAA/NR/NR				NR/AA+/AA/NR				Ba1/AA/NR/NR (BAM Insured)			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2027-2044	5.000	2.780-3.830	20-33	2025-2035	5.000	2.890-3.400	20-34	2029-2039	5.000	3.500-4.140	88-100
2049	5.000	4.050	33					2044	4.250	4.530	103
2054	4.000	4.310	52					2049	5.500	4.550	83

\*Cabrera served as Senior

\*\*Cabrera served as Co-Manager

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

Monday	Tuesday	Wednesday	Thursday	Friday
<b>18-Nov</b>	<b>19-Nov</b>	<b>20-Nov</b>	<b>21-Nov</b>	<b>22-Nov</b>
10:00 AM Home builder confidence index	8:30 AM Building permits	None scheduled	8:30 AM Initial jobless claims	9:45 AM S&P flash U.S. services PMI
	8:30 AM Housing starts		10:00 AM Existing home sales	9:45 AM S&P flash U.S. manufacturing PMI
				10:00 AM Consumer sentiment (final)
<b>25-Nov</b>	<b>26-Nov</b>	<b>27-Nov</b>	<b>28-Nov</b>	<b>29-Nov</b>
None scheduled	10:00 AM Consumer confidence	8:30 AM GDP (first revision)	None scheduled, Thanksgiving holiday	9:45 AM Chicago Business Barometer (PMI)
	2:00 PM Minutes of Fed's May FOMC meeting	8:30 AM Core PCE (year-over-year)		