



CABRERA CAPITAL
MARKETS

MUNICIPAL MARKET UPDATE

Public Finance

Mario Carrasco
Managing Director & Head of Investment Banking - Public Finance
(210) 857-8517
mcarrasco@cabreracapital.com

Underwriting

Merita Kulpinski
Director - Lead Municipal Underwriter
(312) 931-6654
mkulpinski@cabreracapital.com

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PRIMARY MARKET ACTIVITY

Last week was another banner week for the muni market with rates relatively stable throughout, and primary deals outperforming in the marketplace. Deals that we witnessed last week performed extraordinarily well with sizable institutional attention and demand. Higher yielding transactions in lower rating categories were in especially high demand. The 1 year, 5 year, 10 year, 20 year and 30 year municipal benchmark rates ended the week at 2.75%, 2.66%, 2.92%, 3.48% and 3.77%, respectively. Muni/Treasury ratios in the 5 year, 10 year and 30 year range ended the week stable at 62%, 66% and 82%. Positive inflows continued, marking the 21st week in a row at \$1.3 billion of muni fund, a staggering number when compared to 2023. The CME FedWatch Tool is now prognosticating a 52% chance of a 25-basis point rate cut in December, which is much lower than previous polls. While the muni yield curve inversion is still evident with the 1 year and 2 year rates at 2.75% and 2.61%, respectively (the 5 year rate is at 2.66%), since the beginning of the year this has continued to unwind. The continued normalization of the yield curve could bring back put bonds in 2025.

Treasuries were stable for the week with the 5 year, 10 year and 30 year closing Friday at 4.30%, 4.41% and 4.60%, respectively. Treasury notes were also stable at 4.42%-4.72% with the 1 month on the high end of that scale. The lowest point of the year on the 10 year Treasury was in early September at 3.65% and while we are far from those lows, the Treasury curve is also normalizing, similar to municipals, however flatness remains and is more pronounced than for munis.

- ✦ The City of Chicago (Cabrera Capital senior manager) priced \$138 million of Second Lien Wastewater Transmission Revenue Refunding Bonds (NR/A+/A+/AA- | BAM Insured AA maturities 2030-2039). Following the premarketing period, yields were adjusted higher by 2 bps in 2035-2039. The transaction did very well in the primary market and was oversubscribed from 1 to 9 times. Spreads were bumped 2-9 bps throughout, excluding the 2027 maturity.
- ✦ Ector County, Texas (NR/AA-/AA-/NR) priced \$317 million of Certificates of Obligation. The transaction pre-marketed the Friday prior to the sale and the 2050 term was switched from a 4% to a 5% coupon and released 12 bps lower than the pre-marketing scale. The transaction entered the market on Monday and required widening of 3 bps in 2037-2047. The short end was well received and was bumped 1-3 bps in 2026-2035, excluding 2027, 2029, and 2030.
- ✦ The City of Houston Airport System priced \$1.1 billion of Special Facilities Revenue Bonds for United Airlines, Inc. Terminal Improvement Projects (Ba3/NR/BB-/NR). The transaction was heavily oversubscribed and bumped 5-15 bps.



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- ✦ The City of Austin Electric Utility System (Aa3/AA-/AA-/NR) priced \$241mm of Revenue Refunding Bonds. The transaction was heavily oversubscribed following the order period and was bumped 2-11 bps throughout the amortization.
- ✦ The State of Connecticut priced \$606 million of Special Tax Obligation Bonds (Aa3/AA/AA-/AAA). The transaction was originally set to be over \$1 billion and was scheduled to price the week following the Thanksgiving Holiday. The State decided to accelerate a portion of the transaction. The transaction was bumped 5 bps in 2025 and cheapened 2-10 bps 2026-2031 following the retail order period. During the institutional order period, the transaction performed well and was bumped 1-5 bps in 2025, 2028-2031 and remained unchanged 2026-2027.

We thank you for your loyalty to our Public Finance team and wish you and your family a Happy Thanksgiving!

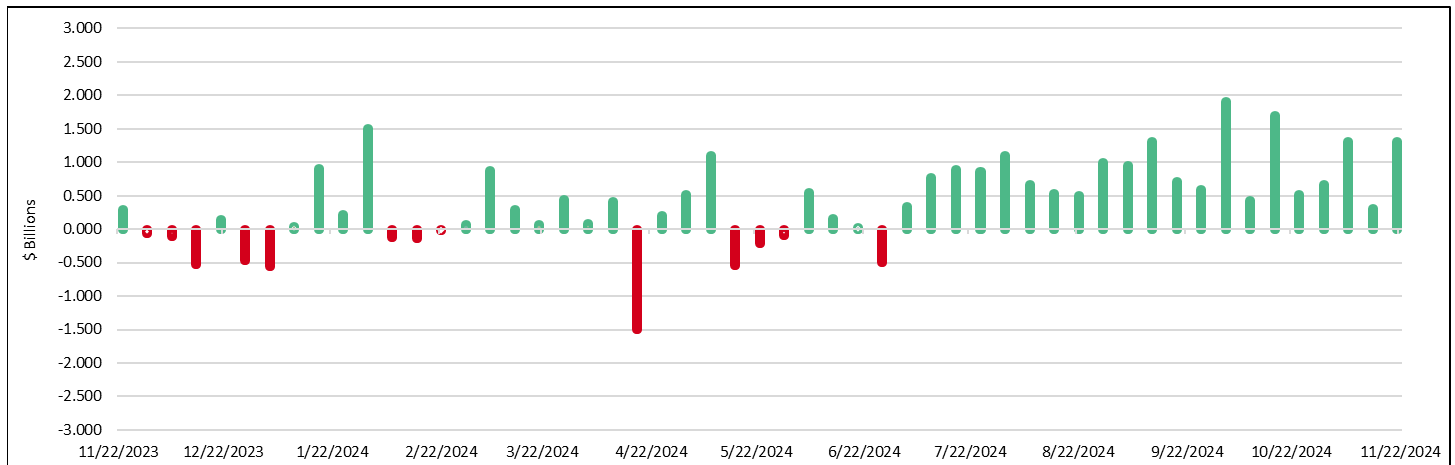
INTEREST RATE SNAPSHOT

Benchmark	Maturity	11/22/2024 AAA MMD	Change from Last Week (bps)	11/22/2024 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2025	2.75	- 4	4.42	+ 8	62.22%	11/22/2024	3.18	\$1,300
2	2026	2.61	- 2	4.37	+ 6	59.73%	11/15/2024	3.59	\$305
3	2027	2.58	+ 2	4.32	+ 5	59.72%	11/8/2024	2.68	\$1,300
5	2029	2.66	+ 2	4.30	-	61.86%	11/1/2024	3.24	\$659
10	2034	2.92	- 2	4.41	- 2	66.21%	10/25/2024	3.51	\$515
20	2044	3.48	- 2	4.67	- 3	74.52%	10/18/2024	4.02	\$1,700
30	2054	3.77	- 2	4.60	-	81.96%	10/11/2024	3.03	\$419

MUNICIPAL FUND FLOWS

Week Ended 11/22/2024 saw inflows of \$1,300 million

Source: Lipper





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UPCOMING NEGOTIATED CALENDAR

Size (\$mm)	Issuer	State	Description
826.979	Main Street Natural Gas, Inc.	GA	Gas Supply Revenue Bonds
480.000	The Industrial Development Authority of Mobile County	AL	Solid Waste Disposal Revenue Bonds
205.250	Aerotropolis Regional Transportation Authority	CO	Special Revenue Bonds
188.610	Westfield Washington Multi-School Building Corporation	IN	Ad Valorem Property Tax First Mortgage Bonds
115.205	Westfield Washington Multi-School Building Corporation	IN	Ad Valorem Property Tax First Mortgage Bonds
88.080	New York State Mortgage Agency	NY	Homeowner Mortgage Revenue Bonds
69.870	Jersey City Redevelopment Agency	NJ	Revenue Bonds
44.245	Manteca Unified School District	CA	Special Tax Bonds
33.275	Bucks County Water and Sewer Authority	PA	Revenue Bonds
32.900	Atlanta Urban Residential Finance Authority	GA	Multifamily Housing Revenue Bonds
31.920	New York State Mortgage Agency	NY	Homeowner Mortgage Revenue Bonds
30.000	Oklahoma Housing Finance Agency	OK	Collateralized Revenue Bonds
25.085	Manteca Unified School District Community Facilities District No. 2000-3	CA	Special Tax Bonds
24.650	South Redford School District	MI	2024 School Building and Site Bonds
17.490	Community Independent School District	TX	School Building and Refunding Bonds
16.500	Texas Affordable Housing Corporation	TX	Multifamily Housing Revenue Bonds
11.400	City of Kenmore	WA	Limited Tax General Obligation Bonds
10.750	Lorain County	OH	Various Purpose (General Obligation Limited Tax) Bond Anticipation Notes, Series 2024 C

NOTABLE FIXED DEALS FROM LAST WEEK

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

City of Chicago*				Conroe ISD**				State of Connecticut			
IL				TX				CT			
1/1/2034				2/15/2033				Non-Callable			
Tax-Exempt				Tax-Exempt				Tax-Exempt			
138.260				129.355				374.795			
BAM Insured NR/AA/NR/NR, Excluding Maturities 2026-2028				PSF Aaa/AAA/NR/NR				Aa3/AA/AA-/AAA			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2026-2028	5.000	2.860-3.020	21-30	2026-2036	5.000	2.760-3.290	18-27	2025-2031	5.000	2.880-3.080	7-30
2030-2039	5.000	2.960-3.610	30-45								

*Cabrera served as Senior

**Cabrera served as Co-Manager

ECONOMIC CALENDAR (ALL TIMES IN ET)

Monday	Tuesday	Wednesday	Thursday	Friday
25-Nov	26-Nov	27-Nov	28-Nov	29-Nov
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)		
2-Dec	3-Dec	4-Dec	5-Dec	6-Dec
9:45 AM S&P final U.S. manufacturing PMI	10:00 AM Job openings	8:15 AM ADP employment	8:30 AM Initial Jobless Claims	8:30 AM U.S. unemployment rate
		2:00 PM Fed Beige Book		10:00 AM Consumer sentiment (prelim)