



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

Monday, November 4, 2024

## PRIMARY MARKET ACTIVITY

It was another difficult week in the municipal bond market as rates finished the week 2-5 basis points higher as the lack of direction (both politically and economically), has created some consternation and minimal activity among the primary and secondary markets. This week the FOMC meets with a rate decision on Thursday November 7th; currently the CME FedWatch tool is factoring in a 98% chance of a 25 basis point rate cut. Last Friday the non-farm payroll number (job creation number) was up a mere 12,000 jobs versus the 100,000 expectation. This was impacted by both the Boeing strike and the October hurricanes. On Thursday the Personal Consumption Expenditures price index showed that inflation continues to moderate, decreasing 0.2% to 2.1% and nearing the Fed's 2% target. All of this news did little to give direction to the bond market, with the 1 year, 5 year, 10 year, 20 year and 30 year muni benchmarks all finishing the week up at 2.85%, 2.70%, 3.02%, 3.58% and 3.87%, respectively. In the past month rates are up anywhere from 38 to 48 basis points; in the past year rates are down anywhere from 72 basis points on the front end to as much as 38-48 basis points on the 10-30 year range. We witnessed an 18th week in a row of positive fund inflows, \$659 million; weekly SIFMA reset down 27 basis points to 3.24%. Municipal volume year-to-date is currently at \$441 million, which is up 37.8% from this time last year.

Treasury yields were up anywhere from 6-15 basis points for the week with the larger upward movements on the front end of the curve. Alternatively, Treasury notes were down for the week by anywhere from 10-14 basis points and the 1 month-6 month T Notes range from 4.75% (1 month) to 4.42% (6 month). 5 year, 10 year and 30 year Municipal/Treasury ratios ended the week at 64%, 69% and 85% respectively. Volume will undoubtedly slow over the next few weeks and the forward calendar is miniscule compared to what we have seen in the past several months, with this week's volume minimal.

The majority of transactions performed well this week, compared to the volatility seen the previous week. With elevated volume to avoid issuing during the Presidential election, most transactions were completed with varying subscription levels and price reductions.

- ✦ City of Atlanta priced \$393 million Water & Wastewater Subordinate Lien Revenue Bonds (BAM Insured NR/AA/NR/NR | Underlying Aa3/A+/NR/NR). The transaction was cheapened 2 bps throughout following the premarketing period. From the institutional order period to the final pricing, the transaction was bumped 1-6 bps in 2029, 2034, 2036, 2040, and 2041, as well as cheapened 1 bps in 2035. The transaction was also restructured on the long end to combine the 2042 maturity with the 2043 maturity, which was then bumped 10 bps.



**CABRERA CAPITAL  
MARKETS**

- ✦ Miami-Dade County Educational Facilities Authority (A2/A-/NR/NR) priced \$865 million of Revenue and Refunding Bonds across two series for the University of Miami. The larger transaction performed well after the preliminary order period and was bumped 1-7 bps 2025-2031, 2047, and 2048. Maturities 2035-2037 were undersubscribed for and cheapened 2 bps. The smaller transaction which had a forward delivery struggled in the preliminary order period and had to be cheapened 3-5 bps throughout.
- ✦ The New Orleans Aviation Board (A2/NR/A/NR) priced \$800 million of general Airport Revenue and Refunding Bonds across 5 series with a combination of AMT, Tax-Exempt and Taxable. Both the AMT and Tax-Exempt transactions performed well after the preliminary order period. The Tax-Exempt transactions were bumped 2-7 bps through 15 years and 6 bps on the 2054 term. The AMT transactions were bumped 1-3 bps through 16 years and 7-10 bps in the terms.
- ✦ The State of Washington (Aaa/AA+/AA+/NR) priced \$1.5 billion of General Obligation Bonds across two series. The transactions performed very well and were oversubscribed throughout, excluding 2026-2028. Both series were bumps 3-7 bps in the oversubscribed maturities.
- ✦ The Harris County Houston Sports Authority (AGM Insured A1/AA/NR/NR, Underlying Senior Lien A3/A-/NR/NR, Underlying Second Lien Baa1/BBB+/NR/NR) priced \$375 million of Revenue Refunding bonds across the Senior Lien and Second Lien. Both series remained unchanged in spreads from the premarketing period, but the Senior Lien transaction was restructured to remove the 2031-2033 and 2035-2036 maturities. Both series struggled in the institutional order period; the Senior lien was bumped 2 bps in 2027 and 4 bps in 2034 and the Second Lien was bumped 2bps in 2030-2032 and 3-7 bps 2043-2046. Unsold balances remained after the reprice.

**INTEREST RATE SNAPSHOT**

Benchmark	Maturity	11/1/2024 AAA MMD	Change from Last Week (bps)	11/1/2024 U.S. Treasury	Change from Last Week (bps)	Muni/UST Ratio	Date of Week End	SIFMA Index	Municipal Fund Flow (in Millions)
1	2025	2.85	+ 2	4.28	- 1	66.59%	11/1/2024	3.24	\$659
2	2026	2.69	+ 4	4.21	+ 10	63.90%	10/25/2024	3.51	\$515
3	2027	2.62	+ 4	4.18	+ 13	62.68%	10/18/2024	4.02	\$1,700
5	2029	2.70	+ 6	4.22	+ 15	63.98%	10/11/2024	3.03	\$419
10	2034	3.02	+ 5	4.37	+ 12	69.11%	10/4/2024	3.00	\$1,900
20	2044	3.58	+ 4	4.68	+ 10	76.50%	9/27/2024	3.15	\$592
30	2054	3.87	+ 5	4.57	+ 6	84.68%	9/20/2024	3.53	\$716

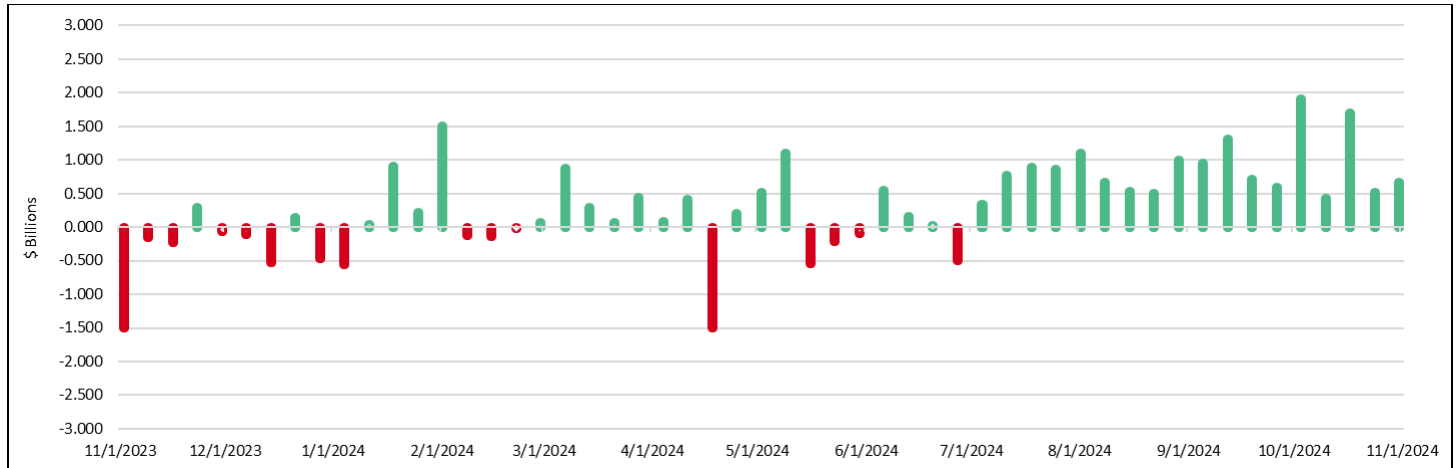


**CABRERA CAPITAL  
MARKETS**

**MUNICIPAL FUND FLOWS**

Week Ended 11/1/2024 saw inflows of \$659 million

Source: Lipper



**UPCOMING NEGOTIATED CALENDAR**

Size (\$mm)	Issuer	State	Description
32.410	Monterey County Office of Education	CA	2024 Certifications of Participation
31.000	Lebanon Community School Corporation	IN	Ad Valorem Property Tax First Mortgage Bonds
25.000	California School Finance Authority	CA	Charter School Revenue Bonds
13.980	Community Unit School District Number 4, Monroe-St. Clair Counties (Columbia)	IL	General Obligation School Bonds
13.865	Passaic County Improvement Authority	NJ	County Guaranteed Revenue Bonds
10.830	City of Anderson	SC	Limited Obligation Bonds
5.700	Northeastern Wayne Jr./Sr. High School Building Corporation	IN	Ad Valorem Property Tax First Mortgage Bonds
5.000	American Municipal Power Inc.	OH	Electric System Improvement Bond Anticipation Note
5.000	Wabash City School Building Corporation	IN	Ad Valorem Property Tax First Mortgage
3.500	Richland-Bean Blossom Community School Corporation	IN	General Obligation Bonds
1.100	Tri-Central Community Schools	IN	General Obligation Bonds

**NOTABLE FIXED DEALS FROM LAST WEEK**

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

City of Atlanta*				City of Corpus Christi**				Harris County**			
Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread	Maturity	Coupon	Yield	Spread
2029-2041	5.000	2.890-3.700	23-40	2025-2035	5.000	2.920-3.450	27-43	2025-2030	5.000	3.030-3.280	45-54
2043	4.000	4.100	62					2034	5.000	3.540	56
								2038-2039	5.000	3.780-3.810	64-65
								2040-2044	4.000	4.050-4.300	76-85

\*Cabrera served as Co-Senior

\*\*Cabrera served as Co-Manager



**CABRERA CAPITAL  
MARKETS**

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

Monday	Tuesday	Wednesday	Thursday	Friday
<b>4-Nov</b>	<b>5-Nov</b>	<b>6-Nov</b>	<b>7-Nov</b>	<b>8-Nov</b>
10:00 AM Factory orders	8:30 AM U.S. trade deficit	9:45 AM S&P final U.S. services PMI	8:30 AM Initial jobless claims	10:00 AM Consumer sentiment (prelim)
			2:00 PM FOMC interest-rate decision	2:00 PM Monthly U.S. federal budget
			2:30 PM Fed Chair Powell press conference	
<b>11-Nov</b>	<b>12-Nov</b>	<b>13-Nov</b>	<b>14-Nov</b>	<b>15-Nov</b>
Veteran's Day holiday, bond market closed	6:00 AM NFIB optimism index	8:30 AM CPI year over year	8:30 AM Initial jobless claims	8:30 AM US retail sales
			8:30 AM PPI year over year	9:15 AM Industrial production